CONGRESSIONAL RECORD:

CONTAINING

THE PROCEEDINGS AND DEBATES

OF THE

SIXTY-THIRD CONGRESS, FIRST SESSION.

VOLUME L.

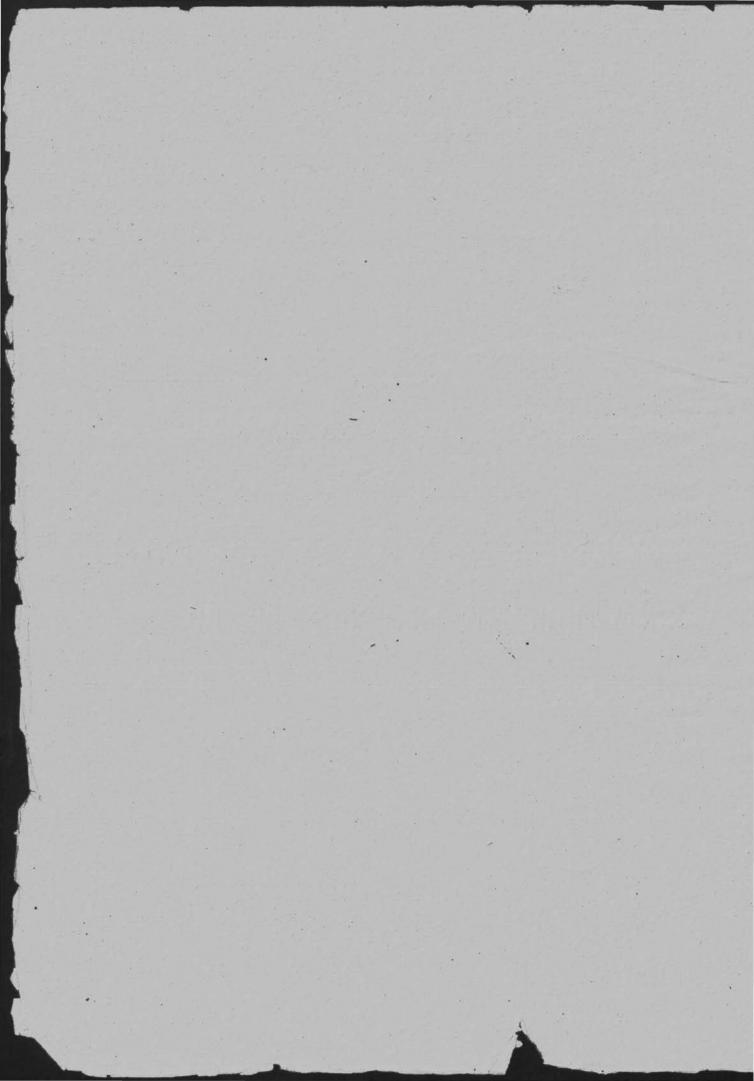
WASHINGTON

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VOLUME L, PART IV.

CONGRESSIONAL RECORD,

SIXTY-THIRD CONGRESS, FIRST SESSION.



SENATE.

Monday, August 4. 1913.

Prayer by the Chaplain, Rev. Forrest J. Prettyman, D. D. The Journal of the proceedings of Saturday last was read and

PETITIONS AND MEMORIALS.

Mr. WEEKS presented resolutions adopted by the Ancient Order of Hibernians of Plymouth County, Mass., remonstrating against the repeal of the clause in the Panama Canal law exempting American coastwise vessels from the payment of tolls, which were referred to the Committee on Interoceanic Canals.

He also presented a memorial of the New York Zoological Society, remonstrating against the adoption of the proposed amendment to the clause in the pending tariff bill relating to the importation of aigrettes, and so forth, which was ordered

to lie on the table.

Mr. CLAPP (for Mr. POINDEXTER) presented a resolution adopted by the Chamber of Commerce of Montesano, Wash., favoring an appropriation for the fortification of Grays Harbor, Wash., which was referred to the Committee on Commerce.

He also (for Mr. Poindexter) presented a resolution adopted by the Commercial Club of Ritzville, Wash., favoring an appropriation for the improvement of the Columbia and Snake Rivers, Wash., which was referred to the Committee on

REVISION OF THE PATENT LAWS (S. DOC. NO. 151).

Mr. BRANDEGEE. Mr. President, I have here a petition, including resolutions adopted by the Inventors' Guild, held at New York City, May 28, 1913, in relation to a revision of the patent laws of the United States, which I think is an exceedingly important matter, and I will ask that the petition be printed in the RECORD and referred to the Committee on

There being no objection, the petition was referred to the Committee on Patents and ordered to be printed in the RECORD, as follows:

Resolutions adopted at a meeting of the Inventors' Guild, held at New York City, May 28, 1913.

Whereas the advanced position of the United States among the nations of the world as regards manufacturing and inventive progress has been primarily due to the farsighted provision in the United States Constitution under which improvement by invention was stimulated by granting letters patent for limited times.

Whereas the fact that certain trusts and large corporate manufacturers have been accused of using patents improperly, both offensively and defensively, to aid them in effectually stifling competition, has resulted in the introduction of bills before Congress intended to regulate such abuses by making radical changes in the United States patent system.

late such abuses by making radical changes in the United States patent system.

Whereas the hearings on the Oldfield bill (H. R. 23417) in the spring of 1912 demonstrated that there were marked differences of individual opinion among inventors, legislators, manufacturers, and patent lawyers as to the changes in our patent system which would be desirable to subserve the best interests of the United States.

Whereas there is now pending before the Sixty-third Congress in the House of Representatives a bill (H. R. 1700) introduced by Mr. OLDFIELD, Representative from Arkansas, which provides for radical changes in the United States patent system fraught with the most serious consequences to the people of the United States, and especially to independent and competitive manufacturers and inventors. Whereas the intention of the United States Constitution to stimulate the publication of valuable inventive thought by granting and securing an exclusive right to the inventor who first publishes his invention through the agency of a patent of the United States seems to have been lost sight of in said Oldfield bill (H. R. 1700), and said proposed law would tend to reduce instead of tending to increase the creation and publication of inventions valuable to the people of the United States.

Whereas President Wilson has recently given warning to the people of the United States of the importance of these questions in the following language:

"Do you know, have you had occasion to learn, that there is no

the United States of the importance of these questions in the following language:

"Do you know, have you had occasion to learn, that there is no hospitality for invention nowadays? * * *
"I am not saying that all invention has been stopped by the growth of trusts, but I think it is perfectly clear that invention in many fields has been discouraged; that inventors have been prevented from reaping the full fruits of their ingenuity and industry; and that mankind has been deprived of many comforts and conveniences as well as the opportunity of buying at lower prices. * * *
"One of the reforms waiting to be undertaken is a revision of our patent laws." ("The New Freedom," in World's Work, June, 1913.) Whereas the Inventors' Guild, composed exclusively of independent inventors, petitioned President Taft on November 24, 1911, for his aid in securing the appointment of a patents commission to investigate and report upon the subject of possible improvement of the patent system for the benefit of the United States.

Whereas the various chambers of commerce in the principal cities of the United States are fairly representative of all the interests concerned in this matter, including manufacturers, inventors, and the people generally: Be it

Resolved, That the Inventors' Guild does hereby invite each of the

Resolved, That the Inventors' Guild does hereby invite each of the chambers of commerce, and similar representative organizations throughout the United States, to aid the Guild in its efforts to se-

cure the appointment of a patents commission by urging the Congress of the United States that they provide for such a commission made up of unbiased, independent, nonpartisan men of such national standing as will command the respect and confidence of the whole country, and chosen from different walks of life, and serving without pay. Said commission to hold public hearings, and otherwise, as may appear to them best, to make a thorough and careful study of the American patent situation, and to prepare and submit a comprehensive report and recommendations to Congress for such changes as may, as the result of their study, appear to them expedient, whether in the Patent Office, in the method of court procedure, or in the organic patent law, and to submit recommendations as to the legislation they would propose for effecting such changes. And the guild further requests the several chambers of commerce to urge the Congress that they make ample provision for the expenses of such a commission, and that they hold in abeyance all proposed legislation affecting the patent system, in whatsoever way, until such time as the said commission shall have had ample opportunity to hold the said hearings and make the said study and report; and be if

*Resolved**, That the Inventors' Guild does hereby urge the several chambers of commerce, and similar representative organizations throughout the United States, to pass resolutions addressed to President Wilson, and use such other proper influence to the end that he lend his assistance in securing the appointment of the said patents commission for the purposes herein indicated; and a copy of them, together with a copy of the resolutions be printed, and a copy of them, together with a copy of the resolutions passed by the Inventors' Guild November 24, 1911, addressed to President Taft, and together with a copy of the resolutions passed by the Inventors' Guild November 24, 1911, addressed to President Taft, and together with a copy of the resolutions of the Inventors' Guild dated May 31,

Resolution adopted at a meeting of the Inventors' Guild, held at New York May 31, 1912.

York May 31, 1912.

Whereas the Inventors' Guild, composed exclusively of independent and experienced inventor-patentees, in November, 1911, petitioned President Taft to recommend to Congress that appropriate action be taken by him to secure the appointment of a commission, or its equivalent, which commission should consider the patent system of the United States with the object of accomplishing needed reforms in the Patent Office and in the courts which hear and decide patent causes; and Whereas President Taft upon May 10, 1912, sent a special message to Congress requesting authority to appoint a commission to investigate and report upon such reforms, if any, as may be needed in connection with the United States patent system:

with the United States patent system:

Resolved, That the Inventors' Guild does hereby by unanimous vote give expression to its unqualified indorsement of the policy of President Taft looking to the appointment of a commission to thoroughly investigate this intricate and important subject before the passage of legislation. And the Inventors' Guild respectfully makes the suggestion that such a commission should be one upon which there should be representatives of all important interests affected by the patent system, such as the general public, the inventors, the manufacturers, the courts, and the patent lawyers; and that the general public should have the greatest number of representatives upon the commission, inasmuch as modifications in the patent laws and court procedure should be made only in order to promote the general welfare of the United States, regardless of the interests of special classes, such as inventors, manufacturers, court officials, patent lawyers, etc.

Resolved, That a copy of this resolution and of the resolution which the Inventors' Guild addressed to the President upon November 24, 1911, be sent to every Member of Congress.

Attest :

THOMAS ROBINS, Secretary,

Resolution adopted at a meeting of the Inventors' Guild held at New York City November 24, 1911.

To the Hon. William H. Taft, President of the United States:

York City November 24, 1911.

To the Hon. William H. Taft, President of the United States:

Whereas, the Constitution of the United States provides:

"The Congress shall have power to promote the progress of science and useful arts by securing for limited times to inventors the exclusive right to their respective discoveries"; and
Whereas this constitutional provision was intended to obtain for the benefit of the Nation the publication of every new and useful invention in such full, clear, concise, and exact terms as to enable any person skilled in the art or science to which it pertains to make, construct, compound, or use the invention after the limited time for which the exclusive right is secured to the inventor by patent, and thereby to secure for the Nation the great benefit which all experience shows results to a nation from publishing inventions, in contradistinction to following a policy which would tend to encourage trade secrets, monopoly, and trade combinations, which minimize the value of inventions to the Nation; and
Whereas a patent is in effect a contract between the Government and the inventor by which the Government, in consideration of the right to publish the invention for the benefit of the Nation, agrees that in return for his satisfactory disclosures of his new and useful invention under reasonable conditions, to be determined by the Government, it will secure the inventor for a limited time in the exclusive right to his new and useful invention; and
Whereas an inventor, after having performed his part of the contract by having made proper disclosure of a new and useful invention to the United States Government officials, is frequently subjected to unreasonable delay, expense, and injustice before obtaining his patent; and after having obtained his patent is not equitably secured in his exclusive right as the Constitution intended that he should be secured in return for his disclosure in good faith of his new and useful invention, and as a consequence of this unfair treatment of inventor-

Whereas the United States patent system has been evolved to its present condition without proper consideration of the rights of the Nation and of the inventors, who are the two real parties at interest, but, on the contrary, has been developed to its present condition almost entirely as the result of suggestions from persons who do not occupy the position of one of the parties to the contract which every patent represents, and who do not suffer damage from the delays, complications, injustice, and expense characteristic of the United States patent system and the United States courts which hear patent causes, said damage being borne principally, but indirectly, by the Nation, and to a lesser degree, but directly, by the Inventor-patentees, said damage being borne principally, but indirectly, by the Nation, and to a lesser degree, but directly, by the Inventor-patentees, and by their very nature are opposed to new processes and new products originated by independent inventors, and hence tend to restrain competition in the development and sale of patents and patent rights, and consequently tend to discourage independent inventive thought to the great detriment of the Nation and with injustice to inventors whom the Constitution especially intended to encourage and protect in their rights; and

Whereas under existing methods of trying patent causes an inventor-patentee of average means could not, at his own expense, carry to a conclusion an average patent litigation against a wealthy opponent, and therefore a few wealthy concerns usually acquire nearly all important patents in their field to the great damage of the Nation because of the restraint of competition and because of the resulting tendency of such inventors to seek protection for their inventions by trade secrets or else to cease inventive work; and

Whereas efficient protection by patent of new and useful inventions would offer to the average American manufacturer one of the best methods of meeting foreign competition and would, in addition, with resulting

INVENTORS' GUILD, By RALPH D. MERSHON, President.

Attest:

THOMAS ROBINS, Secretary.

Mr. BRANDEGEE. At the same time I ask to have printed as a public document a report of the committee of the Patent Law Association of Chicago, Ill., in relation to the same matter.

The VICE PRESIDENT. Is there objection? The Chair

hears none, and it is so ordered.

THE TARIFF-COTTON MANUFACTURES.

Mr. LIPPITT. Mr. President, I should like to give notice that on Wednesday next, at the close of the morning busines I will make a few remarks upon the textile schedules in the pending tariff bill, and with special reference to Schedule I.

PERSONATION OF MEMBERS OF CONGRESS,

Mr. CUMMINS. On behalf of the Committee on the Judiciary, I report favorably with amendments the bill (S. 2674) to define certain crimes and to provide punishment therefor, and I submit a report (No. 97) thereon. I ask that the bill be reprinted, showing in italics the amendments as proposed by the com-

I desire to say at this time that at the very first opportunity, whenever it will not unduly interfere with the consideration of the tariff bill, I intend to ask unanimous consent for the consideration of the bill. It is to provide punishment for certain acts which ought to be offenses against the law of the United States, but which are not, the necessity for which has been developed in the investigation carried on by the lobby investigating committee. I believe I can say it will meet with the general approval of all Senators. I do not intend to ask for the consideration of the bill at this moment, but I shall ask for its consideration presently.

Mr. PENROSE. I understand that the Senator has reported

the bill this morning?

Mr. CUMMINS. I have.

Mr. PENROSE. I am very glad to know that the bill has been reported out of the committee and that it is the intention of the Senator from Iowa to push its consideration.

Mr. CUMMINS. I ask to have the bill reprinted with the proposed amendments, which are not substantial, in italics. The VICE PRESIDENT. That is always done. The bill

will be placed on the calendar.

BILL INTRODUCED.

A bill was introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. McLEAN:

A bill (S. 2881) granting an increase of pension to Francis G. Newton (with accompanying paper); to the Committee on Pensions.

AMENDMENT TO THE TARIFF BILL.

Mr. CUMMINS. I submit a proposed amendment to House bill 3321 by way of a substitute for what is known as the metal schedule of the proposed tariff law, Schedule C. I ask that it be printed and lie on the table.

The VICE PRESIDENT. That action will be taken.

ULYSSES GORDON.

Mr. SMITH of Arizona submitted the following resolution (S. Res. 150), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Secretary of the Senate be, and he hereby is, authorized and directed to pay, out of the contingent fund of the Senate, to Ulysses Gordon, son of Anderson Gordon, late a hostler in the employ of the Senate, a sum equal to six months' salary at the rate he was receiving by law at the time of his death, the said sum to be considered as including funeral expenses and all other allowances.

PROPOSED AID IN THE MOVEMENT OF CROPS.

Mr. TILLMAN. Mr. President, I send to the desk two letters which I ask to have read and inserted in the Record.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Secretary will read as requested. The Secretary read as follows:

Newberry, S. C., August 2, 1913.

Senator B. R. TILLMAN, Washington, D. C.

Senator B. R. Tillman,

Washington, D. C.

Dear Senators Tillman: I noticed your interview in the paper on the currency question, and I certainly wish to commend your position. I wonder if you have any idea how tight money matters are here in this State? Do you know that it is not possible to sell farm produce in any quantity for cash? Oats have been sold in this town by the farmers for as low as 45 cents, and few could be sold at that price, simply because the merchants did not have the money to buy with. The Standard Warehouse Co. for the first time in its history has demanded that money borrowed on cotton be paid, thus causing the farmers and merchants of this community to unload 2,000 bales of cotton when there was no demand for it. Do you know that the cotton mills are trying to buy cotton on credit, claiming that they have no money to finance their business? A party in this town who held 1,500 bales of cotton tried mills all over the country to secure a buyer. One firm offered to take the entire lot, provided it would be sold to him on 30 days' time; the largest offer he had besides that was for 100 bales, several of the mills stating that they could use more, but could not secure the money to finance such a large purchase. A leading meat dealer in another town sold a car of meat in this town and later had to have it held up for a few days, as he did not have the money with which to handle the car. This will give you at least some idea of conditions in this State, Unless something is done, and that right now, we are going to be up against a proposition the like that this country never saw before. I notice that you speak of issuing clearing-house certificates as they did several years ago. I am advised by one of our business men that T. B. Stackhouse, of Columbia, told him that under the Aldrich currency act that clearing-house certificates could no longer be issued. It might be well for you to investigate this matter, for if this could be done it would tend to relieve matters somewhat.

Yours, cordially,

PARKER COTTON MILLS Co., Greenville, S. C., August 2, 1918.

Hon. B. R. TILLMAN, United States Senate, Washington, D. C.

Hon. B. R. Tillman,

United States Senate, Washington, D. C.

My Dear Senators: I have read with interest your reported interview upon the question of relief in the present financial stringency through deposit on the part of the Government of funds to enable the crop to be moved without too great sacrifice in price.

I congratulate you upon the published statement of Secretary McAdoo that he would make such deposits.

This conclusion has doubtless been due to the pursuasive argument of yourself and others. In my judgment such a course on the part of the Secretary of the Treasury is both justified and necessary. Unless the Government comes to the relief at this time of southern and western banks, particularly southern, there must be very serious hesitation on the part of any buyers of agricultural commodities, in purchasing, and correspondingly a sacrifice on the part of producers in selling.

Whether the course of the banks in reserve cities is dictated by a desire to embarrass the administration, as claimed by some, or whether, through extreme caution, these banks have determined to bring about a general liquidation and reduction of credits, the effect is the same, viz, that a condition of financial stress has been brought about, which in my judgment is unjustifiable, under the circumstances.

Personally I do not believe that the policy of the banks is generally being dictated from antagonism to the present administration. I do believe, however, that there is no justification for the extreme timidity now being displayed by them. The effect, however, is the same, viz, a financial stringency has been brought about which does not to me seem to be the result of existing conditions throughout the country, which on the whole would be prosperous, if it were not for financial conditions.

With personal regards, and again expressing my appreciation of your efforts, which I believe will result in much good,

Yours, very truly,

PARKER COTTON MILLS Co., LEWIS W. PARKER, President.

THE TARIFF.

The VICE PRESIDENT. The morning business is closed. Mr. SIMMONS. I ask unanimous consent that the Senate proceed to the consideration of House bill 3321.

There being no objection, the Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 3321) to reduce tariff duties and to provide revenue for the Government, and for other purposes.

Mr. STONE. I understand that the senior Senator from Montana [Mr. Myers] has given notice of his purpose to address the Senate to-day, but before he begins I will, with his permis-

Mr. GALLINGER. Mr. President, I trust there will be order in the Chamber. The Senator is not heard here.

The VICE PRESIDENT rapped with his gavel.

Mr. STONE. I will repeat, that I understand the senior Senator from Montana [Mr. Myers] is scheduled to address the Senate to-day on the tariff bill. Before he does so, if he should conclude to proceed and before the bill is entered upon in due course, I desire, with the permission of the Senate, to put into the Record some matter that I think very pertinent at this time in view of what has been so frequently said by our friends on the opposite side of the Chamber and of what they have put into the Record in the way of letters, excerpts from newspapers, and so forth.

On Saturday, during the absence of the distinguished senior Senator from Pennsylvania [Mr. Penrose], I put into the Record a dispatch from Altoona-I took it to be an Associated Press dispatch—which I clipped from one of the newspapers containing it, showing that each day during the month of July eleven hundred and eighty-five more loaded freight cars had passed through, going and coming, than had passed the same point dur-ing the previous July, and that that was a record-breaking shipment, being a thousand cars a day more than had ever passed that point in any July. The Senator was not here, and I simply call attention now in his presence to what I did on Saturday.

Mr. PENROSE. Mr. President, will the Senator answer a

question?

Mr. STONE.

Mr. PENROSE. I should like to ask the Senator from Missouri whether he knows the character of that freight, and whether a large part of it was not carrying goods in bond to be dumped on the American market as soon as this bill passes?

I have no information-Mr. STONE.

Mr. PENROSE. That is partly my information. Mr. STONE. I have no information, as a matter of course, as to the character of the freight, nor has the Senatof from

Pennsylvania.

Mr. PENROSE. No; only current reports of the enormous amount of goods and commodities that are in bond, concerning which we hope to have information if the Secretary of the Treasury sees fit to answer the resolution of the Senator from Utah [Mr. SUTHERLAND].

Mr. STONE. I should not think, Mr. President, that any great amount of that kind of freight would be passing through

Altoona during the month of July.

Mr. PENROSE. The last time I was in Pittsburgh I was informed-and I do not vouch for the accuracy of this statement-that commodities imported to the extent of millions of dollars' worth were there in bond.

Mr. OLIVER. Mr. President-

The VICE PRESIDENT. Does the Senator from Missouri yield to the junior Senator from Pennsylvania?

Mr. STONE. Well, I will hear the other Senator from Penn-

Mr. OLIVER. I would suggest to the Senator from Missouri that if what he says is true it ought to show a condition of prosperity existing in this country at the present time which would be well not to interfere with.

Mr. STONE. Mr. President, I am answering the charge, oft repeated on the other side, that we are interfering with it, and that by reason of the interference business disturbances are now occurring all over the country; and that we are now not only fronting but are practically in the very midst of a great business depression.

Mr. President, of course I do not know what kind of freight was inclosed in cars passing over the Pennsylvania Railroad east and west, nor does either of the Senators from Pennsylvania know any more about that than I. I can assume, as I do assume-I do not assert, for I can not assert without knowledge-but I can assume with good reason that it was the ordinary freight that is carried to and fro by this railroad in some form of American merchandise.

Mr. PENROSE. Will the Senator permit me? Mr. STONE. Yes.

Mr. PENROSE. Does the Senator from Missouri think that the pending tariff bill is calculated to greatly increase that traffic on the railroads?

Mr. STONE. I do not think it is calculated to reduce that

Mr. PENROSE. And if the Senator will-

Mr. STONE. And I do not think, speaking with candor as to my own opinion, that the pending tariff bill will so affect the industrial conditions of the country as to increase that traffic, but it will not discourage or decrease it. I think the tendency will be to better conditions.

Mr. PENROSE. If the Senator desires to pursue that line of inquiry, which I had not intended to press, I will furnish him with all the statistics he wants about the present industrial conditions. I have just returned to Washington. I happen to have in my hand here a letter which came in my mail from a very responsible citizen of Union County, Pa., a former Member of Congress, in which the writer says:

ber of Congress, in which the writer says:

The Halfpenny Woolen Factory, of this place, which has been in continuous operation for many years, was closed down last week, with 200 hands out of employment. The manager advises us that he has no idea when they would ever start if the Underwood bill is passed, as they could not meet European competition.

As another indication of the trend of business affairs I inclose a memorandum from one of the largest advertising agencies in the United States, which speaks for itself. These people handle the Pinkham contracts and other important advertising. They were asked for an advance of rates on account of the increased circulation of a certain paper, and this is the reply:

"The price and conditions of the inclosed Pinkham contract are exactly the same as the last.

"Owing to the depression in the general business conditions of the country, we feel that we are fortunate to be able to send a continuation of this advertising to such papers as accept an exact renewal."

It is very unfortunate that this business depression deprives

It is very unfortunate that this business depression deprives the American people of the circulation of this valuable vege-

table compound; or at least curtails it.

Mr. STONE. Mr. President, it has been suggested to me by my friend from Kentucky on my right [Mr. James] to inquire of the Senator from Pennsylvania if he can give us any advertising news about Peruna. I hope the information the Senator now has is more precise than that upon which he based some of his former statements.

Mr. PENROSE. My information is entirely accurate, Mr. President, as have all my statements been substantially accu-

Mr. STONE. Mr. President, we all recall what the Senator said three or four days ago about the closing down of the Sharples Cream Separator Co., at Chester, a short distance from Philadelphia. I desire to add a little to what I have already

put into the RECORD on that subject.

The Senator from Pennsylvania stated last week that he had accurate information to the effect that the Sharples Cream Separator Co. had closed down and was moving its entire business to Hamburg, Germany; that, except for the dumb, silent structures, which a few months ago were full of the music of industry, there was not a vestige left in Pennsylvania of that great industry; and that hundreds of people previously employed there had been thrown out of work. A day or two after that I called attention to a very strong disclaimer by the president, or some one of the chief officers, of that corporation, most emphatically denying the accuracy of the information upon which the Senator predicated his statement, and saying that their corporation was in full blast; that it was carrying on its business now; that it intended to carry it on; and that they had no thought of suspending it. So the Senator was evidently mistaken, although positive in his assertion. produce a little additional testimony on that subject. I have here a statement clipped from the West Chester (Pa.) Star of Friday, July 25, 1913, which I wish to read. It is as follows:

[From the West Chester (Pa.) Star, Friday, July 25, 1913.] SHARPLES HAS BUSY SUMMER-UNPRECEDENTED MID-YEAR SEASON KEEPS LOCAL INDUSTRY ACTIVE-TO LENGTHEN DAYS.

LOCAL INDUSTRY ACTIVE—TO LENGTHEN DAYS.

The Sharples Separator Co., which operates a large factory in this borough, has not been so busy at this time of the year as it is now for many years. The orders, so it was learned from an authoritative source last evening, were never so heavy following July 1 as they are this year.

The present unusually busy season at the Sharples works will probably continue for months, judging from the present outlook. This summer will be a record one for the local industry.

This is from the very town where that industry is located. Remember, that is one of the establishments which the Senator from Pennsylvania stated had been closed.

Mr. PENROSE. Mr. President

Mr. STONE. Just wait a moment. Here is another clipping, headed "Plant will stay in West Chester." This is from the Daily Local News, of West Chester, of July 31, 1913, and is as follows:

Employees of the Sharples Separator Works, of West Chester, were surprised to read in the Philadelphia papers this morning an item as follows:

"The Sharples Cream Separator concern, located near Philadelphia, has within a week completed the absolute transfer of its plant to Ham-

burg, Germany, and no longer is there a vestige of it left in the State of Pennsylvania. This concern employed many persons."

That is a quotation from the speech of the Senator from Pennsylvania, made a day or two before.

Inquiry at the business office of the company during the morning elicits a statement from the officials that there is no truth in the article; that the works will not be moved, and nothing of the kind had been contemplated, which is real and good news.

Now, if the Senator from Pennsylvania desires to interrupt me, I shall be glad to hear him.

Mr. PENROSE. Mr. President, I think the Senator from Missouri is straining a great deal at trifles and at phraseology which might have been uttered in the heat of debate. My statement as to conditions regarding this industry was substantially I quote from the Philadelphia Ledger of Saturday accurate. last as follows:

For the last 10 years the Sharples Co. has been operating a factory near Hamburg. It also has a plant at Toronto. The German factory, Mr. Sharples said, supplies the European market and the one at Toronto takes care of the Canadian trade. He pointed out that it is cheaper to make separators and milkers in those countries, especially in Germany, owing to cheap labor there. The removal of the tariff on such articles would permit German and French manufacturers to send a cream separator to be sold in this country for \$14 in competition with similar machines now being offered at from \$25 to \$55, he explained.

I have a telegram here from Mr. Sharples, the president of the Sharples Separator Co., addressed to Hon. Thomas S. BUTLER, a Representative from the West Chester district, and it is dated Alexandria Bay, August 2:

ALEXANDRIA BAY, N. Y., August 2, 1913.

Hon. Thos. S. Butler, West Chester, Pa.:

West Chester, Pa.:

The Sharples Separator Co. has established at Hamburg, Germany, a complete modern plant for the manufacture of cream separators. Our present West Chester plant is the most complete cream separator manufactory in the world. In justice to our customers we must produce our separators where they can be produced to the best advantage. If the tariff on separators is removed, either wages in America must come down or the foreign-built machine be imported. As wages in Germany are much lower and labor is the chief expense in producing a separator, we have prepared for this emergency.

The Sharples Separator Co.

THE SHARPLES SEPARATOR CO., P. M. SHARPLES, President.

Now, if the Senator from Missouri can derive any consolation from the fact that this institution at West Chester may be here for a few weeks longer, and that the period of its departure was slightly incorrectly stated by me, I am willing to concede to him all the consolation he can get; but, as a matter of fact, here is a telegram from the president of the company, stating that if the pending Democratic tariff bill passes with cream separators on the free list he is prepared for the result.

Mr. STONE. Mr. President, all of us are flooded with letters and telegrams of that general character about practically every item in this bill, that if we pass the bill as it is now pending in the Senate this industry and that industry is going to suffer unless wages are reduced, and so on and so forth. That has been the argument on the other side in all the speeches that have been delivered here, and Senators have read such telegrams and letters as that just presented; they have burdened the RECORD with them, hoping to excite public opinion and influence legislation, but the Senator from Pennsylvania, going beyond the field of legitimate disputation, has attempted to emphasize his arguments and those of his colleagues by assuring the Senate that already, in advance of the passage of this bill, a crash had come and that industries were falling all over the land. To prove the existence of this industrial catastrophe he referred us to this particular enterprise as having already closed its doors and moved its business from this country to a foreign country. But, notwithstanding the Senator's former statement and his statement to-day, the Sharples Co. remains and is crowded with business.

Mr. PENROSE. The Senator from Missouri repeats the statement with great unction, but it is not unusual in obituary notices to make a mistake in the date of the funeral. [Laughter.]

Mr. STONE. Yes; but it is a little unfortunate to preach the funeral of a man when he is in the full vigor of life.

Mr. PENROSE. No; moribund, Mr. President.

Mr. STONE. And confessedly better off than he has ever been before.

Mr. PENROSE. The Senator has queer ideas of vitality.

Mr. STONE. I have pretty clear ideas on that subject.

Mr. PENROSE. I said "queer ideas." Mr. STONE. Oh, "queer ideas." Then, the Senator thinks that it is queer to say that it is a strange thing to preach a healthy man's funeral, even when he is healthier than he ever

was before. I rather think the Senator has queer ideas.

Mr. PENROSE. Here is a statement, Mr. President, of the president of the company, who states that, if this bill passes, his works will practically be out of business in the United

States, and that cream separators will be brought from Germany, and then very likely the large, over-laden traffic through Altoona will consist of trains of indeterminate length leaded with German cream separators.

Mr. STONE. The president of this company who sent that telegram contradicting the statement of fact made by the Senator last week regarding his business may now endeavor to help him out in his effort to keep the tariff on his product as it now is. That is what we might expect. They all do it.

Mr. PENROSE. I do not desire to pursue this discussion with the Senator. I will merely state that this telegram which hold in my hand was sent to the Representative from the district without my knowledge and without my request, and was sent over to me this morning by the Representative or his secretary. It was not addressed to me at all.

Mr. STONE. But the Representative sends it to the Senator. can quite well understand.

Mr. PENROSE. He sends it over to me, the Representative having a desire to clear up a situation in which there appeared to be some trivial conflict as to statements of detail.

Mr. STONE. Oh, "trivial," the Senator calls it.
Mr. PENROSE. I do say it is trivial whether a concern
moves out this week or next month.
Mr. STONE. Oh! And does the Senator think it is going to

move out next month when the West Chester newspapers print the fact as coming from the office of this corporation present is an unusually busy season at these works, and judging from the present outlook this summer will be a record one for this industry"? Two of these newspapers printed at West Chester give these statements out on the authority of the officers of this corporation.

Mr. PENROSE. I do not know anything about these newspapers, but I suspect they must be Democratic papers, the editors of which are candidates for the office of postmaster. [Laughter.] The concern will not be run by glowing newspaper reports.

Mr. STONE. No; and it will not be destroyed by doleful statements made by Senators on the floor of this Chamber. I will now leave this Sharples incident where it is.

Mr. President, I have a letter here from Mr. R. K. Bogan-I do not know the gentleman-of Scitico, Conn., which I desire to put in the RECORD. He says:

Hon. William J. Stone, United States Senate, Washington, D. C.

Hon. William J. Stone,

United States Senate, Washington, D. C.

Dear Sir: In his recent tariff speech Senator McLean, of this State, is reported to have blamed upon the Democratic Party policy the straits in which two large woolen concerns are said to find themselves. If the Senator is consistent, he should then give credit to the same cause for the prosperity other concerns in this State now enjoy. In the last session of the Congress which preceded the presidential election letters were read and afterwards printed in the Congressional Record, bearing upon the wool situation. Among the letters there was one from the president of the Somerville Manufacturing Co., of Somerville, Conn. The president of that company, George E. Keeney, one of the old-time Republican leaders of the State, was so opposed to any change in Schedule K that he threatened the night before election to close down his millis if his employees helped in any way to bring about a Democratic victory. To-day the Somerville Manufacturing Co. is so rushed with orders that part of the season the mills have been running night and day. Even now they would run the same way, only the help are not anxious to be exhausted filling the orders. Five miles away, in Thompsonville, there is the plant of the Hartford Carpet Co. It is said that this company has orders on hand to keep the whole plant busy for the next 12 months. The superintendent says that if the tariff is settled at once it will not affect the business of the carpet people in the least.

The point is: If two mills suffer, and the fault is traced back to Democratic tariff legislation, why should not the prosperity of all the other successful companies be attributed to the same factor?

Sincerely, yours,

I put this in as a note of optimism from the old State of Connecticut by way of contrast with the gloomy note of pessimism sounded here the other day by the junior Senator from that State [Mr. McLean].
Mr. McLEAN. Mr. President

The VICE PRESIDENT. Does the Senator from Missouri yield to the Senator from Connecticut?

Mr. STONE. With pleasure. Mr. McLEAN. Mr. President, on Wednesday last I called the attention of the Senate to the promises made by the author of this bill, the chairman of the Committee on Ways and Means of the House, to the people of Connecticut in October last, some two weeks before the election. I then called the attention of the Senate to the fact that this promise, which was made and reiterated by the author of this bill, had been repudiated since the election by the Committee on Ways and Means of the House

and by the Committee on Finance of the Senate.

Mr. STONE. I beg the Senator's pardon, but I can not yield for a repetition of the speech the Senator made last week, and

to which this letter refers.

Mr. McLEAN. I am not at all surprised. Mr. STONE. I desire to confine myself at this time to the submission of proofs that the country is not on the verge of

Mr. McLEAN. I will come to that, if the Senator will pardon me.

Mr. STONE. I will be glad to have the Senator come to

Mr. McLEAN. I will wait until the Senator finishes if he desires. I was simply giving the Senate the real cause, as it seemed to me at the time, for the agitation on the part of the senior Senator from Missouri. I have waited until now to see if this admitted, undisputed contradiction in the revision of the tariff was of consequence enough to call for any comment upon the other side of the Chamber. The author of the bill clearly stated over and over again that if the Democratic Party were retained in power the tariff should be revised upon the cost-ofproduction theory. There is no question about that; but the Senator from Missouri, very adroitly as it seemed to me at the time, tried to divert the scent from the fox to the aniseed bag. I prefer to follow the fox. I did state then that there were two woolen mills in Connecticut that were in trouble, and I quoted from the president of one of the companies as to the cause, which was the impending revision of the tariff. I understand the Senator from Missouri has found no fault with the accuracy of my statement in that regard.

It may be true that there are some industries in Connecticut that will not be destroyed by this tariff. I hope so. I have said nothing to the contrary. I know that the Hartford Carpet Works has been a very prosperous concern and that their business for a long time has been successful. Perhaps it may be

able to meet the foreign competition. I hope so.

I did not state the other day what I might have stated with regard to all the high-class cassimere producers in Connecticut. If my information is correct, they are all working four days in the week; but not being absolutely certain of it, and having heard from only one manufacturer, I hesitated to make the statement.

I want to call the attention of the Senate again to the statement made by the author of this bill to the people of Con-

Mr. STONE. Mr. President, with all due respect, the Senator can do that in his own time. I can not yield for a general speech which would be, in a measure, but a repetition. The Senator wishes to call attention again to what he has already said.

Mr. McLEAN. Then I will not repeat it. We ing that that is the key to the situation in Connecticut. We ing that that is the key to the situation in Connecticut. We Mr. McLEAN. Then I will not repeat it. I will close by say were promised a revision of the tariff based upon the difference in the cost of production at home and abroad. That theory has been rejected here. I want to say to the Senator from Missouri that the tariff question will never be settled right upon any such basis as that now proposed.

Mr. STONE. Mr. President—
Mr. McLEAN. If no Member of this body considers the incident of sufficient consequence to reply to it—

Mr. STONE. Mr. President, I decline to yield further for a general speech on the tariff injected into what I am endeavoring to lay before the Senate. The Senator has made that speech, and he is merely repeating some excerpts from it.

My object in introducing the letter I presented was to put the statement of a citizen of the Senator's State into the Record, that it might stand there in contrast with what the Senator had said about industrial depression in Connecticut. The letter shows that in the neighborhood of this correspondent the mills of Connecticut are not only in full blast, but they are working overtime; they have orders to fill that will occupy them for

Mr. McLEAN. Mr. President, I believe the Senator mentioned an establishment owned by Mr. George Keeney. Did I under-

stand him correctly?

Mr. STONE. Yes; the Somerville Manufacturing Co., the president of which is George E. Keeney, a Republican leader of that State, who, just before the last election, according to this communication, gave notice to his employees that if the Democrats were successful and Democratic policies were to be inaugurated he would close down his mills. Now they say he has more work to do than he can do and that he can not fill his orders except by working overtime.

Mr. McLEAN. I will state to the Senator from Missouri that not more than three weeks ago, I think, when I was in Hartford, Mr. Keeney told me that the mills had never been busier than they then were; but he said, "If this bill passes, I

can not tell what will happen."

Mr. STONE. Well, we will see what happens after the bill passes; we know what is happening now. I have not any doubt whatever that after the bill passes Mr. Keeney's works will go on just the same, probably with an increased demand upon their productive capacity.

Mr. OLIVER. Will the Senator allow me to ask him a

question?

The VICE PRESIDENT. Does the Senator from Missouri yield to the Senator from Pennsylvania?

Mr. STONE. Certainly. Mr. OLIVER. I simply wish to ask the Senator from Missouri whether this busy plant in Connecticut is now operating under the proposed bill or under the present tariff law?

Mr. STONE. That is an idle question. Of course the pro-

posed bill has not been passed. The Payne-Aldrich bill will be in operation until the proposed bill is passed. But the contention that has been made and passed from one lip to another on the other side is that already, because of the prospect of the passage of this bill, the industries of the country are on the downward road to ruin. The question of the Senator from Pennsylvania would seem to indicate that the other side is getting ready to shift its position.

Mr. McLEAN. The Senator can

The Senator can not fairly attribute any

such statement to me.

Mr. SIMMONS. I hope the Senator will permit me to call his attention to the fact that it has been claimed here that before the Wilson bill passed, in anticipation of its passage, we had a panic.

Mr. STONE. And they are trying to create one in anticipation of the passage of this bill, but they will not succeed.

Mr. McLEAN. I desire it to be perfectly clear that Mr. Keeney did not tell me that he expected to close his mills. He only expressed an uncertainty as to what would happen. hoped to keep his mills running at full time, and I hope he

Mr. STONE. Mr. President, if I may be permitted to proceed, I should like to do so.

Mr. GALLINGER. Mr. President-

The VICE PRESIDENT. Does the Senator from Missouri yield to the Senator from New Hampshire?

Mr. STONE. I always yield to the Senator from New Hamp-

Mr. GALLINGER. The Senator is always courteous

I have been a good deal puzzled, and I am particularly puzzled now, over the declaration the Senator has just made that when this bill passes not only will American mills continue to produce as much as they do now, but they will produce more. Pray tell me what good your bill is going to do them.

Mr. STONE. The good we expect is that there will be a greater consumption in the country, and that the mills, in sharp competition, will have a greater market to supply.

Mr. GALLINGER. So that we will make more goods here,

and also import more?

Mr. STONE. In addition to that, I think that outside of our domestic market this policy of greater freedom of trade will gratify and meet the growing expectation and demand of the manufacturing interests of this country for opportunity to ex-

ploit their industries in other lands.

Mr. GALLINGER. Of course the Senator from Missouri knows that the consumption of the American people to-day is over 95 per cent of all our production, and it is the marvel of the world. We are consuming per capita twice what countries consume that have laws somewhat similar to the one the Senator is advocating. I am afraid we will overfeed our people.

Mr. STONE. That is a strange expression. Heretofore the

Senator has said he was afraid we would underfeed them.

Mr. GALLINGER. I am.

Now he is afraid we will overfeed them. Mr. STONE.

Mr. GALLINGER. I mean if the Senator's theories are cor-I do not think they are. I think we will be compelled to underfeed them. That is my individual opinion.

Mr. STONE. The Senator has just said he is afraid we

may overfeed them.

Mr. GALLINGER. If the Senator's views should prove to be correct-I have no idea they will-I think we will overfeed

Mr. STONE. I am not at all alarmed about overfeeding or underfeeding

The Senator from Colorado [Mr. THOMAS] wishes to interrupt me to read something which he says is pertinent at this

Mr. THOMAS. Mr. President, I think an extract which I have here from the last issue of the Saturday Evening Post, of Philadelphia, bears to some extent upon the suggestions just made by the Senator from New Hampshire.

I read from the Saturday Evening Post of August 2 an article entitled "The lesson of our exports":

article entitled "The lesson of our exports":

The Dingley Tariff Act was passed 16 years ago this summer, and the Payne-Aldrich Act changed it very little. Since that time our exports have risen from one billion dollars to two and a half billions; but exports of foodstuffs, whether crude or wholly or partly prepared for use, have actually decreased. Of manufactures, excluding wholly or partly manufactured foodstuffs, we exported three hundred and ten million dollars' worth 16 years ago, but in the fiscal year just closed we exported decidedly more than a billion dollars' worth. In the first year of the Dingley law foodstuffs amounted almost to one-half of our total exports. Last year they amounted to less than one-fifth. In 1897 manufactures were but little over one-quarter of total exports; they are now almost one-half. In exports of manufactures since 1900 the United States has gained 110 per cent, Germany 87 per cent, France 71 per cent, Great Britain 69 per cent. All the other countries pay much lower wages than we do, yet in relative gains we decidedly beat any of them. Our exports of manufactures to Europe have almost doubled in eight years. We are selling the countries of North and South America practically three times as much manufactures as we did eight years ago.

These immense gains in exports of manufactures have been made under wide-open competition with every other country. We pay higher wages, meet all comers on an even footing, and pay the freight besides. In view of which the cry that a reduction of duties from the present 40 per cent level to about 30 per cent will ruin manufacturing in this country seems excessively absurd.

I may add that the Washington Post stated yesterday morn-

I may add that the Washington Post stated yesterday morning that the increase of our exports to South America last year over the previous year was \$10,000,000.

Mr. McLEAN. Mr. President-The VICE PRESIDENT. Does the Senator from Missouri yield to the Senator from Connecticut?

Mr. STONE. I do. Mr. McLEAN. The Senator does not claim that this very prosperous condition of affairs in the past has been due to the Underwood bill, does he?

Mr. THOMAS. Is the question directed to me?
Mr. McLEAN. Yes. The Senator does not claim that the figures he has read, indicating the tremendous prosperity of the country, can be attributed to the anticipation of the passage

of the Underwood bill?

Mr. THOMAS. The prosperity has taken place in spite of the burdens of the Payne-Aldrich law. In my judgment it will be largely increased under the coming law.

Mr. McLEAN. I have no doubt there will be a change. Mr. STONE. Moreover, Mr. President, it must not be forgotten that our exports go into markets where they are obliged to compete on equal terms with the products of all the world; and yet, in the face of that, these enormous increases in exports

Mr. THOMAS. Mr. President—
The VICE PRESIDENT. Does the Senator from Missouri further yield to the Senator from Colorado?

Mr. STONE. I do.
Mr. THOMAS. In this connection, if the Senator from Missouri will permit me, I will read another clipping from the same periodical, the Saturday Evening Post, of June 21, entitled "Tariff and trade":

According to the elaborate investigation made by the London Board of Trade three years ago, wages for skilled labor in the United States are 130 per cent higher than in England; and in the Canadian market England gets a tariff preference amounting to 33½ per cent. Any high protectionist who is true to the basic protectionist dogma that ability to compete depends upon the wage scale will tell you that under those conditions the United States can not possibly compete with England for Canada's trade. But the United States does compete, and with signal success

for Canada's trade. But the United States does compete, and with signal success.

Eliminating all those items in which we have a decided natural advantage over England, including breadstuffs, meat, mineral substances, and manufactures of wood, and taking only articles as to which England is fairly on all fours with us, a Scotch investigator finds that our sales to Canada have increased 280 per cent in 10 years, while England's sales have increased only 138 per cent.

Of iron and steel manufactures, books and printed matter, boots and shoes, electric apparatus, brass manufactures, and like articles, which England, paying less than half our wages, should theoretically make much cheaper than we can, we sold Canada last year more than a hundred million dollars' worth, while England sold only \$16,000,000 worth. On the other hand, England can take our cotton, make it into cloth, and beat us selling the cloth to Canada; and of textiles, as a whole, England sells Canada four times as much as we do.

The tariff has nothing to do with it. The wage scale has comparatively little to do with it. Ability to compete—that is, to make goods cheaply—depends upon the efficiency of the labor. Where our labor is most efficient, as in machinery, agricultural implements, and so on, we beat England in spite of a much higher wage scale. Where English labor is most efficient she beats us.

Mr. STONE. Mr. President, continuing to place before the Senate and put into the RECORD some testimony of a cheering and optimistic kind, as against the doleful cries that are uttered on the other side, I have in my hand a statement on general business conditions issued by the Mechanics-American National Bank of St. Louis, of date August 1. I wish to read an extract from it, and, if it were not so long, I would ask to have the whole of it printed in the RECORD.

The part I read is as follows: Sentiment in this section is cheerful-

That is, in the Mississippi Valley section, with St. Louis as the center

the center—
There is no undue pessimism here. On the contrary, the tendency is to look for better times before the year is over, with more comfortable money-market conditions and greater courage about the future. Enactment of the new tariff law has been very largely discounted, so far as it is possible to discount in advance such a change in the Government's fiscal policy. People in this territory are not talking of hard times as a result of the tariff. On the contrary, the feeling of many is that there will be definite improvement and a betterment in general trade following the release of orders that are now being held up pending the adoption of the reduced schedules. In the same way there is a well-defined belief that if the leaders in Congress formulate a workable currency law and are able to pass it at this session there will be a favorable response in general business conditions almost immediately. The view is held in this section that the bill now before Congress has a number of excellent features and it may be possible for the leaders to whip it into shape to eliminate some of the objectionable provisions. Amendments already agreed to have met several of the objections raised.

People in They People in this territory are not worrying very much about the future. They are making the best of present opportunities and are looking forward to increased activity in all lines of business later on in the year. If the crops turn out well there is every reason to expect that the prediction of much better times will be fulfilled. It must be remembered that notwithstanding its immense manufacturing interests the United States is still largely an agricultural country, in which there can not be any lasting prosperity unless the farming communities are fairly prosperous. The indications are that they will continue to enjoy a fair degree of prosperity for some time to come.

Mr. STONE. Now, that is a circular letter issued by one of the large national banks of my State, showing the business conditions and business sentiment prevailing in that great, opulent, and progressive section of the country

Mr. McLEAN. Evidently the bank which the Senator men-tions is not in the recent alleged conspiracy to reduce the price

of United States bonds.

Mr. STONE. I think not; in fact, I am sure it was not, but I think there are others banks that were.

Mr. SIMMONS. Mr. President-

The VICE PRESIDENT. Does the Senator from Missouri yield to the Senator from North Carolina?

Mr. STONE. Yes.

Mr. SIMMONS. In this connection, if the Senator will permit me, I should like to send to the desk and have read an extract from the Wall Street Journal of August 2.

The VICE PRESIDENT. Without objection the Secretary

will read as requested.

Mr. WARREN. If the Senator will allow me, before that is read, I want to express my pleasure to hear from the correspondent of the Senator that he hopes the farmers will continue to be prosperous for a time at least. It is very encouraging to have that much confidence expressed by some one, though this sanguine correspondent does not himself appear to be a farmer.

Mr. STONE. That is the language of a circular letter issued by a national bank and distributed to its customers and the public. As to the expression that "prosperity is assured for some time at least," why, what else could any man say, for no living man, except maybe one of your Republican prophets of will say determine what is absolutely going to bannen in the evil, can determine what is absolutely going to happen in the future? Of course, Senators on the other side know-absolutely know-that the devil will be to pay in a short while if this bill future? passes; but nobody else knows it or even suspects it.
Mr. WARREN. And you are evidently somewhat afraid of

it yourself over on that side.

Mr. STONE. I have not the least fear of it. I am not "some-

what" or in any degree afraid of it.

Mr. WARREN. Because the Senator takes the opinions of various men as against facts. What I would rather hear is the starting of new enterprises, the bald fact that capital has been invested in this, that, or the other business. To me the closing of a factory or the opening of a new one is a fact more effective than some one's or anyone's opinion.

Mr. MARTINE of New Jersey. I can give the Senator some

facts right here if he wants facts.

Mr. STONE. In a moment. Let us first have read the paper sent to the desk by the Senator from North Carolina.

The PRESIDING OFFICER (Mr. Sheppard in the chair).

The paper sent to the desk by the Senator from North Carolina will be read, without objection.

The Secretary read as follows:

DRY GOODS TRADE BETTER—SHIPMENTS OF MERCHANDISE DURING JULY SHOWED CONSIDERABLE INCREASE OVER LAST YEAR.

[From the Wall Street Journal, Aug. 2.]

Marshall Field & Co. say: "Shipments of dry goods and kindred lines during July showed a substantial increase over a year ago,

Numerous requests have been received from near-by States to ship, from Angust 1 to 15, goods originally for shipment September 1.

"Cash receipts for the week show a gain in comparison with last year. Buyers coming in from the Southwest on fall market trips and representatives in the house who take care of visiting merchants from the far West have been exceedingly busy during the past week.

"Consideration of lines in anticipation of spring requirements is somewhat curtailed because of tariff and currency legislation, but this is a matter of adjusting costs rather than an evident lack of readiness on the part of retailers to consider future business.

"The present trade tendencies in dry goods lines suggest sound underlying conditions, but the immediate settlement of pending legislation is necessary if we are to have the volume of spring 1914 business that conditions warrant."

The John V. Farwell Co. reports sales and collections still showing very good increase over last year. Merchants from the Southwest and the far West report general conditions very favorable for good fall

Mr. JAMES. If the Senator from Missouri will yield for a moment

Mr. STONE. I yield.

Mr. JAMES. The Senator from Pennsylvania [Mr. Penrose] sent to the desk and had read a clipping from a newspaper, which concludes as follows:

The removal of the tariff on such articles-

Speaking of the Sharples cream separator-

would permit German and French manufacturers to send a cream separator to be sold in this country for \$14 in competition with similar machines now being offered at from \$25 to \$55.

I wonder if the Senator from Pennsylvania could tell us whether or not, in his judgment, that statement is true.

Mr. PENROSE. As I understand it, the statement is an interwith one of the Sharples people. The extract is from the Philadelphia Ledger. I do not know anything about the business. The paper is one of the most reliable in Philadelphia.

Mr. JAMES. I merely wanted to say that if that interview is authentic and comes from the Sharples Manufacturing Co. that manufactures these cream separators, then we have it that a separator for \$14 could be furnished to the farmers of our country, who are now and have been forced to pay from \$25 to \$55 for the same character of separator. In my judgment this is the strongest argument which has been or can be presented in this Chamber for placing cream separators upon the free list.

Mr. PENROSE. That may all be, Mr. President, and the Senator is justified in taking that view. It simply means, however, that the American farmer will be taking the product of a German mill instead of an American mill.

Mr. JAMES. It will simply mean that the tariff has enabled the manufacturers of cream separators to charge the American farmer from \$25 to \$55 for a cream separator which in an open market they could buy for \$14, and placing them upon the free

list will give them this opportunity.

Mr. STONE. Mr. President—

Mr. PENROSE. One word, if the Senator will permit me.

The VICE PRESIDENT. Does the Senator from Missouri yield to the Senator from Pennsylvania?

Mr. STONE. Yes.

Mr. PENROSE. The Senator is going on the assumption that the American consumer would get this article for that price. Experience shows that after the American competition is extinguished the price is raised and the American consumer squeezed.

Mr. JAMES. Oh, that is the old argument

Mr. PENROSE. It is the old argument.

Mr. JAMES. We have heard often about the foreigner extinguishing competition in this country. But this article that the Senator himself presented states that cream separators would be sold here for \$14, for which our farmers are now forced to pay from \$25 to \$55, or from two to four times the The American manufacturer is about as good at foreign price. extinguishing competition and squeezing the consumer as any foreign manufacturer of whom I have ever had any observation and knowledge, and if this statement which the Senator presented is true, here is a shining example of it.

Mr. STONE. Now, Mr. President, I hold in my hand the New York Sun, of August 3, 1913, which contains a résumé of industrial conditions throughout the country gathered by its correspondents. No one will assert, for no one could assert, that the Sun is predisposed to the Democratic Party. It has been one of the most potential journalistic agents in this country against the Democratic Party, for it is one of the greatest and most influential papers printed in the United States. This great journal, unfriendly to this administration and to the Democratic Party, introduces its résumé in this language:

Bank presidents, railway presidents, manufacturers, and merchants in widely separated sections of the country present through the col-umns of the Sun to-day a comprehensive review of existing business

conditions and a forecast of the fall and winter seasons now ap-

conditions and a forecast of the fall and winter seasons now approaching.

Those who here record their deliberate judgment regarding the economic and industrial situation of the United States include not only financial authorities of unquestioned reputation and those operating nation-wide industries, but men at the head of factories supplying articles of individual household use, as well as department stores and other retail establishments which come in direct contact with consumers day after day, week in and week out.

Examination of this presentment of conditions as they actually exist indicates that some sections of the country are more buoyant than others; that certain lines of business are more active than others and consequently more confident.

In this national broadside of business judgment two things stand out with luminous distinctness:

In this hational broadsade of business judgment that with luminous distinctness:

First, Business men all over the land demand that their Representatives and their Senators at Washington settle the vexing questions of tariff and currency, so as to permit an early return of general prosperity. Also is heard the demand that Government officials cease persecuting the railways and allow them to conduct the transportation of freight and passengers on sound business principles.

Mr. President, I am going to ask to print this review in the RECORD for the edification and, I hope, for the good of my friends on the other side, so that they may not unduly delay the passage of these great measures of revenue reform and currency reform.

Mr. OLIVER. Mr. President-The PRESIDING OFFICER. Is there objection to the in-

corporation of the entire article in the RECORD?

Mr. BRANDEGEE. Mr. President

Mr. STONE. I first am going to read part of it, but I will ask that the whole of it be inserted.

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Pennsylvania?

Mr. STONE, Yes.

Mr. OLIVER. Mr. President, in reply to the last statement made by the Senator from Missouri, in which he referred to the Senators on this side endeavoring to delay the passage of the pending bill, I want to call attention to the fact that an hour and a quarter of to-day's session has been taken up by him and his associates on that side reading newspaper articles and deliberately delaying the passage of the bill, without one word from this side except what was called forth by his remarks.

Mr. STONE. Mr. President, what I am saying is somewhat upon the theory that those whom I love I chasten. I hope that after reading and hearing these reports from the country they may be more guarded in conduct and be better disposed in the

future than they have been in the past.

Mr. BRANDEGEE. Mr. President—

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Connecticut?

Mr. STONE. I will yield.

Mr. BRANDEGEE. I did not rise to ask the Senator to yield, but the Chair asked if there was any objection to the insertion in the RECORD of the matter.

The PRESIDING OFFICER. The Chair understood the Senator from Missouri to state that he would ask to have the article printed in the RECORD.

Mr. BRANDEGEE. If he has not done so, I was laboring under a misapprehension.

Mr. STONE. I said I would ask to have it inserted. The PRESIDING OFFICER. The Senator from Missouri said he would make the request.

Mr. BRANDEGEE. I understood the Chair to ask if there was any objection, whereupon I rose to inquire what was the nature of the article.

Mr. JAMES. I hope that the Senator from Connecticut does not desire to let it be known that he intends to object, for the Senator himself asked all sorts of rights this morning, to insert various arguments and to have printed various documents. I should not think he would want to object to the Senator from Missouri having printed that article in the RECORD.

Mr. BRANDEGEE. I note the hope expressed by the junior Senator from Kentucky. I will disclose my intention and exercise my right under the rules of the Senate whenever the

proper time may arrive, Mr. President.

inserted in the Record, by unanimous consent, a petition addressed to Congress on a matter of pending legislation. I have not asked to insert interviews with various manufacturers the extent of which I am ignorant of, and after the matter has been submitted to the Senate I will decide whether I shall object or not.

The PRESIDING OFFICER. The Senator from Missouri will proceed.

Mr. STONE. Continuing the reading of the prefatory intro-duction of the Sun to its review of business conditions, the following appears:

Second The business men of the United States, both great and small, who voice their opinions in the following columns, are absolutely convinced that basic conditions of the country are sound; that unsettled conditions here or there are temporary.

Now, Mr. President, I will read several extracts from this review. First, is this heading:

The Middle States hopeful. Business men in New York City are optimistic.

Then follows a statement of numerous prominent business men in New York City—bankers, merchants, and others. For example, here is a statement of Samuel J. Bloomingdale, of Bloomingdale Bros., who said:

The half year just ended has shown a marked increase in business over preceding like periods, and surprisingly so in view of the unfavorable predictions generally made at the beginning of the year.

Mr. PENROSE. What business is the gentleman in? The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Pennsylvania?

Mr. STONE, I do.

Mr. PENROSE, I should like to know what business the

gentleman is in?

Mr. STONE. He is a merchant in New York City.

Mr. STONE. He is a merchant in New York of Mr. PENROSE. Is he an importer?
Mr. STONE. He is a merchant.
Mr. PENROSE. He is an importing merchant?

Mr. MARTINE of New Jersey. I can say to the Senator that he both imports and manufactures as well.

Mr. PENROSE. And looks forward to a debauch of importa-tions under the pending bill.

Mr. MARTINE of New Jersey. I will say that he controls one of the large retail establishments in the city of New York.
Mr. PENROSE. It is a good importer's article.
Mr. MARTINE of New Jersey. I trust the Senator will not

leave the Chamber. I want to read to him some medicine from his own Commonwealth.

Mr. PENROSE. I will be back when the Senator takes the floor.

Mr. STONE. Mr. Bloomingdale is certified to by the New York Sun as one of the leading business men and merchants of that I have no personal acquaintance with him.

We have backed up this belief by not curtailing in any way our advance purchases for the fall and winter, both in the local and foreign markets, undeterred by the adjustment which the new tariff may occasion and with the confidence that the several economic problems now before the country will meet with a satisfactory if not an ideal solution.

ELECTRICAL INDUSTRY SOUND.

T. A. Osborne, vice president of the Westinghouse Electric & Manufacturing Co., said:

"Business throughout the country is being offered in generous volume, somewhat less, however, than during the previous six months. The outlook for the autumn in the electrical industry is good.

"The industrial applications of electricity are increasing and the trade in this class of work is especially heavy. Large power-station material is quiet, there being a general inclination on the part of public utilities at the present time to not make commitments for large extensions.

tensions.

"Altogether there is no evidence of any unusual conditions existing in the electrical trade, but every evidence of sound and normal growth." Greenhut-Siegel Cooper Co. made this statement:

"From the standpoint of retailers we have every reason to look forward in the most optimistic manner to the coming fall and winter

"Writing at this time, in the midst of what is commonly recognized as the dullest month in the year, we would say that business has exceeded our anticipations.

"In these days of strenuous competition to equal last year's business affords a sense of gratification; in our own case we have considerably exceeded it.

"Figures can not lie, and consequently we feel ourselves justified in taking the optimistic view aforementioned.

"It is of course regrettable that tariff conditions are unsettled, but we have become hardened to this state of affairs, which always arises with a change of Government. Once adjusted we are convinced that matters will regulate themselves satisfactorily.

"All in all we see very little reason for pessimistic utterances such as have been voiced within the past months. We look forward to the forthcoming season with pleasant anticipations."

S. H. Ditchett, editor of the Dry Goods Economist, who is in a position to know the conditions in his line, says:

One of the strongest points in the situation within the dry-goods trade is the absence of any oversupply of goods, either with manufacturers or with distributors, while in some lines there is a decided

trade is the absence of any turers or with distributors, while in some lines there is exarcity.

Moreover the undercurrent of conditions throughout the country is extremely favorable to the distribution of luxuries as well as of necessities, for the bountiful harvests, accompanied by high prices, will increase the spending power of the people. There is reason to expect, moreover, that shortly after the opening of the fall season for retailers the new tariff rates will become definitely known. Then the conservatism in buying, now dictated by uncertainty as to prices, will be removed.

Here is a statement from Daniel Willard, president of the Baltimore & Ohio Railroad Co., as follows:

BUCKHANNON, W. VA.,

Upon the whole I think present business conditions and the future outlook are favorable rather than otherwise, DANIEL WILLARD,

President Baltimore & Ohio Railroad.

Stanley A. Wise, of William Wood & Co., says: The prospect for next fall's trade, however, is especially good.

That is some of the testimony coming from New York City. Now, just a little from Chicago. What I will now read is from John G. Shedd, president of Marshall Field & Co.:

CHICAGO, August 2.

Fundamental conditions in the dry-goods business are sound. Conservative operating on the part of retailers during the last year or more finds them at the present time with stocks in good shape and obligations well liquidated. Business booked for fall delivery during the first six months of 1913 exceeds that of corresponding half year in 1912. Crop conditions on the whole present a hopeful aspect, although there are a few weak spots. Orders in anticipation of spring 1914 requirements are somewhat curtailed owing to the delayed tariff and currency legislation.

THE DELAYED TARIFF AND CURRENCY LEGISLATION!

An early settlement is necessary if we are to have the volume of trade which underlying conditions warrant.

JOHN G. SHEDD, President of Marshall Field & Co.

Here is a statement from the Quaker Gats Co., which says:

CHICAGO, August 2.

As to the general condition of our business, which includes our full line of cereal products, flour, etc., we beg to say that the present volume compares favorably with that of any previous year in the history of our company, and the outlook at present is that the business for some months to come will be larger in volume and in tonnage than that of any previous year.

THE QUAKER OATS CO.

Then here are some statements from St. Louis business men:

Jackson Johnson, president of the International Shoe Co.:

"I believe business will be good, but not as much so if money scarcity did not keep persons from buying the necessaries of life. Business this fall should surpass that of last fall. When the currency bill is passed things should be brighter."

H. W. Peters, vice president of the International Shoe Co., says:

Everything indicates excellent business conditions in the fall.

E. W. Stix, secretary of the Rice-Stix Dry Goods Co., one of the largest jobbing establishments of the Central West, says:

The outlook is entirely satisfactory. Our advance orders are much larger than last year. We never entered a season with everything looking so well. The eastern depression has not affected the dry-goods business. We are enlarging our sales force for increased orders.

And so on with others. From Louisville I find this statement coming from the Stewart Dry Goods Co.:

LOUISVILLE, August 2.

Notwithstanding the present extremely torrid weather with highest temperatures ever recorded for July, we are making substantial gains each day and week.

This gratifying condition has prevailed throughout the entire year, and in anticipation of a large and early autumn business, the outlook for which at present is most encouraging, we are sending out buyers to the domestic and foreign markets with instructions to buy liberally. We are purveyors to the entire South and West, with local territory covering southern Indiana, Illinois, Kentucky, and Tennessee.

THE STEWART DRY GOODS CO.

Here is a statement from C. E. Schaff, the president of the Missouri, Kansas & Texas Railway Co., of the same optimistic kind, concluding as follows:

Early settlement by Congress of the tariff and currency questions would be helpful. We have prepared to handle a very heavy traffic which is expected this fall.

C. E. SCHAFF, President Missouri, Kansas & Texas Railway.

Note the appeal for an early settlement of the tariff and currency questions.

Here is a statement from Topeka, Kans., from J. R. Mulvane, president of the Bank of Topeka, who says:

TOPEKA, KANS., August 2. Everybody is employed and conditions are good. We have been servative for the past two years. Early crops are good and prices are fair. Late crops are to be made.

We expect a reasonable fall trade. Our merchants have their business well in hand.

J. R. MULVANE, President Bank of Topeka.

There are like statements here covering the entire country from Denver, Minneapolis, St. Paul, and other great centers of commerce and distribution. A number of these I have marked and had intended to read, but I believe I will not read any more of them. This review, carefully gathered by one of the great newspapers of the country by its own correspondents and printed in a journal that is not friendly to this Democratic administration or to the Democratic Party, but which has sought, I have no doubt, to give a fair exposition of the industrial conditions now prevailing throughout the United States, I wish to put into the Record—the whole story as printed—so that it may stand there alongside of other things of like kind which have been put into the Record as a rebuke to the doleful and pessimistic prophecies that Senators on the other side of the Chamber are afflicting our ears with from day to day.
The PRESIDING OFFICER, Is there objection?

Mr. BRANDEGEE. Mr. President, I want to say to the Senator from Missouri that I have not had the slightest intention of objecting to the request that he has just made; but I did want him to outline the extent of the article, which I had not seen, although I am usually a reader of the journal to which he refers. I have not the slightest objection to the prophecies of these gentlemen going into the RECORD. I did not intend, however, in advance, to be foreclosed or in any way wheedled out of the right to object.

Mr. STONE. I have indicated the general trend of the article. Now, Mr. President, I ask unanimous consent to print the Mr. STONE. entire statement beginning on the last column of the first page of the paper I send to the desk, and covering all the matter

relating to the subject.

Mr. GALLINGER. Mr. President, I trust no objection will be made. This marvelous prosperity began under a Republican administration and has continued under a Republican tariff law, and I think it is a tribute to the Republican Party rather than otherwise. Let it go into the RECORD.

The PRESIDING OFFICER. Is there objection to the re-

quest of the Senator from Missouri [Mr. STONE] that the matter referred to by him be printed in the RECORD? The Chair hears none, and that order is made.

The matter referred to is as follows:

[From the New York Sun, of August 3, 1913.]

BUSINESS ON A SOUND BASIS—LEADING MEN OF COUNTRY REVIEW CONDITIONS FOR THE SUN—PALL BOOM PREDICTED—MERCHANTS DEMAND SETTLEMENT OF VEXING TARIFF QUESTIONS—PLENTS OF WORK FOR ALL—MORE LATITUDE FOR RAILEOADS URGED—CURRENCY PROBLEM IS DISCUSSED.

Bank presidents, railway presidents, manufacturers, and merchants in widely separated sections of the country, present through the columns of The Sun to-day a comprehensive review of existing business conditions, and a forecast of the fall and winter seasons now approaching. Those who here record their deliberate judgment regarding the economic and industrial situation of the United States, include not only financial authorities of unquestioned reputation, and those operating Nation-wide industries, but men at the head of factories supplying articles of individual household use, as well as department stores and other retail establishments which come in direct contact with consumers day after day, week in and week out.

Examination of this presentment of conditions as they actually exist indicates that some sections of the country are more buoyant than others; that certain lines of business are more active than others, and consequently more confident.

In this national broadside of business judgment, two things stand out with luminous distinctness:

First. Business men all over the land demand that their Representa-

In this national broadside of business judgment, two things stand out with luminous distinctness:

First. Business men all over the land demand that their Representatives and Senators at Washington settle the vexing questions of tariff and currency so as to permit an early return of general prosperity. Also is heard the demand that Government officials cease persecuting the railways, and allow them to conduct the transportation of freight and passengers on sound business principles.

Second. The business men of the United States, both great and smaller, who voice their opinions in the following columns, are absolutely convinced that basic conditions of the country are sound; that unsettled conditions here or there are temporary.

Between the lines of these matter-of-fact statements may be read the unquestioned belief that a long-continued slowing up of general business is impossible in a country with a population of more than 90,000,000, who are accustomed to abundant food, adequate shelter, excellent clothing, the best of fuel, and who must have steady employment wherewith to purchase such necessaries as well as to provide innumerable comforts, luxuries, amusements, and educational facilities which the American people possess to an extent never approached by any other nation in history.

The business men's statements are grouped geographically so that conditions prevailing in one section of the country or another may be readily ascertained.

readily ascertained.

1.—BANKERS AND BUSINESS MEN EXPECT INCREASED TRADE. MIDDLE STATES HOPEFUL-BANKERS

Business men in New York City are optimistic. J. S. Alexander, president of the Bank of Commerce, said:

"Relative to inquiry as to how we view present business conditions in the United States and the outlook for the ensuing months of the year, we would say that in some lines of business close to the maximum volume still is being done; in other lines moderate recessions are noted, and in others, particularly those most largely affected by proposed fariff changes, very material curtailment is in evidence.

"Underlying conditions are good, the buying power of our people is great, as it is possible to obtain steady employment at good wages, and on the whole a large volume of business is being done with reasonable profit. It is surprising that this is so at a time when changes in our tariff laws are imminent, when the defects of our currency system are being discussed and new currency legislation is in contemplation, and when money requirements are fully equal to the supply.

"Although further recessions in business may be looked for as a result of close money markets and necessary adjustments to new conditions we reasonably may expect, in the absence of general labor troubles, a continuance of business activity, which after the settlement of pending questions should increase rather than diminish.

"As to money, the temporary requirements of our transportation interests have been heavy, due to their inability to sell bonds at fair rates, and other corporations, manufacturers, and merchants have been large borrowers, but these demands have all been for legitimate business purposes. A result, however, has been a scarcity of money, and this situation has been aggravated by our heavy shipments of gold on European account, aggregating upward of \$68,000,000 since the beginning of the year.

"Various factors in the foreign situation have adversely affected our money markets, as financial conditions in Europe are even less favorable than with us. Affairs in Europe now are apparently working in the direction of improvement,

can not be looked for during the balance of the year we believe that adequate funds will be available for the current requirements of legitimate business enterprises.

"It is to be bound that the

"It is to be hoped that the present promise of not less than average crops may be fulfilled."

BIGGER TRADE THAN EVER.

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Samuel J. Bloomingdale, of Bloomingdale Bros., said:

"The half year just ended has shown a marked increase in business over preceding like periods, and surprisingly so in view of the unfavorable predictions generally made at the beginning of the year.

"Not alone has this advance been made by departments supplying the so-called necessities, but also the articles of luxury included in our manifold lines have shown a commendable increase.

"Regarding the autumn business, not being manufacturers or jobbers, we have no advance orders to indicate our business expectations; but guided by the usual ratio prevailing between the early and latter parts of the year, we look forward to a good volume of fall business.

"We have backed up this belief by not curtailing in any way our advance purchases for the fall and winter, both in the local and foreign markets, undeterred by the adjustment which the new tariff may occasion and with the confidence that the several economic problems now before the country will meet with a satisfactory if not an ideal solution."

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"The industrial applications of electricity are increasing, and the trade in this class of work is especially heavy. Large power-station material is quiet, there being a general inclination on the part of public utilities at the present time to not make commitments for large extensions.

"Altogether there is no evidence of any unusual conditions existing in the electrical trade, but every evidence of sound and normal growth."

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"Figures can not lie, and consequently we feel ourselves justified in taking the optimistic view aforementioned.

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"All in all we see very little reason for pessimistic utterances such as have been voiced within the past months. We look forward to the forthcoming season with pleasant anticipations."

DRY-GOODS TRADE.

S. H. Ditchett, editor of the Dry Goods Economist, is in a position to know of conditions in his line. He said:
"One of the strongest points in the situation within the dry goods trade is the absence of any oversupply of goods, either with manufacturers or with distributors, while in some lines there is a decided

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"Moreover, the undercurrent of conditions throughout the country is
extremely favorable to the distribution of luxuries as well as of necessities, for the bountiful harvests, accompanied by high prices, will increase the spending power of the people. There is reason to expect,
moreover, that shortly after the opening of the fall season for retailers
the new tariff rates will become definitely known. Then the conservatism in buying, now dictated by uncertainty as to prices, will be
removed.

removed.

"European manufacturers are well supplied with orders and have developed wide outlets for their products. Any increase in importations such as would seriously affect the American market is regarded as improbable."

CONDITIONS INDISPUTABLY GOOD.

C. A. Whelan, president of the United Cigar Stores Co., said: "We find the business outlook from our standpoint in no respect discouraging, despite what we know to be an apprehensive sentiment in those branches of trade which will be directly affected by tariff

changes.

"Our business is transacted in over 800 retail cigar stores operated in 180 different cities, covering the country at large. We feel that holding this close relationship to the buying public our hand is on the pulse of things, and we are maintaining normal increases so satisfactorily practically everywhere that we can not do otherwise than indulge an optimistic spirit.

"So far we have neither had a loss of volume in business—as we base it on healthy growth from month to month—nor observed a diminution in the amount of individual sales.

"We would say therefore that conditions are indisputably good, far better than seemed likely a few months ago, when Congress began its work of tariff revision."

JAMES J. HILL OPTIMISTIC.

James J. Hill, of the Northern Pacific, who is in New York, was, as usual, optimistic. He said:
"I do not look for any unusual conditions in money for the fall. The crop prospect for the Northwest is excellent. The banks there are in a good position."

PRESIDENT WILLARD'S VIEW.

BUCKHANNON, W. Va., August 2.

Upon the whole, I think present business conditions and the future outlook are favorable rather than otherwise.

DANIEL WILLARD,
President Baltimore & Ohio Railroad,

MAIL-ORDER SALES GROWING.

BUFFALO, N. Y., August 2.

We are experiencing at our headquarters at Buffalo, our branches in Chicago and Peoria, and in New York, Philadelphia, and Boston an increasing volume of sales over last year's.

In this factory-to-family nation-wide mail-order business of nearly 40 years' standing we have observed no adverse conditions or indications, and in this city labor is well employed generally and building activity is considerable.

PHOTOGRAPHIC BUSINESS.

ROCHESTER, N. Y., August 2.

Present conditions in the photographic business are showing an increased trade in all lines of materials. This may not indicate, however, an improvement in general business conditions, because of the fact that improvements in the photographic art have been so rapid in the past few years that the increasing photographic business may be in spite of and not on account of general conditions.

EASTMAN KODAK CO.

HURT BY TARIFF AGITATION.

TRENTON, August 2.

The business situation in our line, which covers a full line of sanitary pottery, including porcelain bathtubs, and so forth, and which is governed entirely by the building conditions throughout the country, is very quiet.

At the present time building reports in almost every city indicate that business is below normal, and naturally we are more or less affected by it. A large majority of the big operations in the country, such as new hotels and office buildings, have been temporarily held up on account of tariff agitation and the tight money market, as they have not been able to secure loans to proceed with work of this character.

We cover the entire United States. We do not look for any greater demand during the balance of this year for the goods which we manufacture.

TRENTON POTTERIES Co.

BUSINESS CONDITIONS FAIR.

PHILADELPHIA, August 2.

Business conditions in our large manufacturing territory appear to be fair. Complaints are exceptional. However, there are evidences that general financial conditions are abnormal. Borrowing at banks by large business interests is persistent. With practically no market for the millions of commercial paper in brokers' hands, banks are called upon to supply the deficit in working capital.

This is in some cases required because the business is good, but in many others because it is halting. Manufactured stock is being carried, employment of labor must be continued, bonds and new issues of stock are generally unsalable, and the future is all unknown.

Serious doubts as to the outcome of legislation affecting finance and trade, lack of confidence in inexperienced factious political leaders in Washington, and the near-at-hand requirements for the moving of our crops all combine to effect a strain upon the money market.

However, with the exercise of prudence and conservatism on the part of all borrowers, adjusting their business to prevailing conditions, no great trouble need be anticipated.

Francis B. Reeves.

FRANCIS B. REEVES.

President of the Girard National Bank.

LOCOMOTIVE WORKS BUSY.

PHILADELPHIA, August 2.

Business conditions are gratifying. Notwithstanding financial fluctuations and heat conditions, we consider the business prospects for fall excellent. Our interests embrace the entire country.

BALDWIN LOCOMOTIVE CO. WORKS.

PHILADELPHIA VIEWFOINT.

In Philadelphia opinion is divided among manufacturers and jobbers as to the outlook for the fall trade. Some of them expressed themselves to the Sun as follows:

C. J. Milne, of the firm of C. J. Milne & Sons:

"Our employees are all on full time, and the volume of business for the month of July greatly exceeded that of the previous month. We have many orders that we can not take care of. There has been a boom and we are looking for a record-breaking year, notwithstanding the trouble incident to the change in tariff."

Joseph Scatchard, of Joseph Scatchard & Sons (Inc.), manufac-

Joseph Scatchard, of Joseph Scatchard & Sons (Alce), master turers of yarns:

"Labor trouble, which is threatening some of our customers, is responsible for the juli in business just at this time. Then, too, this is the dull season of the year, but we are anticipating big business in the fall. The tariff has had no effect on us yet, and we will have to wait to get definite results. Prices, so far as we know, will remain the same, but the low duty on raw wool may reduce the cost of yarn."

TARIFF A BITTER DOSE.

Mr. McDonald, of William P. McMaster & Co.:

"New lines of goods, which are usually opened up the latter part of June, creating new business, have failed to materialize this year. I believe when the tariff question is settled it will mean better business. It is like taking a dose of medicine. It is a bitter dose, but later has beneficial effects. I have enough faith to think this country can compete with any foreign country in its manufactured articles."

Joseph D. Swoyer, manufacturer of yarns:

"Although this is the dull season of the year, business is exceptionally good. We are working our full force and we do not have a pound of manufactured goods in stock. The demand is enormous and we have more orders than we can fill. Because of the low duty on raw wool, in all probability the prices of the manufactured goods will be reduced. We have no reason to complain, and anticipate having one of the best years in the history of our business."

T. J. Porter, of the firm of T. J. Porter & Sons. representatives of some of the largest textile manufacturers in Great Britain:

"The new tariff has practically closed up business for the time being. Hundreds of thousands of dollars' worth of orders are being held up in bond by the manufacturers.

"As far as the future is concerned the business outlook is very bright. Reports from our salesmen in the West say business conditions are good owing to the satisfactory condition of the crops. When the tariff is settled there is no doubt but that the reduction on raw material will benefit the consumer. Under the new conditions the manufacturer will be able to put his goods on the market at a reduced price and still be able to make a fair profit."

TRADE CONDITIONS LOOK GOOD.

George C. Jump, representative of the Providence Worsted Mills:

"Every indication points to splendid fall business. There is more of an incentive to good business now than there was a month ago and the mills are in excellent shape to clean up and get rid of all stock. I do not think there is a mill in the country that can not hold its own with foreign competition, especially in the moderate price goods."

Robert H. Jenkins, jobber:

"Business is more active now than it was two weeks ago. I should not be surprised to see great improvement this fall, despite the new tariff which will go into effect soon. The weather has been to blame for the lull in business up to this time and there is every reason to believe it will be up to normal in a short time."

H. M. Remington, importer of cotton yarns:
"While it is rather dull now, in my judgment business will greatly increase in volume in a few weeks, and I look for one of the biggest years I have ever had. The new tariff schedule, I believe, will prove a boon to business."

Stanley A. Wise, of William Wood & Co.: "The prospects for next fall's trade, however, are especially good."

MILLS ON DOUBLE TIME.

PITTSBURGH, August 2.

Actual conditions as we see them are good and our business so far this year is many thousands ahead of last year. We look forward to a good autumn business also.

The mills and factories of this district are busy and running double time. As we are large importers of silks, laces, lingerie, etc., we would feel much better if the new tariff were settled.

Our active retail merchandising covers all western Pennsylvania and the States of West Virginia, Ohio, and Indiana, and our business covering these districts is growing rapidly. Pittsburgh and all western Pennsylvania is enjoying good business, mercantile and manufacturing.

Boggs & Buhl. Boggs & Buhl

INCREASE IN NEW ENGLAND—FIRST SIX MONTHS OF 1913 BETTER THAN SAME PERIOD IN 1912.

BOSTON, August 2.

The first six months of 1913 just ended show very substantial general increases in our business. July has been unusually active. We are optimistic about fall and winter business and are making preparations accordingly.

R. H. WHITE & Co., Department Store.

OPTIMISM FELT IN BOSTON.

BOSTON, August 2.

In Boston and New England, as a general rule, business and financial circles are more or less unsettled as a result of tariff uncertainties. In some quarters a hopeful view is taken of the coming half of the year, while in others it is impossible to get an expression of feeling. Naturally, this being the leading textile center of the country, the woolen and cotton manufacturers are the persons more or less interested in the doings at Washington.

In banking circles there is an optimistic feeling, though it is a fact at the present time that buying is small and that money is tight. However, leading bankers look for a freer movement of money before long and a subsequent improvement in the general conditions. Greater hope is entertained for the year 1914 than is held out for the remainder of this present year, but at the same time nothing to worry over is felt.

Leading dry-goods houses and wholesalers are optimistic and report good business at the present time, with indications of good business in the future.

The shoe business continues good and should continue so, the manufacturers and jobbers report. Factories are running almost at full time, and on the whole the section is moving along in excellent fashion.

TARIFF UNCERTAINTY.

The one important feature, however, is the tariff uncertainty. Were that matter to be adjusted immediately, there is no question but what local business men and manufacturers would report excellent business and prospects for the future. The following are — few expressions:

Franklin W. Hobbs, president of the Arlington Mills at Lawrence:

"If the tariff were a settled matter, I would be only too glad to discuss the outlook with you. However, as matters now are I can not look ahead with any degree of certainty. If the wool schedule were to be enacted and put into effect September 1, with the duties off the first of next year, I have not any doubt but what business would be excellent.

"If, however, the bill does not go into effect until December 1 and the duties come off January 1, I can not see much hope for our success. When the last tariff was adjusted we had several months in which to do business before the duties went off and were successful. Foreign manufacturers can not get their goods ready within three or four months, while we have our product practically ready and can dispose of it at a fair profit if given the time.

"The raw wool is almost down to a free-wool basis, yet buyers will not make purchases until such time as the schedule is finally adjusted. Our lightweight goods are offered at a price which is almost on a free-wool basis. The orders we are filling are for quick use, and the business is holding up pretty well. About the future I do not care to talk."

DRY-GOODS TRADE OUTLOOK.

DRY-GOODS TRADE OUTLOOK.

W. C. Brady, senior member of the Wilson, Larabee Co., wholesale dry goods:

"Our business is good, and I look for a good fall business, but I know it would be much better if the tariff matter were to be settled. At present we have in bond a large amount of merchandise which we dare not take out and place on the market now, for the enactment of the tariff measure would probably result in our being forced to sell at a loss. Our western man, B. T. Marks, has just come in from Nebraska. Iowa, and other States and reports a most optimistic condition. I look for a prosperous season for all. The mills are working, and I do not think they will be forced to curtail."

NO REASON FOR SLACK SEASON.

James J. Phelan, a member of the firm of Hornblower & Weeks,

James J. Phelan, a member of the firm of Hornblower & Weeks, banking house:

"I can not see why the fall season will be slack," he said, "for present indications are that it will be good. Crop reports are favorable; there will be at least an average crop of all descriptions; money should move a trifle more freely; and with the tariff out of the way and a currency bill passed I look for a good season. The currency bill, while not what we would like to have, will be at least favorable, and with such conditions prevailing the year 1914 should be good."

VIEWS IN MIDDLE WEST-GOOD BUSINESS LOOKED FOR IF CROPS ARE BOUNTIFUL.

Merchants and other big men of the Middle West in their views expressed to the Sun by telegraph tell of a fight against rather adverse conditions that affect their sections. They see favorable signs of good business when tariff and other big questions are settled for good. The crops are a big feature in their forecasts.

BIG RAILEOAD EXPENSES.

CHICAGO, ILL., August 2.

The Atchison company has just finished a year of the largest gross earnings in its history, most of the increase, however, being eaten up in expenses. The present year depends still on crops which are not yet made. Wheat is short, corn is suffering from heat and drought, cotton still looks well, but is not out of danger. Country buying is conservative, and there are some evidences of recession in business.

I think the country is fairly reconciled to the tariff revision and the income tax, but dissatisfied with the proposed currency bill, and very much afraid of complications with Mexico.

Railroads are doing the best they can under adverse conditions, but are not getting a fair show by the governing bodies and are subject to constant persecution.

President of the Atchison, Topeka, & Sante Fe System.

CURRENCY BILL A FEATURE,

CHICAGO, ILL., August 2.

CHICAGO, ILL., August 2.

Notwithstanding the agitation in Washington over the tariff and eurrency legislation, trouble in the Balkan States, and the unsettled feeling in Mexico, general business conditions are fairly satisfactory, although there are evidences of a slowing down. The strong demand for money continues and will probably do so for the rest of the year.

The hot, dry weather in central Illinois, western Kansas and Nebraska, and a portion of Indiana has caused some uneasiness, but general crop conditions over the country are favorable. If any new currency bill should pass, along the lines indicated at present, it would have a continued depressing effect upon the business of the country, but I doubt if any financial bill passes at this session.

Ennest A. Hamill.

President of the Corn Exchange National Bank.

DELIVERY AHEAD OF LAST YEAR.

DELIVERY AHEAD OF LAST YEAR.

CHICAGO, ILL., August 2.

Fundamental conditions in the dry-goods business are sound. Conservative operating on the part of retailers during the last year or more finds them at the present time with stocks in good shape and obligations well liquidated. Business booked for fall delivery during the first six months of 1913 exceeds that of corresponding half year in 1912. Crop conditions on the whole present a hopeful aspect, although there are a few weak spots. Orders in anticipation of spring, 1914, requirements are somewhat curtailed owing to the delayed tariff and currency legislation. An early settlement is necessary if we are to have the volume of trade which underlying conditions warrant.

JOHN G. SHEDD,

President of Marshall Field & Co.

NO COMPLAINT HERE.

CHICAGO, ILL., August 2.

Present business conditions are very satisfactory, with substantial gains over last year. The fall outlook is promising throughout the United States for our business, which is general merchandising by mail.

MONTGOMERY, WARD & CO.

LARGER BUSINESS EXPECTED.

CHICAGO, ILL., August 2.

As to the general condition of our business, which includes our full line of cereal products, flour, etc., we beg to say that the present volume compares favorably with that of any previous year in the history of our company, and the outlook at present is that the business for some months to come will be larger in volume and in tonnage than that of any previous year.

THE QUAKER OATS CO.

WHAT CHICAGO MEN SAY.

The representative of The Sun here called upon a number of prominent merchants. As a whole they regard the outlook for fall business as favorable. They spoke as follows:

A. C. Bartlett, of Hibbard, Spencer, Bartlett & Co.:

"The pessimism of the East has not found its way so far west as Chicago. Business has been good during the past seven months—better than in 1912—and there are no clouds in the sky, except those hovering over Washington. A change in the prospective crop situation might

lead to a curtailment of business, but there seems little apprehension upon the part of our Western people that such a change will occur.

"Changes in tariff are less menacing to business than they were formerly. The American people have, in a measure, outgrown the fear of what may but seldom does happen. Manufacturers and merchants do not go out of business or consumers case to consume because there are fractional changes in the tariff and proportional changes in the prices of the various commodities and products of the country which are affected by the tariff.

"If Congress will give us a currency law which will meet the requirements of the country and no unforeseen disaster occurs, we shall undoubtedly have a satisfactory business throughout the year."

FALL BUSINESS NORMAL.

C. S. Pirie, of Carson. Pirie, Scott & Co.:

"In regard to the outlook for fall business, we see no reason why it should not be at least normal, and many conditions indicate that it is quite possible it may be considerably better.

"Our orders taken for fall compare favorably with last year, and we think spot business will be good, because merchants in general are not carrying any surplus of merchandise.

"Collections continue good, and, as far as the monetary situation is concerned, we are inclined to think that business people in general are getting more and more away from the influence of Washington and Wall Street, and, while some people think there are clouds visible in these directions, we can not believe that they are serious."

GOOD HARVESTS IN SIGHT.

B. A. Eckhart, of B. A. Eckhart Milling Co.:

"Present conditions indicate we are going to have a highly satisfactory crop in every one of the agricultural products. The spring wheat crop is good, and the corn is fair. The condition of dairy products is good, and they are plentiful. The cotton crop offers unusually bright prospects.

"Merchants are fairly well stocked, but continue to place large orders. From the large and growing export business in sight, I believe a flow of gold will be turned toward America this fall. From present indications there is no ground for apprehension; fall business will equal in practically every line that of last year's, and it may surpass."

ST. LOUIS SHOULD SURPASS LAST FALL

Jackson Johnson, president of the International Shoe Co.:
"I believe business will be good, but not as much so if money scarcity did not keep persons from buying the necessaries of life, Business this fall should surpass that of last fall. When the currency bill is passed things should be brighter."

A FEW OPTIMISTIC MEN.

H. W. Peters, vice president of the International Shoe Co.: "Everything indicates excellent business conditions in the fall."

E. W. Stix, secretary of the Rice-Stix Dry Goods Co.:

"The outlook is entirely satisfactory. Our advance orders are much larger than last year. We never entered a season with everything looking so well. The eastern depression has not affected the dry goods business. We are enlarging our sales force for increased orders."

Melville Wilkinson, president of the Scruggs-Vandervoort-Barney Dry

Goods Co.:

"I am very much pleased with the outlook for the fall in the retail dry-goods business. We feel the tariff is practically settled, and with exceptional crops and a negligible money shortage we are preparing for a greater business than last year."

Sidney M. Schoenberg, secretary-treasurer of the Famous & Barr Co.; "We are getting ready for one of the largest seasons on record. We expect increased purchases and have experienced no difficulty with a money shortage."

MONEY IS INDIANA'S NEED.

For some time there has been a strong demand for commercial loans, taxing the available resources of the banks to supply the same. In consequence bank reserves have been low. This has been true not only of city banks but also of country banks, which have called freely on their city correspondents for rediscounts.

There has been some let-up recently, and many of the loans have been repaid since the wheat crop began to move. The wheat crop in this State is an excellent one both as to quality and quantity. The hot and dry weather has materially shortened the hay and oats crop. Corn, however, promises an excellent yield, and the outlook was never better except in a few sections, where the severe hot weather has had a tendency to wither the corn.

Cattle and hogs are bringing fine prices. In every way the farmer appears prosperous, with an excellent outlook.

General business is good, except some complaint as to slow collections. Manufacturers are complaining as to the scarcity of labor.

While money is sufficient for ordinary business needs and short-time loans, there appears to be a chortage of funds for long-time investments and where the money is to be used for betterments or real-estate improvements. On the whole, conditions and outlook for fall business are good.

Indianapolis National Bank.

INDIANAPOLIS NATIONAL BANK.

GAINS MADE IN LOUISVILLE,

LOUISVILLE, August 2.

Notwithstanding the present extremely torrid weather, with highest temperatures ever recorded for July, we are making substantial gains each day and week.

This gratifying condition has prevailed throughout the entire year, and in anticipation of a large and early autumn business, the outlook for which at present is most encouraging, we are sending out buyers to the domestic and foreign markets with instructions to buy liberally.

We are purveyors to the entire South and West, with local territory covering southern Indiana, Illinois, Kentucky, and Tennessee.

THE STEWART DRY GOODS CO.

GOOD CROP OUTLOOK.

Sr. Louis, July 31.

Business conditions along the lines of the Missouri, Kansas & Texas Railway system, operating 3,817 miles in States of Missouri, Kansas, Oklahoma, and Texas, are at this date satisfactory. The gross earnings of southwestern roads are showing substantial increases.

The outlook for next fall is promising; although there has been great damage to corn in Oklahoma, crop conditions in the Southwest generally are unusually satisfactory. Indications point to production of very large cotton crop in Texas and Oklahoma.

Banking and commercial conditions are excellent. Early settlement by Congress of the tariff and currency questions would be helpful. We have prepared to handle a very heavy traffic, which is expected this fall,

C. E. SCHAFF,

President of the Missouri, Kansas & Texas Railways.

HARD ON THE RAILROADS.

CHICAGO, July 31.

Along the Chicago & Alton Railroad, in Illinois and Missouri, general business conditions are good, notwithstanding a partial fallure of the oats crop and only a fair average yield of farm products. Corn, wheat, and hay promise good returns, yet in certain lines of industry hesitancy is felt in regard to the future and business undertakings are postponed pending further developments.

In railroad matters the controlling influences are the fear of aggressive State legislation, induced by the recent decisions of the Supreme Court in rate matters and uncertainty as to outcome of the arbitration of labor disputes in the East. In the event of action adverse to the railroad situation in either instance the effect would be still further unsettling, but in event of radical action in both instances the ultimate result will prove disastrous to the general business conditions throughout the country.

Business interests appear to be either discounting probable results or holding aloof pending some definite indication. General prosperity being so dependent upon the prosperity of the main industry, namely, transportation, the results of railroad operation are naturally accepted as an index to the general situation, and properly so.

But as long as the railroads are compelled to employ hand-to-mouth methods and depend upon day to day offerings to shape the policy of management, it is oute clear that conditions of general thrift in business affairs will be impossible.

President of the Chicage & Alton Railroad.

B. A. Worthington,
President of the Chicago & Alton Railroad.

WEST AND NORTHWEST—BUSINESS FUTURE DEPENDS ON SUCCESS OF CROPS.

OMAHA, NEBR., August 2.

We have a large wheat and small grain crop. Our corn crop of large acreage has sustained some damage from drought, probably 20 per cent.

If we should have an average yield of corn we believe we will have a fairly good business year if Congress does not interfere. Jobbers are buying lightly, fearing tariff revision.

Money is close, banks lending sparingly, fearing currency legislation. The main features of the curency bill as proposed are most objectionable to all business interests. The largest national banks in this State will not retain their charters if the bill is made law.

We need currency legislation that will improve conditions and not give the country a backset.

F. H. Davis,

F. H. DAVIS, Vice President First National Bank.

KANSAS TRADE WELL IN HAND.

TOPEKA, KANS., August 2.

Everybody is employed and conditions are good. We have been conservative for the past two years. Early crops are good and prices are fair. Late crops are to be made.

We expect a reasonable fall trade. Our merchants have their business well in hand.

J. R. MULVANE, President Bank of Topeka.

PROSPERITY SEEMS ASSURED.

MINNEAPOLIS, August 2.

We deal directly with consumers in Minnesota, the Dakotas, and Montana. Our present business is running 20 per cent ahead of the best year we have ever had.

Collections are satisfactory and crop prospects are wonderfully fine, which means prosperity for this section for at least another year. There is little speculation in land, merchandise, or securities. The demand for labor is greater than the supply, and everything is as fit as a fiddle so far as the Northwest is concerned.

W. I. Harris

W. L. HARRIS,
President of the New England Furniture & Carpet Co.

GRAND TRUNK'S LARGE BUSINESS.

MONTREAL, August 2.

Present business conditions throughout the country contiguous to the Grand Trunk Railroad from Chicago to the Atlantic seaboard are very favorable, as evidenced by the largest volume of business ever handled in history of the company
Reports from all sources would seem to indicate that these conditions will prevail throughout the season, with prospects of an increased volume of traffic this fall on account of favorable crop conditions in the Canadian Northwest.

E. J. CHAMBERLAIN, President Grand Trunk Railroad.

COLORADO AND THE TARIFF.

DENVER, COLO., August 2.

Crops in this State are abundant and we are anticipating good prices so that the current year should produce a considerable revenue for our farmers and fruit growers as well as cattle raisers.

The disturbing situation, however, is the impending tariff, the reductions in which will affect practically every industry in the State, and we are so misrepresented in Washington that our congressional delegation appears to be in favor of this measure.

I regret that these facts must be related, but believe that intrinsi-cally the State of Colorado is one of the most promising and prosperous in the Union, provided its industries may have a fair share of protec-

A. V. HUNTER, President First National Bank of Denver,

BUSINESS GOOD IN ST. PAUL.

ST. PAUL, MINN., August 2.

The senson is sufficiently advanced to assure a normal crop in the Northwestern States. Business conditions are good, but will be much improved with easier money when tariff legislation is finally disposed of. I am inclined to regard general conditions equally as good and business prospects about on last year's plane.

President Great Northern Railway.

GOOD CROPS IN THE SOUTH—RETURN OF PROSFERITY IS PREDICTED BY BANKERS THERE.

NEW ORLEANS, August 2.

This being an agricultural section, prevailing conditions must be considered with due regard to various staple crops. In territory tributary to New Orleans the section engaged in raising cetton has for several years been at severe disadvantage on account of the ravages of the boll weevil, and has passed through a period of deep depression and discouragement. There was slight improvement last year, and the present season promises a very large yield of cotton and a return of the prosperous conditions that prevailed before the appearance of the boll weevil.

weevil.

The corn crop throughout this territory is larger than has been grown for many years, and the yield per acre exceeds that grown on the best lands in Illinois and Iowa. Louisiana alone will probably have more than 50,000,000 bushels in excess of its own requirements. The rice crop premises an abundant yield, and conditions throughout the territory in which that staple is grown are exceedingly prosperous, with considerable advance in the values of farm lands.

The sugar section has promise of a very large yield, the final outcome depending upon weather conditions during the remainder of the season.

Owing to adverse tariff legislation it is unlikely that farmers will obtain a price for their sugar cane that will pay for the expense of growing it. This section, therefore, is under heavy depression at this time, and the outlook for the future is extremely uncertain. Complete readjustment of agricultural conditions and possibly of credits will have to be made.

Sol Wexler, Vice President Whitney Central National Bank

PROSPERITY NOW IN TEXAS.

HOUSTON, TEX., August 2.

Business conditions in Texas are sound and healthy. Crop prospects are brighter than for many years. Industrial and commercial enterprises are prosperous. Immigration to our State continues to settle our former vacant lands. Our cities and towns enjoy steady and sub-

our former vacant lands. Our cities and towns enjoy steady and substantial growth.

Farmers have raised sufficient corn and small grain for home consumption, and the railroads will soon be taxed to their utmost to move the enormous cotton crop and other traffic.

As usual, at this time of the year, money is somewhat stringent, but the movement of cotton will soon relieve this feature of the situation, and we see nothing to prevent a large and satisfactory fall business in all lines throughout the State.

S. F. Carter

S. F. CARTER, President Lumberman's National Bank,

THE PACIFIC COAST-GENERAL BUSINESS CONDITIONS GOOD-HARD TO BORROW MONEY.

SACRAMENTO, CAL., August 2.

Sacramento, Cal., August 2.

General business conditions in the territory served by the lines I represent and through which I am now traveling are apparently good, but do not show the activity anticipated. This is accounted for by the conservative attitude of commercial interests and also by the inability to finance public utilities and industrial projects.

The disposition of the tariff, the currency bill, and other pending legislation would no doubt relieve the situation, since other conditions do not appear to warrant a depression in business.

On the Iron Mountain Raiiroad, serving Missouri, Arkansas, Louisiana, and Texas, the prospects for a revival of business in the fall are good. The movement of lumber traffic from the Southwest is increasing. The cotton crop, the principal agricultural industry, promises a large yield, affecting favorably all lines of business on the Missouri Pacific, serving Missouri, Kansas, Oklahoma, and Nebraska.

While reports indicate some damage to crops the prospect for fall business is considered favorable.

On the Denver & Rio Grande, traversing Colorado and Utah, the prospects for fall business, we feel, may conservatively be said to be good. The crops, including fruits, promise a good yield, with an extended interest in the live-stock industry.

B. F. Bush.

President Denver & Rio Grande Railroad.

President Denver & Rio Grande Railroad and Missouri Pacific System.

ALONG THE SOUTHERN PACIFIC.

SAN FRANCISCO, August 2.

SAN FRANCISCO, August 2.

Speaking for the territory west of El Paso, Tex., Ogden. Utah, and Portland, Oreg., covering the Pacific system of the Southern Pacific Railroad, or, say, 6,500 miles of railroad, conditions at this time are fairly satisfactory. Business men are getting good prices and the outlook for the season, generally speaking, is up to the average.

WILLIAM SPROULE,

President Southern Pacific Co.

BANKS LOANED UP.

PORTLAND, OREG., July 31.

In most lines of business in this section conditions are fair to good; volume of business for first six months of this year large as last year, if not larger. Collections are slow and money scarce. Banks generally

are well loaned up. Borrowing for speculative purposes is not countenanced and borrowers can obtain accommodations only when regular customers of a bank. Crop prospects are excellent and harvesting is proceeding rapidly. We anticipate some difficulty in financing the harvesting of the crop, but once marketed look for good business generally and an easing of money rates by the end of the year, provided there are no heavy failures or financial disturbances in the East.

FIRST NATIONAL BANK.

FAIR CROPS AND GOOD PRICES.

SAN FRANCISCO, August 2.

The business conditions in our part of the country are far better than might be expected, considering the uncertainty of the tariff and currency reforms. We are having fair crops and good prices, and the banks here have money enough to look after the legitimate needs of their customers. The deposits in the banks are keeping up well.

President the Crocker National Bank, of San Francisco.

IN SOUTHERN CALIFORNIA.

LOS ANGELES, CAL., August 2.

Los Angeles, Cal., August 2.

Business so far this year has been very good; much better than was expected. The prospects for a good fall business are very satisfactory. There is a great amount of building going on in this city, which ranks fourth in the United States for increase in new buildings. There are very few unemployed.

Merchants are operating cautiously, awaiting the final announcement on the tariff question. Leading bankers inform us that money for the movement of crops is plentiful in spite of the financial stringency in the East. In fact, they state there is now plenty of money available for property demands.

We believe the aforementioned conditions apply generally to Los Angeles and southern California.

Broadway Department Store.

BROADWAY DEPARTMENT STORE.

SEES TRADE BOOM AHEAD.

SAN FRANCISCO, August 2.

Present conditions are quiet and dull. Most businesses here show no gain nor loss, with the number of failures relatively few. Retail merchants of northern and central California are optimistic, however, as to the fall and future, feeling that the turning point is about past. All will heave a sigh of relief at the conclusion of the present interminable tariff situation, believing that it is largely responsible for present conditions. We consider that we are in the dawn of one of the greatest booms this section of the country has ever known.

B. F. SCHLESINGER,

President California Retail Dry Goods Association.

Mr. GALLINGER. Mr. President, it has interested me to have the Senator from Missouri [Mr. STONE] for the second time call attention to the fact that certain lamentations have been uttered on this side of the Chamber concerning the probable effect of the proposed tariff legislation. I recall the fact very distinctly that when we were engaged in trying to pass the last tariff bill the immobile and attractive features of the Senator from Missouri were frequently turned to us on this side of the Chamber, and he indulged in lamentations day by day to such an extent that I took the liberty of reading a part of a chapter from the Lamentations of Jeremiah for the purpose of helping the Senator out.

Mr. President, I do not understand that, as a rule, Republicans are complaining of present conditions, although there are clouds on the business horizon. On the contrary, as I said a moment ago, the matter which the Senator from Missouri has placed in the RECORD is a tribute to the Republican Party. setting forth, as it does, prosperity under a Republican tariff law. I recall seeing once a picture of a very interesting statue labeled "Patience on a monument smiling at grief," and I venture the suggestion that after the present proposed tariff legislation has become an accomplished fact and its effect has been felt we might well expect to see the effigy of the dis-tinguished Senator from Missouri on a monument labeled "The prophet of prosperity smiling at disaster," because I believe in my heart of hearts that that is what is to overtake the country if this tariff bill becomes a law, as it probably

The Senator from Missouri quoted from Marshall Field & Co., a house which is a very large importer of foreign goods, to the effect that there has been a considerable increase in the business of that house. That is very likely so; and I do not question the fact that other houses have given the testimony that the Senator has placed in the RECORD. But I observe day by day that notwithstanding this claim of prosperity on the part of importing houses in the country the revenues of the Government are falling below the expenditures and that we are threatened with a very serious decrease of revenues unless something is done to check the present trend of affairs.

It is to me very interesting to have our Democratic friends testify so eloquently to business conditions under the existing Republican tariff law. We have been accustomed to hearing the Democratic Party, in season and out of season, clamoring for an increase in our foreign trade. But the fact is that our foreign commerce has increased under Republican policies to such an extent that it excites the admiration of the learned Senator from Colorado [Mr. THOMAS], and he puts in the RECORD the fact that our foreign commerce has increased to an extent such

as could hardly have been dreamed of a few years ago. That, again, is an instructive testimonial to the prosperity that has come to the country under the administration of the Republican

Everybody knows that the country was phenomenally prosperous under the last administration; but even the distinguished Senator from Missouri can not with any degree of certainty prophesy what the condition will be under the proposed law. We have yet to test that by actual experience. As I said the other day, if it shall prove that the new tariff law shall give prosperity to the country, it will justify the Democratic Party in every contention it has engaged in during all these years, and it will prove conclusively that the Republican Party has been wrong on economic questions all through its history.

I do not expect, however, that history will fail to repeat itself. I do not expect that a tariff law such as this will fail to bring upon the country substantially the same result that the last tariff law of the Democratic Party did. For that reason, without joining the army of those who are lamenting the present situation, because I do not think it deserves lamentations on our part, I am looking forward to a condition of things in the near future that will be a tribute to the views the Republican Party has held and that will once again prove that the Democratic policy of a tariff for revenue only is a snare and a delusion to the American people.

It is instructive to put in the RECORD the views of merchants, as well as editorials from leading newspapers of the country, because to a certain extent they reflect public sentiment. It has not been my habit to do that. In all my service here I believe I have not placed in the RECORD more than one extract from a newspaper. But I chance to have in my possession an editorial from a recent issue of the Washington Post, a paper that never has been charged with Republican affiliations, which I think may well be placed in the RECORD in connection with the newspaper extracts that have been placed there by the Senator from Missouri [Mr. STONE] and other Senators on that side of the Chamber.

The Washington Post said:

The Washington Post said:

While the Senate yielded everywhere to protests from foreigners against the severities imposed on them by the House, it piled up the hardships on the American farmers and manufacturers prodigiously, put a prohibitory tax on luxury imports, and enlarged the scope of the direct income feature, saddling on the American taxpayer the financial results of the Senate concessions to the foreigner. Are the people not to be told why such favors—gratuities, all of them—are lavished on the foreigner without a sou of compensatory advantage? Everything is being primed for a foreign invasion on a scale trade history furnishes no parallel for, but the reason of state or of economy for taking such a step is hidden from us. This is the weakest point in the Democratic armor.

The defection on sugar and wool may force minor concessions as regards those articles, but the only means of heading off the bill from going through practically as reported to the Senate would be to challenge its supporters, day in and day out, to justify its un-American conception and execution from agate to zinc. Put it before the people with telling emphasis and untiring diligence that a collective congress of the foreign world could hardly do more toward knocking the props from under what we have built up than is being done by the American Congress without rhyme or reason, without offering a plea in defense or extenuation, and who could doubt the result?

Mr. President, that is a contribution that I think is worthy of

Mr. President, that is a contribution that I think is worthy of serious consideration. It has seemed to me, as I have read this bill over and over again, that we are surrendering the American market to the other countries of the world. Inasmuch as this is the best market in the world, and inasmuch as our people consume per capita infinitely more than any other people on the face of the earth, it is my earnest wish and desire that we, as patriotic American Senators, shall see to it that as large a proportion as possible of our own market is saved to our own people, and that foreign nations shall not be given the advantages that I find are given to them in the bill now under consideration.

But the bill is to pass. The flat has gone forth. The Democratic caucus has so decided. We must, as well as we can, face the result, whatever it may be. It will not profit us, at this stage in the proceedings, to waste much time in direful prophecies as to what will happen, or in tributes to what is occurring to-day under a Republican tariff law. Let us go along in an orderly way, discussing the items as they come before us, giving careful consideration to the various schedules of the bill. The bill is to be passed by Democratic votes and approved by a Democratic President, after which it will be tested in the crucible of public opinion, as the Wilson-Gorman tariff law was tested 20 years ago, and rejected by the voters of the

country.

Mr. WILLIAMS. Mr. President, I hope the Senate will excuse me for telling a little incident of which I am reminded by the present conduct of the Republican Party

was once standing on Jefferson Street, in Yazoo City, near old John Brumfield's office. Just across the way was a mule,

and on the mule was a little nigger. The mule was at one time throwing up his hind heels, and the next time he was throwing up his fore heels, and the next time he was putting all his four feet together and humping his back, and the little darky was managing to stay on by gluing his bare heels to the mule's sides and his arms around his neck. Old John Brumfield said: "John, I wish you would look at that mule. He don't know a thing about pleading. Evidently he never studied pleading." I said: "John, I can't imagine what con-I said: "John, I can't imagine what connection there is between that mule's conduct and the science of legal pleading." "Why," he said, "you are stupider than I thought. Don't you see that the mule is demurring, when he ought to go to the country?

If you Republicans are as certain as you pretend to be that this bill is going to play havoc with everything and everybody and arouse the disgust of the people and the country, why do you not quit demurring and let us go to the country? We are

The quicker the better.

Mr. GALLINGER. Mr. President, that is precisely what we inquired of our Democratic friends four years ago, but they kept us here in debate over two months. We have been debating this bill less than three weeks. We propose to continue to demur until the people of the country understand our precise Then the people of the country can render the verdict with more intelligence than they could if it were altogether decided on the basis of Democratic arguments. We are endeavoring to enlighten the people on questions of great public concern.

Mr. MYERS. Mr. President, I will make some observations upon the pending tariff bill, House bill No. 3321, especially

upon the free-raw-wool clause thereof.

Amidst the hue and cry that we have heard in this Chamber about discrimination in this bill against the West, I wish to have heard one western State which feels self-reliant and is not complaining about discrimination. This discrimination against home interests, of which we hear so much, when translated into plain English, in my opinion, often means: "We are not getting our share of the graft; we are being overlooked in the distribution of the plunder." That is not my principle, and, if I mistake not, it is not the principle of a majority of the

people of my State.

There has been some criticism of this measure by solicitous friends of the West on account of the free-raw-wool provision in it. It is by many considered doubtful, from an equitable economic standpoint, if raw material should often bear a tariff Any tariff duty imposed upon a raw product almost invariably makes the cost of the raw product greater to the manufacturer. He in turn will ask not only for as great or a greater degree of duty upon his finished product as that given to the raw product, but, in addition thereto, he will ask for a compensatory duty that will recoup, or more than recoup, him for the increased price he will claim to have been required to pay for the raw product, and he invariably gets it. Thus the poor consumer is thrice taxed by the tariff when he pays for the finished product.

Wool is raw material. Its production requires but little labor. It requires no great factories filled with intricate and delicate machinery, operated by the application of steam or electrical power, and requiring labor of skilled artisans and mechanicians trained in the technical pursuit of turning out a finished product. Sunshine, rain, atmosphere, and grass—things not owned exclusively by the individual, but the common heritage and privilege of all—do the greater part in the work of its production; and in the West the grasses have grown mostly on public lands; but little labor is required and that of the most ordinary and unskilled character. Once the original investment is made it requires very little capital to carry on the business; no expensive machinery has to be kept in repair; no trained corps of skilled workers has to be kept on the pay roll; nature does the most of it after the original investment is made. Therefore wool is amongst the rawest of raw materials. I ask, in order that justice may be attained in this matter—justice to all, not to a few—is woolgrowing a proper industry to be granted further protection? Do the woolgrowers need protection? Does the Government need the revenue to be derived therefrom? Would a continuation of duty on raw wool be justifiable?

In the past the most frequent plausible argument advanced for protection has been that in favor of the protection of infant industries, and even here a discriminating mind would require that distinctions be made. The argument generally made is that it may be advantageous to encourage by legislation a branch of industry which might be profitably carried on; which is therefore sure to be carried on eventually, but the rise of which is prevented for the time being by artificial or accidental

Even if there be any merit in the argument from a causes. protective standpoint, it must lie in the assumption that the causes which prevent the rise of the industry and render protection necessary are not permanent-not such as would permanently prevent, under a state of freedom, the growth of the industry, but are causes which are new and artificial and which are sure to be overcome in the end, but which may be more quickly overcome by the stimulus of temporary protection. The mere fact that an industry is young in years does not supply the condition under which protection would be justified by this argument. If not naturally calculated, in the course of time, by its own merits to become self-sustaining and profitable, even this plausible argument would not apply to it. Any industry which, after having had heavy and long-continued protection, is unable to stand alone and supply its country with products, at least as cheaply as they can be obtained elsewhere, not only is entitled to no further protection, but proves by its own career that it was never entitled to any protection.

There had always been sheep in this country from the first settlement of the colonies. The colonies had always had some sheep and always had produced for home use and even for exportation at times from one colony to another some wool. When wool manufacturing began to assume proportions in this country and the need of wool therefor was apparent and the supply was found to be inadequate, in 1802, a large flock of merino sheep was imported from Spain, followed in 1809 and 1810 by larger importations thereof from the same country. first tariff duty was put on raw wool. It was a duty of 15 per At the same time there was levicd on woolen goods a tariff of 25 per cent ad valorem, to be reduced after three years to 20 per cent, but the reduction was never made. If enacted to stimulate the production of wool in this country to the extent of furnishing its own wool supply, this protection was a failure, for importations of wool and woolen goods increased. The duties

simply taxed the consumer.

From that time to the present day raw wool has been a protected product in this country, except for four years from 1857 to 1861, when it was free in part, all raw wool worth less than 20 cents per pound being admitted free, and except the three years from 1894 to 1897, when it was on the free list. During the greater part of all that time wool has been especially favored by high tariff duties. Practically all of the time since 1816 it has been a favored product, carefully pampered, fostered, and protected by the Government at the expense of the masses of the people. In 1824 woolen manufacturers sought and obtained an increase of the duty on woolen manufactures and at the same time, as a companion piece of favoritism, the duty on raw wool was increased to 30 per cent. In 1828 further increases of both duties were made as a part of the "tariff of abominations" of that year, wool being given a specific duty of 4 cents a pound and an increased ad valorem rate, which in two years reached 50 per cent. Even this stiff increase did not answer any legitimate purpose, nor any purpose at all, except to further tax the masses of the people, and importations increased. The stiff rates of duty obtained by woolgrowers and woolen manufacturers constituted a factor in making the law unpopular and an abomination to the people.

In 1833 and again in 1834 the tariff was revised, and slight reductions were made in tariff duties on wool and woolen goods. In 1837 the country suffered a panic, and wool suffered along with other products. The price of wool, which had ranged very high, fell sharply that year. In 1846 the tariff was again revised, and the duty on low grades of wool was considerably

increased, and the price of wool increased.

Then comes the tariff revision of 1857, by which all wool valued at 20 cents a pound or less was put on the free list and · wool worth more than 20 cents a pound was given a duty of 24 per cent ad valorem, a very great reduction from the protection wool had theretofore enjoyed. This was partial free trade for wool and a tremendous reduction of duty upon the whole. Likewise the duties on woolen manufactures were greatly reduced, resulting in greatly increased importations. The reduction of 1857 was followed by an increased use of wool and by a decreased use of substitutes for wool. Importa-tions of wool increased, and the price was lowered some, but not to the point of causing woolgrowing to be unprofitable. Woolgrowing continued and flourished, the only noticeable difference being that prices of wool and woolen goods were lower to the people.

During that period of practical free trade the wool industry thrived and was carried on at a reasonable profit. A few years before, when wool was high and the actual protection afforded was the greatest, the flocks in the East were cut in half, and a little later there was a decline in the West. This proves that, while a protective tariff increases the price of a product to the consumer, it does not always stimulate the industry and cause it to grow. In the case of wool numerous involved conditions exercised control. The dairying business and other businesses became more profitable; cotton, a cheaper product, was used as a substitute for the more costly wool; land in some parts of the East became too valuable for sheep grazing, and various other economical conditions operated to offset the protection given by the tariff. The consumer, though, paid a higher price,

without any compensatory benefit to the country.

Then came the Civil War period, with its extraordinary demand for woolen clothing and blankets, accompanied by a scarcity, almost entire absence, of cotton, and high prices for everything. Prices soared, wool along with the rest. was revised in 1861 and tariff rates, materially raised. By the Morrill Act of 1861 specific duties on wool were substituted for ad valorem rates, and a duty as high as 9 cents per pound was put upon some grades of wool. The duties on woolen goods were increased accordingly. An ad valorem rate of 25 per cent was levied on them and, in addition, a specific duty of 12 cents per pound of cloth. This specific duty was intended to compensate the manufacturers for the duty on wool, while the

ad valorem rate was to give them their protection.

In this act is found the first attempt to apply the principle of a scientifically adjusted compensatory duty to the manufacturer to offset the duty on raw wool, a nefarious principle which has been maintained ever since when there was a duty on wool, a principle which is the bane of the consumer and which makes the woolen manufacturer join hands with the woolgrower, in order to extort from the Government protection for both, because the manufacturer knows that under this principle he will be compensated for the increased cost to him of wool and given his own measure of protection besides. The complexity of its working is commonly used to obtain more protection for the manufacturer than he would get if there were no duty on raw wool and he were enabled to buy raw wool at a cheaper price. One way in which this is brought about is that it is generally figured that it takes from 3½ to 4 pounds of raw wool to make a pound of finished cloth, which is an exaggeration. It does not take so much as either quantity, and it gives the manufacturer a meed of gratuitous protection for which there is no reason nor warrant. It is an imposition-a graft. There are other tricks of the trade in this complex compensatory scheme. The manufacturer has never relaxed the avidity with which he grasped and welcomed the application of that insidious principle.

In 1864, owing to the cost of the war and the need of revenue, a still further increase of rates of duty on wool and woolen goods was made, the very lowest grade of imported wool being taxed 3 cents a pound; other grades, 6 cents a pound; and others, 12 cents per pound plus 10 per cent ad valorem. Over half of the imports paid 6 cents a pound, nor was the duty offset by an internal-revenue tax, as were many duties during the war. It applied to the grades of wool most widely grown in the country and meant a real and substantial net increase in the protection which the woolgrower obtained. It proved to be the be-ginning of an era of greater protection than the grower had ever known. There was also a considerable increase in the duties on manufactured products. Most of this was sought to be justified as compensation for the higher duties on the raw material. This act raised all duties greatly and indiscriminately. The average rate on dutiable commodities under the act of 1862 was 37½ per cent. The act of 1864 raised the aver-

age to 47.06 per cent.

During the first three years of the war importations of wool and woolen manufactures decreased from what they had been before the war, owing, doubtless, in large part, to the segregation of the South. During the last year of the war the increase of importations was about 80 per cent as compared with the preceding three years, and the duties paid were 53 per cent

of the value.

At the outbreak of the Civil War the average rate of duty on all dutiable articles was 19 per cent, amply adequate to defray the expenses of the Government economically administered. During the war the necessity for greater revenue arose. The Government had to have money with which to prosecute the war. For long periods of time during that frightful fratricidal struggle the expenses of the Government were as much as a million dollars a day. Enormous revenues had to be raised, and in large part the Government resorted to increase of tariff duties along with internal-revenue taxation. In return for the revenue the Government granted special privilege in the way of pretection to favored classes, mostly to manufacturing industries; but raw wool came in for its share, lugging along that inseparable concomitant—compensatory duty to the manufacturer—in order to enable the specially favored manufacturer

to wax fatter and richer at the expense of the consumer; and to this day the manufacturer has had, and he has now, the lion's share of the protection on wool. He understands how to get that. The compensatory scheme gives it to him.

It was understood and promised at the time, that the increases of tariff duties made during the war were only war taxes, for war purposes, in an emergency, and that they would be reduced as soon as the war should end; but after the war the protected interests were in no mood to surrender the advantage they had gained. They besieged Congress with lobbyists and they trafficked and traded amongst themselves to help one another in enabling each to keep possession of the advantage he had secured from the country by means of the merciless emergency occasioned by war. They robbed each other and then evened

things by all robbing the public.

In 1867 the tariff was again revised and more concessions were granted to woolgrowers and woolen manufacturers. this industry, as with all others, the necessary increase of tariff duties during the war, made in order to prosecute the war between the States, had only whetted the appetites of special interests. Having obtained a taste of special privilege, it proved to them like the taste of blood to the wild beast-it only whetted the appetite for more and strengthened the arm of special interests to enforce their demands. Prior to the Civil War protection, as such, had hardly been known in this country and scarcely anybody dared to advocate it. Such tariff duties as we had were almost uniformly for revenue purposes only, in order to raise the necessary revenue required to conduct the Government, or such as were timidly granted to encourage infant industries. Only twice before the war were tariff laws having within them any distinct and avowed element of protection enacted, and they proved so unpopular that they were speedily abolished or reduced in response to the demands of an indignant public. Our tariff duties were looked upon in the main as only the means of providing revenue.

In December, 1865, at Syracuse, N. Y., the woolen manufacturers and woolgrowers held a convention and came to terms, under which they agreed to make a united assault upon Congress, not only to keep what protection they had, but for greater protection, and to agree upon rates of compensatory duty to the manufacturer. After planning and scheming and some bicker-ing and dissention they agreed on what they wanted and pledged their sacred honor to stand by each other in their raids on the pockets of the people. Then and there began their offensive and defensive alliance, which has been kept up to this day, which has made Schedule K the keystone to the protection arch, the corner stone of the protection temple, and which has made Schedule K indefensible and odious to the people.

The tariff law of 1867 resulted in increased rather than lowered duties. In 1883 the tariff was again revised and the rates on raw wool were slightly reduced, approximately about 2 cents per pound. The rates on woolen manufactures were not perceptibly altered. The protection accorded raw wool and woolen manufactures continued high enough to cause a great deal of consumption of cotton, a cheap product, instead of wool, a higher priced product. Between 1870 and 1890 the consumption of cotton rose from 4,000,000 pounds to 160,000,000 pounds. The number of sheep in the country slightly declined. In 1880 the census returned, in round numbers, 42,000,000 sheep and in 1890 returned 41,000,000. In 1884 the wool clip was 337,500,000 pounds; in 1890 it was 309,000,000 pounds.

In 1890 the McKinley tariff law was enacted, under which the woolgrower secured virtually a restoration to the higher duties of 1867. The duty on clothing wool went up to 11 cents per pound, on combing wool from 10 to 12 cents. Woolen manu-

factures were raised accordingly.

We are now up to the panic of 1893 and free wool in 1894, of which we hear so much. Practically ever since 1816 wool had been protected. Sometimes the tariff duty was raised; at other times slightly lowered; but practically always wool had been a favored industry and had enjoyed protection at the hands of the Government. Beginning in 1816 protection was first accorded to it as an infant industry in the hope of making it furnish a domestic supply adequate for all of our uses, building up an industry that would furnish all the wool used in this country. Protection had been lavished upon it to that end, and with what result? Sometimes the price was higher, at other times lower; and the supply was never adequate for home consump-tion. Importations of wool and woolen cloths varied, but they kept on steadily year after year; sometimes more, sometimes less, but always a steady flow. In all the advances and back-sets that wool had during this extended period who can say that the protection accorded it was of any benefit to this country or its people as a whole?

The tariff duty had undoubtedly kept the price higher than it would have been otherwise. There was no compensatory benefit to the country, such as building up a great industry capable of supplying all the wool used in this country. There was no benefit to the country at large. What good resulted to the woolgrowers, except the extra dollars that went into their pockets for the time being? Their business was not put upon a stable basis.

We now approach the bogie of free wool in 1894. I know that with our Republican friends the panic of 1893 has supplanted the bloody shirt. For years and years the bloody shirt was frantically waved, until it became timeworn and threadbare and no longer frightened people into giving the Republican Party an extended lease of power. I know that for years it was shouted and dinned in the ears of the frightened populace that the Confederate brigadier was in the saddle. The old Union soldiers were advised to vote as they shot. One might have expected to see the Confederate flag floating over the Dome of the Capitol; the negroes put back into slavery. The old bloody shirt was worked overtime. It was the stock political argument, the beginning and the end of the appeal to the people. Underneath its dripping folds steadily the work went on of increasing the tariff duties and piling up the burdens of taxation on the people. The people listened in dumb terror and did not realize the additional burdens being placed on their backs. The panic of 1893 has taken the place of the poor old bloody shirt. The shirt was waved and flaunted until not even the shreds remained, and something else had to be taken up in its place. Now the people are to be frightened and terrorized by the ghost of 1893. It is stalked out every time there is danger of the Democrats getting into power and every time a downward revision of the tariff is undertaken. Gaunt and gloomy starvation is paraded before the awestricken people. Soup houses are pictured dolefully on the stage by calamity artists.

The ghost of 1893 is the bogie of the hour; but the panic of 1893 came more than a year before the enactment into law of the Wilson bill of 1894, with free wool in it. What caused it is a matter of wide differences of opinion and of endless discussion. Of one thing we may be certain—that it was not caused by any tariff legislation of the Democratic Party, because no tariff law was enacted for more than a year afterwards. With some plausibility it is ascribed by some to unwise tampering with our monetary laws. Others ascribe it to the preceding era of great prosperity and accompanying inflation of values, overbooming, speculation, and extravagance. Like the black panic of 1873 it was one of those periodical financial and commercial depressions which come around with the cycles of time, to remind us that for good times there must be bad times, and which are brought around by a combination of causes, making it difficult to show any one particular cause, but which have ever been recurrent in the history of this and other civilized countries. Wool began to decline in price long before 1894.

The low level in the price of wool which was reached in 1885 continued with little change until 1891. Then the downward movement was renewed and took a decided plunge in the spring of 1893. With the outbreak of the panic of that year came a sudden drop, wool falling as much as 10 cents a pound in the course of a year. Wool was down to a low ebb long before the Wilson bill, with its free-wool provision, was enacted in August, 1894. The final enactment of that bill had little effect upon the price of wool. The price of wool fluctuated around the low level of 1893 during the entire period of financial and commercial depression, which continued about four years until 1897. During that time all prices were low. A period of depression prevailed over the entire country, and wool only participated in the general depression and downward tendency. During that time the world's wool supply gradually and steadily increased from 2,121,000,000 pounds in 1891 to 2,304,000,000 pounds in 1897, which was one cause of the continued low price of wool in this country.

In the United States sheep suffered in accordance with the depression of other industries, but not more so than some others. There was some falling off in the number of sheep in the United States at large, but it all occurred in the Eastern and Southern and Mississippi Valley Sates, where land had increased greatly in value since the war; where the population was becoming more dense; where pasturage was becoming scarcer; and where there was a diversification of interests, so that if one did not pay well, another might be tried. In 1897, at the end of the period of industrial depression, there were in the United States 34,700,000 head of sheep. In that year a protective duty was restored to wool. It did not, however, revive the industry in the older sections of the country, for there were in 1905, after eight years of as high protective duties as the industry had ever known, fewer sheep in the New Eng-

land, Middle Atlantic, North Central, and Southern States than at any time throughout the period when prices in the world's market were at the lowest level in years and wool was imported free of duty. Yet during those eight years farming in those sections was not on the decline. The production and price of nearly every farm product increased, but the number of sheep, on the other hand, steadily decreased.

In the far West, even during the industrial depression from 1894 to 1897, sheep held their own. In 1894 in the Rocky Mountain and Pacific Coast States and Territories there were 18,600,000 head of sheep, and in 1898 there were 19,300,000 head.

In the Rocky Mountain States, the chief woolgrowing section of the country, an advance took place even during that period of financial depression. Beginning with April 1, 1894, and ending April 1, 1897, there was a gain in the number of sheep in Idaho every year, and in Montana, Arizona, Nevada, Wyoming, and Colorado every year but one. All of those States and the one Territory mentioned ended the period of combined industrial depression and free wool with more sheep than they had at the beginning, a fact which can not but cause one to raise the question as to the necessity of the protective tariff for the woolgrowers of that section, the prime woolgrowing section of the country.

tion of the country.

In 1897 the duty on raw wool was restored, and ever since then wool and woolen goods have been highly protected articles, so much so that Schedule K has become scandalous. The restored duties on wool necessarily brought in their train the old system of high compensatory duties on woolens, the rich field of exploitation in which the woolen manufacturer revels, rejoices, and holds high carnival, while the people are fleeced. Again we find the bewildering combination of ad valorem duties for protection and specific duties to compensate for the increased cost of the raw material.

We now face the proposition of free raw wool. The woolgrowing industry has enjoyed a high and careful degree of protection for practically all of 97 years, 90 years out of the last
97 years. It is no longer an infant industry. For nearly 100
years it has been carefully nurtured by the Government at the
expense of the people. No change has been made during the
long period of protection which has enabled this country either
to produce all of its own wool or to obtain it at home as cheaply
as by importation. Even under nearly a century of protection
many qualities of wool can not be produced to advantage in the
United States, while others can not be grown at all. During all
of this era of protection the tax on the people has been heavy.
Protection has caused billions of dollars to be paid by the
masses of the people to the woolgrowers.

We should remember, too, that a tariff tax on an article like wool, which is produced at home, is not like a tariff tax on tea and coffee, which are not produced here. Every dollar of the tariff tax paid by the consumer on tea and coffee goes into the Treasury of the United States and is used for the purpose of defraying the expenses of the Government which gives to the taxpayer protection and security; and thus the taxpayer, through the benefits of government and organized society; through protection of person, life, property, home, and family, gets back, in a measure, the tax he has paid on his tea and coffee; but it should be remembered that every dollar of tax which the consumer pays on wool grown in this country or woolen goods manufactured in this country goes into private It should be remembered that six-sevenths money which a protective tariff costs goes into the pockets of individuals. Of every seven dollars which a protective tariff costs the people of this country only one dollar goes into the Treasury of the United States and six dollars go into the pockets of the privileged class which enjoys the benefits of protec-Thus six-sevenths of the benefits of protection at the expense of the common people accrue to the privileged class and only one-seventh goes to the Government.

Even after all of this protection, nearly a century of coddling and nursing, the wool-growing business in the United States is a decadent business. Not only does it not hold its own, but it is positively on the decline. In 1900 there were in the United States 61,503,713 head of sheep; in 1910 there were only 52,447,861 head, and the number is still declining year by year. Importations of wool, however, are vastly increasing. Our woolen manufacturers are importing two-fifths of their consumption. In 1900 there were imported into this country 155,920,455 pounds of all classes of wool. In 1910 the total importation of all classes of wool amounted to 263,928,232 pounds. The production of wool in this country, however, is less now than it once was. If the business under a high degree of protection not only does not hold its own but is on the down grade, are we longer to stimulate it, at the expense of rifling the pock-

ets of the hard-working masses, in a vain effort to keep it up? A business which can not hold its own under a high protective tariff should be thrown upon its own resources.

I do not believe that free raw wool would stop the growing of wool in this country nor put the woolgrowers out of business nor extinguish the industry. We have the land, the soil, the climate, the rain, the water, the sunshine, and we ought to be able to compete with the world in growing wool. The United States, with the exception of dark and tyrannical Russia, is the only civilized country in the world which maintains or ever has maintained a duty on raw wool. There is no reason why it should continue to do so. Wool has become a necessity of life, and I believe in putting on the free list the necessities of life, so as to put them within the reach of the great masses of our toiling and struggling people. The masses of the people are entitled to have necessities of life on the free list.

Every man, woman, and child in the United States, especially in the northern part of our country, where the winters are rigorous, is entitled to wear woolen clothes. There wool is not only one of the comforts but it is one of the necessities of life. Every man who works; every tradesman, artisan, mechanic, miner, professional man, farmer, laborer; every woman, every child is entitled to wear woolen clothes in the winter season for protection from the rigors of the season; from the cold blasts of the winter's storm and the penetrating chill of the wintry winds and the dampness of the foggy weather; from the rain and sleet and snow. All of them are entitled to sleep under woolen blankets and to have woolen carpets on the floor to protect them from deadly pneumonia, coughs, colds, and all forms of sickness which impair the working efficiency of people, depreciate their earning capacity, and entail heavy expenses in the way of doctors' bills, and even take away the wage earner, the breadwinner, or some other member of the family and leave the family crippled and bereaved. The time has passed in this country when the comforts of life may be confined to the favored We should legislate and conduct our Government for the benefit of humanity; the protection, welfare, comfort, life, health, existence of all human beings, rich and poor, high and low. We are all human beings and all are entitled to wear and use wool. If it can not be produced in sufficient quantities or cheaply enough here, let us get more of it from abroad.

Undoubtedly a tariff tax on wool must normally cause the price of all wool that is imported to rise to the full extent of the duty. Moreover, the duty presumably causes the wool grown at home, of the same grades as that imported, to rise in price to the full extent of the tax. It is clear that if foreign wool be imported a rise in the price of domestic wool must take place, since wool would not be imported unless the price here were higher than the price abroad.

If wool can be grown abroad more cheaply than in this country, then a tariff duty must increase the cost of imported wool to us and necessarily increase, to some extent, the cost of home-If wool can not be grown abroad more cheaply than here, then the tariff does no good to the woolgrower of this country and should be removed as a snare and delusion.

However, it does cause wool to cost us more, and, the wool supply of the world always being short, it has caused a great many people in this country, and in the northern section of our country, too, to use cotton, shoddy, mungo, waste, and mixed goods, instead of wool, when they ought to have been using pure woolen goods; and often when they pay for pure woolen goods they get the mixed, adulterated, fraudulent goods. The pro-tection on wool has driven many people away from the use of wool and has caused many people to pay for and think they were getting wool when they were not. It has caused manufacturers to deceive the people, to put waste and shoddy and mungo and cotton into cloth and sell it for woolen goods when the goods were not woolen goods. In this way the imposition and fraud practiced on the American people have been enormous.

Free raw wool should cause a vastly increased use of wool. People who can not now afford to wear wool would then buy it and wear it. If free raw wool would reduce the price of wool, the people have been paying a bounty for it for nearly 100 years and are entitled to relief. If it would not reduce the price of wool, then no harm could come from putting it on the free list. In any event, if put on the free list, it would stand on its own merits and be governed in the regulation of the price thereof by honest and natural laws of production and consumption, supply and demand, and not by an artificial stimulant.

There is one benefit from free raw wool that is absolutely certain and can not be gainsaid by anyone. The woolen manufacturers of this country have reveled ever since 1861 under enormously high protective duties and many of them have

but they have worked to the uttermost the compensatory duty, on the ground that raw wool is protected and the cost thereof to them is thereby increased. They have demanded and received a compensatory duty in addition to their own act property of the This compensatory duty is one of the greatest evils of the woolen trade. It starts with the manufacturer, who has the compensatory duty in addition to their own net protection. benefit of the compensatory duty, and goes on through the channels of trade to the wholesaler, the retailer, and the tailor, each of whom must be compensated in turn, and the consumer pays the penalty in the end. Thus the ordinary cloth in a man's woolen suit pays a protective duty of 55 per cent ad valorem and a further compensatory duty of 44 cents per pound. It is manifest that free raw wool would at least remove this compensatory duty. If the price of raw wool should not fall a particle on account of being on the free list, the consumer would at least be rid of this compensatory tax, which begins with the manufacturer and goes down the line, through the channels of trade, to the consumer. He would at least benefit to that extent, and in the aggregate that means vast sums of money each year. Because of this compensatory duty, the total payments at our customhouses last year on the better classes of cloths amounted to 94 per cent of their value; on the cheaper classes, 150 per cent of their value.

The natural laws of production and consumption, supply and demand, would cause wool to be grown in this country. not enough wool grown in the world to supply the need of and the demand for wool. The world's supply of wool would only give to each person in the temperate zones of the world, exclusive of all tropical and semitropical sections where wool is not needed, a very light and scant suit of woolen outer clothing once in three and one-half years, if the entire wool supply of the world were devoted to that purpose and none thereof were made into underclothing, hats, blankets, or carpets. We all know that a suit of woolen clothes, if worn steadily, will not last more than a year. So there is a scarcity of wool in the world, and as long as that scarcity exists there will be a demand for wool, and it will be grown in this country and grown at a reasonable profit, and that is all to which any woolgrower is entitled. Does anyone think that, with that scarcity of wool in the world, the people of this country will quit growing wool? Why should they quit growing it and let all the wool that we need be shipped in from other countries that do grow it? Suppose it can be purchased more cheaply in South America and Australasia than here and all of our supply should be brought from those countries; then that much less would go from those countries to northern Europe, Siberia, Canada, and other parts of the world where they have to have woolen clothes, and our wool would find a market in those places. Our wool is bound to flow somewhere and be consumed somewhere, so long as there is a scarcity of wool in the world, and what difference does it make to us whether our woolgrowers sell their wool in this country or in some other country? The price of wool naturally will reach a world level as long as there is a demand for wool and a scarcity of wool all over the world. It is just like the waters of the world; they seek a common level. If the price of wool in this country is to be dammed up and bolstered up by artificial and restraining means, the people must pay the price; but why should they pay it? If some profit by it, many lose.

If this country can not compete with the world in woolgrowing after nearly a century of protection, then it had better go out of the business; but I claim that it can. Manifestly, all countries can not produce any particular product at precisely the same cost, but that does not keep the section where the cost is higher from producing it. The fact that wheat is more profitable in California than in New England does not keep it from being grown in New England. The fact that cotton may be produced for less in Mississippi than in Oklahoma does not keep it from being grown in Oklahoma. Such result will not be the case so long as there is a demand for all of those products produced and a need for all thereof. People will have what they need, and they will pay the price necessary to get it. If there needs to be wool grown in this country, it will be grown here and will bring a price that will justify the growing of it.

The cry that labor is higher in this country and that we must keep up the wages of our laborers can have but scant application to woolgrowing. There is comparatively little labor connected with woolgrowing. The land, the grass, the rain, the sunshine, and the Almighty do the most of it. The sheep ranch does not require a large number of employees and a great pay roll. On the plains of the West one sheep herder and a couple of shepherd dogs generally can take care of two or three thousand sheep. In the old and thickly settled States sheep are kept by farmers, as a side product for both mutton and wool, in become millionaires and American lords. During all of that small numbers, and require no herding at all. They simply run time they have not only enjoyed protection of their products in the pasture of the farmer. When it comes to sheep shearing,

machines are now in use for that purpose, and but little hand

labor is required.

Commercial woolgrowing on a large scale on the plains of the far West is rapidly becoming a thing of the past. Wool will always be grown there, but in a few years more it will be grown there as it is grown in the old and thickly settled States of the East. Many farmers will have small flocks of sheep which they will keep as a by-product for mutton and wool. Sheep will be kept more for mutton than for wool. Already more than one-half of the profits from sheep in the United States come from sales of sheep for mutton; less than half from sales of wool. Thus wool is now a by-product of sheep.

The farmer's sheep will be only one of his diversified prod-ucts. He will not be wholly dependent upon them. The sheep will graze on the waste lands not fit to put to crop, and in the gulches, and on the mountain sides, and will live on grass and herbs that would be wasted otherwise. In my own State the man with the hoe, with the plow-the homesteader, the farmeris rapidly restricting the large sheepman. Montana is settling up with a population of sturdy farmers who cultivate the lands and get more profit from the crops on 1 acre of land than the large sheepman derived from 10 acres by running sheep on them. The State is thus acquiring more population, producing more products, growing more crops, bringing in more revenue, supporting more people, feeding more mouths, and making more business than ever before. Montana has become the seventh wheat-growing State of the Union.

At the annual meeting last spring of the Montana Woolgrowers' Association the president of the association in his annual address predicted that it would be the last meeting of the asso-I read an article clipped from one of the daily papers

of the State:

MILES CITY, MONT., April 14.

"Encroachment of the homesteader and the farmer on the free stock ranges of Montana is driving the sheep-raising industry out of this State was the statement made by President Hammond, of the Montana Woolgrowers' Association, which opened its twenty-seventh annual session here to-day. Mr. Hammond, in his address to the association, predicted that this would be the last session of that organization."

Of course, there will always be sheep in Montana; there will always be wool produced there. Montana is one of the best sections of this country for the growing of wool, and can grow it as cheaply as any section of the United States. It is the principal woolgrowing State in the Union, having more sheep than any

The sheepmen, themselves, in Montana are divided on free raw wool and the effect it will have on prices. Hon. William Lindsay, one of the leading Republicans of Montana, at present United States marshal for the district of Montana, who has been one of the most extensive woolgrowers in Montana, has no fear of free wool. The following interview by him was published all over the State last spring. I read it:

BUTTE, April 12.

"Wool prices have been on a free-wool basis for the last three years, even though we have had a tariff, and for this reason I do not believe prices are going to drop when the tariff is removed," said United States Marshal Lindsay to-day.

Mr. Lindsay, who is one of the largest woolgrowers in the State, continued:

Mr. Lindsay, who is one of the largest woolgrowers in the State, continued:

"The condition of the trade, the condition of the wool clip, and the decreased number of sheep in the country all make me believe we will not have any cheaper wool than what it has been for three years. The wool lofts in the East are empty, the manufacturing plants are pretty well employed, and there is absolutely no reason why prices should go lower even with free wool.

"It should not be forgotten that everyone looked for cheaper raw hides when the tariff was removed. Instead, the price of hides advanced and so did the price of shoes."

From a Montana paper which reached me this morning I have clipped another statement by the same gentleman, Hon. William Lindsay, who is looked upon by many in Montana as a leading authority on the wool industry and the wool question. I read his latest utterance:

HELENA, July 30.

Eastern wool buyers have hammered the price of wool below what it should be on a free-wool basis, in the opinion of United States Marshal William Lindsay, who returned from eastern Montana last night. He looks for the market to recover later in the season about 2 cents. "The average price of wool in Montana this year was from 16 to 17 cents, about 4 cents less than the average last year," said Mr. Lindsay. "The certainty of the passage of the free-wool bill enabled the buyers to hammer the price down that much, but in my judgment this is below a free-wool basis, and I look to see much of the wool that has been consigned east bring from 18 to 20 cents."

Hon. J. M. Darroch, one of the most extensive woolgrowers of the State, sees no dire results in free wool. Last spring he was quoted in all of the newspapers of the State as follows:

LIVINGSTON, Man 25.

State Senator J. M. Darroch was in town to-day from his ranch and reports a most successful lambing season. He is one of the largest sheep

raisers in the State and is for free wool. Speaking of the tariff, the senator said:

"With the policies inaugurated by the Democracy being carried out, I predict that in two years the woolgrower will be receiving a higher price for his product than ever before. However, I shall be glad when the Democratic administration completes its proposed revision and a permanent basis is reached as relates to the wool-growing industry.

"During the 12 years that I have been engaged in the sheep business we have annually had this question of tariff to contend with, the continuous agitation on the subject being made the most of by the eastern wool houses. If, however, a final and permanent adjustment of the tariff can be secured, we will then be able to figure out just where we are at."

I have received a number of letters from prominent woolgrowers of Montana, who advocate free raw wool and say they are ready for it and not afraid of it. I quote from one letter written to me by a prominent woolgrower of Montana, who is known all over the State:

known all over the State;

"I know the sentiment of the people of this State pretty well, and I know that they are in favor of and are in fact demanding that our Representatives in Congress should carry out our party pledges and relieve the people from paying tribute to a few sheepmen and sugarbeet men in this State and the eastern manufacturers and the great trusts throughout the country.

"The people of this State are overwhelmingly in favor of free wool and free sugar. There are probably 300 or 400 men in this State who are woolgrowers. On the other hand, there are about 450,000 other people who are not interested in the wool business who are opposed to a wool tariff, and they are opposed to any law which forces them to pay tribute to a few sheepmen or sugar-beet men for no other purpose than to enrich a few at the expense of the many.

"The principles of our party have always been that laws should be passed which are beneficial to the masses; that is, which benefit many people instead of enriching a few."

Another woolman in Montana recently wrote me.

Another woolman in Montana recently wrote me:

"I own sheep and I am a woolgrower. I have been a woolman for many years, but I am a Democrat before I am a woolman. I do not put my own interests first and foremost. I believe some regard should be paid to the welfare of the country and to principle. The people of this country are expecting the Democratic Party to give them free wool and sugar, and I want to see this Congress and our President do it. I do not believe that free wool will put the woolmen out of business. I am willing to take my chances."

Thus some of Montana's woolgrowers think free raw wool will not reduce the price of wool; others think it will, but think it ought to be reduced. The people do not know which is correct, but only ask for the free wool. One thing is certain: with free raw wool the man who buys woolen clothes will not have to pay the manufacturer's compensatory duty; he will save that.

Mr. SMOOT. Mr. President-

The VICE PRESIDENT. Does the Senator from Montana yield to the Senator from Utah?

Mr. MYERS. With pleasure.

Mr. SMOOT. I may have misunderstood the Senator, but I will ask him the question: Did I understand the Senator to say that the reason he was in favor of free raw wool was because it was a necessity?

Mr. MYERS. That is one of my reasons. Mr. SMOOT. Does the Senator know of a man, woman, or child that eats raw wool or wears raw wool?

Mr. MYERS. No; I do not.

Mr. SMOOT. Then, Mr. President, the Senator ought to have stated that clothing being a necessity, he is in favor of free clothing and free cloth, rather than free wool; but the Senator is not going to vote for that. He is going to vote to put on the free list a product that is raised in his State, and he is going to vote for a duty on cloth, which the people are compelled to wear. That is the position of the Senator.

Mr. MYERS. A duty reduced about 66 per cent, on an

average, I understand.

Mr. SMOOT. All the duty on the product of raw wool is removed. There is no percentage at all retained. It is all removed

I will say to the Senator from Utah that I can not see that the fact that people can not eat wool keeps it from being raw material, or keeps it from being a necessity of life. Neither do people eat wheat; neither do they eat pig iron; but those things are necessities to existence under the civilization of our day.

Mr. President, people can eat wheat, as far as Mr. SMOOT.

that is concerned, but-

Mr. MYERS. In the raw state? They may in Utah, but they

do not in Montana. [Laughter.]

Mr. SMOOT. No; they do in Montana. But be that as it may, I wanted to call the Senator's attention to the inconsistency of his position. He said that the reason he believed in free raw wool was because it is a necessity. I state now that free raw wool as such is not a necessity, but clothing made from raw wool is a necessity and the Senator is not going to vote for free clothing. That is the position in which the Senator will find himself before the people of his State.

Mr. MYERS. That is only one of many things about which the Senator from Utah and I conscientiously differ. I must say with all due deference to the Senator from Utah that I consider it a compliment for him to say that he considers my position inconsistent, because if it were consistent from his standpoint I should be fearful of the Democracy of it.

It was the statement that was inconsistent. As far as the Senator's position is concerned, of course I recognize the fact that he has a perfect right to take any position, and that he is perfectly honest in that position.

the question involved at all.

Mr. SIMMONS. Mr. President-

The VICE PRESIDENT. Does the Senator from Montana yield to the Senator from North Carolina?

Mr. MYERS. With pleasure. Mr. SIMMONS. I will ask the Senator from Utah if he did not vote for free hides?

Mr. SMOOT. No, Mr. President; I did not vote for free

Mr. SIMMONS. I will ask the Senator if his party did not

put hides on the free list?

Mr. SMOOT. No, Mr. President. If the Senator will examine the vote by which hides were put upon the free list, I think he will find that a majority of the votes were votes cast by Demo-

Mr. SIMMONS. I ask the Senator if a majority of the Senators on the Republican side did not vote for free hides?

Mr. SMOOT. No; a majority of the Senators on the Republican side voted against free hides.

Mr. SIMMONS. How was the final vote on the bill? Mr. SMOOT. The final vote on the passage of the bill?

Mr. SIMMONS.

Mr. SIMMONS. Yes. Mr. SMOOT. Oh, there was a great majority of Republicans

voting for the final passage of the bill.

Mr. SIMMONS. Does the Senator say a majority of the Republicans voted against free hides?

Mr. SMOOT. I do.

Mr. SIMMONS. I think the Senator is mistaken.

Mr. SMOOT. Very well. I do not say so positively, Mr. President. I have not looked it up lately; but, as I remember, a majority of the Republican Party voted against free hides.

Mr. SIMMONS. I am just as confident that a majority voted for free hides.

Mr. WARREN. The item placing a duty on hides went through the Senate with a very large majority. It went out in conference

Mr. SIMMONS. How did it get into the bill if it went out

in conference?

Mr. WARREN. We put a duty on hides in the Senate. It was left out in the House.

Mr. SIMMONS. Are not hides on the free list now?

Mr. WARREN. Hides were finally put on the free list in the conference of the House and Senate; but the Senate put the item in the bill.

At the time hides were put on the free list Mr. SIMMONS. did not the Republican Party have a majority in both branches of Congress and did we not have a Republican President?

Mr. WARREN. Yes; but that does not show that they voted as a party for free hides. It simply shows that just enough of

them voted with the Democrats to put hides on the free list; that is all

Mr. SIMMONS. Did not the Republicans have a majority in the conference committee by which the item putting hides on the free list was retained in the bill?

Mr. WARREN. It was not that way. Mr. SIMMONS. How did it happen, if the Democrats were in the minority in both the House and the Senate, that they were in the majority in the conference committee?

Mr. WARREN. As I explained before, so far as the Republicans were concerned, just enough of the Republican Members of the Senate voted with the Democrats to put hides finally on That is the way the item got there.

Mr. SIMMONS. Does the Senator now deny that a majority

of the Republicans in the Senate voted for free hides? Mr. SMOOT. I have the vote on free hides now, and I am glad to call it to the Senator's attention and give him the names of those that voted fo: and against the provision. Then he can see just who they were.

Mr. SIMMONS. Just give us the number.

Mr. SMOOT. The number was, yeas 26, nays 48, not voting 18. Those who voted yea were: Messrs. Bacon, Bailey, Bristow, Chamberlain, Clapp, Clay, Crawford, Culberson, Cummins, Daniel, Davis, Fletcher, Gore, Johnston of Alabama, La Follette, McLaurin, Martin, Money, Overman, Owen, Shively, Simmons, overwhelming majority of the Democrats of Montana in favor

Smith of Maryland, Stone, Taliaferro, and Tillman. Those are

the 26 who voted "yea."

The 48 who voted "nay" were: Messrs. Aldrich, Beveridge, Borah, Bradley, Brandegee, Brown, Bulkeley, Burkett, Burnham, Burrows, Burton, Carter, Clark of Wyoming, Crane, Cullom, Curtis, Dick, Dillingham, Dixon, Dolliver, du Pont, Elkins, Flint, Frye, Gallinger, Gamble, Hale, Heyburn, Johnson of North Dakota, Jones, Lodge, Lorimer, McCumber, McEnery, Nelson, Nixon, Oliver, Page, Penrose, Piles, Root, Scott, Smith of Michigan, Smoot, Sutherland, Warner, Warren, and Wetmore.

Mr. SIMMONS. Then what does the Senator say about the

House? That was Republican, was it not?

Mr. SMOOT. I have not here the vote in the House.

Mr. SIMMONS. I understand the Senator is now making the point that the minority could control the matter in the Senate. What does he say about the House? Did the minority control it in the House? If not, how did the item get into the bill?

Mr. SMOOT. The Senator from Wyoming [Mr. WARREN]

told the Senator how it got into the bill; and more than likely it is the same way some other things will get into this bill that

the Democrats are going to vote for finally.

Mr. SIMMONS. Then how did it pass, if there was a Republican majority in both Houses, and a Republican majority the conference committee? The bill passed the House and the Senate, and was agreed upon by the conference committee, and was signed by a Republican President, and yet the Senator says the Republican Party has not responsibility for it. that happen?

Mr. SMOOT. Mr. President, the Senator knows very well that in conferences changes are made, and under our rules we can not vote specifically upon the individual items of a conference report. When the bill passed it was passed as a whole, and when it was signed by the President of the United States it had to be signed as a whole or not signed at all. The Senator

knows that

Mr. SIMMONS. I thought everybody knew that. Yet the fact remains that the bill was passed in both branches, which were both Republican, and was signed by a Republican President.

Mr. SMOOT. Yes; and a good many of the items, such as lumber, for instance, the Senator from North Carolina helped

us to pass.

Mr. WARREN. The item of retaining a duty on hides finally failed of enactment because we did not, in those days, have the kind of party caucus that dragoons men against their will and wish and good judgment into voting with their party. That is why it finally failed.

Mr. MYERS. Mr. President, I will now claim the floor again and proceed. I will digress long enough to say, in regard to the remark of the Senator from Utah about woolen manufactures being still on the dutiable list, that I think woolen manufactures being still on the dutiable list, that I think woolen manufactures being still on the dutiable list, that I think woolen manufactures being still on the dutiable list, that I think woolen manufactures being still on the dutiable list, that I think woolen manufactures being still on the dutiable list, that I think woolen manufactures being still on the dutiable list, that I think woolen manufactures being still on the dutiable list, that I think woolen manufactures being still on the dutiable list, that I think woolen manufactures being still on the dutiable list, that I think woolen manufactures being still on the dutiable list, that I think woolen manufactures being still on the dutiable list, that I think woolen manufactures being still on the dutiable list, that I think woolen manufactures being still on the dutiable list, that I think woolen manufactures being still on the dutiable list, that I think woolen manufactures being still on the dutiable list, that I think woolen manufactures being still on the dutiable list, that I think woolen manufactures are the still of the st factures are like a drug fiend—they have been heavily protected so long that if the "dope" be withdrawn all at once they will I do not believe raw wool is in that position, howcollapse. ever. It has not secured as much of the benefit of protection

as the manufactures of wool have.

Mr. SMOOT. So it is the mercy shown by the Senator to a drug fiend that compels him to vote for a duty upon woolen

Mr. MYERS. We have no desire to see any legitimate industry collapse if we think putting it on the free list would make it collapse. I do not believe it would make raw wool collapse.

Mr. SMOOT. Then, why does the Senator say that woolen manufacture is a legitimate business, and in almost the same breath compare it to a drug fiend?

Mr. MYERS. Solely by way of illustration; that is all. There are woolmen in other States, I learn, who have the same opinion of the effect of free raw wool on the price of wool as some of the Montana woolmen whom I have quoted. I read an item which appeared in a Colorado morning paper on the 18th day of last month:

COKEVILLE, WYO., July 18. "Local sheepmen who declined early offers of 12 and 13 cents per pound for their wool are now selling the clips at from 15½ to 16% cents. The clips of Rathbun Bros. and F. J. Downey brought 15½ cents; Salmon Bros., 15% cents; Bermion Bros., 16% cents; N. P. Nelson, George Murdock, Fred Stoffers, and Fred Roberts, 16% cents."

The wool buyers seem to have undertaken the same program in Wyoming that the Hon. William Lindsay charges they under-

took and partially carried out in Montana.

The woolmen are not by any means unanimous in demanding a continuation of the protective tariff on wool or in declaring it necessary. As for the people, for one woolgrowing State and the leading one, I confidently assert that not only are an of free wool, but that a majority of all of the people of Montana, of all political parties, are in favor of free wool. I have received hundreds of letters and telegrams from people of all political parties in Montana, declaring in favor of free wool. I have received such letters from Democrats, Progressives, and Republicans. A prominent Democrat in one of the principal counties of Montana writes:

"I am quite sure that there are not as many as one-tenth of 1 per cent of the people in this county who favor anything but free wool."

That is only a sample of a great many such letters received. The people of Montana are not wailing about being discriminated against by the free-wool clause of the pending tariff bill. There are 500,000 people in Montana. I do not believe that there are more than 1,000 men in the State who are commercially engaged in the woolgrowing business. I do not believe there are that many. Some put the number at 500; others put it at 300. To be more than liberal, I will allow 1,000. I do not believe that their families and employees, together with the woolgrowers, all told amount to as many as 5,000 people; but I will put the estimate at that liberal figure. That leaves in Montana 495,000 people who are not interested in woolgrowing. Let no one deceive himself into believing that these 495,000 people in Montana, who do not grow wool, nor any considerable portion of them, are moaning, groaning, bewailing, and shedding tears of agonizing grief because in these times of high cost of living they are to be denied the precious privilege, so dear to their hearts, of being further taxed, on top of the burdens of taxation under which they are already struggling, for the benefit of a mere handful of sheepmen who long have been favored by the Government at the expense of the people. Do not believe for a minute that these people who do not grow wool are clamoring for the privilege of an increase in taxation for the benefit of a few woolgrowers. They are not up in arms, giving expression in angry tones to their indignation because the priceless, inherent, constitutional privilege of being further taxed for a few woolgrowers is about to be ruthlessly taken away from them by the brutal and unfeeling Democratic Party.

Go amongst the railroad men-the engineers, brakemen, conductors, yardmen, section men-of Montana; go amongst the farmers, merchants, miners, tradesmen, artisans, mechanics, professional men of Montana, and you will not find them tearing their hair and rending their clothes in a frantic effort to continue to be taxed for the benefit of the woolgrowers. Take, for instance, the miners of Butte, the smelter men of Anaconda and Great Falls, in my State, who get \$3.50 a day for their hard, unwholesome labor, out of which daily wage of \$3.50 they have to pay rent-or taxes and repairs if so fortunate as to own their little homes-out of which they have to buy shoes for themselves, their wives, and little ones; out of which they have to buy underclothing and outer garments, hats, bedclothes, furnishings, and food; out of which they have to pay doctor bills, arug bills, dental bills, and undertakers' bills when death ruthlessly invades family circles; who are entitled to wear woolen clothes in order to protect their bodies, their health, and their physical well-being and keep them strong for work in that rigorous climate; who are entitled to supply their children with woolen clothes to protect their little bodies from cold and exposure and illness as they go to school or do the family errands; who are entitled to sleep under woolen blankets, for warmth, comfort, and health: do you think those men are clamoring, in these times of high cost of living, for the sweet privilege of paying a further tax out of their little wage earnings of \$3.50 a day in order that woolgrowers may lay up still further profits? Do you hear the echo of their agonizing groans because they are to be denied this precious privilege, one of the sweetest of life, that of paying out money to enrich the favored few? Do you hear their indignant denunciations of the traitorous Democratic Party, which is robbing them of one of the sweetest pleasures of their lives?

Do not believe for a second that the laboring men, farmers, merchants, mechanics, artisans, tradesmen of Montana or of this country are raising a cry about being denied the precious privilege of paying a bounty to the woolgrowers and the woolen manufacturers, the latter of whom revel in their millions and live in luxury in their palaces, for which the people have paid out of their hard-earned dollars.

Mr. GALLINGER. Mr. President—
The VICE PRESIDENT. Does the Senator from Montana yield to the Senator from New Hampshire?

Mr. MYERS. With pleasure.

Mr. GALLINGER. As I remember, under the so-called Wilson-Gorman bill wool was on the free list, and manufactures of wool were made dutiable at about 48 per cent ad valorem. Under this bill wool is on the free list, and I think the ad valorem on manufactures of wool is about 35 per cent. Does

the Senator recall the fact that under the former bill the woolen industry went to the bad, and has the Senator any information that leads him to the conclusion that the laboring people got the woolen product much cheaper than they had been getting it?

Mr. MYERS. I think the Senator from New Hampshire must have been out of the Chamber when I reviewed the panic of 1893, which supplanted the bloody shirt in the Republican Party.

Mr. GALLINGER. If the Senator has discussed it already I will not ask him to make an answer now. I will look over his speech.

Mr. MYERS. I went over that subject. I simply said, in brief, that there was a depression all over the country at that

Mr. GALLINGER. There was.

Mr. MYERS. And wool suffered no less and no more than any other industry

Mr. GALLINGER. The importations of woolen goods increased about 300 per cent, I believe, under a 48 per cent ad valorem duty, and now it is proposed to reduce the duty to 35

per cent. What will happen to us under a law of that kind?
Mr. MYERS. There was general business depression during
the years from 1893 to 1897, not only in the United States but all over the world; and the woolen industry was not the only one that suffered.

Mr. GALLINGER. It did not seem to depress the importa-

tions of woolen goods.

Mr. SMOOT. And, Mr. President, it did not depress the woolen business in England. I can show the Senator statements by the hundreds showing that the woolen industry in England, in the years 1895 and 1896, was more prosperous than at any previous time in the history of the country.

Mr. MYERS. England is a free-trade country, is it not? There is no duty on wool or woolen manufactures there, is

there?

Mr. SMOOT. No: there is no duty.

Mr. MYERS.

And yet they were prosperous. But the Senator gave as a reason why the Mr. SMOOT woolen business of this country went to the bad that there was a depression all over the world, whereas the years 1895 and 1896, in the woolen industry, in Huddersfield, England, and the manufacturing districts of England, were the most prosperous years in all the history of the country.

Mr. MARTINE of New Jersey. That was under a free-trade

régime, was it not?

Mr. SMOOT. They have been under a free-trade régime ever since, and before that they were under a free-trade régime. The fact of the matter is that they manufactured woolen goods for the American market. It is exactly as the Senator from New Hampshire [Mr. Gallinger] has said; the importations of woolen goods into this country increased over 300 per cent. No matter how poor the people were, or what the cause of the hard times was, what I have said is the absolute truth.

Mr. MYERS. Mr. President, the people here must have been

fairly well off during that time, because they had to make money to buy these goods. England did not give them away.

Mr. SMOOT. While the importations from England increased 300 per cent, the decrease of goods made here was many times more in dollars and cents.

Mr. MYERS. I am very glad to have the contribution of the Senator from Utah to arguments in favor of free trade in wool and woolen goods by citing England, a free-trade country, as a most prosperous country where that industry flourishes. glad to have the information.

I am not against the woolgrowers. I have no denunciation for them. I do not wish to destroy their business. They have my good will. They are estimable gentlemen, and many of them in my State are my friends, but I do want them to stand on the same plane as other people in my State. I do not want them to continue to enjoy special privileges at the expense of the masses of the people. I do not believe it is just to tax the 195,000 people of Montana, who do not grow wool but who use it, for the benefit of the 5,000 who are interested in the industry of woolgrowing, either as owners or members of their families or as

employees. I see no justice in that. Mr. SMOOT. Mr. President—

The VICE PRESIDENT. Does the Senator from Montana again yield to the Senator from Utah?

Mr. MYERS. With pleasure.

Mr. SMOOT. The Senator says he does not believe in taxing the 495,000 people of his State who do not raise wool in order to benefit the 5,000 engaged in raising wool. I will ask the Senator how many people in his State are engaged in the manufacture of woolen goods?

Mr. MYERS. I do not know of any.

Mr. SMOOT. I will say to the Senator that there are none that I know of.

None; that is correct; and we have none to Mr. MYERS. protect. We have been protecting those of other States.

Mr. SMOOT. The Senator stands upon the floor and says he is not willing to tax the 495,000 people of his State who do not raise wool to benefit the 5,000 in his State who do raise wool; but he will immediately vote to tax the clothing of the 500,000 people of his State when there is not a single, solitary institution in his State that is making clothing or woolen cloth.

Mr. MYERS. That, of course, is virtually the question that I have been expecting, as to why I favor free raw wool and shall vote for a duty, a very much reduced duty, on woolen clothes. I will not go extensively into that. I might have to make as long a speech as I have prepared on free raw wool.

I will simply say, in a nutshell, that, as is known to everybody, we can not abolish all tariff revenues in this country unless we would raise the whole revenue by an income tax on wealth, and that would be class legislation and undemocratic. I do not believe in putting taxation wholly on any one class of people.

As I understand from the Senators on the Finance Committee, the duty on woolen manufactures has been reduced about 66 per cent. Here is another thing that we meet. As the Senator from Utah knows a great deal better than I do, the production of cloth takes more employment, more machinery, more investment, a larger pay roll, and more handling through the different grades of manufacture than does raw wool. Therefore there is some plausibility in the theory that the manufactured product should still have some degree of duty when raw wool goes on the free list.

That is about all I care to say on that point at this time. Heretofore some of Montana's Members of Congress have continually reported to their constituents that they had to vote for protection on this, that, and the other article, on nearly everything that is produced, in order to get protection on wool. Everything, every interest, every man's pocketbook, was sacrificed for wool. The 495,000 people of Montana who do not grow wool are tired of being made a football for the wishes and interests of the few woolgrowers. The people of Montana are tired of being bandied about from pillar to post, from taxation to extortion, for the sake of the wool industry. They have heard enough of that and they are weary of it. I simply stand They have on the good old Jeffersonian Democratic doctrine of "The greatest good to the greatest number." It is good enough for me and it ought to be good enough for anybody. It certainly ought to be good enough for the people. It is the fundamental principle of Democracy. It is the fundamental principle of a republican form of Government. It is the handmaid of that other Democratic principle, "The rule of the people," and that is the meaning of the word Democrat, derived from two Greek words meaning "the people rule." Democracy means the rule of the people; but unless the laws are made for the greatest good to the greatest number, it is not the people who rule, but the privileged classes.

The people of this country rebelled from Great Britain on account of special privileges. The colonists severed their relations with Great Britain on account of class privileges. The colonies declared their independence on account of special privileges given to favorites, at the expense of the many by the royal ruling powers of Great Britain. Unjust taxation and royal ruling powers of Great Britain. Unjust taxation and royal prerogatives, at the expense of the burdened colonists, brought on the Revolutionary War and established the independence of this country, the government of which is based on the trio of fundamental maxims: "The greatest good to the greatest number," "The rule of the people," "Equal rights to all and special privileges to none." If we are to have a royal class of people in this country who are to be considered. class of people in this country, who are to have special favors, for whose benefit the masses are to be taxed, who are to have privileges not enjoyed by all, then we have gained nothing by establishing this Government, and we have not achieved our We might as well be under the royal rule of independence. England as to be under the royal rule of protected interests in

In legislating I believe in giving some consideration to the masses of the struggling, toiling common people; the men who earn their daily bread by the sweat of their faces; the people who are struggling ander the heat and burden of the day; the people who pay the taxes of the country and contribute the revenue with which to support the Government; the people who are the mainstay of the country in times of peace and in times of war; the people who pay the taxes during times of peace and do the fighting during times of war. I believe in doing some legislating for the poor man who finds it hard to buy shoes, clothing, and food for his little ones; who finds it hard to give

his children an education; who finds it hard to buy his wife a nice Sunday dress; who finds it hard to pay doctor's, druggist's, and undertaker's bills: for the men who work the mines, smelters, railroads, factories, shops, and farms; the men who conduct the farms and stores of the country; the men who build the city houses of mortar and brick; the men who pave the streets and construct the improvements of the country. are not becoming rich through special privilege. We can not do without them. They have not had the consideration to which they are entitled. They are the ones who will be benefited by free raw wool.

History, I believe, proves that the woolgrowing industry is not a proper industry for any degree of protection. It is not an infant industry. The long protection it has received has not answered the purpose that advocates of protection for infant industries claim as legitimate ground for protection. it need protection? Woolgrowers are divided on that point. believe the history of the country and a survey of the world's wool supply, showing an excess of demand over supply, show that it does not. Do we need the revenue? Fortunately, we will hereafter have an adequate income-tax law by which the accumulators of great wealth, the Morgans and the Rockefellers and men of that class, will pay their just and due propor-

tion of taxes, which they have never done.

Those who have accumulated swollen fortunes by virtue of favoritism in legislation and who have been the recipients of special favors at the hands of the Government will now be required to pay in proportion to their means and thus relieve us of putting the preponderance of taxation on those least able to bear it. We can well dispense with the revenue we have heretofore received from the tariff on raw wool. Undoubtedly the Democratic House of Representatives of the Sixty-second Congress would have passed a measure putting wool on the free list had it not been we could not then dispense with the revenue. That condition no longer exists. Then, is a tariff duty on raw wool any longer justifiable? According to my way of thinking it is not, from any viewpoint; certainly not on the plea of protecting an infant industry; not on the ground that it needs protection; not on the ground that we need revenue; not on any Shall we protect sheep or people? For nearly 100 years sheep and their product have been protected and they are decreasing in number. I believe in giving some protection to the toiling masses of the people in the struggle of life.

The bill we are about to enact into law will be one of the greatest triumphs of the Democratic Party in its long and unending fight for the masses of the people against class distinction, for the rule of the people, for the greatest good to the greatest number, for equal rights to all and special privileges to none; it will be a triumph of the present administration and a vindication of the confidence placed in it by the people of this country, and it will declare in tones that will reverberate from Maine to California, from Washington to Florida, that the people do rule, that the spirit of seventy-six is not dead and can

never die so long as Democracy lives.

Mr. WARREN. Mr. President, I have listened with great interest to the very able free-wool speech of the Senator from Montana. I have observed carefully his argument in favor of taxing the 500,000 people of Montana to afford protection through a so-called revenue tariff for the wool manufacturers of the East rather than to give some limited protection in a revenue tariff to some of his own Montana citizens engaged in woolgrowing.

I was not present in the Senate on Friday or Saturday when, I am informed, a very able wool speech was made by the junior Senator from Montana [Mr. WALSH]. I hope to see it soon in print. I have read only what the newspapers contained about I observe in the newspaper report that that Senator took the ground that with free wool we would have better clothing, and he spoke very contemptuously of shoddy and other adulterants. I notice the same vein in the speech of the senior Senator

I am not going to take the time now; I shall perhaps have a few remarks to make at some later date upon this subject, but in the meantime I should like to put a question to the Senator from Montana to answer now or at some future time. In what way do they expect to help the wearers of clothing to obtain better clothing and not be subjected to the cheats and frauds of shoddy when they take off the tariff on shoddy and make it free?—this in the light of the fact that when they before made wool free and shoddy free in the Wilson-Gorman bill the shoddy imports increased 1,700 per cent and the shoddy cheap clothing which then flooded this country was a curse and a sorrow, and one of the scandals of that period that we shall always remember.

Now, it is proposed to make wool free so that we shall not of necessity be subjected to shoddy, and yet it is proposed to also

make shoddy free, so that the rags of pauper Europe can be gathered out of the gutters from the North to the South Pole and clear around the world and all dumped into this country

Mr. MYERS. Mr. President, I will answer in part at this time by saying that I expect to guard against that by having enacted by Congress a pure-fabrics bill which I have introduced, and which is now before the Committee on Interstate Commerce, and in the passage of which I hope to have the earnest aid and support of the distinguished Senator from Wyoming. I believe it will do the woolgrowers of this country more good than any tariff they have ever had.

Mr. WARREN. It would have been right, then, it seems to me, to have placed that provision in this same bill in which we have made wool free.

Mr. MYERS. It is not a revenue-raising bill; it is not a measure for revenue purposes; but I hope to have it passed later, with the aid of the Senator from Wyoming.

Mr. GALLINGER. If the Senator will give me his attention for a moment, does he not think that it is rather inconsistent to put an impure fabric on the free list and then legislate

Mr. MYERS. I will say to the Senator from New Hampshire. I hope to have his aid in passing the bill, because I think that all good, honest men of all political parties ought to favor it. It does not legislate against shoddy and impure It requires that all manufactures of cloth shall be labeled so as to show the composition of them, and let the man pay his money and buy what he pleases.

Mr. WARREN. I will remind the Senator that while I believe he is making his observation in the light of a promise and not of a threat, and while I believe he now expects to carry it out, he may change his mind as he has heretofore done about wool matters. We are now here with the fact before us that the Democratic Party once gave us free shoddy and overran the country with it to its great harm. They now undertake to do it again, and all we have so far is the intimation of the Senator from Montana, whose views as he knows change upon wool matters, that hereafter we may have a pure-cloth bill.

Mr. MARTINE of New Jersey. Mr. President— Mr. MYERS. Just a minute, if the Senator please. I should like to ask the Senator from Wyoming to state when my views about a tariff duty on wool ever changed. I think he is under a misapprehension on that point.

Mr. WARREN. I will simply refer the Senator to his own speech made in this body some year or two ago.

Mr. MYERS. I should be very glad to have the Senator from Wyoming read that speech. I do not believe he ever read it, judging from his comments on it.

Mr. WARREN. I had the great honor of reading it, and I

will take the still greater honor of putting it in parallel columns, possibly—in my mind at least—with the Senator's speech of to-day or some portion of it.

Mr. MYERS. I am very willing to have that done.

Mr. WARREN. I know the Senator would be pleased to

Mr. MYERS. I will be very glad to be thus honored, yield to the Senator from New Jersey.

Mr. MARTINE of New Jersey. Mr. President, the Senator from Wyoming asked what good the people are to get from this measure. I wish to state that quite recently I had a conversation with a member of the great clothing firm of this country, known as the Stein-Bloch Co. In conversation with this gentleman as to the operation of the tariff, he said to me, "I fear you will be mistaken in a very radical reduction in the cost of clothing. But," said he, "you will get infinitely better clothing than you do now. Our clothing of the day for the average mor tal is very largely laid with shoddy. A free-wool clause will give the people better clothing; it will last longer, and in that way it will be cheaper.'

Mr. GALLINGER. Mr. President— Mr. MARTINE of New Jersey. I recall full well that for years the shoddy mills in this country under the beneficent system of tariff protection have thriven beyond compare, and men have made fabulous fortunes grinding out the shoddy; and in the absence of a fitting fiber shoddy has been worked in until the workingman's coat tails were loaded down with it around the bottom, and it was a common thing for the ordinary wearer to find sagged the bottom of his coat, and between the stitching and the body of the coat there was a lot of miserable shoddy found upon investigation. Cutting apart the seam, this would be found distributed. This was under the Republican golden idol of protection.

and produce good cloth, let us have the privilege of getting a commodity which is necessary for the health and well-being of mortal man from some other clime; whether it comes from Eng-

land or Scotland, I do not care. I think more of humanity than I do of the shoddy mill, wherever it is.

Mr. GALLINGER. I should like to ask the Senator from New Jersey before he takes his seat if he is not aware of the fact that England is recognized as the home of shoddy; that more shoddy is produced in England than we have ever—

Mr. MARTINE of New Jersey. Mr. President, I say—Mr. GALLINGER. Let me finish the sentence. The Senator is always interesting, but I want to finish the question. I want to ask him if he does not know that England produces very much more shoddy than has ever been produced in the United States.

Mr. MARTINE of New Jersey. I say, be that as it may, whether England has free shoddy or not, I do not mean to make this a free-shoddy country if I can help it.

Mr. GALLINGER. But in this bill you and your party put shoddy on the free list and open your markets to free shoddy;

and yet you are going to have pure woolen clothes.

Mr. MARTINE of New Jersey. I realize the point the Sen-I say simply I would have free the commodities ator makes. that are much more general, and I am willing to trust the people of America. If they can have side by side free shoddy and free wool they will take free wool; but under the system of the McKinley Act and the Dingley and Payne Acts, which we have been laboring under for years, it is a physical impossibility for the average mortal to get clothing enough without being compelled to pay the iniquity of a high-tariff charge.

I know in my own neighborhood and in my State a firm has amassed wealth almost beyond comparison by weaving into a fabric- a cheap mass, and that has been sent out among the people, and the workingmen and the average fellow citizens

have unwittingly bought that commodity.

I say, if the Senator from New Hampshire, broad hearted. generous, and humane as he is, would allow the pulsations of his own generous heart to wish, he would, for the sake of humanity, say that the people should have cheap and good clothes, and he would not retain the present duty.

Mr. GALLINGER. My generous heart would go out in rhythmic cadence with that of the Senator from New Jersey, if I believed his bill would accomplish that result. The Senator from Montana has told us that there is not wool enough in the world to give the people of the world a suit of woolen clothes

once in three years, I think he said.

Mr. MYERS. Mr. President—

Mr. MARTINE of New Jersey. That is a statistical fact.

Mr. GALLINGER. Yet the Senator from New Jersey is going to clothe in woolen garments men, women, and children and allow England and other European countries to send in

their shoddy. Mr. MARTINE of New Jersey. The statement the Senator makes is a statistical fact. I do not believe there is wool enough in the world to clothe all God's humanity; but so far as I am concerned, my vote shall be in the direction which, according to the best of my judgment, shall tend to aid them in that most laudable object. I believe this measure will tend in that direction. I do not contend that this tariff measure is perfect. I do not know that it is possible in the lines of human thought and human reason and human intellect to ever get a tariff bill or any other bill that is perfect. But I do know as I live that mankind can not be made rich and happy by taxation. I believe the day has come when intelligent mankind have opened their eyes to the fact that tariff is a tax. Our friends on the other side have changed their tune. Oh, Lord, how long and how often I heard you plead on the stump and hustings, telling the men of our land not to be disturbed about the story of the Democrats and the tariff; you do not pay the tax anyhow, but the foreigner pays it on the other side. You men have grown wise and the American people have grown wise. They can not be fed on that sort of gruel any longer.

Mr. GALLINGER. I think that if the Senator and his party succeed in destroying the woolen industry in the United States, giving it altogether into the hands of foreigners, he may be compelled to pay the tax to the foreigner, who will fix the price to suit his own fancy.

Mr. MARTINE of New Jersey. I am quite willing to trust to the judgment and the wisdom of the American people. They have declared in loud tones and in unmistakable terms in favor of a change of your system. It has been tried to its finest, and it has proved, as I said the other day, an apple of Sodom, fair without and foul within.

I hope for better days, when men may wear a pure all-wool garment. In Heaven's name, if we in America can not raise of the voters of the United States.

Mr. MARTINE of New Jersey. I know how you try to argue that, but if you gentlemen on the other side of this Chamber can get any comfort out of that sort of an analysis of election figures, in Heaven's name keep on.

Mr. MYERS. Mr. President, I have the floor, and I wish to

make just

Mr. WARREN. I understood that I had the floor. Of course I have no quarrel with the Senator about it, but I wish to finish the statement which was broken in upon.

Mr. MYERS. I thought the Senator said he wished to ask me a question before I took my seat. If he asked the question before I took my seat, I must have the floor.

Mr. WARREN. It was a question that could be responded to

by the Senator or by his colleague at any time.

Mr. MYERS. Then will the Senator yield to me a minute? Mr. WARREN. I will after finishing this statement. After so eloquent a speech against shoddy and so much help as I have received from the Senator from New Jersey I want to make just one statement. I respect his authority, from some clothing man with a foreign name, of course; but here are the facts-

Mr. MARTINE of New Jersey. I want to say—
Mr. WARREN. One moment, until I finish. These are the

Free wool was in existence for some three or four years under the Wilson-Gorman bill, and wool ranged from 4 to 7 cents lower in price in the hands of the raisers of wool than ever before or since. I think no one will contradict that; certainly none will who is informed. Now, with that cheap wool, cheaper than it had ever been before in the life of the United States, with shoddy on the free list, the importation of shoddy increased seventeen times over-seventeen hundred per centand the American wearers of clothes were defrauded accord-Now, that is the plain statement of the case.

Mr. MARTINE of New Jersey. I only want to state with reference to the firm I quoted-the firm of Stein-Bloch & Co .-

as being a firm of some foreign name-

Mr. WARREN. And most respectable, undoubtedly; but they

are foreign men.

Mr. MARTINE of New Jersey. Stein-Bloch & Co. German firm. My mother, thank God, was a German. Stein-Bloch & Co. are a proud of it. I say Stein-Bloch & Co. are the foremost clothingmanufacturing company in this land and the goods they turn out stand second to none.

Mr. WARREN. Are they compelled to handle shoddy at all? Mr. MARTINE of New Jersey. I will not say what they are compelled to do by the Republican system, but the fortunate

Mr. WARREN. I am asking, Will they be compelled to do

under the Democratic system what they did before?

Mr. MARTINE of New Jersey. We will not cross that bridge until we get to it. We have tried your plan, however, and are

quite willing to try the other.

Mr. President, I am quite well acquainted with the firm of Stein-Bloch Co. When I was manufacturing woolen goods I sold goods to the Stein-Bloch Co. I would suggest to the Senator, however, the next time he has an interview with either Mr. Stein or with Mr. Bloch, to say to them that it is not necessary for them to buy shoddy goods, and also to suggest to them that the worsted goods that are made to-day, which are the popular goods in this country, do not contain shoddy, because it is impossible to mix wool and shoddy and run it through a comb; but in carded woolen cloth it is possible to mix shoddy with wool.

I want to say to the Senator that I have sold the Stein-Bloch Co. thousands and thousands of yards of tricots, at from 90 cents to \$1 a yard. It takes 32 yards to make a suit of clothes. I was satisfied if I could make 5 cents a yard on that cloth; or, in other words, on every suit of clothes 163 cents. The next time the Senator meets Mr. Stein I wish he would ask him if, in manufacturing a suit of clothes, he only received as profit 163 cents. I am sure he will tell the Senator frankly that he

would not be satisfied with any such profit.

I want to say also to the Senator from New Jersey that, so far as the mixing of shoddy into woolen goods in this country is concerned, we are perfect infants as compared with the English and German manufacturers. We have not learned the first lesson; we know very little about it. As all the world knows, the mills of Batley, England, make goods which are sold all over the world and called woolen goods which do not contain 10 per cent of unworked pure wool.

Mr. MARTINE of New Jersey. Well, Mr. President, I am

not advocating the mixture of shoddy.

Mr. SMOOT. I say to the Senator from New Jersey that under the pending bill this class of goods will come into this country just the same as they did under the Wilson law, and you can not keep them out. If Mr. Stein and Mr. Bloch or any

other clothing manufacturer in this country wants to serve the good people of this country with good clothing, they can get the cloth; they can buy it if they pay the necessary price; but my experience has been that each year the manufacturer of clothing in this country demands of the manufacturers of cloth a price lower and lower, and the only way their demands could be complied with was to use a different sort of stock. It ill becomes a clothing manufacturer in this country to try to taunt the manufacturer of cloth with the statement that clothes manufactured in this country contain shoddy. They are compelled to produce that character of goods or they would not get orders from the clothing manufacturers.

Mr. MARTINE of New Jersey. Let me remark, Mr. President, that I did not say that the Stein-Bloch Co. stated anything in regard to mixing any shoddy particularly; but they stated with reference to the cost, as I distinctly stated, I think, "Your party may be mistaken on the matter of reducing the cost of clothing, but the people will get an infinitely better gar-

ment in consequence.

I am not advocating England's methods. If England works in shoddy ingeniously and successfully, that is her fortune. All I know is that I do not want it for the American people. I realize that the great masses of people, given their choice of shoddy or of pure wool, will take the pure wool, and I want to facilitate them in having that which is best for them and which, in the main, will be the cheapest.

Mr. SMOOT. Mr. President, the clothing manufacturers met

the other day

Mr. STONE. May I ask the Senator a question?

Mr. SMOOT. In a moment. The clothing manufacturers had a convention the other day, and the object of that convention seemed to be to give notice in advance to the American people that whether or not the duty is taken entirely off of wool the American people must not expect that clothing is going to be much cheaper. What does that mean? It means, Mr. President, that no matter what the rate of duty has been upon wool, if it is taken off the clothing made from the wool will be the same. The amount of duty or duty removed is to be absorbed and divided amongst the men who handle the product from the wool to the manufactured article.

Mr. STONE. May I make a suggestion to the Senator from

Utah?

Mr. SMOOT. Certainly.

Mr. STONE. The next schedule is the metal schedule; and it seems to me that we might discuss the wool question when we get to Schedule K.

Mr. SMOOT. Yes, Mr. President, I think we will. Mr. STONE. I respectfully urge Senators to postpone their eloquence and heated remarks on the wool schedule from this time on in this general running debate, until we have disposed of the metal schedule and reached the woolen schedule.

Mr. SMOOT. I want to say to the Senator-Mr. MYERS. Mr. President—

The VICE PRESIDENT. Does the Senator from Utah yield

to the Senator from Montana?

Mr. SMOOT. In just a moment I will take my seat. I want to say to the Senator from Missouri [Mr. STONE] that this discussion arose in the Senate to-day by the senior Senator from Montana [Mr. Myers] speaking upon wool and manufactures of wool.

Mr. STONE. But that was a general speech.

Mr. SMOOT. I am perfectly aware that the Senator made a general speech; but after his speech was delivered, he and the Senator from Wyoming [Mr. Warren] got into a colloquy. Then the Senator from New Jersey [Mr. Martine] took a hand, and I merely was answering the Senator from New Jersey. I want to congratulate the Senator from Missouri for calling attention to the matter, because I myself think that we ought to go on with the metal schedule. The point which the Senator from Missouri has made is well taken.

Mr. STONE. The speech made this morning by the Senator from Montana [Mr. Myers] was in accordance with what has been going on in the delivery of speeches of a general character. He was questioned by the Senator from Wyoming [Mr. WAR-BEN], and out of that has grown this running discussion, which, it seems to me, we might well dispense with, and proceed in

regular order.

Mr. MYERS. Mr. President, about half an hour ago I was asked a question by the Senator from Wyoming [Mr. WARREN], which I have not yet had an opportunity to answer, and I wish now to answer that Senator.

The Senator from Wyoming is honestly and unintentionally mistaken about the character of some remarks that I made in this Chamber two years ago, in the summer of 1911. In that speech I did not advocate any duty on wool. That speech was one of personal explanation of a vote of mine. The bill for the

revision of the duties in the woolen schedule had reached this body from the other House, and the Senator from Oklahoma [Mr. Gore] had made a motion for the almost immediate consideration of it, without any hearings being had upon it. I was the only Democrat in this body who voted against that motion. Some days or weeks later I made some remarks explaining why I had cast my vote as I did. I said in explanation that I cast my vote as I did because, after my election to the Senate, I had promised some of the woolgrowers of Montana that I would oppose taking up the wool schedule for consideration and revision until after the report of the Tariff Board had been made. I went on at great length in those remarks to state that I did not promise anyone how I would eventually vote when the bill was before the Senate on its merits and on its final passage; that I might vote for free wool if I saw fit, or that I might vote for some slight duty on wool; that I had not promised nor committed myself to anyone or even to myself as to how I would vote when the bill might be up for revision. As I have said, I had promised some of the woolgrowers of Montana that I would not favor taking up that schedule for revision until they could have the light of the Tariff Board upon it, which they said they wanted, and which they claimed was essential. I had made a promise, and I considered my promise as good as my bond; in fact, better. I would have resigned from this body before I would have violated that promise. I said in the course of those remarks that I held myself open and free to vote for free wool if I should so desire when the time should come or to vote for a duty on wool as I might decide. I stated that I had not been a student of the wool schedule; that I knew but little about it, and that we ought to have more time in which to obtain additional light on the That was true. I have not been a student of it to any great extent, but I certainly have studied the subject more since then so as to form my opinions and to come to my conclusion as to whether or not there ought to be a duty on

I know the Senator from Wyoming was mistaken-not intentionally, of course—in stating that my remarks on that occasion That is would indicate that I had advocated a duty on wool. not correct at all. I am perfectly willing to have the two speeches printed in parallel columns side by side.

The Senator from Wyoming said that I had One thing more. spoken of something in connection with the manufacture of wool

contemptuously.

Mr. WARREN. No; Mr. President-

Mr. MYERS. I did not intend to speak of anybody or any element or any factor in connection with the subject contemptuously. I have no contempt for any legitimate industry in this country, or for the people engaged in it. I simply wanted to state the reasons for my action. I made an argument to the best of my ability, and no contemptuousness for anything or anybody was intended. If the Senator will read that speech, as he has promised that he will, I think he will revise his ideas.

That is all I care to say.

Mr. WARREN. Mr. President, I think my friend from Montana [Mr. Myers] knows that I would not willingly misquote

Mr. MYERS. I know that. I said it was wholly unintentional.

Mr. WARREN. I spoke of the fact that he might change his mind and expressed the thought that he had done so.

Mr. MYERS. No; I have not done so. Mr. WARREN. The Senator has just said that at that time he did not understand the matter as he does now; and it is quite possible after the close of this tariff debate that his desire to have free wool will have vanished or faded out, in view of the party allegiance which will perhaps be demanded of him.

The Senator's former speech and present one will be in the RECORD, and I want most heartly to invite every Senator and everyone who has access to the RECORD to read both of them. They will agree with me that the Senator is a most sincere man; they will agree with me, I think, that he is subject, as we all are-and perhaps it is to our credit-to changes of

The Senator misunderstood me if he thought that I accused That was him of speaking contemptuously of manufacturers.

not my idea at all.
Mr. MYERS. Oh, yes; the Senator used that word, although, of course, it was unintentional.

Mr. WARREN. I referred to shoddy and such material, and

the Record will show what I did say.

Mr. MYERS. Certainly. Just one word more, and then I Mr. MYERS. Certainly. Just one word more, and then I will take my seat. I should be very glad and should feel very highly flattered if every Senator would read both of the speeches I have made on this subject; but, unfortunately, I do not be-

lieve they will. If, however, they should, they will find that I have never experienced any change of opinion or of attitude and have not changed now. I feel highly flattered, however, that the Senator from Wyoming has so much confidence in my sincerity. patriotism, and integrity as to think that I may possibly make a change hereafter. If I am convinced, then I will change, but not otherwise.

So far as party regularity is concerned, I have advocated free raw wool and free sugar in this bill from the beginning of this

session of Congress.

Mr. WALSH. Mr. President, it is not my intention to prolong this debate, but inasmuch as something said by the distinguished Senator from Wyoming [Mr. Warren] seemed in the nature of a challenge to myself, I simply desire to say that at the proper time, when the wool schedule is before the Senate for consideration, or when we reach that part of the free-list subdivision of the bill which deals with the subject of the importation of wool waste, rags, and shoddy, I shall beg the indulgence of the Senate to submit my views with respect to the matter. I content myself now with saying, however, that I do not agree with the distinguished Senator from Wyoming that the way to prevent our people from being compelled to wear shoddy clothes

is to put a duty upon the importation of shoddy and rags.

Mr. GALLINGER. Mr. President, I hasten to join with the distinguished Senator from Missouri [Mr. Stone] in his expressed wish that we should proceed to the consideration of the metal schedule. The truth is that since the speech delivered by the Senator from Missouri on that schedule this morning, occupying an hour and a quarter, we have been traveling far afield of the subjects embraced in that schedule, and we ought

now to take up the schedule. [Laughter.]

Mr. STONE. I ask that the reading of the bill be proceeded with

The VICE PRESIDENT. The Secretary will resume the reading.

The Secretary resumed the reading of the bill, on page 29,

line 10, Schedule C, metals and manufactures of.

The next amendment of the Committee on Finance was, on page 29, line 11, after the numerals "104," to strike out "Iron in pigs, iron kentledge, spiegeleisen, wrought and cast scrap iron and scrap steel, 8 per cent ad valorem; but nothing shall be deemed scrap iron or scrap steel except second-hand or waste or refuse iron or steel fit only to be remanufactured; ferro-manganese, chrome," and to insert "Chrome"; and in line 20, after the word "steel," to insert "not otherwise specially pro-vided for," so as to make the paragraph read:

104. Chrome or chromium metal, ferrochrome or ferrochromium, ferromolybdenum, ferrophosphorus, ferrotitanium, ferrotungsten, ferrovanadium, molybdenum, titanium, tantaium, tungsten or wolfram metal, and ferrosilicon, and other alloys used in the manufacture of steel, not otherwise specially provided for, 15 per cent ad valorem.

Mr. CUMMINS. Mr. President, I do not rise for the purpose of discussing this amendment, but to have, if possible, an understanding with the Senator in charge of the schedule or with Senators upon the other side of the Chamber, with regard to an amendment which I submitted this morning. I submitted this morning a substitute for the entire Schedule C. do not want to present it at this time, and I hope the Senate may pass through the schedule and act upon the amendments reported by the committee and any other amendments that may be offered to the particular paragraphs, leaving me at liberty, after the schedule has been gone over in that way, to offer the substitute which I have proposed. Will that be agreeable to the Senator in charge of the schedule?

Mr. STONE. Mr. President, we have no objection to the suggestion of the Senator from Iowa. We will proceed with the schedule as it is, and after we have gone through it, if he desires to offer a substitute for the whole schedule, I think that is within his rights. At all events, there is no objection on this side to that course. I think it proper to say, however, that we must reserve the right, in the interest of expedition, to proceed in such a parliamentary way as we think proper

and advisable.

Mr. CUMMINS. Mr. President, that is the reason I rose to make the inquiry. After we have passed through the schedule as it is here before us and agree or disagree to the amendments reported by the committee, and any other amendments that may be proposed to individual paragraphs, I am not sure that my amendment, which is in the nature of a substitute and which does change in some degree some and probably all of the paragraphs in Schedule C, would be in order, but I thought it would probably in the end save time if I were permitted to proceed along that line.

I do not intend to consume very much of the time of the Senate in a debate upon my substitute. It is practically the substitute I offered a year ago, and I then discussed and considered it at considerable length. I shall refer very largely in the course of the observations I shall make in connection with my amendment to the speech I made a year ago, but, of course, if I can not have that understanding I must offer the

amendment at this moment.
Mr. STONE. Mr. Presid Mr. STONE. Mr. President, the Senator offered his substitute this morning, and it will not be available for examination before to-morrow morning. Of course I have not seen it, nor has any other Senator on this side, so far as I am advised, and I presume very few, if any, on the other side have had an opportunity to examine it. I do not know just how it conforms in the manner of its arrangement with the schedule as it appears in this bill. If it is paragraphed in substantially the same way. I should think it would be preferable if the Senator would offer the first paragraph of his substitute as an amendment to the first paragraph of the schedule as reported by the Finance Committee, and so on, so that when we are through we will have covered all the paragraphs in his substitute. However, if the Senator prefers the other course, it seems to me that he would have the parliamentary right when we have finished the schedule on this reading to offer his amendment by way of a substitute for the entire schedule, and we could take a vote upon that.

I will say to the Senator that no point of order, so far as I am concerned—and I will undertake to speak for the committee and, I hope, for this side of the Senate-that no point of order, if one would lie, will be made against the right of the Sen-

ator to offer his substitute.

Mr. CUMMINS. I am not sure about that. If the substitute which I intend to propose were arranged as the schedule before the Senate is arranged, I could very easily accept the suggestion made by the Senator from Missouri; but it is not so arranged. I do not group the subjects in the schedule in the same manner as the Finance Committee has grouped them; and I am sure that it would be found much better and in the end would save much time if I could be assured that there would be no point of order made against offering the substitute after we have passed through the schedule as it is.

Mr. STONE. I think it fair to say to the Senator that we shall reserve the right, after a reasonable debate on the substitute as a whole, to move to lay it on the table and take a

vote upon it in that way.

Why would it not be a little more regular, as a matter of procedure, for the Senator to offer his substitute to the entire schedule now, debate it at reasonable length, and then take a vote upon it as to whether the Senate is disposed to accept it as a substitute for the schedule as presented by the committee, instead of waiting until we have gone through the entire schedule, with such incidental debate as is certain to follow on the different paragraphs? I suggest to the Senator that he offer his substitute in advance, so that we can act upon it in the beginning of the consideration of this schedule.

Mr. GALLINGER. Mr. President, will the Senator from Iowa permit me a moment?

Mr. CUMMINS. I yield to the Senator. Mr. GALLINGER. The suggestion of the Senator from Missouri is perhaps a proper one, except that we do not know how many amendments we will make to the Senate bill before we get through considering this schedule; and hence the Senator might be disposed not to offer his substitute after we have amended the schedule as reported by the Committee on Finance.

Mr. CUMMINS. The Senator from New Hampshire makes a suggestion which the experience of the Senate in the last few days hardly warrants; but I can see a good deal of objection to pursuing the plan suggested by the Senator from Missouri. have a substitute to offer. If it is debated, it must be debated as a whole; and in debating it we will consider, in a sense, every paragraph of this schedule. I thought the Senator from Missouri would prefer to go forward with the committee amendments, or any other amendments that may be offered on the floor, and in that way perfect the schedule as reported by the committee.

Mr. STONE. I am not very particular, Mr. President.

Mr. CUMMINS. And then consider whether there should be

a substitute offered as a whole.

Mr. STONE. If the Senator will pardon me, I am not particular whether he takes one course or the other. If he prefers the course that he has outlined, then let us proceed with the bill.

Mr. CUMMINS. Very well; I do prefer that.

Mr. BRANDEGEE. Mr. President, I should like to know whether unanimous consent has been given that the Senator

from Iowa may offer his substitute?

Mr. CUMMINS. I have not asked unanimous consent, and I do not think I shall do so. I rely entirely upon the general honor of the arrangement, because if I am not permitted to

offer the amendment as in Committee of the Whole, I will do so when the bill reaches the Senate; and, therefore, there would be no object, it seems to me, in receding from the general understanding.

Mr. STONE. Very well; let the reading be proceeded with. The VICE PRESIDENT. The Chair would like to know a little something, too. It may save the Chair from embarrass-

ment in the future.

The Chair has been under the impression that where the committee made amendments, before any substitute would be in order the committee amendments must either be agreed to or rejected, so that the Senate would know what the proposed substitute was intended to supplant. If the Chair is in error about that he would like to be advised.

Mr. CUMMINS. Whether that is parliamentary law or not, it is very good sense. That is the reason I believe we ought to go forward with the bill and perfect it from the standpoint of the committee, and then determine whether a substitute for

this schedule should or should not be adopted.

Mr. STONE. Whatever may be said as to the absolute accuracy of the Chair's view, as expressed-and there is undoubtedly a great deal of force in it; probably the Chair is entirely correct—there is no need, so far as I can see, of consuming time in discussion, for the reason that the Senator from Iowa himself prefers that the suggestion of the Chair be followed, and we can go on with the bill as it is.

The VICE PRESIDENT. The question, then, is on agreeing

to the amendment of the committee.

Mr. LA FOLLETTE. Mr. President, I rise to inquire of the Senator from Iowa whether he has perfected his substitute for this schedule, and whether it has been printed?

Mr. CUMMINS. It has not been printed. I offered it this

morning. It may already be in the hands of the Secretary.

Mr. LA FOLLETTE. It has been presented already?

Mr. CUMMINS. It has been presented, and is to be printed to-day.

Mr. LA FOLLETTE. So that Senators will have an opportunity to see copies of it very soon?

Mr. CUMMINS. Very soon.

Mr. OLIVER. Mr. President, I wish to say a few words about this first paragraph, but before proceeding with my remarks I should like to ask a question of the Senator who is in charge of this part of the bill.

I notice that the bill as it came from the House provided for very small duty upon pig iron and a number of other articles of iron and steel contained in paragraphs 104 and 105. The Senate committee has seen fit to strike out the provision for those duties, and to put these articles on the free list. It has followed that action with what I suppose it considered corresponding reductions on other articles of more advanced state of manufacture. I should like to have the committee inform the Senate as to the reasons for this action.

Mr. THOMAS. Does the Senator mean with reference to the reductions that were made in the succeeding paragraphs?

Mr. OLIVER. I refer to the placing of pig iron, scrap iron, slabs, blooms, and billets upon the free list, and the reductions in the ad valorem rates on other articles more advanced in manufacture.

Mr. THOMAS. The purpose of the committee was to place upon the free list the articles which are stricken out in the bill, because, generally speaking, in our opinion they form the raw material of the industry and because the difference in the cost of production of the items in paragraphs 104, 105, and 112 is comparatively slight.

Mr. OLIVER. I will ask the Senator if he has any figures at hand bearing upon the difference in cost of production?

Mr. THOMAS. Not directly. As I am informed, the cost of conversion of iron in pigs into iron in slabs, and so forth, is about 61 cents a ton. The labor cost, as reported by the Bureau of Corporations-

Mr. OLIVER. The Senator does not mean to say that the labor cost is the only cost of converting pig iron into billets and slabs?

Mr. THOMAS. The labor cost involved in the conversion of iron in pigs into iron in slabs, billets, and so forth-

Mr. OLIVER. The Senator did not understand my question. I remarked that I presume the Senator does not contend that the labor cost is everything that is included.

Mr. THOMAS. Not at all. Mr. OLIVER. Has the Senator any figures showing the

actual cost of this conversion at home and abroad?

Mr. THOMAS. The actual cost is greater, but none of these items are imported, in consequence of which we can and do produce them here and command the market. As a consequence, we concluded to place them upon the free list, following the general plan of placing raw materials, as far as possible, upon the free list.

The reductions to which the Senator calls attention were made-or, at least, we attempted to make them-by reducing proportionately the rates fixed by the House to make allowance for placing the raw materials upon the free list. It may be, as the Senator says, that in doing that we have not been entirely equitable in their distribution.

Mr. OLIVER. The Senator does not answer the question I asked. He says he based it upon the fact that the difference in the cost of production at home and abroad is so slight. I ask

the Senator upon what he bases that statement?

Mr. THOMAS. I made the statement that as between pig iron and the conversion of pig iron into slabs the labor cost was slight. That was my statement, and also that there are practically no importations of these items. I have not attempted to make any statement of the difference in the cost of produc-tion at home and abroad. If that is the question the Senator asked me, I did not understand it.

Mr. OLIVER. I understood the Senator to say that the committee made these changes because they discovered that there was but little difference between the cost of production

here and the cost of production abroad.

Mr. THOMAS. I said nothing of the sort.

Mr. OLIVER. Then I beg the Senator's pardon, because I

certainly so understood him.

Mr. THOMAS. I may possibly have said so, but I do not think the record will show that I did. What I attempted to do, at least, was to state the labor cost of the conversion of pig iron into blooms and bars and billets here, not abroad.

Mr. OLIVER. Mr. President, the Senator has given us such information as he has, which, I must confess, is very little, with regard to the conversion of pig iron into billets. I should like to have some statement of the basis upon which he placed

pig iron itself upon the free list.

Mr. THOMAS. We placed it upon the free list because it is the raw material of the iron and steel industry; because practically none of it is imported; because it belongs there as the raw material of the industry.

In the Stanley committee hearings Mr. Carnegie said:

My honest opinion is that this country can make steel as cheap, and I really believe that it can make it a shade cheaper, than any foreign country. At all events, I am prepared to say that we can make it as cheap here as it can be made in any country in the world.

Mr. BARTLETT. Then there would be no necessity for a tariff in order to equalize the cost of production in this country and abroad, so as to protect the manufacturers of iron and steel in this country?

Mr. CARNEGIE. Not the slightest.

Again, Mr. Carnegie said:

In my opinion, you legislators should not bother yourselves about steel. It is no infant industry; it is a giant. America leads the world. America makes quite as much steel as the whole of the world, and when I began it did not make a ton. I have seen the whole thing. We were in at the beginning.

I suppose the Senator is familiar with the celebrated letter of Mr. Schwab which preceded the organization of the United States Steel Corporation, in which he declared that he could make steel at \$11 a ton, and sell it not only in the markets of the world, but right at the home of steel production in Great

Yes, Mr. President; I am familiar with that letter. It was written by Mr. Schwab at a time when the newly discovered ore of the Lake Superior region was just coming into the market; when people were almost disposed to throw away ore that ran less than from 60 to 65 per cent of iron; and when Mr. Schwab enthusiastically supposed that with Mr. Carnegie's backing he could make steel cheaper than any other establishment in the world. The investigations that have been made since that time have shown that that idea was entirely fallacious and that even at that time, when I know from my own experience in the business that steel could be made cheaper than it ever had been before or ever has been since, we could not make it as cheaply as foreign countries. I think before I sit down I will prove conclusively that we can not now produce it anything like as cheaply as some European countries, and that if there is any effort to equalize conditions there should be a protective duty on it. If not, following out the doctrine that is advocated by our friends on the other side of the Chamber, there should be at least some duty placed on it for purposes of

Mr. THOMAS. Mr. President, will the Senator yield to me a moment further?

Mr. OLIVER. I yield.

Mr. THOMAS. I want to add to what the Senator has said that Mr. Schwab wrote that letter and made that statement as an inducement for the investment of capital in the organization which followed, the United States Steel Corporation, to the end that it should appear how cheaply steel could be manufactured in this country

Mr. OLIVER. I wish to ask the Senator from Colorado whether he has the date of that letter?

Mr. THOMAS. I have it here in newspaper form. The date

appears to have been May 15, 1899.

Mr. OLIVER. Yes; that was my impression. It was May 15, The United States Steel Corporation was not thought of in 1899, and it was not organized until two years later.

Mr. THOMAS. No, Mr. President; but very shortly after this letter was written an option was taken by Moore Bros. upon the same constituent elements that afterwards entered into that organization, for which option a million dollars was paid and forfeited upon the basis of it.

Mr. OLIVER. Yes; it was forfeited.
Mr. THOMAS. And this letter, written to Mr. Frick, was used by the Moores for the purpose of inducing the enlistment of capital for the organization of the concern at that time.

Mr. OLIVER. It may possibly be that the letter was written for the purpose of inducing the Moores to put into it the million dollars which they afterwards forfeited.

Mr. THOMAS. It was in part for that.

Mr. OLIVER. Mr. President, I wish to say a few words with regard to paragraph 104, treating particularly of pig iron. In dealing with this schedule it is not my purpose to say with regard to any part of it one word more than is absolutely necessary. I shall try to point out the glaring defects and inconsistencies in some of the paragraphs. I shall not even go to the extent of offering any amendments to it, or of asking votes upon it, except with regard to a few paragraphs in which the injustice is so serious and betrays so great a want of information upon the subject that I think I can induce the committee to accede to my views and allow the changes I propose.

As has been said by the Senator from Colorado [Mr. Thomas]. pig iron is the basis of all iron and steel. Iron and steel in all the varied forms of manufacture are, as we all know, of paramount importance to the great State in which I live, and which I have the honor in part to represent. Therefore anything which militates against the prosperity of this industry is something which I, as a Senator representing the people of that State, feel bound to resist and to have remedied if it is at all

possible.

I have not much hope of remedy under existing conditions, Mr. President, because I feel sure that the standpatters on the other side of the Chamber are going to stand up for the instru-ment which they have prepared without regard to consequences.

It is hardly necessary for me to say that pig iron is the prod-uct of an establishment known as a blast furnace. To erect and equip a modern blast furnace, with all of its equipment, costs to-day in the neighborhood of a million dollars. But there are still running all over the country many furnaces smaller in product than those which would be built to-day, but still able, with the assistance of a fair protective tariff, to manufacture pig iron for the market and live.

In Pennsylvania there are 170 of these furnaces. number, there are 47 which are owned and operated by the United States Steel Corporation and its subsidiary companies. This shows just about the proportion of steel that is made in Pennsylvania by the United States Steel Corporation and by

independent companies.

In Maryland there are 4 blast furnaces, none of which are owned by the Steel Corporation. In Virginia there are 23, not one of which is owned by the Steel Corporation. In West Virginia there are 4. Out of the 4 I think 2 are owned by the Steel Corporation, but I am not certain. In Kentucky there are 7, all independent furnaces. In Tennessee there are 18, some independent, and some owned by the Tennessee Coal & Iron Co. In Georgia there are 2; in Alabama 46; in Ohio 55; in Indiana 18; in Illinois 26; in Michigan 2; in Wisconsin 7; in Minnesota 1; in Missouri 1; in Colorado 6. All of the latter blast furnaces are independent, except some of those in Alabama and Tennessee.

Pig iron is the foundation for the iron and steel business, the raw material for the entire industry. Its manufacture has grown in the United States from 53,000 tons in 1810 to 29,-727,137 tons in 1913. The industry has increased at all times when we have had a protective tariff, and has fallen down when the tariff was taken off.

The wages paid in blast furnaces in this country to the principal operatives, as compared with those paid in England, are as follows:

For the furnace keeper: United States wages, \$2.90 a day;

English wages, \$1.82 a day.

Top fillers: United States wages, \$2.55; English wages, \$1.27.

Cinder men: United States wages, \$2.30 a day; English

Bottom fillers: United States wages, \$2.30; English wages,

Laborers: United States wages, \$1.75; English wages, 91 cents. Blast-engine men: United States wages, \$2.90; English wages,

Mr. STONE. Mr. President, just at this point I should like to interpose a statement which I have taken from the somewhat exhaustive report of Mr. Herbert Knox Smith, the head of the Bureau of Corporations of the Department of Commerce and Labor, on the general subject of wages. I do not know where the Senator gets his information, but what I wish to put in is about three lines.

Mr. OLIVER. Mr. President, I am perfectly willing to yield to the Senator to enable him to ask me any question which I am able to answer; but I do not think I can yield for the purpose of having him put into the RECORD, with my remarks, any extended statement. He can follow what I have to say with

Mr. STONE. No, Mr. President, I do not wish to put in any

extended statement.

Mr. OLIVER. If I yield at all, I will yield later. Mr. STONE. If the Senator please, it will not amount to

more than three or four lines.

Mr. OLIVER. I wish to say that the report of Mr. Smith, with which I am familiar, deals entirely with the larger furnaces and the larger manufacturers. It points, as nearly everybody points in discussing the steel tariff, to the United States Steel Corporation and the greater manufacturers who do business upon the same lines.

Mr. STONE. Do I understand the Senator to decline to

yield?

Mr. OLIVER. I think I must decline to yield, Mr. President. Mr. STONE. Very well. Mr. OLIVER. Mr. President, I hesitate to say this, but from what I know of the business of these merchant furnaces I am firmly convinced that they can not live under free trade in pig iron and that it will drive them out of business. greater manufacturers making tonnage steel and pouring out of each blast furnace an output running up to four and five hundred tons a day, melting the iron and not allowing it to cool, but running it into the steel plants and having it, without cooling, converted into steel ingots, I believe they can struggle against this proposed free-trade bill. I do not, however, believe the independent manufacturers can live under it. They will be the ones that will have to suffer.

I am firmly convinced that if the United States Steel Corporation never had been organized, but if the cost of making steel were just exactly the same as it is to-day, the framers of the bill never would have put in it the duties that it now contains. But in aiming at the Steel Corporation and the greater aggregations their shots will go past the mark, and will slaughter the smaller independent manufacturers.

With regard to the independent manufacturers, I shall have something to say later on when we come to the paragraphs dealing with their varied products.

Now, Mr. President, there is another way of looking at this All tariff bills and all arguments upon this subject have always looked at and dealt with foreign countries by name. When we referred to the foreign manufacturers we named the English, the German, or the Belgian. But there is another competitor coming to the front that, looking to the future, is more to be feared than all others.

Mr. President, this Nation, wisely as I think, has enacted laws to prevent the immigration, in competition with our labor and with all white labor, of the representatives of an alien civiliza-tion from the Far East. But to my mind it is important now to look and see whether the products of those races are to be admitted free to our markets in competition with the products of

our own labor.

I have a friend who a little more than a year ago visited China, and while there he went to visit a steel works at Han-

yang, and this is what he says about it:

yang, and this is what he says about it:

That a lowering of the tariff on iron and steel would be a serious menace to American manufacturers and workmen is well established; that the peril from China is real and already has begun to be felt on the Pacific coast is presented by W. H. Donner, president of the Union Improvement Co. and formerly president of the Union Steel Co.

Mr. Donner, less than a year ago, during the course of a world's tour, visited at Hanyang. China, a modern steel plant in full operation and exporting steel rails and pig iron to Japan and some of the latter product to the Pacific coast of the United States. Mr. Donner declared yesterday that if the steel industry in China is properly developed the Chinese steel manufacturers will be enabled to deliver finished product to the eastern coast of the United States upon the completion of the Panama Canal. Panama Canal,

"They have enormous deposits of iron ore," he said, "very much higher in iron than the ore we now use, and running from 62 to 65 per cent in ore. This ore is almost free from sulphur and is low in phosphorus. They have an abundance of excellent coking coal, which can be mined at very low cost, because they have the cheapest labor in the world. To one who has never visited China this may appear as an exaggeration, but it is a fact. I believe it is possible to produce pig iron and finished steel more cheaply in China than in any other country in the world."

Mr. Donner declared that laborers in Hankow, which is just across the river from Hanyang, near the steel works, receive 10 cents, gold standard, for a 12-hour day; skilled laborers, such as brickleyer, carpenters, and machinists, receive 30 cents gold for the same 12-hour period of labor. They feed and clothe themselves and save a little.

MINEES RECEIVE 7 CENTS A DAY.

MINERS RECEIVE 7 CENTS A DAY.

The Chinese coal miner is paid 7 cents for a day of 12 hours; in addition he receives his food from his employer, but this consists only of about 1 cent's worth of rice and meal. Coal at the pit's mouth in China is sold at 35 cents a ton.

The coal is transported from the mine to the river or railroad by coolies, the lowest class of Chinese labor. The coolie is paid 1 cent for carrying on his back a 400-pound load of coal in some instances a distance of more than a mile from the mine to the export station. These coolies work only every other week.

According to Mr. Donner it costs a Chinese workman about 90 cents a month to live.

Mr. Donner happened to have a kodak with him and took some snapshots of these works, and I have some enlarged copies of them. I have three of them here [exhibiting]. They show a blast furnace and steel plant of the most modern construction, evidently planned by either European or American engineers, with electric cranes, railroads running right into the plant, and everything of the very best type of construction.

I have been informed that most, if not all, of the pig iron now used on the Pacific coast comes from this plant. With the development of this and other like plants in China, and the opening of the Panama Canal, I do not hesitate to say that pig iron and steel can be delivered upon our Atlantic coast cheaper than it can be made in any plant in the United States, even in

the much talked of plants in Alabama.

Mr. BRANDEGEE. Does the Senator happen to know what nation furnished the capital for the steel plant in China?

Mr. OLIVER. I can not state that. I do not know.
Mr. CUMMINS. Mr. President, I do not intend to delay the
Senate for more than a moment. I believe that pig iron can be made in the United States as cheaply as it can be made anywhere else, as a general proposition. Nevertheless, there are certain parts of the United States that can take a limited amount of foreign pig iron under the present duty. If you draw a line 50 miles or 55 miles west of Philadelphia and will consult the cost of making pig iron west of that line and the cost of transportation from abroad, it will be observed at once that it would be impossible for England, Germany, Belgium, or France to import any pig iron into the territory west of that line.

I examined that subject with a great deal of care last year.

The cost of what is known as Bessemer pig in England is about \$14 a ton. In the United States it is about \$14 a ton. One of the queer things is that last year we had a small importation of pig iron into the United States, and the value per ton of the iron so imported was, as I remember it, a little more than \$15 per ton. I do not know just why this is so.

Mr. PENROSE. On account of the duty?

Mr. CUMMINS. This is without duty. The value is given without duty in the handbook now before us. Notwithstanding these facts, and I intend to develop them a little more fully when I come to present my substitute, it is clear to me that there is a difference between the cost of production in the easternmost territory of the United States and England or France or Germany. They can make pig iron a little more cheaply in those foreign countries than it can be made in the eastern part of the United States.

Mr. PENROSE. Will the Senator permit me?

Mr. CUMMINS. I yield to the Senator.

Has the Senator from Iowa any figures Mr. PENROSE. showing the cost of manufacture in Germany, France, or Eng-

Mr. CUMMINS. I have. I have the most abundant figures. Mr. PENROSE. I am interested to know what the Senator's idea is as to the cost of manufacture in Germany.

Mr. CUMMINS. It is about \$13 a ton. It is \$13.50 per ton for what we know as Bessemer pig. I had all those figures last year and presented them in most elaborate tables. I had the result of the examination of Mr. Pepper, of the Treasury Department, and other agents of that department. I will put them before the Senate again when I come to present my substitute.

Resuming what I was about to say, I believe that the eastern part of the United States can not produce pig iron quite as cheaply as it can be produced in England, Germany, France, or Belgium, and the freight rate from the points at which the pig iron can be produced in this country most cheaply to the Atlantic coast imposes a great burden upon that traffic. I believe, therefore, now, as I believed last year, that there ought to be a duty of \$1 per ton upon pig iron, not only because of the difference in the cost of the production of pig iron in the only territory into which imports could possibly come, but because I believe that there ought to be in every tariff law some reasonable protection against what is known as dumping. There is no such provision in this proposed law now, although I believe there was when it came from the House.

When Europe is prosperous, when everything is at high tide there, there is not much pig iron made for export to the United States or anywhere else. She consumes practically all the pig iron that she produces, for a very obvious reason-greater profit can be made by converting pig iron into the forms for ultimate use than by selling it and sending it away in the form of pig. As I remember it, England did not produce last year more than 200,000 tons of pig iron in excess of her own demand; possibly less than that; certainly less rather than more. But if the business of Europe becomes stagnant and she can not use the pig iron that she is naturally capable of producing, then it may come to this country under unfair and unnatural conditions.

I think there ought to be a duty of about \$1 a ton on pig iron. The duty in the bill as it came from the House is 8 per Now, 8 per cent on the value of the pig iron that was actually imported into the United States last year is, in my

opinion, too high a duty.

Mr. OLIVER. Mr. President—

Mr. CUMMINS. It would be a duty of about \$1.20 or \$1.25 a ton.

The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from Pennsylvania?

Mr. CUMMINS. I do.

Mr. OLIVER. I would suggest to the Senator that the average price for the twenty-five thousand and odd tons that were imported last year evidently points to a considerable part of that as pig iron of special analysis, which would command a higher price, because the Senator certainly knows, and I well know, that if any pig iron is imported into the United States it will be pig iron the value of which at the point of export will be very considerably less than \$15 a ton.

Mr. CUMMINS. I think the Senator from Pennsylvania is right in assuming that the pig iron imported last year was of some special quality; otherwise it would not have commanded any such price. The price of ordinary pig iron in the Middleborough district, England, last year varied from about \$11.50 a ton, I think, to about \$14 per ton. I can not remember the price figures, although I have them and will produce them later.

But however that may be, it is impossible, of course, to compare one furnace in the United States with one furnace in England, or France, or Germany. You must take the entire trade or business and establish some fair and reasonable average in order that there shall be a comparison that will be of any value to use.

I make these suggestions simply because I do not believe that pig iron should be upon the free list at this time, although I would not be candid if I were not to say that throughout the major part of the United States pig iron, no matter what the wages are, is produced at substantially the same cost for which

it is produced abroad.

I do not think very much pig iron was imported into the United States from China last year. There may have been a That is a problem of the future. If China is able to produce pig iron for the world as efficiently per man employed as it is produced in the United and in England or France or Germany, then it is obvious that we can not compete with her. I do not have any such fear as that. I do not believe that China, for a great many years to come at least, will be a serious competitor in the business with the United States. If she is, then I for one will be willing to take such measures to protect our own people against an invasion of that sort as the time and the condition demand.

Mr. SMITH of Michigan. Mr. President, I simply want to make one observation regarding the question of free iron ore. I do not believe in it at all, and I think it is most unwise to put

such a provision in the bill.

The other day I was riding on the train with a gentleman who is manager of the Pennsylvania Steel Co.'s iron-ore plant in Cuba. He told me that they have a quality of ore there which, with very little treatment, would be as good as the ore on Lake Superior or on the Mesabi Range.

Mr. SIMMONS. Mr. President, we have not reached that; it

is on the free list.

Mr. SMITH of Michigan. I know it.

Mr. SIMMONS. The paragraph we have under considera-

Mr. SMITH of Michigan. This is where it ought to be under

Mr. SIMMONS. Of course, I am not objecting to the Senator's discussion of it.

Mr. SMITH of Michigan. I think it ought to go right in here, and there ought to be a duty on it; and I was stating one This man said that by treating this of the reasons why. Cuban ore at very little expense they could make it answer every purpose that the ores on the Mesabi Range or on Lake Superior, answer. I asked him how much ore they have now in sight in Cuba and he told me they have 600,000,000 tons, and that they are developing more iron all the time.

Now, Mr. President, a party that has talked so much and so often about taking the tariff to a revenue basis, which deliberately presents the Pennsylvania Steel Co. with a customs duty that would otherwise have gone to the Treasury of the United States, seems to me to be a trifle reckless. We have a duty now of 15 cents a ton, and the 20 per cent reduction to Cuba, growing out of the reciprocity treaty, would reduce it to about 12

The 600,000,000 tons, if used during the life of the Democratic Party, would yield a revenue to the Government of over \$70,-000,000. I do not think you will last that long in authority; and I hope you will not last long enough for this bill to get into full operation, because the shorter your party's duration the less the country will suffer; but I do not understand how you could give to the Pennsylvania Steel Co., and to Mr. Schwab, of the Bethlehem Co., who owns deposits on the coast of Cuba, this paltry charge which they have not asked should be removed and which they had no expectation would be yielded. I venture the assertion that the Committee on Finance has not a single communication from any person in the world asking that this duty be taken off iron ore; yet your haste to do it would almost indicate that you proposed to supply the public table with a product of that kind. Over \$70,000,000 of revenue which would have come into the country from the 600,000,000 tons of iron ore without any objection upon the part of the owner of the ore has been sacrificed, with no prospect whatever that the consumer will get the benefit of your reduction.

If you have abandoned all expectation or hope of putting the country on a revenue basis, if you are going squarely to free trade, as I think many members of your party expect to doand some of them have long cherished the hope that no barriers would exist on our coast against the productions or the manufactures of other lands—then, of course, we may as well make up our minds that that is to be your course, and our fate will be the fate that follows such unwisdom; but who on the other side of the Chamber can give an excuse for giving to the Pennsylvania Steel Co. what would naturally and easily flow into the Treasury of the United States without burden to anyone? They can put their ore in Baltimore for less than it costs to ship a ton from Lake Superior to the seacoast, but there is no prospect whatever that the price of the manufactured article will be reduced. Who is to gain by this reckless indifference toward the revenues of the Government? If it were not your intention to find this revenue in some way not heretofore customary in the management of the Government you would never dream of foregoing an opportunity to collect so easily from some one willing to pay it the revenue that would be derived from this very small duty upon the iron ore of Cuba.

Mr. THOMAS. Mr. President, we are not concerned at present, as was remarked by the Senator from North Carolina [Mr. SIMMONS], with the question of iron ore. I may say, however, that the revenue derivable from iron ore, either from Cuba or elsewhere, under the present law has not very materially swelled the revenues of the Government since 1909.

Mr. SMITH of Michigan. Oh, if the Senator will pardon me, I did not say that that was now the situation. I said that they had just got to work down there; that they are just opening their mines at a time when your party has come into power.

Mr. THOMAS. It is rather remarkable that they were so late in opening the enormous deposits down there when, I suppose, it has been possible to do so ever since Cuba achieved her independence.

Mr. OLIVER. Mr. President, I think I can explain the

matter, if the Senator from Colorado will allow me.

The VICE PRESIDENT. Does the Senator from Colorado yield to the Senator from Pennsylvania?

Mr. THOMAS. Certainly.

Mr. OLIVER. The Pennsylvania Steel Co. and the Beth-lehem Steel Co. have been mining ore in Cuba for a great many years and bringing ore up from there, but I think the deposits to which the Senator from Michigan [Mr. SMITH] refers are of another class of ore, of which immense deposits have been found of late years in other parts of Cuba. I know, in fact, that that is the case, because persons whom I know have been interested in developing some of those deposits. It is an entirely different kind of ore from that which is now being brought up from Cuba. It gives great promise of being found in enormous quantities, but it has to be roasted and subjected

to other treatment before it is fit for use.

Mr. THOMAS. Mr. President, I am informed by the Senator from Mississippi [Mr. Williams] that this hobgoblin of cheap iron ore from Cuba was a very prominent feature in the discussion during the debates upon the Wilson tariff bill in 1894. To my mind, the remarkable thing about Cuba is the formidable character of its resources which seem to threaten the industries of this country so tremendously just at present, that I am amazed that, instead of allowing her to achieve her independence as such, we did not annex her because of the fact that her resources are so superior, so much more accessible and obtain-

able than those of our own country.

I shall detain the Senate but a very short time, Mr. President, in referring to some of the arguments and statements of the junior Senator from Pennsylvania [Mr. OLIVER]. A discussion of wages and a comparison of them is, of course, always appropriate in tariff discussions, and statistics are available to any man who cares to avail himself of them. I do not at present intend to go into that subject at all, beyond saying that, if I cared to do so, the reports of the Pittsburgh survey and of investigations made at the request of certain shareholders of the United States Steel Corporation, together with the Government investigations, would disclose a wage situation quite as favorable to what is contended for on this side of the Chamber as any statements which have been made upon that subject as arguments in the opposite direction.

We are content with stating a few general facts, the most prominent of which is that the monetary value of the pig iron production of this country last year was somewhere in the neighborhood of \$385,000,000, the tonnage being about as given by the Senator from Pennsylvania; with an import into this country that is practically negligible, consisting, I think, of less than 200,000 tons, giving neither revenue nor the possibility or prospect of revenue, and relating to a basic element in a great

manufacturing department of the Nation's industries.

We believe-whether we believe so rightly or wrongly will, of course, be developed by the experiences of the Nation under this bill if enacted into law, but nevertheless we believe—that so far as possible the basic material entering into manufactures should be as cheap as possible to the manufacturers. It was upon that principle that these articles were, in the judgment of the Committee on Finance, to be free listed, and at the same time the duties upon those other elements or articles appearing in Schedule C should be lowered a reasonable per cent below the rates carried by the House bill.

Something has been said, Mr. concerning the President, menace of China and of the possibilities of that ancient Kingdom and new Republic in the matter of pig iron and iron and steel manufactures. It is true that some years ago a very large

iron and steel establishment was constructed in China, and has since, subject to the various disturbances which have taken place over there, been generally operated quite satisfactorily. A most interesting article concerning that institution appeared sometime ago, I think in the Review of Reviews, and Senators, if their curiosity or interest is excited, can very easily inform

themselves by an examination of that review as to the nature, extent, and capacity of this large institution.

It is true, Mr. President, that there are large natural deposits of iron in China, and that some day they will become available. is true, as stated by the Senator from Pennsylvania-that is, it is true in part—that there have been some importations of pig iron from China to the Pacific coast. I do not think, however, there have been any recent ones. I think they took place some four or five years ago; but the difficulty, Mr. President. if it is a difficulty, presented by those importations and by the possible competition of China, is one which arose out of and therefore must be solved, if a solution is necessary, by other considerations than that of the tariff, unless the tariff wall is to be raised so high as to be absolutely prohibitive.

As is well known there is now, and has been for the last 15 or 16 years, a dislocation of exchanges between our country, European countries, and the Orient, consequent upon our different money systems, they using an entirely different metal, although nominally upon a gold basis and subject, of course, to the fluctuations of exchange, which are always favorable to those countries as against us; in other words, the difference in price between the gold we use and the silver which they use operates as a bounty upon exports from those countries, and

always will, in consquence of which they can sell in gold-using countries, take the consideration received and exchange it for the money used in their countries, thus deriving an enormous profit therefrom. To illustrate, wheat raised in the Argentine Republic upon a silver basis may be shipped to Great Britain and sold upon a gold basis, but, with prices stationary and unaffected by the dislocation of exchanges, the amount of Argentine money which can be secured by the consideration received for the cargo of wheat is so much greater that competition with it becomes extremely difficult, or may become so, while the profit is, of course, merely a matter of calculation.

I am not going to hark back to the silver question, Mr.

President, but I simply want to emphasize the fact that until there is a regulation and fixity of exchange-and that is the fundamental question—between Asiatic and European producing countries and America until by some sort of international convention or agreement there is a fixity of exchange, the possible menace of competition may become extremely serious not now, but at a time when capital is attracted to a sufficient degree and labor conditions have become satisfactorily adjusted.

Mr. Thomas B. Reed, former Speaker of the House of Rep-

resentatives, in June, 1894, said:

We recognize that falling silver, by lowering the eastern exchanges, favors our competitors in Asia who sell similar produce—wheat, cotton, and other staples—in the markets of Europe.

And former Senator Teller, referring to the same subject, used this language some years afterwards:

Five gold dollars (or 1 sovereign) used to purchase 3 taels only, and 3 taels then paid the wages for one day of 25 Chinese mill hands; while to-day 5 gold dollars buy 8 taels, and 8 taels pay a day's wage to not 25 but 60 Chinese mill hands; such is the nature of the protest against cheapened silver which sums up our silver philosophy.

More recently this subject attracted the attention of Mr. James J. Hill, whose name, of course, is familiar to all Senators in the Chamber, and with whom I make no doubt a majority of them are personally acquainted. In January, 1910, he made this comment upon that situation:

As soon as capital is supplied to develop her native resources, she will furnish her own raw materials for manufacture, buying them in her own markets on the silver basis and selling them abroad on the gold basis. This will enable her, as long as her own people are content to accept these low silver prices for material and labor, to cut our prices in two. Bar silver sells at about 52 cents per ounce in New York. On this basis the silver in a dollar is worth about 45 cents. The Chinese manufacturer who can pay his workmen their low wage with silver worth its face, and sell his product for gold that is convertible into silver at twice its face, has an advantage which we can not ignore or escape.

This, then, is not a question of tariff; it is a great problem of exchanges, and always will be, unless and until we do the impossible thing-the erection of a prohibitory, instead of a so-called Chinese wall, between this Government and Asiatic Governments-or else, until we shall have recognized the importance of this great problem and the menace which it involves whenever capital shall, perhaps, in the distant future, enlist itself in aid of the development of the resources beyond the seas and agree upon some fixity of exchange whereby the world can do its business upon an accepted basis. As it is now, all trade with that country is very largely a gamble, because of the constant fluctuations between their kind of money and our kind of money.

Fortunately, however, there is no prospect of any immediate realization of Mr. Hill's apprehensions, for capital has not enlisted, the country is not settled, and the employment and the promise of capital in other directions is far greater than any temptation that those countries at present can offer. Therefore I do not believe this possible competition is at present of any serious consequence, however serious it may be at some time when the industry is organized. We should, however, pay attention to this dislocation of exchanges and meet it, as

should have done long ago.

Mr. OLIVER. Mr. President, the Senator from Colorado alluded to the importation of iron ore from Cuba as a negligible quantity. He may not have used that expression, but that is the way in which he wished it to be looked at.

Mr. THOMAS. I spoke of it, I think, as a negligible quantity.

tity.

Mr. OLIVER. The Senator did speak of it in that way? Mr. THOMAS. I think I referred to the importation of iron ore as a negligible quantity up to this time. I used some expression of that sort.

Mr. OLIVER. Last year there were imported into this country a little over 2,000,000 tons of iron ore.

Mr. THOMAS. What was the home production?
Mr. OLIVER. The home production was about 40,000,000 tons. There is one-twentieth of the entire output of the United States provided for from abroad. From other countries than Cuba, principally from Spain, there were imported 732,949 tons

of iron ore, on which there were collected duties amounting to \$109,942. From Cuba there were imported 1,281,000 tons.

I know something about quantities, and that is a very, very large quantity of ore. Under our Cuban treaty there was collected on that ore only 12 cents a ton, amounting to \$158,824.16.

Mr. THOMAS. Let me ask the Senator if a good deal of that ore, or some of it, was not iron ore that carried some other metallic contents, and was brought to this country for the other metallic contents?

Mr. OLIVER. No; I think not, Mr. President. If iron ore is imported for the other metallic contents, the customhouse sees to it that it is not imported as iron ore, but that the other more valuable metallic contents are the ones upon which duties are levied.

Mr. THOMAS. Let me ask the Senator if it was not a class of iron ore that was imported for certain specific purposes—in other words, not coming into competition with, but supplementary to, our home production?

Mr. OLIVER. So far as the Cuban ore is concerned, I can say that that is not the case at all. It is imported because the Maryland Steel Co., which is a branch of the Pennsylvania Steel Co., and has its plant located at Baltimore, and the Bethlehem Steel Co., get a very large part of their supply of ore from Cuba, where they own the mines; and they are now preparing to bring it all from that source.

Mr. SMITH of Michigan. Mr. President, will the Senator from Colorado permit me?

Mr. THOMAS. Certainly. Mr. SMITH of Michigan. Even the Wilson bill, which I mentioned last several months ago, but which it is necessary now to mention in order to show the extreme to which you are going, carried a duty of 40 cents a ton on iron ore. We collected, I think, more revenue this year from the ore duty than the Senator from Pennsylvania has stated. My information is that last year we collected about \$262,000 of revenue. That revenue, if remitted, will go into the pockets of the Pennsylvania Steel Co., which is the Pennsylvania Railroad Co., one of the most gigantic railroad systems of the United States. The Chief of the Bureau of Corporations stated last year that the Pennsylvania Steel Co. was owned by the Pennsylvania Railroad Co. Yet you propose to remit \$262,000 a year now, on the basis of present importations, with the prospect of ultimately importing 600,000,000 tons of ore under your bill free, if it should remain the law of the land and the steel company should continue to ship its ore already in sight to the American market.

Mr. THOMAS. Mr. President, I had occasion about a month ago to say that the Wilson bill was about the most complete caricature of a tariff reform bill that was ever passed by the

American Congress.

Mr. SMITH of Michigan. That is what Mr. Cleveland said about it.

Mr. THOMAS. Yes; and for once Mr. Cleveland was right.
Mr. SMITH of Michigan. But Mr. Bryan did not say that
about it. He said is was the best bill that had ever been put

forth by his party.

Mr. THOMAS. Then for once Mr. Bryan was mistaken.

Mr. SMITH of Michigan. Yes; but he said it several times,

so that evidently he was mistaken several times.

Mr. THOMAS. The Wilson bill was a protectionist bill in disguise. It was converted into such a bill by the United States Senate. One of the few good things that the then President of

the United States did was to withhold his signature from it.

Mr. SMITH of Michigan. Oh, no; the thing he ought to have done was to have vetoed it and saved the country from disaster.
Mr. THOMAS. I quite agree with the Senator; but not, per-

haps, for the reason the Senator has in mind as the basis of the agreement.

Mr. SMITH of Michigan. He ought to have vetoed it, because he denominated it a piece of perfidy and dishonor.

Mr. THOMAS. Yes.

Mr. SMITH of Michigan. If it was a piece of perfidy and diskonor, he ought to have vetoed it.

Mr. THOMAS. Certainly. Mr. SMITH of Michigan. I am not saying this to criticize the late President Cleveland, because I admired him, but the Democratic Party was responsible for that bill, as it was in full control of the Government.

Mr. THOMAS. I quite agree with the Senator, Mr. President, that the bill should have been vetoed; but I am also willing to give the President credit for refusing to sign it. It was a bill which involved party perfidy and national dishonor from the basis of the Democratic position; but we do not propose, if we can help it, to have this bill involve those elements.

Mr. SMITH of Michigan. I should like to ask the Senator from Colorado whether he maintained, with his usual vigor and ability, the righteousness of that legislation at the time?

Mr. THOMAS. Does the Senator refer to the Wilson bill?

Mr. SMITH of Michigan. Yes.

Mr. THOMAS. On the contrary, I felt after the bill came to the Senate and was mangled here and was sent back to the House that it should have been rejected by the House as well as by the Senate.

Mr. SMITH of Michigan. Everybody felt that way after it

came here.

Mr. THOMAS. I felt that way. The Senator has asked for

my individual opinion.

Mr. SMITH of Michigan. The whole country felt that way about it. But after Mr. Wilson, the author of the bill, was carried out of the House of Representatives upon the shoulders of Mr. Bryan and his fellow Democrats there was great glee in the camp of the Democratic Party because they had at last got rid of the McKinley bill and had enacted in its place some-

thing that really was in harmony with Democratic pretensions.

Mr. THOMAS. The bill was a fair bill when it left the
House, I think. I do not think it was as good a bill as this

one; but that is neither here nor there.

The Department of Commerce and Labor report of imported merchandise entered during the year ending June 30, 1912, gives the following as the importations of iron ore:

Chromate of iron, or chromic ore, 47,007 tons.
Iron ore, including manganiferous iron ore, and dross or residuum from burnt pyrites, 732,949 tons.
Ditto, reciprocity treaty with Cuba (15 cents per ton, less 20 per cent), 1,281,868 tons of ore.

That is to say, iron ore containing material making it specifically desirable, just as I supposed.

Mr. OLIVER. Mr. President, where does the Senator find

that characterization?

Mr. THOMAS. I am reading from page 32 of a document entitled "Department of Commerce and Labor. Imported merchandise entered for consumption in the United States and duties collected thereon for 1912.

Mr. OLIVER. Does it state that it is imported because it

contains ingredients making it desirable-

Mr. THOMAS. This is the department's statement, and this includes manganiferous iron ore.

Mr. SMOOT. Will the Senator read the designation again?
Mr. THOMAS. Yes; I will read the paragraph again. It
is entitled "Iron in ore."

Mr. OLIVER. I only referred to the phrase which the Sena-

tor used, "containing other ingredients.

Mr. THOMAS. The Senator from Utah [Mr. Smoot] has asked me to read it again.

Mr. OLIVER. Very well. Mr. THOMAS (reading)-

Chromate of iron or chromic ore (tons, free), 47,907.
Iron ore, including manganiferous iron ore, and dross or residuum from burnt pyrites (tons, 15 cents a ton), \$732,949.44.
Duty under reciprocity treaty with Cuba (15 cents, less 20 per cent), \$1,281,868.

Mr. SMOOT. What I was interested in knowing was on what theory the Senator says that is a better iron ore.

Mr. THOMAS. I did not say it was a better iron ore. I did not intend to say that. I said it was a different iron ore, but containing other metallic elements.

Mr. SMOOT. There is nothing there that would ever be smelted for any other product than iron. All that that ore is

used for is just the same thing that our ore in this country is used for; that is to say, making pig iron.

Mr. THOMAS. So the Senator says; but if this iron ore includes maganiferous iron ore, I know of no reason why it should not be imported into this country and used for the manganese which it contains. I very well remember that some years ago a very warm friend of mine, afterwards a Republican Member of Congress, came to Washington and used his best efforts to secure the enactment of a duty upon manganese iron ore in this country, because of the importation from the Island of Cuba of iron ores containing manganese, thus supplying the market with foreign manganese, and I have no doubt this is the class of ore to which his efforts were at that time directed.

Mr. OLIVER. Mr. President, there could not be that quantity of so-called manganiferous iron ore used in this country

in a year.

Mr. THOMAS. The Senator perhaps did not notice the language. The language is, "iron ore, including manganiferous iron ore."

Mr. OLIVER. I understand. A small percentage of the imported iron ore is no doubt manganiferous iron ore, imported by the only manufacturer of ferromanganese in the country, the United States Steel Corporation, which the House bill made such a terrific effort to protect, for the purpose of making ferromanganese. The quantity, as compared with the total quantity of 2,000,000 tons, would be insignificant, and none of that would come from Cuba.

Mr. WILLIAMS. Mr. President, I should like to ask the Senator from Pennsylvania a question for my own information. Was not a good deal of the ore which was brought over here

Spanish and Swedish ore?

Mr. OLIVER. A great deal of it, I think, was Spanish. I am without accurate information on the subject, however. They do bring over a considerable quantity of Spanish and African ore, but not much from Sweden.

Mr. WILLIAMS. Are not the Spanish and the Swedish ores used mainly to supplement our ores instead of as a substitute

for them?

Mr. OLIVER. I rather think not.

Mr. WILLIAMS. That has been my information for a long

Mr. OLIVER. The reason that Spanish ores, and in fact all of these imported ores, are brought in is for the purpose of having them used by furnaces near the seacoast, that can get them at a cheaper rate than they can obtain by having them transported from Lake Superior. Of course, the bringing of ore from Lake Superior to eastern Pennsylvania involves very long and very expensive hauls, and as a consequence some of these furnaces use imported ores. I think it will be found that most of these ores are imported for that purpose. Some little part of them may be brought in for their chemical composition, but not to any considerable extent.

The VICE PRESIDENT. The question is on agreeing to the

amendment proposed by the committee.

The amendment was agreed to.

The reading of the bill was resumed, beginning with para-

graph 105, page 29.

Mr. OLIVER. Mr. President, it is now nearly 6 o'clock, and Mr. OLIVER. Mr. Fresident, it is now hearly 6 o'clock, and I have considerable to say on the coming paragraph. I suggest to the Senator in charge of the bill that perhaps it would be inadvisable to go further this evening.

Mr. SIMMONS. Mr. President, if the Senator from Pennsylvania does not desire to occupy the five minutes remaining, I shall not object to the bill being laid aside for to-day.

Mr. OLIVER. I do not think we could get through with this paragraph within a reasonable time.

paragraph within a reasonable time.

Mr. SIMMONS. It would take the Senator more than five minutes, would it, to finish his remarks?

Mr. OLIVER Oh, yes.
Mr. SIMMONS. Then, with the consent of the Senator in charge of this part of the bill. I suggest that the bill go over for the day. I do not think it is necessary to put the motion. If the Chair thinks it is necessary, I ask that it go over for the day.

The VICE PRESIDENT. Is there any objection? The Chair

hears none.

Mr. WARREN. I desire to give notice that on Thursday next, after the routine morning business, I shall address the Senate on the tariff bill, especially with reference to agricultural products.

EXECUTIVE SESSION.

Mr. BACON. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After 1 hour and 10 minutes spent in executive session the doors were reopened, and (at 7 o'clock and 5 minutes p. m.) the Senate adjourned until to-morrow, Tuesday, August 5, 1913, at 12 o'clock meridian.

CONFIRMATIONS.

Executive nominations confirmed by the Senate August 4, 1913. ASSISTANT TO THE ATTORNEY GENERAL.

George Carroll Todd to be assistant to the Attorney General. UNITED STATES MARSHAL.

B. A. Enloe, jr., to be United States marshal for the eastern district of Oklahoma.

UNITED STATES ATTORNEYS.

Robert P. Stewart to be United States attorney for the district of South Dakota.

Francis M, Wilson to be United States attorney, western district of Missouri.

SENATE.

Tuesday, August 5, 1913.

Prayer by the Chaplain, Rev. Forrest J. Prettyman, D. D. The Journal of yesterday's proceedings was read and approved.

BUST OF WILLIAM PITT, LORD CHATHAM (S. DOC. NO. 150).

The VICE PRESIDENT. The Chair lays before the Senate communication from the President of the United States, which will be read.

The Secretary read as follows:

THE WHITE HOUSE, Washington, August 4, 1913.

Hon. THOMAS R. MARSHALL, The Vice President.

The Vice President.

My Dear Mr. Vice President: I take pleasure in transmitting herewith a copy of a letter recently received from Lady Paget, speaking for a number of American ladies now living in England, in which they express the desire to join in presenting to the United States, in connection with the approaching Anglo-American peace centenary, a bust of William Pitt, Lord Chatham, the friend and champion of America, to be placed in the White House. I venture to suggest that inasmuch as the gift must be received through me as President, but can not be accepted without the permission of Congress, the Houses graciously grant their permission.

Cordially and sincerely, yours,

Wooddow Wilson.

The VICE PRESIDENT. The communication and the accom-

The VICE PRESIDENT. The communication and the accom-

panying paper will be printed and referred to the Committee on Foreign Relations.

ESTATE OF ADAM L. BOSE, DECEASED (S. DOC. NO. 140).

The VICE PRESIDENT. The Chair lays before the Senate a communication from the Chief Justice of the United States Court of Claims, which will be read.

The Secretary read as follows:

CHAMBERS UNITED STATES COURT OF CLAIMS, Washington, D. C., August 4, 1913.

The honorable the President of the Senate, Washington, D. C.

Sir: I am informed that an examination of the findings in the eighthour navy-yard cases, so called, reveals the fact that findings in favor of the estate of Adam L. Rose, deceased (No. 13, 727-132, Cong.), have twice been certified to Congress, first on March 14, 1910 (S. Doc. 432, 61st Cong., 2d sess.), and again on January 31, 1911 (S. Doc. 801, 61st Cong., 3d sess.).

I have, therefore, the honor to request you to order a return of the former findings, above referred to, to wit, those covered by Senate Document 432, Sixty-first Congress, second session, to the Court of Claims for correction.

Respectfully,

EDWARD K. CAMPBELL,

Chief Justice.

EDWARD K. CAMPBELL, Chief Justice.

The VICE PRESIDENT. The Chair assumes that this matter is in the hands of the Committee on Appropriations. So the communication will be referred to the Committee on Appropriations.

TOBACCO STATISTICS (S. DOC. NO. 152).

The VICE PRESIDENT laid before the Senate a communication from the Secretary of the Treasury, transmitting, in response to a resolution of the 10th ultimo, a statement showing the names and addresses of the 10 largest manufacturers of tobacco and snuff, the number of pounds manufactured and the amount of internal-revenue tax paid by each, etc., together with similar information with respect to cigars weighing more than 3 pounds per thousand and cigars weighing not more than 3 pounds per thousand, etc., which, with the accompanying paper, was, on motion of Mr. Hitchcock, ordered to lie on the table and to be printed.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by A. C. Johnson, assistant enrolling clerk, announced that the Speaker of the House had signed the enrolled bill (H. R. 6383) to amend section 19 of an act entitled "An act to increase the limit of cost of certain public buildings; to authorize the enlargement, extension, remodeling, or improvement of certain public buildings; to authorize the erection and completion of public buildings; to authorize the purchase of sites for public buildings; and for other purposes," approved March 4, 1913, and it was there-upon signed by the Vice President.

PETITIONS AND MEMORIALS.

The VICE PRESIDENT. The Chair lays before the Senate a memorial from Philip L. Schell, of New York, with reference to Schedule K of the tariff bill, which embraces the views suggested by the Senator from Connecticut [Mr. Brandegee] with reference to the time of the taking effect of Schedule K. Unless some Senator desires to have the memorial read it will not be

read but simply referred to the Committee on Finance.

Mr. HITCHCOCK. I present a belated petition which I did
not receive until to-day, signed by 199 citizens of Nebraska,
praying for the adoption of an amendment to the Constitution

granting the right of suffrage to women. I ask that the petition be referred to the Committee on Woman Suffrage.

The VICE PRESIDENT. The petition will be referred to the Committee on Woman Suffrage.

EASEMENTS IN RECLAMATION PROJECTS.

Mr. JONES, from the Committee on Irrigation and Reclamation of Arid Lands, to which was referred the bill (S. 1355) relating to easements in connection with reclamation projects, reported it without amendment and submitted a report (No. 98) thereon.

BILLS AND JOINT RESOLUTION INTRODUCED.

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SMITH of Michigan:

A bill (S. 2882) to remove the charge of desertion from the record of Charles M. Clark (with accompanying paper); to the Committee on Military Affairs.

By Mr. BANKHEAD (by request):

A bill (S. 2883) to authorize and more specifically define the laws authorizing and granting permission to use and occupy Government lands, and for other purposes; to the Committee on

Mr. CHILTON. For my colleague, who is necessarily absent from the Senate, I introduce three bills, and ask that they be

appropriately referred.

By Mr. CHILTON (for Mr. Goff):

A bill (S. 2884) granting an increase of pension to George A. Greenlee;

A bill (S. 2885) granting an increase of pension to John P. Fetty (with accompanying papers); and

bill (S. 2886) granting an increase of pension to David Klingensmith (with accompanying papers); to the Committee on Pensions.

By Mr. McLEAN: A bill (S. 2887) granting an increase of pension to Caroline M. Hull (with accompanying papers); to the Committee on Pensions.

By Mr. MARTINE of New Jersey:

A bill (S. 2888) granting an increase of pension to Sarah Frances Barriger (with accompanying papers); to the Committee on Pensions.

By Mr. POMERENE:

A joint resolution (S. J. Res. 62) to authorize the reinstatement of Adolph Unger as a cadet in the United States Military Academy; to the Committee on Military Affairs.

AMENDMENT TO THE TARIFF BILL.

Mr. BURTON submitted an amendment intended to be proposed by him to the bill (H. R. 3321) to reduce tariff duties and to provide revenue for the Government, and for other purposes, which was referred to the Committee on Finance and ordered to be printed.

GOVERNMENT 2 PER CENT BONDS.

Mr. SMITH of Michigan submitted the following resolution (S. Res. 151), which was read:

(S. Res. 151), which was read:
Whereas William G. McAdoo, Secretary of the Treasury, has charged that the leading banks and bankers of New York City have entered into a conspiracy to depress the value of the Government 2 per cent bonds held as collateral by the Treasury for Government deposits and used as the basis for the issue of national bank notes, and for the further purpose of preventing the passage of currency legislation at the present extraordinary session of Congress; and Whereas some of said New York bankers have denied such charge of a conspiracy and have declared their desire to offer proof that such charge is not true: Therefore be it

Resolved, That the Committee on Banking and Currency of the Senate, or any subcommittee thereof, be directed to invite the said William G. McAdoo, Secretary of the Treasury, before such committee for the purpose of allowing him to present proof of his said charge and allegations as to such conspiracy, and that said committee or subcommittee be instructed to immediately make an investigation into such charges and into said denials as made by said New York bankers.

Mr. SMITH of Michigan I request that the resolution lie

Mr. SMITH of Michigan. I request that the resolution lie on the table.

The VICE PRESIDENT. The resolution will lie on the table.

INVESTIGATION BY FINANCE COMMITTEE.

Mr. FLETCHER. There is on the table calendar a resolution (S. Res. 88) submitted by the senior Senator from Pennsylvania [Mr. Penrose] relative to the printing of 2,000 copies of the amendment offered by him to the motion of the Senator from North Carolina [Mr. SIMMONS] relative to H. R. 3321, the tariff bill. I ask that the resolution be taken from the calendar and postponed indefinitely.

The VICE PRESIDENT. Without objection, the resolution

will be postponed indefinitely.

THE PANAMA CANAL (S. DOC. NO. 146).

Mr. O'GORMAN. Mr. President, a few days ago the President transmitted to the Senate a report of the Commission on Fine Arts containing certain recommendations regarding the artistic structure of the Panama Canal. I ask unanimous consent that the report, including the maps and illustrations, be printed as a public document.

The VICE PRESIDENT. Is there objection? The Chair

hears none, and the order is entered.

DOCUMENT ON WOMAN SUFFRAGE (S. DOC. NO. 155).

Mr. CHAMBERLAIN. Mr. President, I renew my request of a few days ago to have printed as a public document extracts from the RECORD with reference to the presentation of petitions for woman suffrage.

The VICE PRESIDENT. Is there objection at the present time? Mr. FLETCHER. I did not understand the request, Mr.

President.

The VICE PRESIDENT. It is a request to print as a public document extracts from the RECORD, being the addresses made by the several Senators at the time of the presentation of the petitions on woman suffrage on Thursday of last week.

I have no objection to urge to the request. Mr. FLETCHER. However, I would like to suggest to the Senator from Oregon that he have his request referred with the proposed document to the Committee on Printing. That would be the regular to the Committee on Printing. That would be the regular course. I do not believe there will be any opposition to favorable action on the request. The trouble is in a matter of this kind coming up as it does a precedent is likely to be set that will be found to be very objectionable in the future. The regular course in such matters is to refer them to the committee having charge of printing.

I believe it will be found that that practice is better than to have the order made in this way. It gives an opportunity to arrange the matter and ascertain the cost and other facts in

connection with the printing.

I would prefer, if the Senator can see his way clear to do so, to have him modify his request and ask that it and the proposed document be referred to the Committee on Printing.

Mr. CHAMBERLAIN. If it will hasten the matter any I will ask to have it referred, but it was up before the Senate the other day and there did not seem to be much objection to it, and the corrections which seemed necessary have been made in the document. However, I will request that the matter be referred to the Committee on Printing.

The VICE PRESIDENT. The Chair understands the Sena-

tor from Oregon to ask that the matter shall be referred to the

Committee on Printing

Mr. CHAMBERLAIN. Yes, sir.

The VICE PRESIDENT. The request and the proposed document will be referred to the Committee on Printing for action.

IRON TRADE WITH CHINA.

Mr. OLIVER. Mr. President, in the few remarks I made yesterday with reference to the proposition of the Committee on Finance to place pig iron upon the free list I referred to the competition with China in pig iron and some of the forms of steel. I have here an article which appeared a little more than a week ago in the Christian Science Monitor, a very ably conducted journal, published at Boston, Mass., on that subject, which bears out in every way what I said. I ask that it be read. It is very short.

The VICE PRESIDENT. Is there objection?

Mr. JAMES. We could not hear the Senator from Pennsylvania as to what the request is. I thought the Senator from Missouri [Mr. Stone] was listening, but he himself seems not to have heard it.

Mr. OLIVER. My request is that an article published in the Christian Science Monitor be read. It is with reference to the development of the iron and steel industry in China. It is a short article.

Mr. JAMES. It is not on Christian Science, however, but it is on the steel situation?

Mr. OLIVER. It is on the steel situation, from the Christian Science Monitor.

The VICE PRESIDENT. There being no objection, the article will be read.

The article was read and ordered to lie on the table, as

IRON TRADE WITH CHINA TO BOOM IF TARIFF IS PASSED—UNDERWOOD BILL CUTS \$2.50 A TON OFF ORIENTAL PRODUCT, PROMISING GREAT DEVELOPMENT OF BUSINESS ALREADY PROFITABLE—TO STIMULATE MINING.

One immediate effect of the Underwood tariff bill, if ultimately passed as amended by the Senate Fimance Committee, will be to stimulate the iron and iron-ore trade between China and the United States. This is a trade that has been discovered and opened up only in the last few

years. Certain interests on the Pacific coast have already developed a paying business bringing both iron ore and pig iron from China to Puget Sound smelters and mills, and the trade-awaited only a little encouragement from the Government to make it increase rapidly.

The existing tariff on iron ore is but 15 cents a ton, while the tariff on pig iron is \$2.50 a ton. The Underwood bill as it passed the House put iron ore on the free list, but retained an 8 per cent ad valorem duty on pig iron and similar products. In the context of the public of the public

Mr. MARTINE of New Jersey. Mr. President, I hesitate to burden the Record unnecessarily with matters, but there is a proverb that one story is good until the other side is told. Since the distinguished Senator from Pennsylvania [Mr. Penrose] made most disparaging and doleful statements and stories regarding his Commonwealth and the iron industry some one in that State was stirred up to send me a letter. I desired to present it a day or two ago, but in the absence of the Senator I felt that it would not be courteous, and hence I deferred it.

On the edge of this letter is pinned a little printed slip, which

SAYS:

PENROSE SAYS 1,000 MEN ARE IDLE HERE.

United States Senator Penrose has made a discovery regarding industrial conditions in Lebanon County. He declared on the floor of the Senate at Washington that 1,000 men in this county alone are out of work just now, due to trade stagnation and uneasiness regarding possible depression under the new tariff bill.

Senator Penrose has not favored Lebanon with a visit for years, and where he got his vision of a thousand men in this county out of work because of trade depression is hard to guess, local folk say.

ME JAMES E MARTINE

Mr. James E. Martine, United States Senator, New Jersey.

DEAR SIR: I noticed newspaper stories of a "sharp discussion" between yourself and Senator Penrose, of Pennsylvania, regarding the industrial situation in Pennsylvania. The esteemed senior Senator from Pennsylvania hasn't been in Lebanon for some years, as far as the public knows, and when he talks about 1,000 men idle in this county because of trade stagnation he isn't informed as to the situation.

the public knows, and when he talks about 1,000 here are county because of trade stagnation he isn't informed as to the situation.

Two of the blast furnaces in this county are out of blast for reasons not connected in any way with the tariff and not because of any depression in the iron trade. Any Lebanon man in the iron business could explain the reasons. Three others are idle for relining, and the employees are at work making repairs, hence few or no men lost employment there, and prospects are that at least two of the three will go into blast as soon as the bricklayers and mechanics can complete their work.

Three others are in blast. This makes eight stacks, all we have in this county. The Keystone furnace, in Reading, Pa., shut down recently for relining, is to go into blast very soon.

H. H. Light, a local rolling-mill operator, has just put into operation a plant with over 200 men at Schuylkill Haven, and bought another mill, near Baltimore, Md., to put into operation very soon and to employ 500 men. All the rolling mills in Lebanon are in operation except for occasional shutdowns of a few hours now and then because of the hot wave.

The American Iron & Steel Co., employing over 3,000 men here and in Reading, about 2,300 or more of that number in this city and suburbs, is building an addition to roll steel, as shown by the following newspaper clipping from the Harrisburg Patriot:

PROGRESS ON NEW LEBANON STEEL PLANT.

" LEBANON, July 30.

"Lebanon, July 30.

"The American Iron & Steel Manufacturing Co., of this city, who recently decided to build a new \$1,000,000 modern steel plant, is going right ahead in carrying out the plans for the big new plant here. Hundreds of additional men will be given employment in the steel works. The American Bridge Co., of Pittsburgh, has been commissioned to proceed with the erection of about 2,400 tons of steel for an openhearth plant. The new works will be equipped with four 50-ton openhearth furnaces; blooming and billet mills will also be provided for. At present the local company is not a producer of its steel, and has been purchasing its requirements in the open market."

I am pasting up some more clippings to show how the iron and steel business and incidentally the silk business, which is always slack—

I will say for the benefit of other Senators-as, of course, the Senator from Pennsylvania well knows—that in Allentown, Pa., known as the Silk City, silk is a great industry when business troubles are in sight, are "depressed."

The writer of the letter inserts the following newspaper clippings:

BESSEMER MILL HAS A RECORD—EVERY DEPARTMENT OF PENNSYLVANIA STEEL PLANT RUNNING FULL BLAST—FEAR SLUMP NO LONGER.

STEELTON, July 19.

STEELTON, July 19.

The fear of a slump in activities at the local plant of the Pennsylvania Steel Co. of a few weeks ago has disappeared, and the entire plant during the past week has again taken its stride with every department running to its capacity. The only department now idle is the Lochiel blast furnace, and the opinion prevails that this will not be again started unless its product is urgently needed.

The week ending to-day has been the biggest, so far as the production of steel with the duplex system is concerned, in the history of the plant, and the Bessemer mill will have a record output for the week. Another big run this week was made at the billet mill, which worked on tie and splice plates, and the foundries, open hearths, rail mill, and, in fact, every mill is now booming.

PUDDLERS ACCEPT ADVANCE ON WAGES.

PUDDLERS ACCEPT ADVANCE ON WAGES.

Employees of the Reading Iron Co., which has 3,000 men on its pay roll, last night accepted the offer of the management to advance the puddling rate from \$4.75 per ton to \$5, with a further advance when trade conditions warrant. The men also decided to organize and become affiliated with the American Federation of Labor.

The writer of the letter then continues:

Here in Lebanon the Lebanon Stove Works, idle for some time, will start its plant again in two weeks, and the Lebanon Silk Co., rushed with orders, will start a branch factory in East Lebanon in a very shart time.

shart time.

Congressman Kreider, of this district, who has four factories in this listrict, is building a big addition to his factory at Annville, to employ many more men and women.

I regret to say that I can not give you my name. I am working for a Republican who believes as firmly in protection as he does in the New Testament—maybe more—and this review of the situation, as taken from Harrisburg, Lebanon, and Reading papers, in the heart of the pig-iron and steel district, is written without consultation with him. I wish you success, and believe that you represent the people of New Jersey as they should be represented.

Mr. PENROSE. Will the Senator allow me to interrupt him? The VICE PRESIDENT Does the Senator from New Jersey

The VICE PRESIDENT. Does the Senator from New Jersey yield to the Senator from Pennsylvania?

Mr. MARTINE of New Jersey. Yes.

Mr. PENROSE. Of course I shall absolutely refuse to reply

to an anonymous communication. I deem it unworthy of the consideration of the Senate.

Mr. MARTINE of New Jersey. I realize that weakness, but still it is entirely within the province of the Senator from Pennsylvania to do as he may choose with reference to it.

Mr. PENROSE. I deem it a frivolous consumption of the time of the Senate to submit an anonymous communication to this body

Mr. MARTINE of New Jersey. Possibly; but what has the Senator from Pennsylvania to say with reference to the printed slips that are quoted from newspapers in Lebanon County and in Reading?

Mr. PENROSE. The printed slips come from Democratic newspapers in the city of Harrisburg and largely refer to industries in adjoining counties. My remarks applied to the county of Lebanon. I stand emphatically on them and defy successful contradiction.

Mr. MARTINE of New Jersey. Here is a statement from Lebanon

Mr. PENROSE. The Senator's cause is indeed weak when he reads anonymous communications to the Senate of the United Mr. MARTINE of New Jersey. You quoted no authority with reference to your printed slips. Here is one from a Lebanon paper, in which it is stated-

Mr. PENROSE. I quoted my own authority.

Mr. MARTINE of New Jersey. Here is a printed slip, which says "Penrose has not favored Lebanon with a visit for years" and that he knows nothing about the situation. I realize that being anonymous is a weakness of the letter, but the posi-

Mr. PENROSE. I am glad the Senator has some ray of intelligence to realize in his remarks the weakness of his position, Mr. MARTINE of New Jersey. There is no Senator who will

attempt to say that this statement is false.

Mr. PENROSE. I say it is unworthy of discussion when we are all anxious to pass this bill as promptly as possible.

Mr. MARTINE of New Jersey. I know you are very anxious, but you are quite as anxious to portray your picture of doleful sadness throughout the length and breadth of this country. No one rose then to criticize the Senator's authority; but now, let me say with reference to your colleague and neighbor [Mr. OLIVER], who delivered a long diatribe on the question of ore, iron, and steel, that I hold in my hand a paper that is akin-Mr. OLIVER. Mr. President-

The VICE PRESIDENT. Does the Senator from New Jersey yield to the Senator from Pennsylvania?

Mr. MARTINE of New Jersey. Certainly,
Mr. OLIVER. Will the Senator from New Jersey please give

the definition of the word he has just used?

Mr. MARTINE of New Jersey. Well, I would not presume so much on the lack of intelligence of the Senator from Pennsylvania as to attempt a definition. Here I hold in my hand a paper that is akin to a leaflet from the Bible for the average Republican. It is a clipping from the New York Tribune of yesterday, and it goes on to say, referring to the steel report
Mr. LIPPITT. Mr. President—

The VICE PRESIDENT. Does the Senator from New Jersey yield to the Senator from Rhode Island?

Mr. MARTINE of New Jersey. Certainly.
Mr. LIPPITT. I have seen some intimations that lead me to think that that leaflet has been torn out of the Republican bible. I do not know that we should like to accept that authority.

Mr. MARTINE of New Jersey. Well, you stood by it, and it stood by you. It stated a good many things that I did not think could be attributed decently to a book that might be called the Bible, but for 40 years it was gospel to you; you fattened on it, supped from it, fed from it as a babe would suckle at the breast of its mother, and now because it begins to tell the truth in the light of this generation you begin to hesitate.

The New York Tribune of yesterday, just at the time when the doleful tale from Pennsylvania in regard to steel conditions was being told by the Senator from Pennsylvania, had this to

say:

The significance of this report-

Referring to the steel report-

is appreciated when considered in the usually accepted light that the prosperity or adversity of the Steel Corporation gives an index to actual trade conditions throughout the country.

The Iron Trade Review says that heavy buying of pig iron in leading iron centers has brought great encouragement to the entire trade and furnishes strong evidence that prosperity will be enjoyed throughout the remainder of the year.

I realized the force of the suggestion advanced by the distinguished and lovable Senator from New Hampshire [Mr. GAL-LINGER] when he said that the present prosperity came under Republican domination, as we are living under a Republican tariff law. So we are; but the Senator knows and everybody else knows that money and finance are like water; they will float and change at the least disturbance; and, so, in the light of statements which Senators have made as to disturbed conditions, we might imagine that the business world would be disturbed; but, on the contrary, all the evidence is that it is not disturbed. Now, I say, in heaven's name cease your doleful prophecies; be of good cheer and good heart. We are as much interested in this great country as you can possibly be; we are not going to shut the doors to the trade possibilities of Penn-Even your Sharples creamery plant will go on; we will open new doors and new avenues, and with a reasonable tariff I think I can see your Sharples separators trying to find a market with the hope of separating and dividing the Milky Way in the heavens above.

Mr. OLIVER. Mr. President, I know that great latitude is allowed the Senator from New Jersey, but I do not see by what authority he connected my name with the article in the New York Tribune from which he has quoted, or with any discussion that has been had on the subject of depression in business

consequent upon the introduction of the pending tariff measure, because from first to last, in what little I have spoken on the subject I defy the Senator from New Jersey, or any other Senator, to point to a single word I have said on the subject of depression.

My position, Mr. President, is that this legislation will lead to depression; but I have studiously refrained from talking about conditions as they exist to-day, either in the steel or any other So I feel disposed to resent the introduction of my name by the Senator from New Jersey and his making me the

text for any remarks upon the subject.

Mr. MARTINE of New Jersey. Mr. President, I had no thought of doing anything that might be deemed as unkind or

in the least discourteous.

Mr. OLIVER. The Senator can say anything unkind that he

pleases so long as it is true.

Mr. MARTINE of New Jersey. Great God, I have not an unkind thought in my heart, and would not express it if I had. I want, however, to ask the Senator in all fairness-perhaps my eyes and vision were wrong; perhaps my ears failed to carry to my brain the correct sound of the voice-did we not yesterday evening hear the Senator from Pennsylvania make reference to the steel and iron interests, either in the form of a

document or by oral statement?

Mr. OLIVER. Of course, Mr. President, I did—

Mr. MARTINE of New Jersey. That was my text.

Mr. OLIVER. But I did not allude to any present depression in the steel or iron business, as the Senator said I did.

Mr. MARTINE of New Jersey. The Senator did not speak in any glowing terms of its future or its hopes in the near-by.

Mr. OLIVER. Because I realized what was going to happen from the interference of such measures as are proposed under

the leadership of the Senator from New Jersey.

Mr. MARTINE of New Jersey. The Senator dignifies, magnifles, and compliments me too much. I am not a leader at all; I am an humble citizen in the party. I only said that, as I understood the Senator's remarks, he did not refer to apples or potatoes; but he referred distinctly and directly to steel, and I felt that when the New York Tribune floated in and its financial column was so rich and full of contradictions, it was only fit and reasonable and proper that, in a decorous and dignified way, I might confront him with his own doctrine and feed him with his own medicine, so to speak.

PROPOSED CURRENCY LEGISLATION.

Mr. HITCHCOCK. Mr. President, I have here a resolution adopted by the Democratic county central committee of Sarpy County, Nebr., which I should like to have read at the desk.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Secretary will read as requested.

The Secretary read as follows:

The Secretary read as follows:

Whereas President Wilson has wisely recommended to Congress the immediate passage of a currency measure carefully designed to protect the people and honest business of the country against the possibility of the money stringency now and always threatened by the powerful capitalistic combinations whenever just remedial legislation seems probable or possible; and

Whereas it is imperative that the administration at this time receive the loyal support of all Democratic Members of the House and Senate in its great battle against greed and privilege, and for the common people: Therefore be it

people: Therefore be it

Resolved by the Democratic county central committee of Sarpy County, Nebr., That all Democratic representatives in Congress be, and hereby are, called upon and earnestly requested to loyally and patriotically give unqualified support to the great administration measures now pending before Congress relative to tariff and currency, and to defer until some future session of Congress the offering of amendments or criticism likely to delay, obstruct, or defeat the passage of either measure; be it further

Resolved, That copies of this resolution be immediately transmitted to our representatives in Congress, Hon. Gilbert M. Hitchcock and Hon. C. C. Lobeck.

Adopted July 19, 1913.

B. J. Melia, Chairman.

B. J. MELIA, Chairman,

W. D. Schaal, Secretary, Springfield, Nebr.

Mr. HITCHCOCK. Mr. President, I should like the opportunity of saying a few words upon this resolution, for the reason that it is pretty well known here, as well as in my State, that I am strongly opposed to any comprehensive currency legislation during the present session. I think this question is too difficult and too delicate for Congress to undertake to pass upon hurriedly in the closing days of an extra session called for another purpose. I am in entire sympathy with the idea that some reformation of our banking and currency laws is desirable, but I have no idea that any emergency exists which will excuse Congress in railroading through a revolutionary measure such as has been introduced by my friend from Oklahoma [Mr. Owen].

The delicacy and the difficulty of this great question demand

more than ordinary discussion and more than ordinary study.

I am very sure that I have not had the necessary time to give to it, and I believe I echo the sentiment of most Senators in this Chamber in saying that they have not had the necessary time to give to this new bill during the present session. only possible reason for yielding unqualified support to this measure is upon the theory that we are or may be confronted by an emergency; we are urged to hurry upon the theory that as the result of tariff legislation, or because of some possible conspiracy of great money interests, the business world may be We are advised that this bill should be railroaded through Congress in order to protect the people of the country from the evils that might come.

But, Mr. President, it is easy to see, by a mere reading of the bill, that it is not and can not be an emergency measure, for the reason that it proposes a permanent revolution in our banking and currency system, and also for the reason that it will take at least a year to organize the new reserve banks

according to the terms proposed in the bill.

Mr. President, the Senate is in the midst of a tariff discus-The country has made up its mind upon the tariff and announced it by an election. Congress has about made up the bill for the new tariff. The country is ready for it. I believe the country is not only ready for it, but anxious to have it over and have Congress adjourn and go home and allow the business world to adjust itself to the new tariff conditions. The country has not, however, made up its mind on the banking and currency bill. This revolutionary measure, which has many features that commend themselves to me, is not even understood by Congress as yet, and the country, even the bankers, have not approached an understanding of its provisions or probable effects.

Mr. CRAWFORD. Mr. President-

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from South Dakota?

Mr. HITCHCOCK. I do. Mr. CRAWFORD. With With the emergency currency law in force which is now upon the statute books, under which the Secretary of the Treasury has announced that if necessary he will issue \$500,000,000 in currency, and in view of the fact that he has proposed to place money in the Southwest upon security other than United States bonds, does the Senator think it is possible for a situation to arise during the next three or four months in which there would be a currency famine in the United States?

Mr. HITCHCOCK. I do not, Mr. President. I believe that the courageous and intelligent administration now in power at Washington can use the Vreeland Act to relieve any condition which may arise. Personally I should be in favor of an extension of the Vreeland Act. I should be in favor of a simple amendment to it which would liberalize it to some extent and make it easier for the banks to secure currency under it. But even if that were not done, I think the present form of the law efficient. I am sure the proposed measure can not possibly be looked upon as an immediate relief. Anyone who studies it

will readily come to the same conclusion. Those who think we can pass it one week and that on the following week the country will have \$500,000,000 of additional

currency with easy credit are woefully mistaken.

Suppose the impossible should happen and this bill should be passed October 1. Would that immediately bring the millenium in the business world? On the contrary, we would then enter upon a period of reorganization in the banking world, and we

would be in it for a year.

For instance, the bill provides that within 90 days after it is passed the country shall be divided into 12 districts and each of the 7,000 banks placed in its own particular district for operation. Ninety days are allowed in the bill for this undertaking. Provision is made for hearings to settle controversies as to the boundaries of districts. Twelve cities must be selected. Anyone knows that there will be great contention all over the country for the opportunity to be one of those cities.

Anyone knows that the struggles will be very intense and the controversy will be very considerable. The author of the bill has not overestimated the time required when he has provided 90 days for the division of the country into 12 districts, with one of the 12 cities at the head of each district.

Thus three months will have elapsed without any measure of relief. Then it is provided that the banks must subscribe stock or leave the national banking system. How long do the advo-cates of the bill think it will require for enough banks to sub-scribe stock to establish 12 of these associations, no one of

which shall have less than \$5,000,000 capital?

The bill gives to the banks a whole year in which to reach a decision as to whether or not they will enter the new system. I am confident a longer time would be necessary; but suppose,

at the very best, enough banks should enter the new system in three months to organize every district in the country, six months would then have elapsed. What is the next step?

The next step is that each district must elect six directors, three others being chosen here at Washington. It would take at least a month for the 7,000 banks to hold these elections, and it is quite likely that a single election will not be sufficient. The bill provides for a second election if in the first election the directors do not receive a majority of the votes-so that another month might be required. But let us assume that only one election is needed.

Then, after that, the directors will naturally meet and organize in each district. It is not overstating the case to say that it will require two months for the directors to organize, to find offices, to secure vaults, to elect officers of these associations, to engage clerks, and to put their forces in working order. They could then receive from the subscribing banks the 10 per cent of their capital which they are required to subscribe.

When they have done that they will have offices without any money with which to operate except the capital subscribed by The banks are given two additional months in which to pay in the 3 per cent of their deposits. When that is accomplished, the 12 associations will be ready for operation.

All these proceedings will require altogether 11 months, as I figure it up. That is the very shortest time possible. Therefore for practically a year the country would not have the benefit of the new bill and would be dependent upon the measures and

the means that now exist.

Meanwhile, the 11 months that will have been absorbed in this preparation and this organization will be months of uproar and disturbance in the banking world, months of contention in almost every bank between stockholders as to whether or not they shall go into the system and between the directors in every bank. It is safe to say that this disturbance in the banking world is not likely to prove of benefit to the commercial and manufacturing world. The withdrawal of hundreds of millions of money from existing banks to furnish capital and deposits for the new would compel existing banks to reduce loans and credits, and the new reserve banks could not immediately relieve the situation.

Do advocates of the currency bill in its present form think they can cure any possible disorder that may arise in the commercial and manufacturing world from the passage of the tariff bill by producing disorder and uncertainty in the banking world? They remind me very much of the thought embraced

in the childish rhyme:

There was a man in our town, And he was wondrous wise, He jamped into a bramble bush And scratched out both his eyes. Now, when he found his eyes were out, With all his might and main He jumped into another bush And scratched them in again.

Do advocates of the passage of this measure at this session as an emergency proposition think that after unsettling business, as must naturally result from a new tariff bill, they can, by unsettling banking conditions, improve those unsettled busi-

ness conditions?

No, Mr. President; I am strongly opposed to the plan to vote upon a revolutionary change in our banking and currency system at this session under whip and spur. I believe our banking and currency system needs reform; but, after all, it is reasonably good. During the 50 years or more that we have had it this Nation has advanced from a low rank among the nations of the world until now it stands at the very head in banking power in the world, possessing practically one-half of all the banking power of the civilized world. It has not been by accident. The system needs reform, but it is not entirely

bad nor critically dangerous.

Mr. President, I renew my decision declining to take the suggestion of my friends in Sarpy County, and I reaffirm my opinion that it would be a great mistake for the Senate, at this session, to pass a revolutionary banking and currency measure in haste and without proper study. I say that, although many of the features of the bill commend themselves to me, I want more time, however, to consider such a serious proposition. I think the Senate wants more time and will not act hurriedly. I am sure we shall be benefited by allowing the country to consider and criticize this bill during the few months we are in recess. We can then return here in December, refreshed by our rest, and ready to take up this great question upon its merits.

Mr. OWEN. Mr. President, I am not surprised at the resolution of the citizens of Nebraska favoring action at this session on the banking and currency bill, but I confess I am greatly surprised at the attitude of the Senator from Nebraska [Mr. Hirchcock]. To the request of his constituents for action at this special session, as strongly urged by President Woodrow Wilson in his message upon the subject of banking and currency, he responds with a vigorous negative, without giving

any adequate reason that justifies his position.

The Senator speaks of this bill as a "revolutionary" measure. He himself introduced, at this very session, a bill to establish regional reserve banks of like character. Yet his bill was not revolutionary, nor was it novel. The bill which has been proposed by me and offered to the Senate, No. 2639, to which reference is made, does not contain any new principles of banking. They are old, as old as the hills; old in stability; old in the experience of the most learned and civilized men upon the globe. They are principles which are found in the Double. globe. They are principles which are found in the Bank of England, which provides the mobilization of the reserves of the other banks of England in its own vaults, and keeps its assets liquid for the purpose of serving commerce and industry by immediate loans whenever necessary—but not conducted as a money-making bank. The Bank of England has the right to issue legal-tender notes, current throughout the British Empire as legal tender. The Bank of England can enlarge the volume of those notes. By virtue of its great stability, by virtue of its high character, by virtue of its control by public opinion in mobilizing these reserves, and creating some elasticity of currency by raising the rate and thus bringing gold to London-which is the only free gold market in the world-the Bank of England has illustrated and demonstrated the wisdom of the principles of this bill, S. 2639, which is derisively termed by the Senator from Nebraska a "revolutionary" bill.

Mr. HITCHCOCK. Mr. President, I hope my friend from Oklahoma will withdraw or modify that language. I have not referred to the bill in derision at all. I said the bill was

revolutionary. I am not sure but that we need a revolution, but I do not think we want it now as an emergency measure

without time to consider and discuss it.

Mr. OWEN. The Senator from Oklahoma will not withdraw his designation of the epithet "revolutionary" used by the Sena-

tor as derisive.

I happened to receive this morning, Mr. President, a letter from one of the great men of this Nation, learned in economics and learned in finance, a student of finance, Prof. Charles J. Bullock, professor of economics of Harvard University, earnestly approving the principles of this bill. What does he say about this bill? That it is revolutionary? No, sir. That it is unwise and unfit for present consideration? No, sir. That because it can not be put into force for one year, therefore we shall not consider it at all? No, sir. He does not say that. Here is what he says

Mr. SMITH of Georgia. Mr. President—
The VICE PRESIDENT. Does the Senator from Oklahoma

yield to the Senator from Georgia?

Mr. OWEN. I yield to the Senator from Georgia.
Mr. SMITH of Georgia. I dislike to interrupt the Senator from Oklahoma, but I do not think the time of the Senate should now be taken up with the discussion of the financial question. I think we should give our exclusive time to the tariff bill, and press it on to a vote. I think we should each avoid—
Mr. OWEN. Mr. President, I decline to yield further to the

Senator from Georgia.

Mr. SMITH of Georgia. Then, Mr. President, I make the point of order that the Senator from Oklahoma is out of order, and can not proceed except by unanimous consent; and I withhold my consent from the further discussion of this subject.

Mr. OWEN. I understood that I had the unanimous consent of the Senate when I began; if I had not, then the point of

order is well taken.

The VICE PRESIDENT. The Chair is compelled to rule, if the regular order is called for, that the regular order is the introduction of bills and joint resolutions.

Mr. OWEN. I give notice to the Senate that I will proceed with my answer to the Senator from Nebraska immediately after the morning hour at the first available opportunity.

Mr. BRANDEGEE and other Senators. Regular order

The VICE PRESIDENT. The petition presented by the Senator from Nebraska will be referred to the Committee on Banking and Currency. The regular order is the introduction of ing and Currency. The bills and joint resolutions.

[Routine business was transacted, which appears earlier in the proceedings.]

THE TARIFF.

Mr. STONE, I ask unanimous consent that the unfinished business may now be laid before the Senate and proceeded with. The VICE PRESIDENT. The Senator from Missouri asks

unanimous consent that the Senate proceed to the consideration of H. R. 3321.

There being no objection, the Senate, as in Committee of tha Whole, resumed the consideration of the bill (H. R. 3321) to reduce tariff duties and to provide revenue for the Government, and for other purposes.

Mr. President, I ask that we proceed with the reading of

paragraph 105.

Mr. SIMMONS. Will the Senator yield to me?

Mr. STONE. Certainly. Mr. SIMMONS. Mr. President, I did not care to interfere with the way in which we have taken up the morning hour to-day, because no notice had been given, but it was my purpose before the Senate adjourns to-day, and I had as well do it now as later, to say that my understanding is that no debate is in order during the morning hour with regard to petitions, memorials, bills, or resolutions that may be introduced without unanimous consent; and that from now on, with a view to facilitating the consideration of the tariff bill, which is the measure before the Senate and which is the subject that this session of Congress was called to deal with, I shall object, if some other Senator does not, to any debate except by unanimous consent during the morning hour upon matters that are brought to the attention of the Senate which do not come up regularly for discussion during that hour under the rules.

Mr. GALLINGER. Mr. President, without venturing an opinion as to whether or not the Senator will be able to carry out his program, I simply want to say that it is a gratification to me to know that the morning hour has as a rule been consumed by Senators on the other side, and not by Republican

Senators

Mr. SIMMONS. Mr. President, I think that remark is rather gratuitous. I think that the morning hour has been consumed by both sides of the Chamber, not more I think by this side than by the other side. Possibly this morning more of the time has been consumed by this than by the other side, but we have all fallen into the habit here, and ordinarily it is not a bad habit, of discussing by unanimous consent various and sundry matters that are not properly before the body for discussion.

I do not mean to say that I will carry that rule to an extreme length, but I do mean to say that I will invoke it in every proper and legitimate way with a view to curtailing these discussions which take up practically all the morning hour.

Mr. STONE. I have been informed that the Senator from Delaware [Mr. SAULSBURY] desires to address himself somewhat in a general way for a short while on the bill before we proceed to the next paragraph.

Mr. SAULSBURY. Mr. President, I shall not attempt to re-

view the arguments of the gentlemen on the other side of this Chamber. The impatience of the business men of the country with the necessary delay in passing this bill forbids the waste of time which would be necessarily consumed in doing so.

One of those learned Senators has solemnly assured us that the passage of this bill will "place this great Republic at the mercy," whatever that may mean, "of other nations for some of the very necessaries of life, such as sugar, wool, meat, and flour." Take that statement, Mr. President, as a sample of many statements of Republican Senators we might, if we would, review or answer. Is it wise or necessary to answer a multitude of statements of this character? We believe that the industry, intelligence, and energy of our farmers, our business men, our workmen, not inferior to those of other nations, will provide all these things as cheaply in America as anywhere. Beet sugar we will continue to produce under any tariff bill, and should we not we will hardly be said to be at the mercy of Cuba, whose markets are near to us and can not be controlled by a foreign

We do not believe that fewer sheep will bear wool in this country or that because we put honest woolen blankets or real woolen garments over or on our people to protect them from the cold, we will put them at the mercy of other nations.

Because, so far as we can by this bill, we loosen up the grip of the Meat Trust on the stomachs of our people, we do not believe that we will place them at the mercy of other nations; nor do we believe that by taking the duty off flour or wheat or potatoes, used solely heretofore to begulle and deceive our farmers, will we destroy the fertility of our fields, the industry of our farmers, or the output of our millers.

Two-thirds the life of a generation, Mr. President, has passed since the people last commanded Congress to reform the tariff. Their direction was disregarded, their hopes made vain, and other seemingly more important issues pressed for settlement or prevented a clear issue being raised. Only after these 20 long years of tariff spoliation, that command for tariff reform being unmistakably repeated, are we in sight of a compliance therewith in accordance with the reiterated pledges of Demo-

cratic platforms.

I greatly regret, Mr. President, that there has been an effort on the part of some Senators to give a somewhat sectional bias to this debate and a sectional color to this bill by contrast of the West and the East. Certainly no one can accuse the people of the State I represent, or their representatives, of being influenced by tariff benefits to support this bill. The statistics, so far as submitted by Republican Senators, indeed, seem to show that Delaware can get no advantage from this bill. The distinguished senior Senator from Iowa shows by his figures, made from a protectionist standpoint, that my State just comes out with an even balance sheet of what he terms advantage and disadvantage, and I am glad that this is so. I do not believe, however, that any fair criticism can show that this bill has in it any sectional favoritism or will work to the disadvantage of any portion of the Union.

Delawareans are not seeking favors, privileges, or unequal opportunities under the form of law, and neither ask nor expect nor would justify me in asking such for them. They have so suffered from the political debauchery promoted by the beneficiaries of tariff-protected and monopolistic interests that their hopes of clean government rest solely in preventing a continuance of the advantages to be derived by certain interests through tariff favoritism whereby campaign contributions to secure votes in this body may become less attractive investments.

Mr. President, the deplorable political conditions in some of the States of the Union, with which we are more or less familiar, can clearly be traced back to the persistent efforts of protected manufacturers to secure votes in this great legislative body for their business benefit. Year after year, by political contributions, they resented the presence here of the distinguished men who represented Delaware, and finally succeeded for years in supplanting them, not, I fancy, to the benefit of the country or to the improvement of this body.

Many States have learned that the pursuit of votes for tariff measures by the favored interests does not tend to increase the patriotism or honesty of the electorate or to uphold the old

standards of their representatives.

We Democrats, Mr. President, feel that our greater duty is to preserve our country's institutions, rather than gratify our local manufacturers. No more insidious attack can be made upon popular government than one which, under the working of unequal laws, separates our people into hostile classes, classes of those who have not and can not get, and those who have and can take more; who actually impose on the weaker class, as consumers, the burden of taxation to support an unequal government under which all must live, while the more able, the stronger class financially, not only refuse to contribute their fair share, proportioned to their means and property, but insist upon their vested right, as they have come to regard it, to make greater accumulations.

This tariff bill may not be perfect; no work of human hand or brain or both can be expected to fulfill that condition, but no unprejudiced man will doubt it is an honest attempt to reach better conditions and improve the opportunity for free, unhampered business effort in this country. In the effort to improve these conditions, naturally our committees have been embarrassed. Some lines of industry have been hothoused to such an extent that to expose them immediately to the free and natural air of competition might cause them to shrivel up and die, but we may confidently say that no tariff bill within the lifetime of any of us has been constructed with so great a common effort of the people's representatives in both branches of Congress to effect the greatest good for the common weal. No special interests, no association of manufacturers or privileged beneficiaries, have written a section, a clause, or a word, as we believe, in this great bill. If we can credit even a fraction of the testimony never contradicted, whole schedules have been written into previous bills by such beneficiaries, their associations, and representatives.

Until tariff excesses could not fail to produce profound conviction in all, many of our Democratic leaders, even of national stature, had not been able to "find" themselves. Political conditions in the last decade changed too fast for them. They did not fully appreciate that the insidious forms of modern privilege made honest government difficult and equal government impossible. American industrial selfishness, which at first did not scruple to beg for special favors in tariff legislation, encouraged and applauded for more than a generation, had so increased, had so blinded the eyes and perverted the minds of tariff beneficiaries, that it grew strong enough, chiefly through political contributions, to demand these favors as a right, and became so

rich and powerful as not to hesitate to keep them by corruption. These conditions had to be practically met and reformed.

The income-tax provision of this bill, Mr. President, will go far toward removing the settled belief in the minds of many of our fellow citizens that money can rule this land, and while paying no proportionate part of the expense of government can, at its will, rule, tax, and debase manhood.

The distinct effort to lessen the cost of living by reducing duties on or free-listing the actual necessaries of life will confirm our people in the belief that manhood and womanhood and childhood shall not hereafter bear burdens from which property has heretofore been unfortunately and improperly exempt.

Protection and socialism are twin evil and ill-omened birds, hatched in the nest of business and political vultures, preying upon our political life and befouling its wholesomeness. principle, if we should call it such, is the progenitor of boththe right and consequently the duty of the Government to meddle with the distribution and employment of capital. Individual initiative, natural selection of occupation, unhampered free will in the choice of a field of one's business energy are interfered with, and the State offers rewards and puts up barriers to direct these in unnatural channels. If you attempt the regulation, the encouragement, and the distribution of capital in general business, wages, the other element of production, must be regulated, must be nationally organized, and we must have not only the minimum but maximum wages, and individualism in business must be eliminated. To be logical, all industry must be nationalized.

This statement, Mr. President, will not be concurred in by the gentlemen on the other side of this Chamber, but there is the best of Republican authority for thus linking together protection and socialism. In his recent Boston speech, the educated and highly cultured gentleman, president of a great college, who received all the Republican votes in the last electoral college for Vice President of the United States, declared:

We can not both guarantee a reasonable profit through tariff legislation and keep a straight face when we attack socialism.

And in that connection spoke of what he called "the unhappy guaranty of profit promulgated in 1908" in the Republican plat-

form of that year.

Our political opponents, Mr. President, seem to have been singularly blind to the political signs of the times with respect to their tariff policy. Replaced in power in all branches of the Federal Government in 1896 by the votes of those Democrats who left us at that election from, as they believed, pure and patriotic motives, disregarding the great opportunity given them to rehabilitate their party, the first act of the victorious Republicans was to coin into cash through a tariff bill the patriotism, no matter whether real or fancied, of the Democratic tariff reformers who had made their success possible, and put this cash into the pockets of the protected, privileged business interests in return for political contributions.

Never was a great political opportunity more greatly neglected, and when, drunk with power, reckless, and unrecognizing public opinion, the subsequent declarations of Republican platforms were given forth and Republican Presidents and Congresses, unheeding all danger signals of popular disapproval, rushed at all times to the support of privileged and overprotected wealth, the ultimate result should have seemed unmis-

takable.

Time and again during this debate Senators on the other side have seemed to show absolute inability to appreciate our position or to understand that we should consider it proper to lay a tariff duty solely for revenue and which could not benefit any special producers or manufacturers. We have seemed at times to be speaking to each other across this Chamber in different languages; and yet it should not be so.

Senator Dolliver in 1909, in this Chamber, said:

I warn these men who are among those responsible for the policy of the Republican Party that if they desire an agitation in the United States, to begin the day the bill passes and to be carried on until these wrongs and injuries are rectified, there is no shorter course to that end than that which has been pursued by them in the Payne-Aldrich bill.

These were the words of one of the greatest of modern Republican Senators, soon thereafter to be called before that great Court where the actions and motives of men receive their last, just judgment.

Mr. President, we know that the efforts of that great man in the last months of his useful life to lessen the abuses and human hardship produced by high-tariff laws in this country, which he loved, did not weigh against him in that final judgment. We Democrats, Mr. President, have in this bill, following the declaration of the Baltimore platform, in effect, adopted the very course he desired his own party to pursue. I commend his words to those of his party who yet remain in this Chamber:

It is our special duty-

Said he-

to take up those schedules which represent the largest investments of protected capital and at least take out of them the rates that are now everywhere known to be extravagant and unnecessary, which rise so far above the level of our real industrial needs as to bring the policy of protection into ridicule without doing anybody any sort of good.

This Senator in 1909 still thought himself a Republican. What he would think if here himself to-day we can only surmise. We know from the results of the elections of 1910 and 1912 that

he was a political prophet.

What happened to this Senator as a result of his earnest efforts to lead his party into honest ways and out from the arid business wastes, made unproductive by the selfishness of protected industries, was only a few days ago ably and clearly stated by his successor in this body. To humiliate and discredit him at home, his friends were struck at in their business, a place on the Finance Committee, though earned by him, was denied; the money changers were strong enough to drive honest preachers from the temple.

The natural and practical tendency and result of the socalled principle of protection had been worked out to its logical conclusion—its legitimate end was reached. I make no charge that all the manufacturers of this country are of one type, nor do I deny that they have among them a fair proportion of good citizens and patriotic men, but we all know that saints and archangels have not been directing the tariff-protected industries of America. The cupidity of every ordinary human being engaged in almost every industry in the country had been aroused, the unnatural appetite whetted during the long years of tariff abuses had become gluttonous, and the "fostered" infants of the protective tariff became Frankensteins, who wrote their wishes in our laws when their business interests were affected.

When an individual ceases to react to the facts of life, we adjudge him insane. So, when political parties and their leaders, instead of facing the present and finding a way to cope with it, turn their backs on it, doggedly hold to wrong ideas of government, even implore the past to return, they are drawing near to their extinction, provided, always, that there exist in their country other men who have the future in their hearts.

As supporters of the old order, doubtless most of the Republicans were sincere. So, I have no doubt, are still some of the old "standpatters." They believe themselves unselfish and patriotic, but they have a fatal weakness—they believe in classes and not in men, in symbols and party phrases and not in facts. This is a blight which almost invariably overtakes society at the point of dissolution. Fortunately for our country, it only overtook one of our great political parties. Republican tenacity was not fortitude, it was merely the quality of the leech and the barnacle.

If the Democratic Party fails to understand and rightly interpret the feelings, the hopes, the expectations, the aspirations of the American people, it has no political future. It is easy to chill the boundless enthusiasm and render futile the blossoming hopes of our party and our people. We can thrash over again old political straw, but we will get no wheat. One can not be surprised at the resentment evinced by our opponents against the President of the United States because he has shown the courage and ability to successfully lead our party. At Baltimore we might have nominated a less heroic candidate and would have met defeat as usual. It would only have convinced the country that as a modern political engine the Democratic Party was worn out and obsolete.

We seized the opportunity and selected a candidate who was his own platform and could stand on ours, one who had the well-earned confidence of the whole people, who had "made good" in every relation in life and in every official position to which the people had commissioned him, who had become a popular ideal, whose proved ability had justified the people's confidence, who appealed to their highest hopes and to their imagination, and whose success meant to them the continuance of popular government in this country along clean, wholesome, unbossed, and uncontrolled lines, and our victory was assured.

Our candidate occupied this position. The wise leaders of our party advised his nomination, the people wanted it, and if the object of nominating a President was to elect him, how foolish it would have been to first block the wishes of the voters, to defeat their hopes by manipulation, intrigues, and chicane, and then expect them to give their support, which had to be undivided and hearty, to some one selected at a secret conference of representatives of predatory, tariff-fed, or

public-service business who manage to control most of the political bosses.

We escaped such dangers. The voters of our great organization—indeed, of all parties—recognized our sincerity. They gave us control of all the branches of the Federal Government, and we were at once called together in Congress to formulate

and pass this bill.

No one contends that all wisdom is embodied in it. not go far enough for some of us; it goes too far for others. But on it we are agreed, and it will pass this Senate; and the voters of the country, and the honest business men of the country, who seek no special privileges, will ratify and applaud our work. The only weakness of our political position is a practical one, that the benefits of the changes will be so evenly and fairly distributed they may not be recognized at once, as were the special privileges conferred on the protected interests. Our course meets opposition, fierce and unrelenting opposition, one could expect it would not. Dire predictions are indulged in by our Republican friends. We have done nothing that is right, or at least done nothing in the right way. Well, we could expect nothing better than such predictions from some of our opponents; but suppose these dire disasters so glibly predicted by Republican Senators do not happen. One says they may not happen at once, may not come for years. Another says that mills are closing and soup kettles being hung over the fires of public wrath and disappointment. We may be sure that whenever business trouble shall come, whatever its cause, all of it, even from business incapacity, will be attributed to Democratic misdeeds. Standpatters say that tariff reform may not produce panics and disaster this year or next year, but in the distant future sometime, somewhere, a panic will come, and then and there such distress will be attributed to Democracy.

Pardon our incapacity if we refuse to believe any longer in these selfish tales of ghosts and goblins, in the withcraft of dishonest or possibly purchased and corrupt legislation by which prosperity, according to Republican speakers, has been produced. The tales of how good it is to create a plutocracy made strong and great, through special privilege, do not now appeal to us or to our constituents. The pleas for protecting American labor by creating rich manufacturing corporations, which then obtain the cheap foreign labor to compete with our American workmen and try to buy off and corrupt the leaders of their labor unions, when addressed to laboring men, either from the stump or from this Hall, now fall on deaf ears. To show his sense of humor, the laboring man grins his lack of appreciation

and votes the Democratic ticket.

Great interests have never failed of able advocates, and some honest men are nearly always found among them. Enriched and intrenched privilege fights hard and long for its own perpetuation. It has always fought hardest and is still fighting hard in this Chamber through the champions of high protection, whose personal honesty and belief, however, it is not my intention to impugn, but it is fighting a losing fight.

The people of the country are aware they have now in both branches of Congress a majority of men representing them, coming practically from every section, from States from coast to coast, whose hope and thought is not of self, not of party, not even of State, but of a continent-wide country, peopled by fellow men, whose common burdens are to be lightened, whose business efforts are to be unfettered, whose chance of life in peace and comfort is to be bettered, whose hopes and aspirations are to be listened to and heeded, whose children and grandchildren—yes, and great-grandchildren—can offer praise and their devout thanks that at a crisis in popular government, when things looked dark for the future, a man was found, and with enough other men to uphold his efforts, who did not fail or falter when leading his countrymen back to the simpler, higher ideals of life and government and away from the false gods of the dollar chaser, created by special privilege, which we will now only preserve in political museums to the lasting dishonor of the Republican Party and its repealed tariff laws.

Mr. OWEN obtained the floor.

Mr. WARREN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. Hughes in the chair), The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Chilton	Gronna	Kern La Follette Lane Lea Lewis Lippitt Martine, N. J.
Bacon	Clapp	Hollis	
Borah	Clarke, Ark.	Hughes	
Bristow	Crawford	James	
Bryan	Dillingham	Johnson, Me.	
Burton	Fall	Jones	
Catron	Fletcher	Kenyon	

Smith, Ariz. Smith, S. C. Smoot Stone Sutherland Tillman Myers Oliver Owen Page Ransdell Robinson Saulsbury Shafroth Townsend Vardaman Warren Weeks Wiliams Sheppard Sherman Penrose Thomas Thompson Thornton Perkins Pittman Pomerene Works Simmons

Mr. THORNTON. I desire to announce that the junior Senator from Alabama [Mr. Johnston] is unavoidably absent from the Chamber. I ask that this announcement stand for the day. Mr. CLAPP. My colleague [Mr. Nelson] is necessarily ab-

sent from the Chamber on business connected with the Senate. I make this announcement for the day.

Mr. STONE. My colleague, the junior Senator from Missouri

[Mr. Reed], is absent on business of the Senate.

Mr. SHEPPARD. My colleague, the senior Senator from Texas [Mr. Culberson], is unavoidably absent. He is paired with the senior Senator from Delaware [Mr. DU PONT]. I will let this announcement stand for the day.

Mr. JAMES. I desire to announce the absence of my col-

league, the senior Senator from Kentucky [Mr. Bradley], on

account of illness.

Mr. GRONNA. I wish to announce that my colleague [Mr. McCumber] is necessarily absent on account of illness in his family. He is paired with the senior Senator from Nevada [Mr. NEWLANDS]. I will let this announcement stand for the day.

Mr. SIMMONS. My colleague [Mr. Overman] is detained from the Senate on business of the Senate.

Mr. MYERS. I announce that my colleague [Mr. Walsh] is absent from the Chamber on account of public business.

Mr. WARREN. I wish to announce the absence of my colleague [Mr. Clark of Wyoming], who is unavoidably detained on public business.

The PRESIDING OFFICER. Sixty Senators have answered

to their names. A quorum is present.

Mr. OWEN. Mr. President, when interrupted by the rules of the morning hour in my reply to the Senator from Nebraska, who denounced the banking and currency bill submitted by me as revolutionary, and so forth, denied the petition of the Democrats of Nebraska praying him to support the Democratic President in the policy of passing banking and currency legislation at this session, I was pointing out the fact that the principles of the bill were older than the Senator from Nebraska; they were well understood in Europe and America; that they had been thoroughly established by long experience as sound and wise and were indorsed by the most learned scholars. Mr. President, this morning I received a letter from Prof. Charles J. Bullock, professor of economics in Harvard University, one of the most learned men in the United States, indorsing these well-recognized principles as set forth in this bill, which I think is of sufficient importance to be read to the Senate. The letter relates to the banking and currency bill introduced by me-S. 2639. It is as follows:

WASHINGTON, D. C., August 4, 1913.

Senator Robert L. Owen, United States Scnate, Washington, D. C.

Senator Robert L. Owen,

United States Scnate, Washington, D. C.

My Dear Sir.: I was very glad to have had the opportunity last week of discussing with you the general plan of the proposed currency law, and wish to say to you that the more I have studied the plan the more It commends itself to me.

In the first place, the idea of establishing regional reserve banks and placing them under the control of a Federal board seems to be extremely good. This secures as much centralization as it is possible and I think deslrable to secure at the present time. A central bank is out of the question; clearing houses do not seem to be good agencies to utilize for this purpose; and the only solution seems to be the establishment of regional reserve banks.

In the second place, the bill provides very wisely and I believe effectually for the mobilization of the banking reserves of the United States, thereby introducing some degree of unity, and therefore a very desirable provision for emergencies, into our hitherto decentralized banking system.

In the third place, the bill will make our currency system more elastic, and will do this in a way that ought to satisfy all schools of currency reform. It seems clear that under this bill currency can not be issued except in response to the legitimate demands of business, and at the same time such issue is under the control of the Federal Government, but in such a manner as to avoid all the dangers which many of us believe attend the issue of money directly by the Government. In the fourth place, the bill ought to widen and greatly increase the market for first-class mercantile paper, thereby making our banks more serviceable to the commerce and industries of the country and less likely to be drawn into speculation in securities.

Yours, sincerely,

Charles J. Bullock,

Professor of Economics, Harvard University.

CHARLES J. BULLOCK, Professor of Economics, Harvard University.

I have read the letter to the Senate because it is one of many commendations by the greatest scholars of the country of the principles of the bill submitted by me (S. 2639); and, with the consent of the Senate, I ask to place in the RECORD a statement of the Bank of England, a statement of the Bank of France, of the Bank of Belgium, of the Bank of the Netherlands, and of the Bank of Germany,

all of which act as great reserve banks, intended to provide accommodations to commerce and industry at all times. Not merely sometimes, not merely when money is easy, but when money is tight, when there is a panic on, the Bank of England always accommodates the commerce and industries of the English people. The Bank of France never fails to do so, and the Bank of Germany never fails to do so; but in this country, with our scattered reserves, with no institution charged with the responsibility of caring for the reserves, with the actual reserves forbidden to be loaned at all, with no institution charged with the duty of protecting the commerce and industry of the country by furnishing accommodation on properly qualified classes of paper at all times, we are in constant jeopardywe are in danger of financial and commercial stringency at any

This is not a new matter. I point to these illustrations and I ask permission to put in the Record a table of interest charges made by these great Government banks—for they are Government banks. The Bank of England is controlled by public sentiment, and there is not a banker or broker or a bill discounter on the governing board of the Bank of England. The Bank of Germany is controlled by the Government of Germany, which appoints every member of the curatorium, a supervising board, and appoints every member of the directorium, the managing board of the Reichsbank, which is the Imperial reserve bank of the Empire. In like manner the Bank of France is absolutely managed by the managers appointed by the President of France. He appoints the governor of the Bank of France, he appoints the subgovernor, and he appoints the 188 managers of the Bank of France.

It will be clearly seen by these tables that these reserve banks hold their assets in gold, notes, and liquid paper at all times, so as to make these reserves loanable at all times for

the exigencies of commerce.

It will be seen by the interest tables submitted that they are used as Government banks to loan these funds at low rates and at constant rates, with rare exceptions, when commercial credits are seriously impaired.

Mr. BORAH. Mr. President-

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Idaho?

Mr. OWEN. I yield to the Senator from Idaho. Mr. BORAH. The Senator says that the Bank of England has no banker upon the board of directors. What is the business of the several men who are upon the board of directors of the Bank of England?

Mr. OWEN. Merchants, business men, and men engaged in commerce, manufactures, and industry. There are upon the board of the Bank of England some men who possibly might be called bankers, but as a matter of fact they are men who are engaged in the discount-acceptance business, as the "residuary legatees," if I might use the metaphor, of mercantile houses who have fallen heir to the handling of that kind of business. Bankers, bill brokers, or bill discounters are not permitted on the board. That statement I make upon the authority of the governor of the Bank of England.

Mr. CRAWFORD. Mr. President-

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from South Dakota?

Mr. OWEN. I yield to the Senator from South Dakota. Mr. CRAWFORD. It is a fact, is it not, that the directors of

the Bank of England are elected by the stockholders of that bank? Mr. OWEN. Yes; but only a part of the stockholders vote. The rule of voting is that no stockholder is permitted to vote who does not have £500 of stock, and in that case he is allowed to have only one vote, even if he has £50,000 of stock. So that it introduces the personal equation, and the Bank of England is, in fact, controlled by public sentiment.

Mr. CRAWFORD. The Senator is correct in his statement about the qualifications of stockholders who vote for directors as to the amounts which they must hold. But it is true, nevertheless, is it not, that the directors are elected by the men who

own stock in the bank?

Mr. OWEN. To the extent and in the manner I have described

Mr. CRAWFORD. I will ask the distinguished Senator if there is not a very marked difference between that system and one which depends for its capital upon the subscribers of stock, and yet takes away from those subscribers-from the men or institutions which furnish the capital—the right to elect the managers and directors who control the institution which they

are compelled by law to capitalize with their own private funds?

Mr. OWEN. Answering the Senator, the member banks of
the Federal reserve system elect six of nine directors, three of them in the public interest, however; and therefore do to that

extent control the Federal reserve bank under the supervision of the Federal reserve board; but, further, I will state that the Bank of England does to that extent disfranchise every stockholder who has not £500 of stock and does disqualify a stockholder who has more than £500 of stock, except that it allows

him one vote, and one vote only.

Mr. CRAWFORD. The Senator is right about that, in that one is not an elector until he has this minimum amount of stock. But that is an act of the institution itself and not an act of an outsider owning no stock or financial interest in it, to wit, the

Government,

Mr. OWEN. It is true with regard to the Bank of England that it is controlled by public sentiment; but it is a law in Germany and it is a law in France, and that is why I gave all three instances—to show that even when the stock was owned by private stockholders the Government of Germany controls the Bank of Germany from top to bottom; and in France, where the stockholders are private persons, the Government, nevertheless, appoints the managers of the Bank of France.

Mr. CRAWFORD. I do not wish the Senator to understand that my attitude is not that I do not desire efficient legislation; but I say what I do in order that the Senator may realize some of the difficulties of the situation. For instance, in the State I represent there are no large banks which could use these large reserve banks, but they are compelled to furnish a sub-

stantial part of the capital.

Mr. OWEN. Answering the Senator, as far as I am concerned I should be willing to leave the subscription to the stock permissible and not have it compulsory, letting the public

subscribe to the stock.

Mr. CRAWFORD. The Senator is very reasonable in showing a disposition to make that concession; but how are these people to know that a bill is to be changed which, as it is drawn and presented and as it is being advocated, compels these people to furnish this money and takes the control out of their hands?

Mr. OWEN. I will answer the Senator by saying that I only rose to give a few brief reasons to show that this was not a "revolutionary" bill; that it was following out the principles which have been proved by experience to be essential and necessary to the welfare and stability of commerce and industry in the German Empire, in France, in Holland, in Belgium, and in England, and therefore that the principles were worthy of full This bill is subject to amendment, as any bill is, and we should all try to make it perfect, not sit still week after week, doing no work to perfect it. I have been giving it all my time day and night, and other Senators, I hope, will help and not turn aside, refusing to study the bill.

I rose only to say that I believe the time for action has come. The mere fact that it will take a year to consider, work out, and put in operation this plan, if it should take so long-I do not think it would take so long-is all the more reason why we should not delay the consideration of the principles of the bill.

Five years ago we established the National Monetary Commission, in 1908, just after the panic of 1907, which was a national cataclysm, an overwhelming national catastrophe. Almost every bank in the United States suspended cash payment. It made the United States ridiculous in the eyes of the world. For five years the National Monetary Commission studied this problem and made constant reports to Congress and to the country in a series of volumes, which were given the widest publicity. For five years the country has been considering the remedy for the terrible conditions which arose in 1907, recognizing the so-called Vreeland-Aldrich bill as purely a temporary and seriously inadequate bill.

And after the National Monetary Commission had gathered together information upon this problem from the ends of the world and had carried on a nation-wide propaganda, they offered the country a bill for its acceptance. Their bill recognized the great principles of "mobilizing the reserves," "providing elastic currency," and a "free discount market for quick com-mercial paper," but it was fatally defective in giving control of the system to the banks of the country, in violation of the principles of the very banking systems of England, France, and Germany, explanations of which they had submitted to the people

of the United States.

The bill was further seriously defective in providing that the banks should issue the currency instead of providing that the United States should issue the currency instead of providing that the United States should issue the currency. The Aldrich bill, in effect, provided for putting the currency in the hands of private persons. The present bill, Senate 2639, includes the well-ascertained, sound principles of "mobilizing the reserves," making them loanable; of "providing elastic currency," and a "free market for qualified short-time commercial paper," but it avoids the mistake of the Aldrich bill by putting the United States in charge of the system itself and giving the United States the

control and right to issue the currency required by the national

commerce, according to the Democratic national platform.

The principles of the bill submitted to the Senate, S. have all been worked out in actual practice in England and have been found wise and efficient. The statement of the Senator from Nebraska that this proposed measure is "revolutionary" has no justification. The bill merely adopts principles well ascertained and demonstrated by long experience to be of vital importance and of the highest efficiency. The Senator from Nebraska himself introduced at the beginning of this extra session a bill providing for regional reserve banks, and the fact that his constituents appealed to him to support the Democratic administration in a policy proposed by President Woodrow Wilson in a special message to this Congress, delivered by him in person to the Senate and to the House in joint assembly. seems to be a natural petition for the citizens of Nebraska to make. The Senator has denied their respectful petition and

has given his reasons. And what are his reasons?

First, That the bill is revolutionary (but the country knows

better).

Second. That it would take a year to put the bill in operation, and therefore he is not willing to consider the bill until next winter, when it will take a year to pass it, if the Senator from Nebraska can find those who sympathize with him in a do-noth-

ing policy.

Third. He suggests that the proposal of this bill, instead of protecting the country from panic, would promote panic, and he gives no reason to justify any such position. The suggestion

is arbitrary and unreasonable.

Under the bill the Federal reserve banks would be in opera-tion in six months' time; the bill would immediately put into the use of the commercial world one hundred and fifty millions of current United States public funds; would keep the current collection of revenue available for the national commerce as an additional national reserve; would mobilize the reserves of the Nation and make loanable funds which are now locked up in a strong box as reserves, the law forbidding such reserves to be loaned to the commercial public. The bill proposes that the reserves of the country shall be loanable to the business and commercial interests; the bill provides for the issue of absolutely sound currency in whatever quantity is sufficient to meet the demands of commerce; and the bill, following the precedents of all Europe, is contemptuously described by the Senator from Nebraska as "revolutionary," and the arbitrary suggestion is made by him that it will produce panic instead of preventing panic.

I deem it my duty, as chairman of the Committee on Banking and Currency, trusted by my associates with a study of this question, to defend the bill against the attacks of the Senator from Nebraska. As a Democrat, elected on the Democratic platform, I feel bound to respect the policy laid down by the party itself and by Woodrow Wilson, the President of the United States and the chosen elected head of the Democratic Party, and more especially so when the thing he asks has been long studied, is well understood, and is of the most urgent importance to the commerce and industry of the United States.

Only by united action can the Democracy deliver the country from the control of the selfish special interests of the country, and I deplore any lack of party harmony and spirit of coopera-

tion and party unity.

I do not say the bill is the last word of human wisdom. regret to detain the Senate. I am going to take my seat in just one moment. I only wanted to say this much because I did think that after the President of the United States had inperson addressed both Houses of Congress in joint action assembled, urging that action should be taken, that request by the administrative branch of the Government ought to receive reasonable respect and a reasonable effort made to comply regardless of private convenience. I want to make as much progress as possible by considering it, not claiming that the proposed draft may not be wisely amended. I think it can be amended in some particulars, and I hope it shall be amended advantageously

Mr. SHAFROTH. Mr. President, may I ask the Senator a

Mr. OWEN. I yield to the Senator from Colorado

Mr. SHAFROTH. Is it not a fact that in addition to the qualification of £500 invested in stock for a director of the Bank of England it is also necessary that he should hold twenty times the amount of his subscription in stock in the mercantile business of the Empire? Mr. OWEN. It is.

Mr. SHAFROTH. And is it not a fact also that there is not a single banker upon the board of directors of the Bank of

Mr. OWEN. That is true.

Mr. FLETCHER. May I interrupt the Senator for just a moment?

Mr. OWEN. I yield to the Senator from Florida.

Mr. FLETCHER. I do not want to delay getting to the tariff bill at all; but while this subject is up I should like to suggest to the Senator that the proposition involved in the pending gest to the senator that the proposition involved in the pending bill is primarily a proposition to promote and increase the facilities of commercial banks. In other words, the pending bill is mainly a banking bill and not so much a currency bill. As the Senator has indicated, I think, by his remarks, it is especially suitable for the needs of commerce and industry.

Mr. OWEN. The Senator is right.

Mr. FLETCHER. I wish to suggest to the Senator that some measure suitable to meet the requirements of agriculture ought to be considered at an early day.

Mr. OWEN. I agree with the Senator, and such a measure

is being diligently considered now.

Mr. FLETCHER. The thought in my mind is that we can not supply the needs of agriculture; we can not meet the requirements of the farmers of the country, the men engaged in the great industry which provides a larger producing class than any other industry of the country, by any system of com-

mercial banking; and that in all likelihood we shall have to devise a plan or system separate and distinct from commercial banking and adapt it to the needs of our agricultural interests. I want to commend to the Senator the thorough consideration of that question, because from what study I have given it and from what thought I have bestowed upon it, I am about to reach the conclusion that we shall need to provide a separate and distinct system for financing our agricultural interests.

Mr. OWEN. Mr. President, in answer to the Senator from Florida I will say that the agricultural credit system is a matter of vast importance to the agricultural industry of the country, but it involves investment securities; it involves long-time loans which are not quick assets, which are not quickly convertible. It is a system peculiar to itself, which will have to be worked out. The matter has already received a large degree of attention, and is now in process of solution. There will be presented by the 1st of December a completed bill that will suit the needs of the country.

Mr. President, I now submit various statements of the lead-

ing great reserve banks of Europe, showing the liquid character of their reserve assets. The securities are all quickly convertible into money, and thus are available and made mobile for the

accommodation of commerce and industry.

		England.	
LIABILITIES.		ASSETS.	
Notes issued	£51, 241, 210	Government debt	£11, 015, 100 7, 434, 900 32, 791, 210
	51, 241, 210		51, 241, 210
Proprietors' capital	3, 360, 154	Government securities	
Dated January 6, 1910. The above is the statement as it appears in the weekl	77, 007, 157 y returns.	J. G. NAIRNE, Chief	77, 007, 157 Cashler,
		JANUARY 6, 1910. he balance sheets of the other banks given here.]	

LIABILITIES.	The second second second second
Capital and rest	£17, 913, 154 28, 865, 720 18, 046 9, 936, 777 49, 139, 180
	107 000 000

Gold coin and bullion and silver coin______ Government securities in both departments____ Other securities_____

105, 872, 877 [Note.-All per contra entries, as those of the notes of the banks held by themselves, etc., are omitted, so as to show the real position of the

It will thus be observed that the note issues are covered by

62.7 per cent gold.

The public and private deposits are covered in the banking department by 38.3 per cent of notes and coin, nearly all such reserve being in notes, which, measured by actual gold, would make a gold reserve of only about 25 per cent against the deposits.

It will be observed under the tables of interest rates that this

narrow margin has been supplemented by frequent changes of the rate of interest to attract gold from other countries when English commerce requires gold, and it would also appear that in 1847, 1857, and 1867 the Bank of England was permitted to issue legal-tender notes against commercial paper in times of panic in order to extend needed loans, restore confidence, and safeguard the commerce and industry of England.

Imperial Bank of Germany. BALANCE SHEET, DECEMBER 31, 1908. [Marks converted as 20 = £1.]

LIABILITIES.	
Capital and reserve	£12, 458, 581 98, 771, 474 33, 244, 291 25, 167 720, 072 1, 537, 287

ASSETS.	
Gold in bars£16, 792, 075 German gold coin£16, 792, 075	£38, 412, 973
Divisional money	10, 594, 046
Notes of imperial treasury (Reichskassenscheinen) Notes of other banks	
Bills held: Due within 15 days Due at later dates	
Bills on foreign places	51, 600, 119 6, 457, 493
Loans	2, 849, 450
	146, 756, 872

146, 756, 872 [Note.—All per contra entries, as those of the notes of the banks held by themselves, etc., are omitted so as to show the real position of the accounts.]

It will be observed that the Bank of Germany carries 50 per cent of gold against its notes and 37.1 per cent of gold against its notes and deposits, but the Bank of Germany can also issue legal-tender notes against commercial paper of a qualified class

It will be observed that the Bank of Germany also carries a large volume of quick assets. Thus the Bank of Germany, like the Bank of England and the Bank of France, holds its reserves liquid and always available for loaning for commercial and industrial needs.

Bank of France. BALANCE SHEET, DECEMBER 31, 1908.

	Francs conver	ted as 25=£1.]	
Capital of the bank	£7, 800, 000 1, 700, 774 197, 972, 403	Bills due yesterday to be received this day	1, 757
Drafs	914, 397 7, 199, 491 25, 502, 251	Paris £9,920,192 Branches 18,886,626 Advances on securities: 6,332,341 Branches 14,478,603	- 28, 806, 818
Dividends unpaid, etc	1, 876, 386	Advances to Government (laws of June 9, 1857; June 13, 1878; Nov. 17, 1897). Government stock reserve fund Disposable funds, Government stock Immovable funds, Government stock (law of June 9, 1857).	7, 200, 600 519, 230 3, 985, 234 4, 690, 660
		Amount appropriated to special reserve Office and furniture of the bank and buildings at the branches, etc	336, 298 1, 403, 814
[NOTE.—All per contra entries, as those of the notes	242, 465, 702 of the banks h	eld by themselves, etc., are omitted, so as to show the real	242, 465, 702 position of the

accounts.]

in coin against notes, the coin including both gold and silver, however, and carries 75 per cent of coin against notes and de-posits. Its authorized issue of notes is 5,800,000,000 francs, or

This table shows that the Bank of France carries 88 per cent | \$175,000,000 margin of notes, besides the quick assets which it constantly carries, just as the Bank of England does.

The need for large cash reserves in France is due to the fact that the check system (currency) against deposits is not £232,000,000, which leaves a margin of over £35,000,000, or developed in France as in England and in the United States.

> Bank of the Netherlands. BALANCE SHEET, MARCH 31, 1909, [Guilders converted as 12-£1.]

LIABILITIES.		ASSETS.	and deal only
Capital Reserve Notes in circulation Transfers Current accounts Discount on Inland bills Foreign bills Sundry Habilities Net profit for distribution	22, 798, 206 173, 200	Inland bills Foreign bills Loan accounts Advances on current accounts Investments:	£13, 665, 502 3, 514, 247 1, 550, 309 4, 144, 246 1, 882, 021 332, 662 432, 708 255, 721
	25, 777, 416		25, 777, 416

[Note.—All per contra entries, as those of the notes of the banks held by themselves, etc., are omitted so as to show the real position of the accounts.]

This bank carries gold against its notes of 58 per cent and gold against notes and deposits of 57 per cent, its deposits being very small.

National Bank of Belgium. BALANCE SHEET, DECEMBER 31, 1908. FFrancs converted as 25 = £1.1

L-	Termon com		
Capital paid up	1, 444, 899 32, 275, 122 4, 028, 662	Specie and bullion Blis discounted (bills in Belgium, £19,738,332; foreign bills, £7,421,639; total, £27,159,971) Securities due for collection Advances on Government securities Government and reserve fund securities Securities for current accounts, etc.	£6, 326, 520 27, 159, 971 193, 849 2, 056, 765 3, 418, 343 1, 623, 902
	40, 778, 459		40, 778, 459

-All per contra entries, as those of the notes of the banks held by themselves, etc., are emitted so as to show the real position of the [Nore.

The Bank of the Netherlands carries 58 per cent of gold against its notes and 57 per cent of gold against its notes and deposits.

This bank only carries a very small line of deposits.

The National Bank of Belgium carries 19 per cent of gold against its notes and 17 per cent of gold against its notes and

The three great banks of England, France, and Germany, as above mentioned, practically provide the gold accommodation needed by western European commerce, the two latter banks, however, serving a useful local purpose.

Table 1.—Rate of discount—Number of changes in each year at the Banks of England, France, Germany, Holland (1844-1999), and Belgium (1851-1909).

	Bank	Bank of England.			Bank of France.			Bank of Germany.		
Year.	Rise.	Fall.	Total.	Rise.	Fall.	Total.	Rise.	Fall.	Total	
1844. 1845. 1846. 1847. 1848. 1849. 1850. 1851. 1852. 1853. 1854.	P. ct.	P. ct. 1 3 3 1 (1) 2	P.ct. 1 2 1 9 3 1 1 (1) 2 6 2 8	P. ct. (1) (1) (1) (1) (1) (1) (1) (1) (1) (1)	P. et. (1) (1) (2) (2) (2) (2) (2) (2) (2) (3) (4) (4) (4) (4) (4) (4) (4) (4) (4) (4	P. ct. (1) (1) (2) (2) (1) (1) (2) (2) 1 1 2 2	P.ct. 1 1 1 1 1 1 1 (1) (1) (1) (1) (1)	P. ct. 1 1 1 1 1 (i) (i) (i) (i)	P. at	

TABLE I .- Rate of discount-Number of changes, etc .- Continued.

	Bank	of En	gland.	Bank	c of Fr	ance.	Bank	of Ger	many
Year.	Rise.	Fall.	Total	Rise.	Fall.	Total.	Rise.	Fall.	Total
1856	P.ct. 26 8 3 2 2 8 8 5 5 2 3 4 4 9 9 11 1 6 5 5 1 4 4 6 6	53633833488893 46655377743345123	P. ct 77 9 6 5 5 111 15 15 16 14 4 3 3 2 2 7 7 10 14 24 13 12 5 7 7 10 5 5 2 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6	(1) (1) (1) (1) (1) (1) (1)	P. ct. 1 4 4 1 1 1 2 2 (1) (2) 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	P. ct. 2 84 42 11 7 44 8 11 6 7 2 2 11 4 2 2 11 1 2 2 2 3	P. C. 3 4 1 1 1 (C) (1) 1 3 3 1 1 (C) (1) 1 2 2 2 2 3 3 3 1 1 2 2 2 2 2 2 2 2 2 2	P. ct., 12 4 1 1 (1) (2) 7 (2) 3 3 3 4 4 2 2 3 3 3 1 2	(1) (2) (3) (4)

Year.

1884...... 1885.....

1887 1888 1889 1890 1890 1891

1891 1892 1893 1894 1895 1896

1896 1897 1898 1899 1900 1901..... 1902....

1904. 1905. 1906. 1907. 1908.

Year.

1860.... 1861....

1868 1869 1870

1874 1875 1876 1877 1877 1878

1878 1879 1880 1881 1882 1882

1882 1883 1884 1884 1885 1886 1886 1887

1 No change.

TABLE I .- Rate of discount-Number of changes, etc .- Continued.

6 2 (1)

241 443

Rise.

(1)

(1)

(1) (1)

P.ct. P.ct. P.ct. P.ct. P. ct.

(1)

4

Bank of England. Bank of France. Bank of Germany.

Rise. Fall. Total, Rise. Fall. Total. Rise. Fall. Total,

(1) (1) (1) (2) (E) (E) (E)

(1)

(1)

Total.

(1) (1)

(1)

(1) (1)

(1) (1)

(1)

(1) (1)

(1)

(1)

(1)

(1)

(1)

(1)

2 2

5

(1) (1) (1) (1) (2)

(1) (1) (1) (1)

(1) (1) (1) (1) (t)

(1) (1)

E E E E E E 2 SEEEEE

(1)

Bank of Holland.

Fall.

Per ct.

(1) (1)

(1)

(1) (1)

(1) (1)

(1)

(1)

P.ct.

(1)

(1)

115 91

Rise.

(2) (3) (3) (4) (4) (4) (4)

P. ct. P. ct.

> (1) (1)

> > 2

Bank of Belgium.

Fall.

P. ct.

(1)

196

Total.

Per ct.
(2)
(2)
(2)
(2)
(2)
(2)
(2)
(2)
(3)
(1)

(1) (1) (1)

10

(1)

(1)

(1)

(1) 2

(1)

192

1902		1) (1)	(1)
1903		1 1	
1904		1 (1)	(1)
1905	1 1	2 1	
1906	3	3 1	
1007	1 2	3 2	Commercial

(1)

10	2 Operations	commenced	in	1951	
	* (Increations	commenced	in	1851	

3

04	0.1	100	- 60 1	100
-				-
~				

TABLE II Lowest and highest rates charged and extent of fluctuatio
during each year at the Banks of England, France, Germany, Hollan
(1844-1909), and Belgium (1851-1909).

	Bank	of Eng	land.	Bank of France.		Bank	of Germany.		
Year,	Low- est rate.	High- est rate.	Flue- tua- tion.	Low- est rate.	High- est rate.	Fluc- tua- tion.	Low- est rate.	High- est rate.	Flue tua- tion.
- X4535	Per ct.	Per ct.	Per ct.	Per ct.	Per ct.	Per ct.	Per ct.	Per ct.	Perc
844	្នាំជានានានានាស់ ប្រាស់ និងក្រុងក្នុងក្នុងក្នុងក្នុងក្នុងក្នុងក្នុងក្ន	(1) 3385 33 (1) 25 57 70 84 68 38 9 70 31 34 6 5 7 9 6 6 5 5 6 5 5 5 5 5 5 5 5 5 5 5 5 5 5	(1) 1	333433388888888888888888888893333388888888	(1) (1) (1) (1) (1) (1) (1) (1) (1) (1)	(1)	4	41	1
845 846	21/2	31	1	(1)	(1)	(1)	4	5	
846	3	31	1 2	(1)	(1)	(1)	4	5	
347 348	3	8	5 2	4	0	1	44	9	
349	3	0	2	(1)	(1)	(1)	42	0	
50	24	0	1	1 23	133	13	(1)	49	244
51	1152	(1)	(1)2	1 23	133	53	1 23	23	(4)
52	13	21	1	3	4	17	1 24	11	(t) (t)
53	2	5	3	3	4	i	4	5	(,)
54	5	54	1	4	5	1	4	5	- 3
55	34	7	31	4	6	2	4	41	-30
56	45	7	21	5	6	1	4	6	100
57	55	10	44	5	9	4	5	74	3
52 53 54 55 56 57 58 59	21	8	54	3	5	2	4	61	
59	24	41	2	3	4	1	4	5	
60 61 62 63 64 65	21/2	6	\$ 32 4 52 2 3 5 1 5 3 4 6 1 1 2 3 3 4 6 3 4 3 3 4 5 3 4 3 5 4 3 5 4 3 5 4 3 5 4 3 5 4 3 5 4 3 5 6 5 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6	34	45	(1) (1) (1) (1) (1) 1 1 2 1 1 2 1 2 1 2 1 2 3 3 2 2 2 2 2 2	(1)	(1)	(0)
61	3	8	5	44	7	24	(1)	(1)	(1)
02	2	3	1	34	0	14	(1)	(4)	(1)
0.4	0	0	3	34	0	34	4	44	3
65	0	7	0	19	0 5	0.9	99	-	-3
66	21	10	gt	2	5	2	4	0	(1)
67	2	21	11	21	3	1	(1)	01	0)
68	2	3	12	(1)2	(1)	(1) 31 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	(3)	1	8
69	21	41	2	(1)	(15)	(1)	4	5	(3)
70	24	6	31	21	6	31	4	8	100
71	2	5	3	5	6	1	4	5	-
72	3	7	4	5	6	1	4	5	
73	3	9	6	5	7	2	4	6	5
74	24	6	34	4	5	1	4	6	1 . 2
75	2	6	4	(1)	(1)	(1)	4	6	100
70	2	0	3	3	4	1	31	6	1 3
#O	2	0	3	2	3	1	4	51/2	100
70	2	0	9	0	0	1	4	5	
80	21	2	0	01	21	1	0	44	
81	27	5	21	21	5	11	4	51	61 8
89	3	6	33	21	5	11	A	8	13
83	3	5	2	3	31	1	4	5	E115
84	2	5	3	(1)	(1)	(1)	(1)	(1)	(1)
85	2	5	3	(1)	(1)	(1)	4	5	1000
86	2	5	3	(1)	(1)	(1)	3	5	100
87	2	5	3	(1)	(1)	(1)	3	5	
88	2	5	3	24	49	2	3	44	
89	29	6	34	3	(1)	1	3	5	100
01	91	5	91	133	12	(3)	4	34	. 3
20	22	21	11	21	(-)	(.)	9	94	
93	21	5	23 2 3 3 3 3 3 3 3 3 2 1 2 1 2 1 3 3 3 2 1 1 2 1 2	(1)	566954475785553()066675()433335534()0()3()3()3()3()3444()()3()()3444()()3()()3444()()3()()3444()()3()()3444()()3()()3()()3444()()3()()()3()()()3()		4 4 4 4 4 4 4 5 5 5 4 4 ()()() 4 4 4 4 4 ()() 5 4 4 4 4 4 4 4 4 5 5 4 3 5 5 5 5 5 5 5	\$55555\$(3)()55\$(5)()()\$7\$9()()58558666655\$(55855)655\$(555455455455677\$(4456775)	1 3 3
666 67 688 600 600 700 71 71 77 72 73 73 74 74 77 75 76 77 77 78 80 81 82 83 84 84 85 85 85 87 88 88 89 90 90 91 92 93 93 94	2	3	12	(1)	(1)	65	3	5	
35	(1)	(1)	(1)	2	21	1	3	4	1 = 2
96	2	4	2	(1)	(1)	(1)2	3	5	- 3
97	2	4	2	(1)	(1)	(25	3	5	1
98	21	4	15	2	3	1	3	6	1
99	3	6	3	3	41	11	4	7	
00	3	6	3	3	41/2	11/2	5	7	2010
01	3	5	2	(1)	(1)	(1)	31	41	- 3
12	3	4	1	(1)	(1)	(1)	3	4	5 3
998 999 000 01 01 02 03 03	3	4	1	(1)	(1)	(1)	34	4	5
35	3	34	17	(1)	(1)	(1)	4	5	ON S
05 06 07	21	6	91	13	23	53	3	6	Ø
77	02	7	21	(1)	(1) (1) (1) (1) (1) (1) (2) (1)	(')	44	771	
08	21	6	21	3	31	1	04	61	
	49	U	07	0	0.0	2	4	09	
09	21	5	91	(1)	(1)	(1)2	2.1	5	

	Ban	k of Holl	and.	Bank of Belgium.		
Year.	Lowest rate.	Highest rate.	Fluctu-	Lowest rate.	Highest rate.	Fluctu-
1844 1845 1846 1847 1848 1849 1850 1851 1852 1853 1854 1855 1855 1856 1857 1858 1859 1860 1861 1860	Per ct. (1) 2½ 4 4 3 2½ (2) (1) (1) 2 (1) 3 4 4 3 (1) (1) 3 3½ 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4	Per ct. (1) 555 5 5 5 6 7 (1) (2) 4 557 7 (1) 4 4 557 7 (1) 6	Per ct. (1) 3 112 2 2 2 2 (1) (1) (1) (1) (2) 4 (1) (2) 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	Per ct. (2) (2) (2) (2) (3) (4) (1) (3) (1) (1) (3) (3) (3) (3) (4) (4)	Per ct. (2) (2) (2) (2) (3) (4) (1) (4) 55 4 4 56 66	Per ct. (2) (3) (3) (4) (5) (7) (1) (1) (1) (2) (2) 1 1 2 2 1 1 2 2 2 3

² Operations commenced 1851.

TABLE II .- Lowest and highest rates charged, etc .- Continued.

	Ban	k of Holl	and.	Bank of Belgium.		
Year.	Lowest rate.	Highest rate.	Fluctu- ation.	Lowest rate.	Highest rate.	Fluctu- ation.
1866 1867 1868 1869 1870 1870 1871 1872 1873 1874 1875 1876 1877 1878 1879 1880 1881 1879 1880 1881 1892 1883 1884 1982 1983 1884 1983 1884 1985 1886 1887 1886 1887 1886 1887 1886 1887 1886 1887 1886 1887 1886 1887 1888 1889 1999 1900 1900 1901 1902 1904 1906 1906 1907 1908	P	Per 7. 44 35 5 6 4 5 6 5 35 (1) 4 4 (1) 45 5 5 33 (1) 2 4 4 3 5 35 (1) 3 33 3 5 5 5 35 (1) 3 33 3 5 5 5 35 (1) 3 33 3 5 5 5 35 (1) 3 33 3 5 5 5 35 (1) 3 33 3 5 5 5 35 (1) 3 33 3 5 5 5 35 (1) 3 33 3 5 5 5 35 (1) 3 33 3 5 5 5 35 (1) 3 33 3 5 5 5 35 (1) 3 33 3 5 5 5 35 (1) 3 33 3 5 5 5 5 35 (1) 3 33 3 5 5 5 5 35 (1) 3 33 3 5 5 5 5 35 (1) 3 33 3 5 5 5 5 35 (1) 3 33 3 5 5 5 5 35 (1) 3 33 3 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5	Per 22 1 1 2 2 2 2 1 1 2 2 2 2 2 1 2 2 2 2	Per et. 3 22 22 22 22 22 22 22 22 22 22 22 22 2	Per 6 3 (1) 6 5 5 1 1 - 6 4 3 5 5 6 4 4 4 4 3 5 5 5 4 (1) 3 3 (1) 4 5 5 4 (1) 4 4 4 6 6 3 1	Per ct. 33 33 33 33 32 11 11 22 21 11 11 11 11 12 22 11 11 11

¹ No change.

Table III.—Rate of discount, 1844-1909—The number of days at each rate arranged from the lowest rate to the highest.

BANK OF ENGLAND.

[Lowest rate, 2 per cent; highest rate, 10 per cent.]

Rate.	Number of days.	Number of days per cent of total (total = 1,000).
7 per cent. 2½ per cent. 2½ per cent. 2½ per cent. 3½ per cent. 3½ per cent. 4½ per cent. 4½ per cent. 5 per cent. 5 per cent. 6 per cent. 6½ per cent. 6½ per cent. 8½ per cent. 9½ per cent. 1½ per cent. 10 per cent.	3, 409 28 3, 599 5, 859 1, 921 3, 772 608 2, 195 263 975 91 633 268 95 141	143 1 151 246 80 158 26 92 11 41 4 26 11 4 6
Total	23, 857	1,000

BANK OF FRANCE.

[Lowest rate, 2 per cent: highest rate, 9 per cent.]

per cent. per cent.	2,735 2,579 7,828 2,060 4,579 353 2,061 1,170 8 286 21 41 16	115 108 329 86 192 18 86 49
	23,857	1,000

Table III.—Rate of discount, 1844-1999—The number of days at each rate arranged from the lowest rate to the highest—Continued.

IMPERIAL BANK OF GERMANY.

Rate.	Number of days.	Number of days per cent of total (total=1,000).
3 per cent. 3 per cent. 4 per cent. 4 per cent 5 per cent 5 per cent 6 per cent 6 per cent 7 per cent 7 per cent 7 per cent 7 per cent 1 per cent 1 per cent 1 per cent 1 per cent 2 per cent 3 per cent 4 per cent 5 per cent	2,073 644 12,192 1,626 4,694 707 970 72 269 110 37 63	129 27 711 68 172 20 41 3 111 5
	23,857	1,000
24 per cent. 3 per cent. 3 per cent. 4 per cent. 4 per cent. 5 per cent. 5 per cent. 63 per cent. 64 per cent. 7 per cent.	5,058 8,013 3,737 2,167 8H1 1,823 375 260 150	212 236 157 91 34 76 16 11
	23,857	1,000
NATIONAL BANK OF BELGIUM. [Lowest rate, 2½ per cent; highest rate, 7 per	r cent.]	
2½ per cent. 3 per cent. 3½ per cent. 4½ per cent. 4 per cent. 5 per cent. 5 per cent. 5 per cent. 6 per cent. 7 per cent.	3, 169 9, 412 2, 965 3, 416 698 944 378 540 27	147 437 138 159 52 44 18 25
	21,549	

E IV.—Rate of discount, 1844-1999—The number of days at each rate arranged from the highest number of days to the lowest.

BANK OF ENGLAND,		
Time.	Rate per cent.	Number of days per cent of total (total=1,000).
5,859 days 3,772 days 3,579 days 3,559 days 2,559 days 2,195 days 1,921 days 975 days 633 days 633 days 688 days 268 days 278 days 288 days 288 days	3½ 6 7 4½ 8 5½ 10 9 61 2½	245 158 151 143 92 80 41 26 26 11 11 6 4 4 1
BANK OF FRANCE.		
7,828 days 4,579 days 2,735 days 2,757 days 2,061 days 2,060 days 1,170 days 353 days 1,170 days 363 days 120 days 110 days 120 days 16 days 16 days 8 days	4 2 2 5 3 6 4 6 4 5 8 7 5 8 7	329 192 115 108 86 86 49 15 12 5 2
23,857 days.		1,000

Table IV.—Rate of discount, 1844-1908—The number of days at each rate arranged from the highest number of days to the lowest—Continued.

IMPERIAL	BANK	OF	GERMANY.

Time.	Rate per cent.	Number of days per cent of total (total=1,000).
12, 192 days 4, 084 days 3, 073 days 1, 626 days 970 days 707 days 269 days 110 days 110 days 72 days 37 days 37 days 37 days	4 5 3 4 6 5 5 3 7 7 5 5 9 8	511 172 129 68 41 30 27 11 5 3
23,857 days		1,000
BANK OF THE NETHERLANDS.		100
8,013 days 5,058 days 3,737 days 2,167 days 1,823 days 1,823 days 1,328 days 811 days 375 days 260 days 150 days 150 days 135 days	3 2 3 4 5 2 4 5 6 6 7	338 212 157 91 76 56 34 16 11 6
23,857 days		1,000
BANK OF BELGIUM.		
9, 412 days. 3, 416 days 3, 109 days 2, 965 days 944 days 698 days 540 days 378 days 378 days 27 days	3 4 25 5 5 5 5 5 5 7 6 5 5 7	437 159 147 138 44 32 25 18
21, 549 days		1,000

It will thus be seen that these great banks holding the national reserves have been able to furnish commerce with a very low rate of discount for nearly all the time and only occasionally have been compelled to raise the rate to a high

These low rates illustrate the enormous value of these great banks to European commerce and the urgent necessity for action by the United States along similar lines.

Mr. STONE. Mr. President, I hope we can now go on with

the tariff bill. Mr. MYERS.

Mr. MYERS. Mr. President—
The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Montana?

I have yielded the floor, Mr. President. Will the Senator from Missouri yield to me for Mr. OWEN.

Mr. MYERS. just a moment?

Mr. STONE. I have not taken the floor. I have simply made a request.

Mr. MYERS. Then I desire to take the floor, Mr. President. The PRESIDING OFFICER. The Senator from Montana is recognized

Mr. MYERS. I simply want to say that I heartily concur with the Senator from Oklahoma [Mr. Owen] to the extent that I believe we ought to have banking and currency legislation at this session of Congress. I am not prepared to say whether or not we ought to have the exact bill that has been introduced. do not know enough about the bill, and I do not know enough about banking and currency; but I expect to learn more about the subject and about the bill before the session advances much

I believe we ought to have some legislation on the subject at this session. I believe the people of this country are expecting it and demanding it. The bankers may not be demanding it, but I believe the people of the country are. I know that a great many of the people of Montana, at any rate, expect it

One of the leading bankers of Montana has expressed himself to me and to the President in my presence as believing that we

ought to have it now, at this session of Congress, without any further delay.

I believe that if a man is sick he ought to have medicine now, not next December. There are only two questions involved. The first is, Do we need banking and currency legislation at all? If we do not need it then we ought to dispose of the subject, and not have this or any other bill now or at any other time, but simply be done with it. If we do need it, we need it right now, and now is the time.

I simply want to add my view in support of what the Senator from Oklahoma has so ably said, that we ought to have such legislation at this session. The people expect it, and if they do not get it we shall hear from them.

Mr. STONE. Mr. President, I desire to say to Senators, and particularly to Senators on this side, not by way of criticism-I

have no right to criticize, nor, perhaps, to complain—
Mr. WARREN. Mr. President, we can not hear what the Senator says. I know it is worthy of being heard, and we hope we may hear it.

Mr. STONE. I was saying that I hope we will have as little discussion as possible on extraneous subjects during the consideration of this bill and while it is before the Senate. We have spent an hour or more this morning in discussing the currency question, and I regret to say that that time has been consumed wholly on this side of the Chamber. I hope Senators, and par-ticularly Senators on this side, will aid the Committee on Finance in pressing on the tariff measure as far as we can, and that discussion, so far as there is any, will be confined to that measure, or at least will have some direct reference to it.

I understood from what the Senator from Pennsylvania [Mr. OLIVER] said yesterday that he desired to make some observations on paragraph 105.

Mr. OLIVER. I should like to have the paragraph read, and then I shall have a very few words to say on it. I shall occupy only a very little time.

The Secretary read paragraph 105, on page 29.

The next amendment of the Committee on Finance was, in paragraph 105, page 29, to strike out all of lines 22 and 23 and part of line 24 and insert in lieu thereof the word "muck"; and, on page 30, line 1, after the word "iron," to insert "and all iron"; and, in line 2, after the word "section," to strike out "8" and insert "5," so as to make the paragraph read:

105. Muck bars, bar iron, square iron, rolled or hammered, round iron, in coils or rods, bars or shapes of rolled or hammered iron, and all iron not specially provided for in this section, 5 per cent ad valorem.

Mr. OLIVER. Mr. President, while I am not in favor of the first amendment proposed by the committee, striking out the first three lines of the paragraph, which means putting slabs, blooms, loops, and other forms of iron on the free list-and I think the committee ought not to insist upon that amendment-I shall, upon consideration, include in the amendment I propose to offer that part as well as the one providing for the reduction in duty.

I therefore ask the Senate to disagree to the amendments proposed by the committee, and instead of "5 per cent ad valorem" I move to substitute "10 per cent ad valorem."

I will briefly state my reasons for this change, and, if the committee can not see their way clear to agree to it at this time, I shall ask that the paragraph be passed, in order that they may have time to consider it.

The duties proposed in this paragraph, both in the House bill and still more in the amendment proposed by the Senate committee, are arrived at, I think, entirely without adequate knowledge upon the part of the Ways and Means Committee of the House and the Finance Committee of the Senate of the subject under consideration.

You will notice that all these iron articles it is proposed to bring in, first, by the House at 8 per cent; and, secondly, by the Senate committee at 5 per cent ad valorem.

Turning to paragraph 112 it is found that on steel bars, amongst other articles, it is proposed to impose a duty, first, by the House of 10 per cent ad valorem, which is reduced by the Senate committee to 8 per cent.

Mr. President, I want to explain to the committee and to the Senate the difference between iron bars and iron generally, and what is generally known as merchant steel, which is treated of in paragraph 112. When the Underwood bill was under consideration a little over a year ago, in some remarks I made upon it I explained this difference, and I will read now a part

of what I said then:
"Thirty years ago, before it was supplanted by soft steel made by the Bessemer and open-hearth processes, bar iron was the basis of iron manufacture the world over. It should not be confounded with bar steel; it is a different article, made in a are in need of banking and currency legislation, and that we different way, and used largely for different purposes. Steel

is made by melting the pig iron and casting it into ingots, while iron is made by reducing it to only a semimolten state, squeezing out the impurities, rolling it into a flat bar called muck bar, which is then allowed to cool, sheared up into small pieces, reheated, and rerolled into what is known commercially as bar iron. Steel is granular in its texture, while iron is fibrous."

I will say here that if you break a bar of steel it will break off short and will show crystals in the fracture. If you break a bar of iron, which it is very hard to do, it will be full of

slivers, like a piece of wood. To resume:

In its process of manufacture iron is made to-day in precisely the same manner as it was 50 years ago. The labor is all hand labor. Machinery has not supplanted it as it has in the manufacture of soft steel, and the wages paid for such labor in this country are uniformly just about double those paid in Europe. As an example, we find from Mr. Pepper's report that the maximum weekly wages at Dusseldorf for puddlers is \$13.68. In this country puddlers are paid by the ton, and the present wage scale of the Amalgamated Association of Iron and Steel Workers calls for the payment of "—I will read the present rates instead of those that prevailed then. Payment on bar iron, on the basis of 1 cent per pound, \$5.25 per to 1. I talked this morning with a gentleman who was formerly president of the Amalgamated Association of Iron and Steel Workers, and he tells me that the wages paid now in the mills under the control of the Amalgamated Association are \$7 per ton. puddling.

"The product of a puddling furnace is 2,800 pounds, or 12 gross tons, per working day. The puddler's wages would therefore amount to \$6.72 per day."

It would now amount to something over \$8 per day.

Mr. THOMAS. Mr. President—
Mr. OLIVER. I yield.
Mr. THOMAS. May I inquire of the Senator from PennsylMr. THOMAS. May I inquire of the Amalgamated Association of vania how many mills employ the Amalgamated Association of

Iron and Steel Workers now?

Mr. OLIVER. Nearly all the mills west of the mountains. I am coming to that later on. The mills east of the mountains are not controlled by it. I may as well state here that the mills in eastern Pennsylvania and New Jersey and in that district call for a wage scale of \$5 a ton for puddlers. The larger wages are those that prevail in the West.

"Out of this, under the workingmen's scale, he pays to a helper one-third plus 5 per cent of his own two-thirds. Figuring the day's wages on this basis"—that is, \$5.25 a ton for puddling—"the puddler in the United States would receive \$4.25 per day, while the man who performs the same work at Dusseldorf receives \$13.68 per week." That means a difference between the two countries of \$1.97 per day.

It will be noted that in this country the puddler's helper receives \$2.47 per day, or 19 cents more than the daily wage of the German puddler."

Mr. James Lord, an iron manufacturer of eastern Pennsylvania, testified as follows before the Finance Committee of the Senate last year. He said:

I am representing to-day, in company with 8 gentlemen who have come from different parts of the East, 25 rolling mills that manufacture bar iron east of the Allegheny Mountains and that stretch from Knoxville, Tenn, to Portland, Me. These companies sell their products for the most part east of the mountains and largely to the Atlantic coast and Gulf points. Consequently this bill, if passed, would put the burden of foreign competition largely on these eastern mills, because the freight from our different mills to coast points is just about equivalent to the freight from European competing points. For instance, our freight to New York would be 10 cents, while practically the same rate could be obtained from Liverpool or from Antwerp.

Mr. President, the existing law levies upon bar iron and similar products a duty of three-tenths of a cent a pound, or \$6 per net ton and \$6.72 per gross ton. It is now proposed to reduce this to 5 per cent ad valorem, which I would say upon the average would be about \$1.25 per ton, taking the price at

which the foreign manufacturer can supply it.

Iron to-day is a specialty, where 30 years ago it was the aple. Steel is now the staple and iron is nothing but a specialty. It is made in small plants owned by individualsby the old-style ironmaster. Neither the United States Steel Corporation, the Cambria Iron Co., the Pennsylvania Steel Co., or Jones & Laughlin, nor any of the great steel manufacturers of the country to-day manufactures a single ton of this article. It is the product of hand labor as against the machinemade article to-day known as steel. In the work of making steel heat and machinery are the two great elements, and man is only an incident. In the work of making iron it is hand-work from the time the pig iron is put into the puddling furnace until, after two processes, the bars leave the rolling mill.

As showing the increased cost of making this article, I re-

ceived a letter about a week ago in reply to a letter of my own

asking for the price of this article. The writer says that the present market price for steel bars is \$1.40 per hundred pounds in Pittsburgh, the market price for iron bars is \$1.70 per hundred pounds, or a difference of \$6 a ton between the two articles.

The difference in value I think rather less than measures the difference in cost. The difference in cost is altogether made up in labor, because the other elements entering into the cost of the manufacture of those articles are the same. The pig iron is possibly the same in both cases, and the amount of it required is approximately the same. So all the difference is made up in labor.

I do not believe, Mr. President, that either committee intended to be unjust to the men who work in these mills or to the men who own them, as compared with the great manufacturers who make steel. The duties imposed upon iron are therefore entirely inadequate, and this comes with all the more force because the market for most of the iron that is made is found in the eastern part of the country, which naturally is more open to foreign competition than the West.

I am speaking now, Mr. President, more in behalf of the men engaged in business and in labor east of the Allegheny Mountains than of those west, where my home is, because in the district in which I live the manufacture of iron is rather a small quantity, as it has been supplanted almost entirely by steel. That is not the case in the East. I therefore urge the committee to rectify the mistake which has been made and to yield to my proposition to amend this paragraph.

I do not know that I have anything further to say. I am appealing to the good sense and the good faith of the committee, and I believe if they fairly and carefully consider the matter they will be disposed to comply with my request and to allow

the adoption of my amendment.

Mr. SIMMONS. Mr. President, the raw materials out of which iron is made are produced as cheaply here as anywhere in the world. The raw materials of iron are iron ore, coal, coke, and limestone. I think it will hardly be gainsaid that we have as fine deposits of these materials, and they are as near by nature assembled as in any part of the globe. Under the present law there is a duty upon coke and upon limestone and upon iron ore. The pending bill places all those products upon the free list.

Pig iron can be produced as cheaply here as anywhere in the world. For the general statement that there is no necessity for a duty upon that product we have only to refer to the statements made under oath by the great captains of the iron and steel industry in the various investigations which have been had in recent years.

The Senator from Pennsylvania yesterday made some inquiry as to whether the Finance Committee had any knowledge as to the cost of producing pig iron abroad as compared with the cost of its production in this country. Without entering into an elaborate argument upon that subject, I want to refer the Senator first to the report of Mr. Pepper, who was sent by the Department of Commerce and Labor to Europe a few years ago for the purpose of making an investigation into the cost of producing pig iron abroad. Then I wish to refer the Senator—

Mr. OLIVER. I will ask the Senator which one of the

Pepper reports it is?

Mr. SIMMONS. I can not now state to the Senator which one. I refer to the one in which he stated the cost of producing pig iron in Germany, England, and France. I have not the report before me; but in that statement Mr. Pepper said in Germany the average lowest cost is \$12.85 per ton; the average highest cost is \$13.65 per ton; the total average cost in Germany is \$13.25 per ton. In England, Mr. Pepper reported that the average lowest cost was \$9.92 per ton; the average highest cost, \$13.45 per ton; the total average cost, \$11.69 per ton.

I hold in my hand the report of the Commissioner of Corpo-

rations on the steel industry giving-

Mr. OLIVER. Mr. President-

The VICE PRESIDENT. Does the Senator from North Carolina yield to the Senator from Pennsylvania?

Mr. SIMMONS. I do.

Mr. OLIVER. I do not think that the Senator from North Carolina ought to bring in the report upon the steel industry as being an element at all in this discussion, because I am not talking about steel; I am talking about iron.

Mr. SIMMONS. I am talking about iron and steel. The Senator has been comparing the two paragraphs which deal

with steel bars and iron bars.

Mr. OLIVER. Then I should like to have the Senator, if he will, justify the placing of a higher duty on bar steel than on bar iron

Mr. SIMMONS. I am going to justify it-

Mr. OLIVER, I think he will have a hard time in doing it, Mr. SIMMONS. If the Senator will be patient enough to hear me. I have not reached that stage of the argument. In the report of the Commissioner of Corporations on the steel industry, made January 22, 1912, he gives the cost of Bessemer and basic pig iron in this country. He finds that the average—the book cost—of all companies is \$12.90 per ton; excluding transfer profits, \$11.34 per ton. That the book cost of the large companies is \$12.89; excluding transfer profits, \$11.11 per ton. Small companies, book cost, \$14.12 a ton; and excluding transfer profits, \$14.03 per ton.

So it will be seen, Mr. President, that according to these two reports, one made by an agent of the department, who visited England, Germany, and France to escertain the cost of produc-ing pig iron over there, and the other made by the Commis-sioner of Corporations with reference to the cost of the same product here, the cost here is lower than it is abroad. In the hearings before the Committee on Ways and Means the statement was made by a number of witnesses that at the present time pig iron is produced more cheaply in this country than it

is in England.

Mr. OLIVER. Mr. President, I thought we disposed of that. Mr. SIMMONS. But the Senator must remember that pig iron is the raw material out of which iron and steel bars are made, and the cost of pig iron here and abroad is very material in determining the question of the proper duty on these derivative products.

I am not going to detain the Senate by referring to the statement of the Senator with reference to the danger from Asiatic competition, but at the proper time, before we get through with the consideration of the schedule, I shall take that up for purposes of discussion, and I think I will be able to show the Senator that there is absolutely no danger from that source.

But, Mr. President, let me get to the question to which I was leading; that is, the one raised by the Senator from Pennsyl-We have pig iron manufactured as cheaply here as anywhere else in the world. These paragraphs, namely, 105 and 112, deal with a product of pig iron advanced only one step beyond the raw material. Every element constituting the raw materials out of which iron and steel bars mentioned in these paragraphs are produced are to-day under the present law on the dutiable list, and every one of them-coke, coal, iron ore, and pig iron-will be on the free list if this bill becomes law. repeat, bar iron and steel are just one step advanced in the process of manufacture from pig iron, out of which they are made. The labor cost of conversion in that step in the process of manufacture is negligible. I am not able at this minute to state the exact labor cost of converting pig into iron bars, but I have the figures as to conversion cost of billets.

Mr. OLIVER. I can enlighten the Senator upon that if he

wishes me to do so.

Mr. SIMMONS. The Senator may have that information. have not the exact figures. The labor cost of converting pig into bars of iron is greater than that of converting it into steel bars, but it is not great in either case, and constitutes relatively a small part of the total cost of either.

Now, Mr. President, the average book cost per ton of Bessemer

Mr. OLIVER. Mr. President, I do not think the Senator ought to talk about Bessemer billets. We are talking about iron

Mr. SIMMONS. Yes; and I am going to talk about iron bars when I get through talking about steel bars.

Mr. OLIVER. I hope the Senator will get to it after a while. He is very slow in coming to it.

Mr. SIMMONS. The Senator discussed together paragraphs 105 and 112 and compared the costs of bar iron with that of steel bars and contended that the cost of manufacturing steel bar is less than the cost of manufacturing iron bar, and I can not answer his argument without discussing the cost of each.

Mr. OLIVER. It is just about one-third.

Mr. SIMMONS. The Senator may be correct about that. have not, as I said, the figures showing the cost for converting pig into iron bars, but I have for converting it into steel billets, and the Senator says the latter cost is about one-third of the former. Let me read what the report of the Commissioner of Corporations says as to the labor cost of converting pig iron into steel billets. The total cost of producing a ton at the furnace of billet ingots is \$14.28. The labor cost of conversion from the pig into the billet is 55 cents a ton.

Mr. OLIVER. Mr. President-

The VICE PRESIDENT. Does the Senator from North Carolina yield to the Senator from Pennsylvania?

Mr. SIMMONS. I do.

Mr. OLIVER. Do I understand the Senator says that the labor cost of converting pig iron into ingots is 55 cents a ton?

Mr. SIMMONS. That is what I same of the Colliver. Then, Mr. President-That is what I said.

Mr. SIMMONS. It is 55 cents, excluding transfer profits.

That is also the book cost as is given in this report.

Mr. OLIVER. Mr. President, if the Senator will allow me. I will tell him what is the labor cost of the conversion of pig iron into muck bars, which corresponds exactly in iron to the cost of converting pig iron into steel. That is a part of the labor The wages paid to one man with his helper alone for puddling-that is, for working at the furnace-is \$5 in the eastern district and \$7 in the western district. Now, that movement in iron is precisely the same as the movement of pig iron into ingots is in steel.

Mr. SIMMONS. Oh, the Senator knows that in these plants more is paid some one laborer a day than the total cost of converting a ton of pig iron into a ton of billets, ingots, and so forth. That sort of statement proves nothing. In every table given in this report as to the conversion cost of billets, whether made by the Steel Corporation or independent corporations, or by the large or small companies, the labor cost of conversion is

less than a dollar a ton.

Mr. OLIVER. Mr. President, how can the Senator stand in his place in the Senate and make such an assertion as that in the face of the uncontroverted statement that every person has made? I can not understand how the Senator can deceive-I will not characterize it.

Mr. SIMMONS. If the Senator will take this report and

study it, he will find that my statement is correct.

Mr. OLIVER. The Senator has not a single table there that relates to iron. It all relates to steel.

Mr. SIMMONS. That is true, and I say now that the average labor cost runs around from 52 to 55 cents in steel.

Mr. OLIVER. In steel. Mr. SIMMONS. And assuming that the cost of iron bar is, as the Senator said, over twice that.

Mr. OLIVER. It is not twice; it is four or five times.

Mr. SIMMONS. Not the labor cost. The Senator said a little while ago the proportion was as 1 to 3.

Mr. CUMMINS. Mr. President—

The VICE PRESIDENT. Does the Senator from North Carolina yield to the Senator from Iowa?

Mr. SIMMONS. Yes.
Mr. CUMMINS. May I ask the Senator from Pennsylvania whether the iron bars to which he has referred are not what are ordinarily known as merchant bars?

Mr. OLIVER. What they call merchant bars are usually

Mr. CUMMINS. I had the honor to make some investigation of this matter last year, and in what I now say I have referred to iron bars. Although I have not gone through my speech carefully to be certain, if I am right about that, the cost of reducing or making merchant bar iron from large iron

Mr. OLIVER. Mr. President, I will say to the Senator from Iowa that if the word billets is used it has no reference to iron. There is nothing known in the trade as an iron billet.

Mr. CUMMINS. I understand that, but I am assuming that there can be a comparison instituted here that will be of help. From my investigation last year, the labor cost was \$3.06 per ton for converting steel billets into steel bars. That was the entire labor cost in performing that operation.

Mr. OLIVER. I think that is correct.
Mr. SIMMONS. That included all the intermediate labor cost; I mean the labor cost in the various processes of production from the raw material. Mr. CUMMINS. It included the labor cost of converting

the billet into the bar.

Mr. OLIVER. Mr. President, I will say, for the information of the Senator from Iowa [Mr. CUMMINS] and also of the Senator from North Carolina [Mr. SIMMONS], that the figures I have here give the total cost, including labor and all other costs, except waste, of converting billets into steel bars at \$4.50 a ton. So I presume that the Senator's figures for labor cost are substantially correct, but from the same source I received the information that for converting muck barswhich in iron correspond to the billet in steel-into iron bars, the cost is \$11.75 a ton.

Mr. SIMMONS. What cost? Mr. OLIVER. The total cost.

Mr. CUMMINS. I was about to say, assuming that it cost \$5 or \$6 a ton for conversion, it would be a little difficult to maintain a very high duty simply on account of the difference between the cost of producing it here and abroad.

While I am on my feet I may say that I recognize that it does cost more to convert pig iron into bar iron than it does to convert pig iron into bar steel.

Mr. SIMMONS. Undoubtedly.

Mr. CUMMINS. But the present law attaches the same or a higher duty to bar steel than it does to bar iron.

Mr. SIMMONS. That is true; a higher ad valorem.

Mr. CUMMINS. A higher specific duty. Mr. SIMMONS. That is the present law.

Mr. CUMMINS. The duty under the present law on bar iron is \$6 per ton, or three-tenths of a cent a pound.

Mr. SIMMONS. I was just about to call the attention of

the Senator from Pennsylvania to that.

Mr. CUMMINS. The duty on bar steel begins with steel that is worth not more than three-fourths of a cent a pound. There is none of that, practically speaking. When it reaches steel that is worth \$26 a ton the duty is then exactly the same as it is upon bar iron, namely, \$6 a ton. When you get above \$26 a ton—and practically all or, anyway, a very large part of bar steel is worth more than \$26 a ton—the duty on bar steel then becomes higher under the present law than it is upon bar iron.

Mr. SIMMONS. That is true.

Mr. OLIVER. Mr. President, if the Senator from North Carolina [Mr. Simmons] will indulge me for a moment, I think I can explain that. The reason of that is that steel is a generic term which includes everything that is produced from iron ore by the process of melting. On the other hand, iron is never reduced to a molten state, but is produced by reducing the pig iron first to a semimolten state, working it in that shape first by hand, and then by passing it through rolls. The advancing duties in paragraph 112 are because that paragraph includes not only what is known as soft steel, which is to-day used almost universally as a substitute for iron and is low-carbon or low-grade steel, but also the higher type of tool steel, which sometimes runs up in value as high as from 30 to 40 cents a pound. For that reason the average ad valorem is considerably

Mr. CUMMINS. Mr. President, I am not speaking about ad valorem duties. The duties under the present law are specific duties, and they run in this way:

All of the above

And "above" includes these bars-

valued at three-fourths of 1 cent per pound or less, seven-fortieths of 1 cent per pound; valued above three-fourths of 1 cent and not above 1.3 cents per pound—

And that makes a maximum of \$26 a tonthree-tenths of 1 cent per pound-

Or \$6 a ton, which is the duty on bar iron-

valued above 1.8 cents and not above 2.2 cents per pound, six-tenths of

1 cent per pound.

That would be \$12 a ton. So the duty on ordinary bar iron under the present law is as high or higher than the duty upon bar steel. I simply call that to the attention of the Senator from Pennsylvania, not because it is significant in the present argument, for I think he is right in saying that the duty on bar iron probably should be a little higher than the duty on bar steel, but in order to preserve the record as it ought to be, namely, that those who have heretofore framed our tariff bills have imposed quite as high a duty on bar steel, if not higher, than upon bar iron.

Mr. OLIVER. I think, Mr. President, that the Senator from Iowa will find that bar steel, which corresponds in quality and is subject to the same uses as bar iron, will come in at a lower

Mr. CUMMINS. Does the Senator from Pennsylvania say that there is any considerable quantity of bar steel made that is

worth less than \$30 per ton?

Mr. OLIVER. Yes; there is a very considerable part that is

worth less than \$30 a ton.

Mr. CUMMINS. There is very little of it, as I remember. It must go below \$26 a ton in order to be lower than the duty on bar iron.

Mr. SIMMONS. I want to ask the Senator from Pennsylvania if it is not the fact that, because steel can be made so much cheaper than bar iron, steel is displacing bar iron, and that there is but little bar iron now made

Mr. OLIVER. That is certainly true, Mr. President. Mr. SIMMONS. It is certainly true.

Mr. OLIVER. There are still some purposes for which iron is used, and there always will be. Iron is more workable, to use that expression, than is steel; it is easier welded. Then another very important item is, that it is less subject to cor-

rosion or rust, on account of its fibrous structure, from the action of acids than is steel. Therefore a certain amount of it always will be made; it is made for special purposes. the only thing that justifies its manufacture to-day. fact-and I call this to the attention of the Senator from North Carolina [Mr. SIMMONS]-the mere fact that it is made in units of 2,800 pounds, which is the ordinary weight of a puddler's heat, while steel is made in the latest giant open-hearth furnaces in units of a hundred tons, shows how of necessity it must be very much more expensive to make, and I would think that after considering the matter and also considering the fact, as I have stated before, that its manufacture is confined very largely to the Atlantic seaboard, extending down into Tennessee, the committee ought to treat this industry with a fair degree of generosity.

Mr. SIMMONS. I want to ask the Senator from Pennsylvania if he disputes the proposition asserted by the Senator from Iowa [Mr. CUMMINS] that, under the present law, the duty is higher upon the steel products that are mentioned in paragraph 112 than they are upon the iron products mentioned in

paragraph 105?

Mr. OLIVER. I think, Mr. President, that a careful examination of the two paragraphs would show that bar steel of a corresponding quality under the present law is admitted at a lower rate of duty than is bar iron.

Mr. SIMMONS. The Senator says "a lower rate of duty." Is

it not nearly twice as high? Is not the duty on steel under

the present law nearly twice as high?

Mr. OLIVER. The Senator evidently misunderstands me. I say that bar steel of a similar quality would come in at a lower rate of duty than bar iron, because bar iron is subject to a specific duty of six-tenths of a cent per pound, while bar steel comes in at from three-tenths of a cent a pound up; and bar steel under \$26 a ton would come in, as I understood the Senator to say-I have not the figures before me

Mr. CUMMINS. Bar steel valued at three-fourths of a cent per pound or less would come in at the rate of seven-fortieths of 1 cent per pound, which is \$3.50 a ton; and bar steel valued at above three-fourths of a cent and not above 1.3 cents comes in at one and three-tenths of a cent a pound, or \$6 a ton, which is the same as the bar iron.

Mr. OLIVER. No; bar iron is three-tenths of a cent. Mr. CUMMINS. Bar iron is three-tenths of a cent, or \$6

Mr. OLIVER. Then bar steel corresponding in quality would be in that second bracket, which would bring it in at seven-

fortieths of a cent per pound, or \$3.50 per ton.

Mr. SIMMONS. I notice in the comparative tables that we have here, taking all the products in paragraph 105, the average ad valorem equivalent under the present law of the products mentioned in that paragraph is 11.94 per cent, while the average ad valorem equivalent for products mentioned in paragraph 112 is 21.98 per cent. I concede that that is not an accurate guide, because there are a great many products in each of these paragraphs outside of the one which we are now discussing

Mr. CUMMINS. Mr. President, lest I might at some future time be thought inconsistent, I will say that I do not agree with the Senator from Pennsylvania [Mr. OLIVER] that the merchant bar steel will come into the United States at a valuation of \$26 per ton or less. It costs in this country to make merchant bar steel more than \$28 a ton; and I do not believe it costs very much more to make it here than it does to make it abroad. I therefore do not believe that the foreign price of merchant bar steel is as low as \$26 per ton, although I have no positive information on that point. So I think the duty upon which merchant bar steel would come into the United States would be higher than the duty upon which merchant bar iron would come into the United States.

Mr. OLIVER. I should like to ask the Senator from Iowa where he gets his information that it costs more than \$28 a ton to make bar steel? I have a letter here saying that it is freely offered on the Pittsburgh market at this time at \$28 a ton, which would show that if that is the cost of it they are

selling it at cost.

I take it from the tables I used a year ago. Mr. CUMMINS. They were made up by the Department of Commerce and Labor, Bureau of Corporations, from the average of five years, 1902 to The raw material entering into a ton of raw merchant bar steel cost \$21.40; the cost of labor was \$3.06; other operating expenses, \$2.28; so that the labor and other operating charges totaled \$5.34, making the mill cost \$26.75, which, with certain overhead charges, amounting to \$1.37, makes a total cost of \$28.12. It may be that since the examination was made the cost has been reduced. I can not answer about that.

Mr. OLIVER. I am speaking of the selling price. The selling price to-day is \$28.

Mr. CUMMINS. Then, if the selling price is \$28—

Mr. OLIVER. The Senator's figures may refer to gross tons. I am dealing here with net tons.

Mr. SIMMONS. What does the Senator from Pennsylvania insist is the present price of steel bars?

Mr. OLIVER. One dollar and forty cents a hundred in Pittsburgh. I received that information within a week. The price of bar iron is \$1.70 a hundred, showing a difference in the market price of the two commodities of \$6 a ton.

Mr. SIMMONS. Is the Senator giving the cost and not the

selling price?

Mr. OLIVER. I am giving the selling price.

Mr. SIMMONS. I am asking what is the cost price per ton

of steel bars?

I have not the figures of the cost of steel bars. Mr. OLIVER. Mr. SIMMONS. I will state to the Senator that I have had that matter investigated this morning by the expert of the Treasury Department, who assisted the committee in preparing the statistics given in the handbook we are all using, and he advised me that the import price was a cent a pound, or \$20 a

Mr. OLIVER. A cent a pound for what?

Mr. SIMMONS. For steel bars. I am trying to get what the

cost price here is.

Mr. OLIVER. I would want that verified, Mr. President, because I rather think that is very low, even for imported steel bars; but, if that is the case, it would bring the duty on steel bars under the existing law down to seven-fortieths of 1 cent per pound, or \$3.50 a ton.

Mr. SIMMONS. What does the Senator say is the cost of

producing iron bars?

Mr. OLIVER. The cost of producing wrought-iron bars from the pig iron to the bar, I would estimate at not less than \$20 a

Mr. SIMMONS. Is the Senator referring to wrought-iron I understood him to say they cost twice as much as steel bars.

Mr. OLIVER.

Mr. SIMMONS. I understood the Senator to say that steel

Mr. OLIVER. Oh, no; I said that the cost of reducing a ton of pig iron to steel bars would be not to exceed, in my opinion, \$10 or \$11 a ton. The cost of converting a ton of pig iron into

iron bars would be not less than \$20 a ton.

Mr. SIMMONS. What the Senator is complaining of now is that in our amendments we do the same thing which the present law does. The present law, though it is based upon a specific rate, carries a lower duty upon iron bars, which the Senator says is the more valuable product, and a higher duty upon steel bars, which he says is a less valuable product, and the Senator is complaining that we have done the same thing in the amendments to these two paragraphs.

Mr. President, the Senator overlooks the fact that the present law, which carries a higher rate upon the lower product, provides a specific duty. The bill and the amendment which we propose adopt the ad valorem rate, so that the value of the

product will determine the amount of the duty.

The Senator says that iron bars are worth twice as much as steel bars; yet we have a duty of 5 per cent on iron bars and a

duty of 8 per cent on steel bars.

Mr. OLIVER. Mr. President, I do not want the Senator to misquote me. I did not say that iron bars were worth twice as much as steel bars. I said that the cost of converting pig iron into iron bars was twice as much as converting it into

steel bars; and I stand by that statement.

Mr. SIMMONS. How much more does the Senator say that iron bars are worth than steel bars? My information is—and it is taken from public documents—that the price of wroughtiron bars per pound is 2.9 cents, and that the price of steel bars is I cent per pound. Whether that is correct, I can not say from my own knowledge. I can only say that the expert who prepared this book, the man who has been helping us in all these calculations, gave that to me as a statement obtained from official documents.

Mr. OLIVER. If the Senator is relying upon such statements

as that, I pity him.

Mr. SIMMONS. That refers not to the price here, but to the

import price.

Mr. OLIVER. Oh, I am referring to the articles as they are

made here Mr. SIMMONS. Mr. President, the Senator must remember

that we have to take the import price for the purpose of deter-

mining whether a duty is correct or not correct when we compare the duty upon one product with the duty upon another product. What I am going to suggest to the Senator is this: I have had this calculation made this morning upon the hypothesis-and I think the hypothesis is based upon the facts, because it is taken from an official document—that wrought-iron bars are worth, import price, 2.9 cents per pound, and that steel bars are worth, import price, 1 cent per pound. Five per cent on bar iron on that valuation when reduced to a specific rate would be fourteen one-hundredths of a cent. And 8 per cent on the invoice price on bar steel on a valuation of 1 cent a pound reduced to a specific rate would be eight one-hundredths of a cent; so that the duty which we have placed, substituting the ad valorem for the specific carried in the bill, does impose a higher rate per pound upon bar iron than it does upon bar steel, and from the Senator's own standpoint he has no ground for complaint as to the relative rates on these two products.

Mr. OLIVER. Mr. President, I have no exception to take to

the figures presented by the Senator; but knowing what I do about the iron and steel industry, I will state that the price which he gives for iron bars of 2.9 cents per pound, as the average import price, shows conclusively that those bars were of some special nature. They were undoubtedly high-priced Swedish bars, imported probably for the purpose of being used in the manufacture of what is known as high-speed steel. They were not the ordinary merchant bars, because if merchant bars can be sold, as they are, at 1.70 cents in this country, nobody would import those same bars at 2.9 cents a pound, can not understand how the price of steel bars can be 1 cent a pound, because it seems an extraordinarily low price; and if it is to prevail it will make some of our steel manufacturers very sick.

Mr. SIMMONS. I will refer the Senator to the book here, which states that 10,000 tons of it were imported at 1 cent a pound-just the figures I have given.

Mr. OLIVER. I have no doubt the Senator has quoted cor-

rectly. I do not deny that that is correct

Mr. SIMMONS. The Senator says that these figures with reference to the invoice price of imports of bar iron must refer to some unusual, extraordinary, or freakish importation. Mr. President, I have noticed that, whenever the import prices are such as do not suit the logic of Senators on the other side, we are met with that same statement, that they must refer to some extraordinary importation.

Mr. OLIVER. I should like the Senator to explain to me and to the Senate whether he or any other reasonable man would pay 2.9 cents for a foreign article when he can buy the

same article here at 12 cents or less?

Mr. STONE. What is the question, Mr. President? The VICE PRESIDENT. The question is on agreeing to the

first amendment reported by the committee, in section 105.

Mr. OLIVER. Do I understand that the question is simply

on the first amendment?

The VICE PRESIDENT. Yes. The ruling of the Chair has been heretofore, and it seems to have been accepted by the Senate, that the committee has a right to perfect the text of the bill. The purpose of the motion made by the Senator from Pennsylvania, as the Chair understands, would be fully accomplished by refusing to agree to the amendment of the com-

Mr. OLIVER. Well, I withdraw my amendment, Mr. President.

Mr. STONE. As I understand, the motion of the Senator from Pennsylvania was to strike out "5," in line 2, page 30, and insert "10."

Mr. OLIVER. I will withdraw my amendment and simply ask for a yea-and-nay vote upon the rate. Let the other amendments of the committee be adopted.

The VICE PRESIDENT. The question is on agreeing to the first amendment of the committee, which the Secretary will

The Secretary. In paragraph 105, page 30, line 1, after the words "hammered iron," it is proposed to insert "and all iron." The amendment was agreed to.

The next amendment of the Committee on Finance was, in paragraph 105, page 30, line 2, after the word "section," to strike out "8" and insert "5," so as to read, "5 per cent ad valorem."

Mr. OLIVER. On that I call for the yeas and nays.

The VICE PRESIDENT. The Senator from Pennsylvania calls for the yeas and nays. Is there a second?

Mr. STONE. Just a moment. Do I understand the Senator from Pennsylvania to move to amend the amendment?

The VICE PRESIDENT. No; the Senator from Pennsyl-

vania has withdrawn his amendment.

Mr. OLIVER. I will simply ask the Senator in charge of this schedule of the bill if he will not pass this amendment over and give the question of the rates some consideration and come back to it again? I really think that the committee will decide finally, after considering the matter, to change the rate.

Mr. STONE. Mr. President, if there is no question here but

one of rate

Mr. OLIVER. That is all.
Mr. STONE. I do not see any need of passing it over. I

would rather dispose of it, as it has been fully discussed.

The VICE PRESIDENT. The question is on agreeing to the amendment reported by the committee in paragraph 105, page 30, line 2, to strike out "8" and insert "5," on which the Senator from Pennsylvania [Mr. OLIVEE] has demanded the yeas and navs.

The yeas and nays were ordered, and the Secretary proceeded

to call the roll.

Mr. JAMES (when Mr. BRADLEY's name was called). sire to announce that my colleague [Mr. Bradley] is detained from the Chamber by reason of illness. He has a general pair with the junior Senator from Indiana [Mr. KERN]. I will let

this announcement stand for the day.

Mr. GALLINGER (when Mr. BURLEIGH's name was called). The junior Senator from Maine [Mr. BURLEIGH] is at his home in Maine, having recovered sufficiently to be removed to his home town. He is paired for the day with the junior Senator from Virginia [Mr. Swanson].

Mr. FLETCHER (when his name was called). I have pair with the junior Senator from Wyoming [Mr. WARREN]. I have a

do not see him present, and therefore I withhold my vote. If he were present, I should vote "yea."

Mr. KERN (when his name was called). I have a general pair with the senior Senator from Kentucky [Mr. Bradley], and I will therefore withhold my vote, unless it should become necessary to make a quorum.

Mr. SAULSBURY (when his name was called). Has the junior Senator from Rhode Island [Mr. Colt] voted? The VICE PRESIDENT. He has not.

I have a general pair with that Senator, Mr. SAULSBURY.

and therefore withhold my vote.

Mr. SMITH of Georgia (when his name was called). I have a general pair with the senior Senator from Massachusetts [Mr. LODGE]. I transfer that pair to the senior Senator from Virginia [Mr. Martin] and will vote. I vote "yea."

Mr. THOMAS (when his name was called). I have a general pair with the senior Senator from New York [Mr. Root]. I transfer that pair to the junior Senator from Oklahoma [Mr. Gore] and will vote. I vote "yea."

The roll call was concluded. Mr. GRONNA. I desire to announce that my colleague [Mr. McCumber] is absent on account of illness in his family. He is paired with the senior Senator from Nevada [Mr. Newlands]. I wish this announcement to stand for the day.

Mr. KERN. I transfer my pair with the senior Senator from Kentucky [Mr. Bradley] to the junior Senator from Alabama [Mr. Johnston] and will vote. I vote "yea."

Mr. BANKHEAD. I have a general pair with the junior Senator from West Virginia [Mr. Gorf]. I transfer that pair to the senior Senator from Maryland [Mr. Smith] and will vote. I vote "yea."

Mr. SAULSBURY. I transfer my pair with the junior Senator from Rhode Island [Mr. Colt] to the junior Senator from Arkansas [Mr. Robinson] and will vote. I vote "yea."

Mr. THORNTON. I desire to announce the unavoidable absence of the junior Senator from Alabama [Mr. Johnston]. I

ask that this announcement may stand for the day.

Mr. SMOOT. I desire to state that the junior Senator from Wisconsin [Mr. Stephenson] and the senior Senator from Delaware [Mr. Du Pont] are unavoidably detained from the Senate. I will allow this announcement to stand for the day. The result was announced-yeas 51, nays 22, as follows:

	YE	AS-51.	
shurst acon nakhead orah iyan samberlain silton arke, Ark. awford etcher oonna itchcock ollis	Hughes James Johnson, Me. Jones Kenyon Kern La Follette Lane Lea Lewis Martine, N. J. Myers Norris	O'Gorman Overman Owen Pittman Pomerene Ransdell Reed Saulsbury Shafroth Sheppard Sherman Shields Shively	Simmons Smith, Ar Smith, Ge Smith, S. Stone Thomas Thompsor Theraton Tillman Vardamar Walsh Williams

As Ba Ba Ba Ch Ch Criffer Hi

	NA	YS-22.		
Brandegee Bristow Burton Catron Clark, Wyo. Cummins	Dillingham Gallinger Jackson Lippitt McLean Nelson	Oliver Page Penrose Perkins Smith, Mich. Smoot	Sutherland Townsend Warren Weeks	
	NOT V	OTING-23.		
Bradley Brady Burleigh Clapp Colt	du Pont Fall Goff Gore Johnston, Ala.	McCumber Martin, Va. Newlands Poindexter Robinson Root	Smith, Md. Stephenson Sterling Swanson Works	,

So the amendment of the committee was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in paragraph 106, page 30, line 8, after the word "manufactured," to strike out "12" and insert "10," so as to make the paragraph read:

106. Beams, girders, joists, angles, channels, car-truck channels, TT, columns and posts or parts or sections of columns and posts, deck and bulb beams, sashes, frames, and building forms, together with all other structural shapes of iron or steel, whether plain, punched, or fitted for use, or whether assembled or manufactured, 10 per cent ad

Mr. TOWNSEND. Mr. President, I do not care to detain the Senate even for a vote on an amendment which I shall suggest to this paragraph, because I know how entirely useless it would be; but I do wish to call attention to the item of steel sashes and frames. That item is taken out of the basket clause of the The House reduced the duty, which is now about present tariff. 45 per cent, to 12 per cent, and the Senate reduces it still further, to 10 per cent.

This article was not used at all in the United States until the construction of the Singer Building in the city of New York. Since then it has been used to a considerable extent. At the beginning all of it was imported into the United States.

Mr. STONE. Mr. President, if the Senator will pardon me, unless he prefers to go on and complete his statement, it may be that he would be willing, in the interest of expedition, to accept the suggestion I am about to make with reference to sashes and frames. In view of very urgent representations recently made to the committee respecting the matter the Senator has mentioned-sashes and frames-we are entirely willing to pass that paragraph for the present, pending further consideration.

Mr. TOWNSEND. I am perfectly content to have that course adopted. I am simply anxious to have a change made. I am very glad indeed to postpone it if the committee will consider

it further

riz. a. C.

Mr. STONE. Of course I do not know that a change will be made, but it will be taken under consideration.

Mr. TOWNSEND. I shall be very glad to discuss it later, then. Mr. CUMMINS. I was giving my attention to something else. I should like to know from the Senator from Michigan what change he proposes. I should like to be advised in regard to it.

Mr. TOWNSEND. The proposition I was going to suggest to the committee with reference to sashes and sash frames was that the duty provided in the bill is altogether too low, and I was going to ask that it be raised. But the Senator from Missouri [Mr. Stone] suggests that the committee will consider that matter, with a possibility of making some change, and therefore he has asked to have the consideration of the paragraph postponed, in which suggestion I am very glad to acquiesce.

The VICE PRESIDENT. Paragraph 106 will be passed over.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in paragraph 107, page 30, line 16, after the word "otherwise," to strike out "15" and insert "12," so as to make the paragraph

107. Boiler or other plate iron or steel, and strips of iron or steel, not specially provided for in this section; sheets of iron or steel, common or black, of whatever dimensions, whether plain, corrugated, or crimped, including crucible plate steel and saw plates, cut or sheared to shape or otherwise, or unsheared, and skelp iron or steel, whether sheared or rolled in grooves, or otherwise, 12 per cent ad valorem.

The amendment was agreed to.

The next amendment was, in paragraph 108, page 30, line 21, after the word "section," to strike out "15" and insert "12," so as to make the paragraph read:

108. Iron or steel anchors or parts thereof; forgings of iron or steel, or of combined iron and steel, but not machined, tooled, or otherwise advanced in condition by any process or operation subsequent to the forging process, not specially provided for in this section, 12 per cent ad valorem; antifriction balls, ball bearings, and roller bearings, of iron or steel or other metal, finished or unfinished, and parts thereof, 35 per cent ad valorem.

The amendment was agreed to.

The next amendment was, in paragraph 109, page 31, line 2, after the word "section," to insert "and barrel hoops of iron or steel," and in line 3, before the words "per centum," to strike out "12" and insert "10," so as to make the paragraph read:

109. Hoop, band, or scroll iron or steel not otherwise provided for in this section, and barrel hoops of iron or steel, 10 per cent ad valorem.

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in paragraph 111, page 31, line 23, after the word "tin," to strike out "20 per cent ad valorem" and insert "and"; and in line 26, after the word "process," to strike out "20" and insert "15," so as to make the paragraph read:

"15," so as to make the paragraph read:

111. All iron or steel sheets, plates, or strips, and all hoop, band, or scroll iron or steel, when galvanized or coated with zinc, spelter, or other metals, or any alloy of those metals; sheets or plates composed of iron, steel, copper, nickel, or other metal with layers of other metal or metals imposed thereon by forging, hammering, rolling, or welding; sheets of iron or steel, polished, planished, or glanced, by whatever name designated, including such as have been pickled or cleaned by acid, or by any other material or process, or which are cold rolled, smoothed only, not polished, and such as are cold hammered, blued, brightened, tempered, or polished by any process to such perfected only; and sheets or plates of iron or steel, or taggers iron or steel, coated with tin or lead, or with a mixture of which these metals or either of them is a component part, by the dipping or any other process, and commercially known as tin plates, terneplates, and taggers tin, and tin plates coated with metals, and metal sheets decorated in colors or coated with nickel or other metals by dipping, printing, stencling, or other process, 15 per cent ad valorem.

The amendment was agreed to.

The amendment was agreed to

The next amendment was agreed to.

The next amendment was, in paragraph 112, page 32, line 1, after the word "steel," to strike out "ingots, cogged ingots, blooms and slabs, die blocks or blanks, billets and"; and in line 13, before the words "per cent," to strike out "10" and insert "8"; and in line 22, after the word "than," to strike out "No. 6 wire gauge," and insert "twenty one-hundredths of 1 inch in diameter"; and on page 33, line 5, after the word "alloys," to strike out "15" and insert "12," so as to make the paragraph read; paragraph read:

paragraph read:

112. Steel bars, and tapered or beveled bars; mill shafting; pressed, sheared, or stamped shapes, not advanced in value or condition by any process or operation subsequent to the process of stamping; hammer molds or swaged steel; gun-barrel molds not in bars; all descriptions and shapes of dry sand, loam, or iron molded steel castings, sheets, and plates; all the foregoing, if made by the Ressemer, Siemens Martin, open hearth, or similar processes, not containing alloys, such as nickel, cobait, vanadium, chromium, tungsten or wolfram, molybdenum, titaulum, iridium, uranium, tantalum, boron, and similar alloys, 8 per cent ad valorem; steel ingots; cogged ingots, blooms and slabs, die blocks or blanks; billets and bars and tapered or beveled bars; pressed, sheared, or stamped shapes not advanced in value or condition by any process or operation subsequent to the process of stamping; hammer molds or swaged steel; gun-barrel molds not in bars; alloys used as substitutes for steel in the manufacture of tools; all descriptions and shapes of dry sand, loam, or iron molded castings, sheets, and plates; rolled wire rods in coils or bars not smaller than twenty one-hundredths of 1 inch in diameter, and steel not specially provided for in this section, all the foregoing when made by the crucible, electric, or cementation process, either with or without alloys, and finished by rolling, hammering, or otherwise, and all steels by whatever process made, containing alloys such as nickel, cobalt, vanadium, chromium, tungsten, wolfram, molybdenum, titanium, iridium, uranium, tantalum, boron, and similar alloys, 12 per cent ad valorem.

Mr. OLIVER. Mr. President it was my intention to make

Mr. OLIVER. Mr. President, it was my intention to make an appeal to the committee at least to restore the rate of 15 per cent on alloy steel, or what is known to the trade as highspeed tool steel. This steel was unknown, to this country at least, until about 1901. It is used for tools, and with the same quantity of steel it is possible to produce from five to ten times the amount of work that formerly was produced with ordinary or even high-class tool steel.

In the existing tariff law it carries a duty of 20 per cent. Notwithstanding that duty, there are very large quantities of it imported to-day. The process is one involving an enormous amount of labor and skill. The men employed in the industry are necessarily men of skill and intelligence. I am assured, and I have no doubt it is the case, that the production of this kind of steel in this country will be next to impossible if this tariff bill goes into force, because the imports to-day are a very large proportion of the entire amount that is used.

As I say, I had expected to appeal to the good sense of the committee to induce them, if possible, at least to retain the very moderate duty of 15 per cent ad valorem on this kind of steel. But after my experience with paragraph 105, relating to bar iron, I have made up my mind that the committee intends to stand pat on this bill; and I despair of making any impression whatever upon them, no matter how strong may be the arguments that are produced. I therefore leave it with the Senate to vote on it as it stands.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The next amendment of the Committee on Finance was, in paragraph 113, page 33, line 7, after the word "shavings," to strike out "20" and insert "15," so as to make the paragraph read:

113. Steel wool or steel shavings, 15 per cent ad valorem.

The amendment was agreed to.

The next amendment was, in paragraph 114, page 33, line 9, after the word "sand," to insert "by whatever name known," and in line 10, after the word "abrasives," to strike out "30" and insert "25," so as to make the paragraph read:

114. Grit, shot, and sand, by whatever name known, made of iron or steel, that can be used as abrasives, 25 per cent ad valorem.

The amendment was agreed to.

The amendment was agreed to.

The next amendment was, in paragraph 115, page 33, line 18, after the word "hammering," to insert "not specially provided for in this section"; and in line 20, after the word "than," to strike out "No. 6 wire gauge" and insert "twenty one-hundredths of 1 inch in diameter"; and in line 22, after the word "classed," to strike out "and dutiable"; so as to make the paragraph read:

115. Rivet, screw, fence, nail, and other iron or steel wire rods, whether round, oval, or square, or in any other shape, and flat rods up to 6 inches in width ready to be drawn or rolled into wire or strips, alt the foregoing in coils or otherwise, including wire rods and iron or steel bars, cold rolled, cold drawn, cold hammered, or polished in any way in addition to the ordinary process of hot rolling or hammering, not specially provided for in this section, 10 per cent ad valorem: Provided, That all round iron or steel rods smaller than twenty one-hundredths of 1 inch in diameter shall be classed as wire.

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was to strike out paragraph 121, in the following words:

121. Finished automobiles and automobile bodies, 45 per cent ad valorem; automobile chassis, 30 per cent ad valorem; finished parts of automobiles, not including tires, 20 per cent ad valorem.

And to insert in lieu thereof the following:

121. Finished automobiles, valued at \$1,500 or over, and automobile bodies, 45 per cent ad valorem; finished automobiles valued at less than \$1,500 and more than \$1,000, 30 per cent ad valorem; finished automobiles valued at \$1,000 or less, 15 per cent ad valorem; automobile chassis and finished parts of automobiles, not including tires, 30 per cent ad valorem.

Mr. SMITH of Michigan. Mr. President, I simply desire to call the attention of the members of the Finance Committee to a remonstrance which was filed in this Chamber a few weeks ago, signed by every employee in the automobile industry in the city of Detroit, against this proposed reduction. I will not dwell upon it. It has evidently had no weight with the committee, and what I may say will have no weight with the committee. Our success in modeling the bill along the lines of practical utility and American interests has failed, and for one I feel quite discouraged over the outlook.

But I desire to remind my friends upon the other side that the employees in this industry believe themselves to be vitally affected by the changes proposed, do not relish what you are about to give them, and will resent it when the opportunity

presents itself.

Mr. CUMMINS. Mr. President, I have not been quite able to understand the reasons for arranging the paragraph in the way in which we find it. It is easy to see that it is the apparent purpose of the committee to allow high-priced automobiles to come in at 45 per cent, medium-priced automobiles at 30 per cent, and low-priced automobiles at 15 per cent. There is a little mockery about it, however, it being perfectly well known that Europe can not send any cheap automobiles into the United States, and that in fact we send more automobiles of that kind

abroad than they manufacture, all told, I think, in Europe.

But, however that may be, I should like to know from some one who can speak for the committee, whether it is expected that in order to take advantage of these graded rates of duty it is necessary that the machines shall come into the United States as a whole, set up ready for work. Of course, every one who knows anything about the business knows that in order to transport the machines properly and safely over a long distance, at any rate, they ought to be knocked down and transported in It looks to me as though we were imposing upon the importer of cheap machines the necessity of sending in the machines fully set up and thereby incurring a very much higher freight rate in order to obtain the advantage of the lower rate of duty

You have put a duty of 30 per cent upon the finished parts of automobiles. It goes without saying that there will never be

an automobile brought in paying a duty of 45 per cent. A man would be crazy to bring in a finished automobile, paying 45 per cent for it, when by taking the wheels off and the body off he

could bring them all in at 30 per cent.

I can not understand just why the committee has made up the paragraph in this way. I think the duty is very much higher than necessary, anyhow. I am now speaking of the 45 per cent duty. I think it perfectly absurd to put a duty of 45 per cent upon automobiles of any kind when there is not that difference in the cost of production. When the people of America want to buy high-priced automobiles, especially of foreign manufacture, they consult only their taste or their pride, and it does not make any difference how much they may be called upon to pay for

But I should like to know why a duty of 45 per cent is attached to automobiles finished and then a duty of 30 per cent upon the finished parts of those same automobiles. like to know why when an automobile that costs not more than \$1,500 is allowed to come in at 15 per cent you do not allow the finished parts of that automobile to come in at 15 per cent also, in order that if there are any who buy these low-priced automobiles abroad they can take advantage of the low rate which is here proposed to be put upon the machine.

It may be that there is some reason for all this that I have not been able to ascertain in reading the paragraph, and if there

is I will be very glad to hear it.

Mr. THOMAS. Mr. President, under the present law all automobiles, motor cycles, and bicycles, and finished parts of them, are dutiable at 45 per cent. There were imported in 1912 under that law 872 machines. They were high-priced machines evidently, because their total value is \$1,899,000, thus indicating that it is only the very expensive machines that are brought into the country under that duty.

Mr. CUMMINS. But I ask the Senator from Colorado

whether he does not know or does not believe that all those machines that were imported, whether high-priced or low-priced,

came in knocked down?

Mr. THOMAS. No; I do not know that.

I believe if the Senator will examine, unless Mr. CUMMINS. some tourist brought in his machine after having used it in Europe, he will not find that a single machine came into the United States set up ready for use.

Mr. THOMAS. I assume, Mr. President, that if a machine comes over here, whether it comes here put together or knocked

down, it is a machine just the same.

Mr. CUMMINS. But these are parts, and they are to come

in at 30 per cent.

Mr. THOMAS. They are parts, of course, but if A buys a machine in Paris and takes it to pieces and ships it to this country he is shipping an automobile and not finished parts thereof in the sense in which that expression was used in the present law or in which it is used in the proposed law, unless he brings it in different vessels, and I would not imagine that that would be done.

Mr. CUMMINS. I have been told, Mr. President, that ninetenths of the importations of the last year are of chassis alone, and that very few automobiles have been imported with the bodies. It is customary in many cases to put the bodies upon the machines in this country, because we make metal bodies and they do not make them abroad to any great extent.

Mr. THOMAS. I have personally, Mr. President, no information as to that, but it is evident, as I was about to say when the Senator asked his question, that under the present law it is only the very high-priced machines that have been imported. Without knowing definitely about it, I suppose those machines were brought over here by gentlemen who prefer machines of a foreign make, notwithstanding the fact that they could get just as good and just as serviceable and just as attractive-appearing machines of American make as can be imported from abroad. The automobile of that sort, whether made here or whether made abroad, ought to fall, if it does not fall, under the class of luxuries. They are the machines that are used by people who can afford them for pleasure as well as for business purposes, but they are nevertheless not indispensable to the average individual, or to any individual, so far as that is concerned.

Mr. SMOOT. Mr. President—

The VICE PRESIDENT. Does the Senator from Colorado

yield to the Senator from Utah?

Mr. THOMAS. With pleasure.

Mr. SMOOT. I called attention to what I consider to be an inconsistent arrangement of this paragraph in the speech that I delivered in the Senate on July 21 and 22. I at that time made this statement

"It is ridiculous to put a duty of 45 per cent on automobiles valued at \$1,500 or more, and then to admit at 30 per cent chassis and finished parts. The bodies of automobiles are too bulky, and subject to damage in shipping, and too expensive to ship by reason of their bulk in proportion to their value. Hence European manufacturers, as a rule, do not make the bodies, and as long as they can send chassis into this country at 30 per cent, the 45 per cent duty on any kind of an automobile would be of no value as a protection to American manufacturers. One of the Democratic members of the Ways and Means Committee of the House said that 'the automobile chassis is practically the finished car, with the exception of the body and the tires.

That is the truth. There is no question that more than ninetenths of all the automobiles shipped from abroad are only shipped here with the running gear, or chassis, and the body is made in this country. While it is provided here that finished automobiles at a value above \$1,500 shall carry a duty of 45 per cent in the future, if this bill passes there will be no such shipments to this country as long as the chassis can be shipped here at a duty of 30 per cent.

at a duty of 30 per cent.

Mr. THOMAS. Mr. President, I do not believe that a machine which simply lacks the body can be shipped over here as a finished part of the machine. But whether it can or not, the only effect of this would be to bring it in here at a 30 per cent

rate.

Mr. SMOOT. That is true, but then why—
Mr. THOMAS. The only effect of that would be to reduce

the revenue to the Government.

Mr. SMOOT. Why try to make it appear to the country that because they are a luxury, as automobiles, I suppose, should be classed, though at a value of \$1,500, shall carry 45 per cent, when in reality there would be no such shipment?

would pay 30 per cent instead of 45 per cent.

Mr. THOMAS. In many instances people go abroad and take their automobiles with them. Accidents occur, in consequence of which finished parts are required and they must be had. One of the things which the committee had in view was to meet that situation, so that the parts of machines which might be essential as a result of accident or other unforeseen occurrence might be provided for. But I do not see any calamity that will be involved if that machine should all be taken apart and a portion of it shipped in one vessel and a portion in another vessel and brought into this country at 30 per cent. per cent is a very good duty, and so far as the automobile business requiring any protection goes, it does not require any whatsoever. An enormous amount of the machines that are manufactured in this country are exported. The export business in this line of industry is not only large, but it is growing larger every day. If I am correctly informed, one great establishment in the city of Detroit has its cars scattered all over the face of Germany at present, to say nothing of its invasion of other markets.

Now, we kept the duty at 45 per cent upon the high-class automobile upon the theory that it is a luxury, as it is a luxury, and while there are no other sort of cars imported here Mr. WILLIAMS. It is a fad to get a French automobile.

Mr. THOMAS. Of course it is a fad to get a French automo-While there are no low-priced cars imported here at present, it may be that under the lower duty there will be competition in that particular class of the automobile industry. But whether so or not, an opportunity is given by the provision for competition in the more useful and the cheaper cars that are now used so generally.

Mr. CUMMINS. Mr. President, I simply want to say that my objection to this paragraph in its present form is that substantially everything will come in at 30 per cent. This rate is not too low, but the suggestion of 45 per cent, in my opinion, is a mere glittering pretense, and the suggestion of anything coming in at 15 per cent may also be a pretense, because ir order to take advantage of 15 per cent it must come in wholly set up. The freight rate upon such an automobile shipped in that way, although I do not speak of that with certainty, will largely overcome the advantage that is sought to be given to the poorer people by the reduction of the rate to 15 per cent.

Why not put on a duty that will amply protect it? I think that 20 per cent is ample upon all kinds of automobiles. You will then get more duty or about the same duty that you will get under the present law; you will deceive nobody; everything will be open and candid and fair, and every man can under-

stand it.

Mr. THOMAS. May I ask the Senator what rate of duty he provides for automobiles in his proposed substitute for SchedMr. CUMMINS. The substitute that I have proposed reads

Automobiles, bicycles, and motor cycles, and finished parts of any of the foregoing, not including tires, 25 per cent ad valorem.

That is high enough.

Mr. THOMAS. That is 5 per cent higher than the Senator thinks is a proper duty upon that product.

Mr. CUMMINS. It is 5 per cent lower than the duties that are proposed in this bill.

Mr. THOMAS. I understood the Senator to say just now that he thought 20 per cent was ample.

Mr. CUMMINS. If I so said, I did not speak accurately, because I meant 25 per cent.

Mr. WILLIAMS. Mr. President-

The VICE PRESIDENT. Does the Senator from Colorado yield to the Senator from Mississippi?

Mr. THOMAS. With pleasure. Mr. WILLIAMS. The Senator from Iowa has just said that keeping 45 per cent upon automobiles worth over \$1,500 is a mere pretense, from which I infer that he believes none of them would be imported. The world is run a great deal by fad and fancy and fashlon, three very strong "f's."

Mr. CUMMINS. If the Senator—
Mr. WILLIAMS. Wait just a moment. There is another
"f." There are a lot of fools in this country that will have
only fancy makes of automobiles. They can get better automo-

blies here, but they will not have them.

I find that in 1905 two million and a quarter dollars' worth, in round numbers, of these automobiles were imported, and the unit of value was \$3,500 aplece; and that in 1910 two and three-quarter million dollars' worth, in round numbers, were imported, and the unit of value upon the average was two thousand one hundred and fifty-two dollars and some cents apiece. Last year it was a million and three-quarters, with a unit of value of two thousand one hundred and seventy-eight dollars and some cents. In other words, this shows from the very unit of value of the imported automobiles that only the very highest priced automobiles were being imported at all.

Now, we believe that they were being imported merely because certain fashionable people wanted them and would have them, and in some cases because American tourists abroad bought them and brought them back with them. We did not think, therefore, that there would be a diminution of the revenue derived from the importation of automobiles by leaving the duty upon the highest priced ones at 45 per cent, whereas we thought that when we got down to the lowest priced, which hitherto evidently have not been imported at all, possibly if we reduced the duty on some of them to 30 per cent and on others to 15 per cent, some of them might be imported and we

might add to the revenue.

Mr. CUMMINS. Mr. President—

Mr. WILLIAMS. I am rather of the opinion that the 30 per cent and the 15 per cent tax upon the lower priced automobiles will be prohibitive, because there is no fashion that demands them, no fancy that demands them, but the other automobiles will come in.

Now, the Senator asks why we put a duty of 30 per cent upon chassis while we put a duty of only 15 per cent upon the lowest priced automobiles in the classification.

Mr. CUMMINS. Before the Senator from Mississippi passes

that, let me say

Mr. WILLIAMS. Let me finish the sentence. I understood the Senator himself to say—or was it the Senator from Utah [Mr. Smoot]?—that nearly all the importations came over in the shape of chassis.

Mr. SMOOT. Mr. President, there is no question about it. If the Senator will look it up he will find that is the case, and that the chassis

Mr. WILLIAMS. I am not disputing the fact; I am merely

asking if my hearing was correct.

Now, the Senator from Utah states what I understand is the fact, that a majority of them do come over in chassis now. That being the case, we concluded that if we taxed the chassis and finished parts, and, by the way, many of the finished parts are interchangeable, we would get the revenue of 30 per cent, because the rate hitherto had not been prohibitive of the chassis. So we will still get some revenue from that. Now, if we put the duty on the chassis down to 15 per cent, they could bring in chassis for a high-priced automobile at the lower duty and lose us that much revenue.

Whether this reasoning be sound or not, it was the reasoning, and whether the reasoning be based on actual facts or not, they are facts, as I understand them and the inference from them.

Mr. CUMMINS. Mr. President, I am not objecting from the standpoint of my friends on the other side of the Chamber, but

a 45 per cent duty, I think, is very much more than necessary

Mr. WILLIAMS. Not for the higher priced auto.
Mr. CUMMINS. For protection. I do not think we need any such duty in order to protect the business in this country.

Mr. WILLIAMS. It was not levied for protection. Mr. CUMMINS. What I said was that you would not have any importations at 45 per cent, because it is easy to knock down the vehicle abroad. They are all knocked down; they are not brought in here on wheels and as finished automobiles. You are therefore saying to the country we are going to tax high-priced automobiles at 45 per cent, whereas, as a matter of fact, you are taxing them at 30 per cent, because they will come in at 30 per cent. I think that is too high.

Mr. WILLIAMS. Such of them as do come in knocked down

will be 30 per cent.

Mr. CUMMINS. That is, all.

Mr. WILLIAMS. If the Senator thinks that no finished automobiles came into this country, the import reports in 1910 and

1912 will undeceive him. They did come in.

Mr. CUMMINS. The Senator from Mississippi possibly forgets that under the present law there is no distinction or difference between finished automobiles and parts of automobiles. They all come in at the same rate of duty. There is no classification there that will distinguish those that came in on wheels

from those that came in knocked down.

Mr. WILLIAMS. I beg the Senator's pardon. If the Senator thinks that the import reports do not classify these things differently, he is mistaken. Of parts of automobiles, the imports reported last year were \$299,000, while automobiles were imported to the value of \$1,899,000. That is under the head of parts of automobiles. Whether under the head of parts of automobiles, chassis are included, I can not say, but I should think that they would be included under that head in making up the summary of the imports rather than under the heading of

Now, the total value of automobiles and finished parts both

put together imported last year was \$2,199,567.

Mr. CUMMINS. All I know about it is that it is customary to knock the vehicle down before you transport it. I have been told by those who import automobiles that the number imported as a whole is negligible; that there have been substantially none, and I have proceeded upon that hypothesis.

Mr. WILLIAMS. I can tell the Senator why the authorities kept the classification separate. Under the Payne-Aldrich law automobiles, bicycles, and motor cycles, and finished parts of any of the foregoing, were separately denominated, although they were all taxed at the same percentage. Evidently, however it happened, the Government did attempt to keep them separate and they are reported separately. Under one heading automobiles are reported, under another heading parts of automobiles are reported, and under another heading the total of the two is summed up.

Mr. SMOOT and Mr. THOMAS addressed the Chair.

The VICE PRESIDENT. Does the Senator from Colorado yield to the Senator from Utah?

Mr. THOMAS. I have in theory had the floor, I think, for the last half hour. I shall yield to the Senator from Utah.

Mr. SMOOT. Mr. President, in the past there was no necessity whatever for shipping automobiles in parts into this country. Under this bill, of course, purchasers will ship them in finished parts, and no importer will pay more than 30 per cent

on an automobile under this bill.

There is, however, another inconsistency in the bill. The duty on finished automobiles valued at \$1,000 or less is 15 per cent ad valorem; valued at over \$1,500, 45 per cent ad valorem. order to save freight charges, which would be heavy if shipped in the form of a finished automobile, the shipper of high-priced machines would remove the wheels or ship in parts of the machine. Under this bill, on finished parts a duty of 30 per cent is imposed. Of the cheap automobiles, on which the framers of this bill seem to have been trying to make the people of the country believe that only a duty of 15 per cent is being assessed, there are no importations, and if the parts of such a machine is imported they will carry a duty of 30 per cent.

Mr. THOMAS. Then the Senator from Utah is of the opinion that a man who buys a high-priced machine will take it to pieces and bring it over here at 30 per cent, and a man who

buys a low-priced machine will do the same thing?

Mr. SMOOT. No; I say if he were compelled to import any part of the machine, while the machine as a whole would pay a duty of 15 per cent any finished part of it would pay 30 per cent.

Mr. THOMAS. If that should result, I would agree with the Senator from Utah that this was a ridiculous provision.

Mr. SMOOT. Does the Senator say that anybody would ship a high-priced automobile into this country complete, and pay a duty of 45 per cent, when under this bill, by taking the wheels off and shipping it in parts, he might get the machine through with the payment of a 30 per cent duty?

Mr. THOMAS. Certainly, I believe the purchaser of one of these machines would do just that thing; but I do not believe anybody who had a machine bearing a 15 per cent duty would be foolish enough to take the wheels off in order to enable him

to get a 30 per cent duty.

Mr. SMOOT. Nobody has ever suggested such a thing.

Mr. THOMAS. Then I misunderstood the Senator.

Mr. SMOOT. I said if the purchaser of an automobile shipped a machine in complete the duty would be 15 per cent, while if he shipped it in parts to be here reassembled the duty

would be 30 per cent.
Mr. THOMAS. That is correct.
Mr. SMOOT. That is what I intended to say.

Mr. THOMAS. Any single part; but that is a very different thing from the collective portions of a machine which are brought in together for the purpose of being reassembled.

That is the machine.

Mr. SMOOT. In the past I said, Mr. President, there was no necessity for the purchaser of an automobile shipping a part of a machine if he were buying it, because the rate upon the parts of the machine and the rate upon the finished machine were exactly the same-45 per cent ad valorem.

Mr. HUGHES. Will the Senator from Colorado yield to me?

Mr. THOMAS. Certainly.

The Senator from Utah [Mr. Smoot] knows, Mr. HUGHES. does he not, that the supposititious case that he put has been Passed upon by the Treasury Department at the port of New York and that an automobile with the wheels or other parts missing is regarded as an automobile?

Mr. SMOOT. The Senator from Utah does not know that, and he thinks that the Senator from New Jersey can not find a

decision to that effect.

Mr. HUGHES. I know that that has been the unbroken prac-

tice at the port of New York.

Mr. SMOOT. If that is the case, a chassis is a machine—Mr. HUGHES. I did not say that a chassis was a machine. The Senator from Utah instanced the case of an automobile with wheels which had been taken off. I say that that is not a finished part; it is a collection of finished parts, which is to all intents an automobile, and would so be construed under this language.

Mr. SMOOT. I only spoke of that in connection with the knocking down of an automobile. Of course, I could have named the parts specifically in the way that the machine would I do not think the machine would be shipped be shipped. merely with the wheels off. I only mentioned that by way of illustration. I meant, of course, that if the machine were shipped in a knocked-down state it would come in at a 30 per cent duty

Mr. WILLIAMS. Oh, no. If the whole automobile came along, whether it was "knocked down" or knocked up, it would pay the duty of a machine, and if a part of it came in the part

would be taxed.

Mr. SMOOT. And they will always come in in parts if this ll passes. There is no doubt about that.

bill passes.

Mr. HUGHES. I want to call the Senator's attention to the fact that I think he is hasty in assuming that automobiles will always come in in parts.

The VICE PRESIDENT. The Chair would suggest, in the interest of the reporters, that there should be some observance of parliamentary methods in the procedure of the Senate.

Mr. HUGHES. I will say that one of the most essential stages in the construction of the automobile is the assembling; and I think the Senator is mistaken if he assumes that the manufacturers of high-priced automobiles are going to send them over in parts and have them assembled here by mechanics who do not know anything about them. As a rule that class of automobiles is assembled on the other side and tuned up to

the proper pitch before they are shipped.

the proper pitch before they are shipped.

Mr. SMOOT. Certainly; that is what they have been doing in the past, and that is what they will be doing in the future under this bill. They will not have to knock them down, because you provide here a 30 per cent duty for the chassis, and that is all they will ship, for that is a complete machine outside of the body. The Senator knows that over 90 per cent of the new foreign machines shipped into this country now are shipped

Mr. HUGHES. I do not know anything of the kind. My

information is to the contrary.

Mr. SMOOT. My information is that over 90 per cent of the

machines are imported without bodies.

Mr. HUGHES. I think I have seen the various kinds of automobiles that the Treasury reports cover—they are not very numerous-and it seems to me I have seen them many afternoons on Fifth Avenue, in the city of New York. All of those foreign machines had foreign bodies, and all of them were shipped into this country complete. I do not know whether under the law an American citizen who has been abroad can bring an automobile back with him or not.

Mr. JAMES. He can if he pays the tariff on it.

Mr. HUGHES. But it seems to me that there is a great disparity between the Treasury figures and the number of foreign automobiles that a man can observe upon the streets of a city

like New York, for instance.

Mr. JAMES. It was stated by the expert we had before the committee when this schedule was under consideration that a great many wealthy Americans who toured the Old World purchased their automobiles and brought them back-the body as well as the chassis and every other part of the automobile— and this rate of 45 per cent was fixed in the bill in order that that character of machines should pay the 45 per cent duty.

Mr. TOWNSEND. Mr. President, I very much prefer the Senate provision to the one in the House bill. I do not, however, agree with Senators who have said that the automobile is

purely a fad. It might have been such at one time, but the automobile to-day is a necessity.

Mr. WILLIAMS. I used the word "fad," but if the Senator from Michigan understood me to say that the automobile was a fad he made a mistake. I said that the high-priced automobiles that were bought by rich, fashionable people and brought back by the American tourist from Europe were a fad and a fashion and that they could obtain a better machine for less money in America. That is what I said-not that all automobiles were fads.

Mr. TOWNSEND. I was just going to reach that point. I do not suppose the Senator will deny it, now that he has repeated it. The Senator did use the expression that there are "certain fools" who prefer the high-priced foreign-made ma-

chines to the better machines made here at home.

I agree, Mr. President, that in this the Senator displays good judgment. His criticism of Americans who buy high-priced cars abroad applies not only to those who purchase automobiles but also to those who purchase other things that are made in foreign countries when equally good or better things of domestic production can be obtained at home. I am glad that in one production can be obtained at home. I am glad that in one article, at least, the committee is content to put a duty that will protect the home product. I think a man is foolish; I think he is not a good American—that is, from my standpoint, I mean; I am not impeaching or trying to impeach men who entertain honest convictions of a different kind—but from my standpoint he is not the best American who believes in purchasing or permitting the purchase of anything abroad that can be reasonably produced and purchased at home be reasonably produced and purchased at home.

I am in favor of the Senate provision as against the one in the House bill, although I believe it has already been developed in the discussion of this item that it is subject to various constructions and that the people will be deceived by it. They are not going to get what the committee suggests. It is not what it appears to be. I think that the duty ought to be higher on the parts of automobiles than that provided in this section. The parts of an automobile valued at \$1,500 or more should bear the same rate of duty as the completed car, and the same is true as to the other priced machines. I admit that now there are none of the lower-priced automobiles imported, and I doubt if there will be many imported under the pending measure when it becomes a law, because we are making more of such automobiles in this country than are made anywhere else in the world. We are making in Michigan two-thirds of all the automobiles that are made in the United States, and a large proportion of those are made in Detroit. The price has been going down until, I think, we are making the best article for the money that can be made in the world. It is a great industry; it is not a fad; it is not something that can be done away with, because the automobile has come to stay. It is the place of the horse—and it is a mercy that it is so. It is taking automobile is necessary to the progress of the age in which we live. I want to see this industry thrive, and I commend those Democratic Senators for admitting the unquestioned fact that we are making better automobiles in the United States than are made abroad, and that it is well to retain a duty of 45 per

cent on imported cars.
Mr. WILLIAMS. Mr. President, what I said was that buying foreign automobiles at extravagant prices was a fashion and a

fad, and I did, in the heat of debate, say that fools bought them. A man is not a fool simply because he is fashionable. The Senator from Michigan can not fasten upon me the utterance that automobiles are fads. On the contrary, we have attempted here to reduce the tax on the lower-priced automobiles which hitherto have been made in this country and none of which hitherto have been imported into this country at all.

Mr. TOWNSEND. And does the Senator expect that any will be imported under the provisions of the bill as reported?

Mr. WILLIAMS. We thought that perhaps some few of them might be. The difference between the Senator and me is this: I hesitate to use the word "fool," yet I did use the word "fool" in describing anybody who would go abroad merely to be fashin describing anybody who would go abroad interest to be tash-ionable and, to comply with a fad, buy a higher-priced inferior article rather than to buy a cheaper-priced superior article at home, while the Senator seems to think that anybody who will buy from abroad a better article at a less prace is a fool. That is a proposition to which I do not subscribe. I do not subscribe to the idea that it is not patriotic to buy an article made in Germany or an article made in England, provided I can get an article of better quality at the same price or of the same quality at a less price. It is very far from being either unpatriotic or foolish.

I have never seen, for the life of me, any sense in the idea that seems to get into some men's heads that one nation trades with another. A man in one country trades with another man in another country, or two men in the same country trade with one another: but the patriotism that expresses itself in terms of commercialism is to me a very contemptible thing. It seems to me that trade is one thing and patriotism is another, and that every human being has a right to buy what he needs and what he wants of the best quality at the cheapest price possible; that every interference with that is an interference with the laws of trade; and that patriotism has no more to do with it than has religion or Christian Science or anything else that is

totally disconnected from it. Whether by this provision we are going to make automobiles of the cheaper variety cheaper to the people of the United States I confess I do not know; but if when the automobile trade is at its very best, the American producer of an automobile can hold his price up near the tariff-fixed level, then, undoubtedly, he will have to reduce it in order to prevent Every one of you on the other side admits that no duty at all is necessary for protection, and we on this side admit that we do not fix these duties for protection, but that we fix them with the hope of getting revenue.

Mr. BRANDEGEE obtained the floor. TOWNSEND. Mr. President-

Mr. BRANDEGEE. I yield to the Senator, if he desires.

Mr. TOWNSEND. I merely want to correct one statement made by the Senator from Mississippi. I have not admitted that the automobile industry needs no protection. I think, so far as chassis are concerned, in many kinds of automobiles we do need protection. I think the records will disclose that the prices our manufacturers are paying are so much greater than the prices paid for similar work abroad that we need protection. If we are to continue the American wage and conditions of

living, the cost here and abroad should be equalized.

Mr. President, there has been no charge, I take it, made to the committee or to anybody else that there has been any combination or any attempt at combination on the part of automobile makers in the United States. I will not assume to say how many factories there are now in the State of Michigan, but I do say that there is the strongest possible competition amongst They are working in many instances at about as low a figure in the cost of production as it is possible for them to work and get any return on their investment, and Congress can not afford, especially at this time, when enterprise is at least frightened, to wantonly injure this great industry. Not all the automobile factories, by any manner of means, are making large money. I know it to be a fact that many of them are running very close, so far as receipts and expenditures are concerned, and the severe competition which has been going on throughout the United States has been all the protection the people needed to insure them against extortionate prices on the part of the manufacturers.

So I have stated that so far as the higher-priced automobile is concerned I think 45 per cent is a reasonable protective duty. I think it is perfectly proper that that rate should be imposed; and while I am better satisfied with the other duties provided by the committee than I am with those in the bill as it came from the House, still I am not pleased by what seems to me to be the hypocrisy displayed in this provision. I think it would be better to have the language clear, so that there could be no misunderstanding, and manufacturers and im-

porters would know exactly what the duty is to be upon these articles. It may be wise to classify machines according to price, but economy of administration and wisdom of purpose would dictate that unassembled parts of automobiles should be subject to the same rate of duty as is the completed car.

I shall, however, vote for the committee amendment.

Mr. WILLIAMS. Mr. President, if the Senator from Connecticut [Mr. Brandegee] will pardon me for a moment, I understood that there was a pretty strong consensus of opinion on the other side of the Chamber that automobiles did not need protection. I ought to have remembered at the time, however, that the Senator from Michigan [Mr. Townsend] had not added his voice to that of the others to that effect; but I want to call the Senator's attention to the fact that last year we exported \$21,500,000 worth of automobiles, and the Senator from Delaware [Mr. Saulsbury] has just dropped me a note in which he tells me that the Ford Automobile Co.—I am not certain where the Ford Automobile Co. is located, but I think—
Mr. TOWNSEND. It is located in Detroit, and it is the

largest automobile factory in the world.

Mr. WILLIAMS. I was about to say that I thought it was located at Detroit. That company is now selling at from \$750 to \$900 a machine which is just about as good a machine as can be made.

Mr. TOWNSEND. They are selling some of them as low as

Mr. WILLIAMS. I did not know they had the price down as low as that; but I knew they had it down to \$750. Even at this price and in spite of the sharp competition, it was recently reported in the newspapers that the Ford Co. divided \$10,000,000 profits in dividends. That rather tends to support the position I took a moment ago, to the effect that this industry does not need protection; but it does not prove that they may not reduce their prices still lower if we reduce the duty, because it is possible that that might enable others to import into our country a machine which, while it could not compete at all at a reasonable price, would make the domestic manufacturer reduce his price to a point at which it would be impossible for the foreigner to export his articles to America.

I think a concern which can declare a \$10,000,000 dividend has not been driven to the wall by sharp home competition. The machine which they make is a machine which the farmers, contractors, lawyers, doctors, and the masses of the people who use automobiles at all use. We have tried to reduce the duty on them, while we have kept the duty upon the fad machines. The fashionable man who wants that sort of a machine is going to buy it, no matter what it costs; he is going to buy it with the French body and everything else; and the idea that he is going to knock it down into all of its different parts and ship each one as a separate part, with a separate freight rate in

detail upon each part, strikes me as absurd.

Mr. BRANDEGEE. Mr. President, I have here a communication from the Locomobile Co. of America, in which the president of the company states:

dent of the company states;

We are very much disturbed over the prospect of the tariff bill passing the Senate with a duty of 30 per cent on chassis and 20 per cent on parts, and I am sending you by separate mail a brief gotten up by some 27 automobile manufacturers, which gives our position in the matter.

The Locomobile Co. of America employs in Bridgeport some 2,000 hands, and last year our pay roll was approximately a million and a half dollars. In view of the situation on the tariff, we have cut our product for the next year one-third, which means the cutting of our pay roll practically half a million dollars, and will put some five or six hundred men out of work.

There is no doubt that some of the cheap cars (like Ford, for instance, where the labor item in a car is very small) can compete with anybody in the world; but we are of the opinion the automobile manufacturers whose labor in the manufacture of their car is high, such as ours, are going to have trouble from serious foreign competition if the bill becomes a law as it passed the House.

I wrote him in reply that the bill had not been reported by

I wrote him in reply that the bill had not been reported by the Senate committee exactly as it passed the House and advised him what the Senate committee had recommended regarding the duty on automobiles. He then replied to me as

The substitute paragraph on automobiles that you quoted in your letter should read that "Finished automobiles and chassis, valued at \$1,500 or over," etc. All chassis over \$1,500 should come in at 45 per cent duty, not at 30 per cent.

I myself fail to see why the chassis of an automobile valued at over \$1,500 should not bear the same rate of duty, or, at least, as high a rate of duty, as the finished automobile. of an automobile contains the intricate mechanical work, and, in my view of it, there is nothing lacking to complete the automobile except putting the body on the chassis, which any carriage or coach maker can do.

If it be in order, I will now offer an amendment to the committee amendment; and if it be not in order now I will offer it at the proper time. I move to strike out, in line 5, on page 36, the last two words, to wit, "automobile chassis" and the comma and the first word in line 6, the word "and," and to insert, after the second word of the first line on that page, to wit, after the word "automobiles," the two words "and chassis," so that it will read:

Finished automobiles and chassis, valued at \$1,500 or over.

Mr. THOMAS. I will suggest to the Senator, with his permission, that unless the amendment went further there would

be no provision for chassis valued at less than \$1,500.

Mr. BRANDEGEE. Very well, Mr. President; if the committee should desire to make a change in that respect, of course it could report an amendment. Not knowing what the views of the committee may be on chassis valued under \$1,500, I should not like to offer an amendment for them. I simply desire now to offer the amendment I have suggested, and, in view of the suggestion of the Senator from Colorado, if the amendment should meet the judgment of the Senate I will prepare another to meet the point raised by him.

I simply wish to state—not to multiply words about it, but simply to make the point of principle clear-that it seems to me the real work, the fine mechanical work upon an automobile is done upon the chassis and the machinery part of it, and not upon the upper works or the body of it. I think that complicated work should bear a duty as high as the duty paid on the

completed automobile.

Mr. STONE. Mr. President, I think this paragraph has been sufficiently debated. Does the Senator from Connecticut offer an amendment to it?

Mr. BRANDEGEE. Yes; I have stated the amendment. I

will offer it now.

Mr. STONE. It is offered, as I understand, as an amendment

to the amendment of the committee?
Mr. BRANDEGEE. It is offered as an amendment to the

committee amendment.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Connecticut to the amendment reported by the committee.

Mr. TOWNSEND. Mr. President, I want to say a word in reference to the statement made by the senior Senator from Mississippi [Mr. WILLIAMS]. I contend that the statement he has made with reference to the Ford automobile shows that, through competition in the United States, the price of that par-ticular automobile has been going down. The Ford Automobile Co., in my judgment, needs no protection. It is perhaps the largest manufacturing concern of automobiles in the world. I will not attempt to state accurately just what their production is, but I know it was reported that during several months of this year that company shipped out an automobile every minute. It manufactures automobiles on a large scale.

One of the things—it does not apply so much here, but it calls to my attention the fact—one of the things I am most complaining about in this bill is that nearly everything is aimed at the large concerns. That idea is in mind in connection with the Steel Trust, for instance, and the large automobile factory that is exceedingly prosperous; but in striking at them we hit

the smaller concerns a fatal blow.

Take, for instance, the question of steel wire, which we are We strike a blow at the large concerns which soon to reach. have been making steel wire, but at the same time our statutes are such that we prevent or prohibit one company from buying up the smaller concern. We prohibit the large wire company from buying up smaller plants throughout the United States, and yet by this bill we actually drive those smaller factories out of business and give the field to the larger concerns, a field which they attempted to get by purchase, but which our statutes forbade them doing. Under the bill now pending we encourage

So in the case of this large concern, the Ford Automobile Co., it does not need protection. It has the field; it is manufacturing its cars at a small profit per unit, per single car, and by turning them out at the rate of a car a minute, at a very little profit per car, it of course can continue in business, but the policy of this Government is-and certainly the Democratic Party has professed-to prevent monopoly and encourage competition. This bill is the best friend monopoly could desire.

Mr. STONE. I hope we may have a vote now, Mr. President. The VICE PRESIDENT. The question is on the amendment proposed by the Senator from Connecticut [Mr. Brandegee] to

the amendment reported by the committee.

Mr. BRANDEGEE. Mr. President, if I may do so, to meet the suggestion of the Senator from Colorado [Mr. Thomas], I will ask to modify my proposed amendment by inserting after the word "autemobiles," in line 3, page 36, the words "and chassis."

Mr. GALLINGER. Let the amendment to the amendment be stated

The VICE PRESIDENT. The Secretary will state the amendment to the amendment.

Mr. BRANDEGEE. If I may be pardoned for making the suggestion, let the paragraph be read as it would appear if the amendment to the amendment were agreed to.

Mr. SMITH of Michigan. Mr. President, I should like to ask the Senator from Missouri a question. Suppose the chassis of an automobile comes in one ship and the body in another,

under what rate will they enter our port?

Mr. STONE. The Senator asks a question which I do not

know whether I can answer or not. I will do the best I can.
I take it that if a machine from France should be dismantled and shipped in one vessel it would be charged at the rate of the whole machine, as if it had come in without being knocked down. If some parts of it came in a separate vessel, I take it they would pay the rate of the parts, unless it were shown that there was a fraudulent scheme planned out to evade the duties imposed by our laws

Mr. SMITH of Michigan. There is nothing in the present law that will enable the customs officers to assemble these parts

at the port of entry.

Mr. STONE. I think we have a sufficient administrative force to keep fairly good track of frauds, or attempted frauds, on the customs. Moreover, I very seriously question whether any man who was importing a machine from abroad would go to the trouble and expense and delay incident to separating a machine and shipping it into the United States in different vessels.

Mr. SMITH of Michigan. Suppose he were a sales agent? Mr. STONE. If he were a sales agent, receiving here for sale on the market in this country machines made abroad and putting them into his warehouse, my opinion is that the customs officials could very easily discover that he was separating these machines into parts and shipping them in that form to evade the legitimate duty imposed upon them, and he would find great difficulty in maintaining that business policy.

Mr. SMITH of Michigan. Is it the intention and plan of the Finance Committee, of which the distinguished Senator from Missouri is an influential member, to afford ample protection

to the automobile industry of America?

Mr. STONE. The purpose of the Finance Committee has already been stated. It is not intended to be a protective duty,

Mr. SMITH of Michigan. Is it intended to be a duty of 45

Mr. STONE. A duty of 45 per cent is imposed upon highclass machines; and I believe machines of that kind, high-class, fancy-made French machines, that are purchased by very rich

Mr. JAMES. As a luxury. Mr. STONE. Yes; as suggested, as a luxury—for they are a luxury—I believe the purchasers of such machines care very little about the additional expense imposed by the custom duties. They want these machines, and they will have them, no matter what they cost. If we should put the duty at a great deal higher rate than we have prescribed in this bill, I do not believe it would decrease the importations to the extent of a single machine.

Mr. SMITH of Michigan. Mr. President, I do not wish to annoy the Senator from Missouri by my questions.

Mr. STONE. The Senator does not annoy me.

Mr. SMITH of Michigan. I am very anxious that this industry should be protected, as every other labor-employing industry needs protection against cheaper foreign labor. I believe it needs protection. I would protect it, because I want to protect the wage earner who makes the machines here against competition from abroad. In that respect I feel that even the Ford establishment, with its tremendous output, is entitled to come under that law with its hundreds of thousands of workmen, notwithstanding large profits to the employers. is for those workmen that I would have this duty definitely understood. Other countries have their tariffs against American automobiles. Canada has a tariff, I think, equal to our own, against American automobiles. The Ford Co. have been obliged to go into Canada and establish factories there, employing hundreds of men, in order to get the Canadian market free of tariff. We ought not to make it easy for foreign-made machines to get over here in unfair competition with the men who make these machines in the United States. much concerned about the men who own the factories, but the men who make the machines. I do not believe that under the language of this bill they will receive the protection which apparently they will expect to receive. I believe the duty has been reduced in practical operation to 30 per cent, and I am

Mr. STONE. I understand the Senator's position fully. ask a vote on the amendment offered by the Senator from Connecticut.

Mr. CUMMINS. Mr. President, before the vote is taken I

desire to say a further word.

When I first objected to the paragraph, I assumed that it did not clearly express the intent of the committee. I thought the committee really intended to reduce the duty, and to reduce it efficiently. I attributed what I believed to be its fault to inattention or want of skill in reducing the intent of the committee to writing. But the debate has shown that the committee really intends to leave a duty of 45 per cent upon automobiles valued at more than \$1,500, and the committee believes that all the automobiles which come into the United States and are worth more than that will come in here in such a form as to require the payment of 45 per cent ad valorem. If the committee believes that, it has suddenly become more wedded to the doctrine of high protection than are some of the Senators on this side.

I thought it was a poor way of suggesting that high-priced automobiles ought to pay a higher duty than low-priced automobiles, but that the committee knew that, after all, the duty paid would be 30 per cent. But inasmuch as you are now contending that you are about to levy a duty of 45 per cent upon these automobiles, whether they come in as parts or whether they come in as a whole, your attitude is vastly less defensible

than it was originally.

I do not believe a single one of you can justify a 45 per cent duty upon an automobile, it does not make any difference whether it is to be used by a rich man or a poor man. It certainly is not true that because an enterprise turns out a commodity that is used only by those who are reasonably well off, you must therefore pass beyond the wildest dream of protection in order to tax the article that is thus manufactured by such an enterprise. It can not be justified. I will, for the argument, surrender my view, although I still entertain it, to the assertion of the Senator from Mississippi, and assume that all these automobiles will come in at 45 per cent, instead of at 30 per cent, as I believe to be the truth.

What kind of a duty is 45 per cent upon such automobiles? I do not care whether you call it protection or not. You may disguise it as a "competitive duty." That reminds me that we might as well take up, presently, the kind of tariff law that is now before us. Before it was begun in the House of Representatives the distinguished Speaker, in describing the character of law that would be passed, said he understood it was the mission of the Democratic Party to substitute for the present law a "competitive tariff." So far as I know, that was the first time the word "competitive" was ever used in connection with a tariff law; at least it so impressed me. I did not know what the Speaker meant by a "competitive tariff" from anything that ever had been said or written in the literature of the subject.

Mr. SMITH of Michigan. May I interrupt the Senator? The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from Michigan?

Mr. CUMMINS. I yield, although I hope to be permitted to go forward as rapidly as possible.

Mr. SMITH of Michigan. I rise only for the purpose of throwing a little light upon the situation. It will take only a second to do it.

I can tell the Senator what the Speaker meant. He meant what he said when the last tariff bill of the Democratic Party was passed, when he said:

We are told that the day of miracles is past, but we are also informed that "while the lamp holds out to burn, the vilest sinner may return"; and I am so thoroughly convinced of both the wisdom and the righteousness of free trade that I would not be at all surprised to see the gentleman from Maine [Mr. Reed], the gentleman from Pennsylvania [Mr. Dalzell], and the gentleman from Michigan [Mr. Burrows], the pillars of wisdom, strength, and beauty in the temple of protection, running races with each other to catch the eye of the Democratic Speaker of the Fifty-fourth Congress to introduce an out-and-out free-trade measure.

That was his view on that bill, and I have no doubt it is his view on this bill, if you get under the surface of the utterances. I was quoting from the Hon. CHAMP CLARK, Speaker of

the House of Representatives.

Mr. CUMMINS. Mr. President, as highly as I usually value the advice of my friend from Michigan, I can not believe that he is qualified to interpret the remarks of the Speaker of the House on this subject. I, at least, do not understand a competi-tive tariff to be the kind of tariff to which my friend from

ously, Mr. President. I am afraid my friend from Michigan thought I was perpetrating a joke, but I am not. Mr. SMITH of Michigan. Oh, no.

Mr. CUMMINS. I am trying to find out what kind of tariff we ought to make here. I referred to the address of the Speaker of the House because he then, for the first time in the whole history of tariff discussion and tariff legislation, described in set terms a tariff as a "competitive tariff." Very shortly after that time the equally distinguished chairman of the Ways and Means Committee of the House, in speaking of the tariff about to be constructed by the Democratic Party, used practically the same expression, and defined the tariff about to be made as a "competitive tariff."

Mr. SUTHERLAND.

Mr. SUTHERLAND. Mr. President—
The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from Utah?

Mr. CUMMINS. I do.

Mr. SUTHERLAND. Does not the Senator from Iowa think the Speaker meant by "competitive tariff" a tarff under which the foreign manufacturers and producers would compete among themselves for the American market?

Mr. CUMMINS. Mr. President, I do not think the distinguished chairman of the Ways and Means Committee had that

condition in mind; but I pursue the inquiry:

I was again led to reflect upon the meaning of the word "competitive" as applied to a tariff law. It became lost in the volume of discussion that ensued, and I did not again hear it until it was used by the chairman of the Finance Committee of the Senate. From everything that had taken place I became convinced that we were not to have a "competitive tariff," but we were to have some other sort of tariff; that there was some other standard and some other guide to be adopted by our Democratic friends. But observing this discussion very closely I heard the other day the very able Senator from North Carolina [Mr. Simmons] say with regard to a particular duty, concerning which some one asked him a question, that it was a proper duty, because it was a "competitive rate." He said it was a "competitive rate." I emphasize that, because I think the time has come in the consideration of this bill when on both sides of the Chamber we may very properly and very instructively and very profitably devote a few minutes' consideration to the meaning of the phrase "competitive tariff." I myself believe in a competitive tariff, and I am a protectionist; and I should like some Democratic Senator to explain how we can determine what is a competitive rate of duty without inquiring as to the cost of production here and abroad.

Disregarding these rather jocular suggestions from my friends upon this side of the Chamber, I assume that what was meant by "competitive tariff" in this pre-session discussion was that there should be attached to competitive articles—that is, things which we make in this country and which are also made abroad and offered in our markets-such a duty as would enable our producers to enter our own markets and there compete with their foreign rivals. That means that in order to enter our markets and offer his wares for sale to his own people a domestic producer must get cost for what he offers and must also get a fair profit for what he offers, for if he could not be reasonably assured of a fair profit he would not enter the business at all and he would not offer his commodities for sale in his own market.

Therefore, if you mean anything at all by a competitive rate of duty, you mean such a duty as will enable our producer to manufacture or create or raise, as the case may be, the domestic products and meet in our own markets his foreign rival at least upon even terms, assuming that the foreign manufacturer or producer will enter our markets expecting to sell his commodities here at cost and with a fair profit to him, or otherwise he would not manufacture and attempt to enter the markets of the United States.

If you mean anything at all by a competitive rate of duty, that is what you must mean. Tell me—not just now, because I shall not ask you to tell me now, but at some time before this debate is over-how you can determine what is a competitive rate of duty without giving some attention to the conditions upon which that competition must exist, if it exists at all?

It must be assumed that traders, manufacturers, and producers when they do business expect to reap a fair profit. They will not produce or create unless they can. I want simply at this time, because I shall take up this matter again, to emphasize the idea that your own great leaders—leaders of the House of Representatives who very largely formulated this bill, and who had a right to formulate it, because by the Constitution Michigan has just referred. I am discussing the matter seri- bills of this character are given to the House of Representatives in the first instance—have declared that they wanted to make a competitive tariff.

The answer that I want you to give to the country, as well as to this side of the Chamber, is whether you are attempting to make a competitive tariff; and if you are, how you can accomplish it without some inquiry into the cost of production here and abroad, so as to be able to determine upon what conditions, or at what price, an American producer can enter his own markets and sell his wares there at a fair return for the labor and capital which may have been employed in producing the articles.

With that prelude, I come back to automobiles.

Tell me whether you think it requires a 45 per cent duty upon automobiles worth more than \$1,500 to enable our manufacturers to enter our markets and sell them in fair competition with their rivals in other countries. And if you do not believe it requires a duty of 45 per cent, how do you justify yourselves before your country and your fellow men under the doctrine which the distinguished leaders of your party have announced?

I do not agree with all of my friends upon this side of the Chamber about duties. Some of them think 45 per cent is necessary. I do not, and therefore I shall not be comper cent. The bill as it is proposed to be amended by the comperced by the amendment offered I do not, and therefore I shall vote against 45 mittee is made a great deal worse by the amendment offered by the Senator from Connecticut [Mr. Brandegee]. According to that amendment, not only is the finished automobile to be taxed 45 per cent, but the chassis also is to be taxed at that rate if it belongs to an automobile costing more than \$1,500. Therefore I shall vote against the amendment offered by the Senator from Connecticut, because I think it adds to an unnecessary duty imposed by the Finance Committee another un-necessary duty sought to be imposed by a Senator upon this side of the Chamber. They seem, however, to be in harmony upon one thing, and that is that a 45 per cent duty upon automobiles costing more than \$1,500 is necessary in order to create a competitive condition in the markets of the United States.

Mr. WILLIAMS. Mr. President, I am not going to take the

time of the Senate more than about four minutes, but the Senator from Iowa has been so insistent upon having somebody tell him what is meant by the phrase "a competitive tariff," that I thought I would undertake it.

The phrase itself is an awkward one, but I think everybody can understand it. It is a tariff which shall secure competition between domestic and foreign manufacturers. That is what it means—a tariff which, by securing competition, shall prevent the exploitation of the American people by the home producer, and shall prevent the monopoly of the American market, under the shield of tariff taxation, by trusts which are formed to control the American market.

The Senator wants to know how we are going to get any in-formation as to what tariff will bring about that condition, without inquiring or knowing something about the cost of production. Not only the cost of production, but the condition of trade between the countries, has to be inquired into; the exports in one direction, and the imports in the other direction; and above all things, the prices in one country and in

the other.

Now, you can not learn the cost of production; and the Senator from Iowa ought to have found that out by this time. The idea of saying that a blanket costs so much to produce in America, and so much in France, and so much in England, is absurd. The utmost you can do is to find the average cost of production if you have all the information possible in the one country, and in the other, and in the other.

Two men making blankets upon the opposite side of the street from one another will have different costs of produc-tion. One man succeeding another in the management of a factory will have a different cost of production, because of the difference of efficiency of management, efficiency of organization, efficiency of drill and discipline of labor, efficiency in buying the raw material and efficiency in putting upon the market the

finished product.

The outward and visible sign which covers the cost of production with a margin, as a rule, of profit is the price. The price is the question, not the cost of production, because the price can be ascertained through a series of years, so that you will know it is a profitable price in each place, whereas the cost of production varies not only from place to place but from day to day, from week to week, and from man to man, and the character of labor from a different character of labor in the same State and in the same country

I have attempted the best I could in short meter to describe what is meant by the competitive tariff.
Mr. CUMMINS. Mr. President——

Mr. STONE. Mr. President, I think the filibuster which the Senator from Iowa started has run far enough.

Mr. WILLIAMS. I have yielded the floor.

Mr. CUMMINS. I desire to ask a question of the Senator from Mississippi. It will be a brief one.

Mr. STONE (to Mr. CUMMINS). Proceed.

Mr. CUMMINS. I think the Senator from Mississippi has given a very candid, fair, understandable reply to my question formerly propounded. I desire to go one step further, how-Suppose that we take a commodity like steel rails. is simple in its construction, and I use it only for illustration, not because of any fact connected with it. Suppose you knew that an English manufacturer of steel rails or one from France or Germany could make steel rails and put them down in our market at \$20 per ton. Suppose you knew that there was no American manufacturer who could make steel rails and put them down in the same market for less than \$24 a ton. then, would the Senator from Mississippi do with regard to a duty on steel rails in order to create the competitive condition which he has so well described?

Mr. WILLIAMS. Mr. President, I might know what the Senator supposes that I know concerning one manufacturer in England and concerning one other manufacturer in America. I could not know what he expects me to know concerning the production of steel rails in America and in England, except by taking an average which was below that of the highest cost of production and far above that of the lowest.

It strikes me, therefore, that it is better to take a far more infallible guide than my mere calculation, with the aid of experts, who frequently know less even than Senators, for the purpose of arriving at a thing which, after I was through with it, would not give me any information except as to one man or factory in one place and another man or factory in another.

Therefore you take the English price of steel rails and the American price of steel rails, without the English price of steel rails with the existing tariff added, with the freight rate, the American price of steel rails in the market in the same port of entry, and compare those two things to arrive at a reduction of the tariff rate or the increase of the tariff rate, which in the former case would enable the foreign producer to compete or in the latter case would enable the domestic producer to compete. There is no mystery about the phrase "the competitive tariff." petitive tariff." There is no mystery about the phrase "competitive rate." It is true the tariff itself is not competitive, but what is meant by it is a rate of tariff taxation which shall produce a competitive condition.

Mr. CUMMINS. Mr. President—
Mr. WILLIAMS. I hope the Senator will pardon me just a minute. Senators should get it out of their heads—the Tariff Board ought to have taught us that, with all its money, all its experts, everything in the world, what could it give us except

a lot of averages that amounted to nothing.

We came to a condition to consider the question as to whether we made paper cheaper here than in Canada. The Senator will remember that they got an absurd average after a while. The average meant nothing. Well-equipped mills, properly situated, were producing paper at a great deal less, and badly equipped mills, improperly managed and improperly situated, were producing paper at a great deal more. The same sort of thing applied in Canada. You could not even get the names of the manufacturers so that Senators could judge why it was that the cost of production thus averaged up by addition and division varied so far from one another in the same State, in the same county, and across the border in the same country, and in the same Province.

The Senator asks me to make an answer to a question predicated upon my knowing something which neither he nor I can

There is no way to learn it.

Mr. CUMMINS. If I understand the Senator from Mississippi correctly, his rule will result in a much higher rate of duty than the rule which I have heretofore recognized. As I understand him now, he looks at the foreign price of the article. He looks at the domestic price of the article. I assume that he considers what it costs to make the two articles meet in our market, and he then is willing to put a duty on the domestic article that will measure the difference between the foreign price and the domestic price.

Mr. WILLIAMS. Oh, no.

Mr. CUMMINS. I ask him if he thinks this tariff is made on that principle?

Mr. WILLIAMS. Not if the price could possibly be exploited under too high a duty.

Mr. CUMMINS. How does the Senator know whether the price is made by exploitation or not, without going into the cost of production?

Mr. WILLIAMS. I will tell you how I will do it. Take the instance the Senator was talking about. Here is a concern, for

example, that sells in the American market at an exploited price, protected behind the shield of a tariff enabling it to combine or to have a gentlemen's understanding. with that exploited domestic price. But when I find that same concern selling steel rails to Siberia or to South Africa, or barbed wire to the Cape Colonies or to the Argentine, or plows to the Argentine or even around to Chile and to South Africa, I take a foreign price.

Mr. TOWNSEND rose.

Mr. STONE. Mr. President, the next paragraph relates to bicycles and motor cycles. I think this discussion might be continued on that paragraph.

Mr. TOWNSEND. I hope the Senator will yield just a moment. I have a word to say on this subject, if the Senator will permit, before we pass to the next paragraph.

Mr. JAMES. There is an amendment offered by the Senator from Connecticut [Mr. Brandegee] that ought to be disposed of.

Mr. TOWNSEND. I realize that.

Mr. STONE. I appeal to the Senator from Michigan, my friend, a very fair man in all things. It does seem to me, and it must seem to him, that this paragraph has been more than abundantly discussed. Unless the Senator has a desire to delay the consideration of the paragraph, which he has a right to do, I beg him to allow us to proceed.

Mr. TOWNSEND. I submit the Senator has no right even to suggest that I want to delay the bill. I have not manifested any disposition to delay the consideration and determination of this measure. I wanted to say something on this question, and

the Senator can not prevent me from saying it.

Mr. STONE. I can not, I am sorry to say.

Mr. TOWNSEND. Mr. President, I desire to state that I have absolutely no sympathy with the notion of fixing a tariff according to prices. That charge it is a state of the stat have absolutely no sympathy with the hotton of fixing a tariff according to prices. That shows the difference between the Senator from Mississippi and myself, so far as our views on the tariff are concerned. He thinks that prices here and abroad should be given weight in fixing tariff rates, while I believe that cost of production should be the basis.

It is possible to get at an approximate understanding of the average cost of production. I think that according to the best evidence I have been able to obtain the difference in the cost of producing cars here and abroad, including chassis, of course, and especially high-priced cars, is at least 45 per cent. But I can understand from a letter which has been presented to me and which was presented to the Finance Committee, and which I have no doubt was submitted to the Committee on Ways and Means of the House, why this duty was originally fixed at 20 per cent.

I desire to read the translation of a letter written in German by a Berlin automobile company, which I will afterwards submit to the Secretary to be printed in the Record. The translation handed to me is as follows:

[Translation.]

By the present pending tariff revision, which should bring an improved increase of certain duty tariff provisions, we beg, in behalf of the German automobile industry, a reduction of the unusually high

the German automobile industry, a reduction of the unusually income duty.

While in the United States an income duty of 45 per cent of value is charged, Germany asks only 1.5 to 5 per cent of the American autos entered in Germany.

Speaking from the standpoint of a just equalization, the American automobile industry would need no such high income duty on account of her enormous production, and thereby low prices in her own country need scarcely fear a competition worthy of mention.

At least to provide a somewhat equal duty tariff between Germany and America for the automobile trade, we ask that the duty should not exceed 20 per cent for motor cars and the like.

Mr. President, it occurs to me, not only from this but from other evidence that has been submitted here, that Senators and Representatives who in secret caucus have framed this bill have been more influenced by the arguments which have been presented by the foreign manufacturers than they have by the arguments which have been presented by our own people.

So I say that I can understand why the duty was fixed at 20 per cent. It is exactly what this German automobile factory

asked for.

I send the letter to the Secretary's desk.

The letter in the original, submitted by Mr. Townsend, is as follows:

(Betrifft Amerikanische Zolltarifrevision.)

Verein Deutscher Motorfahrzeug-Industrieller, Berlin, Berlin W., 22. Februar, 1913.

FINANCE COMMITTEE, Washington Senat:

Bei der bevorstehenden Tarifrevision, welche eine erhebliche Ermässigung bestimmter zolltarifarischer Positionen bringen soll, bitten wir namens der deutschen Automobil-Industrie eine Herabsetzung des überaus hohen Eingangszolles befürworten zu wollen.
Wihrend in den Vereinigten Staaten ein Eingangszoll von 45 Prozent des Wertes erhoben wird, erhebt Deutschland nur einen Eingangszoll

von 1.5 bis 5 Prozent auf in Deutschland eingeführte amerikanische Automobile.

Abgesehen aber von dem Standpunkt eines gerechten Ausgleichs, braucht die amerikanische Automobil-Industrie einen so hohen Eingangszoll um so weniger, als sie infolge ihrer Riesenproduktion und den dadurch bedingten billigen Preisen im eigenen Lande eine nennenswerte Konkurrenz der deutschen Automobile kaum zu befürchten braucht. Um wenigstens, wenn auch nur annähernd, eine gleichartige zolltarifarische Position für Deutschland und Amerika in Bezug auf den Automobilhandel zu schaffen, beantragen wir, keinen höheren Eingangszoll wie 20 Prozent auf Motorwagen und deren Teile festzulegen.

Dr. Sperling,

Der Generalsekretär.

Mr. STONE. I am unwilling to believe that the Senator from Michigan himself believes the statement he has just made in the heat of debate. It is impossible for me to attribute to him such sentiment as he has expressed as a deliberate expression of his

I now ask for a vote on the amendment to the amendment.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Connecticut [Mr. Brandegee] to the amendment of the committee.

SEVERAL SENATORS. Let it be read.

Mr. BRANDEGEE. The Secretary was to interline, in line 4, the same words.

The VICE PRESIDENT. The Secretary will read the paragraph as it would stand if the amendment of the Senator from Connecticut to the amendment of the committee were adopted.

The Secretary. The Senator from Connecticut [Mr. Bran-DEGFE] offers an amendment to the amendment of the committee, on page 36, lines 1, 3, and 4, where the word "automobiles" occurs insert the words "and chassis"; and, in lines 5 and 6, strike out the words "automobile chassis, and," so that if amended the paragraph will read:

121. Finished automobiles and chassis, valued at \$1,500 or over, and automobile bodies, 45 per cent ad valorem; finished automobiles and chassis, valued at less than \$1,500 and more than \$1,000, 30 per cent ad valorem; finished automobiles and chassis, valued at \$1,000 or less, 15 per cent ad valorem; finished parts of automobiles, not including tires, 30 per cent ad valorem.

The VICE PRESIDENT. The question is on the adoption of the amendment offered by the Senator from Connecticut to the amendment of the committee.

Mr. BRANDEGEE. I should like to have the yeas and mays on the amendment to the amendment.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. JAMES (when Mr. Bradley's name was called). sire to announce that my colleague [Mr. Bradley] is detained from the Senate by illness. He has a general pair with the Senator from Indiana [Mr. Kern].

Mr. PAGE (when Mr. DILLINGHAM's name was called). My colleague [Mr. DILLINGHAM] is necessarily absent from the Chamber. He is paired with the Senator from Tennessee [Mr. SHIELDS L. I make this announcement for the afternoon.

Mr. JACKSON (when his name was called). I have a general pair with the senior Senator from West Virginia [Mr.

CHILTON]. As he is not present, I withhold my vote.

Mr. KERN (when his name was called). I have a general pair with the senior Senator from Kentucky [Mr. Bradley]. I transfer that pair to the Senator from Alabama [Mr. Johnston] and vote. I vote "nay."

Mr. SMITH of Georgia (when his name was called). I have

a pair with the senior Senator from Massachusetts [Mr. Lodge], and for the present I withhold my vote.

Mr. THOMAS (when his name was called). I transfer my general pair with the senior Senator from New York [Mr. Root] to the Senator from Oklahoma [Mr. Gore] and vote "nay."

The roll call was concluded.

Mr. JONES. I desire to announce that my colleague [Mr. Poindexter] is necessarily absent on important business.

Mr. MARTIN of Virginia. My colleague [Mr. Swanson] is unavoidably absent from the city. He is paired with the junior Senator from Maine [Mr. Burleigh].

Mr. CHILTON. I will transfer my pair with the junior Senator from Maryland [Mr. Jackson] to the Senator from Nevada [Mr. Pittman] and vote. I vote "nay."

Mr. BANKHEAD. I transfer my pair with the junior Senator from West Virginia [Mr. Goff] to the senior Senator from Maryland [Mr. SMITH] and vote "nay."

Mr. SMITH of Georgia. I transfer my pair to the senior Senator from Nebraska [Mr. Hitchcock] and vote. I vote

nav.

Mr. SUTHERLAND (after having voted in the affirmative). I observe that the Senator from Arkansas [Mr. Clarke] has not voted. I have a pair with that Senator, which I transfer to the Senator from Rhode Island [Mr. LIPPITT] and allow my vote to stand.

Mr. BRYAN. My colleague [Mr. Fletcher] is necessarily absent. He has a general pair with the junior Senator from Wyoming [Mr. WARREN].

The result was announced—yeas 21, nays 47, as follows:

YEAS-21.

Brandegee Gallinger Oliver Page Penrose Perkins Smith, Mich. Kenyon La Follette McLean Nelson Catron Clapp Clark, Wyo. Colt Norris Smoot

Sutherland

NAYS-47.

Smith, Ga. Smith, S. C. Sterling Stone Thomas Ashurst Bacon Bankhead Owen James Pomerene Ransdell Reed Robinson Johnson, Me. Bristow Kern Bryan Chamberlain Chilton Lane Lea Lewis Saulsbury Thompson Shafroth Sheppard Sherman Thornton Tillman Vardaman Walsh Martin, Va. Martine, N. J. Myers O'Gorman Crawford Cummins Gronna Hollis Shively Simmons Smith, Ariz. Williams Hughes Overman

NOT VOTING-28.

Johnston, Ala. Lippitt Lodge McCumber Newlands Pittman Poindexter Root Shields Smith, Md. du Pont Borah Bradley Fall Fletcher Goff Brady Stephenson Swanson Warren Works Burleigh Clarke, Ark. Culberson Dillingham Gore Hitchcock Jackson

So Mr. Brandegee's amendment to the amendment of the committee was rejected.

Mr. STONE. I now ask that a vote be taken on the amendment of the committee.

The VICE PRESIDENT. The question recurs on the amendment of the committee.

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in paragraph 122, page 36, line 8, after the word "Bicycles," to strike out "25 per cent ad valorem"; and, in line 9, before the words "per cent," to strike out "40" and insert "25," so as to make the paragraph read:

 $122.\ \mathrm{Bicycles},\ \mathrm{motor}$ cycles, and finished parts thereof, not including tires, $25\ \mathrm{per}$ cent ad valorem.

The amendment was agreed to.

The next amendment was, in paragraph 125, page 36, line 21, after the numerals "125," to insert "Nuts or nut blanks, and

washers, 5 per cent ad valorem."
Mr. SMOOT. Mr. President, I wonder whether the Senator having in charge this schedule wanted to include all kinds of washers at 5 per cent, as this paragraph provides.

It is so stated in the bill.

Mr. THOMAS. It is so stated in the bill. Mr. SMOOT. Then I wish to call the Senator's attention to the fact that washers are made from a great many substances other than metal. Washers are made of rubber; they are made of leather, of fibers of different kinds, and of other substances. As the paragraph now reads all nuts and washers of all descriptions will come in at 5 per cent. Did the committee intend that should be the case? If not, I think that the bill ought to be changed in that regard.

Mr. THOMAS. This is the metal schedule, Mr. President. There is no importation anyway to amount to anything, even if the language should be construed to include the various kinds

of washers to which the Senator from Utah refers.

Mr. SMOOT. In former bills it has always been specifically stated "metal washers" or "washers of iron or steel." This, of course, refers to all kinds of washers, which have been provided for in other paragraphs under the present law and all other laws. Under this provision rubber washers, fiber washers, leather washers, lead washers, or any other kind of washers may come in at 5 per cent ad valorem.

Does the Senator from Utah propose to offer Mr. STONE.

an amendment?

No; I do not. I wanted to know whether it Mr. SMOOT. was the intention of the committee to have all washers of every

kind included in the paragraph.

Mr. WILLIAMS. This is the metal schedule.

It does not make a particle of difference Mr. SMOOT. whether it is the metal schedule or whether it is any other schedule. The language is "washers"; and it does not say that they shall be of steel or of iron or of any other material. I simply call attention to the fact that the way this paragraph of the bill reads, anybody who desires to import any kind of washers or anything in the shape of a washer or that is called a washer can bring them into this country at 5 per cent ad valorem.

Mr. WILLIAMS. That is satisfactory to us.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in paragraph 125, page 36, line 22, before the words "of iron," to strike out "Bolts" and to insert "bolts"; in line 24, after the word "blanks," to insert "10 per cent ad valorem" and to strike out "nuts or nut blanks, and washers, 15 per cent ad valorem"; and in line 26, before the words "per cent," to strike out "35" and insert "25," so as to make the paragraph read:

125. Nuts or nut blanks, and washers, 5 per cent ad valorem; bolts of iron or steel, with or without threads or nuts, or bolt blanks, finished hinges or hinge blanks, 10 per cent ad valorem; spiral nut locks and lock washers, whether of iron or steel, 25 per cent ad valorem.

The amendment was agreed to.

Mr. SMOOT. Mr. President, I wish to ask that the next paragraph, paragraph 126, providing for card clothing, and so forth, go over, for the reason that the Senator from Massachusetts [Mr. Lodge] is interested in the paragraph and desires to say something upon it. He will be here to-morrow. He is willing to have the paragraph taken up just as soon as he reaches the city.

Mr. THOMAS. That will be satisfactory.
The VICE PRESIDENT. Paragraph 126 will be passed over.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in paragraph 127, page 37, line 9, to strike out "Cast-iron pipe of every description, 12 per cent ad valorem; cast-iron," and to insert the word "Cast-iron," so as to make the paragraph read:

127. Cast-iron andirons, plates, stove plates, sadirons, tailor's irons, hatter's irons, and castings and vessels wholly of cast iron, including all castings of iron or cast-iron plates which have been chiseled, drilled, machined, or otherwise advanced in condition by processes or operations subsequent to the casting process but not made up into articles or finished machine parts; castings of malleable iron not specially provided for in this section; cast hollow ware, coated, glazed, or tinned, 10 per cent ad valorem.

Mr. CUMMINS. Mr. President, I do not intend to present my views upon that amendment at this time. It will be found in my amendment or substitute-

Mr. SIMMONS. Mr. President-

The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from North Carolina?

Mr. CUMMINS. I do. Mr. SIMMONS. I desire to suggest to the Senator from Iowa that the Senator from Arkansas [Mr. Clarke] is very much interested in that amendment, and inasmuch as he is not in the Chamber I suggest that it go over until to-morrow.

Mr. CUMMINS. I am perfectly willing. I simply wanted to express my dissent to the proposed amendment. I will be very

glad to take it up at any time.

The VICE PRESIDENT. Paragraph 127 will be passed over. Mr. SMOOT. Did the Senator from North Carolina ask that the paragraph go over until to-morrow?

Mr. SIMMONS. Yes

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in paragraph 128, page 37, line 21, after the words "ad valorem," to insert "sprocket and machine chains, 25 per cent ad valorem," so as to make the paragraph read:

128. Chain or chains of all kinds, made of iron or steel, not specially provided for in this section, 20 per cent ad valorem; sprocket and machine chains, 25 per cent ad valorem.

The amendment was agreed to.

The Secretary read paragraph 129, as follows:

The Secretary read paragraph 129, as follows:

129. Lap-welded, butt-welded, scamed, or jointed iron or steel tubes, pipes, flues, or stays; cylindrical or tubular tanks or vessels, for holding gas, liquids, or other material, whether full or empty; flexible metal tubing or hose, not specially provided for in this section, whether covered with wire or other material, or otherwise, including any appliances or attachments affixed thereto; welded cylindrical furnaces, tubes or flues made from plate metal, and corrugated, ribbed, or otherwise reenforced against collapsing pressure, and all other iron or steel tubes, finished, not specially provided for in this section, 20 per cent ad valorem.

Mr. CUMMINS. Mr. President, while I will not discuss the matter at this time because a preceding section has been passed over, I simply want Senators to notice that while cast-iron pipe is put on the free list, steel pipe is taxed 20 per cent.

The reading of the bill was resumed, and paragraph 130 was read, as follows:

130. Penknives, pocketknives, clasp knives, pruning knives, budding knives, erasers, manicure knives, and all knives by whatever name known, including such as are denominatively mentioned in this section, which have folding or other than fixed blades or attachments, and razors, all the foregoing, whether assembled but not fully finished or finished; valued at not more than \$1 per dozen, 35 per cent ad valorem;

valued at more than \$1 per dozen, 55 per cent ad valorem: Provided, That blades, handles, or other parts of any of the foregoing knives, razors, or erasers shall be dutiable at not less than the rate herein imposed upon the knives, razors, and erasers, of which they are parts. Scissors and shears, and blades for the same, finished or unfinished, 30 per cent ad valorem: Provided further, That all articles specified in this paragraph shall, when imported, have the name of the maker or purchaser and beneath the same the name of the country of origin die-sunk conspicuously and indelibly on the blade, shank, or tang of at least one or, if practicable, each and every blade thereof.

Mr. GALLINGER. This, Mr. President, is a very important industry. The manufacturers of pocketknives filed an interest-ing brief with the committee, arguing that the proposed duty would be very damaging to the industry in this country. It will be observed by reference to the handbook that last year there were over 12,000,000 of these knives imported into the United States, which seems to be a very fair proportion of the knives used. It occurs to me that an industry of this kind ought to be very liberally encouraged, and that we ought not to reduce the existing duties to a point that would seriously injure the domestic production and greatly increase the importation of knives from Germany, Great Britain, and France made in competition with those of American manufacture.

Mr. President, I have little hope that any effort any Senator may make on this side of the Chamber will result in amending this bill in any important particular. I was somewhat en-couraged the other day when, in response to a suggestion made by the Senator from Utah [Mr. Smoot], the other side agreed to amend the bill by striking out the words "porch and window," which showed that the bill could be amended without submitting it to the Democratic caucus; but our experience since then is not encouraging. We have presented a great many instances where the argument has been overwhelmingly in favor of increasing the duty over that allowed by the Senate committee, but without avail. This is one instance where very clearly there ought to be an increased duty.

I propose, Mr. President, to submit an amendment, which is a compromise between the existing rates and the rates reported in the Senate committee bill, in the hope that it may be

adopted, but with a feeling of great fear upon my part that it may not be agreed to. However that may be, I offer the amendment which I send to the desk as a substitute for the paragraph just read.

The VICE PRESIDENT. The amendment will be stated.

The Secretary. It is proposed to strike out the paragraph as printed and in lieu thereof to insert:

as printed and in lieu thereof to insert:

130. Penknives, pocketknives, clasp knives, pruning knives, budding knives, erasers, manicure knives, and all other knives by whatever name known, including such as are denominatively mentioned in this section which have folding or other than fixed blades or attachments, all the foregoing, whether assembled but not fully finished or finished, valued at not more than 50 cents per dozen, 35 per cent ad valorem; valued at more than 50 cents per dozen, 35 per cent ad valorem; valued at more than 50 cents per dozen and not exceeding \$1 per dozen, 50 per cent ad valorem; valued at more than \$1 per dozen, 65 per cent ad valorem; and in addition thereto on all pearl-handled knives of the foregoing valued at more than \$1.50 per dozen, 10 per cent ad valorem: Provided, That blades, handles, or other parts of any of the foregoing knives or erasers shall be dutiable at not less than the rate herein imposed upon the knives and erasers of which they are parts; razors, whether assembled but not fully finished or finished, valued at nore than \$1 per dozen, 35 per cent ad valorem; valued at more than \$1 per dozen, 55 per cent ad valorem: Provided further, That blades, handles, or other parts of any of the foregoing razors shall be dutiable at not less than the rate herein imposed upon the razors of which they are parts. Scissors and shears and blades for the same, finished or uninished, 30 per cent ad valorem: Provided further, That all articles specified in this paragraph shall, when imported, have the name of the maker or purchaser, and beneath the same the name of the country of origin, die-sunk conspicuously and indelibly on the blade, shank, or tang of at least one or, if practicable, each and every blade thereof.

Mr. GALLINGER. Mr. President, I will say that I am not

Mr. GALLINGER. Mr. President, I will say that I am not going to ask for the yeas and nays on this amendment, but on the provision relating to other classes of cutlery, concerning which I shall desire to be heard briefly, I will ask for the yeas and nays. I am willing that this should now be put to a vote. VICE PRESIDENT. The question is on the amendment

offered by the Senator from New Hampshire.

The amendment was rejected.

Mr. BURTON. Mr. President, I ask that the two or three lines relating to scissors and shears be passed over.

Mr. BRANDEGEE. Mr. President, I ask that the paragraph be passed over.

Mr. STONE. Do the Senators who have asked to have this paragraph or a part of it passed over desire to have it passed over until to-morrow or until a later date? We have now passed over two, possibly three, paragraphs of this schedule to be taken up to-morrow. Would it be satisfactory to the Senator from Connecticut and the Senator from Ohio to pass

over this paragraph until to-morrow?

Mr. BRANDEGEE. Well, Mr. President, I had assumed that the customary way was to pass it over as other paragraphs have been passed over, and after the first reading of the bill has been finished that we would return and take up the paragraphs in the order in which they had been passed over. In the case of most of the paragraphs passed over no definite day has been fixed for their consideration. We have already to-day passed over several paragraphs, in one instance at least, with what is equivalent to unanimous consent to take it up tomorrow.

Mr. STONE. I simply asked if it would be satisfactory to the Senator to pass it over and dispose of it to-morrow?

Mr. BRANDEGEE. I could not answer the Senator categorically by saying "yes" or "no," but I will say what the situation is. The situation is that there are half a dozen different amendments to be offered to this paragraph, changing both the classification and the rates of duty. I have half a dozen representations upon the subject myself.

Mr. STONE. What is the wish of the Senator?

Mr. BRANDEGEE, I had supposed the amendment of the Senator from Ohio [Mr. Burton] would be offered and acted upon to-day. If it had been, it would have obviated the necessity of two of the amendments I have.

Mr. STONE. Will it be satisfactory to the Senator from

Ohio to dispose of the amendment to-morrow?

Mr. BURTON. It will be entirely satisfactory to me to dispose of that in regard to scissors and shears to-morrow.

Mr. STONE. Then can the Senator from Connecticut dispose of his amendment?

Mr. BRANDEGEE. I think so, Mr. President; but if not, I will ask to have it passed over further.

Mr. STONE. And with that understanding. Very well. Mr. STONE. Then we will pass it over until to-morrow,

The reading of the bill was resumed, as follows:

The reading of the bill was resumed, as follows:

131. Sword blades, and swords and side arms, irrespective of quality or use, in part of metal, 30 per cent ad valorem.

132. Table, butchers', carving, cooks', hunting, kitchen, bread, butter, vegetable, fruit, cheese, carpenters' bench, curriers', drawing, farriers', fleshing, hay, tanners', plumbers', painters', palette, artists', and shoe knives, forks and steels, finished or unfinished, without handles, 25 per cent ad valorem; with handles, 30 per cent ad valorem: Provided, That all the articles specified in this paragraph, when imported, shall have the name of the maker or purchaser, and beneath the same the name of the country of origin indelibly stamped or branded thereon in a place that shall not be covered thereafter.

Mr. GALLINGER. Mr. President, that paragraph very seriously affects a good many small manufacturing establishments in the country, especially in the section of the country from which I come.

We imported last year, of the various kinds of cutlery denominated in this paragraph, 2,355,278 pieces, showing during that year there were almost two million and a half of these knives imported from foreign countries.

Mr. STONE. What was the value?

Mr. GALLINGER. The value was \$247,531.

There is very sharp competition to-day in the American market, particularly between Germany and the United States, in the matter of cutlery. There is a cutlery establishment in New Hampshire, at the head of which is ex-Gov. Goodell, of my State, who, by hard work, economy, and industry, has built up a beautiful town, where the operatives are happy and contented, living in their own houses to a large extent, and being paid liberal wages.

The competition that Gov. Goodell has found in this industry has been of the keenest possible kind. He has succeeded in keeping his factory going, but is very fearful about what will happen if this bill becomes a law.

It seems to me the figures I have given show sufficiently large importations of an article the American manufacturers of which are in sharp competition with those of foreign countries. I feel sure that if the duty is reduced as radically as it is proposed to reduce it in the bill under consideration it will prove very detrimental, if not disastrous, to this industry, which is giving employment to skilled labor at high wages, and in that way furnishing homes for the people who are engaged in the manufacture of cutlery of the kinds enumerated in the paragraph.

I have received from Gov. Goodell a letter, bearing date May

27, which I will read. It is as follows

ANTRIM, N. H., U. S. A., May 27, 1913.

Hon. J. H. GALLINGER, Washington, D. C.

DEAR SIR: I think the tariff bill now before the Senate is a very unjust one for the table-cutlery business.

We can make some of the very cheapest sorts, where the labor is very small and the stock is the main thing, and compete with foreign manufacturers.

Shari and the stock is the stock of the stock of the stock of facturers.

We buy our metals and our handle woods at exactly the same price as our English and German friends buy them. There is no duty on them at alk.

We buy our steel at about the same price that they buy it. When the duty on steel is taken off we can buy it at exactly the same price, I

The actual cost of steel will not be over one-half cent per pound less than it is now. When we come to the matter of fine goods, with a large amount of labor, the new tariff will be absolutely ruinous. Poor people will buy cheap goods no less than now, while rich people will buy line ivory, celluloid, and rubber goods cheaper.

The carvers, which are supposed to be purchased by people of means, will be made almost exclusively on the other side.

The fine ivory, celluloid, rubber handle, and silver table knives will also be made abroad, because a large share of the cost is in the labor; and we certainly can not compete with German labor, and we are not competing successfully now, as this letter which I inclose clearly shows.

The table-cutlery business has become, on account of foreign competition, exceedingly unprofitable already, and if we have to stand any reduction in the duties we shall have to be counted out except for very cheap goods, which people of small means buy.

I sincerely hope that some influence can be brought about to prevent such a calamity.

such a calamity. Truly, yours, D. H. GOODELL.

In this letter Gov. Goodell incloses another letter, which I want to read. It is as follows:

THE FORQUIGNON MANUFACTURING Co., Denver, Colo., February 3, 1912.

GOODELL Co., Antrim, N. H.

GENTLEMEN: I have just accepted a proposition from Graef & Schmidt to handle the Henckel line exclusively, and will therefore be unable to continue with you. I am sorry in many ways, for I certainly appreciate the many courtesies you have extended to me from time to time, but they made it so strong I find it to my interest to

am leaving in a few days, but will dispose of your samples at

your request. Yours, very truly,

E. E. TURBUSH.

Mr. Turbush represented the Goodell Co. in Denver, Colo., for a great many years, selling a very large amount of the product of Gov. Goodell's factory. But it will be seen that notwithstanding the existing tariff rates a German house offered him so much greater inducements that he notified Gov. Goodell that he must relinquish his agency and accept the agency from the German manufacturing establishment. This indicates very clearly that the American manufacturers of these classes of cutlery have had a very hard time to compete with the foreigner under the existing rates of duty, the competition being sharp and the profits very small. I have heard from other cuttery establishments throughout New England making similar representations, and stating that they hoped there might be given to this industry some relief beyond the rates that are provided in the bill as it came from the committee of the Senate.

Mr. President, inasmuch as the industry is very hard pressed under the existing law, and as it must necessarily suffer very severe consequences if the large cut that is made in the bill as it is now before us shall become a law, I propose to offer as a substitute for the provision we are now considering the rates that are named in the so-called Payne-Aldrich law. mit that as a substitute upon which, at the proper time, I shall ask for the yeas and nays.

The VICE PRESIDENT. The amendment submitted by the Senator from New Hampshire will be stated.

The Secretary. It is proposed to strike out paragraph 132 and to insert in lieu thereof the following:

and to insert in lieu thereof the following:

132. Table, butchers', carving, cooks', hunting, kitchen, bread, butter, vegetable, fruit, cheese, carpenters' bench, curriers', drawing, farriers', fleshing, hay, tanners', plumbers', palnters', palette, artists', and shoe knives, forks and steels, finished or unfinished; if imported with handles of mother-of-pearl, shell, ivory, silver, nickled silver, or other metal than iron or steel, 14 cents each; with handles of deerhorn, 10 cents each; with handles of hard rubber, solid bone, celluloid, or any pyroxy-lin material, 4 cents each; with handles of any other material than those above mentioned, 1 cent each, and in addition, on all the above articles, 15 per cent ad valorem; any of the knives, forks, or steels, enumerated in this paragraph, if imported without handles, 40 per cent ad valorem: Provided, That none of the above-named articles shall pay a less rate of duty than 40 per cent ad valorem: Provided. That all the articles specified in this paragraph when imported shall have the name of the maker or purchaser and beneath the same the name of the country of origin indelibly stamped or branded thereon in a place that shall not be covered thereafter.

Mr. CALLINGER. Junon that I ask for the yeas and navs.

Mr. GALLINGER. Upon that I ask for the yeas and nays. The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. BANKHEAD (when his name was called). my pair with the junior Senator from West Virginia [Mr. Goff] to the senior Senator from Maryland [Mr. Smith] and will vote. I vote "nay."

Mr. JAMES (when Mr. Bradley's name was called). again announce the absence of my colleague, the senior Senator from Kentucky [Mr. Bradley], on account of illness. He is paired with the junior Senator from Indiana [Mr. Kern].

Mr. CHILTON (when his name was called). I again an-

nounce my pair with the junior Senator from Maryland [Mr. Jackson], and withhold my vote.

Mr. BRYAN (when Mr. Fletcher's name was called). again announce the necessary absence of my colleague [Mr.]

FLETCHER]. He is paired with the junior Senator from Wyoming [Mr. WARREN]

Mr. KERN (when his name was called). I have a general pair with the senior Senator from Kentucky [Mr. Bradley]. I transfer that pair to the junior Senator from Alabama [Mr. Johnston] and will vote. I vote "nay."

Mr. OVERMAN (when his name was called). I have a general pair with the senior Senator from California [Mr. Per-If he were present, I should vote "nay."

Mr. JONES (when Mr. Poindexter's name was called). I desire to announce that my colleague is necessarily absent.

Mr. THOMAS (when his name was called). I again announce the transfer of my pair with the senior Senator from New York [Mr. Root] to the junior Senator from Oklahoma [Mr. Gore] and will vote. I vote "nay.'

The roll call was concluded.

Mr. CHILTON. I transfer my pair with the junior Senator from Maryland [Mr. Jackson] to the junior Senator from

Nevada [Mr. PITTMAN] and will vote. I vote "nay."

Mr. CLARK of Wyoming. My colleague [Mr. WARREN] is unavoidably absent. He is paired with the senior Senator from Florida [Mr. FLETCHER].

Mr. SMITH of Georgia. I transfer my pair with the senior Senator from Massachusetts [Mr. Lodge] to the senior Senator from Nebraska [Mr. HITCHCOCK] and will vote. I vote "nay.

Mr. GALLINGER. I announce the unavoidable absence of the junior Senator from Maine [Mr. Burleigh]. He is paired with the junior Senator from Virginia [Mr. Swanson].

The result was announced-yeas 17, nays 45, as follows:

YEAS-17.

Brandegee Burton Catron Clarke, Wyo.	Gallinger Jones McLean Nelson Oliver	Page Penrose Sherman Smith, Mich. Smoot	Townsend Weeks
	NA	YS-45.	
Ashurst Bacon Bankhead Bristow Bryan Chamberlain Chilton Cummins Gronna Hollis Hughes James	Johnson, Me. Kenyon Kern La Follette Lane Lea Lewis Martin, Va. Myers Norris O'Gorman Owen	Pomerene Ransdell Reed Robinson Saulsbury Shafroth Sheppard Shively Simmons Smith, Ariz. Smith, Ga. Smith, S.C.	Sterling Stone Thomas Thompson Thornton Tillman Vardaman Walsh Williams
	NOT VOTING-34.		
Borah Bradley Brady Burleigh Clapp Clarke, Ark, Crawford Culberson Dillingham	du Pont Fall Fletcher Goff Gore Hitchcock Jackson Johnston, Ala. Lippitt	Lodge McCumber Martine, N. J. Newlands Overman Perkins Pittman Poindexter Root	Shields Smith, Md. Stepheuson Sutherland Swanson Warren Works

So Mr. Gallinger's amendment was rejected.

Mr. STONE. I desire to state that the committee would ask to lay the bill aside for the remainder of the day and resume its consideration to-morrow.

The VICE PRESIDENT. Is there objection? The Chair hears none.

EXECUTIVE SESSION.

Mr. BACON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After 53 minutes spent in executive session the doors were reopened, and (at 6 o'clock and 55 minutes p. m.) the Senate adjourned until to-morrow, Wednesday, August 6, 1913, at 12 o'clock meridian.

NOMINATIONS.

Executive nominations received by the Senate August 5, 1913. MINISTER.

Paul S. Reinsch, of Wisconsin, to be envoy extraordinary and minister plenipotentiary of the United States of America to China, vice William James Calhoun, resigned.

ASSAYER OF MINT.

Frank E. Wheeler, of Colorado, to be assayer of the mint of the United States at Denver, Colo., in place of Arthur R. Hodgson, superseded.

SUPERINTENDENT OF MINT.

Thomas Annear, of Colorado, to be superintendent of the mint of the United States at Denver, Colo., in place of Frank M. Downer, superseded.

COLLECTOR OF INTERNAL REVENUE.

Josiah W. Bailey, of North Carolina, to be collector of internal revenue for the fourth district of North Carolina in place of Wheeler Martin, superseded.

ASSISTANT APPRAISERS OF MERCHANDISE.

Joseph Knox Fornance, of Pennsylvania, to be assistant appraiser of merchandise in the district of Philadelphia, in the State of Pennsylvania, in place of H. Morgan Ruth, resigned. Harry Nichols, of Pennsylvania, to be assistant appraiser of merchandise in the district of Philadelphia, in the State of

Pennsylvania, in place of Michael J. Brown, resigned.

UNITED STATES ATTORNEY.

William G. Barnhart, of West Virginia, to be United States attorney for the southern district of West Virginia, vice Harold A. Ritz, whose term has expired.

RECEIVER OF PUBLIC MONEYS.

Thomas E. Owen, of Folsom, N. Mex., to be receiver of public moneys at Clayton, N. Mex., vice Manuel Martinez, removed.

REGISTER OF LAND OFFICE.

Paz Valverde, of Clayton, N. Mex., to be register of the land office at Clayton, vice Charles L. Hunt, removed.

PROMOTIONS IN THE ARMY.

INFANTRY ARM.

First Lieut. George A. Herbst, Fourteenth Infantry, to be captain from May 27, 1913, vice Capt. Bernard Sharp, Third Infantry, retired from active service May 26, 1913.

First Lieut. Philip J. Lauber, Second Infantry, to be captain from May 29, 1913, vice Capt. Thomas F. Schley, unassigned,

promoted.

First Lieut. Thomas M. Hunter, Sixth Infantry, to be captain from June 27, 1913, vice Capt. Albert C. Dalton, Twenty-ninth Infantry, promoted.

First Lieut. Gad Morgan, Thirteenth Infantry, to be captain from June 28, 1913, vice Capt. William T. Patten, unassigned, retired from active service June 27, 1913.

Second Lieut. Barton K. Yount, unassigned, to be first lieutenant from May 27, 1913, vice First Lieut. George A. Herbst, Fourteenth Infantry, promoted.

Second Lieut. Denham B. Crafton, unassigned, to be first lieutenant from May 29, 1913, vice First Lieut. Philip J. Lauber, Second Infantry, promoted.

Second Infantry, promoted.
Second Lieut. William E. Selbie, unassigned, to be first lieutenant from May 29, 1913, vice First Lieut. James H. Van Horn, Eleventh Infantry, detailed in the Signal Corps on that date.

Second Lieut. John L. Jenkins, Ninth Infantry, to be first lieutenant from May 30, 1913, vice First Lieut. Guy E. Manning, Twelfth Infantry, retired from active service May 29, 1913. Second Lieut. Charles H. White, unassigned, to be first lieu-

tenant from July 2, 1913, vice First Lieut. Edward H. Teall, Twenty-sixth Infantry, resigned July 1, 1913.

CONFIRMATIONS.

Executive nominations confirmed by the Senate August 5, 1913. UNITED STATES ATTORNEY.

Summers Burkhart to be United States attorney for the district of New Mexico.

PROMOTION IN THE REVENUE-CUTTER SERVICE.

Third Lieut. of Engineers Francis Ellery Fitch to be second lieutenant of engineers.

POSTMASTERS.

CALIFORNIA.

Thomas Fox, Sacramento.

COLORADO.

Sherman S. Bellesfield, Pueblo. F. W. McIntyre, Akron.

GEORGIA.

Custis Nottingham, Macon. IDAHO.

E. H. Hilton, Elk River.

IOWA.

Daniel H. Bauman, Webster City.

KANSAS.

Mildred K. Johnston, Meade.

NEW JERSEY.

Henry N. Gillon, Berlin.

OKLAHOMA.

John S. Thompson, Mulhall.

OREGON.

Charles W. Ray, Freewater.

PENNSYLVANIA.

Claude W. Freeman, Austin.

SOUTH DAKOTA.

E. J. Engler, Ipswich.

WASHINGTON.

W. E. Overholt, Farmington.

A. J. Shaw, Zillah.

WISCONSIN.

Birt E. Fredrick, Augusta.

WYOMING.

L. E. Blackwell, Shoshoni. Juan Jenkins, Upton. John T. Johnson, Superior.

C. G. Mudd, Powell.

REJECTION.

Executive nomination rejected by the Senate August 5, 1913. POSTMASTER.

Malcolm R. Merrill, Wheatland, Wyo.

HOUSE OF REPRESENTATIVES.

Tuesday, August 5, 1913.

The House met at 12 o'clock noon. The Chaplain, Rev. Henry N. Couden, D. D., offered the fol-

lowing prayer:
O Thou who hast ever been our refuge and our strength, God our heavenly Father, we commend our souls to Thee and all our concerns to Thy care this day. Inspire us, we beseech Thee, with broad and comprehensive views of life, and quicken our conscience to do Thy will, that at its close we may be able to ask Thy blessing on all our acts and lie down to peaceful sleep in the full consciousness of duty well done. In the spirit of the Lord Jesus Christ. Amen. The Journal of the proceedings of Friday, August 1, 1913, was

read and approved.

COMMITTEE ON EDUCATION.

Mr. HUGHES of Georgia. Mr. Speaker, I ask unanimous consent for the present consideration of the resolution which I send to the Clerk's desk.

The SPEAKER. The gentleman from Georgia asks unanimous consent for the present consideration of the resolution

which the Clerk will report. The Clerk read as follows:

House resolution 223.

Resolved. That the Committee on Education is authorized to have such printing and binding done as is necessary for the discharge of the work of said committee during the Sixty-third Congress.

The SPEAKER. Is there objection?
Mr. MURDOCK. Mr. Speaker, reserving the right to object, has the Committee on Education usually had this privilege?

Mr. HUGHES of Georgia. I do not know; I can not answer the question. The gentleman from South Carolina, previously chairman of the committee, says it has had that privilege.

The SPEAKER. Is there objection? [After a pause.] Chair hears none.

The question was taken, and the resolution was agreed to.

LEAVE OF ABSENCE.

By unanimous consent, Mr. MILLER was granted leave of absence indefinitely on account of a journey to the Philippine Islands in the interest of public business.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Tulley, one of its clerks, announced that the Senate had passed bills of the following titles, in which the concurrence of the House of Representatives was requested:

S. 2433. An act providing for the free importation of articles intended for foreign buildings and exhibits at the Panama-Pacific International Exposition and for the protection of foreign exhibitors; and

S. 1243. An act directing the issuance of patent to John Russell.

The message also announced that the Senate had passed

without amendment bill of the following title: H. R. 6383. An act to amend section 19 of an act entitled "An act to increase the limit of cost of certain public buildings; to authorize the enlargement, extension, remodeling, or improvement of certain public buildings; to authorize the erection and completion of public buildings; to authorize the purchase of sites for public buildings; and for other purposes," approved March 4, 1913.

SENATE BILLS REFERRED.

Under clause 2 of Rule XXIV, Senate bills of the following titles were taken from the Speaker's table and referred to their appropriate committees, as indicated below:

S. 2433. An act providing for the free importation of articles intended for foreign buildings and exhibits at the Panama-Pacific International Exposition and for the protection of foreign exhibitors; to the Committee on Ways and Means.

S. 1243. An act directing the issuance of patent to John Russell; to the Committee on the Public Lands.

ENROLLED BILL SIGNED.

Mr. ASHBROOK, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bill of the following title; when the Speaker signed the same

H. R. 6383. An act to amend section 19 of an act entitled "An act to increase the limit of cost of certain public buildings; to authorize the enlargement, extension, remodeling, or improvement of certain public buildings; to authorize the erection and completion of public buildings; to authorize the purchase of sites for public buildings; and for other purposes," approved March 4, 1913.

THE RECORD.

Mr. MONDELL. Mr. Speaker-

The SPEAKER. For what purpose does the gentleman rise? Mr. MONDELL. To ask unanimous consent to correct the RECORD.

The SPEAKER. The gentleman will state his correction.
Mr. MONDELL. Mr. Speaker, on page 3005 of the Record of Friday, August 1, there was read a telegram received by the gentleman from Alabama [Mr. Heflin], as follows:

PITTSBURGH, PA., July 30, 1913.

Hon. J. Thomas Heflin.

House of Representatives, Washington, D. C.:

The Western Pennsylvania Association Opposed to Woman Suffrage extend hearty thanks and congratulations to you for your opposition to movement to give vote to women and trust you will continue in your opposition until the movement is defeated.

Mrs. James H. Reed, Chairman.

After the reading of this message there was loud and prolonged applause on the Democratic side, which does not appear in the RECORD. I ask unanimous consent that the RECORD may be corrected by having the words "Loud and prolonged applause on the Democratic side" appear after the telegram.

The SPEAKER. What does the RECORD show about "Loud

and continued applause"?

Mr. MONDELL. It does not show anything; but Members will remember there was loud applause, confined entirely to the Democratic side, and none whatever on the Republican side.

Will the gentleman yield?

Mr. MONDELL. If the gentleman will allow me to finish my statement. There was no applause whatever on the side occu-

pied by the Progressives and the Republicans. Mr. RAKER. Mr. Speaker, I want to correct the gentleman. When the statement from Secretary Daniels was read then applause came following that telegram or that letter and not from the others. That is the situation.

Mr. MONDELL. Now, Mr. Speaker, there may have been applause following the telegram from Secretary Daniels. I do not say but that there was. I was paying but little attention to that matter, but I was paying close attention to the reading of the telegram sent to the desk by the gentleman from Alabama [Mr. Heflin]. At the close of the reading of that telegram there was loud and prolonged applause, confined entirely to the Democratic side of the aisle, and the Record is not a true record of what occurred in that it does not indicate that fact.

Mr. MURDOCK. Does not the gentleman also recollect along with this loud and prolonged applause that there was laughter?

Mr. MONDELL. Oh, yes. Mr. MURDOCK. Mr. Speaker, I think that ought to be included.

Mr. MONDELL. And "general hilarity on the Democratic side.

Mr. HARDWICK. Mr. Speaker, I reserve the right to object. The SPEAKER. The gentleman from Georgia [Mr. Hard-WICK] reserves the right to object.

Mr. HARDWICK. I want to say this, Mr. Speaker, to the gentleman from Wyoming, that I do not think the Congres-SIONAL RECORD ought to show those things at all. [Applause.] It ought not to show applause one way or another. It involves us in just such controversies as this, and they are likely often

to occur. In my judgment the Record ought to show only what is actually said in debate. [Applause.]

Mr. MONDELL. But the gentleman knows that it is the practice to indicate applause.

Mr. HARDWICK. I know; but I shall object The SPEAKER. Does the gentleman object? I know; but I shall object to it this time.

Mr. HARDWICK. I do. The SPEAKER. Objection is made.

TRANSFER OF 2 PER CENT BONDS.

Mr. LEVY. Mr. Speaker, I ask unanimous consent for the present consideration of the resolution which I send to the Clerk's desk

The SPEAKER. The gentleman from New York [Mr. Levy] asks unanimous consent for the present consideration of a resolution which the Clerk will report.
The Clerk read as follows:

House resolution 220.

Resolved, That the Secretary of the Treasury be, and he is hereby, requested, if not incompatible with the public interests, to furnish the House of Representatives at his earliest convenience with a copy of the transfer list of registered 2 per cent bonds by national banks since July 1, 1913.

Mr. COX. Mr. Speaker, I reserve the right to object.

The SPEAKER. The gentleman from Indiana [Mr. Cox] reserves the right to object.

Mr. LEVY. Mr. Speaker, the people of the United States hold the Secretary of the Treasury in high esteem, well knowing that his acts are prompted by the highest patriotism, and the statement recently made by him "that the banks of New York were in combination to depress the price of 2 per cent bonds" is very unfortunate, and no doubt was prompted by misinformation. There is not a scintilla of doubt or question but that the national banks of the State of New York have in good faith been aiding to sustain the price of twos ever since the agitation

for the new currency law

The national banks of New York act as the agents of other national banks throughout the United States, and New York City is the market in which all of these bonds are bought and sold. The New York banks have been swamped with requests from their corresponding banks throughout the country ever since the agitation for new currency legislation as to how to protect themselves with their outstanding 2 per cent bonds. The New York banks have urged the holding of these bonds, feeling confident that the Government of the United States in honor bound would be compelled to protect them at par. The banks of the Northwest and the South have been the principal sellers of the 2 per cent bonds, although not to a very large extent when compared with the amount outstanding, which is approximately \$720,000,000. The national banks of the State of New York sold very few 2 per cent bonds.

Mr. MANN. Mr. Speaker, reserving the right to object, I would like to ask the gentleman why this resolution ought not to follow the ordinary method and be referred first to the com-

mittee to be reported upon?

Mr. LEVY. Because there have been statements that national banks in the city of New York have combined for the purpose of depressing the value of those bonds. There is not a scintilla of foundation for it. The banks have tried their best to maintain the value of the bonds.

Mr. FOSTER. Mr. Speaker, I object.

Mr. LEVY. Does the gentleman reserve the right to object?

Mr. FOSTER. No; I object.
The SPEAKER. Objection is made, and the resolution will have to go to the box.

Mr. SLOAN rose.

The SPEAKER. The gentleman from Nebraska.

ADJOURNMENT UNTIL FRIDAY.

Mr. UNDERWOOD. If the gentleman will withhold for a moment, Mr. Speaker, I desire to ask unanimous consent that when the House adjourns to-day it adjourn to meet on Friday

The SPEAKER. The gentleman from Alabama [Mr. Underwood] asks unanimous consent that when the House adjourns to-day it adjourn to meet on Friday next. Is there objection? [After a pause.] The Chair hears none, and it is so ordered.

ORDER OF BUSINESS.

Mr. MANN. Mr. Speaker, I ask unanimous consent that when the House meets on Friday, after the reading of the Jour-nal and other informal business, the gentleman from Oklahoma [Mr. Morgan] be permitted to address the House for 30 minutes.

Mr. FERRIS. Reserving the right to object, Mr. Speaker——

The SPEAKER. The gentleman from Oklahoma [Mr. Fer-Bis] reserves the right to object.

Mr. FERRIS. I do that, Mr. Speaker, for the purpose solely of stating that the Committee on Public Lands has a bill which in the judgment of the eatire committee is an emergency matter, and the committee was almost, I think, unanimous in the opinion that we should take it up and try to get it out of the way before the currency bill came in, the committee having unanimously reported it and the caucus having unanimously agreed that it should be taken up.

In conversation with the gentleman from Illinois [Mr. MANN] a few moments ago, he was under the impression that we should not bring it up until more Members got back, so that everybody could have a chance to be heard. Personally, I may say that no one wants to get into any controversy about it, because it is an emergency matter and ought to be disposed of at this session.

Mr. MANN. Mr. Speaker, so far as I know and am at present informed, I am inclined to favor the bill that the gentleman refers to-the Hetch Hetchy bill, so called. Yet we have been running along for weeks, and the Members have been told that they might remain away from attendance on the House. As I understand, there will be a Democratic caucus on the 11th of August, which will naturally call back most of the Democratic Members, and it was my expectation to ask the Republican Members to be back by at least the middle of the month.

Mr. FERRIS. It seems to me, Mr. Speaker, that matters of this sort, in view of the fact that the membership will soon be full, ought not to be taken up until Members have been notified

Mr. UNDERWOOD. Mr. Speaker, if the gentleman will allow me, there is no objection to any gentleman on either side of the House making a speech about matters of interest to himself, and possibly to the country, providing it does not interfere with the public business; but if there is business before the House or the House concludes it is time to take up business, I do not think these speeches by unanimous consent should interfere with it; and I ask the gentleman from Illinois [Mr. Mann] to modify his request so that the gentleman may have his half hour to speak on next Friday, provided it does not interfere with the public business.

Mr. MANN. Mr. Speaker, it would be six of one and half a dozen of the other. If the Hetch Hetchy bill comes up on Friday, the gentleman from Oklahoma [Mr. Morgan] can take the floor for an hour, and nobody can get him off. I would be quite willing

Mr. UNDERWOOD. I think that is the better practice.

Mr. MANN. I agree with the gentleman about it.
Mr. MONDELL. If the gentleman will yield, I was unavoidably out of the Chamber for a moment, and did not hear

Mr. MANN. The request which I made was that the gentleman from Oklahoma [Mr. Morgan] be permitted to address the House for 30 minutes, and I will add to that, not to interfere with the public business.

Mr. MONDELL. What was the request of the gentleman from Oklahoma [Mr. Ferris]?

Mr. FERRIS. I did not make any request. I reserved the right to object.

Mr. THOMAS. Mr. Speaker, reserving the right to object, I wish to inquire upon what subject the gentleman from Oklahoma [Mr. Morgan] expects to enlighten the House? I want to know about that.

Mr. MANN. In order that the gentleman from Kentucky may have the pleasure of being present and gaining some enlightenment, I will say that I think the gentleman from Oklahoma will probably enlighten the gentleman on the tariff and other political matters.

Mr. THOMAS. If he can do that, I have no more to say.

Mr. FERRIS. Mr. Speaker, if the Chair will indulge me a moment further on my reservation, of course I have no objection to a speech by my colleague [Mr. Morgan]. I shall be glad to hear him myself. I do want, if I can, to arrange to get some definite time set for the consideration of our bill, and after a conversation with Floor Leader Underwood this morning, I had hoped we could bring it up on Friday of this week, so we could dispose of it and get it out of the way of the currency bill. I should like to ask Floor Leader Underwood if he thinks we could get consideration for this bill about the 15th, in accordance with the suggestion of the gentleman from Illinois

[Mr. MANN]? Mr. UNDERWOOD. Of course, I can not tell. I think if the committee are ready to report the currency bill, it ought

to have the right of way.
Mr. FERRIS. Undoubtedly.

Mr. UNDERWOOD. If conditions are favorable, you can take it up, and if not, let it go over. I think we can dispose of that question by bringing it up then.

Mr. MURDOCK. Why does not the gentleman bring it up

on Friday, when the half hour the gentleman from Oklahoma [Mr. Morgan] wants can be arranged? I should like to say that there seems to be a growing practice in the House of asking unanimous consent on one day in relation to business on a subsequent day. Why not ask the unanimous consent on the day when the business is to be transacted?

Mr. MANN. When gentlemen have to bring papers into the House, and there is no other business to be transacted, I can readily see how it may be an advantage to a gentleman to obtain unanimous consent on a previous day. Of course that is the only reason.

Mr. MURDOCK. Is it understood that the speech to be made by the gentleman from Oklahoma will not interfere with actual legislation?

Mr. MANN. I have so stated.

Mr. FERRIS. Mr. Speaker, the speech of the gentleman from Oklahoma [Mr. Morgan] is not the thing that is burdening my mind at all, and I am satisfied it is not the thing that

is burdening the gentleman from Illinois.

Mr. MANN. Nothing is burdening my mind. [Laughter.]

Mr. FERRIS. As usual. [Laughter.] There is something in the suggestion of the gentleman from Illinois about waiting until Members get back; but I want to impress upon the mind of the gentleman from Illinois that if he does force us to go of the gentleman from Illinois that if he does force us to go over until the 15th, or rather cause us to go over until that time, and if the currency bill comes in then, followed by the tariff bill, the probability is we shall be crowded out.

Mr. MANN. I said to the gentleman privately, and I am willing to say it publicly—although I do not think it will add anything to the efficacy of the statement—that so far as I am concerned I am willing to cooperate with the gentleman in bringing before the House the bill he refers to at as early a date as possible after the Members are back. I think myself there will be no opposition to the Hetch Hetchy bill, and yet, of course, I do not know.

Mr. FERRIS. On what day of the week does the 15th come?

Mr. MANN. On Friday.

Mr. FERRIS. Mr. Speaker, I ask unanimous consent that Friday, the 15th, be set apart as the day on which the committee may call up the Hetch Hetchy bill, with the proviso that if the currency bill is ready we stand aside until it is out of

the way. That is in fairness to the gentleman.

Mr. MONDELL. I reserve the right to object.

Mr. FERRIS. Mr. Speaker, I will withdraw my objection to the request of the gentleman from Illinois.

Mr. UNDERWOOD. Mr. Speaker, I do not think there will be anything on Friday.

Mr. MANN. I added to the request, not to interfere with public business

The SPEAKER. The gentleman from Illinois asks unanimous consent that next Friday the gentleman from Oklahoma [Mr. Morgan] shall have the privilege of addressing the House for 30 minutes, at such time as will not interfere with the

transaction of public business. Is there objection?

Mr. MURDOCK. Reserving the right to object, I would like to ask the gentleman from Illinois in case that consent is granted and I have an application for time next Friday, does the gentleman think that I will have any difficulty in getting an extension of that half hour granted to the gentleman from Oklahoma?

Mr. MANN. I do not think the gentleman from Kansas will have any difficulty in getting four hours if he wants.

Mr. MURDOCK. I do not wish to talk for four hours, but this is the trouble with the practice of asking unanimous consent for time on a previous day.

Mr. MANN. What is the trouble about it? It is an advantage. Mr. MURDOCK. It seems to me that it would be better and more regular to ask for consent on the day that it is desired to talk rather than to ask it now.

Mr. MANN. I think it is fair, if the House is not to be busy, for gentlemen to know that he has the permission to address the House on that day.

Mr. THOMAS. Mr. Speaker, in order that I may enlighten-

The SPEAKER. If the gentleman from Kentucky will wait a moment, the gentleman from Oklahoma made a request for unanimous consent.

Mr. FERRIS. Mr. Speaker, I ask unanimous consent that Friday, the 15th, be set apart as the day on which to consider the Hetch Hetchy bill, provided the currency bill is not ready to proceed with; and if it is, that the Hetch Hetchy bill be laid

The SPEAKER. Is there objection to the request of the gentleman from Illinois that the gentleman from Oklahoma [Mr. Morgan] may have one-half hour on Friday next, not to interfere with other business? [After a pause.] The Chair hears none. Now the gentleman from Oklahoma [Mr. Ferris] asks that Friday, the 15th, be set apart for consideration of the bill known as the Hetch Hetchy bill, not to interfere with the currency bill if the currency bill is reported.

Mr. MANN. I would suggest to the gentleman from Oklahoma that he make his request, that on Friday, the 15th, the Hetch Hetchy bill shall be made a continuing order until dis-posed of, so that if the House adjourns without disposing of it

on Friday it will be the continuing order.

The SPEAKER. The gentleman modifies his request so that it will be a continuing order, beginning on Friday, not to interfere with the currency bill.

Mr. MONDELL. Mr. Speaker, reserving the right to object, would like to know what the intention—

Mr. THOMAS. Mr. Speaker, in order that I may enlighten

Mr. MONDELL. Reserving the right to object, I would like to know what the intention of the gentleman from Oklahoma is in regard to allowing sufficient debate and discussion.

Mr. THOMAS. Mr. Speaker, I supposed that I had the floor. The SPEAKER. No; the Chair supposed that the gentleman from Kentucky was reserving the right to object. The gentleman from Kentucky has not the floor.

Mr. THOMAS. I suppose the gentleman from Wyoming has the floor.

The SPEAKER. After the request of the gentleman from Oklahoma is disposed of, the Chair will recognize the gentleman from Kentucky.

Mr. MONDELL. Mr. Speaker, I have introduced this morning a bill which I expect to offer as a substitute for the Hetch Hetchy bill, and I think there will be a demand for considerable time for discussion of that measure on this side at least, as it involves a number of important principles. I trust the gentleman from Oklahoma has no disposition to limit the time for debate, and I want to be assured that abundant opportunity will be given for discussion of the bill before I agree to the request for unanimous consent.

Mr. FERRIS. There is no disposition on the part of the committee, or anybody, for undue haste, or to hurry the matter

along and cut anybody out.

Mr. MONDELL. I have no disposition to prolong the discussion or defeat the measure; I simply want an opportunity for full discussion.

Mr. FERRIS. The gentleman from Wyoming, who has long been a member of the committee, and the chairman of the committee knows that the committee is willing to give everybody an opportunity to be heard, and give it the same full consideration in the House as it had in the committee.

Mr. MURDOCK. Then, if I understand the gentleman from

Oklahoma, he does not intend to conclude this matter in one

Mr. FERRIS. Probably not.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma [Mr. Ferris]?

There was no objection.

Mr. THOMAS. Mr. Speaker, I wish to apologize to the Speaker for interrupting as I did a little while ago. pose that the gentleman from Wyoming had the floor; he generally does. [Laughter.]

Mr. MONDELL. The gentleman from Wyoming sometimes has the floor, when the gentleman from Kentucky does not

Mr. THOMAS. Yes; the gentleman from Kentucky seldom has the floor, and when the gentleman from Kentucky does not have the floor the gentleman from Wyoming either has it or tries to get it, one of the two. [Laughter.] Mr. Speaker, I wish to ask unanimous consent that on Friday next, in order to enlighten the darkened intellect of the gentleman from Illinois [Mr. Mann] [laughter] as to some things which have never been dreamed of in his philosophy, I may have 30 minutes in which to address this House. [Laughter.]

The SPEAKER. The gentleman from Kentucky asks unanimous consent that on next Friday, following the speech of the gentleman from Oklahoma [Mr. Morgan], he shall have 30 minutes in which to address the House.

Mr. MANN. I think the gentleman ought to have 45 minutes, at least, if he is going to give us any information.

Mr. THOMAS. Mr. Speaker, I accept the amendment; you may put it an hour if you like. [Laughter.]

Mr. MANN. It will take an hour for the gentleman to give

any information

Mr. UNDERWOOD. Mr. Speaker, reserving the right to object, I desire to ask the gentleman from Kentucky to amend his request, as there may be two bills which will come up on Friday from the Committee on Foreign Affairs. I ask that he make his request not to interfere with public business.

The SPEAKER. The gentleman from Kentucky asks manimous consent that, following the speech of the gentleman from Oklahoma [Mr. Morgan], he shall have 45 minutes in which to address this House, not to interfere with the public business. Is

there objection? [After a pause.] The Chair hears none.

Mr. RAKER. Mr. Speaker, some two weeks ago House
Document No. 54 was printed. At the time it was stated to the
gentleman from Illinois that the report would not be inserted in the hearings of the Hetch Hetchy bill, which has not been done, but they are practically exhausted, and we desire that a copy of that report may be had by each Member of the Heuse; and therefore I ask unanimous consent that there be printed 500 copies of House Document No. 54, the Army engineers report.

Mr. MANN. Well, reserving the right to object, if there ever was a useless document printed it is that of the Army engineers' report. As for giving a copy to each Member of the House—each member of the Army engineers can not understand it, much less others, and I am sure no one in the House could, except the honorable gentleman from California, who has other information, and hence may be able to understand some little of the Hetch Hetchy document. It is just a waste of public money to be printed.

Mr. RAKER. It is a matter that has been discussed by the committee, and they have all asked about it and desire to know what it is

Mr. MANN. The gentleman ought not to leave them in ignorance. I read that report from one end to the other, and it is the only document I ever read from which I could absolutely extract no information whatever. [Laughter.]

The SPEAKER. The gentleman from California [Mr. Raker] asks unanimous consent that 500 additional copies of House Document 54 be printed, leaving out the engineers' report. Is there objection?

Mr. FOSTER. I object, Mr. Speaker.

The SPEAKER. The gentleman from Illinois objects.

Mr. SLOAN. Mr. Speaker, I desire to ask that I may be permitted to print a letter from the Hon, J. H. Rushton, of Nebraska, in the RECORD.

The SPEAKER. The gentleman from Nebraska [Mr. Sloan] asks unanimous consent to extend his remarks in the RECORD. Is there objection?

Mr. FOSTER. Mr. Speaker, reserving the right to object, I would like to know upon what subject it is.

Mr. SLOAN. The subject is the attitude of the commercial classes of Europe toward pending tariff legislation, he having been Briton-born, became an American citizen, inbued at the same time with American ideals of commerce. He is one of the largest manufacturers in our State of Nebraska products, and I think his communication would be of interest to every Member of this House.

Mr. FOSTER. Is he a member of the National Association of Manufacturers?

Mr. SLOAN. I do not know whether he is or not. I do not know whether that would make any difference. He is an honorable man and an able one-

Mr. FOSTER. That organization seems to be in the limelight at this time

Mr. SLOAN. And the information he would give would, I think, be of value to the gentleman from Illinois.

Mr. MURDOCK. Mr. Speaker, is this a letter or a document? Mr. SLOAN. It is a letter, written to me. I trust that fact will not impair its value.

Mr. FOSTER. Will the gentleman give us the name of the manufacturer?

Mr. SLOAN. The writer is the Hon. J. H. Rushton.

Mr. BURNETT. What is his nationality?

Mr. SLOAN. He is an American citizen, but was born in England; but, unlike a lot of people who were born and still live here, he has not become British on policies of commerce, [Laughter on the Republican side.]

The SPEAKER. Is there objection?

There was no objection.

Following is the letter referred to:

EUSTON HOTEL, London, N. W., July 16, 1913.

Hon. Chas. H. Sloam.

House of Representatives, Washington, D. C.

Friend Sloam: There are some general facts that appeal to me here and I think will appeal to you. This city is one of commerce. The British Empire is a nation of commerce. All the commercial people according to their interests are watching the progress of the Democratic tariff bill and hoping for its speedy

passage.

To illustrate: If the bill passes with the free-meat clause, Australian mutton is ready to come in and compete with the mutton from west of the Missouri River.

The Australian and Argentine beef is looking for the bill to pass so it can come in and compete with the farmers of the Mississippi and Missouri Valleys.

The Russian and Italian eggs as well as China eggs are ready to come across the seas as soon as "Dr. Wilson," as they call him here, signs the bill.

Australian and Siberian butter dealers are ready to cond their

come across the seas as soon as "Dr. Wilson," as they call him here, signs the bill.

Australian and Siberian butter dealers are ready to send their surplus goods to us and meet the butter in our markets made from cream produced in the dairy section of the United States.

Russian and Chinese poultry will be able to come into our markets and get a portion of the trade and dominate our markets.

From these countries producing the articles named—on cheap land—there will come a flood of food.

From these countries where labor is cheap these foods will come in large amounts.

How will the farmers, laborers, and business men of the great producing sections of our country feel about having their \$100-an-acre land put in competition with the \$1 to \$10 land in these countries? How will the well-paid labor of this country enjoy coming into actual practical, not theoretical, competition with the cheap labor of these countries named?

the well-paid labor of this country enjoy coming into actual practical, not theoretical, competition with the cheap labor of these countries named?

We pay women \$1.50 to \$2 per day to pick chickens. In Russla. working from 4 a. m. until 7 p. m., the Russian peasant women get 24 cents per day.

All these lines named remind me of a horse race, every horse is on the bit waiting for the starter to give the word.

So all these named lines are simply waiting for President (Dr.) Wilson to sign this act, and then there will be a rush for our markets (the best markets on earth) and the question is how will it affect our producers, our laborers, our lands, our business communities, and our general prosperity? I leave this to your own conclusion. The eyes of the commercial world are on America and hoping that she will make this misstep and give them a chance. The cost of living in Europe and all over the world will rise. The cost of production will also rise.

In our country the producer will suffer first and then the consumer will suffer second, and our boasted high standard of living will be lowered.

The bill, if it becomes law, will benefit the peasants of Russia and Italy, the cattle and sheep raisers of Australia and Argentina and Uruguay, the Chinaman; but to the extent that they are benefited our own people will suffer.

Is this Congress an American Congress or Russian or Italian or Australian or South American?

By its acts we shall know and become enlightened. It would do the advocates of free meats and reduced duties good to visit the Smithfield Market in London and see things before they vote.

THE CURRENCY.

Mr. RAGSDALE. Mr. Speaker, I ask unanimous consent to be permitted on Friday to address this House for one hour on the currency bill, now being considered, not to interfere with the transaction of public business.

The SPEAKER. The gentleman from South Carolina [Mr.

The SPEAKER. The gentleman from boundary, fol-RAGSDALE] asks unanimous consent that on next Friday, following the speech of the gentleman from Kentucky [Mr. Thomas] and the speech of the gentleman from Oklahoma [Mr. Morgan], he be allowed to address the House for one hour on the subject of the currency bill.

Mr. BURNETT. Mr. Speaker, a parliamentary inquiry.

The gentleman will state it. The SPEAKER.

Mr. BURNETT. Do the Members have to be here when these speeches are delivered?

The SPEAKER. That is not a parliamentary inquiry.
Mr. RAGSDALE. If it would keep some Members from the places they intend to be in, Mr. Speaker, it might be well for them to be required to be here. [Laughter.]

The SPEAKER. Is there objection?
Mr. UNDERWOOD. I understand, Mr. Speaker, that the gentleman coupled with his request the statement that the speech would not interfere with the transaction of public

Mr. RAGSDALE. Yes. I said that. The SPEAKER. Is there objection? There was no objection.

WARREN F. DANIELL.

Mr. REED. Mr. Speaker, I desire to ask unanimous consent to have read by the Clerk and inserted in the RECORD a copy of an editorial.

Mr. MANN. I object, Mr. Speaker. I do not know what it We can not commence that practice.

The SPEAKER. The gentleman from Illinois [Mr. MANN]

Mr. REED. Mr. Speaker, will the gentleman permit me to state the text of the editorial?

Mr. MANN. I object to the gentleman stating what it is. Mr. MURDOCK. The gentleman objects to the editorial, but does not know the subject matter. Is that the proposition?

Mr. MANN. I object to the practice of having read by the Clerk editorials from newspapers, of which there are thou-

sands of good ones every day.

The SPEAKER. The gentleman from Illinois objects, and

does not need to give any reason why he objects.

Mr. REED. Mr. Speaker, I ask unanimous consent to insert in the RECORD an editorial on an ex-Member of this House, the late Warren F. Daniell.

The SPEAKER. The gentleman from New Hampshire [Mr. Reed] asks unanimous consent to insert in the Record an edi-Is there objection? torial.

Mr. MANN. Mr. Speaker, I withdraw my objection in view

of what the gentleman states.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none. The Clerk will read.

The Clerk read as follows:

WARREN F. DANIELL.

Warren F. Daniell, who died at his home in Franklin Wednesday, rounded out a long, useful, and well-spent life and left a circle of friends as wide as the broad range of his acquaintance. Whether from temperament or wise choice, or both, he made his life worth living without worrying over much about it. He was a successful business man, capable of close application, but he did not permit his business to gain mastery over him. He never became a slave to a desire for great wealth, and, free from personal political ambition, lived a life of cheerful activity and contentment, carrying the buoyant spirit of youth into his latest years. Fond of a good horse, he gratified his taste at the same time that he encouraged the breeding of good horses. His model farm and exceptionally fine herd of cattle were for many years an example and an incentive to his neighbors, and, indeed, to farmers in all sections of the State. He even made himself an expert in poultry and contributed greatly to the introduction of the best strains and to the general encouragement and improvement of an industry which is rapidly gaining in importance in New Hampshire.

He was singularly free from ambition. He might easily in Civil War times have held a military commission, but he chose to go with a regiment as a civilian, contributing unostensibly to the comfort of the soldiers. When the village, to the prosperity and growth of which he had contributed, became a city he might have been its mayor, but declined. He might have had the nomination of his party for governor, and in all probability would have been elected, but positively refused. As a matter of party loyalty he consented to run for Congress, and was elected, but would not consider a second term.

Living his life in his own cheerful, wholesome way, he was hale and hearty at an age when most men are feeble of body and broken in spirit. Unaffectedly democratic, kindly and benevolent without ostentation, it could be said of him, as of a certain Greek in the olden time, that he built his house

EXTENSION OF REMARKS.

Mr. LEVY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD.

The SPEAKER. The gentleman from New York [Mr. Levy]

asks unanimous consent to extend his remarks in the RECORD.

Mr. MURDOCK. Mr. Speaker, inasmuch as the practice is growing up of asking each gentleman what he is going to extend about, I will ask the gentleman from New York what he is going to speak of?

Mr. LEVY. I wanted to do that a moment ago. It is in relation to those 2 per cent bonds and to banking.

The SPEAKER. Is there objection?

Mr. WINGO. I object, Mr. Speaker, Mr. MANN. Reserving the right to object-

The SPEAKER. The gentleman from Arkansas [Mr. Wingo] objects.

Mr. BRYAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting an article written by the Hon. Albert J. Beveridge along the line of the remarks to be made by the gentleman from Oklahoma [Mr. Morgan]; that is, on the tariff and other kindred and allied subjects involving the state of the Union.

Mr. LOBECK. I object, Mr. Speaker, until we hear what the gentleman from Oklahoma [Mr. Morgan] states. Then we can find out.

The SPEAKER. The gentleman from Nebraska [Mr. Lo-BECK] objects.

Mr. BRYAN. Mr. Speaker, will not the gentleman— The SPEAKER. The gentleman from Nebraska objects, and does not need to give any reason for objecting.

Mr. LEVY. Mr. Speaker, did anyone object to my printing

remarks in the Record.

The SPEAKER. The gentleman from Arkansas [Mr. Wingo] objected to the request of the gentleman from New York.

PARCEL POST.

Mr. KINDEL. Mr. Speaker, I rise to a question of personal privilege.

The SPEAKER. The gentleman from Colorado [Mr. KINDEL]

rises to a question of personal privilege.

Mr. KINDEL. Since becoming a Member of the House I have labored industriously along the lines of transportationThe SPEAKER. The gentleman from Colorado will state

his question of privilege.

Mr. KINDEL. The Assistant Postmaster General, in remarks made in the Denver Express on July 31, said that Congressman Kindel's plans were entirely too radical; that Post-master General Burleson stated that "we might ultimately reach the point Mr. KINDEL advises, but we do not want to cripple the service by trying to do too much at once. We are going to increase the weight limit of packages accepted from 11 to 20 pounds, and packages over 11 pounds will be carried only in the 150-mile zone."

Mr. MANN. I respectfully suggest that the gentleman has not stated a question of personal privilege. If the gentleman desires to address the House, I have no objection.

The SPEAKER. The gentleman has not stated any question

of personal privilege.

Mr. KINDEL. I supposed that was the way to get the floor on a matter of this kind. I am inexperienced in parliamentary matters, as gentlemen know.

Mr. MANN. How long does the gentleman desire to address

the House?

Mr. KINDEL. Perhaps 30 minutes.

Mr. MANN. I ask unanimous consent that the gentleman have leave to address the House for 30 minutes.

The SPEAKER. The gentleman from Illinois [Mr. MANN] asks unanimous consent that the gentleman from Colorado have

Is there objection? 30 minutes.

Mr. MURDOCK. Reserving the right to object, I should like to know the philosophy and the practice concerning unanimous consent. At the beginning of to-day's proceedings the gentleman from Illinois [Mr. MANN] asked unanimous consent that the gentleman from Oklahoma [Mr. Morgan] might address the House on a future day. Following that the gentleman from Kentucky [Mr. Thomas] made a similar request. Then there followed requests to print several things in the RECORD, but when the gentleman from Washington [Mr. BRYAN] asked unanimous consent to print in the RECORD something which is apropos and political, dealing with public questions, there was objection. I have no objection to the gentleman from Colorado proceeding for 30 minutes, but I think there will have to be some give and take on the proposition of unanimous consent.

Mr. MANN. Mr. Speaker, I think the gentleman from Kan-

sas is hardly fair in his statement.

Mr. MURDOCK. I have no objection to the gentleman from

Colorado addressing the House.

Mr. MANN. I feel quite sure that gentlemen in the House belonging to the party of which the gentleman from Kansas is at the head have printed more matter under leave to print, in proportion, than either of the other parties.

Mr. MURDOCK. I doubt that; but I do not think that enters

into the equation.

Mr. MANN. That enters into the question as to whether

the House is endeavoring to discriminate.

Mr. MURDOCK. The House, as a matter of fact, was playing favors this afternoon in the matter of granting unanimous consent.

Mr. MANN. Oh, well-

Mr. MANN. On, well—
Mr. MURDOCK. I have no objection.
The SPEAKER. The Chair will state again that when a request is made for unanimous consent any gentleman in the House has the absolute and inherent right to object without giving any reason whatever for it.

Mr. THOMAS. Mr. Speaker—
The SPEAKER. Is there objection?
Mr. THOMAS. Reserving the right to object, may I inquire of the Chair for what purpose and upon what subject the gentleman from Colorado wishes to speak?

The SPEAKER. The information of the Chair is—
Mr. THOMAS. I inquire of the gentleman from Colorado.
The SPEAKER. The gentleman from Kentucky, reserving the right to object, asks the gentleman from Colorado what he is going to speak about.

Mr. KINDEL. The parcel post, and my activities along lines contrary to those I have been charged with.

Mr. THOMAS. Mr. Speaker, I ask unanimous consent that the gentleman be allowed four hours in which to discuss that question.

Mr. KINDEL. Mr. Speaker, I do not know that I will take quite four hours, but I will quite likely take three.

Mr. MANN. I ask the gentleman from Kentucky to withdraw his request.

Mr. THOMAS. Anything that the gentleman from Illinois asks.

The SPEAKER. Is there objection to the gentleman from Colorado addressing the House for 30 minutes?

Mr. WINGO. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. LEVY] may have permission to extend his remarks in the RECORD. I misunderstood his request.

Mr. MURDOCK. Mr. Speaker, I object. Mr. KINDEL. Mr. Speaker, I quote the following article

from the Cheyenne Leader:

CONGRESS FIGHTS BURLESON'S ORDER TO REDUCE RATES.

WASHINGTON, July 22.

Concerted opposition has developed in Congress to Postmaster General Burleson's order reducing parcel-post rates and increasing the maximum size of packages to be handled in the service. The order was issued Sunday, to become effective August 15, and to-day the Senate Post Office Committee requested Mr. Burleson to appear before the committee next Thursday with an explanation for the authority of his action.

The committee is expected to undertake to have withdrawn before August 15 any authority he may claim to make changes in rates. It was contended in the committee that the changes would entail an enormous loss to the Government, and some of the members complained strenuously that the Post Office Department had failed to furnish Congress with data concerning the operation of the parcel post.

It is claimed that the Postmaster General has no authority to make the contemplated changes, and there is expected to be some bitter debating on this subject.

Accompanying that was a letter written by A. De Armon, as follows:

CHAMBERLIN METAL WEATHER STRIP Co., Cheyenne, Wyo., July 23, 1913.

Hon, GEORGE J. KINDEL, Washington, D. C.

Hon. George J. Kindel, Washington, D. C.

Dear Sir: Referring to the inclosed clipping, you will remember that when the parcel-post bill was passed, the Postmaster General was given the power to make certain changes to suit conditions. Among the changes he was authorized to make were the reduction of rates and increase in weight of packages up to 100 pounds.

As you are familiar with freight and express rates, we are taking this matter up with you also, as the Congressman from this State is longer on making grand-stand plays than he is at serving the people who sent him to Washington. Incidentally, the aforesaid people will undoubtedly get his Angorina the next trip

You know how we all have been sandbagged and robbed by the express companies, so if you can do anything to aid the Postmaster General in putting this ruling into effect your efforts will surely be appreciated.

General in putting this runing into effect you be preciated.

It would look like the express companies have some lobby in Washington as well as the other "infant industries," and it is the sincerest wish of the writer, as well as thousands of others who have been their prey for lo these many years, that they will get all that is coming to them.

It has been demonstrated that the parcel post is a paying proposition, and there should be no objection to this change.

Very truly,

A. DE ARMON.

Another letter by the editor of the Ranch and Range is as

DENVER, Colo., July 30, 1913.

Hon, George Kindel, M. C., Washington, D. C.

Washington, D. C.

Dear Mr. Kindel: I notice there is an effort being made on the part of representatives of the express companies to nullify the "administrative-powers" clause in the parcel-post law so that the new ruling by Postmaster General Burleson, materially increasing the efficiency of the parcel-post act and making it of much greater service to the farmers, would be made inoperative.

You are familiar with the fact that the parcel-post law became such at the urgent demand of the National Grange, composed of nearly a million enterprising farmers, and it is to relieve these burden bearers of our Nation that this and similar acts for their protection have been enacted.

In behalf of the Colorado State Grange and Farmers' Union, of which Ranch and Range is the official organ, and of which I am managing editor, and in behalf of 50,000 other farmers in the State of Colorado, I appeal to you to protect the interests of the farmers of our Nation by using your offices to defeat any efforts on the part of the "tools" of the express companies, which for decades have been recognized among the "special-privileged classes" in restricting the authority of the Postmaster General, thus forcing the Government to become a party with the express companies in a "hold-up game," which for decades has so effectively contributed to the making of millionaires of the favored few and paupers of the farmers.

Thanking you in advance in anticipation of your favorable efforts in behalf of the farmers, I remain,

Very truly, yours,

My reply to Mr. Groves, of the Ranch and Range, was as

My reply to Mr. Groves, of the Ranch and Range, was as

AUGUST 4, 1913.

Mr. H. S. GROVES, Denver, Colo.

DEAR MR. GROVES: I have your letter of July 30, relating to existing controversy between Congress and the Postmaster General over the

ng controversy between Congress and the Postmaster General over the parcel post.

As you are aware, I have been an open and ardent advocate of the parcel post for a great many years. I advocated its adoption when it was not nearly so popular in Colorado as it is to-day.

I am still a friend of the parcel post. I have advocated increase in the weight limit, reduction of rates, and rearrangement of zones continuously and zealously since I came to Washington. Perhaps you will recall that I proposed a scheme for such a revision after my election to Congress and some time before I came to Washington.

But I am opposed to the butchering of the parcel post now being practiced by Postmaster General Burleson. I have not hesitated to express my opposition publicly and privately; and I am sure the people of Colorado, who have known me in my fight of 21 years against the express companies, know my opposition is not due to friendliness to those bloodsucking parasites.

I have opposed the changes suggested by the Postmaster General because they tend to discredit the parcel post. In my opinion, they will retard rather than aid the proper development of transportation

by parcel post; and if I thought Postmasters General in the future would be as poorly qualified as is Postmaster General Burleson to cope with the problems of parcel post, I should favor taking from that official authority to make changes in rates, zones, and weight limits and lodging it again in Congress. But I am confident that Burleson will not remain in office very long and that there will never be another so poorly fitted for the job as he.

Now, let us look at the possible effects of the changes proposed by Mr. Burleson. He would increase the weight limit to 20 pounds for local, first, and second zones, or over a distance of 150 miles from the sending office. He would decrease the rates radically in this territory, but would leave rates and the weight limit for the remainder of the country unchanged.

I have insisted from the beginning that the changes should be extended all over the country, or that they should be made on a principle that could be extended to the entire country when sufficient development in the parcel-post business had been reached to justify the extension. But I contend that the changes he is making will retard the development of the parcel post, for the very reason that they can never be extended to the other zones.

His rate for the local zone is 5 cents for the first pound and 1 cent for each additional 2 pounds or fraction thereof. For the second and third zones his rate is 5 cents for the first pound and 1 cent for each additional 2 pounds or fraction thereof. For the second and third zones his rate is 5 cents for the first pound and 1 cent for each pound or fraction thereof.

This makes a rate of 24 cents on 20 pounds for a distance of 150 miles. Twenty pounds could not be shipped 151 miles except in two packages. The rate would be \$1.04. This is a penalty of 80 cents for crossing an imaginary line.

I should not object seriously to this discrepancy if I thought it was to be only temporary. But I am convinced from the investigation I have made that the rates made for the 150-mile

rate from Denver to Gienwood Springs is \$1.37 for 100 pounds, first class.

I have always contended and still contend that the freight rate is too high. But the railroads contend that they have a hard time keeping out of the bankruptcy courts under those rates, carrying the business by slow and comparatively inexpensive freight-train service. If must be understood that the railroads deliver none of their freight, simply holding it at the freight office until it is called for.

Now, the Pestmaster General proposes that five 20-pound packages shall be carried from Denver to Gienwood Springs, by passenger train instead of freight, and each package delivered to a separate address for \$1.20, or 17 cents cheaper than the same weight can be carried in a single package by freight and held in the office at Glenwood Springs until it is called for. Does it appear to you that the Government can do that sort of business except at a loss?

Now, the rate on 100 pounds by freight to Grand Junction from Denver is \$1.40, only 3 cents more than to Glenwood Springs. Conditions for carrying and delivery are the same. Let us see about the parcelpost rate.

for carrying and delivery are the same. Let us see about the parcerpost rate.

Grand Junction falls outside the 150-mile radius from Denver; hence the maximum weight limit would be 11 pounds and the present rates would apply. The same 100 pounds which would cost \$1.20 to Glenwood Springs, carried in 5 packages, would have to go in 10 packages to Grand Junction and would cost \$5.20. It costs 3 cents more to ship 100 pounds of freight to Grand Junction than to ship it to Glenwood Springs. It costs \$4 more to ship 100 pounds by parcel post.

Now, I have opposed the alterations proposed by the Postmaster General for no other reason than that they are unsclentific and indefensible from any standpoint. I am confident they will retard rather than hasten the proper development of the parcel post. I did not wuit until his plans had been publicly announced, but wrote to him and to the Interstate Commerce Commission at least a month before any public announcement was made, pointing out the danger of such unrelated changes.

changes.

The Postmaster General first proposed to make the rate of 5 cents for the first pound and 1 cent for each additional 2 pounds apply over the entire 150-mile territory. It was because of my objections that he finally proposed a different rate for the territory outside of local delivery. But I am confident his rates for the second zone are too low, will result in a big deficit to the department, and will thus be a hard blow to the parcel post.

Sincerely, yours,

MILDDOCK Will the gentlemen yield?

Will the gentleman yield? Mr. MURDOCK.

Mr. KINDEL. Yes. Mr. MURDOCK. I realize the study that the gentleman has given to this question perhaps more than any other gentleman present. But he says that the new rates in the first two zones are too low. Is it not a fact that the present rates in the first two zones are so high that the express rates undercut them and get the business? Does the gentleman, in that connection, believe there is any considerable parcel-post business between Washington and Baltimore? Is it not a fact that most of the small parcels go to the express companies for the reason I have stated?

Mr. KINDEL. I am thoroughly in accord with the reductions in the local and first zones, but I am opposed to the postage-stamp rates for the first and second zones. This makes the rate the same for all distances, outside of local delivery, for a distance of 150 miles from the sending office. The rate is 24 cents for 20 pounds for both the 50-mile and the 150-mile zones.

Mr. MURDOCK. The gentleman's objection is to the destruction of the zones and the widening out of the lines which make

the two zones.

Mr. MONDELL. Mr. Speaker, when it is convenient I would like to ask the gentleman a question.

Mr. KINDEL. The gentleman can ask it now.

Mr. MONDELL. The gentleman referred to his interview with the Postmaster General and gave me the impression that he disagreed with the Postmaster General.

Mr. KINDEL. I did.

Mr. MONDELL. I had understood that the Postmaster General had stated in the hearing before the Senate committee, when called upon to explain these changes, that he had con-ferred with the gentleman from Maryland [Mr. Lewis] and the gentleman from Colorado [Mr. Kindel], and I assume that he meant to say or meant to infer that both gentlemen agreed with him.

Mr. KINDEL. I am glad the gentleman from Wyoming has asked the question. I was invited by the Postmaster General to confer with four underling \$2,500 clerks and Mr. Lewis. Mr. Lewis had a proposition to make and, in fact, published it in his brief, in which he proposed to have a rate of one-half a cent a pound for each hundred miles. I pointed out at once what would happen, that the rate would be like a skyrocket; it would be so high, and it would come down like a stick. Mr. Lewis had made comparisons of rates in Europe and his proposed rate on 132-pound packages. He did not tell the whole truth, that that rate was made on 46 miles in Europe and his on 100 miles. In other words, it was a ratio of 30 to 18. When they made the report I told the Postmaster General. The say "we." Who is "we"? I had nothing to do with the report and I could not agree to it. I had proposed another rate that was automatic that you could use-the poundage multiplied by the zone and add 3, and you will get the rate.

Mr. MONDELL. Then I am correct in my understanding of what was said by the Postmaster General to the effect that he had conferred with the gentleman from Colorado and that the

gentleman from Colorado agreed with him?

Mr. KINDEL. I had not agreed with him. I heard that statement was made, but I was away at Panama at the time.

Mr. MONDELL. My impression was that the gentleman from Colorado was in full accord ith what was done.

Mr. KEATING. The gentleman from Colorado is not responsible for any inferences the gentleman from Wyoming may have drawn of what the Postmaster General said.

Mr. KINDEL. I want to thank the gentleman from Wyoming for having brought this question up, and if there is any misun-

derstanding about it I want to correct it.

Mr. MONDELL. Now, Mr. Speaker, will the gentleman yield to me for a moment?

Mr. KEATING. Just a second, I beg of my colleague from Colorado. The point I want to make is this: You are arguing now that your understanding of what the Postmaster General said placed you in a false light before the Senate committee, and claim that he had an agreement with you?

Mr. KINDEL. No; I can not say that. I do not know any-

thing about that.

Mr. MONDELL. Mr. Speaker, will the gentleman yield? The SPEAKER. Does the gentleman from Colorado yield to the gentleman from Wyoming?

Mr. KINDEL. Yes.

Mr. MONDELL. I do not think the gentleman from Colorado [Mr. KINDEL] needs to have his colleague defend and protect him on the floor of the House. In perfect good faith, in order that I might understand the gentleman's position, I asked him with regard to the statement made by the Postmaster General. It happened that I was in the committee room of the Committee on Post Offices and Post Roads of the Senate when the Postmaster General was before that committee, and the understanding I had—and I readily admit I have not the brilliant understanding possessed by the gentleman from Colorado [Mr. Keating]—was that the gentleman from Colorado [Mr. Kin-DEL] agreed with these rates, and I was somewhat surprised; and in order that the matter might be cleared up, not only so far as my understanding of the case is concerned, but so that others also might understand it, in good faith I asked the gentleman to make his position clear. I now ask the gentleman from Colorado [Mr. KINDEL] if it is true that the statement made by the Postmaster General as reported in the newspapers led to the conclusion that he agreed with the Postmaster General?

Mr. KINDEL. I did not agree with him.
Mr. KEATING. One moment.
Mr. KINDEL. This ought not to come out of my time.
Mr. KEATING. I will ask for an extension of the gentleman's time if he will yield to me for a moment.
Mr. KINDEL. Very well.

Mr. KEATING. As I understand the statement of the gentleman from Wyoming, he was present when the Postmaster General made the statement. Mr. Kindel at that time was in Panama. He has not seen the statement of the Postmaster General. Mr. Mondell heard the statement, and now Mr. Mon-DELL comes to Mr. KINDEL, who did not hear and did not read the statement, and asks Mr. KINDEL to tell him, Mr. MONDELL, what the Postmaster General said at the hearing where Mr. MONDELL was present.

Mr. KINDEL. I do not understand it so. The gentleman heard the statement that I had agreed with Mr. Burleson.

did not agree with him and his committee.

Mr. KEATING. There is no question of the gentleman's position.

Mr. MURDOCK. Mr. Speaker, will the gentleman yield to

The SPEAKER. Does the gentleman from Colorado yield to the gentleman from Kansas?

Mr. KINDEL. Yes.

Mr. MURDOCK. Who constituted this conference of which the gentleman speaks?

Mr. KINDEL. Four \$2,500 clerks, and they control the destiny of the biggest business organization on earth, the United States Post Office.

Mr. MURDOCK. Was not the Postmaster General present, and Mr. Lewis?

Mr. KINDEL. Mr. Lewis was there only once or twice. There were only those four clerks, and only when they had a report to make was Mr. Burleson called in.

Now, to further clear your minds on what I thought of the matter, I will read my letter to Mr. Burleson of June 18, 1913. It is as follows:

JUNE 18, 1913.

Hon. Albert S. Burleson,

Postmaster General, Washington, D. C.

My Dear Mr. Burleson: About four months ago you assumed the duties of the office of Postmaster General. In assuming those duties you were aware that the biggest and most important problem confronting the department had to do with the improvement, extension, and administration of the newly created parcel post.

Hence it is fair for the public to believe, as I am convinced it does believe, that you in accepting your appointment did it with full realization of your duty to the people in improving and extending the parcel post. You were a Member of the House of Representatives when Congress enacted the parcel-post law, placing upon the Post Office Department the responsibility for making the parcel post an efficient and economical instrument for general parcel transportation.

As a citizen of the State of Colorado I am deeply interested in the perfection of the parcel post. All the people of Colorado are deeply and vitally interested in it. As the representative of those people in Congress I have a special and added interest in seeing that my constituents get what they are entitled to have in the way of parcel-post improvements.

Honce as a citizen of the State of Colorado and as the Representative of the State of Colorado and as the Representation.

stituents get what they are entitled to have in the way of parcel-post improvements.

Hence, as a citizen of the State of Colorado, and as the Representative in Congress from the first district of Colorado, I write to ask what you, as the people's servant, to whom has been delegated the task of improving the parcel post, have done toward perfecting the parcel post. Are the people to expect that you will do without delay the work they have delegated to you, rather than play petty politics in the Post Office Department?

I presume you admit that the parcel post as at present in effect

Office Department?

I presume you admit that the parcel post as at present in effect is unscientific, illogical, and in general very far from what it should be. Everybody who knows anything about the matter admits that, and I presume you know it as a matter of common report. Therefore you must know that the department is expected to make some improvements.

ments.
So far as I can learn you propose to make no changes except in what are now the local, first, and second zones. I have learned from the assistants and clerks in your department, to whom you have delegated this important work, that it is proposed to consolidate the local, first, and second zones into a new first zone. In this I understand it is planned to increase the weight limit to 20 pounds and to fix a rate of one-half of 1 cent per pound, plus 5 cents. I understand that the present rates and zones beyond the 150-mile radius are to remain in effect.

I hope that my information is incorrect. But if it is I desire to

the present rates and zones beyond the 150-mile radius are to remain in effect.

I hope that my information is incorrect. But if it is I desire to protest against the brutal butchering of an already deformed agent of the people. In behalf of the people I appeal to you lest you further emasculate the people's parcel post. I beg that you do not burden the Post Office Department by putting into effect grossly unremunerative parcel-post rates within narrow limits, while leaving the rates almost prohibitory beyond these limits. I plead that you do not make the parcel post the tool of the express companies, for making their expensive deliveries in the 150-mile zone at prices far less than they can afford to do the work themselves.

If the changes mentioned above are made, the rate on 20 pounds for 150 miles would be 15 cents. For 160 miles 20 pounds could not be carried by parcel post except in two packages. For two 10-pound packages the rate would be \$1.04. Hence to put the suggested rates into effect without further change in the system would mean an increase of 89 cents in the rate on 20 pounds for crossing an imaginary line.

I hope to see changes made in the parcel-post system at once. But I would like to see improvements made. I can see no reason why alterations should be made with reference only to the local zone. I can not see why the rates in the other zones, which all who know anything about transportation admit are too high, should remain the same. I think you will admit that the present system of zones is not based upon any good reason. But I am unable to see why it should be changed in such a way as to produce a system which will be even more unreasonable.

I have protested to your committee against the ounce rate under the present system. A patron of the parcel post must pay the same rate

for a package weighing 17 ounces as on one weighing 2 pounds. I have proposed that the present ounce rate should apply to all fractions of a pound until the pound rate is reached, when the pound rate should apply.

But I understand from your committee of employees of the department that these ounce rates are to remain unchanged. I understand, also, that you do not contemplate a change in the foolish regulation under which seed, if to be planted, takes one rate, while it takes another and very different rate if it is to be eaten. In fact, I understand that you propose to make no changes except to try the rates suggested in the 150-mile zone, "just to see what will happen."

Where I spoke of the 15-cent rate, that was the first proposition. Now they have raised it to 24 cents.

I demonstrated my position to Mr. Ryan, of the Interstate Commerce Commission, who had a package weighing 41 pounds. Commerce Commission, who had a package weighing 4½ pounds. He said, "Mr. Kindel, here are some of your parcel-post rates." I said to him, "What is it?" He said, "They wanted to charge me 44 cents to take that package to Chevy Chase. It weighs 4½ pounds." I said, "What is in it?" He said, "Grass seed." I said, "You should have said 'birdseed." I took it down to the Post Office Department and entered it, and the clerk said, "This is for Chevy Chase, grass seed?" "No;" I said, "it is birdseed." He said, "I recognize the pass being entered here only a few moments ago." I said "Perbays." ing entered here only a few moments ago." I said, "Perhaps." He put on a 10-cent stamp instead of 44 cents, simply on my saying that it was birdseed, and the American people stand for [Laughter.]

Mr. MANN. Will the gentleman yield?
Mr. KINDEL. Yes, sir.
Mr. MANN. Before the parcel-post law was enacted the same package could have been taken to the post office, and if you said "grass seed" it would have been considerably lower than if you said "bird seed."

Mr. KINDEL. Yes; I will show the reverse of that.
Mr. MANN. That was the case before the parcel-post law Mr. MANN. That was the case before the parcel-post law was enacted. The parcel-post law did not make any change in the rate of postage on third-class matter.

Mr. KINDEL. I will show you how that works. Seed, under section 7 of the post-office act, was 8 cents a pound flat; but, for instance, if you take chestnuts—if they are fresh it is presumed you are going to plant them; if they are roasted they bear another rate, as it is presumed you can do nothing but eat them. If you take them, say, in Denver and ship by a rural route—if they are raw they pay 88 cents for 11 pounds, but if you roast them they are only 15. If you ship to Maine from Denver then it is 88 cents if they are raw and \$1.32 if they are roasted, because they become edible then and subject to the merchandise rate.

Mr. MANN. Does not the gentleman admit changes like that frequently occur? For instance, the gentleman comes to Washington and applies for board; nothing being known he is given one rate. He comes and says he is a Member of Congress and the rate is quadrupled.

Mr. KINDEL. Well, the Government is not presumed to do that kind of a business.

Mr. LOBECK. He is a roasted chestnut. Mr. KINDEL. I said in conclusion:

I am surprised that a \$300,000,000 business of the Government should be run on such a plan. I am surprised that the head of this big business enterprise should turn the work over to his assistants and clerks, while he is engaged largely in playing politics.

I trust you will do me the honor to reply to this letter, as the matter is one in which I and the people of Colorado are vitally interested.

Sincerely, yours,

GEO. J. KINDEL.

These four clerks, not one could run a corner grocery for me, and yet they are the ones who brought about this change in the parcel post that is agreed to by the Interstate Commerce Commission, to the detriment of everybody and to the shame of the Interstate Commerce Commission. Under the proposed rates you can make four shipments and beat the through rate something unheard of in any sort of transportation. I have here drawn a map

Mr. MURDOCK. Will the gentleman on his map show a concrete example of just how the four local rates are less than the through rate?

Mr. KINDEL. Yes. I have taken Chattanooga, the home of our chairman of the Committee on the Post Office and Post Roads, to Washington, D. C. Washington is in the fourth zone from Chattanooga. The through rate would be on 20 pounds \$1.24. In four shipments, at 24 cents each, it is 96 cents. You can save 28 cents by reshipping four times. I never heard of

such a thing. It is a shameful proposition.

Mr. MURDOCK. Mr. Speaker, the gentleman says he never heard of such a proposition. I want to say to the gentleman I think he has.

Mr. KINDEL. Not quite as bad as that. Mr. MURDOCK. I have paid fare from Chicago to Washington by local fare from point to point and come through cheaper from Chicago to Washington than by buying a through

Mr. KINDEL. Well, you may have done so. I can see how that could be. If you go to the Canal Zone and travel on the Government railroad you will probably have to pay 5 cents a mile. If perchance you are a tin soldier or a wooden sailor, or a friend of either, you get a pass. It is the one railroad owned and controlled by the Government which is run in violation of

every principle of transportation and law. Under our parcel-post system, with the amendments proposed by the Postmaster General, the rate on 20 packages, weighing respectively from 1 pound up to 20 pounds each, would be \$2. The combined weight of these packages would be 210 pounds. In the second, or 150-mile, zone the rate would be but 90 cents more, or \$2.90. In the third zone, from 150-to 300 miles, the rate on these 20 packages, or their equivalent, would be \$10.90. Here you have one-fourth the rate for one-half the distance. Here you have one-fourth the large commercial centers to distant job-you can ship from the large commercial centers to distant job-bing centers by express and distribute by parcel post, making the Government perform the expensive delivery work. press companies will certainly make a rider of the post office, to the disadvantage of the parcel post.

I hoped that somebody else would bring this out. There happened to be only three propositions before this committee as to new rates, namely, the Postal Progress League, of New York, had three zones—1 cent per pound for the first zone, 2 cents for the second zone, and 3 cents for the third zone. The third zone was 600 miles. I asked, Why a 3-cent rate from New York to San Francisco on parcel post? The freight rate is \$3.70 per 100 pounds. You would be turning over freight to the post office, and vice versa.

Mr. BATHRICK. Will the gentleman yield for a question?

Mr. KINDEL. Yes.

Mr. BATHRICK. Have the express companies worked out a plan relative to rates from point to point more in relation to each other as to distance than this plan shows?

Mr. KINDEL. Yes. I know of no place where you can re-nip. There used to be, but it is not true to-day that you can reship several times, which means the sum of the locals being less than the through rate.

Mr. BATHRICK. Do you think the large experience of the express companies in working out these rates furnishes a basis upon which we could calculate to better advantage than we have now?

Mr. KINDEL. There is no question about it. I will show

Pounds.	Local zone.	First zone, 50 miles.	Second zone, 50 to 150 miles.	Third zone, 150 to 300 miles.	Fourth zone, 300 to 500 miles.	Fifth zone, 500 to 800 miles.	Sixth zone, 800 to 1,200 miles.	Seventh zone, 1,200 to 1,700 miles.	Eighth zone, 1,700 to 2,300 miles.	Ninth zone, 2,300 miles and over.
1	\$0.03 .04 .04 .05 .06 .06 .07 .07 .08 .09 .09 .09 .10 .11 .11 .12 .13 .13 .14 .14 .15	\$0.04 .05 .06 .07 .08 .09 .11 .12 .13 .14 .15 .15 .16 .17 .18 .19 .20 .21 .22 .23 .24 .25 .26 .27 .27 .27 .27 .27 .27 .27 .27 .27 .27	\$0.05 .07 .09 .11 .13 .15 .17 .19 .21 .25 .25 .27 .29 .31 .33 .35 .37 .39 .41 .43 .45 .47 .49 .53	\$0.06 .09 .12 .15 .18 .21 .24 .27 .30 .33 .36 .42 .45 .51 .57 .60 .66 .60 .60 .72 .73 .78	\$0.07 .11 .15 .23 .27 .31 .35 .39 .47 .55 .69 .67 .75 .79 .83 .87 .95 .95	\$0.08 .13 .18 .23 .28 .33 .43 .43 .48 .53 .58 .68 .73 .78 .83 .83 .83 .93 .108 .1.18 .1.18 .1.123 .1.28	\$0.09 .15 .21 .27 .33 .39 .51 .57 .57 .63 .87 .87 .99 .1.05 .111 .1.23 .1.29 .1.41 .1.47 .1.47	\$0.10 .17 .24 .31 .38 .45 .59 .66 .73 .80 .80 .94 1.01 1.15 1.29 1.36 1.43 1.50 1.57 1.64 1.71	\$0. 11 .19 .27 .35 .43 .51 .59 .67 .75 .83 .91 .107 1.15 1.31 1.39 1.47 1.55 1.63 1.71 1.71 1.87 1.95 2.03	\$0. 12 21 30 39 48 57 66 67 57 84 93 1. 02 1. 11 1. 29 1. 38 1. 47 1. 50 1. 65 1. 75 1. 72 2. 20 1. 21 2. 20 2. 20 20 20 20 20 20 20 20 20 20 20 20 20 2

GEORGE J. KINDEL'S copyrighted graduate of parcel post rates and zones, which he presents to the people of the United States.

[The system admits of extension to any weight.]

The rate is found by multiplying the pounds by the zone and adding 3, the overhead charge, except in the local zone, where the rate is found by dividing the weight in pounds by 2 and adding 3. Thus the rate on 10 pounds in the local zone is $10 \div 2 = 5 + 3 = 8$. Fractions are disregarded. The rate on 10 pounds to the eighth zone is 10×8=80+3=83. If it is found

necessary to reduce rates, cut off the highest rate zone and spread the remainder.

The following table shows the parcel-post rates as they will be made up after the changes proposed by the Postmaster General become effective. The discrepancies between the rates in the second and third zones should be noted, as well as the discrepancies that would exist on larger weights if they were permitted under the system beyond the second zone:

Pounds.	Local zone.	First zone.	Second zone.	Third zone.	Fourth zone.	Fifth zone.	Sixth zone.	Seventh zone.	Eighth zone.
1	\$0,05	80.05	\$0,05	\$0.07	\$0.08	\$0.09	\$0.10	\$0.11	\$9, 12
2	.06	.06	.06	.12	.14	.16	.19	.21	. 24
3	.06	.07	.07	.17	.20	.23	. 28	.31	. 36
4		.08	.08	. 22	.26	.30	. 37	.41	. 48
5	.07	.09	.09	. 27	.32	.37	. 46	.51	. 60
6	.08	.10	.10	.32	.38	.44	. 55	. 61	.72
7	.08	.11	.11	.37	. 44	. 51	. 64	.71	. 84
8	.09	.12	.12	.42	.50	.58	.73	.81	.96
9	.09	.13	.13	.47	.56	. 65	.82	.91	1.08
10	.10	.14	.14	.52	.62	.72	.91	1.01	1.20
11		.15	.15	.57	.68	.79	1.00	1.11	1. 32
THE RESERVE OF THE PARTY OF THE		.16	.16	.01	.00	.10	1.00	1.11	1.04
					********		*******	*******	
13		.17	.17						
14	.12	.18	.18						
15		.19	.19						
16		.20	.20						
17	.13	. 21	.21						
18	.14	. 22	. 22						
19	.14	. 23	.23						
20	.15	.24	.24						

The SPEAKER. The time of the gentleman has expired. Mr. KEATING. I ask unanimous consent that the gentleman be permitted to conclude his remarks.

Mr. STEPHENS of California. That he have 15 minutes

The SPEAKER. The gentleman from Colorado [Mr. Keat-ING] asks unanimous consent that the gentleman from Colorado [Mr. KINDEL] be permitted to conclude his remarks.

Mr. MANN. I think it would be better to fix some definite time.

Some one suggested 15 minutes. Mr. STEENERSON. Make it half an hour.

Mr. MURDOCK. I ask unanimous consent to modify the request so that the gentleman be permitted to continue for 30 minutes.

The SPEAKER. The gentleman from Kansas [Mr. Mur-DOCK] asks to modify the request of the gentleman from Colorado [Mr. Keating] and that the gentleman from Colorado

[Mr. Kindel] have 30 minutes. Is there objection?

Mr. MANN. Reserving the right to object, may I get the attention of the gentleman from Alabama? Is there any other business coming up before the House this afternoon?

Mr. UNDERWOOD. None that I know of.
Mr. MANN. Would the gentleman be willing to ask unanimous consent now that at the conclusion of the remarks of the gentleman from Colorado the House stand adjourned?

Mr. UNDERWOOD. I will.

Mr. MANN. If we give him 30 minutes?

Mr. UNDERWOOD. If that is satisfactory to the gentleman. Mr. Speaker, I ask unanimous consent that at the end of 30 minutes

Mr. MANN. At the conclusion of the gentleman's remarks. His time might be extended.

Mr. UNDERWOOD. That at the conclusion of the remarks

of the gentleman from Colorado the House stand adjourned.

The SPEAKER. Before the Chair puts that, there are two gentlemen here who asked unanimous consent to print remarks in the RECORD, who got knocked out on objections, and the objectors are now willing to let them in.

Mr. MURDOCK. Mr. Speaker, in that connection I withdraw the objection I made to the extension of the remarks of the gentleman from New York [Mr. Levy].

The SPEAKER. Is there objection to the gentleman from

New York [Mr. LEVY] extending his remarks?

Mr. MANN. Reserving the right to object, Mr. Speaker, I have no objection to the gentleman from New York extending his remarks upon the currency question, but I do not wish the gentleman from New York, or any other gentleman presenting a request for unanimous consent, to have that request objected to and then get leave to extend, and inject a long speech at that place in the RECORD, as though it were made to the House at that time.

The SPEAKER. All these "leave-to-print" speeches ought

to be printed at the end of the RECORD. There has been an agreement of that kind. The Chair will ask that all these

leave-to-print speeches be printed at the end of the RECORD. Is there objection?

There was no objection.

The SPEAKER, The gentleman from Washington [Mr. BRYAN] asks unanimous consent to extend his remarks in the RECORD, and the gentleman from Nebraska [Mr. LOBECK], who objected, withdraws his objection. Is there objection?

There was no obection.

The SPEAKER. Is there objection to the request of the gentleman from Alabama [Mr. UNDERWOOD] that when the gentleman from Colorado [Mr. KINDEL] concludes his remarks the House shall stand adjourned?

There was no objection.

Mr. BATHRICK. Did I understand the gentleman rightly, that he was going to give us an example of express company rates, showing a better relation from point to point, in the

matter of distance and rates?

Mr. KINDEL. I will say that the Interstate Commerce Commission only yesterday published a rate book based on zones. I have not had the time to study it. I believe it will take a Philadelphia lawyer to understand it. It is a book an inch and a half thick. The most surprising thing to me is its complication. Parcel post or any transportation scheme ought to be simple as well as efficient.

Mr. MURDOCK. Has the gentleman seen the report of the

Interstate Commerce Commission?

Mr. KINDEL. Yes.
Mr. MURDOCK. I understand it is a block system.
Mr. KINDEL. It is.
Mr. MURDOCK. As I understand, that is the gentleman's system in a way.

Mr. KINDEL. No; I have got the zone system applied by

multiplication.

Mr. MURDOCK. I would like to hear the gentleman's plan, because I thought the Interstate Commerce Commission had

adopted the plan of the gentleman.

Mr. KINDEL. Well, say the gentleman lives in the sixth zone from here. He wants to ship 10 pounds. Under my system the rate is calculated thus: Ten times 6 plus 3, which would be 63 cents for the rate. Two pounds would be 2 times 6, 12, plus 3, 15. You say why add 3? Because in the hearing before the committee it was determined that 3 cents was the overhead charge, and therefore in the sixth zone you multiply the zone by the pound and add 3 for the rate. I would like to see something like that adopted.

Mr. MURDOCK. You include the zone in the multiplication

in order to add the question of the factor of distance?

Mr. KINDEL. Yes.
Mr. MURDOCK. If I understand, you take the weight, the distance, and multiply them together and add 3 cents for over-

head charges?

Mr. KINDEL. Yes; and if 3 cents is not sufficient for overhead charges you can add 5, but you will always have an automatic rate. If Congress should decide that the rates were too high, all you would have to do would be to cut out the last

zone and spread the remaining zones.

Mr. BATHRICK. Is not there another element besides weight and distance, namely, that of size? Is that taken into

ronsideration in your plan?

Mr. KINDEL. That is a matter of regulation. They have Increased the weight from 11 to 20 pounds, and there is no provision for increasing the size. That is another thing that I find fault with.

Mr. ANDERSON. Has the gentleman made an investigation looking to determining whether the rates published are suffi-

cient under the present mail contract?

Mr. KINDEL. If the gentleman means the new rates published by the Postmaster General for the first and second zones, I am convinced that they will result in loss to the Government.

Mr. ANDERSON. If the gentleman has time, I would like

to have him make a demonstration on that proposition.

Mr. KINDEL. I will say that I challenge any man to tell me what is the exact cost of transportation. You may guess at it, and the best guess is about 8 cents a pound on the average package in distance. Coming up from Panama I discovered that we could ship-in fact, I had shipped to me a package, and the rate was 12 cents a pound. It did not reach me in time and had to be sent back, and coming back it was 16 cents a pound. The idea of an American possession being denied a parcel post, a possession consisting of five or six thousand people. They pay 16 cents a pound to points between. Mr. Burleson puts in a rate of 150 miles for 24 cents, and they pay for parcel post between stations 16 cents a pound, or 20 pounds would be \$3.20, where we pay 24 cents under the new order.

Mr. STEENERSON. But we are not in control of the postal

service in Panama.

Mr. KINDEL. It is not under the control of Panama. can ship parcels up here. Every Republic as far as Cape Horn can ship to the United States for 12 cents a pound, except the Canal Zone; if it is in Panama you can ship for 12 cents, but in Ancon and Cristobal you pay 16. They tell me the reason was that the steamship and railroad company owned by the United States would not carry it at the same rate as foreign ships. They charge 40 cents per pound for letters and 8 cents for parcels, while foreign ships charge 35 and 4. The Canal Zone people have no representative, and it is our business to see that they are put on a plane with the rest of us. I have taken the matter up with the President, but I have not heard from it.

Mr. MANN. Will the gentleman yield?

Mr. KINDEL. Certainly.
Mr. MANN. The gentleman knows that that is wholly within the control of the President of the United States.

Mr. KINDEL. Yes; and that is the reason I took it up with

the President, but he has not answered me. Mr. MANN. Probably he is relying on the officials of the Canal Zone. The gentleman knows that it was found advisable

to keep the postal service in the Canal Zone separate from that of the United States for many good reasons.

Mr. KINDEL. I do not know what the reasons were. Mr. MANN. It would take the whole of the gentleman's

half hour to enumerate them. Mr. KINDEL. The citizens of the zone are complaining that

they are not allowed the privileges that we enjoy in the United States.

The Canal Zone post office puts its money in the Riggs Bank, in Washington, and gets 3 per cent; but the citizens down there are not getting any interest on their money while deposited in the postal savings bank.

Mr. MANN. But they are getting one and one-half times the

pay that they could get here.

Mr. HARDY. Mr. Speaker, will the gentleman yield?

Mr. KINDEL. Yes.

Mr. HARDY. I will ask the gentleman to give us the benefit of a discussion of his plan. We want his plan, rather than these little details.

Mr. KINDEL. I shall seek leave to insert my plan in the RECORD, a table which Members can read at their leisure. Gentlemen may ask me any question, and I shall be glad to answer, so far as I can. By the plan which I propose you may determine the rate easily, having the weight of the package and the points between which it is to be shipped, without consulting the table.

Mr. STEENERSON. Mr. Speaker, I would like to ask the gentleman to explain what his proposed rates are, so that we can understand them. I have not yet understood the gen-

tleman.

Mr. KINDEL. I am taking the Postmaster General's rates on the local zone and on the first zone, but I have leveled them out, so as to make them reasonable and fair. What is the basis of the gentleman's Mr. STEENERSON.

calculations?

Mr. KINDEL. I told you I multiplied the pounds by the zone and add 3. On the average the rate is one-sixth less than the present rates. For instance, you want 20 pounds; you want to ship a package from here to San Francisco or Salt Lake. It is the eighth zone. Multiply twenty by eight. This gives \$1.60; then add 3, overhead charge, and you have \$1.63, which would be the rate.

Mr. HARDY. The gentleman's proposition is 1 cent per zone

per pound?

Mr. KINDEL.

Mr. STEENERSON. One cent per zone per pound?

Mr. KINDEL. Yes, sir; and 3 cents in addition.

Mr. BATHRICK. For the overhead rate?

Yes. Mr. KINDEL.

Mr. STEENERSON. That would be 11 cents a pound for the

Mr. KINDEL. Yes; 11 cents for the first pound, but it would be 8 cents for every other pound added to it. The second would be 19 cents; the third would be 27 cents.

Mr. BATHRICK. How does the gentleman's rate compare with the rate in force now?

Mr. KINDEL. One-sixth less on the average.

Mr. BARTON. Applying that to the present business done by the parcel post, may I inquire what would be the net result? How would they compare as to the receipts from that departMr. KINDEL. It would make a very profitable and en-

couraging business.

Mr. BARTON. Would the receipts be as great under the

gentleman's plan as at present?

Mr. KINDEL. They would be greater. At present the rate is prohibitive. Under the parcel post the express companies get the fat, and we get the lean.

The SPEAKER. The Chair will admonish Members to refrain from interrupting the gentleman without first addressing

the Chair.

Mr. KEATING. Mr. Speaker, will the gentleman yield?

The SPEAKER. Does the gentleman from Colorado yield to his colleague?

Mr. KINDEL. With pleasure. Mr. KEATING. Suppose we take as an illustration a 20pound package. Could my colleague give us the rate under his rule to carry that package from Washington to Baltimore, and from Washington to Pittsburgh, and then give us the rate on that package under Mr. Burleson's arrangement? I see that gentlemen around me are anxious to see how that would work out.

Mr. KINDEL. I have given you a concrete example here Chattanooga with Washington. The through rate is \$1.22. The Burleson rate would make it 96 cents, or a saving of 26 cents by reason of having the package shipped four times between Chattanooga and Washington.

Mr. STEENERSON. Is that 20 pounds? Mr. COOPER. Yes; is that 20 pounds? Mr. BARTON. Yes.

Mr. KINDEL. It would be 83 cents on a through rate by my system, as against \$1.22 by the present system.

Mr. STEPHENS of California. Mr. Speaker, will the gentleman tell me, please, what is the radius of his first zone?

Mr. KINDEL. I have taken exactly what they have adopted, the local zone, the 50-mile zone and the 150-mile zone.

Mr. STEPHENS of California. The first zone radius is 50 miles?

Mr. KINDEL. Yes; the first zone.

Mr. STEPHENS of California. What is the gentleman's rate for that zone on 10 pounds?

On 10 pounds, in the first zone, 13 cents. Mr. STEPHENS of California. Supposing San Francisco is in the ninth zone, what would be the charge from the first to

Mr. KINDEL. Ninety-three cents.

Mr. STEPHENS of California. That would be nine times the weight plus 3 cents.

Mr. KINDEL. Nine times the number of pounds plus three. Mr. COX. How does the gentleman arrive at the fact that from the data which he has given the House now it will be self-sustaining? In other words, how does the gentleman arrive at the fact that this material reduction in the rate would not bring about a deficit in the Postal Department?

Mr. KINDEL. I am glad the gentleman asked the question. I will send the gentleman a copy of this, making a comparison of the pound rate, the 10-pound, and the hundred-pound—a comparison of the freight and express rate. Now, if the gentleman wants to ask what he desires, I will tell him.

The query I propounded to the gentleman, if I made myself plain, is this: The gentleman has worked out some very interesting figures here, but if put into actual practice will it make the Post Office Department, so far as the parcel post is concerned, self-sustaining or bring about a postal deficit?

Mr. KINDEL. It will make it self-sustaining.

Mr. COX. Now, on what figures does the gentleman base his calculation to make the statement of fact that it would be self-

Mr. KINDEL. On a comparison of the express rates, which we now know are too high.

Mr. COX. Can the gentleman enlighten the House on the subject? I have not looked the question up as to whether or not the parcel-post rate now in effect is yielding a profit to the Government.

Mr. KINDEL. We all assume it is.

Mr. COX. But does the gentleman know whether that is true or not?

Mr. KINDEL. I do not know of anybody who does know. Mr. COX. I have observed the press of the country makes that statement as being true; but is the press correct?

Mr. KINDEL. I think the press makes many mistakes. They made a mistake the other day in criticizing Senator BRYAN.

Mr. COX. I quite agree with the gentleman on that. If I understand the gentleman when he makes that statement—that

his figures would not bring about a postal deficit—he makes it based upon facts concerning express rates, freight rates, and so

Mr. KINDEL. Yes, sir. I take the freight rate first on the hundred pounds, then the express rate, and then the parcel post. Take the rate from New York, for instance, to Omaha. The freight rate per 100 pounds is \$1.43. The express rate is \$3.90. The parcel post, under my system, would be \$6.03.

Mr. STEENERSON. Will the gentleman yield?

Mr. KINDEL. Yes.

Mr. STEENERSON. The gentleman has not figured the amount that the Government pays for the transportation. It seems to me he would have to know what rate the Government pays before he can tell whether it is self-sustaining or not.

Mr. KINDEL. Well, I stated at the outset, I take that from

the hearings as being 8 cents per ton-mile.

Mr. STEENERSON. The gentleman ought to know that the amount paid by the Government depends upon the contracts, upon the weight of mail, and the distance.

Mr. KINDEL. Yes.

Mr. STEENERSON. That is a very much larger sum for transportation to the farthest zone than to the first zone.

Mr. KINDEL. Yes.

Mr. STEENERSON. And consequently it would be impossible to offer any figures now to determine whether these rates would be self-sustaining or not.

Mr. KINDEL. Well, I think they are. The express companies are making money, and this will nearly double what the express companies are getting.

Mr. STEENERSON. Maybe they pay less than the Govern-

ment pays.

Mr. KINDEL. Perhaps.

Mr. STEENERSON. Now, does the gentleman favor the present zone or does he favor a restricted or larger zone?

Mr. KINDEL. I would increase the zones to nine.

Mr. STEENERSON. I am asking the gentleman what he favors as the ideal plan?

Mr. KINDEL. I would favor a higher rate for the second zone than that proposed by the Postmaster General until we are quite sure that it is a lucrative business for the Government.

Mr. STEENERSON. I mean as to zones.

Mr. KINDEL. I have already said I favor nine zones.

Mr. STEENERSON. How many zones does the gentleman

think would be an ideal system?

Mr. KINDEL. Nine instead of eight. To-day you have eight zones, and you stop at Salt Lake. From Augusta, Me., to Denver it is eight zones, and then it is a flat rate. I would either make it all flat or all zones.

Mr. STEENERSON. The maximum rate on the zones, with

cents added, would be 12 cents.

Mr. KINDEL. Twelve cents for the first pound and 9 cents thereafter.

Mr. BARTON. What weight limit do you advocate? Mr. KINDEL. Starting in with 25 pounds instead of 20;

but they did not have the scales to do that.

Mr. BARTON. You advocate 25?

Mr. KINDEL. Yes; and as soon as I could I would increase it up to 100 pounds; but I do not want to knock out the Post Office Department. They are not prepared to handle the business as yet. It will come in time.

Another way to test that is to take the nine zones and divide them into three, and then compare the freight, express, and

parcel post and see how you come out.

I have done a great deal of thinking about this. since last March I have done scarcely anything else. Talk about your zones! I will tell you what it means to take an ounce and a pound from here to Salt Lake. A pound from here to Salt Lake is 12 cents and an ounce is 1 cent. Now, if you compare a pound to a cat and an ounce to a kitten, I ask you what is the rate on a cat and on a kitten? You would naturally expect that the mother and the kitten would travel together. Under that you would pay a penalty, because the cat would pay 12 cents and the kitten would pay 1 cent if separate, but together the cat and the kitten make a fraction over a pound, and it is 24 cents. Now, having established that, I would ask you what would be the rate on 10 cats weighing a pound each and on 16 kittens weighing an ounce each? Of course you would dispose of the 10 cats at once by saying ten times 12 are \$1.20. But what about the kittens? If you get the whole 16 in one box weighing a pound they will go for another 12 cents, but if you chance to put 1 kitten with each cat, then you would pay \$2.40 instead of \$1.20, and you would still have 6 kittens left over. How are you going to ship them? If you ship them each in a separate box they will be 6 cents. If you ship five in one box it will be 12 cents, because

that is a fraction over 4 ounces, which makes another pound. Talk about mathematicians! How the scientists in Washington could devise a thing like that I can not understand

Mr. COX. What would the gentleman think of a proposition to turn over the whole question of weights and rates to the Postmaster General?

Mr. KINDEL. Not with this Postmaster General. I have tried to talk with him, and he does not understand the first thing about it. He is absolutely ignorant on this subject. He may know about everything else, but he does not know about this. He is dependent on those four clerks.

Now, further, I saw the gentleman from Georgia [Mr. Adamson], chairman of the Interstate Commerce Committee, and begged him to intercede. I said, "They are going to put this through if you do not look out." He said, "I do not take any stock in this. I have got to turn it over to Mr. Moon, chairman of the Committee on the Post Office and Post Roads.'

I saw the gentleman from Tennessee [Mr. Moon], and he listened to me attentively. As a result he wrote the following letter to Mr. Burleson:

JULY 3, 1913.

Hon. A. S. Burleson, Postmaster General, Washington, D. C.

Hon. A. S. Burleson,

Postmaster General, Washington, D. C.

My Dear Sir: Mr. Kindel, of Colorado, is insisting that the proposed change in zone rates under the parcel-post law will work a very great detriment to the Government. This bill, as you know, was put through as a compromise in order to get the system started. It is intensely crude. We appointed at the same time a parcel-post commission in the House and Senate, whose duty it is to make a thorough investigation and report to the next Congress as to what changes should be made in the law covering rates, zones, and so on. He (Mr. K.) tells me that he has filed a statement with you and the Interstate Commerce Commission, to which reference is made. I have gone over some of the figures with him to-day, and am inclined to think that he is right about the inadvisability of some of the changes.

I, of course, do not want to interfere in any way with what the department may want to do, or the Interstate Commerce Commission, as to what they want to do, or the Interstate Commerce Commission, as to what they want to do, under the authority invested in them under the act. But I am also inclined to think that it would be wise to wait upon the report of the commission and the action of the committee on that report before anything is done. It is evident that the committee in the Post Office Department investigating the matter has not a very full comprehension of the act or the changes that may be desired. They may know more about it than I do, but I feel it is a matter upon which we ought to have some very thorough investigation by the legislative commission and the department in conjunction. Perhaps it would be a good idea to wait until the next session before anything is done, as there is danger of much loss to the Government by too hasty action in this matter. I fear that some of the changes proposed will result in giving the paying business to the Government, by reason of the power now existing for reshipment, or rather remalling, from different zones between the

Chairman Committee on the Post Office and Post Roads, House of Representatives.

This was on July 3. I also saw Mr. Clark, of the Interstate Commerce Commission, several times, begging him to consider the matter well; told him they would be in conflict with every rule and order that they had made heretofore. On July 1 I wrote him this letter:

WASHINGTON, D. C., July 1, 1913. EDGAR E. CLARK, Chairman Interstate Commerce Commission, Washington, D. C.

Washington, D. C.

My Dear Mr. Clark: At the suggestion of Commissioner Marble, with whom I discussed briefly, Monday, the suggestions submitted by the Post Office Department for the alteration of the parcel-post regulations, zones, and rates, I am writing to set forth my objections to these suggestions and to petition the commission, on behalf of the people I represent, that these unscientific, unrelated, and illogical alterations be not made.

It is my understand.

not made.

It is my understanding that Postmaster General Burieson has proposed consolidating the local, first, and second zones into a new first zone, with a radius of 150 miles; that he proposes to increase the weight limit to 20 pounds within this zone and to make the rates one-half of 1 cent per pound plus 5 cents; that he proposes to leave the remaining six zones unchanged and the rates in these six zones likewise unchanged; that, in fact, so far as I can learn, he proposes no changes except those mentioned above—in the local, first, and second zones.

I have urged repeatedly that extensive changes be made in the parcelpost system, and I do not want to hinder in any way alterations which will improve the system and make it a more general instrument for the use of the public in the distribution and delivery of parcels. But I am opposed to these unrelated changes, because I think they will discredit the parcel post and the Democratic Party and will serve only to postpone the day when the parcel post shall be the economical transportation medium it is destined to become.

Under the plan suggested by the Postmaster General the rate on 20 pounds in the 150-mile radius would be 15 cents. There can be no doubt that the existing rates are too high; but there is no warrant for reducing them so radically as the Post Office Department has suggested, while leaving the rates for longer distances unchanged.

The present rate on a 10-pound package in the second zone, from 50 to 150 miles, is 42 cents. On 20 pounds, which could be mailed only in two packages, the rate is 84 cents. It is proposed to cut this rate

to 15 cents, or to make it only 1 cent more than one-sixth the present

to 15 cents, or to make it only 1 cent more than one-sixth the present rate.

It rates for longer distances than 150 miles are to remain unless. Then, in the are all the sent present 150 and 250 miles, the rate on 20 pounds, which could need be seen 150 and 250 miles, the rate on 20 pounds, which could need be seen 150 and 250 miles, the rate on 20 pounds, which could need be seen 150 and 250 miles, the rate on 20 pounds, which could need be seen 150 and 250 miles, the rate on 20 pounds, which could need the seen 150 and 250 miles from the point plag 20 pounds across an imaginary line only 150 miles from the point being forced to put up his shipment in two packages to get it across this imaginary line at all by parcel post.

In my opinion the express companies would be able to use the parcel delivery work in small pockages, while they will deprive the Government of all the long-haul business, on which it might make a profit sufficient to meet the defelt that it will undoubtedly face through a sufficient to meet the defelt that it will undoubtedly face through a sufficient to meet the defelt that it will undoubtedly face through a sufficient to meet the defelt that it will undoubtedly face through a sufficient to meet the defelt that it will undoubtedly face through a sufficient of the su

The SPEAKER. The time of the gentleman from Colorado has expired.

Mr. KINDEL. Mr. Speaker, I ask unanimous consent to ex-

tend my remarks in the Record.

The SPEAKER. The gentleman from Colorado asks unanimous consent to extend his remarks in the Record. Is there objection?

There was no objection.

Mr. KINDEL. The Postmaster General and the Interstate Commerce Commission proceeded very quietly and with as little publicity as possible toward making the important changes that have been made in the parcel-post system. To illustrate the difficulty I had in finding out what they were doing, and to show the manner in which they proceeded, I desire to insert the following letter, which I received from Commissioner Harlan, of the Interstate Commerce Commission:

INTERSTATE COMMERCE COMMISSION,
CHAMBERS OF JAMES S. HARLAN, COMMISSIONER,
Washington, July 1, 1913.

Hon. George J. Kindel, House of Representatives.

House of Representatives.

Dear Mr. Kindel: Following up our brief conference this morning. I requested the Post Office Department to furnish you with a copy of their communication to the commission, and I understood that they would do this at once.

For reasons that have seemed entirely satisfactory to us the commission will make no public announcement either with respect to what the Post Office Department proposes or with respect to our conclusions thereon. This will be done in due course by the Post Office Department. I must request you therefore to pursue the same course, and that you make no public expression respecting the letter that I have asked the Post Office Department to send to you or respecting your comments to us until the Post Office Department has made its announcement. It is important that you let us have your suggestions the first thing in the morning.

Sincerely, yours,

Jas. S. Harlan, Commissioner.

On the same day I received the following letter from the Postmaster General, transmitting to me a copy of the changes proposed, which I had not before been able to obtain. It will be noted that I was cautioned to be very secretive regarding the proposal-to say nothing about it to anybody, and to return it to the department.

OFFICE OF THE POSTMASTER GENERAL, Washington, D. C., July 1, 1913.

Hon. George J. Kindel.

House of Representatives.

My Dear Mr. Kindel. Referring to a request which you have made on the Interstate Commerce Commission for a copy of the memoranda which I furnished the commission in connection with the proposed changes in zones and rates in the parcel-post system, I am handing you herewith copy of the report of the parcel-post committee, bearing the date of June 17, and a copy of my letter and recommendations based upon this report, addressed to the Interstate Commerce Commission, under date of June 26.

These data are given to you with the understanding that they are to be used by you only, and to be returned to this department when they shall have served your purpose.

Very sincerely,

A. S. Burleson.

Postmaster General.

A. S. BURLESON.

Postmaster General.

Later, while I was in Panama, the following letter was sent me by Chairman Clark, of the Interstate Commerce Commission, in answer to the letter I had written the commission protesting against the changes in rates proposed by the Postmaster General:

INTERSTATE COMMERCE COMMISSION, Washington, July 9, 1913.

Hon. Geo. J. Kindel,

Honse of Representatives, Washington.

Dear Sir: Your letter of the 1st instant, relative to certain changes in the parcel-post regulations proposed by the Postmaster General, has been considered by the commission.

We realize that inconsistencies, perhaps, exist in the system, but we realize also that the whole matter is experimental. We have gone into this matter rather exhaustively, have ascertained quite fully the reasons which prompted these proposed changes on part of the Post Office Department and the purposes aimed at, and lnasmuch as the commission is satisfied that the changes are primarily for the purpose of removing restrictions which prevent the mailability of desirable articles and for the purpose of giving the public a more liberal and better service, the commission feels that it should not hamper the efforts of the Post Office Department by withholding consent to the changes, which, like all the rest of the regulations, are largely experimental in their nature, and which can be again changed later if experience shall demonstrate that that is desirable.

Yours, truly,

E. E. Clark, Chairman.

E. E. CLARK, Chairman

I challenge the statement of Commissioner Clark to the effect that the commission made any very exhaustive investigation into the results of the changes proposed by the Postmaster I made an effort to be heard on the subject, but was told that there would be no hearings. I was permitted to file a brief, which I have read in the course of my remarks. I wrote that letter on July 1. The records in the office of the Interstate Commerce Commission show that the order of the Postmaster General was approved by the commission June 26, four days before I was given permission to file my brief protesting against the order. It was signed by all the commissioners except Commissioner Meyer.

I looked over all the papers in connection with the case in the office of the commission. I saw no letters or comments there except those furnished by myself, a letter from Congress-man Moon, which I have read, and a few other pieces of documentary evidence, which had apparently been filed and never

disturbed afterwards.

ADJOURNMENT.

The SPEAKER. Under the previous order of the House, the House will now adjourn.

Accordingly (at 1 o'clock and 57 minutes p. m.) the House, under its previous order, adjourned until Friday, August 8, 1913, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1. A letter from the Secretary of the Treasury, transmitting a communication from the Acting Secretary of War submitting an estimate of appropriation for replacing military stores, supplies, and equipment lost by the National Guard in Ohio during the recent floods (H. Doc. No. 172); to the Committee on Appropriations and ordered to be printed.

2. A letter from the Secretary of the Treasury, transmitting a letter from members of the commission created for the purpose of investigating and reporting to Congress a suitable design for a memorial bridge across the Potomac, submitting an estimate of appropriation to enable the work to be started (H. Doc. No. 173); to the Committee on Appropriations and ordered to be printed.

3. A letter from the Acting Secretary of War, transmitting, with a letter from the Chief of Engineers, report on preliminary examination of Clearwater Harbor and Big Pass, Fla., with a view to securing a channel with a suitable depth and width from the Gulf of Mexico to a point at or near the town of Clearwater, Fla. (H. Doc. No. 174): to the Committee on Rivers and Harbors and ordered to be printed with illustration.

4. A letter from the Acting Secretary of War, transmitting, with a letter from the Chief of Engineers, report on preliminary examination of Pensauken Creek, N. J. (H. Doc. No. 175); to the Committee on Rivers and Harbors and ordered to be printed.

5. A letter from the Acting Secretary of War, transmitting, with a letter from the Chief of Engineers, report of preliminary examination and survey of Lake Ponchartrain, La., with a view to removal of the middle ground between the Rigolets and north draw of New Orleans & Northwestern Railroad bridge (H. Doc. No. 176); to the Committee on River and Harbors and ordered to be printed with illustration.

6. A letter from the Acting Secretary of War, transmitting, with a letter from the Chief of Engineers, report of preliminary examination of Fox Creek, Dorchester County, Md. (H. Doc. No. 177); to the Committee on Rivers and Harbors and ordered to

be printed with illustration.

7. A letter from the Acting Secretary of War, transmitting, with a letter from the Chief of Engineers, reports on preliminary examination and survey of inland waterway between Mc-Clellanville and Winyah Bay, and between Charleston and McClellanville, by way of Alligator Creek and Sewee Bay, S. C. (H. Doc. No. 178); to the Committee on Rivers and Harbors and ordered to be printed with illustrations.

8. A letter from the Acting Secretary of War, transmitting, with a letter from the Chief of Engineers, report of preliminary examination of Blackwater River, Va., with a view to removal of shoal at its mouth (H. Doc. No. 179); to the Committee on

Rivers and Harbors and ordered to be printed.

9. A letter from the Acting Secretary of War, transmitting, with a letter from the Chief of Engineers, report of preliminary examination of Wabash River at Maunie, Ill. (H. Doc. No. 180); to the Committee on Rivers and Harbors and ordered to be printed with illustrations.

10. A letter from the Acting Secretary of War, transmitting, with a letter from the Chief of Engineers, report of preliminary examination and survey of Manhasset Harbor, N. Y. (H. Doc. No. 181); to the Committee on Rivers and Harbors and

ordered to be printed with illustrations.

11. A letter from the Acting Secretary of War, transmitting, with a letter from the Chief of Engineers, report of preliminary examination of Hunting Field Creek, Md. (H. Doc. No. 182); to the Committee on Rivers and Harbors and ordered to be printed with illustrations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. RAKER, from the Committee on the Public Lands, to which was referred the bill (H. R. 7207) granting to the city and county of San Francisco certain rights of way in, over, and through certain public lands, the Yosemite National Park, and Stanislaus National Forest, and certain lands in the Yosemite National Park, the Stanislaus National Forest, and the public lands in the State of California, and for other purposes, reported the same without amendment, accompanied by a report (No. 41), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. DENT, from the Committee on Military Affairs, to which was referred the joint resolution (S. J. Res. 52) to authorize the appointment of Thomas Green Peyton as a cadet in the United States Military Academy, reported the same with amendment, accompanied by a report (No. 42), which said bill and report were referred to the Private Calendar.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, the Committee on the Library was discharged from the consideration of the bill (H. R. 7282) for the relief of the estate of Samuel Very, jr., and the same was referred to the Committee on Claims.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. LINTHICUM: A bill (H. R. 7288) to provide for repairing the U. S. frigate Constellation and stationing her at Baltimore, Md., and for other purposes; to the Committee on Naval

By Mr. LEVY: A bill (H. R. 7289) to amend an act entitled "An act to amend the national banking laws," approved May 30, 1908, by admitting State banks to its provisions; by repealing the prohibitory tax on the circulation of national currency associations, and by providing that the member banks thereof may assume the functions of clearing houses and have the benefits of loan certificates; to the Committee on Banking and Currency.

Also, a bill (H. R. 7290) to amend and extend an act entitled "An act to amend the national banking laws," approved May 30, 1908, by admitting State banks to its benefits, increasing the powers of national currency associations to perform the functions of clearing houses, including issuance of loan certificates, repealing the prohibitory tax on their note issues, providing a continuous market for 2 per cent bonds, and establishing an elastic bank currency on a gold basis; to the Committee on

Banking and Currency.

By Mr. CARTER: A bill (H. R. 7291) to amend article 103 of the Rules and Articles of War; to the Committee on Military Affairs

By Mr. ADAMSON: A bill (H. R. 7292) to provide for the admission of the male employees of the executive departments and independent bureaus of the Government in Washington who may contract tuberculosis while so employed to the United States Public Health Sanatorium for Tuberculosis at Fort Stanton, N. Mex., not exceeding 25 in number to be under treatment at one time; to the Committee on Interstate and Foreign Commerce.

By Mr. BROCKSON: A bill (H. R. 7293) to establish a customs collection district and ports of entry in the State of Delaware; to the Committee on Ways and Means.

By Mr. HULINGS: A bill (H. R. 7294) to enable the Interstate Commerce Commission to investigate appliances or systems to promote the safety of railway operations, and making appropriation for the same; to the Committee on Appropria-

By Mr. BURKE of South Dakota: A bill (H. R. 7290) granting a condemned cannon to the city of Miller, S. Dak.; to the Committee on Military Affairs.

By Mr. STEPHENS of Texas: A bill (H. R. 7296) regulating the expenditure of Indian funds for support of sectarian schools

or religious institutions; to the Committee on Indian Affairs.

By Mr. MONDELL: A bill (H. R. 7297) granting a right of way over certain public lands and reservations to the city and county of San Francisco for the purposes of a water supply

and power development; to the Committee on the Public Lands.
By Mr. BROCKSON: A bill (H. R. 7298) to increase the limit
of cost of the public building at Smyrna, Del.; to the Committee on Public Buildings and Grounds.

By Mr. TREADWAY: A bill (H. R. 7299) to provide for a
site and public building at Great Barrington, Mass.; to the

Committee on Public Buildings and Grounds.

By Mr. KENT: A bill (H. R. 7300) to authorize the establishment of free public schools upon United States military reservations; to the Committee on Military Affairs.

By Mr. CONRY: A bill (H. R. 7301) authorizing the Secretary of the Navy to offer rewards for information or evidence

of violations of the antitrust act; to the Committee on Naval Affairs.

By Mr. LINTHICUM: A bill (H. R. 7302) to place the supervision and control of Fort McHenry and the grounds connected therewith under the city of Baltimore, and making certain provisions in connection with the said transfer; to the Committee on Military Affairs.

By Mr. EVANS; A bill (H. R. 7303) authorizing the Court

of Claims to hear and consider all claims of certain tribes or nations of Indians in the State of Montana; to the Committee on Indian Affairs.

Also, a bill (H. R. 7304) for the relief of certain nations or tribes of Indians in Montana; to the Committee on Indian Affairs.

By Mr. LINTHICUM: A bill (H. R. 7305) providing for the appropriation of a sum of money for the erection at Fort Mc-Henry of a monument and flagstaff to Francis Scott Key, and a memorial hall to the defenders of the Nation in the War of 1812, and the erection of a monument upon the North Point battle field, and for the necessary alterations in the buildings and grounds in connection therewith; to the Committee on the Library.

By Mr. LEVY: Resolution (H. Res. 220) directing the Secretary of the Treasury to furnish the House with a copy of the transfer list of registered 2 per cent bonds by national banks

since July 1, 1913; to the Committee on Ways and Means.

By Mr. GOODWIN of Arkansas: Resolution (H. Res. 221) to print decisions of the Supreme Court of the United States in the Arkansas, Oregon, West Virginia, Missouri, and Minnesota rate cases; to the Committee on Printing.

By Mr. BRITTEN: Resolution (H. Res. 222) directing the Committee on Naval Affairs to report a bill at the earliest practicable date providing for an emergency appropriation sufficiently large to begin the immediate construction of three additional battleships of the dreadnought type; to the Committee on Naval Affairs.

By Mr. STEPHENS of Texas: Joint resolution (H. J. Res. 115) extending belligerent rights to the contending factions in the Republic of Mexico and declaring for a policy of neutrality;

to the Committee on Foreign Affairs. By Mr. HOBSON: Joint resolution (H. J. Res. 116) authorizing the Secretary of the Treasury to furnish certain information to Congress; to the Committee on Interstate and Foreign Commerce.

Also, joint resolution (H. J. Res. 117) proposing an amendment to the Constitution prohibiting the sale, manufacture for sale, and importation for sale of beverages or foods containing alcohol; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions

were introduced and severally referred as follows:

By Mr. ADAIR: A bill (H. R. 7306) granting an increase of pension to Lorenzo D. Crawley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7307) granting an increase of pension to Thomas J. Chilton; to the Committee on Invalid Pensions. By Mr. ANDERSON: A bill (H. R. 7308) granting an in-

crease of pension to Mary Fowler; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7309) granting an increase of pension to George H. Suits; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7310) granting a pension to Isabel Arneson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7311) granting a pension to Melissa J.

Gross; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7312) granting a pension to Minnie A. Thornhill; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7313) granting a pension to Bridget Thomas: to the Committee on Invalid Pensions.

Also, a bill (H. R. 7314) granting a pension to Hattie Rey-

nolds; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7315) granting a pension to Eli J. Bertrand; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7316) for the relief of Peter J. Schwarg;

to the Committee on Claims.

Also, a bill (H. R. 7317) for the relief of F. W. Tyler; to the

Committee on Claims.

Also, a bill (H. R. 7318) for the relief of Benjamin F. Dayton; to the Committee on Military Affairs.

By Mr. BROWN of West Virginia: A bill (H. R. 7319) granting a pension to Anna B. McCoy; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7320) for the relief of Adolph Kogelschatz;

to the Committee on War Claims.

By Mr. CLARK of Missouri: A bill (H. R. 7321) for the relief of the treasurer of State Hospital No. 1, at Fulton, Mo.; to the Committee on War Claims.

By Mr. CONRY: A bill (H. R. 7322) granting a pension to Michael Collins; to the Committee on Invalid Pensions.

By Mr. DENT: A bill (H. R. 7323) granting a pension to Martha Rebecca Young; to the Committee on Pensions.

By Mr. DICKINSON; A bill (H. R. 7324) granting a pension to Jacob Buzan; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7325) granting a pension to James M. Pickett; to the Committee on Invalid Pensions.

By Mr. FERGUSSON: A bill (H. R. 7326) granting a pension to Joseph F. Fike: to the Committee on Pensions.

Also, a bill (H. R. 7327) for the relief of Charles L. Hill; to the Committee on the Public Lands.

Also, a bill (H. R. 7328) for the relief of W. A. Walker; to the Committee on Claims.

Also, a bill (H. R. 7329) authorizing the Secretary of War to award the congressional medal of honor to Second Lieut. Etienne de P. Bujac; to the Committee on Military Affairs

By Mr. FORDNEY: A bill (H. R. 7330) granting a pension to Ira A. Huntley; to the Committee on Pensions.

By Mr. HULINGS: A bill (H. R. 7531) authorizing the Commissioner of Internal Revenue to redeem and pay to Nathan Rosenblum the value of certain revenue stamps destroyed; to the Committee on Claims.

By Mr. KINKAID of Nebraska: A bill (H. R. 7332) granting an increase of pension to William Brown; to the Committee on Invalid Pensions.

By Mr. LAFFERTY: A bill (H. R. 7333) granting a pension to Sue S. Rabb; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7334) for the relief of Charles Leon; to the Committee on Claims.

Also, a bill (H. R. 7335) for the relief of Oliver Steele; to the Committee on Claims.

By Mr. O'HAIR: A bill (H. R. 7336) granting a pension to Elisha Buckner; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7337) granting an increase of pension to

James H. Moreland; to the Committee on Invalid Pensions. Also, a bill (H. R. 7338) granting an increase of pension to

James Claypool; to the Committee on Invalid Pensions. Also, a bill (H. R. 7339) granting an increase of pension to

Luther Jenkins; to the Committee on Invalid Pensions,
Also, a bill (H. R. 7340) granting an increase of pension to

John W. Bayne; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7341) granting a pension to Mary A. Vaughn; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7342) removing the disability of a charge of desertion in the case of William Martin; to the Committee on Military Affairs.

By Mr. PAYNE: A bill (H. R. 7343) granting an increase of pension to John W. Whitbeck; to the Committee on Invalid Pensions.

By Mr. POST: A bill (H. R. 7344) granting an increase of pension to Wesley W. Gooley; to the Committee on Invalid Pensions.

By Mr. PROUTY: A bill (H. R. 7345) granting a pension to Walter E. Petrie; to the Committee on Pensions,

By Mr. STEPHENS of California: A bill (H. R. 7346) granting a pension to Elizabeth McManus; to the Committee on Invalid Pensions

By Mr. STONE: A bill (H. R. 7347) granting an increase of pension to Catherine Kennedy; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7348) granting an increase of pension to William A. Taylor; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7349) granting an increase of pension to John T. Lea; to the Committee on Invalid Pensions.

By Mr. THOMSON of Illinois: A bill (H. R. 7350) for the relief of George Q. Allen; to the Committee on Appropriations. By Mr. TREADWAY: A bill (H. R. 7351) granting a pension

to Julia Halloran; to the Committee on Pensions. Also, a bill (H. R. 7352) granting a pension to Eva M. Thomas; to the Committee on Invalid Pensions.

By Mr. UNDERHILL: A bill (H. R. 7353) to remove the charge of desertion against James Green; to the Committee on Naval Affairs.

By Mr. MITCHELL: A bill (H. R. 7354) waiving the age limit for admission to the Pay Corps of the United States Navy in the case of Edward Henry Duane; to the Committee on Naval Affairs.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER (by request): Petition of the Society of Automobile Engineers, protesting against the passage of the Oldfield bill, relative to change in the patent laws; to the Committee on Patents

By Mr. ANDERSON: Papers to accompany a bill granting a pension to Bridget Thomas; to the Committee on Invalid Pensions.

Also, papers to accompany a bill to grant a pension to Hattie Reynolds; to the Committee on Invalid Pensions.

Also, papers to accompany a bill granting a pension to Isabel Arneson; to the Committee on Invalid Pensions.

Also, papers to accompany a bill granting a pension to Mary Tayler; to the Committee on Invalid Pensions.

By Mr. DALE: Petition of the San Francisco Title Insurance Co., of San Francisco, Cal., protesting against mutual life insurance funds in the income-tax bill; to the Committee on Ways and Means.

By Mr. GRAHAM of Pennsylvania: Petition of the North Carolina Pine Association, favoring the retention of the Commerce Court; to the Committee on the Judiciary.

By Mr. FLOYD of Arkansas: Petition of the Harrison Commercial Club, of Harrison, Ark., favoring the passage of the Ransdell-Humphreys bill, to guarantee flood protection; to the Committee on Rivers and Harbors.

By Mr. LONERGAN: Petition of the Society of Automobile Engineers of New York, protesting against the passage of the Oldfield bill, relative to change in the patent laws; to the Committee on Patents.

By Mr. MANN: Petition of Illinois State Branch. United National Association of Post Office Clerks, protesting against an amendment to the Sunday closing law; to the Committee on the Post Office and Post Roads.

Also, petition of sundry citizens of Chicago, Ill., protesting against the proposed tariff on books, etc., in foreign languages; to the Committee on Ways and Means.

By Mr. METZ: Petition of sundry manufacturers of the United States, protesting against the adoption of the proposed cotton schedule in the tariff bill; to the Committee on Ways and Means.

By Mr. SPARKMAN: Petitions of sundry business men of the State of Florida, favoring a change in the interstate commerce laws relative to mail orders; to the Committee on Interstate and Foreign Commerce.

By Mr. TUTTLE: Petition of Plainfield Branch and the officers and members of the Montclair Branch of the New Jersey Association Opposed to Woman Suffrage, protesting against the passage of an amendment to the Constitution favoring suffrage for women; to the Committee on the Judiciary.

By Mr. WILSON of New York: Petition of the Society of Tammany or Columbian Order, relative to the needs of the American Navy; to the Committee on Naval Affairs.

SENATE.

Wednesday, August 6, 1913.

Prayer by the Chaplain, Rev. Forrest J. Prettyman, D. D. The Journal of yesterday's proceedings was read and approved. CONSTITUTIONALIST CAUSE IN MEXICO (S. DOC. NO. 153).

Mr. SHEPPARD. Mr. President, I have not pressed the resolution (S. Res. 142) I introduced recently in regard to affairs in Mexico because the President is endeavoring to make a settlement of the situation through mediation. I shall not take any further action in the matter until the result of that effort is determined.

I have here, however, a statement showing the nature of the constitutionalist cause, the extent of the territory now in undisturbed possession of the constitutionalists, the names of the various military leaders, and the number of their followers in arms. I think this statement will be of great value in enabling the Senate to obtain a proper idea of the situation, and I ask that it be printed in the RECORD and also published as a document. I obtained it from sources I believe to be entirely authentic.

There being no objection, the matter referred to was ordered to be printed as a document and also to be printed in the RECORD, as follows:

MEMORANDUM RELATIVE TO MEXICAN SITUATION.

It is universally believed that 90 per cent of the people of Mexico favor the constitutionalist cause, headed by Gov. Carranza. This cause represents the identical ideas and aspirations of the revolution of 1910, as set forth in the "Plan de San Luis Potosi." The triumph of Madero over Diaz and his effort to bring about a realization of those ideals and

aspirations were rendered futile only through an unwise policy of conciliation, independently adopted by certain members of his cabinet, who conceived it desirable to try to secure the support of the new Government by the group of reactionaries who had so long been in the ascendency and whose rule had brought upon Mexico the oppressive political and social conditions with which the Government then found itself confronted.

The great fault of the administration of Gen. Diaz was his inability to appreciate the necessity for education among the lower classes, to afford them opportunity to earn a livelihood consistent with the economical development of the times. With the investment of foreign capital in Mexico and the rapid industrial development throughout the Republic, which came soon after the permanent establishment of Gen. Diaz in power, the cost of living began rapidly to rise, but not so the earnings of the poor man. The great land barons, whom Gen. Diaz permitted to fraudulently wrest vast tracts of territory from their rightful owners, cleverly managed to evade the payment of taxes, imposing this burden upon the taboring classes, who, already staggering under their load, now wanted for even food to eat. The foreign concessionalres, merchants, contractors, and officials during this period and until the close of the Diaz régime enjoyed great prosperity, but not so the ordinary citizen of Mexico, who day by day found himself more closely approaching industrial bondage, if not actual slavery. Such were conditions in Mexico in 1910, when the "Plan de San Luis Potosi" was drawn as the platform of the patriotic revolutionary movement which Madero inaugurated in the fall of 1910 to relieve the intolerable situation.

It was the old "cientifico" group who so fattened under Diaz that

rions in Mexico in 1910, when the "Fian de San Luis Potosi" was drawn as the platform of the patriotic revolutionary movement which Madere inaugurated in the fall of 1910 to relieve the intolerable situation.

It was the old "cientifico" group who so fattened under Diaz that again in the saddle through the error of members of Madero's cabinet, conspired with Huerta, Diaz, Mondragon, Blanquet, and de la Barra to overthrow the constituted government and establish one of their own in order that they might once more enjoy the fruits of oppression.

The aim of Gov. Carranza, who is endeavoring to restore the constitutional order, to punish the guilty, and to vindicate the national honor, is to carry out the reforms which the present political and economical situation demands. He proposes to establish a government that is constitutional in all respects, to reform the personnel of the judiciary, and to make free elections possible. Next, to apportion parts of the vast estates among their legitimate owners in order that the latter may have opportunity to provide food, clothing, and education for their families. In this Gov. Carranza is supported by the masses.

Huerta, on the other hand, who stands for no principle, is defended by a military oligarchy. Huerta being in possession of the capital and iederal district and in control of the railroad between there and the port of Vera Cruz maintains a "de facto" government; but in no State in the Republic has he real, complete, and absolute control. He has a vast quantity of arms and ammunition, and with the people's money has bought great quantities of other materials of war in Europe and in the United States in the hope of sustaining himself in power. During the month of June alone he purchased 10,000 rifes and 5,000,000 rounds of ammunition from New York, with which to kill people that are struggling for the restoration of their constitution, the right to live, and a vindication of their national honor.

While the Huerta government has been accorded the privilege of purch

problem, one which would have no lasting effect, and which would only protract existing differences.

As a demonstration of the overwhelming majority that is on the side of the constitutionalists, one has only to glance at the inclosed list of constitutionalist chiefs and men under them, which although incomplete gives a good idea of facts.

Moreover, the constitutionalists are in possession of over three-quarters of the Republic of Mexico, and, as stated before, there is not one State of the Republic where Huerta has absolute control, whereas, on the other hand, his enemies have several States and dominate the situation in most of them, as follows:

All of State of Sonora but one town, Guaymas.

All of State of Coahuila but the capital and Juarez.

All of State of Coahuila but the capital and Lampazos.

All of State of Tamaulipas but the capital and Lampazos.

All of State of Tamaulipas but the capital and Mazatlan.

All of State of Sonora but one town, as all and Mazatlan.

All of State of Tamaulipas but the capital and part of the railroad line to Tampico.

All of State of San Luis Potosi but the capital and part of the railroad line to Tampico.

All the coast-line States are controlled by constitutionalists, with the exception of the capitals of the States and some of the large towns.

Huerta controls the greater part of the States of Mexico, Hidalgo, Queretaro, and Pucbla, also the railroad from Mexico City to Vera Cruz, but has his hands full trying to keep away the constitutionalists that are constantly nearing the cutskirts of the capital citles of these States. Chiefs who have esponsed the constitutionalist cause under the leadership of the constitutional governor of the State of Coahuila, Don Venustiano Carranza.

Northern states of the Ereurelle of Mexico.

NORTHERN STATES OF THE REPUBLIC OF MEXICO.

Chihuahua: Number o	f mer
Gral, Francisco Villa	1, 20
Col. Talamantes	60
Bustamante	80
Ortega	45
Resalio Hernandez	40
Juan N. Medina	40
Juay Bozal	50

Eirst Chief V Carranza	of m
First Chief V. Carranza	1, 0
Pablo Gonzalez	
Samuel Vazquez	4
Blas Montemayor R. Gonzalez Garza	
Salinas	. 6
Garcia de la Cadena	
Coronel Prieto	4
Juan Muniz	
Francisco Coss	
Francisco Flores	
Contreras	. 4
Carrillo	
Gral. Alvaro Obregon	3, 0
Yagui Indians	2, 0
Calles	- 4
J. M. Ochoa	7
Bracamontes	
Dieguez Merigo	4
Nuevo Leon:	
Col. Jesus Garza	
Absalon Lozano	
Crispin Treviño	
Juan Yela	:
CENTRAL STATES.	
Aguascalientes: Gov. A. Fuentes, men under subordinate chiefs	1.1
Tomas Urbina O. Pereyra Calixto Contreras	2, 1
Calixto Contreras	2.6
Arieta	
Zacatecas:	1 /
Panfilo NateraCandido Aguilar	1, 5
Col. Cervantes	
Guanajuato :	
Candido Navarro	
Jonquin Rocha Candido Flores Pantoja Bros	
Pantoja Bros	
Hidalgo:	
V. Segura J. M. Martinez Nicolas Flores	
Nicolas Flores	
Narvaez	
Maldonado Resendis	
Huitron	
Feo. P. Mariel and V. Zalazar	
Queretaro : Fermin Balleza	
Gonzalo Aldape Margarito Torres	
Margarito Torres	
Daniel Cerecedo Nicolas Zarazua	
Julio del Castillo	
San Luis Potosi:	-
San Luis Potosi: F. Cosio Robelo P. A. Santos Rafael Flores M. Clamenta Almara, Urial Posta, Marios Hernandez, Public	
Rafael Flores M	
Cicinetite Aimaza, Cite Daiva, Metino Minimited, Antoni	
PeñaLuciano Maseorro	
Victor Calvo	
Panfilo Almaza	
Santos Coy, Davila Sauchez, Eulalio Gutierrez Mexico:	
Albarran	
Agustin del Rio	
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guez. a Cruz: Maximo Bello ______ Blanco ______ J. Vegā _____ B. Mendez _____

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Panuncio Martinez	Number
J. M. Navarrete	
'amaulipas:	
Gral. Lucio Blanco	
Mayor ZertucheNavarrete	
Alfredo Valdes	
J. M. Lozano	
L. Horcasitas	
Castro	
Mugica	
aliseo:	
Crispin R. Villegas	
Adolfo Jimenez, Felipe Hernandez	
Flige Feanada	
Vera	
Novoa	
Data and the second of the sec	
J. Santos Barreda	
J. Santos Barreda Elias Sedano Enrique Estrada Isabel Soto, Azpetta	
Enrique Estrada	
Isabel Soto, Azpeitia	
Librado Medrano, Rodriguez, Coparrubias	
uerrero: Romulo Figueroa	
Beltran	
Felipe Navarro	
Arenal, Basave	
Valeriano Flores	
Retes, Tirso F. Ochoa	
Manuel Yasin	
lichoacan:	
Gertrudis Sanchez	
Renteria	
Luviano Sanchez	
Martin Castrejon	
Amado I. PerezElizaondo, Alarcon	
Rafael Olivares	
Cecilio Gomez	
Luis Diaz	
Luis Diaz Joaquin Amaro	
Cenobio Gomez	
Inaloa:	
Gov. Felipe Riveros	
Gov. Felipe Riveros A. Gallardo, J. Riveros M. Riveros	
M. KIVeros	
Yturbe Enrique Moreno, Claro G. Molina, J. M. Cabanilla	0.0
Rodolfo Camos	48
Colima. This State is invaded constantly by troopalisco and Michoacan. Lower California not reported at this writing.	ps from Sta
erritory of Tepic:	
S. Arguello	
axaca : Mucio Hernandez	
Makes Colores	
Nation Galeana	
Nabor Galeana Rolando Miranda	
Nabor Galeana Rolando Miranda Luís Regules	
Nabor Galeana Rolando Miranda Luís Regules	
Nabor Galeana Rolando Miranda Luís Regules	
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Nabor Galeana Rolando Miranda Luis Regules Gabriel P. Soto Santibañez Cap. Miganjos Cap. Miganjos	
Nator Galeana Rolando Miranda Luís Regules Gabriel P. Soto Santibañez Cap. Miganjos Claxcala (this is central State): Ing. Ezequiel Pedro Susano	
Nabor Galeana Rolando Miranda Luís Regules Gabriel P. Soto Santibañez Cap, Miganjos	

have not been given, as they are too far south.

Besides the above list of names there are about one-half as many more that are not mentioned here, because they did not report at the

time the statement was written.

Railroad lines whose operation is dependent on consent of constitutionalists: Monterey (State of Nueva Leon) to Gomez Palacio (State of Du-

rango). Saltillo (State of Coahuila) to Concepcion del Oro (State of Zac-

atecas).

Morelia (State of Michoacan) to Uruapam, in same State.
Oaxaca (State of Oaxaca) to Tlacolula (State of Oaxaca).
Atencingo (State of Puebla) to Cuautia (State of Morelos).
Monterey (State of Nueva Leon) to Saitillo (State of Coahulla).
San Luis Potosi (State of same name) to Saitillo (State of Coa-

San Luis Potosi (State of same name) to Tampico (State of Tamau-

Monterey (State of Nueva Leon) to Laredo (State of Tamaulipas). Monterey (State of Nueva Leon) to Matamoros (State of Tamau-

Inpas).

Reata (State of Coahulla) to Piedras Negras (State of Coahulla).

Yurecuaro (State of Michoacan) to Los Reyes (State of Michoacan).

Zamora (State of Michoacan) to Los Reyes (State of Michoacan).

Aguascalientes (State of same name) to Zacatecas (State of same

Mexico is a country of intermingled colonization, composed of people Mexico is a country of intermingled colonization, composed of people of quite different races, traditions, and civilizations. As a people they may be regarded as a genuine national unity, yet such has only come into existence during recent years. Mexico was the principal colony founded by Spain in America, and so it was here that the conservative classes—the aristocracy, the clergy, and the military—gained their highest development and stood in opposition to the humble conditions of life in which the great mass of the inhabitants lived. These facts have been the cause of the several convulsions that have afflicted the Mexican nation in its struggle for life during the last hundred

The war of independence was rather a social than a political strife, its main object having been to emancipate, from a social point of view, the Indians, the mixed bloods, and the peasants, whom the wealthier classes, too jealous of their own privileges, had denied the right to

minte in milite affaire. This war for insigendence lasted for ever their own support in the hope of becoming mere powerful under the rown support in the hope of becoming mere powerful under the written own support in the hope of becoming mere powerful under the written own support in the hope of becoming mere powerful under the written own support in the hope of becoming mere powerful under the written own support in the hope of becoming mere powerful under the written own support in the hope of becoming mere powerful under the written own support in the hope of the stabilishment of the sealed Empire, an enterprise and was full of eath of an Austrian prince and which brought about the final establishment of a democratic government and the separation of the church own welfare and ecclesiastical adults, but were thereafter not allowed to moddle in Government affairs.

In the season of the season of the properties of the church of the season of the public wealth increased consists of peace for 30 years, during which public wealth increased consists of peace for 30 years, during which public wealth increased constitution began to be imparted, though in a seam measure. Diaz, however, utterly neglected to give the people a political education and the public wealth and to satisfy the appeals for justice which were the season of the public wealth and to satisfy the appeals for justice which were a season of the season of the season of the public wealth and to satisfy the appeals for justice which were 30 years of his dictatorabily the social conditions of the country had under unbaarable conditions of the country had under unbaarable conditions of the public wealth and to satisfy the appeals for justice which were a season of the season of the

This plan reads more or less as follows:

1. We repudiate Gen. Victoriano Huerta as President of the Republic.

2. We repudiate also the legislative and judicial powers of the federa-

We repudiate the governments of the States which 30 days hence shall recognize the federal authorities which form the present admin-

istration.

4. For the organization of the military forces necessary to make compliance with our purposes we name as first chief of the forces which shall be called "constitutionalists" Don Venustiano Carranza, governor of the State of Coahulla.

5. On the occupation by the constitutionalist forces of the City of Mexico the executive power shall be taken charge of by Don Venustiano Carranza, first chief of the forces, or whoever may be substituted in command.

6. The President ad interior of the constitution of the constitution of the command.

command.

6. The President ad interim of the Republic shall convoke general elections as soon as peace shall have been established, delivering the power to the person who shall be elected.

7. The person acting as first chief of the constitutionalist forces will assume charge as provisional governor of such States as have recognized Huerta, and shall convoke local elections, after which the persons elected shall assume their duties.

Signed at the estate of Guadalupe, Coahuila, on the 26th day of March, 1913.

This rather simple but direct declaration devoid of high-sounding

Signed at the estate of Guadalupe, Coahuila, on the 26th day of March, 1913.

This rather simple but direct declaration, devoid of high-sounding phrases and complex considerations, met with a high approval at once by a vast majority of the people of the northern States and later by those of other parts of Mexico when its terms became known.

From a political standpoint the leaders of the constitutionalist party have no personal ambition. This is not a quarrel of personalities; it is not a struggle to place a given individual in power. Both leaders and followers aspire to be austere and devoted democrats who are fighting for respect for the law and for the honor of the country. While the political aspect of the present revolution is important, it is less important, however, than its social aspect.

At the bottom the social ideas of the present movement are the same as those of the revolution of 1910, and it can be stated that every event which has taken place since is nothing more than an episode of that same great drama.

In the first place, the whole nation, tired of a régime of special privilege and of a policy that had degraded the judiciary, transforming it into a simple instrument in the hands of a dictator to serve only the interests of the rich, demands the establishment of a new regime founded on real justice, without discrimination against the poor; also, that the department of justice be purified and a revision of the farmer, doing away once for all with certain abuses which in some sections transform the peasant into a slave; in others, they are deprived of all hope of ever acquiring a piece of land for themselves, the landholder absorbing all the product of their work. There are, indeed, parts of the country where the laboring classes are held in such miserable and pitiful conditions that it can be said they live in far inferior conditions to beasts of burden, which are sometimes better cared for and better fed.

The constitutionalists want a more equitable distribution of all public taxation, becau

net taxation, because, through old, corrupt methods, the whole burden rests exclusively on the poor, the wealthy bearing but a very small proportion of it.

The constitutionalists want that certain class of individuals who by unclean means during the Diaz regime deprived even towns, to say nothing of many poor individuals, of their lands, compelled by due process of law to return them.

The constitutionalists demand that certain estates of immense area which are in the hands of individuals who can not cultivate them, and who have not even seen them, shall be divided up, enacting the necessary laws for equitable compensation, and which will harmonize private interests with those of the community. They want new legislation which may favor, either by private enterprise supported by the State or undertaken by the State itself, a system of irrigation and water supply to help the farmer cultivate his land. They declare the necessity for a new financial system which, in a similar way, may provide funds at low interest, so that the farmer may by giving suitable security borrow modest amounts to enable him to cultivate his lands. They also wish to impart education on a large scale, to build roads and turnpikes, and to establish schools of agriculture and industry in sufficient number.

The constitutionalists want the land holdings fixed and respected and at the constitutionalists want the land holdings fixed and respected.

They also wish to impart education on a large scale, to build roads and turnpikes, and to establish schools of agriculture and industry in sufficient number.

The constitutionalists want the land holdings fixed and respected and, at the same time, that legislation may be enacted to facilitate the transfer of property. The condition of workingmen must also be improved by means of a better relationship between capital and the working classes. And it is especially desirable to protect, educate, and redeem the neglected Indians.

Finally, the social ideas of the constitutionalist movement may be condensed by saying that Mexico wishes to take another step forward on the road of moral, political, and social improvement. This movement is one of progress, and, in view of the knowledge that the writer has of the present conditions of the country, he considers that if the present crisis can be solved in a way favorable to the popular will, in a day not very far distant, Mexico will call the attention of the world by the harmonious development of her resources and by the democratic exercise of her rights. The people are already practically prepared for democracy, though they lack experience and, above all, confidence in their rulers to execute their expressed will.

The good element of Mexico, the country people, the middle class, the workingmen, the intellectual men who have not gone into politics as a means to get a living, and the great Liberal Party as a whole are united with the constitutionalist movement, which is favored, it may be said, by no less than 90 per cent of the population.

Among the leaders of this great party are counted in the first ranks Mr. Venustiano Carranza, who belongs to one of the leading and oldest families of the State of Coahulla. He was educated at the City of Mexico and began a course of study at the National School of Law, but was caused to abandon it because of trouble with his eyes. But his splendid preparation put him in a position to become highly cultured. In his personality he is a

is a very heavy one, but he has a clear consciousness of the great need of the present movement, on which depends the establishment of lasting peace in Mexico. He is not impulsive, nor is he unfair in his decisions; but, on the contrary, is humanitarian and a man of repose, and, at the same time, he is endowed with a firmness of character which has made him noted among the leaders of the country.

Mr. Jose Marla Maytorena, governor of the State of Sonora, is also a man of good social position, and he is well to do. He has spent his life developing his estate. He is also admired and beloved by his neonle.

Mr. Jose Marla Maytorena, governor of the State of Sonora, is also a man of good social position, and he is well to do. He has spent his life developing his estate. He is also admired and beloved by his people.

Around these two great leaders and Gov. Castillo Brito, of Campeche, there are all the really influential men of their respective States.

Out of the 235 Congressmen who were elected to form the present Mexican National Congress more than one-half sympathize with the constitutionalist movement. During the last days of Mr. Madero's administration many of them were in great danger of death and were compelled to leave the capital for safety. About 40 of them are already in the army of the constitutionalists. Nearly one-half of the Senators are at heart also sympathizers with the movement, and if their number is not greater it is due to the fact that many of them belong to the old ranks of Porfirio Diaz.

The state of war in which the country finds itself at present has developed the military qualities of many citizens who were unknown before. Thus we have among the prominent leaders and officers of the constitutionalist army many merchants, farmers, manufacturers, and men of various professions. Obregon, Cabral, Calles Bracamontes, in Sonora; Toribio Ortega, Francisco Cos, Atilano Barrera, and others, in Coahuila; Roque Gonzales Garza, Inclo Blanco, Mujice, and many others, in Nuevo Leon and Tamaulipas; Orestes Pereira, Calixto Contreras, Pablo Nateras, Santos Coy, Novoa, Iturbe, Martin Espinoza, in Durango; Zacatecas, Tepich Sinaloa, and Jalisco, Gertrudis Sanchez, Rentera Inbiano, Castrajon, and many others, in Michoacan and Guanajuato. Besides, there are many new leaders in all the States enumerated and others who have just received their commissions in San Luis Potosi, Vera Cruz, Guerrero, Hidalgo, State of Mexico, Puebla, Tabasco, Campeche, and Tlazcala. Zapata, with his many followers in the State of Morelos, would gladly submit to Carranza.

In brief, it may be said that the revolutionary movement h

establish the same throughout the Republic. The principal characteristics of these men is, in general, that all of them are morally sane and are moved by a common desire to work for the benefit of their country.

In the first place, we count on the good will and the active cooperation, according to circumstances, of the great majority of the inhabitants of Mexico. The constitutionalists control nearly the whole of the States of Sonora, Coahulla, Durango, and Campeche, in which states the troops of Huerta control only a very few towns. Chiluahua, Tamaulipas, Nuevo Leon, Zacatecas, and the greatest part of San Luis Potosi, Michoacan, Guerrero, and Sinaloa are also controlled, in a geral sense, by the constitutionalists. In the States of Tabasco, Jalisco, Tepic, Tlaxcala, Puebla, Vera Cruz, Hidaigo, and Mexico several organized movements have been started, spreading with such a facility that within 30 days these States will be entirely under control.

It is easy to foresee that the few States in which the movement has not yet started will very soon follow the others.

It is a fact that war supplies have not been very abundant in the constitutionalist camps, the greater part of the arms and ammunition in their possession being taken from the troops of Huerta. If the constitutionalists could purchase the necessary elements to arm the volunteers who offer their services, they would readily make up an army of more than 100,000 men within 30 days, doing away with Huerta's administration in short order.

This time the leaders of the movement intend to bring it to a final success in order that when the needs that produced it shall be satisfied a definite and organic peace may be established. Thus they are perfectly decided to enter into no negotiations of any kind with either Huerta or with the followers of Felix Diaz, or with the cientificos, or with any other reactionary faction whose tendencies are more or less concealed. A compromise, which was really a sign of weakness, determined the partial failure of the revoluti

and it would surely originate evils far greater than those it intends to remedy.

Among the people at large there is no anti-American feeling; on the contrary, there is a feeling of true friendship. The great majority, as heretofore stated, have their sympathies with the constitutionalists, and therefore the failure to recognize the so-called government of Huerta has been considered by them as a justification of their attitude and has been regarded as an indirect help to them, which have taken place in the City of Mexico are known to be mere artificial manipulations intended to force recognition for the purpose of floating a loan in Europe which we believe could only serve to protract unnecessarily a struggle whose final outcome is easy to predict.

In this connection it must be said, however, that the constitutionalists will never be disposed to recognize such a loan.

The constitutionalists have never asked, and never will ask, any help from foreign powers. All they desire is that these powers consider their cause with justice and calmness. The lives and property of foreign subjects and citizens have been protected by every possible means within their jurisdiction, and it is fair to say that no honest man need have fear. The only men who now run any risk in Mexico are those who have been charged with committing crime or those who have plundered the national treasury.

In spite of the great difficulties encountered in maintaining communication between the different States now in arms, as well as between the different military chiefs, the whole revolutionary movement follows strictly the same ideals and is under the general control of Mr. Carranza. Persons who have a keen interest in misrepresenting the movement have reported that this movement is chaotic and lacks systematic coordination, but these reports are absolutely false. Representatives from all over the country are constantly arriving in Piedras Negras, Carranza's headquarters, to receive orders and instructions.

resentatives from all over the country are constantly arriving in Piedras Negras, Carranza's headquarters, to receive orders and instructions.

Carranza has already begun to form an embryo government and to appoint a cabinet. At the beginning military organization was most important, and he therefore devoted all his attention to the needs of his army; but now he has created two new departments, one of war and one of finance, and in a very few days other departments will be created to meet the necessities incident to the occupation of new territory and fresh responsibilities.

On the 15th day of May last Carranza, without pressure of any sort, issued a decree binding the constitutional government to the principle of international arbitration for the immediate settlement of claims of American citizens and other foreigners against Mexico upon the triumph of his cause. This affords an excellent example of the practical side of his character.

To sum up, the constitutionalists conceive that the seizure of the Government of Mexico by Huerta and his assumption of power did violence to the constitution and justified the people in a resort to arms in an effort to vindicate not only the fundamental law but the national honor.

The masses support this movement for the restoration of constitu-tional order; the aristocracy and the reactionary elements oppose it, favoring Huerta.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. ROBINSON:

A bill (S. 2889) forbidding judges to charge juries with regard to matters of fact, but requiring judges to declare the law, and in jury trials to reduce their charge or instructions to writing on the request of either party; to the Committee on the Judiciary

By Mr. PERKINS:

A bill (S. 2890) granting to the city and county of San Francisco certain rights of way in, over, and through certain public lands, the Yosemite National Park, and Stanislaus National Forest, and certain lands in the Yosemite National Park, the Stanislaus National Forest, and the public lands in the State of California, and for other purposes; to the Committee on Public Lands.

By Mr. KERN: A bill (S. 2892) granting an increase of pension to William Hinson (with accompanying paper); to the Committee on

By Mr. CATRON:
A bill (S. 2893) for the relief of the heirs of Padre Justiniano

Castillo; to the Committee on Indian Depredations.

A bill (S. 2894) to remove the charge of desertion from the military record of Santos Lopez; and

A bill (S. 2895) to remove the charge of desertion from the military record of Joseph D. Depue; to the Committee on Military record of Joseph D. Depue; to the Committee on Military record of Joseph D. tary Affairs.

A bill (S. 2896) granting an increase of pension to Grace E. McDonald; to the Committee on Pensions.

By Mr. MARTINE of New Jersey:

A bill (S. 2897) granting an increase of pension to Sarah M. Pond (with accompanying papers); to the Committee on Pensiens.

AMENDMENT OF NATIONAL BANKING LAWS.

By Mr. LEA:

A bill (S. 2891) to amend the national banking laws approved

May 30, 1908; to the Committee on Banking and Currency.
Mr. LEA. With the consent of the Senate, at the close of the
morning business on Friday I shall desire to submit some remarks showing the changes this proposed amendment makes in
the so-called Aldrich-Vreeland law.

AFFAIRS IN MEXICO.

Mr. CLARK of Wyoming. Mr. President, I submit a resolution which I will send to the desk for reading and information. The VICE PRESIDENT. It will be read.

The resolution (S. Res. 152) was read, as follows:

The resolution (S. Res. 152) was read, as follows:

Resolved, That the Committee on Foreign Relations be authorized and directed to proceed with all due dispatch with a full and complete investigation of the condition of American citizens in the Republic of Mexico, with a view of recommending to the Senate such action as will protect the lives and property of citizens of the United States if the same shall be-in danger and require protection, and to make early report to the Senate of the results of such investigation; such committee shall have the power to send for persons and papers, to subport a witnesses, and to administer oaths, and the expenses incurred hereunder shall be paid from the contingent fund of the Senate.

Mr. CLAPK of Wywning, Mr. Provident Law evenses of the

Mr. CLARK of Wyoming. Mr. President, I am aware of the criticism that usually meets the introduction of a resolution of this sort. I desire to say that it is no spirit of hostility to the administration, nor is it in any spirit of criticism to our Foreign

Relations Committee. It is, however, born of the evident necessity of the Senate of the United States being informed, in some degree at least, of the conditions which confront us in Mexico in order that we may know something of the real facts; and if facts are found to be in accord with general belief that some store he taken lief, that some steps be taken to remedy, and that right quickly,

such intolerable conditions.

To my notion, Mr. President, the tariff is a small affair compared with the matters of national honor and rights of citizenship that are dealt with in the resolution. For some reason or other the Senate is unable to get any definite and authorita-tive information as to the condition as it exists, and therefore we are utterly unable to act in any manner. In the meantime evidences still continue to accumulate that American property is being destroyed, that American citizenship is being dishonored, that Americans are being killed, and even officers of the American Government are being shot in Mexico.

It is no purpose of this resolution to ascertain who is responsible for this condition of affairs, but I believe it is high time that the administration and the Foreign Relations Committee, if either of them have definite information, take the Ameri-

can Senate into their confidence.

know it is often said that matters of this sort should be left alone and not discussed, that foreign affairs are delicate matters to deal with, and that offense may be given to foreign nations which will interfere with the due and proper proceedings by the State Department. But, Mr. President, in my judgment that reason does not obtain here, because it is no secret that other nations as well as ours are interested in the condition of affairs in Mexico. It is a fact that the conditions in Mexico are talked of not only in the Senate but elsewhere, and with the greatest freedom, and no doubt in many cases upon incomplete or false information; and it occurs to me that the better way is to get definite information, and get it as speedily as possible.

Certainly it is true, Mr. President, that this condition can not long be borne with by the American people. Something must be

done or an attempt must be made to do something.

The latest information that we have is that in the course of time, after Gov. Lind shall have looked over the situation and made his report, the administration may be then in a position to give information and to take some definite steps in regard to the situation.

But, Mr. President, that does not satisfy. Mr. Lind goes not as the representative of the Republic of the United States; he goes not as an ambassador from this Nation. He has no power to protect; he can not be appealed to by citizens of the United States in that country. He is simply going for the personal information of the President to make what investigations he

Now, Mr. President, every day's delay that we have means more property destroyed; it means more American citizens

outraged and killed.

I regret that the chairman of the Committee on Foreign Relations is not present, because I should like to interrogate him as to whether that committee has not some information that it may give to the Senate, in confidence if necessary, that would at least give us an idea that we are not simply drifting on a sea of uncertainty with no result and no shore or haven in

I shall not ask to have a vote upon the resolution this morning in the absence of the chairman of the committee, but if no one cares to make any expression in regard to the situation I shall ask that it go over under the rule, and venture to hope that at the next session of the Senate it may be taken up in regular order and be then agreed to.

The VICE PRESIDENT. That action will be taken.

Mr. BACON subsequently said: Mr. President, the resolution introduced by the Senator from Wyoming [Mr. CLARK] in regard to the Mexican situation has gone over, and there is nothing that can be now said about it. That occurred during my absence from the Chamber, which, I am told, was noted at the time. I wish to state that the Foreign Relations Committee was then in session, not having concluded its work. For that reason I was not present to look after the matter.

Mr. CLARK of Wyoming. For that reason, Mr. President, the request was made that the resolution go over until to-morrow so that the Senator from Georgia might be present.

LOUISVILLE & NASHVILLE RAILROAD, ETC.

Mr. LEA submitted the following resolution (S. Res. 153), which was ordered to lie on the table and be printed:

Resolved, That the Interstate Commerce Commission be, and the same hereby is, requested to investigate, taking proof, if necessary, and report to the Senate as soon as practicable—

First. What amount of stock, bonds, and other securities of the Nashville, Chattanooga & St. Louis Railway is owned or controlled by the Louisville & Nashville Railroad;
Second. What other railroad or railroads in the territory served by the Louisville & Nashville Railroad and the Nashville, Chattanooga & St. Louis Railway have been purchased, leased, controlled, or arrangements entered into with for the purpose of controlling, by either the Louisville & Nashville Railroad or the Nashville, Chattanooga & St. Louis Railway: Louis Railway

Louis Railway;

Third. Whether the Louisville & Nashville Railroad and the Nashville, Chattanooga & St. Louis Railway serve the same territory in whole or in part, and whether, under separate ownership, they would be competitive to the various points in their territories;

Fourth. Any other fact or facts showing or tending to show the further relations between the Louisville & Nashville Railroad and the Nashville, Chattanooga & St. Louis Railway, and any fact or facts showing or tending to show whether these relations restrict competition and maintain fixed rates;

Fifth. The terms of the lease of the Nashville & Decatur Railroad by the Louisville & Nashville Railroad, and what amount, if any, of stock, bonds, and other securities of the Nashville & Decatur Railroad and of the Lewisburg & Northern Railroad are owned by the Louisville & Nashville Railroad or any of its subsidiaries or holding companies;

Sixth. Whether the Nashville & Decatur Railroad, the Lewisburg & Northern Railroad, and the Louisville & Nashville Railroad serve the same territory in whole or in part, and whether, under separate ownership, these railroads would be competitive between various points in their territories;

Northern Railroad, and the Louisville & Nashville Railroad serve the same territory in whole or in part, and whether, under separate ownership, these railroads would be competitive between various points in their territories;

Seventh. Any other fact or facts showing or tending to show the further relations between the Louisville & Nashville Railroad, the Nashville Railroad, and any fact or facts showing or tending to show whether these relations restrict competition and maintain and fix rates;

Eighth. What amount, if any, the Louisville & Nashville Railroad, the Nashville, Chattanooga & St. Louis Railway, the Nashville & Decatur Railroad, and the Lewisburg & Northern Railroad, all or any of them, have subscribed, expended, or contributed for the purpose of preventing other railroads from entering any of the territory served by any of these railroads, for maintaining political or legislative agents, for concontributions to political campaigns, and for creating sentiment in favor of any of the plans of any of said railroads; and

Ninth. (a) The number of free annual passes, (b) the number of free trip passes, (c) the number of legislative bodies and other public officials or at the request of members of legislative bodies and other public officials or at the request of members of legislative bodies and other public officials or at the request of members of legislative bodies and other public officials or at the request of members of legislative bodies and other public officials or at the request of members of legislative bodies and other public officials or at the request of members of legislative bodies and other public officials or at the request of members of legislative bodies and other public officials or at the request of members of legislative bodies and other public officials or at the request of members of legislative bodies and other public officials or at the request of members of legislative bodies and other public officials or at the request of members of legislative bodies and other public officia

ASSISTANT CLERK TO COMMITTEE ON INTEROCEANIC CANALS.

Mr. O'GORMAN submitted the following resolution (S. Res. 154), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on Interoceanic Canals be, and it is hereby, authorized to employ an assistant clerk, at a salary of \$1,800 per annum, to be paid from the contingent fund of the Senate until otherwise authorized by law, to serve in lieu of an assistant clerk now authorized by law at an annual salary of \$1,440.

COTTON BAGGING AND TIES.

Mr. SMITH of South Carolina. Mr. President, before the close of the morning business, I send to the desk a petition which I ask unanimous consent to have read. It pertains to a resolution (S. Res. 134) I introduced some time ago calling attention to the unusual advance in the price of bagging and ties for cotton. It comes from quite an old and responsible farmers' club in my State. I ask that the Secretary read both the letter and the petition.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Secretary will read as requested.

The Secretary read as follows:

BEECH ISLAND FARMERS' CLUB, Beech Island, S. C., August 3, 1913.

Whereas we are informed that the scarcity of bagging and ties and the very high prices demanded for them render it difficult, if not impossible, for the farmers to put their cotton in the market to meet the advances that have been made to them: Therefore be it Resolved, That Messrs. Harry Hammond, George C. Robinson, and B. W. Fair be appointed a committee from the Beech Island Farmers' Club to inform Senators B. R. TILIMAN and E. D. SMITH of this condition and to ask if any steps can be taken to remedy it.

BEECH ISLAND FARMERS' CLUB, Beech Island, S. C., August 3, 1913.

Hon. E. D. Smith,

Senator, South Carolina, Washington, D. C.

Dhar Sir: At a recent meeting of the Beech Island Farmers' Club we were appointed as a committee to communicate with you and Senator Tillman to obtain from you your views as to the prospect of our obtaining bagging and ties and also whether it would be possible for us to obtain relief in use of cotton cloth and wire in lieu of the fact we can not get bagging and ties to put our cotton in commercial shape. We realize the season is late, and as most farmers have obligations to meet and the meeting of these obligations would go to relieve the stringency of moneyed conditions, we would be grateful for any suggestions you see fit to make. In plain words, what are we to do? Can the cotton exchanges condemn our cotton packed in cotton cloth and wire as in unmerchantable shape and thereby cause us a loss?

Very respectfully, Harry Hammond, Chairman,

Very respectfully,

HARRY HAMMOND, Chairman, GEORGE C. ROBINSON, B. W. FAIR,

Committee.

Mr. SMITH of South Carolina. Mr. President, I have presented this matter and had it read in order to emphasize another feature that has occurred to me, not only with reference to the abnormal rise in the price of these commodities for covering cotton, but also the fact that it is now complained that in addition to this rise there is an unusual scarcity to such an extent that it seems that there will be embarrassment even in getting the cotton ready for the market.

I am also informed by Mr. Clark, of the Department of Commerce, who has just returned from Dundee, that there is rather a larger crop this year than heretofore of jute, out of which the bagging is made, and that this rise in the price must come from some other source than from a lack of supply of the

raw material.

Mr. CLARK of Wyoming. Will the Senator yield to me for a moment?

The VICE PRESIDENT. Does the Senator from South Carolina yield to the Senator from Wyoming?

Mr. SMTTH of South Carolina. I do.
Mr. CLARK of Wyoming. Has the Senator a view as to
what might or might not be done in Congress to overcome the shortage of bagging and ties?

Mr. SMITH of South Carolina. Mr. President, all that I hope to do is to find out what is the cause of this advance in view of the fact that the supply of the raw material, according to the report

Mr. CLARK of Wyoming. I did not hear all the communication read, but the part I heard spoke of the scarcity and not of the price.

Mr. SMITH of South Carolina. No; both the price and the

scarcity are referred to in the communication.

Mr. CLARK of Wyoming. I suggest to the Senator that I do not suppose Congress could supply the deficiency in cotton bagging or ties any more than it could supply the deficiency in harvest hands when the farmers of the West harvest their crop of wheat or other grains.

Mr. SMITH of South Carolina. I am calling attention to the fact that somebody is manipulating the market; that there are 2,000,000 bales more of jute out of which bagging is made than there was last year, and the price is 2 cents a yard higher than last year, and the crop of cotton on which this bagging is to be used does not promise to be as large as it was last year. It is just another evidence of the splendid result that flows from the beneficent protective tariff.

The VICE PRESIDENT. The petition and accompanying paper will be referred to the Committee on Agriculture and

Forestry.

THE TARIFF.

The VICE PRESIDENT. The morning business is closed. Mr. SIMMONS. I ask unanimous consent that the Senate proceed to the consideration of House bill 3321.

There being no objection, the Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 3321) to reduce tariff duties and to provide revenue for the Government, and for other purposes.

Mr. LIPPITT. Mr. President——
Mr. PENROSE. If it does not inconvenience the Senator from Rhode Island, I should like to have a few minutes to present some figures relating to the pending measure.

Mr. LIPPITT. I understand that it will take only a few minutes.

Mr. PENROSE. That is all.

Mr. LIPPITT. I yield for that purpose. Mr. PENROSE. I have here, Mr. President, a bulletin from the Department of Commerce, which has been referred to in the newspapers, but it does not seem to me that public attention has been called to the facts set forth therein as fully as they deserve. The figures relate to the subject of the short colloquy I had with the Senator from Missouri [Mr. STONE] the other

day regarding the amount of goods in bonded warehouses.

First, for the information of the Senate, I should like to read a part of the explanation given by the Department of Commerce

as to bonded warehousing:

The bonded warehousing:

The bonded warehousing system of the United States is described by an accepted authority as a system whereby the Government extends the time for the payment of duties on imported merchandise, retaining them in its possession meanwhile to secure such payment. Duties on imports, it adds, naturally fall due as soon as the goods arrive in port, but the economy and convenience of importing in great quantities and in advance of their actual requirement for consumption is so great and the immediate payment of duties would often involve such a large and unremunerative investment of the capital of importers that the principle of warehousing goods in Government custody, with a reasonable extension of time for the payment of duties, has been adopted by all leading commercial nations. The payment of duties is secured by a bond given by the importer or owner of the goods and the goods are then said to be "in bond" and the places of deposit are known as

"bonded warehouses." These are chiefly warehouses owned and controlled by private parties who carry on an ordinary storage business for their own profit, the Government extending its authority over them and retaining a virtual possession of and control over the goods stored therein. No person, however, has a right to keep a warehouse for the storage of dutiable goods unless appointed by the Secretary of the Treasury, who may revoke such appointment at his pleasure. An importer may establish his own private warehouse, but it must be exclusively devoted to that purpose and under charge of a United States customs officer. The warehousing system as applied to imported merchandlse was, according to the same authority, first adopted in Great Britain in 1802 and in the United States in 1846.

The amount of merchandise remaining in warehouse at the various ports at the end of each month is reported to the Bureau of Foreign and Domestic Commerce, Department of Commerce, and published in the Monthly Summary of Commerce and Finance.

So much. Mr. President, by way of explanation as to just

So much, Mr. President, by way of explanation as to just what is meant by "goods in bond."

The statement issued by the Department of Commerce under date of August 4 is quite remarkable, and I invite the consideration of the Senate to the figures which I recite from the bulletin:

MERCHANDISE REMAINING IN BONDED WAREHOUSES ON JUNE 30, 1913.

Merchandise remaining in bonded warehouses on June 30, 1913.

Department of Commerce, Washington, D. C., August 4, 1913.

Merchandise remaining in bonded warehouses at the end of the fiscal year 1913 showed a larger value than ever before, the total being \$106,000,000 against \$72,000,000 at the corresponding date of last year. These figures are from official reports to the Bureau of Foreign and Domestic Commerce, Department of Commerce, which indicate that the quantity of certain principal articles, upon which a reduction of duty is proposed by the pending tariff measure in bonded warehouses of the country is greater than ever before. Of sugar, for example, the quantity in bonded warehouses was on June 30, 778,000,000 pounds, valued at \$15,250,000, against 205,000,000 pounds, valued at a little less than \$6,000,000, on June 30 of last year. Of leaf tobacco the quantity in bonded warehouses was 52,000,000 pounds, valued at \$25,000,000, against 34,000,000 pounds, valued at \$19,000,000, on the same date of last year. Of raw wool, the amount in warehouses was 78,000,000 pounds, valued at \$16,500,000, against 59,500,000 pounds, valued at \$12,000,000, at the same date of last year. Other principal articles of which the quantity in warehouse is unusually large are: Manufactures of fiber (chiefly burlaps and linens), amounting to \$8,500,000, against \$4,000,000 imauntactures of silk, over \$3,000,000; chemicals, nearly \$4,000,000 imaunfactures of silk, over \$3,000,000; rivit and nuts, over \$2,000,000; and manufactures of iron and steel, \$1,500,000. Of this large quantity of imported merchandise remaining in bonded warehouses of the country valued June 30, 1913, at \$105,928,884, against \$72,246,878 on June 30 of last year, all except \$1,500,000 worth is dutiable.

About two-thirds of the merchandise now remaining in warehouses is at the port of New York, which showed in its report for June \$68,000,000 worth of merchandise in bonded warehouses against \$45,250,000 at the corresponding date of last year.

Mr. SUTHERLAND. Mr. President—
The VICE PRESIDENT. Does the Senator from Pennsylvania yield to the Senator from Utah? Mr. PENROSE. I do.

Mr. SUTHERLAND. If the Senator from Pennsylvania will permit me to interrupt him at that point, I will say that I have information, which is entirely accurate, to the effect that there is now in the bonded warehouses of New York \$80,000,000 worth of goods, the duties upon which amount to between \$40.000,000 and \$50,000,000.

Mr. PENROSE. I have no doubt, Mr. President, that this accumulation in the bonded warehouses is increasing by leaps

and bounds.

And if the Senator from Pennsylvania Mr. SUTHERLAND. will permit me just to add a word-it will only take a momentof course the duties under the pending bill are greatly reduced, and as nearly as I can estimate it-and it is only an estimateif the duties are paid upon the goods now in the bonded warehouses of New York under the pending bill instead of under the existing law, it will mean a loss to the Government of anywhere from \$15,000,000 to \$25,000,000.

Mr. PENROSE. I think the Senator's estimate is too low. have some figures here showing the loss of revenue, but I shall not detain the Senate by reciting them, because they are easily calculated.

This statement from which I have been reading continues:

Of the \$25,000,000 worth of tobacco in bonded warehouses at all the ports of the country \$20,500,000 worth was at New York; and of the \$15,250,000 worth of sugar \$9,500,000 worth was at New York, \$3,000,000 worth at Philadelphia, and \$2,750,000 worth at Boston. Of the \$16,500,000 worth at Pailadelphia, and \$2,000,000 worth was at Boston, \$3,000,000 worth at New York, and \$2,000,000 worth at Philadelphia. The value of imported merchandise in bonded warehouses at the present time is more than double that in warehouses immediately prior to the enactment of the tariff laws of 1890 and 1894, five times greater than in 1897, and about 20 per cent larger than in 1909.

Mr. STONE. Mr. President-

The VICE PRESIDENT. Does the Senator from Rhode Island yield to the Senator from Missouri?

Mr. STONE. When I rose I did not know that the Senator from Rhode Island had taken the floor, but if he has, I ask him to yield.

Mr. LIPPITT. Unless the Senator from Missouri merely wants to occupy the floor for a minute or two, I should prefer to go on.

Mr. STONE I merely wish to occupy the floor for a moment.

Mr. LIPPITT. Very well.
Mr. STONE. I shall not detain the Senate for any length of time. I can not under the circumstances make any response to the statement made by the Senator from Pennsylvania [Mr. Penrosel, but I wish to put into the Record in connection with what the Senator from Pennsylvania has said—that is all I can have time now to do—a short extract from a speech made in the House of Representatives by Representative Wallin. of the State of New York, on April 25, 1913. This speech is along the general line of the speeches that have been made here on the other side. I shall not stop to read it, but I shall ask to have it inserted.

Mr. PENROSE. Mr. President, the putting of a speech of a Member of the House of Representatives in the proceedings of the Senate is slightly irregular. Who is the distinghished gentleman who is the author of the production? I did not hear the

Senator from Missouri mention his name.

Mr. STONE. I stated that it was Representative Wallin, of New York. It is a short extract from an address of his, which, instead of reading, in order to save time, I should like to insert in the RECORD. It criticizes this bill and states that it would result in the curtailment of industry and enterprise, and all that sort of thing; just what we have been hearing here from day to day from the other side of the Chamber.

Mr. CLARK of Wyoming. Does the Senator indorse the

statement he desires to put in the RECORD?

Mr. STONE. No.

Mr. CLARK of Wyoming. I do not think anything should be put in the Record unless it has the indorsement of a Senator.

Mr. STONE. I did not hear what the Senator said.

Mr. CLARK of Wyoming. I said I thought nothing should be put into the RECORD of the Senate without having the indorse-

ment of some Member of the body.

Mr. STONE. Oh, this has the indorsement, I am quite sure, the Senator from Pennsylvania and the Senator from Wyoming.

Mr. PENROSE. I do not know what the article is, Mr. President.

Mr. CLARK of Wyoming. I am quite sure the Senator from Wyoming does not know what it is.

Mr. PENROSE. I do not know what it is, and never before heard of it.

Mr. STONE Mr. President, this really is quite diverting. Mr. BRANDEGEE. Mr. President, I rise to a question of

The VICE PRESIDENT. The Senator from Connecticut will

state his question of order.

Mr. BRANDEGEE. Mr. President, the morning business has closed; the Senator from Rhode Island [Mr. LIPPITT] has the floor, and is anxious to proceed. These matters are likely to give rise to considerable debate; and I object to the Senator from Rhode Island yielding further to any Senator.

Mr. STONE. Oh, the Senator from Connecticut objects to a Senator holding the floor yielding to another Senator. That is

a new performance in the Senate.

Mr. BRANDEGEE. Except by unanimous consent, after morning business is closed.

Mr. STONE. Mr. President, in view of the flurry on the other side, I will not proceed further.

Mr. LIPPITT. Mr. President, the subject about which I am going to speak is a very technical one, and I desire to discuss it for the most part in a technical manner. For the purpose of brevity and in the interest of a connected statement, I should much prefer that I be not interrupted during the delivery of my remarks. At the end of them I will be very glad to discuss with any Senator any question in connection with them that he may desire to bring up.

Mr. President, there are three textile industries whose volume makes them important factors in the activities of this country, the manufacture of cotton, of silk, and of wool, and I propose to consider what seems to me the capricious, illogical, and differ-

ent methods used in applying duties to these three industries.

The annual product of silk manufactures is about \$200,000,000, of wool and wool manufactures about \$700,000,000, and of cotton manufactures \$800,000,000—something over a billion and a half dollars at the mill door. This value is greatly increased by the time the products reach the hands of the actual consumer. In a shirt that sells for \$1.50 there is 34 cents' worth of cotton cloth; in a suit of woolen clothes selling for \$23 there \$4.78 worth of cloth; cotton cloth that nets the mill 124

cents is worth 25 cents on the retail counters. It would seem a moderate estimate to say that \$3,000,000,000 of our annual turnover is represented by these textiles.

More than 50 per cent of the wage earners of my own State are employed in these industries. On our border line, and with its suburbs overlapping into Rhode Island, is Fall River, the largest center of cotton manufacturing in the country; a few miles to the east is New Bedford, where the fine-yarn factories are located; to the north is the Blackstone Valley and Worcester; not far away from us are the great textile cities of Lowell and Lawrence. What happens to these industries, therefore, is an important matter to the country at large, and to Rhode Island in particular.

TARIFF PRINCIPLES.

The first step in preparing a consistent tariff is to decide upon the principle upon which it is to be made. So far as protectionists are concerned, this has not been a difficult question, as it has been their purpose to write a tariff intended to give a reasonable preference to the products of American industries in American markets.

The opponents of this policy, however, have many objects in view. At one time they were unconditional free traders, but consistent free trade in practice is impossible in this country, so long as it is proposed to raise revenue through the customhouses, so that this policy soon became transformed into the doctrine of a tariff for revenue only. To-day many additional objects have been suggested. Mr. Underwood, in an article in the Independent Magazine of February, 1912, states his purpose was to reduce unjust profits and to destroy, or at least to check, monopolies. He proposed to accomplish this by so manipulating the rates that importations of substantially 10 per cent would result—a theory that he described as a competitive tariff. His

object, therefore, was to increase the importations.

President Wilson, in his first message to Congress, also proposes to destroy monopoly. "We have built up," he says, set of privileges and exemptions from competition behind which it was easy by any, even the crudest forms of combination, to organize monopoly," but he also proposes to accomplish other results, particularly to increase exports. "We must build up trade, especially foreign trade," he says. And efficiency is to be obtained, efficiency of the most extreme sort. It is not enough to his exacting nature that we should be the equal of others in this respect, but we must be "masters of competitive supremacy, better workers and merchants than any in the world." Duties are also to be laid upon luxuries as distinworld. Duties are also to be also to take the guished from necessities, and finally the tariff is to take the place of schoolbooks to produce mental development. "The obplace of schoolbooks to produce mental development. ject of the tariff duties henceforth laid must be effective competition, the whetting of American wits by contest with the wits of the rest of the world," he says. In addition to all this, a distinction is to be drawn between helping that part of an individual's activities which are spent in producing and that part of his activities which are spent in consuming. Consumption is to be given the preference over production, which can only mean for each one to sell cheap what he has to sell that he may buy cheap what he has to buy.

To accomplish all these results by the simple expedient of

writing one duty of 10 per cent or 20 per cent or 30 per cent, or whatever it may be, against one particular article, seems like a difficult understanding. It must lead to variable treatment as for the time being one object or another becomes the predominating motive, and that is what we find when we compare the

treatment of these three textiles.

VARYING TREATMENT OF TEXTILES.

They are all similar in the operations needed to carry them on. They employ machinery built upon similar principles; the skill and knowledge of the laborer is of the same general kind; the worker frequently goes from one industry to another as opportunity presents itself. Many mills use more than one of these raw materials; there are cotton mills, so called, whose annual bill for silk is larger than for cotton; there are woolen mills that use cotton largely as a raw material. Nevertheless, we find a duty of 45 per cent put upon silk cloths of all kinds without discrimination, a duty of 35 per cent put upon woolen cloths of all kinds without discrimination, but when it comes to cotton it has been thought necessary to grade these duties so that they run from a minimum of 7½ per cent to a maximum of 30 per cent, with an average of perhaps 16 per cent, less than one-half the duty upon woolens and about one-third the duty upon silks, although the average percentage of wages to the total cost of manufacture is the highest in the cotton of any of the three. If the Census Bureau is to be relied upon, the labor cost in cotton is 24 per cent of the total, as against 21.8 per cent in silk and but 18.7 per cent in wool.

Which, then, of all these various objects that the authors of this bill have proposed for themselves, is the one that governed this distribution of taxation, or protection, or revenue among these three similar industries? Is it because more of a luxury than another? If so, to what individual in this country is cotton cloth more necessary than woolen cloth? If it is the principle of luxury which justifies a single ungraded duty of 45 per cent on silk cloths, but necessitates a graded duty running from 7.5 per cent to 30 per cent on cotton cloth, what theory justifies so arranging that cotton duty that the labor in the most ornamental fabric has the least protection of all the products of the loom, regardless of what their raw material may be? Certainly, a piece of cotton goods selling for \$1.50 a yard is as much a luxury as a piece of silk that sells at the same price.

"We have built up a set of privileges and exemptions from competition behind which it was easy by any, even the crudest, forms of combination to organize monopoly," says Mr. Such generalities are easy to make, but if the experience and conditions of these industries are to be relied upon for their verification, they will be hard to prove, for the facts are that never in the history of the world was competition so keen in these industries as it is at this very moment. There was a time, not long back, when a merchant had a strong hold upon the business of his immediate neighborhood, but frequent, rapid, and cheap communication has abolished all that. The wholesale merchant in Chicago and St. Louis makes prices for his competitor in New York on one hand and in San Francisco on the other. The circulars of the mail-order house go from one end of the country to the other. A merchant in his office, using his telephone, obtains prices from a dozen competing manufacturers within an hour.

TEXTILES NOT MONOPOLIES.

To control monopolies can not justify the application of these unequal duties, for surely these textile industries are not monopolized. An increase in the number of silk-making establishments from 483 to 843, as the census report shows occurred during the 10 years ending in 1909, is good evidence that competition has not been done away with in that industry. is certainly no monopoly of the cotton manufacturing industry which stretches from one end to the other of the Atlantic seaboard, in which some 1,324 separate establishments are engaged, and in which the largest individual establishment controls less than 2 per cent of the total machinery.

In woolens, the existence of 985 independent establishments affords ample guaranty of competition in an industry whose product is only some 400,000,000, but if anyone is disposed to cite the American Woolen Co. as objectionable, it would not seem to be dangerous when its production only constitutes some 12 per cent of the total and when its financial results show that for the first 12½ years of its existence, out of gross sales amounting to \$496,832,000, the entire dividends received by the capital invested in it were \$23,825,912, or an increase of only 4.79 per cent, which the public had to pay for woolen cloths over what they would have had to pay if that capital had been satisfied

with no return at all.

If there is need of further evidence of active competition nothing more conclusive could be asked than is contained in the report of the Tariff Board upon wool, where they show that on certain number of woolen fabrics which would have cost \$118.74 to land from abroad duty paid in New York, similar domestic fabrics were selling in this country for \$69.75; and in the cotton report, where the board obtained the prices in this country and in England of some 150 different samples of cotton cloth, which showed the surprising result that in spite of higher labor, more costly plants, and more expensive supplies, more than one-half of these fabrics were selling in this country for a lower price than they were in England on July 1, 1911. To be sure the conditions in the two countries on that date were very different. Under the influence of dull business the active competition of domestic mills had forced American prices to an unprofitable basis and the industry was not prosperous. Many of the mills were running at a loss. Fall River was said to have lost \$2,000.000 upon its manufacturing business in that England, however, was having the most profitable period she had enjoyed for many years. Though such conditions can not be expected to continue, nevertheless that such a situation could exist at any time is ample evidence, it seems to me, to any fair-minded man of the prevalence of the most intense domestic competition in these industries.

Even the Ways and Means Committee, desirous as they were to make a case to justify the radical changes in cottons, could not claim that domestic prices were increased by the amount of the duty. One-half of that duty was all that they ventured

to suggest as the additional price which the tariff put upon cotton goods as shown on page 46 of their handbook. And even this guess of the effect of the duty, the Tariff Board's report showed was probably entirely too high.

The fact is, Mr. President, the more we examine the situation as it applies to these textiles the more we are forced to admit that the height of the duty does not measure the cost of protection. These duties are simply the constabulary that guard the gateways and police the channels of American com-When protection is needed they are there to protect, and when it is not needed they are as harmless and inoperative as a village policeman dozing on a park bench in the noonday

TEXTILE PROFITS.

It has frequently been represented that these textile industries were enormously profitable; that all that was necessary to make a man rich was to have an interest in one; and in some parts of the country perhaps that idea is still entertained. They are not so regarded in New England. The risk attending the operation of textile mills is well understood there, and there is no scramble on the part of investors to buy textile There is scarcely a mill in New England whose stock can not be bought on a basis materially less than its reproduction cost, and this has been the case at almost any time for many years. The highway along which textile growth has passed is strewn with wrecks. During the testimony before the Ways and Means Committee on this subject in 1908, the present Speaker of the House, then a member of that committee, asked about the millionaires of North Adams. At the very time he asked that question the Arnold Print Works of that town, with an investment of millions, the beauty and novelty of whose fabrics have never been excelled by any textile plant here or abroad, was in the act of making an assignment, and its property has passed into other hands with scarcely a dollar being realized by its stockholders.

Four or five years ago there was a short period of unpre-cedentedly profitable business in cotton manufacturing, and the prices of cotton fabrics went so high that the condition was very much regretted by the people permanently engaged in the business and was a source of considerable anxiety to them. result was a temporary rush of people who had not had experience to build mills. The natural effect was overproduction, for anyone can start a textile plant who has the capital and feels so disposed. There is no monopoly of raw material, of location, of machinery, or of any of the things that are necessary to make

the venture.

Nothing can more clearly show the risks of the business than the experience of a mill built in New Bedford at that time, under the auspices of one of the most experienced mill managers in New England, the two and one-half million stock of which was oversubscribed at a price of 1021 within a few days of its being offered and sold at 107 before a wheel had been turned in the mill. Although equipped with the newest and most efficient machinery, built in one of the most progressive sections of the New England textile business, and its management put into the hands of experienced people, it has not yet been able to pay a single dollar in dividends, and its stock could be bought last April for \$52 a share.

Success in this industry is not merely a question of modernness of machinery or technical skill in manufacturing. It more often depends upon the skill of the merchant. The intelligent or fortunate purchase of supplies and marketing of product, success in forestalling the changing fashion of the market, conduce as much or more to profitable results as does the comparatively slight economy that can be made between one mill and another in the actual process of manufacturing. It is with a recognition of these conditions as they are and not as they have at times been represented for partisan or other purposes that we must approach an equitable revision of these textile schedules. I do not believe that the people of this country, from whatever source they get their living, whether from agriculture or otherwise, will be satisfied to see any considerable portion of these important manufacturing industries transferred to another country. I believe that having seen the possibility of conducting them here it would be intolerable to our commercial pride to see such conditions established as would make it possible for cotton grown in the United States to be sent to Europe that it might be returned to us as cloth.

We have heard lately, from Democratic sources, a great deal about efficiency. Through the President and through the Secretary of Commerce the most extreme standards have been set up. I think, therefore, that it will not be out of place to consider whether this bill has been made efficiently. To attain efficiency a wide range of information is necessary. Our industries concomplicated, and in none is this more true than of these textile industries. I have been curious to know from what source or based upon what information the authors of this bill selected the particular rates they have rather than some others to apply to these textile industries, and I have seen no evidence of an attempt to base them upon exact information. of them very elaborate reports have been made by the Tariff Board, containing statements, some of which are correct and some are not. But the committee has made very elaborate arguments againsts these reports, totally condemning and rejecting them. They have not, however, substituted any other kind of expert investigation. They have employed certain so-called Treasury experts. These are not men who have or even claimed to have any particular information about the technical manufacture or the variations of cost in these fabrics. They are men who have information in regard to the way duties have been collected under recent tariff laws, but they are not weavers nor spinners nor textile merchants. The committees have held hearings, but they certainly have not followed, nor even claimed to follow in most cases, the advice received from this source. None of the committee members are textile experts. It is easy to argue about partisan tariff theories, but to apply them equitably is a different matter. Schedules made with such insufficient preparation naturally would be filled with incongruities. Let us see the result.

RESULT OF CHANGE.

The most important thing in regard to this cotton bill, and the thing everybody interested in the matter wants to know, is what the result of it is going to be. When the Ways and Means Committee presented their first bill on the subject in 1911, they accompanied it with certain statements as to its effects upon importations. They have made some slight changes in the details of the bill as it appears to-day, but they have not materially changed the plan upon which it is written nor their estimates of its results. In 1911 their estimate was that it would increase imports from \$28,417,441.39 to \$39,163,800, an increase of \$10,746.359. Their prediction to-day is that the present bill will increase imports from \$24,358,360 to \$36,927,-000, an increase of \$12,568,640. As applied to a total consumption of \$800,000,000, this increase, if it is correct and if that is all the result there is going to be, need not, to my mind, cause any advocate of protection any great anxiety; but the question is, is it correct?

It is the most important statement that has been made in connection with the cotton schedule. Persevered in during two years, it must represent the committee's well-matured belief as to the effect of their action. It has undoubtedly been accepted by such of the public as have given the matter consideration as correct, and their judgment in regard to the schedule has, to a large extent, probably been affected by this statement. I want to explain, therefore, exactly how that estimate was made, for an examination of the reliability of those methods will shed, I think, a great deal of light upon the thoroughness or otherwise with which this subject has been treated. In doing so I am going back to the cotton bill of 1911, because the methods there used for making these calculations are the ones that in substance have been followed since then. That method was the same throughout all parts of the cotton and wool bills of that year, as was stated by Mr. Underwood in his remarks upon these bills; so, as an illustration of it, I confine my explanation to the predictions of imports covered by paragraphs 3 and 5, on page 52 of the Ways and Means Committee's report upon cottons of July 23, 1911. These two paragraphs contain duties that apply to some \$407,000,000 or about two-thirds of the entire cotton manufactures, excluding hosiery, and the prediction is made that under the then proposed law, with its radical reductions, the importations would be \$13.931.600 for the year 1912, as compared with predicted importations of \$12,668,190 if the present bill remained in force, an increase of only \$1,263,410.

When it first appeared I could not find any clear statement of the method by which these figures had been made, either in the report itself or in the explanations which were made about it during the debate in the House of Representatives. In order to satisfy myself of the basis for them I finally went to the statistician, Mr. Parsons, who made them, and from him obtained the exact figures upon which this calculation was based. I have here a table showing these figures in aetail. I will not read them, as there are too many of them to be followed, but I ask that this table and the detailed explanation that goes with it may be printed as part of my remarks (Appendix A).

In substance, this is what happened: Inder the McKinley bill

of 1888 the average duty upon the imports of the articles these paragraphs represent was 47.17 per cent for the year 1892. der the Wilson-Gorman bill this rate was reduced for the tinually of late years have been growing more diversified and year 1896 to 41.64 per cent, a reduction of 5.53 per cent, which

resulted in some increased importations. Under the bill now in force, for the year 1910 the average rate on importations was 42.46 per cent, and Mr. Parsons estimated that under the proposed bill of 1911 the average duty for 1912 would be 24.51 per cent, a reduction of 17.95 per cent.

Now, he evolved the astounding theory that the change of importations caused by a reduction of practically 18 per cent today would be in exact proportion to the change caused by a reduction of 5½ per cent 20 years ago. The figures which he made up and which the Ways and Means Committee accepted two years ago and which they have continued to accept ever since that date and which the Finance Committee of this body has accepted and upon which their report upon this subject here to-day is based have no more foundation than a simple statistical calculation made according to the rule of three. account has been made of all the changed conditions that have occurred in the manufacture of these articles during these last 20 years of progress. It is assumed that taking $5\frac{1}{2}$ per cent off of the margin of safety at the top of a duty of nearly 50 per cent 20 years ago is going to have exactly the same proportional effect as a change of 18 per cent, that cuts deep into the heart of the protection of these articles, will have to-day. It seems to me that it is not necessary to do any more than clearly state this proposition to absolutely destroy any weight that prediction may have

If simple mathematical calculations carried out by the rule of three are a positive guide to the result of tariff changes, how easy the whole question becomes. We no longer need any investigations of the cost of production here and abroad; we no longer care what the cost of labor is in America and England; we certainly do not need a tariff board to spend months trying to procure accurate statements of these conditions. All that it is necessary to do is to get a high-school graduate who is good at mathematics and let him figure out a few proportions. his speech upon this cotton schedule in the Congressional Record of July 28, 1911, in reply to questions from the floor, the chairman of the Ways and Means Committee explained that these estimates for the cotton schedule were made exactly the same as were the estimates for the wool schedule, and that when the wool schedule was being figured a Treasury expert, Mr. McCoy, was employed to check the figures of Mr. Parsons, and goes on to say that this was not necessary for the cotton schedule, because, referring to the wool schedule, with that as a basis there was no need of sending for the expert again, as the same method should produce the same result. As a purely mathematical proposition unquestionably this is so. The rule of three works the same way whether it is applied to the wool schedule or to the cotton schedule, and if anyone believes that such a simple expedient as that is all that is necessary to get accurate results on this important question there is certainly no need for commercial experts. Mr. Underwood was further asked if the committee made any inquiry of others who are familiar with the cotton business in regard to probable importations, and he re-

I will say to the gentleman that I have not inquired of the manufacturers as to how much the reduction of rate will bring about importations, because I find, with a few exceptions, that they insist, if there is a reduction at all, that it means ruin to business.

So we have this official statement of how this prediction of imports was arrived at. It becomes a simple problem in mathematics, applied alike to the products of wool and of cotton. This mathematical method having been discovered, the use of experts is not needed nor is the opinion of those engaged in the business worth asking for.

HOW TO PREDICT RESULTS.

It seems to me that the only efficient method-and under the circumstances we have a right to expect efficiency—upon which to base a prediction on this important matter is a study of the comparative prices here and abroad. So far as affecting importations goes, averages convey very little information. Merchandise is not bought and sold by average prices. Transactions depend upon the actual price of actual articles, and the only way to determine the effect of these most radical changes would be to know what the relation is between the prices of to-day and what they have been over a series of years in this country and in other countries. There has been two years during which it has been possible for the Ways and Means Committee to make such a study. If such data had been obtained and deductions drawn from their study on which to base estimates of this kind, they might have some basis of probability. But to put behind an estimate made up as this has been the weight of the prestige of the great Committee on Ways and Means of the House of Representatives, with no complete statement of the ground upon which it was made, thus leaving the public to assume that it was made on

intelligent ground, seems to me little short of criminal misrepresentation. I do not accuse the Members of the House of Representatives who were responsible for this kind of calculation of knowing misrepresentation, nor do I accuse any of the Members of this body of any such thing, for I can not believe but that one and all of them must have been entirely ignorant of the basis of this prediction, but it certainly has not inspired me with any high opinion of the efficiency of the way in which this schedule was constructed.

If anybody is still in doubt as to the utter unreliability of that method of calculation, I have supplemented the table that shows the calculations for the exact reduction in duties with another table showing what the importations would have been, figured by exactly the same method, if the duty had been reduced to 1 per cent, and this table shows that under that method of estimating imports, with practically no duty at all, these imports of cloth would only have increased \$2,647,692, which is either such a manifest absurdity or, when you consider the undisputed fact of the higher cost of labor and other items of cost in this country, is such a compliment to the effi-ciency of the American manufacturer and laborer that, if true, I should suppose everybody would be satisfied to do nothing at all about this schedule.

If what I have said here is correct, we approach the subject in entire ignorance of what the results are going to be. will not pretend to foretell them. I know of no method of arriving at a result. In Canada, with an ad valorem duty of practically 24 per cent, about the same as the authors of this bill claim their duty is, 44.7 per cent of her manufactures of cotton fabrics are imported. If that is any guide, and 44.7 per cent of our cotton manufactures are imported, it would mean over \$250,000,000 worth. I do not believe that will happen, but I do believe that if this bill is in force for any length of time either the cost of production here will have to be reduced or the importations will be enormously greater than anything that has so far been mentioned. Importations will come in a flood when the point is reached where importations are possible. Tariff duties can be changed, up or down, without any appreciable effect if the changes occur above the line of possible importation, but the instant the point is reached where prices or conditions make it profitable to bring cloth from abroad then results will follow. As an example of the kind of conditions which are likely to produce such effects an account of what is happening in Italy, as given in the Boston News Bureau of July 17, 1913, may be instructive:

ITALIAN COTTON TEXTILE TRUST FORMED,

The matter of fact way in which trusts or industrial syndicates are formed abroad is amazing in view of what is going on in this country. The incidents of organizing one European trust, all done in the open and matters of official record, comprise sufficient of combination, restraint, and agreements to control production and prices to send a whole colony of American capitalists to fail for life if anything of the kind were attempted here. What is a crime on this side of the Atlantic is regarded in Europe as a laudable harmonizing of industry to the economic laws of supply and demand and is thought to be beneficial to all concerned.

The latest example of the sort is the formation of a cotton textile trust in Italy. Details, which are given with statistical accuracy through consular reports, show that the trust or syndicate will control 3,800,000 spindles out of 4,575,925 in the Italian cotton industry. Purpose is formally stated to be to "regulate production and sale of cotton goods in Italy" by restricting output, avoiding overproduction, and generally systematizing the trade in accord with actual conditions of the market. It is hoped to be able to minimize, if not check altogether, the periodical crises in the industry.

The trust is to last five years. All members are rigidly bound to adhere to rules established. Periodical reports will be made by all so that the statistical condition of the trade may be accurately known. The syndicate embraces all branches of the cotton textile trades, the first and most important being spinning and the others being weaving, printing, and finishing. The syndicate begins operations with a shorttime schedule imposed upon all members, requiring closing down-one extra day every two weeks.

Probably the duties under this bill that apply to the bulk of these Italian cloths would not be above 121 per cent. What an opportunity with only such a barrier as this between this great American market for cotton cloth, the most valuable market for such commodities in the world, would be given Italy to relieve her congestion. With the consent of their Government. her manufacturers have consolidated their industry into one compact and formidable commercial machine. Their first step has been to reduce their production by stopping their mills for one day each two weeks. But to thus stop production is expenone day each two weeks. But to thus stop production is expensive, for it means not merely the loss of profits on one-twelfth of the output, but it means that an additional percentage of fixed charges that go on whether the mills run or not must be added to the cost of the product of the other 11 days. I do not know the cost of making goods in Italy, but undoubtedly it is no more than it is here, and probably considerably less. I happened to stand on the street corner beside an Italian workman returning from his work a few days ago. I asked him wh had come to this country, and he said, "Two dollars a day. I asked him why he

said, "How much in Italy?" and he replied, "Eighty cents a day." Now that the policy of these Italy trolled as a unit, how much more profitable it will be for them to take the surplus they are now getting rid of by stopping and send it to a market like that of this country if the sacrifice they have to make does not exceed some 12 or 15 per cent.

Mr. Underwood, in his magazine article, says that with our industries accommodated to importations of 10 per cent they would never have to stop, because in periods of dull business a little reduction in price would enable them to replace the imported goods with their domestic product, and thus they would always have at hand the possibility of an increased market. Utopian dream of academical equilibrium. What does he think would happen under the slight margin he proposes to erect against the enterprises of England when the extremely prosperous times she is now enjoying are reversed and in order to find an additional outlet she only has to make a slight reduction in price to open up to her our markets for an additional quantity of merchandise over the 10 per cent that he proposes to allot to her? A reduction of 10 or 15 per cent in price to dispose of a temporary surplus to the markets of this country, and so avoid glutting the channels of her regular trade, would be a small price, indeed, for her merchants to pay to enable them to retain their regular profits in their regular markets. I suggest that the Senators on the other side of the Chamber who represent States having great cotton-manufacturing industries give this some consideration in deciding how far they want to go in support of a bill that is so manifestly founded upon error.

WHAT ACTUAL REDUCTION IS. In addition to a knowledge of what importations will occur under this bill, the next most important information is to know just what changes in duties have actually been made by it. On page 175 of the Senate Tariff Handbook the equivalent ad valorem for 1912 under the present law is put down at 42.75 per cent and under the proposed law it is estimated at 25.81 per cent. The inference is that the average reduction proposed is the difference between these two rates, or a reduction of 16.94 per cent, practically 17 per cent. This would be an average reduction amounting to about 40 per cent of the present duties. In reality the reduction is very much greater. In the first place the rate of 42.75 per cent there given for the present law is the average rate at which some seven and one-half million dollars' worth of goods were imported. There is no evidence to show that this small amount of importations are imported in the same proportional quantity that the more than four hundred millions of cloth made in this country is manufactured; and unless they are this rate is not an accurate representation of the actual percentage of duty that exists under the present law. There is every reason to suppose that these importations follow largely the line of lowest duties in each classification. I think that is the case, although there are no figures to prove it, but we do know that in a very large number of commonly made fabrics the duty is 50 per cent or more. Many such cases are cited in the Tariff Board's report, and I believe if we had the accurate statistics they would show the average protection of this cotton schedule has been ever since 1897 in the neighborhood of 50 per cent or more. Moreover, the average duty of 25.81 per cent given in that table for the new law can not be the correct average rate of this bill as applied to the goods manufactured in this country. It is an estimate made by a system of figuring that if I cared to take the time I think I could easily show to be utterly erroneous of the rate that would apply merely to the small amount estimated to be imported under this bill, which amount, I think, I have already demonstrated is utterly unreliable. I have here a table showing all the different rates of duties in the proposed cloth schedule, the average of which is represented to be this 25.81 per cent.

Cotton-cloth duties, paragraph 257, Senate bill.

	Cloth.	Cloth, col-	Yarn consumption.		
Class.	gray.	ored, etc.	Pounds.	Per cent.	
Not above No. 9 9 to 19 19 to 39 39 to 49 49 to 59 59 to 79 79 to 99	7. 5 10 12. 5 17. 5 20 22. 5 25	10 12.5 15 20 22.5 25 27.5	1,897,398,293	93.12	
Above 99	8)142.5 17.8% 19.4	8)162.5 20.3%	2,037,653,722		

	Cotton-cloth duties, Sena	te bill-Continued.
	Duties first four classes.	Duties last four classes.
	7.5	20 22, 5
s	12.5	25
	17.5	27.5
	10 12.5	22.5
	15	25 27.5
	20	. 30
	8)105	8)200
	0)100	8)200
	13.12%	25%
	1,897,398,293 by 13.12 per cent equals 140,255,429 by 25 per cent equals	248, 938, 656, 04 35, 963, 857, 25
	Total	284 002 513 29

284,002,513.29 ÷ 2,037,653,722 equals 13.93 per cent.
Approximate average protection on cloth manufactured in United States, 13.93 per cent.

It shows eight classes of gray goods and eight classes of colored goods. Adding each of these columns and dividing by the number of duties shows an average of 17.8 per cent for the gray cloth and 20.3 per cent for the colored cloth, the average of the two being 19.05 per cent, or nearly 7 per cent less than the average given in the handbook. But, while this shows a much lower average than the handbook gives for the new bill, it is not in itself a correct way of getting at the average rate. because the last four rates given in each column are very much higher than the first four rates in each column, and those high rates apply to kinds of cloth of which there are relatively very few manufactured. They apply entirely to cloth composed of yarns finer than No. 49, the production of which is small in comparison with the production of yarns coarser than No. 49. On page 43 of the Tariff Board's report are figures taken from the census showing the total production of cotton yarns in this country, and they show that out of a total of 2,037,653,722 pounds only 157,255,429 pounds are finer than No. 41. board's division is made at No. 41 and the bill's classifications divide at 49, a considerable portion of this 157,000,000 pounds would be covered by the duties of the first four classes of this table. It would be perhaps not out of the way to assume that at least 17,000,000 pounds was so included. We would therefore have only about 140,000,000 pounds to which the last four classes of duties apply, as against 1.897,398,293 pounds to which the duties of the first four classes apply; or, in percentages, the duties of the first four classes apply to about 93.12 per cent of all the yarns manufactured in this country, and the duties of the last four classes apply to only 6.88 per cent.

PROPOSED DUTY ONLY 16 PER CENT.

The average of the duties of these first four classes in both the gray and colored column is 13.12 per cent, and the average of the duties in the last four classes in both columns is 25 per cent; and the average of these two duties based upon the pounds of yarn which they represent is 13.93 per cent. But some correction would have to be made in this figure, because the fine yarn is more valuable per pound than the coarse yarn, and because we have no means of knowing to what extent the value of each is increased in cost in the process of weaving. large quantities of both classes of yarn are used to make common fabrics in which the percentage of additional cost for weaving would probably not vary much. But very considerable quantities of both classes are used in making fancy or figured goods in which the increased cost for weaving is enormous, and I think there are materially more of the yarns under No. 49 used for this purpose than of the finer numbers. In any event, the difference between the quantities produced of yarns that come under the first four classifications, as compared with those of the last four classifications, is so enormous that the average duty must necessarily be very much nearer the lower figure than the higher one. I do not know of any figures anywhere from which an absolutely correct estimate of this average duty can be obtained, but, judging from these figures, 16 per cent as the average certainly would not be too low, and that is very dif-ferent from 25.81 per cent, which the committee claimed is the average under the bill. It is perfectly evident to anyone who will examine this table that this figure of the committee's can of yarn that are spun. I doubt if the production in the country is as much as 2 per cent of the total production in the country. If the actual protection to-day is 48 per cent and 16 per cent is what is afforded under this bill—and I think these figures do not exaggerate the conditions-then, instead of the moderate reduction that the handbook's statement would imply has been made in this schedule, a reduction from 42 per cent to 26 per cent, what we actually have is a reduction from 48 per cent

to 16 per cent, or to about one-third of the present duty. That this estimate is absolutely correct I do not pretend to say, but that it much nearer represents changes that have been made by this bill than is suggested by any figures that have been put forth by the authors of it I think is indisputable. Their satements certainly enormously underestimate the changed conditions under which this industry will be carried on if their bill becomes a law.

EXAMPLES OF CHANGES.

As an example, a very common fabric made in large quantities both North and South is a 40-inch 80 by 80 plain cloth, weighing 3.90 yards to the pound. The duty under the present law, as under the previous one, is 3 cents a running yard. The price of such a cloth in England last December, under very profitable conditions of trade, was something under 6½ cents a yard. I have no doubt there would be many periods when that cloth would sell in England at 6 cents. The duty under the present bill would be 12½ per cent, or three-quarters of a cent per yard, which is a reduction of 75 per cent of the duty now paid.

As another example, take a 39-inch 84 by 124 sateen, weighing 3.75 yards to the pound, a fabric which fairly represents a very considerable group. The duty under the present law is 4.87 cents per running yard. Under the proposed law it would be 17½ per cent, provided the examiner in the customhouse tested a sample of it which showed the yarn as fine as it actually was. The fine yarn in it, however, would probably come very close to the dividing line of the classes, and a very slight error in the examination would make the duty on this cloth 121 per cent. The value of it in the era of high prices in England in the spring of 1911 was 8.8 cents per yard. At a duty of 171 per cent this would be 1.54 cents per yard, or a reduction from the present duty of 3.33 cents per yard, a reduction equal to 68 per cent of the present duty. However, if, as might readily be the case, the examiner found that this cloth came under the 121 per cent duty class, the duty would be 1.1 cents a yard, which would be a reduction of 3.77 cents a yard from the present duty, equal to a reduction of 77.4 per cent from the duty now paid.

DASIS OF CLASSIFICATION.

I have discussed so far the character of the so-called information which the committees have given in regard to this bill. I have endeavored to show how inaccurate and misleading it is. I want now to discuss what, from a practical standpoint, I believe is the most serious, illogical, and inexcusable provision of this bill, and that is the particular factor of cost that has been used to classify cloth. This classification has been made to depend entirely upon the finest number of yarn of which the cloth is composed, and, depending upon this feature solely, cloth has been divided into eight classes.

Cloth whose finest number of yarn is not finer than No. 9 has a duty of 7½ per cent ad valorem; containing yarn from 9 to 19, 10 per cent; from 19 to 39, 12½ per cent; from 39 to 49, 17½ per cent; 49 to 59, 20 per cent; 59 to 79, 22½ per cent; 79 to 99, 25 per cent; and above 99, 27½ per cent. When this cloth is bleached, contains color in any form, is figured or mercerized, 2½ per cent is added to the rate of each of these classes.

The assumption here is that the only important element varying the cost of cloth or, to be more exact, varying the labor cost as compared with other costs is the difference in the fineness of the yarn. That undoubtedly is a cause of variation of this cost in making cloth just as it is in making yarn. But it is by no means the only cause of such variation nor in very many cases the most important cause. The great development that has taken place in the manipulation of cotton during the last quarter of a century has been the decoration that constant experiment and increased experience has made possible to apply to these fabrics, so that to-day starting with a very inferior raw material, so far as price is concerned, some products of the cotton loom both for wearing and decorative purposes rival in beauty the products of wool and silk.

It is in this development, so far as this country is concerned, that New England has taken the lead. The fierce competition the cotton-manufacturing industry, originally confined substantially to the Northern States, has been subjected to for the last 25 years by the lower wages, the longer hours permitted by law, and the employment of younger children in the Southern States took away from New England the manufacture of the coarser and commoner fabrics. She has found a legitimate field to replace the gap thus made by the production of these more artistic and more difficult fabrics. Where there were but few mills in New England 25 years ago that were making what are commonly known as fancy goods—and those few were only making fancy fabrics which would now be considered of a simple character—a very considerable part indeed of her machinery is now em-

ployed in making these higher products of the loom. The cloths to which those decorative effects are applied are not determined by the coarseness or fineness of the yarn. In many cases the most elaborate and expensive processes are used to decorate cloths composed of coarse and medium counts, and their greatly advanced value is due almost entirely to the attractiveness of their patterns and to the additional labor of both brain and hand necessary to produce them.

This bill ignores all that element of cost, except that the 2½ per cent additional duty that is applied to cloth when colored is also applied to it if figured. The effect of this is that a piece of unbleached or undyed figured cloth would have 2½ per cent more duty than if not figured. But when bleached or dyed, which is the ordinary way in which such fabrics would be imported into this country, there is absolutely no additional duty.

There has apparently been an attempt in this provision to recognize to a slight extent the difference in the cost between undecorated cloths, ordinarily made on the automatic loom, and the fancy cloths of much greater labor cost; but it will be in practice entirely inoperative, because to escape its provisions entirely it is only necessary for figured cloths to be imported in a bleached or dyed condition, under which circumstance there is no additional duty over ordinary cloth, an arrangement the logic of which is rather incomprehensible.

DECORATED CLOTHS NOT RECOGNIZED.

This cost of decorating cloths, which is only recognized by this abortive provision, is not only as much but in many cases very much more than the difference in labor cost between coarse yarns and fine. Yet while cloths of ordinary numbers, from 9 to 39, have 121 per cent duty and the same cloths, if made out of yarns of numbers 80 or 90, have 25 per cent duty, twice as much as the cloths made out of the coarser yarns, the decorated cloths would have no increased duty at all. If the makers of this bill recognize that it is proper to increase a duty because there is a greater labor cost in fine yarns as compared with coarse or because cloth made out of fine yarns is more of a luxury than when made out of coarse yarns, then it is most illogical to make no provision for this other equally costly and equally luxurious product. It is evident that if the differential they have used in the one case is a proper one and puts the articles to which it applies on an equality as regards protection, then it leaves these figured fabrics in a most unprotected condition. There is no logical reason for having a large differential for one case and none at all for the other, and the inevitable result of this bill must be the loss to this country of a very considerable part of that kind of product.

To show more clearly what I mean I have here a few illustrative samples of cloth. This fabric which I hold in my hand is a common, ordinary piece of plain cloth, of which great quantities are made in the South. It has 48 threads in the warp and 48 threads in the filling, takes 2\frac{3}{4} yards, 40 inches wide, to weigh a pound, and is made of about No. 15 yarn. Bleached or dyed it would pay a duty of 12\frac{1}{2} per cent. Here is also a piece of what is commonly known as print cloth, made from yarns between 19 and 39, and colored or printed or bleached it would be subject to a duty of 15 per cent. Both of these fabrics are commonly made on the automatic loom, and the largest percentage of their cost is represented by cotton; the labor cost is some 20 or 30 per cent.

I have here also some samples of decorative weaves, all of which are made out of coarse or medium numbers of yarn, from 19 to 39, so that in spite of the very evident additional cost of such fabrics the duty upon them would be exactly the same as upon this piece of print cloth, which has the same yarns, and only 2½ per cent more than the very heavy, coarse, southern sheeting. These fancy cloths all require some kind of special attachments on the loom to produce them, such as Jacquard head, dobby head, leno motion, drop box, and so forth, and the complication of weaving them is such that but a few looms can be run by a weaver. I think I would not be at all out of the way in saying that the percentage of labor cost in such fabrics is two or three times the labor cost of these plain, undecorated goods. Here is one in particular which requires a Jacquard head, a leno motion, and a drop box to produce itthree expensive loom attachments. In this fabric the cotton constitutes about 25 per cent of its cost, and 75 per cent of its value is the cost of converting that cotton into cloth. theless it falls in identically the same classification in this bill as the piece of print cloth, and would be subject to a duty of only 15 per cent. Such samples can be accumulated here indefinitely, for they are made in enormous number of varying patterns and varying constructions of cloth; but I presume it is not necessary for me to illustrate this to a greater extent.

What I am simply trying to demonstrate is that here is a great group of fabrics whose larger cost is entirely ignored in the classifications of this bill and that such fabrics are the luxuries of the textile trade, as much luxuries as silks of any class can be considered luxuries, and yet, while under this bill a duty of 45 per cent is put upon silk cloths of all kinds and 35 per cent on woolen cloths of all kinds, these cotton fabrics, equally creditable, equally attractive, and with much higher percentage of labor cost than is in the great majority of silk and woolen fabrics, have been entirely ignored and the classifications of this bill are such that they receive one of the lowest rates of duty put on any product of the loom.

Now, my friends, if your great leader thinks the necessities of the time call for efficiency, they call for efficiency just as much in the Halls of this Congress as they do in the weave room of a manufacturing establishment, and when you undertake to treat products of a similar character in entirely different ways so that one has two and one-half times the protection and another has three times the protection of some other, you can not claim to be writing a scientific or just or impartial act. On the contrary, it is capricious, illogical, and indefensible.

I know-or, at least, it is commonly said-that in the secret councils in which you have discussed this bill you have decided that you will not change it, but I think this matter which I am bringing to your attention is of such importance, the claim which I am making is of such manifest justness, that I hope you will not ignore it, and I will introduce an amendment to this bill which will, at least partially, meet its requirements.

WHAT HAPPENS TO DAMASK.

I have said that these fancy weaves have not been taken into consideration in assorting the duties under this bill. But there is one exception. Paragraph 268 reads:

Cotton table damask and manufactures of cotton table damask, or of which cotton table damask is the component material of chief value, not specially provided for in this section, 25 per cent ad valorem.

Cotton table damask differs from ordinary cotton cloth of the same width and count of threads and weight merely because it has a figure upon it produced by the Jacquard loom. It is made of coarse yarns, usually between Nos. 15 and 30, not of a large number of threads to the square inch, and if it were not figured would be a cloth of very common construction. It is essentially a southern product and its chief place of manufacture is the Rosemary Manufacturing Co., Roanoke Rapids, N. C., in a mill managed by J. L. Patterson. It is woven there upon an automatic loom to which a Jacquard head has been applied, and the gentleman who has charge of that mill has obtained a patent for the use of the Jacquard head in connection with an automatic loom and threatens with legal action anybody who

attempts to use that combination in weaving cloth.

As compared with these highly decorated fabrics which have been showing, the percentage of labor cost in making this cloth is not large. Nevertheless, in spite of the monopoly of a certain form of economy that is attempted to be established by the makers of this fabric the only fancy cloth among all the thousands of kinds of such cloth that are produced in this country that has an increase of duty on it because it is a fancy weave is this cotton damask. If this was a perfectly plain piece of cloth, it would pay a duty of 15 per cent under this bill. because it has a Jacquard figure in it the duty is increased to 25 per cent, an increase of 66% per cent of the duty on the plain cloth. I have shown you a great variety of fancy fabrics which come under exactly this same classification of yarns, from 19 to 39, and which, under this bill, will receive not one iota of additional protection, and I hope the chairman of this committee or the distinguished Senator from Georgia who has charge of it will take occasion to explain to the Senate and to the country the reason why such a distinction is made.

I am not in the slightest degree suggesting that the duty on damask is too high. I know it is not. It is a reduction from a present duty of 40 per cent. Under that duty cotton damask to the extent of \$312,795 is being imported. I think 25 per cent is too low a duty to put upon that article. It is as much entitled to 45 per cent as silk cloth is, or to 35 per cent as woolen cloth I am merely asking that at least the same treatment which is accorded to this cotton damask of North Carolina shall be accorded to the precisely similar products of the Jacquard and other fancy looms of New England, New York, and Pennsyl-

JUTE BAGGING.

In comparison with this duty on cotton damask, to have what weight it may in disclosing the motives and methods that have made this tariff bil what it is, I want to stop long enough at this point to contrast the treatment of damask produced in the South with the beatment that has been accorded to jute bag-

ging consumed in the South in baling cotton. There is a duty on that article to-day of 6/10 cents, amounting to 10 or 12 per cent ad valorem. In this bill, as it came from the House of Representatives, out of all the products of the loom, whether the raw material is silk, or wool, or cotton, or jute, or whatever it may be, the only article that did not have a duty of some sort upon it was bagging to be used by southern planters, which they buy at 5 or 6 cents as may be and sell when put around their bales at 10 or 15 or 20 cents, depending on the price of the cotton it incloses. And that article is still on the free list as reported to the Senate. I can understand the logic of a free trader; I understand and sympathize with the logic of a protectionist; but the man with whom I can not have patience is the one who wants to have a duty on what he sells but expects to have what he buys on the free list.

NOVELTY YARNS.

In addition to the decorative effects that are produced by making figures in the process of weaving there are others that are produced by what are called novelty yarns. The aim in making the ordinary yarn or thread is to make it as even and regular in size throughout its length as possible, to make it uniform. But at times fashion asks for effects that are obtained in exactly the opposite way, and yarns are made so as to obtain a great variety of rough effects. They are filled with nubs and made as irregular as possible, the endeavor being to get a thread that is very thick in some places and very thin in others, and these are produced in a very great variety of different patterns. They are usually coarse yarns that are treated in this way, sometimes single yarns, and sometimes the effect is produced by twisting two or more yarns together in an irregular manner so that one of the threads will in places pile up in nubs or bunches on the other strand. I have here some cards showing samples of a variety of these effects. 'The additional cost of producing them is in most cases very considerable and, as a rule, it is all labor cost. The use of them varies according to the fashion of the day. Just now, a certain form of them is being used in very considerable quantities to make what is known as a ratine that has been for the last year or so one of the most popular fabrics for women's wear.

As a rule, also, the labor cost of weaving cloth is very materially increased by the use of such yarns. No attention is paid at all in this bill to any of these considerations. are utterly ignored. The duty assessed upon the yarns themselves and the cloth containing them is exactly the same as

though they were of ordinary construction.

Certainly, if this schedule is to be a defensible one and the product of efficient methods and if it endeavors, as it apparently does, to make a distinction in its rates of duty between one cotton product and another on account of cost, it must be thorough in that respect. There is no excuse for elaborate distinctions being drawn in some cases on account of difference in cost and equally great or much greater causes of cost variations from other causes being entirely ignored. Nevertheless think these illustrations show conclusively that that is exactly what has occurred.

NORTH AND SOUTH.

This cotton business is peculiar in one respect, in that it is carried on in two differenct sections of the country and under very different conditions. In thinking of cotton goods, we are apt to get in the habit of assuming that because things are made out of the same raw material they can, in tariff making, be bunched under one common head and be properly treated by some uniform duty. This is not the case, for there is as great difference between things that are made from cotton as though the raw material had been in one case cotton and in another silk or wool, and these differences are largely increased when, as happens to be the situation in this industry, the conditions under which the manufacture is carried on are dissimi-As an illustration of this, I quote from the census report of 1910, upon the percentage of labor in making cotton goods: Maine, 30.2 per cent; New Hampshire, 29.6 per cent; Massachusetts, 27.4 per cent; Rhode Island, 29.1 per cent; Connecticut, 28.5 per cent; an average of 28.9 per cent. Compare this with the situation in the South, where in Georgia it is 17.7 per cent; in North Carolina, 18.5 per cent; and in South Carolina, 20.2 per cent; an average of 18.8 per cent. These, of course, are averages, but they show that taking the industry as a whole in these two sections the fabrics made in New England need 50 per cent more labor to produce than those made in the South.

So far as this cotton schedule is concerned, it is a bill made by southerners, and I say it in no disrespect and in no criticism of individuals. I know how diligently the members of the subcommittee of the Senate who took this cotton schedule under

consideration endeavored to understand the problems that were involved in it. I know that the junior Senator from Georgia, who took a prominent part in these deliberations, gave it his very best consideration, but I also know that no man can come out of the training of the law, where he has never been accustomed to dealing with these mercantile questions, and in a few weeks become an expert maker of tariffs that apply to a complicated and diversified industry of this kind.

I do believe that in the consideration of these schedules the gentlemen of the South have had the ear of the committee, and the result is shown in this bill with the products of the South protected. I do not in the least object to that. I think they ought to be protected, but I also think that the legislators who have charge of this bill, and who have the interests of the South at heart, as they should have, and who have taken care that the necessaries of the cotton trade made there are amply protected, as they should do, should at least have been willing to give consideration to the luxuries of the cotton trade, even if they are made in New England. They are entitled to the same treatment that they give in this bill to the luxuries of the silk trade, or the luxuries of the woolen trade, and if 45 per cent is justified in one case and 35 per cent in another, 15 per cent for these artistic fabrics of the northern cotton looms is indefensible, and in effect it means getting them through the door of the customhouse instead of through the door of an American mill.

AUTOMATIC LOOM. A few years ago there was produced in New England, as a result of many years of experiment, what is known as the automatic loom. It is the most important device for reducing the cost of some classes of textiles that has been devised in modern times. It was produced by Americans, to meet the conditions of this country, and never would have been produced unless the Republican tariff system had made this country the field for its About 250,000 of them have been sold in this counoperations. try and on the fabrics they are adapted to they have made great economies possible, so that the weaving machinery of this country is probably the most efficient in the world, and partly because of this it has been possible for 'hat condition to come around which the Tariff Board reported when they discovered so many American cloths selling as low or lower here as English cloths were sold in England.

But this loom is not applicable to all fabrics. There are a great many plain fabrics even which can not be made upon it with any particular saving in cost, and a very large proportion of these decorative fabrics can not be made upon it at all. But because the efficiency of this country, by adopting this device during the last dozen years or so, has made it possible to materially reduce the duty on some cotton fabrics and yet maintain a reasonable protection, is no reason for punishing that part of the industry to which this condition is not applicable, and it seems to me like commercial fanaticism to throw away that part of it in which our machinery is on an equality with the foreign because on another part of it our machinery is far ahead of it.

AD VALOREM DUTIES.

This tariff bill is an ad valorem bill. I do not believe in an ad valorem duty compared with a specific, where it is possible to apply the latter. The ad valorem affords a great temptation to undervaluations, and puts a premium on the dishonest, as against the honest, merchant. Besides being more difficult to collect, it is not stable. It fluctuates with the cost of the raw material, thereby making the Government's revenue uncertain, and provides the most protection to home industry when it is least needed—that is, when times are good and prices are high—and the least protection when it is most needed, at times when business is quiet and prices are low, and when the foreigner is only too glad to get a market at any price for the goods he can not sell to his regular trade. I do not for a moment believe that where the rates have been written in this bill as 10 per cent or 15 per cent or 20 per cent ad valorem, or whatever they may be, that that will be the rate collected in actual practice.

I think it is particularly objectionable that the system of specific rates which has prevailed in this cotton schedule for some 50 years, both under Republican and Democratic administrations, should have been abandoned because, as a result of constant study during that long half century, there has been evolved a scientific system of applying them that is not equaled in any other schedule of the tariff,

YARN DUTIES.

Under the present law the duties on cotton yarn is an example of this. Starting with a basis of $2\frac{1}{2}$ cents a pound up to No. 15, one-sixth cent per pound is added for each number

between 15 and 30, and one-fifth cent per number for each number from 30 up. This gives a uniform differential, worked out as a result of experience, so that the duty varies uniformly with the variation in fineness of the yarn. It is easy to collect, as all it is necessary to do in the customhouse is to find the number of the yarn. It is not necessary to fix the price. Undervaluation is impossible, and there is nothing to quarrel about. It constitutes an equitable sliding scale of duties, varying uniformly in proportion to the variations of cost. This bill substitutes for it a stepping-stone system, by which the numbers are grouped into classes, and wide variations are made in the duties of each class. For instance, yarns from 19 to 39 pay 10 per cent duty; yarns from 39 to 49, 15 per cent duty. Under this system, the duty is exactly the same on No. 20 yarn as it is on No. 39, although the No. 30 is twice as fine as the No. 20. But on No. 40 yarn, which is only one number finer than 30, the duty has been increased by 50 per cent of the rate for No. 39.

It is sometimes necessary in making variable duties to use this stepping-stone classification, but it is never desirable, any more than it is ever desirable to use an ad valorem duty when a specific duty can be substituted for it. In the case of this yarn section, if the authors of the bill merely wanted to reduce the duties, it was a perfectly simple and feasible thing to reduce them to any extent without in the slightest degree destroying the very perfect system under which the duty is now assessed. They could reduce the specific rate by one-fourth, by one-half, or by three-fourths, or anything they pleased, and still retain the system. If they object in this case that they want to substitute ad valorem duties, then I hope some member of the Finance Committee will explain why in the silk schedule they are offering an amendment adopting a specific duty for silk yarns. In the present law, for the first time in the history of tariff making, a specific system of duties was worked out that was applicable to the silk trade. Such a system had not been adopted before because no one had worked out a method by which specific duties could be equitably applied to that particular industry. But it was done during the consideration of the Payne-Aldrich bill, and I understand that in practice it has given excellent results both from the standpoint of the Government in collecting its revenue and from the standpoint of the users of silk. But it is in no sense as perfect and well distributed apportionment of duties as is this present cotton-yarn schedule, the form of which is as near to perfection as probably could be devised, and I fail to understand under what influence the Senate committee should have taken the wise step of substituting this form of duty for silk yarns when they are abandoning the very same idea, although much more perfectly developed, in the cotton-yarn schedule.

UNIFORM DIFFERENTIAL.

Even if they were fixed in their determination, contrary to all good precedent as it is, to use this utterly unnecessary ad valorem duty for this yarn schedule, even then they need not have adopted in the application of that ad valorem duty the stepping-stone system, for it is as easy with an ad valorem duty on yarns to make a uniform differential to apply to yarn as it was to apply a uniform differential with the present specific duty. This yarn schedule begins with a duty of 5 per cent on the coarse numbers, and ends with a duty of 25 per cent on No. 99. The difference between the two is 20 per cent, and it covers 100 numbers, which is equal to an average of one-fifth cent per number. By starting with a proper basis and simply adding one-fifth per cent ad valorem per number, they would easily have avoided the objections to which the stepping-stone system they have adopted is subject. They would not have had the glaring inconsistency, which in this case was entirely unnecessary, of having a duty 50 per cent higher on No. 40 than on the No. 39 just below it. THREAD.

I want to call attention to paragraph 256, which provides for 15 per cent duty upon thread. Thread is made by twisting two or more strands of yarn together, thus forming what appears to the eye like a single thread. The ordinary yarn is the raw material of this product. It is usually made, and this particularly applies to the thread sold at retail for domestic use, out of very fine numbers of yarn. It requires great perfection in its manufacture, much greater perfection than is ordinarily obtained or than is commercially possible for weaving yarns. There are some 40 domestic manufacturers of it. Some \$30,000,000 worth are produced annually. This product is divided into two classes, thread for manufacturers' use, which is generally sold in large quantities, and thread for retail, or domestic thread, as it is commonly called. The manufacturers'

thread constitutes about two-thirds of the industry, some twenty millions, and the domestic thread one-third of the industry, or

ten or twelve millions.

This domestic thread is made principally by one part, in this country, the J. & P. Coats Co., whose American factory is in the city of Pawtucket, in the State of Rhode Island. This company largely controls this part of the thread product in this country and over a substantial part of the world, and it has done so for a great many years. The reason of its control is because it makes the best thread, and always has. Thread demands great perfection. It must be as nearly uniform as possible throughout its length, and uniformity is a very difficult thing to attain. It must be put upon a spool in one unbroken length. Its total cost for a household is very small, and the woman who buys it cares more for a good article than she does for a low price.

The principal numbers of single yarn out of which this household thread is made are in the neghborhood of No. 100. The duty on No. 100 yarn in this bill, bleached or colored, is 27½ per cent, but when strands of that number have been twisted into a thread the duty is only 15 per cent, or about one-half. The labor cost of turning cotton into thread is probably double the cost of turning cotton into ordinary commercial yarn of the size

of which that thread is composed.

The only reason I have heard for protecting the labor employed in thread making about one-fourth what is given for the labor employed in making the yarn of which it is composed is this question of control. It is plain from the existing situation in that industry that no benefit can result from an attempt to attack this control through the tariff. You can not make J. & P. Coats in Paisley, Scotland, compete in price with their factory in this country. If, because of this very low duty, they can market their English product here cheaper than they can make thread here, they will undoubtedly do so, sell it at the same price, and make that much more money. And the only effect of the change will be that the labor now employed in their Rhode Island factory will either lose their employment or be asked to accept lower wages.

The twenty millions or so of manufacturers' thread, in the production of which some 40 American mills are engaged and in which there is active competition, as I understand it, will be put at a greater disadvantage as regards foreign competition

than any other producer of yarn in America.

I see no logic in this duty. If it is an attempt to punish J. & P. Coats for adopting a policy in the manufacture of thread that somebody thinks is against American public policy, the only possible party who can be benefited is the party whom it is sought to punish, and the only parties who will be injured will be the parties who are entirely innoc nt of any wrongdoing. It is a bull-in-a-china-shop proceeding. If the law against monopoly has been violated in any way the Department of Justice is the one to deal with it. I certainly hope the inequality in this thread duty will not be persisted in, and that the large number of working people who now find employment in that industry which, on account of the necessity of obtaining skilled workers to attain the perfection needed pays wages above the average, will not lose their employment.

CLOTH CLASSIFICATION.

In addition to the yarn being grouped into classes according to numbers by this stepping-stone system, cotton cloth is classified in exactly the same way, and into the same subdivisions, but with duties $2\frac{1}{2}$ per cent higher for each division, as compared with the yarn; that is, on cloth containing yarn not finer than No. 9 the duty is $7\frac{1}{2}$ per cent for cloth in the gray and 10 per cent for cloth colored, and so forth, as compared with 5 per cent and $7\frac{1}{2}$ per cent for the unwoven yarn, according to

whether it is gray or colored, and so forth.

I want to consider with what ease duties can be collected on cloth classified in this manner. It is not a new thing to have the duty vary according to the number of yarn in the cloth, being higher as the cloth is made out of finer yarns or, in other words, is lighter in weight. In the present law, and in previous tariff laws for many years, cotton cloth, for the purpose of tariff making, has been divided into classes to which varying rates have been applied, depending in the first place upon the number of threads in a square inch of cloth, and these classes then divided into subdivisions according to the fineness of the yarn in the cloth. In the present law, for instance, one class comprises cloth containing not over 50 threads to the square inch; the next comprises cloth containing from 50 to 100 threads to the square inch; the next 100 to 150 threads to the square inch, and so on. Cloth in this last class has a duty of 1½ cents per square yard if it takes more than 4 square yards to weigh a pound; 2½ cents if it takes between 4 and 6 square yards to weigh a pound; 2½ cents if it takes between 6 and 8 square yards to weigh a pound; 1½ cents if it takes between 6 and 8 square yards to weigh a pound. This latter provision is the

one which varies the duty in accordance with the fineness of the thread.

To determine all the conditions necessary to classify cloth under these countable schedules, as they are called, which include the great bulk of cloth manufacture, is merely to count the number of threads to the square inch, which is very readily done in a few minutes by the aid of a special magnifying glass provided for that purpose, and then put any convenient length of it on a scale and weigh it. This description of cloth conforms to the market stipulations used in buying and selling cloth in this country, and to which merchants are thoroughly accustomed.

NEW CLASSIFICATION DIFFICULT.

In this new bill the division of the cloth into classes, according to the finest yarn it contains, is a matter very difficult to determine, because the classification is dependent not upon the average number of yarn that is in the fabric, but upon the finest number of yarn which it contains. The classification of the present law, so far as it depends upon the fineness of the yarn, is determined by the average number of yarn of which the cloth is composed, which is manifestly the only proper way in which a change of duties depending upon this consideration

should be based.

Cloths are made for various purposes sometimes out of very disproportionate numbers. The ordinary way of making cloth is to have the warp made of a little coarser number than the filling, because in weaving there is very much more strain on the warp than on the filling and the coarser the yarn, other things being equal, the stronger it is; so a piece of print cloth is made of 28 yarn in the warp and 36 yarn in the filling, and some such proportional difference is the usual standard. for many special purposes, cloths are made of very widely different numbers and not infrequently the amount of the fine number used is a very small part of the total cloth. I have in my hand a sample of cloth containing three different numbers of yarn, one number in the warp and two in the filling. The warp yarn and the coarse number of the filling yarn are coarser than number 39 and constitute in the neighborhood of 88 per cent of the total construction of the cloth. But the other number of the filling is about No. 85 and constitutes only some 12 per cent of the total fabric. Nevertheless, under this bill, because there is 12 per cent of that yarn in the cloth it would pay a duty of 25 per cent, although the average of all the numbers contained in the fabric is between No. 19 and No. 39 and would not entitle it to a duty of over 15 per cent. A piece of cloth made entirely of No. 85 yarn would be subjected to exactly the same duty as this piece that contains only 12 per cent of that number. While the average of the yarn in this cloth is such as would put it into the 15 per cent class, it is subjected to a duty two-thirds greater than a cloth having the same average number, but in which that average was made up of numbers which themselves were between 19 and 39.

BUREAU OF STANDARDS.

This method of classifying cloth for dutiable purposes by the finest number which it contains is a novelty so far as American tariffs are concerned. I think it must be a novelty so far as tariffs of any country are concerned, because I have discovered no other place where such a method is now or ever has been resorted to. It is apparent that when it first came up for consideration the possibility of ascertaining the finest number in a piece of cloth was a matter of some consideration, because Mr. Underwood consulted the Bureau of Standards in regard to its possibilities, and the reply of the Bureau of Standards is published in the Congressional Record of July 28, 1911. They say:

28, 1911. They say:

An analyst can readily determine the count of yarns used in the manufacture of any fabric. The accuracy with which this can be done depends upon whether the count is to be given for the yarn in the finished condition or in its gray condition, previous to weaving. If the count in the finished condition is desired, it can be determined accurately within one-half count for warp yarns and one count for the weft or filling yarns. If it is desired in the gray condition previous to weaving, the possible accuracy will depend largely upon the nature of the fabrics. Fabrics having very slight amounts of loading or finishing materials upon them can be analyzed with an accuracy of one count for the warp yarns and two counts for the weft yarns. Fabrics having large amounts of loading or finishing materials which have to be extracted before they are returned to the gray condition can be analyzed with an accuracy of two counts in the warp yarns and from three to four counts in the weft yarns.

And then they go on to say that this result can be obtained

And then they go on to say that this result can be obtained by the analysis of a piece 4 inches square cut from the fabric. I do not say that it is impossible by very careful analysis to find out in most cases approximately the numbers of yarn of which cloth is composed. But that it is easy to do or can be done with anything like the accuracy which the Bureau of Standards sets forth in this letter and by the use of a 4-inch sample, is utterly impossible. It is impossible not because the

different kinds of yarn of which the 4 inches may be composed can not be unraveled and accurately weighed but because the art of spinning yarns for ordinary commercial use has not yet advanced to that point of perfection that so small a quantity of yarn as is contained in 4 inches of cloth can be depended upon to show the actual number in the whole cloth with anything like the accuracy which is here described. The Bureau of Standards have no methods of ascertaining the number different from those commonly employed in the trade. Their methods are exactly the same that have prevailed ever since I have known anything about it, and that is a great many years now.

When this statement of the grounds upon which this classification was proposed to be made was first given to the public two years ago I was very much surprised at the claim that a correct determination of the number of the yarn in cloth could be ascertained by an examination of so small a quantity, because the accuracy of the determination was greater than the

perfection of the article itself.

And I was still more surprised that the bureau should claim that they could ascertain not merely the number of the yarn as it actually appeared in bleached or dyed cloth but that they could also tell with such accuracy, as they claimed, from an examination of bleached or dyed cloth, the number that this yarn had in the gray cloth before it had been submitted to any of these so-called finishing processes, because when a piece of cloth is bleached it loses a certain amount of its weight by the process of bleaching; when it is dyed, in many cases, it absorbs a certain amount of weight; and this loss and gain vary according to many conditions. Therefore to attempt to argue with great accuracy from the weight of yarn as it has been taken from a bleached or colored fabric back to what it may have been in the gray is so unreliable a process, unless the investigator knows all the details of the treatment the cloth has been subjected to in the finishing process, that very few manufacturers will undertake to exactly duplicate a complicated piece of finished cloth without first making an experimental sample. And when they do it they are very apt to find that they have to modify materially their judgment as to how the fabric was composed.

BUREAU ASKED TO MAKE TESTS.

To test therefore the reliability of the claim, shortly after this letter was made public, I submitted to the bureau some samples of yarn in the gray and some samples of cloth, asking them to make an analysis such as they have proposed. I submit in full the correspondence and the report which they made to me. (Appendix B.) I have samples here, if anybody is interested, of the five cloths that I submitted. Most of them were bought within a day or two of my letter in one of the local dry goods stores. They are, of course, samples of the kinds of cloth in which some difficulty would be found in making these analyses. But there are thousands of cloths of equal or greater difficulty of analysis which the customhouses will have to examine in this way if this bill becomes a law. The bureau, in its letter, claimed that the number could be ascertained within one-half count for warp yarns and within one count for weft or filling yarns. The most instructive exhibit of the possibility of doing this is shown by the variations in the numbers which were found in the samples of yarn of which tests were made of 20 successive lengths of 28 yards each. that being about the quantity of yarn that they would find in 4 inches of cloth. In sample A the variation was from No. 63.1 to 69.3, a difference of 6.2 numbers; in sample B the variation was from 63.8 to 70.7, a variation of 6.9 numbers. And so it goes on through the different samples. These variations are not different from what is found ordinarily in weighing small quantities of yarn for testing the number in the ordinary process of manufacture. But it is evident from this variation in the actual yarn itself that what the Bureau of Standards has claimed to do is to determine the number with an accuracy that does not exist in the yarn itself.

In their examination of the cloth, instead of getting results within one-half count of the warp yarn as they claimed was possible, in sample No. 1, with only three weighings, they found a variation of 2.1 numbers. In sample No. 2 in the warp a variation of 4.4 numbers, nearly nine times the maximum variation within which their letter claims they could work. And similar results are apparent in the other parts of their report.

Further than this, what I asked for was for them to give me the count of these yarns in the gray. In two of the samples I knew what this gray count was, or approximately, and I should have been very much surprised if they had obtained it with anything like the accuracy to which their letter claimed they

could attain. But they did not even undertake it, and the reason they give in their report is, "The values" (by which they mean the count) "are for the yarn in the woven condition, since the 'take up' in the weave of the five fancy fabrics is so uncertain, on account of the extra filling to obtain the figure, that it is difficult to correct for it and reduce the count to the yarn in the gray." So that, instead of it being a fact that "an analyst can readily determine the count of yarns used in the manufacture of any fabric," this test shows that it is a matter of some considerable difficulty in some fabrics, and shows further that so far as doing it with anything like the accuracy they have claimed it is impossible.

The classifications into which this bill divides cotton cloth are made to depend upon a difference of one single number in the size of the yarn, and a very material difference in the duty depends upon ascertaining accurately what that number is. If that number is 48½, the duty is 12½ per cent; but if that number is 49½, almost one-half is added to that duty, and it becomes 17½

per cent.

COST OF TESTS.

In addition to asking the bureau to make this test of the number of the yarn, I asked them also to give me a statement of the time and cost of the analyses; also to count the thread per square inch of these samples, that being the way to classify cloth under the present bill, and to give me the time and cost of this process as well. I think the result is very interesting as bearing upon the practicability of adopting this hitherto untried system of classification. The result is given in Table No. 4 of their report, and it shows that on these five samples which I submitted the time consumed in an analysis for the yarn varied from 11 hours to 5 hours and the cost varied from 64 cents to \$4.76; and this was but for a single examination. To be at all sure in actual practice that an analysis of this kind was accurate it would be necessary for the examiner to check it up by making at least one other similar analysis in a different part of the fabric, and that would mean adding materially to the time and cost which the bureau reported, although I do not suppose it would double it. In comparison with this the bureau determined the threads per inch of these fabrics to get the classification under the present law. The time required was from 5 to 15 minutes and the cost was from 8 to 24 cents to a sample, which certainly shows a very material difference in the cost and trouble to the Government of classifying cloth under the present method as compared with the method they propose to establish. It was two weeks after my inquiry before I received the report of what the bureau could "readily determine.

The bureau says, in explanation of these costs, that no doubt employees working continuously on such work could so systematize it as to accomplish four or five times as much. Probably they could reduce the time and cost, but I think it very doubtful that they could make anything like the saving that the bureau guesses they could. But it is also true in making a comparison of the cost of the two methods that it does not, I expect, take the present examiners in the customhouses anything like the time to determine the count that was taken by the Bureau of Standards, so these two anticipated efficiencies would doubtless offset each other to a considerable extent.

ADMINISTRATION.

Under this bill the domestic producer has no way of obtaining information as to how carefully a law of this kind is being administered. Even if the importer of the cloth for any reason believed that the rate is lower than it should be there is no lawful step he can take to compel an increase in it. There is no provision for any interested party except the importer and the Government to obtain any knowledge about how these rates are being assessed; and even if he obtained the information, there is no legal provision by which his views could be submitted to a court for decision.

On July 17 there was published in the New York Commercial an interview with Mr. Downing, the chairman of an importers' committee formed to have this tariff bill made as favorable as possible to their interests. He was congratulating himself and his fellow importers upon the favorable provisions they had been able to obtain in the administrative sections. With such provisions as these it is no wonder these gentlemen who represent the looms and the spindles of England rejoice when they find a system of classification of cotton fabries whose meaning has been established by the experience of half a century's use, and whose terms have been interpreted by repeated decisions in the courts, abandoned and replaced by a new and unheard of classification, under which it is impossible for even a thoroughly impartial tribunal like the Bureau of Standards to determine

with any exactness the conditions that exist in a piece of cloth that will fix its status as regards whether it should pay one

duty or another.

To count the threads in a piece of cloth for the purpose of deciding what duty it shall pay under the present law can ordinarily be done in half a minute. If there is any doubt about it the threads can be counted very quickly in a dozen places, and there is no injury done to the cloth. To cut a sample from a piece of cloth, to pull out and separate the different kinds of yarn and ascertain exactly the finest number, is a tedious operation. If an examiner made twenty such examinations probably no two of them would give the same result. The report of the Bureau of Standards on the yarn which I submitted shows that that yarn varied six numbers in 20 weighings. The change of one number makes a difference of 5 per cent in some cases in the rate of duty the article has to pay.

cent in some cases in the rate of duty the article has to pay.

An examiner so disposed—and powerful pressure can be brought to bear upon the examiners by the great importing interests that the possibilities of business under this bill will bring them in contact with, and pressure that is not bribery either but is just as hard to resist—whose first test shows that the fabric ought to go in a class paying the higher duty, can easily decide that he ought to make another test or two or three, and it would not be surprising if in one of them he discovered conditions that would justify him in classifying the fabric for the lower duty and which he would decide was the

controlling test.

The importer knows how his cloth is made. What will inevitably happen, therefore, will be that in addition to the absolute undervaluation in price that the adoption of this advalorem duty will cause, whenever an examiner makes a mistake and analyzes the yarn in a piece of cloth as being coarser than it is in fact, there will be no protest on the part of the importer; but whenever by any chance the analysis shows the yarn to be finer than the importer thinks it is, or whenever the analysis shows that the yarn is fine enough so that it brings a fabric into a higher class by a small margin, there will be appeals and demands for reexamination on the part of the importer, a process which will cause constant friction and will make an opportunity under this classification for the possibility of deliberate fraud that has not heretofore existed in this textile schedule.

It will not be possible to keep for any length of time all these little, minute frayings of cloth, upon the weighing of which the determination of these classifications has depended, and when they are once destroyed there will be no possibility of checking up the reports.

HOW TO MAKE YARN CLASSIFICATION.

I have gone into some detail in trying to show some of the features of this proposed classification of cloth in accordance with the highest number of yarn it contains. If it was necesin order to establish classification by numbers that it should depend upon the highest number, and if there were good reasons outside of that for preferring a number classification instead of the thread-per-inch classification now used, doubtless we could put up with these inconsistencies and expenses. But it is easily possible to get a much simpler method of making this classification, and that simpler method is the one by which the difference in classification on account of number is made in the present law and in many previous laws. And that is simply to make the classification depend not upon the finest number of yarn that happens to be in the fabric, utterly irrespective of the amount of that yarn that might be present, but to base the classification upon the average number of all the yarn that is contained in the cloth. As I have already explained, all the steps it would be necessary to take to acquire the information to assign a piece of cloth to its proper classification under that arrangement is simply to count the number of threads and to weigh the fabric, exactly as it is done to-day.

If that should be done, then to raise an equal amount of revenue or to give an equal amount of protection, whatever may be the theory on which the bill is written—and I do not know what it is, because some of the schedules of this bill are as highly protective as the most extreme protectionist could ask, and they go down through successive gradations to articles on the free list for whose presence there I can see no more reason than for many of those that are covered by duties—it would be necessary to make the differential of $2\frac{1}{2}$ per cent between duties on the cloths and yarns a little higher—certainly 5 per cent, and perhaps $7\frac{1}{2}$ per cent. By so doing probably most cloths would pay practically the same duty as they would under the arrangement of the bill, and all these difficulties of administration arising from the long and delicate process of analyzing the fabric, necessitating as it does the destruction of a certain part of it, would disappear at once.

CONCEALED DUTIES.

I do not know in whose mind this system of making classifications originated. I do not know by what arguments it has been defended. All I have ever heard advanced in favor of it was that the communication from the Bureau of Standards claimed that it was possible. It is certainly most incomplete, but I presume whoever did originate it knew that in trying to make it depend solely upon the finest number in the fabric by so doing, while apparently putting upon cloths merely 21 per cent more duty than upon the yarns of which they were woven, they were in reality making a concealed protection as applied to a great many fabrics of another 21, or 5, and in some cases of 71 per Whether the subcommittee of the Senate who had charge of the revision of this schedule understood this I do not know. In what has been published of the hearings held before them, there is no reference to it, but so little of those hearings, as I understand it, has been published that it may have been brought Whether the Ways and Means Committee to their attention. knew it I do not know, but it is one of the things they should have known, and is so plain and simple they would have known it if they had had about them some textile expert, as they

From any point of view, however, whether of administration or of a frank application of whatever duty is intended, it is objectionable. If the amount of duty now involved in this schedule is the amount that the party in power wished to impose, then the way to impose it is the way that will lead to the fewest complications and deceptions in administration.

SECRETARY OF THE TREASURY.

In addition to the difficulties and injustice which will inevitably result from this unnecessary classification, there is another feature that is also of great importance. This bill provides in paragraph 258 that the number of the yarn in cotton cloth herein provided for shall be ascertained under regulations to be prescribed by the Secretary of the Treasury. The bill itself leaves absolutely undetermined some very important features that should be decided by this Congress and not by the Secretary of the Treasury, because, as they are decided, one way or another, the rate of duty will be materially affected. It is the duty of Congress to legislate upon the amount of duties that fabrics shall pay. We may very properly leave to the Secretary of the Treasury the decision of details of administration that simply affect the ease and convenience of the merchant and the customhouse employees. But we should not permit, and it is not scientific legislation to permit, that official to decide, according to his personal inclination and without any guide expressed in law, questions that in themselves materially lower or raise the rates of duty.

or raise the rates of duty.

In this bill as it came from the caucus there was, at the end of paragraph 258, after the words "to be prescribed by the Secretary of the Treasury," a provision which read as follows:

"But the number to be determined by taking the length of the yarn to be equal to the distance covered by it in the cloth." That caucus amendment is omitted from the bill as it comes from the hands of the committee, but the question involved is not settled, it is merely side-stepped. It will still have to be decided by the Secretary of the Treasury whether, when a fabric has been dissected and the strands are to be weighed, they shall be measured to obtain their actual length, or it shall be assumed when a piece of 4-inch cloth is used for the analysis that each piece of yarn in it is just 4 inches long. Under most circumstances some of the threads in a piece of 4-inch cloth are more than 4 inches long, because they go under and over intersecting threads, and in some cases that amounts to a very considerable increase in length. It is not uncommon for threads to be 10 per cent longer than the length of the cloth, and in some decorative effects threads are put into the cloth in such a way that they are in reality as much as twice the length of the cloth itself. The covering thread of what is known as a Russian cord is an example of that sort of construction, and I have here a sample which I accidentally found a few days ago of a fabric now selling in the market where, as you will see by looking at it, the warp thread when unraveled is practically twice the length of the cloth.

The number of a thread upon which the classification in this bill depends is determined by the length of it that it takes to weigh a pound. If it takes \$40 yards to weigh a pound, it is No. 1; if it takes twice that, or 1,680 yards, it is No. 2; and so on. If, therefore, the Secretary of the Treasury should decide upon the policy which this caucus amendment represents, the length of threads such as I have described in ascertaining the number would be assumed to be just one-half of what they actually are, and the count ascribed to them, therefore, would be just one-half of what it in reality was. A No. 50 would be taken as a No. 25 to fix a classification, and if that happened

to be the finest number in the fabric, instead of the cloth paying a duty of $22\frac{1}{2}$ per cent it would pay a duty of $12\frac{1}{2}$ per cent—a very material difference.

PLY YARNS.

But a more burning question than that, and one which has been entirely side-stepped from one end of this bill to the other, is in what manner the Secretary is going to decide the question for the purpose of classification of the numbers of twisted or ply yarns, as they are called. Cloths are made frequently, for purposes of strength or other reasons, out of what are known as twisted yarns; that is, two or more single yarns are twisted together into a single strand. They appear in the cloth to the eye as a single thread. They are in reality made up of two or more threads, and it is very simple in most cases to ascertain how many single threads they are composed of, and then by weighing determine the number of those single threads. cloth contains such a yarn composed of two threads of No. 50 twisted together, it will be a thread approximately No. 25. If the Secretary decides that the individual yarns of which that twisted thread is composed are to be ignored and the size of the twisted thread as a whole is to be the one that determines the classification, then cloth in which all the elements of cost have been put, that according to the methods of this bill would entitle it to the classification of a No. 50 thread cloth, with a duty of 22½ per cent, will only pay the duty of a No. 25 thread cloth, which is 12½ per cent. Exactly this same question will have to be determined by the Secretary under this bill as it stands in regard to twisted yarns that are imported as yarns instead of as cloth, as exactly the same conditions apply.

I think a bill has been very carelessly constructed which leaves to the discretion of an executive officer questions whose decision one way or the other will affect rates of duty nearly 50 per cent. Congress should decide these questions. And that they should be left in this indeterminate form is another example of the careless, slipshod, and inconsistent construction of which this measure is full.

DESTRUCTION OF STATISTICS.

There is one other result that will come from this radical change in the way of classifying yarn and cloth, and that concerns the statistics of importations which are going to result from it. There are at present in the cotton schedule somewhere in the neighborhood of 250 different classifications. There is a separate account kept by the customhouse authorities of the merchandise that is imported under each one of these classifications, giving the amount of merchandise, its value, the duty collected, and the rate of duty that was applied. As these classifications are along the same general lines that have existed for a great many years, we have a large body of comparative statistics, going back for years, showing the fluctuations in imports and values and rates during all this period, which is very valuable for comparison and is the chief source from which is derived the information necessary for intelligent changes, whether up or down, when tariffs are revised.

In this bill there is substituted a small number of classes that divide cotton products into entirely different groups. The reports that will be made of importations hereafter if this bill becomes a law in its present form will report all the imports under these new and comparatively few divisions. There may be large quantities of imports, and undoubtedly will be, under some, if not all of them, but as to what the character of the cloth is, whether plain or fancy, whether containing a great many threads to the inch or very few, we shall have no information of any kind. We will simply have a few averages of imports, the details of which may be due to an enormous variety of causes, but which it will be impossible to ascertain. It seems a pity that this continuity of annual reports should be destroyed and no provision made for obtaining detailed information that will be useful in the future.

REDUCTION EASY WITHOUT CHANGING CLASSES.

If in order to reduce the duties in this schedule it had been necessary to adopt a different classification from the one now in existence, while all those disadvantages and inconsistencies might be deplored, they would have to be accepted. But there is no reduction that might have been decided upon for this schedule, whatever its amount, whether large or small, that could not equally well have been applied to it without in the slightest degree abandoning the present classification. Moreover, I believe the present classification is an infinitely more advantageous one than that which has been substituted for it. To be sure, to carry out an equitable reduction in this form would have required a more careful study and a more thorough understanding of this schedule than was necessary to adopt this ad valorem duty and number classification. It always takes more intelligence and more study to apply properly a specific

duty than an ad valorem. An ad valorem duty is naturally a lazy man's duty and an ignorant man's duty. It can be applied with little knowledge and less thought so as to present an appearance of fairness to the uninformed, but its result, if equity is to be the object, is as relatively unsatisfactory as its application is easy. In this cotton schedule an attempt has been made to correct some of the evils of the ad valorem system—a crude and most imperfect attempt, it is true, yet still an attempt; but in its sister schedules of wool and silk not even an attempt is made. The conditions that demand variations in the rates exist alike in each. In each there are fabrics whose labor cost as compared with other costs is small, and in each there are fabrics where this comparative labor cost is enormous. But in wool and silk a single flat rate of 35 and 45 per cent has been applied to everything, which means an enormous protection to some things and probably not enough to others. In cotton a pretentious but most inequitable system of differentiation is adopted, which, however, is not carried far enough to give to even the most elaborate products of that industry the rates that are assigned to the simplest products of wool and silk. Nothing can be more unjust or unscientific, nor can it be urged as an excuse that it was impossible to accomplish. In the silk schedule as it exists to-day there is the basis for proper differentiation. In the wool schedule proposed by the Finance Committee of the Senate last summer, where some duties outside of the compensatory duty are as low as 25 per cent, there is the basis for the same thing for most of the products of that industry, carefully worked out from data in the Tariff Board's report. If the rates there are too high for this bill, they could be made whatever is desirable without interfering with the principle involved. But to do that meant work, study, and knowledge; hence these mongrel textile schedules with their diametrically opposite treatment and their gross inequalities.

HALF-BAKED SCHEDULES.

The fact is these textile schedules are only half baked. They are not the result of thorough mastery of the subject. The rates are out of all balance one with another; similar things are given most dissimilar treatment, and no reason is assigned for it. The inference is, and I believe the fact is, that no good reason exists. They are just the capricious and haphazard result of a desire to do something, and in the shuffle cotton got the worst of it, very much more the worst of it than was meant or understood, it seems to me as I have studied it.

What, then, is the reasonable thing to do? The party in power wants to reduce these rates, but not "to move toward this end headlong, with reckless haste or with strokes that cut at the very roots of what has grown up amongst us by long process and at our own invitation," as President Wilson puts it.

"It is a condition and not a theory," as President Cleveland put it. One condition we find is that it is generally thought that the cotton schedule in the Payne-Aldrich bill was an advance. Personally, I do not agree with that view, but fortunately there is no need to argue about it. Let us throw that schedule aside and go back to the old schedule of 1897. The business prospered well enough under that as a whole. The further desire is to have duties lower even than that schedule and in a way that can not be misunderstood. I believe the cotton manufacturers as a rule share that view. They will willingly try the experiment of a reduction; they protest against revolution. They do not know, as a matter of fact, any more than the community at large and the men who made this bill how much of a reduction can be safely made. The industry is complex. No one is an expert in all of it.

HORIZONTAL REDUCTION THE REMEDY.

Suppose, then, we take a long step and make a horizontal reduction of 20 per cent from the duties as they were in that old schedule, something more perhaps than that on some items of yarn, and let us see how it works. That is so plain that everyone can understand that it is a reduction and a material one, and the reduction is made without destroying the methods on which the duties have been applied all these years, methods which the courts have interpreted and the trade understands. In the last years that that schedule was in force the average duties on imports of cloth were about 38 per cent; 20 per cent taken off of this would leave average duties of 30.4 per cent, which is materially lower than the 35 per cent on wool or the 45 per cent on silk. If, as I think is the case, the real protection is 50 per cent, this reduction would leave an average of 40 per cent, halfway between wool and silk, and the census report shows that the average labor cost of cotton is higher tham either silk or wool.

That seems to me a reasonable step, and I have proposed as amendment to this schedule to that effect. I hope it will have

the consideration of those who have the power to make or mar this \$800,000,000 of our annual product.

APPENDIX A.

Analysis of methods by which importations of \$13,931,600, as shown on page 53 of Report No. 65 of the Ways and Means Committee, Sixty-second Congress, first session, were estimated to be the result for 1912 of paragraphs 3 and 5 of House bill 12812. July 19, 1911, covering cotton cloth, including cotton and silk fabrics, tracing cloth, waterproof cloth, cotton window Hollands, oilcloths, and so forth.

Fiscal year 1892.

Average ad valorem equivalent of the rates of duty on im-	\$170, 421, 800
ports of clothper cent Percentage of imports to domestic consumptiondo Fiscal year 1896.	47. 17 2. 71

\$179, 834, 400 Fiscal year 1910.

Domestic consumption (census)

Average ad valorem equivalent of the rates of duty on imports of cloth

Percentage of imports to domestic consumption

______do____ \$336, 197, 800 42.46 3.11

Estimate for 1912 (calendar year). \$407, 337, 300

The calculation from these figures is as follows: 47.17 per cent minus 41.64 per cent equals 5.53 per cent; 2.79 per cent minus 2.71 per cent equals 0.08 per cent; 42.46 per cent minus 24.51 per cent equals 17.95 per cent; as 5.53 per cent is to 0.08 per cent so is 17.95 per cent to the answer equals 0.26 per cent; 3.11 per cent plus 0.26 per cent equals 3.37 per cent; 3.37 per cent plus 0.05 per cent added as a margin of safety equals 3.42 per cent; \$407,337,300 times 3.42 per cent equals \$13,931,600 of imports; \$407,337,300 times 3.11 per cent equals \$12,668,190 of imports; \$1,263,410 increase.

To illustrate the effect of this method of figuring, let us suppose the duty was reduced to 1 per cent instead of to 24.51 per The calculation then would have been as follows: 47.17 per cent minus 41.46 per cent equals 5.53 per cent; 2.79 per cent minus 2.71 per cent equals 0.08 per cent; 42.46 per cent minus 1 per cent equals 41.46 per cent; as 5.53 per cent is to 0.08 per cent so is 41.46 per cent to the answer equals 0.60 per cent; 3.11 per cent plus 0.60 per cent equals 3.71 per cent; 3.71 per cent plus 0.05 per cent equals 3.76 per cent; \$407,337,300 times 3.76 per cent equals \$15,315,882 of imports. That is, if the committee's method is the way to estimate results, a reduction of duty to 1 per cent instead of to 24.51 per cent would have increased imports only \$1,384,282 over a duty of 24.51 per cent.

The calculation from these figures is as follows:

The difference between the duty of 41.64 per cent in 1896 and the duty of 47.17 per cent in 1892 is 5.53 per cent.

The imports in 1896 were 2.79 per cent of the total consump-

tion, as compared with 2.71 per cent in 1892, a difference of 0.08 per cent.

The average duty on imports in 1910 was 42.46 per cent, which it is estimated the proposed bill will reduce to 24.51 per cent, a difference of 17.95 per cent.

We therefore have the proportion as 5.53 per cent is to 0.08 per cent, so is 17.95 per cent to the answer, which equals 0.26 per cent. This is the amount it is estimated the proposed bill would increase the percentage of imports to total domestic consumption in 1910.

The imports in that year were 3.11 per cent of the domestic consumption; adding 0.26 per cent would make 3.37 per cent that they would have been if this bill had been in operation. There was then added to this figure 0.05 per cent as a margin of safety, making the percentage 3.42 per cent. The value of the consumption for 1912 was estimated at \$407,337,300 and 3.42 per cent of this would have been \$13,931,600, the amount given in the report of the committee.

The imports for 1912 on the estimated consumption of \$407,-337,300 at the rate of 3.11 per cent, the actual rate of 1910, would have been \$12,668,190, so the difference caused by this new bill would have been an increase of \$1,263,410.

APPENDIX B.

DEPARTMENT OF COMMERCE AND LABOR,
BUREAU OF STANDARDS,
Washington, August 22, 1911.

Hon. HENRY F. LIPPITT, United States Scnate, Washington, D. C.

Sin: Complying with your request of August 7, I am pleased to transmit berewith reports covering the determination of yarn counts

in the samples of cotton fabrics submitted by you and the determination of the yarn counts of 20 specimens taken consecutively from the cops accompanying them. We have endeavored to furnish you complete information and have in some cases carried the investigation beyond the limits requested by you.

We have taken the liberty of including among the fabrics two plain fabrics, in order that you may have data on the simpler materials. We have also included some cops which were furnished us by another mill. The time required to prepare this report has been unusually long, because of the absence from the bureau of some of the assistants in the textile laboratory. We wished particularly to compare the results secured by individual analysts, and therefore have held the report until the absent men returned to the bureau.

We shall be pleased to undertake any further investigation which you wish upon the subject, and hope to be favored with your cooperation in the extension of the investigations which we have in progress. Respectfully,

S. W. STRATTON, Director.

UNITED STATES SENATE, Washington, D. C., August 7, 1911.

United States Senate,

Washington, D. C., August 7, 1911.

Hon. E. B. Rosa.

Director Bureau of Standards, Washington, D. C.

Sia: Referring to your favor of July 18, 1911, addressed to Mr.

Underwood, in which you say "an analyst can readily determine the count of yarns used in the manufacture of any fabric," I hand you herewith samples of five different cotton fabrics, and would be obliged if, at your early convenience, you would tell me what is the number of each of the different kinds of gray yarn used in the manufacture of each of the sesamples. In making the report I should like to have a detailed statement of the various operations which you perform in making each analysis and if you think it desirable to make an analysis of more than one cutting of each sample for proof of the correctness of your results, a detailed statement of each such analysis.

In addition to getting the number of the yarn, as above, I should like to have you give me the number of threads per square inch of each fabric. I should also like to have you give in each case the time consumed and the actual cost to your department of ascertaining the threads per inch and of ascertaining the number of yarn in each fabric. I also inclose two cops of filling yarn and one bobbion of warp yain. I understand that in the case of a fabric counting 64 threads in the warp and 64 threads in the filling per square inch and using a 4-inch cutting, as described in your letter, the length of yarn on which the accuracy of your test would be ascertained would be about 28 yards. I should like to have you weigh 20 successive 28 yards from these three samples of yarn and give the number of the yarns as shown by each of these weighings.

Hoping to receive this information at your earliest convenience, I am,

Yours, very truly,

HENRY F. LIPPITT.

REPORT ON THE YARN COUNTS IN FIVE SAMPLES OF FANCY WEAVE AND TWO SAMPLES OF PLAIN WEAVE. COTTON FABRICS—REPORT ON THE DETERMINATION OF THE YARN COUNT OF 20 SPECIMENS TAKEN CONSECUTIVELY FROM COPS OF COTTON YARN.

DEPARTMENT OF COMMERCE AND LABOR,
BUREAU OF STANDARDS,
Washington, August 21, 1911.

The measurement of the yarn counts in seven widely varying fabrics was undertaken in order to determine the agreement in the results which would be obtained between different observers of varying experience, the time required, and the cost of each.

Five of the fabrics were of fancy weave, and involved some of the most difficult determinations which would obtain in textile analysis; two were plain weave, and the determination would be about the usual analysis.

analysis.

The counts obtained by three observers working entirely independently are shown in Table 1. The values are for the yarn in the woven condition, since the "take up" in the weave of the five fancy fabrics is so uncertain, on account of the extra filling to obtain the figure, that it is difficult to correct for it and reduce the count to the yarn in the gray.

In sample No. 4 insufficient material was furnished to permit the first observer to make a determination, and in sample No. 7 the first observer was not present at the laboratory when the sample was submitted.

The analyses were made in the average was not present at the sample was submitted.

submitted.

The analyses were made in the usual manner. Where the nature of the fabric permitted an amount of yarn obtained from raveling a specimen 4 inches square was used. In determining the extra filling it was necessary to use less. In most cases the observer had only sufficient sample to obtain one specimen, and even a closer agreement could probably have been obtained if the usual three specimens could have been used by each observer and the average taken.

The raveled yarn was weighed on an analytical balance to the nearest tenth of a milligram in an atmosphere of 65 per cent relative humidity at 75° F. From the known length and weight, the number of hanks of 840 yards each which would be required to weigh a pound was computed.

Tables 2 and 3 give a summary showing the accuracy and the

hanks of 840 yards each which would be required to weigh a pound was computed.

Tables 2 and 3 give a summary showing the accuracy and the variation from the mean with which the counts were obtained by the three observers.

Table 4 shows the time required by each observer to make the determinations and compute the results, the annual salary of each observer, and the approximate cost for personal service computed on the basis of 300 working days of 7 hours each.

The first two observers are very much more expensive men than would be required to do the work regularly, and would usually be assigned to supervision of cheaper assistants.

The results obtained by the third observer, a \$900 laboratory assistant, whose work upon these samples was his first experience, show that the analyses could be made in a thoroughly dependable manner, under supervision, by assistants at that salary or even less.

Table 5 gives the number of threads per inch in both directions in all the fabrics as determined by two observers. These determinations were made with a count glass.

Table 6 gives the time required by observer 2 and the cost. The time of the other observers was not kept, as they did not work continuously upon the measurements.

S. W. STRATTON, Director.

S. W. STRATTON, Director.

TABLE No. 1.

Speci- men No.—	Yarns tested.	Textile expert collarge experience. Textile expert expert experience.		Labora- tory assistant with no previous textile experience.
1	Warp True filling Extra filling	19.2	55. 1 77. 9 17. 4	57. 2 78. 5 18. 1
- 1	Plain warpdodo		47.8 52.2 57.3	52. 2 150. 0 255. 2
2		82. 8	54.3 73.2 85.1 51.6	50.3 70.4 88.0
	Spot filling (Warp Fine filling (golden) Extra filling :	51. 0 35. 6 60. 8	38. 0 64. 5	51. 7 35. 0 64. 7
4	White	8.1 11.8 10.6 48.0	8.1 12.4 11.1	(3) (3) (3) 47. 2
1	Warp True filling. Extra filling, not yarn, bunch, or tuft of cotton fibers, 90 spots or bunches per 16 square inches, weighing 0.0566 gram.	58.5	47. 8 59. 2	57.2
e	Warp.	21.3 20.9	21.5 20.5	21.7 18.5
7	Warp Filling		5. 2 5. 9	4.9 6.1

² Straight. ² Sample insufficient for three determinations. Table No. 2 .- Summary showing variation in yarn counts by three observers.

WARP COUNTS

		Varia	tion from	mean.
Specimen No.—	Mean counts.	Observer No. 1.	Observer No. 2.	Observer No. 3.
1Plain. 2. Seersucker:	56. 2 50. 5	0.0	1.1 2.7	1.1
Crimped	50. 2 56. 3 72. 2	1.9	2.0 1.0 1.0	1.1 1.8
5 6 7	36. 2 47. 7 21. 5 5. 1	.6 .3 .2	1.8 .1 .0	1.2 .5 .2 .2

TABLE No. 3 .- Summary showing variation in yarn counts by three

FILLING COUNTS.

Speci-		Mean counts.	Variation from mean.				
men No.—			Observer No. 1.	Observer No. 2.	Observer No. 3.		
1 2 3	True filling (Extra filling) True filling (Spot filling (Fine filling (Extra:	78. 6 18. 2 52. 2 85. 3 51. 4 63. 3	0.8 1.0 .1 2.5 .4 2.5	0.7 .8 2.1 .2 .2 .2	0.1 .1 1.9 2.7 .3 1.4		
4 5 6 7	White Green. Brown	* 8.1 12.1 10.9 47.7 20.0 6.0	.0 .3 .3 .3	.0 .3 .2 .1 .5			

TABLE NO. 4 .- Time and cost for determination of varn counts.

Sample No.—	Observer (salary annum)	2,000 per	Observer (salary 8 annum)	No. 2 1,800 per	Observer No. 3 (salary \$900 per annum).	
bampio 310.	Time (hours).	Cost.	Time (hours).	Cost.	Time (hours).	Cost.
1	2 2 3 5 3	\$1.90 1.90 2.85 4.76 2.85 .47 .47	1½ 1½ 2 3½ 1½ 1½	\$1.28 1.28 1.71 3.00 1.28 .43 .43	2 1½ 3 4 2 2 2 4 1½	\$0.86 .64 1.28 1.72 .86 .32 .21

No doubt employees working continuously on this work would be-come so adept and could so systematize the work as to accomplish four to five times as much in the same time.

TABLE No. 5 .- Threads per inch.

ample No.—		Observer No. 1,1	Observer No. 2.	Observer No. 3.
1	(Warp		84	82
	True filling.		58	58
2	Warp. True filling.		94 68	96
3	[W arp	73	73	73
3	True filling	63	63	63
	Warp		30	30
4	REXTRA White filling		28	
	True filling	*********	36	36
5	Warp	60	62	62
-	True filling.	04	66 36	36
6	True filling		28	28
-	(Warp		78	78
- 1	True filling		- 66	66

1 Observer No. 1 did not make the counts left vacant.

TABLE No. 6 .- Time and cost for determination of threads per inch. Observer No. 2 (salary \$1,800 per annum).

Sample No. —	Time.	Cost.
	Minutes.	Cents.
3	5 15	8
6	15 10	16 16
7	10 10	16

REPORT ON ACCURACY WITH WHICH THE YARN COUNT CAN BE MADE ON 20 SPECIMENS OF 30 YARDS EACH TAKEN CONSECUTIVELY FROM SAME COP OF COTTON YARN.

20 SPECIMENS OF 30 YARDS EACH TAKEN CONSECUTIVELY FROM SAME COP OF COTTON YARN.

The specimens consisted of six cops obtained from two different sources.

One set (A, B, C) consisted of two cops (A, C) of filling, and a bobbin (B) of warp yarn. The other set (D, E, F) consisted of 2 cops (E, F) of carded-warp yarns and one (D) combed-filling yarn.

Twenty consecutive lengths of 30 yards each were cut from each cop by reeling on an ordinary yarn reel 1½ yards in circumference. They were marked serially and placed in an atmosphere at a relative humidity of 65° and 75° F. for two hours. They were then weighed by observer No. 1 on an analytical balance to the nearest tenth of a milligram and the counts obtained in the usual manner. Two days later the specimens of A, B, C were taken to another laboratory, weighed on another balance, by a different observer, and the values computed. This latter laboratory had no humidity control so that the relative air humidity is only known by the general condition of the atmosphere upon that day. It was approximately 75 per cent as shown by instruments in other portions of the bureau, or about 10 per cent higher than when the first weighings were made. This would probably account for the almost constant difference between the two observers. The results show that the weighings can be made and duplicated by different observers with a high degree of accuracy.

To determine the accumulative error which might occur in weighing the small samples separately and consequently the error in the yarn count arising from using 30-yard samples, the 20 specimens of A. B. C were weighed collectively and the results are entered at the foot of each page.

Table 13 gives a summary of the variation in the entire six cops arranged in three classes: (1) The number in which the variation in count was between 0 and 1 count; (2) those between 1 and 2 counts; and (3) those above 2 counts, with the corresponding percentage that it is of 20, the total number.

Table 14 gives the marks which the manufacturer h

TABLE No. 7 .- Weaving yarn.

Sample A: Marked No. 70/s, but found by actual measurement to be No. 66/s.

	01	server No	. 1.	Observer No. 2.		
Specimen No.—	Weight in grams.	Count (singles).	Yarn va- riation from average,	Weight in grams.	Count (singles).	Yarn va- riation from average.
	0.2458	65.5	0.5	0. 2465	65.3	0.5
	. 2454	65.6	.6	. 2462	65.4	.4
	2492	64.6	1.4	. 2496	64.4	1.4
	. 2430	66.2	.2	. 2436	66,0	. 2
	. 2551	63.1	2.9	. 2560	62.9	2.9
	. 2460	65.4	.6	. 2469	65.2	.6
	. 2497	64.5	1.5	. 2506	64.2	1.6
	. 2374	67.8	1.8	. 2384	67.5	1.7
0	. 2472	65.1	.9	. 2480	64.9	. 9
1	. 2513	64.0	2.0	. 2519	63.9	1.9
2	. 2474	65.0	1.0	. 2482	64.8	1.0
3	. 2401	67.0	1.0	. 2409	86.8	1.0
4	. 2412	66.7	.7	. 2420	66.5	.7

Table No. 7 .- Weaving yarn-Continued. Sample A: Marked No. 70/s, but found by actual measurement to be No. 66/s—Continued.

	Observer No. 1.			Observer No. 2.		
Specimen No.—	Weight in grams.	Count (singles).	Yarn variation from average.	Weight in grams.	Count (singles).	Yarn va- riation from average.
15	0. 2462 . 2481 . 2379 . 2351 . 2393 . 2323	65.4 64.9 67.6 68.4 67.3 69.3	0.6 1.1 1.6 2.4 1.3 8.3	.2468 .2488 .2396 .2358 .2402 .2331	65. 2 64. 7 67. 4 68. 2 67. 0 69. 0	0.6 1.1 1.6 2.4 1.2 3,2
Average		66.0	1.24		65.8	1.27

Weight of 20 samples weighed together equals 4.7808 grams; count equals 66.4.

Weight of 20 samples weighed individually equals 4.7892 grams; count equals 66.

Experimental error in weighing equals 0.0084 gram; count equals 0.4.

Table No. 8 .- Wearing yarn.

Sample B: Marked No. 70/s, but found on test to be No. 66/s.

	. 01	server No.	1.	Observer No. 2.		
Specimen No.—	Weight in grams.	Count (singles).	Yarn va- riation from average.	Weight in grams.	Count (singles).	Yarn va- riation from average.
1	0. 2481	64.8.	2.0	0. 2493	64.5	1.9
2	. 2387	67.4	.4	. 2395	67.3	.9
3	. 2443	65.8	1.0	. 2458	65.4	1.0
4	. 2485	64.8	2.0	. 2499	64.4	2.0
5,	. 2520	63.8	3.0	. 2530	63.6	2.8
6	. 2504	64.2	2.6	. 2514	64.0	2.4
7	. 2468	65.2	1.6	. 2580	63.1	3.3
8	. 2463	65.3	1.5	. 2473	65.0	1.4
10	. 2386	67.4	.4	. 2400	67.0	1.5
	. 2360	68.1 67.7	1.3	. 2369	67.9	.9
*******************	. 2376	68.6	1.8	. 2389	67.3 68.2	1.8
****************	. 2347	66.0	. 8	. 2442	65.8	.6
	. 2413	66.6	.2	. 2424	66.3	.1
14	. 2392	67.2	.5	. 2403	66.9	.5
16	2412	66.7	.1	2420	66.4	.0
17	2418	66.5	.3	. 2429	66.2	.2
18	. 2329	69.0	2.2	. 2340	68.7	2.3
19	. 2312	69, 6	2.8	. 2322	69.3	2.9
20	. 2279	70.7	3.9	. 2200	70.2	3.8
· Average		66.8	1.47		66.4	1.5

Weight of 20 specimens weighed separately equals 4.8210 grams; count equals 66.8.

Weight of 29 specimens weighed together equals 4.7808 grams; count equals 67.3.

Experimental error in weighing equals 0.0402 grams; count equals 0.5.

TABLE No. 9 .- Weaving yarn. Sample C: Not marked, but found to be No. 36/s.

	Observer No. 1.			Observer No. 2.		
Specimen No.—	Weight in grams.	Count (singles).	Yarn va- riation from average.	Weight in grams.	Count (singles).	Yarn va- riation from average.
	0,4440	36.2	0.4	0.4443	35.9	0.
	.4532	35.5	.3	. 4528	35.5	
	.4670	34.4	1.4	. 4665	34.4	
	. 4402	36.5	.7	. 4405	36.5	
	. 4566	35.2	.6	. 4567	35.2	
	.4608	34.9	9	. 4610	34.9	
	. 4356	36.9	1.1	. 4360	36.9	1.
	. 4312	37.3	1.5	. 4318	37.2	1.
	. 4472	35.9	.1	. 4477	35.9	
0	. 4491	35.8	.0	. 4491	35.8	
1	. 4619	34.8	1.0	. 4623	34.8	1.
2	. 4406	36.5	.7	. 4410	36.4	
	.4602	34.9	.9	. 4614	34.8	1.
5	. 4595	35.0	.8	. 4603	34.9	
6	4581	36.4 35.1	.6	. 4422	36.3	
	. 4571	35. 2		. 4584	35.1	
7 8	4291	37.5	1.7	.4577	35.1 37.4	
9	. 4407	36.5	.7	.4298	36.4	1.
0	. 4462	36.0	.2	.4465	36.0	
Average		35.8	.7	.4494	35.8	

Weight of the 20 specimens weighed separately equals 8.9799 grams; count equals 35.8.

Weight of the 20 specimens weighed together equals 8.9016 grams; count equals 36.2.

Experimental error in weighing equals 0.0783 gram; count equals 0.4.

TABLE No. 10 .- Wearing yarns.

Sample D: Marked No. 100/s, but found by measurement to be No. 94/s,

	0	bserver No	. 1.
Specimen No.—	Weight in grams.	Count (singles).	Yarn variation from average.
2	.1733 .1724 .1703 .1727 .1754 .1705	93. 7 95. 3 94. 6 93. 1 95. 1 93. 6 95. 1 92. 8 94. 5 93. 4 94. 5 93. 2 91. 8 94. 4	0.8 .8 .1 1.4 .6 .9 .6 1.7 1.1
16 17 18 18 19	.1702 .1686 .1643 .1658 .1706	94. 6 95. 4 97. 9 97. 1 94. 4	3.4 2.6
Average		91.5	1.12

Weight of the 20 specimens weighed separately equals 3.4058 grams; count equals 94.5.

Weight of the 20 specimens weighed together equals 3.4010 grams; count equals 94.5 plus.

Experimental error in weighing equals 0.0048 grams.

Table No. 11.—Weaving yarns.

Sample E: Marked No. 60/s, but found on test to be No. 52/s,

Specimen No.—	Weight in grams.	Count.	Yarn variation from average.
1	0.3112	51.7	0.1
	.3126	51.4	
3			1 .4
0	. 2954	54.4	2.0
4	.3080	52.2	.4
5	.3082	52.2	.4
6	.3141	51.2	.6
7	.3084	52.1	.2
8	.3116	51.6	
9	.3068	52.4	
10	.3052	52.7	
11	.3177	50.6	1.2
			1.6
10	.3159	- 50.9	
	.3116	51.6	13
14	.3100	51.9	
15	.3065	52.4	
16	.3110	51.7	
17	.3073	52.3	1
18	,3122	51.5	13
19	.3184	50.5	1.7
20	.3128	51.4	1.4
***************************************	.0125	31. 4	
Average		51.84	, 603

Weight of the 20 specimens weighed separately equals 6.2049 grams; count equals 51.8.

Weight of the 20 specimens weighed together equals 6.1968 grams; count equals 51.9.

Experimental error in weighing equals 0.0081 grams; count equals 0.1.

TABLE No. 12 .- Wearing yarn. Sample F: Marked No. 40/s, but found on test to be No. 36/s.

	Obs	erver No.	1.
Specimen No.—	Weight in grams.	Count (singles).	Yarn variation from average.
1	0. 4534 4472 4522 4338 4401 4441 4332 4489 4257 4430 4294 4294 4294 4294 4294 4309 4406 4406 4406 4406 4406 4406 4406 44	35. 5 36. 0 35. 6 37. 1 36. 5 36. 2 37. 1 35. 8 37. 8 36. 3 36. 7 37. 4 37. 5 38. 0 38. 0	2.0 1.5 1.9 0.4 1.3 0.4 1.7 0.3 1.2 1.4 0.8 0.1 0.5 0.5 0.6 0.5
Average		37.5	0.9

Weight of the 20 specimens weighed separately equals 8.7047 grams; count equals 37.5.

Weight of the 20 specimens weighed together equals 8.6734 grams; count equals 36.6.

Experimental error in weighing equals 0.0313 grams; count equals 0.9.

TABLE No. 13 .- Summary of variation in yarn counts. [Determined on 30-yard samples.]

Sample.	Number varying 0-1 count.	Percent- age of total number.	Number varying 1-2 count.	Percent- age of total number.	Number varying above 2.	Percent- age of total number.
ABCD	8 8 15 12 17 10	40 40 75 60 85 50	8 5 5 4 2 9	40 25 25 20 10 45	4 7 4 1 1	20 35 20 5 5

Table No. 14 .- Errors in spinners' marks on cops.

Sample.	Manu- facture mark count.	True count.	Error.
A	70/1	66/1	4
	70/1	66/1	4
	40/1	36/1	4
	100/1	94/1	6
	60/1	52/1	8
	40/1	36/1	4

Mr. SMITH of Georgia. Is the Senator from Rhode Island through?

Mr. LIPPITT. Yes.

Mr. SMITH of Georgia. I wish to ask the Senator if he will leave us the samples that he has used, and give us also for each sample the number of threads and the cost per yard?

Mr. LIPPITT. I have described two or three of these samples. I have not the cost of these various articles. I have simply produced them for illustration.

Mr. SMITH of Georgia. I make the request also, at the suggestion of several other Senators, that so far as the Senator can, he will give us the information.

Mr. LIPPITT. I am willing to put at the disposal of the Senator all the samples which I have here. So far as the cost goes, in my remarks I have referred to the cost of certain of these samples, and they will be designated so that they can be understood. Most of the samples were used merely for illustrative purposes.

Mr. SMITH of Georgia. And so that we shall also have the

number of threads in the various samples.

Mr. LIPPITT. I will give the Senator all the information I

have on the subject.

Mr. SMITH of Georgia. Mr. President, I do not desire at this time to enter into any extended reply to the Senator from Rhode Island. There is, however, one portion of his address to which I do wish to call attention. I am unwilling for his suggestion that anything in this cotton schedule is sectional or unfair to New England to go out without immediate reply.

Upon the subcommittee of the Senate which had charge of the cotton schedule was the senior Senator from Maine [Mr. JOHNSON], the Senator from New Jersey [Mr. HUGHES], and myself. So that the subcommittee, at least, was certainly nonsectional.

I will not refer, as though it were a matter of importance, to the Senator's own personal interests in the manufacture of many of these articles about the reduction of duty upon which he complains, because I consider that his speech, as a whole, was from his standpoint both able and fair, and I do not believe that his personal interests controlled him.

The only section of the bill upon which the Senator predicated the suggestion of sectionalism was that paragraph which provides for the duty of 25 per cent upon cotton table damask; and he stated that the manufacture is exclusively in North

Mr. LIPPITT. I did not, Mr. President. Mr. SMITH of Georgia. I understood the Senator to say that. Mr. LIPPITT. I stated that the principal seat of it was in North Carolina.

* Mr. SMITH of Georgia. If that is true, I did not know it. I know there is a plant in North Carolina, and I know that the president of that plant came before our subcommittee and pro-tested earnestly against the reduction which is made by this bill on cotton table damask, but we declined to make any

Now, to be fair, it seems to me that the Senator from Rhode Island should have called attention to the numerous other special rates upon special goods named in the bill. For instance, plushes, velvets, plush or velvet ribbons, velveteens, corduroys, chenilles, pile fabrics, and so forth, have a duty of 40 per cent.

I think it is true that all those products, so far as I am aware, certainly the great bulk of them, are produced in New England.

Again, tapestries and other Jacquard figured upholstery goods will pay a duty of 35 per cent ad valorem. So far as I know. practically all of those goods are manufactured in New England or in Pennsylvania.

Bandings, beltings, bindings, bone casings, and so forth, have

a specific rate of 30 per cent.

Lace window curtains, nets, nettings, pillow shams, and bed sets, finished or unfinished, have a duty of 35 to 40 per cent.

So, Mr. President, there are a number of different articles particularly specified with a fixed rate of duty in the bill besides cotton table damask, and a large number are specifically given a rate that certainly have not their chief production in

North Carolina or in the South.

Mr. LIPPITT. I was speaking, Mr. President, in my remarks of what is commonly known as countable cotton cloth. Tapestries, a very highly special fabric, made almost entirely in Pennsylvania, and of course pile fabrics are entirely different fabrics; besides, they could not possibly be classed as cotton cloth. I may have overlooked something, but I think my statement is correct, that many of the articles that are known as cotton cloth coming under the countable clauses are damasks, and are the ordinary product of the Jacquard loom and the fancy looms of various kinds. The only one I have been able to find was the particular sample I exhibited here.

Mr. SMITH of Georgia. Mr. President, I have called attention to the paragraph that specifically put products of the Jacquard loom at 35 per cent ad valorem. I only desire to carry that suggestion far enough to show that there were other items

in the bill given specific rates.

Now, I wish to call attention to another fact. The rate on cotton yarns up to No. 9s, inclusive, is 5 per cent; the rate from No. 9s to 19s, inclusive, is 7½ per cent. The great bulk of the product of yarns in the Southern States is below 20s, so that the rates placed upon the yarns produced in the southern section are at the very bottom.

Why are the rates carried up higher on other yarns? I will not at this time stop to discuss that, but I do call attention to the fact that the great bulk of the yarns above 50s are made in New England, and that the rates on those yarns go up to 271

per cent.

Mr. SMOOT. It is 25 per cent on the yarns, but 271 on the cloth.

Mr. SMITH of Georgia. Twenty-five per cent on the yarns, yes. So that, if you study these rates, surely no one can claim for a moment, and sustain the claim, that there has been any sectional purpose in connection with the fixing of the rates.

I only wish to go this far at present, so that the RECORD may carry the additional facts, which I think answer that part of the

Senator's suggestion.

Mr. SMOOT. I wish to ask the Senator a question in that particular, so that Senators may not have a misunderstanding, or, at least, I do not want to misunderstand the Senator from The Senator speaks of yarns above 99s carrying a rate of 25 per cent; that yarns No. 20, which are made in the South, only carry 10 per cent.

Mr. SMITH of Georgia. It is 5 per cent up to 9s, inclusive,

and 7½ from 9s up to 19s, inclusive.

Mr. SMOOT. I was speaking of 20s. On the 20s it is 2½ per cent more; but I will confine it to 19s and under, where the duty is only 7½ per cent. The Senator knows, of course, if he has studied this question, that it all depends on how many pounds can be spun in a day or in an hour. Any manufacturer can spin four times the amount or even more

Mr. SMITH of Georgia. I will not yield to the Senator to make a statement. If he wishes to ask me a question, I will

yield to him.

Mr. SMOOT. I thought the Senator was through and had taken his seat, and I asked him—

Mr. SMITH of Georgia. No.

Mr. SMOOT. Well, if the Senator is not through, I will not continue.

Mr. SMITH of Georgia. I will yield if the Senator from Utah wishes to ask me a question. I only desire to refer to one other fact now.

Mr. SMOOT. Then, let me ask the Senator a question. Does not the Senator from Georgia know that yarns, say, No. 15, can be made at five or six times less than yarns No. 100 or above?

Mr. SMITH of Georgia. Mr. President, I do not intend at this time to enter into a discussion of that proposition. What I desired to state and to call to the attention of the Senate was, that the great bulk of the production of yarns in the southern section was under 20s, and that the rates placed upon those

yarns are 5 per cent and 7½ per cent, while the rates on yarns made in New England go up as high as 25 per cent. I did not wish to go into the merits of the question further than to call attention to the fact that there certainly has been no sectional

discrimination in this bill.

One thing further I wish to add. The Senator from Rhode Island called attention to free jute bagging. I wish to call attention to the fact that we have also put jute bagging intended for wool on the free list, and we have put jute bagging intended for grain on the free list. I mention this because I would not have it thought that we would frame a bill, and I would not be willing to see, even if I could write it myself, a bill that was sectional; and I dislike very much to have any diversion from the merits of the discussion by any thought upon anyone's mind that any Senator would be willing to make a sectional bill, and I wished to refer to other features of this bill which seem to me to meet the suggestion with regard to the cotton table damask.

Mr. SMOOT. Did I understand the Senator from Georgia to say that plain woven fabrics made of the kind of jute that grain bags are made of are under this bill placed upon the free

list?

Mr. SMITH of Georgia. I think so. I think the Senator will find that the jute-bagging burlaps intended for wrapping wool is placed on the free list, as is also bagging used in covering grain.

Mr. SMOOT. In section 288 I find:

Plain woven fabrics of single jute yarns, by whatever name known, bleached, dyed, colored, stained, painted, printed, or rendered noninflammable by any process, 20 per cent ad valorem.

Mr. SMITH of Georgia. I will call the Senator's attention to the particular paragraph later on which applies to the bagging intended to cover wool. The paragraph the Senator read applied to bleached goods, did it not?

Mr. SMOOT. It applies to bleached, dyed, colored, stained,

printed, and so forth.

Mr. SMITH of Georgia. Well, they are not the class of goods used for this purpose; but I do not desire further to delay the discussion of that feature of the bill which should come before the Senate at this time. I only wished to meet that one part of the argument of the Senator from Rhode Island [Mr. LIPPITT].

Mr. STONE. Mr. President-

Mr. SMITH of Georgia. I am told that paragraph 416 is the particular paragraph covering this matter. I quote from it, as follows:

Plain woven fabrics of single jute yarns by whatever name known, not bleached, dyed, colored, stained, printed, or rendered noninflammable by any process, nor in any manner loaded so as to increase the weight per yard.

One word more. The Senator from Rhode Island said that the cotton farmer sold this jute bagging for more than he paid for it. In point of fact, a deduction is made from the price of the cotton on account of the jute bagging; and until recently in the English market 6 per cent of the entire weight of the bale has been deducted. One of the most active efforts we are now making in the interest of the cotton grower is to obtain a reduction of this tare, and to save him the great loss he incurs on account of the excessive deduction from an estimate of the weight of the jute and the ties much in excess of actual weight.

Mr. WEEKS. Mr. President, I should like to ask the Senator from Georgia if that reduction is due entirely to the bagging? Is it not due partly to other causes?

Mr. SMITH of Georgia. Other causes are claimed, but largely it is due to the bagging and the ties. It has recently, I believe, been reduced to 5 per cent.

Mr. SUTHERLAND. Mr. President-

The VICE PRESIDENT. Does the Senator from Georgia yield to the Senator from Utah?

Mr. SMITH of Georgia. I am through. I only rose to answer

the Senator from Massachusetts [Mr. WEEKS].

Mr. SUTHERLAND. Mr. President, I do not want to delay the consideration of the bill, but I was very much struck with the statement made by the Senator from Rhode Island [Mr. Lippitt] with reference to the change in the method of levying these duties.

Mr. SMITH of Georgia. I do not, Mr. President, desire to discuss that at present. I only wished to refer to the sectional feature and not to take up any other portion of the speech of the Senator from Rhode Island.

Mr. SUTHERLAND. I wanted to ask the Senator if he could tell us in a few words what was the reason for the

change?

Mr. SMITH of Georgia. I do not desire to discuss it at present.

Mr. SUTHERLAND. Very well.

Mr. STONE. Mr. President, the Senator from Georgia [Mr. SMITH] has made some effective remarks by way of reply to the charge of the Senator from Rhode Island [Mr. Lippitt], that this was a sectional bill. Before we proceed with the reading of the bill at the point where we left off yesterday I desire to make an observation or two by way of reply to another assertion made by the Senator from Rhode Island.

The Senator from Rhode Island and others who have spoken in this debate have not been overparticular to avoid being offensive. Senators on the other side are attacking this measure all along the line and from every possible standpoint; but there is one line of attack which, it seems to me, ought not to be indulged in too much, although it has been indulged in too much already. It is a common expression on that side—such expressions were used this morning by the Senator from Rhode Island—that this bill is "half-baked," "ignorantly prepared and without adequate knowledge or due consideration." The Senator from Rhode Island brings before the Senate a sample trunk, so to speak, full of samples which he has spread out over two or three desks, and says that the members of the Ways and Means Committee of the House and the members of the Finance Committee of the Senate who have prepared the cotton schedule know nothing about these goods, and hence have evidently acted without proper information or without due regard to the public interest.

Mr. President, about this I wish to say a few words. The Senator from Rhode Isiand is an experienced manufacturer of cotton fabrics; he makes these goods, and therefore knows more about the technique of the industry than the average Senator, for the average Senator is neither a manufacturer nor merchant. He seems to think that men who are familiar with the technicalities of the industry—that is, the manufacturers—should fix the tariff rates and write the tariff law on cotton manufactures. That has been the practice in the past. Before the very honorable Senator from Rhode Island came to grace this body with his official presence, he was accustomed to appear before the committees of the Senate and of the House, as were numerous others representing this very industry, to discuss its technicalities with Representatives and Senators who were not themselves familiar with those technicalities—any more then than now—and not only did they come with reference to this industry, but also with regard to practically every industry of any moment in the country.

try of any moment in the country.

It is not to the credit of our legislation in the past that interested representatives of the cotton industry, the wooleu industry, the steel industry, and other industries were permitted by the Ways and Means Committee of the House and the Finance Committee of the Senate to come here and prepare the tariff schedules in which they were interested, to be after-

wards passed by the two Houses of Congress, and to be approved by a Republican President. That used to be done.

But this is not the time when that sort of thing can be repeated. It may be, Mr. President, that the Senator from Rhode Island knows more—and he does know more—about the technicalities of cotton fabrications than the average Member of the House of Representatives or the average member of the Ways and Means Committee, where this bill was framed. I freely concede that; but that committee was not willing that the interested representatives of this industry should appear there and write out the tariff law which that committee was to report.

That was the custom in Republican times, but that day is ast. We have entered upon a different era. The Democratic We have entered upon a different era. Party desires, so far as possible, to subserve the well-being of the manufacturing industries of the country. We would be, in fact, the very idiots, and worse than the very idiots, the Senator from Rhode Island and others of his colleagues would brand us as being if we were disposed to deliberately injure, much less destroy, any legitimate industry. At the same time the fact should be recognized that we have gone beyond the day when interested men, when manufacturers of cotton goods or steel goods or woolen goods or any other kind of manufacturers can come into the Senate or the House and prepare tariff schedules to suit themselves. By doing that very thing in the past an economic industrial situation was created whereby monopolies were established and whereby undue control of the great business of the country was put in the hands of a few men, to the detriment of the great masses of the people; and because of that very thing the American people at the last election registered a mighty protest.

No, Senators—I am speaking to my friends upon the other

No, Senators—I am speaking to my friends upon the other side—such days as I have spoken of are past; and the assaults the other side are making will have no effect. The supercilious, toploftical, contemptuous air some of our friends over there assume will have no effect in deterring us or in changing the

fixed line of our purpose to make a tariff in the interest of the American people as a whole. We will go straight forward and keep the faith.

Mr. WEEKS. Mr. President-

The VICE PRESIDENT. Does the Senator from Missouri yield to the Senator from Massachusetts?

Mr. STONE. I am through, Mr. President. Mr. WEEKS. I should like to ask the Senator from Missouri before he takes his seat to name some of the monopolies which he has referred to as having been developed by the process he has just described, in the textile industry or in any other.

Mr. STONE. I am astonished that the Senator does such poor justice to his own intelligence as to ask a question like that. The country is full of examples, known of all intelligent men. I suppose the Senator would have me mention the Steel I suppose the Senator would have me call attention to woolen and cotton mills in New England and elsewhere whose stock is sold at 200 and 300 per cent above par, and well sold at that, because of the enormous profits realized on the investments under the operation of extortionate tariffs.

Mr. WEEKS. But, Mr. President, the Senator from Missouri must know that there is no monopoly in the cotton or woolen business in this country; and the fact that the stocks of certain mills have sold at large premiums could not have

had anything to do with monopolies in those industries,
Mr. WILLIAMS. If not monopoly, then exploitation.
Mr. STONE. Well, let it go at that. Mr. President, I should

like to have the reading of the bill continued.

Mr. CLARK of Wyoming. I hope it will not be delayed longer, Mr. President.

The reading of the bill was resumed, beginning with para-

graph 133, page 39, line 16.

The next amendment of the Committee on Finance was, in paragraph 133, page 39, line 17, after the word "kinds," to insert "machine cut"; in the same line, before the words "per cent," to strike out "25" and insert "20"; in the same line, after the words "ad valorem," to insert "hand-cut files and files of precision, 35 per cent ad valorem," so as to make the paragraph read:

133. Files, file blanks, rasps, and floats, of all cuts and kinds, machine cut, 20 per cent ad valorem; hand-cut files and files of precision, 35 per cent ad valorem.

The amendment was agreed to.

The Secretary read paragraphs 134 and 135, as follows:

134. Muskets, air-rifles, muzzle-loading shotguns and rifles, and parts thereof, 15 per cent ad valorem.

135. Breech-loading shotguns and rifles, combination shotguns and rifles, and parts thereof and fittings therefor, including barrels further advanced than rough bored only; pistols, whether automatic, magazine, or revolving, or parts thereof and fittings therefor, 35 per cent ad valorem.

Mr. SMOOT. Mr. President, I should like to ask the Senator in charge of this part of the bill why it is that the rate on breech-loading rifles has been advanced from the present law.

Mr. THOMAS. That was done by the House committee, and

we did not change it.

Mr. SMOOT. The present rate on breech-loading rifles is 25 per cent. They have increased the rate from 25 per cent to 35

Mr. THOMAS. Does the Senator object to it? Mr. SMOOT. I do not think it is necessary. I move, Mr. President, that the words "and rifles," on line

21, page 39, be stricken out; and, after the words "ad valorem," on line 25. I move to strike out the period and insert a semicolon, and add "breech-loading rifles, 25 per cent ad valorem."

The VICE PRESIDENT. The question is on agreeing to the

amendment proposed by the Senator from Utah.

Mr. SMOOT. On that I should like to have the yeas and

Mr. CRAWFORD. Mr. President, I should like to ask the Senator from Utah why the rate on rifles should be different from that on shotguns.

Mr. SMOOT. It always has been and-

Mr. CRAWFORD. That is not any reason for anything.

Mr. SMOOT. Wait a minute, and I will tell the Senator. It always has been; and the reason given for it is that the barrel of a rifle is not so difficult to finish as the barrel of a That is the reason that has been given in the past.

Mr. CRAWFORD. But the difficulty in manufacture in the one case applies to manufacture in foreign countries the same as to manufacture in our own country. Why should it cause a difference in the rate?

Mr. SMOOT. There is not as much labor in the making of a rifle as there is in the making of a shotgun; and it is for that

reason that in the rates in the present law there has been a difference of 10 per cent.

Mr. CLARK of Wyoming. Mr. President—
The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Wyoming?

Mr. SMOOT. I yield.

Mr. CLARK of Wyoming, I really should like some informa-tion on this item. Does the Senator from Colorado, in charge of this schedule, believe that the present rate on rifles is too

Mr. THOMAS. That is a question that it is very difficult for me to answer. I do not think it is upon an article of commerce that is in general use. I think the duty as it has been made by the House, bringing breech-loading and combination guns, and so forth, all under one duty, is a more proper classification than the old one. I think, also, that the Senator from Utah is in error in his statement that there is the difference which he has stated to exist.

Mr. SMOOT. Then, let me call the Senator's attention to the fact of the matter, so that I can disabuse his mind of that

Mr. CLARK of Wyoming. I want to get through with my

Mr. THOMAS. Yes; I will yield to the Senator from Utah

Mr. SMOOT. I did not know the Senator from Colorado had

the floor. I have the floor.

Mr. CLARK of Wyoming. My question is not at all in regard to the technical manufacture. My question is as to the motive or reason of the committee in raising the present rates upon breech-loading rifles. The Senator thinks they ought to be

Mr. THOMAS. Our contention is that they are not raised. Mr. CLARK of Wyoming. But they are raised, specifically. Mr. THOMAS. That, of course, is a matter of computation.

Mr. CLARK of Wyoming. The present law, as I understand-I am subject to correction-

Mr. THOMAS. The present law carries what is estimated as

an ad valorem equivalent of 45.94 per cent.

Mr. SMOOT. That is for the whole section, taking in muzzleloading shotguns. It could not be an equivalent ad valorem of forty-odd per cent on rifles, because if the Senator will turn to the present law, paragraph 156, he will find it reads in this way:

Muskets, muzzle-loading shotguns-

Mind you, there is a comma thererifles, and parts thereof, 25 per cent ad valorem.

Mr. THOMAS. That is not the section of which this is a duplicate.

Mr. SMOOT. Why, Mr. President, the framers of the bill have taken this section and put it in with a new section and made them all dutiable, under the wording and phraseology there, at 35 per cent.

Mr. THOMAS. The Senator is mistaken. Section 134 of House bill 3321 is the same classification as section 156 of the

present law

Mr. SMOOT. If the Senator will take the law itself and look

Mr. THOMAS. I am looking at it. It is right before me. Mr. SMOOT. Then let me call the Senator's attention to it.

Paragraph 156 of the present law reads as follows: "Muskets," comma, "muzzle-loading shotguns," comma. rifles," comma, "and parts thereof, 25 per cent ad valorem."
Mr. THOMAS. Yes; and you will find the same thing in

section 134 of this bill. Mr. SMOOT. No, Mr. President; you find this in this bill: "Muskets," comma, "air rifles," comma, "muzzle-loading shotguns and rifles," comma-

Mr. THOMAS. Muzzle-loading; yes. Mr. SMOOT. "Muzzle-loading shotguns and rifles." That includes the muzzle-loading weapons; but the breech-loading shotguns and rifles the Senator will find in paragraph 135, and they are dutiable at 35 per cent.

Mr. THOMAS. Mr. President, I think that is merely a technical play upon words. Section 135 of the present law covers in

express terms breech-loading shotguns and rifles.

Mr. SMOOT. I am perfectly aware of it, and it says they are dutiable at 35 per cent. To-day they are dutiable at 25 per cent, so that you are increasing breech-loading rifles from 25 per cent to 35 per cent.

Mr. THOMAS. Of course the Senator's ipse dixit is very

strong, but we do not admit anything of the sort.

Mr. SIMMONS. Where does the Senator find that?

Mr. THOMAS. The Treasury report upon imports, at page 36, No. 15, specifies on "firearms, double barrels, for sporting breech-loading shotguns and rifles"—

Mr. SMOOT. That is the double barrels.

Mr. THOMAS (continuing). "Further advanced in manufacture than rough bored only, number, \$3 each plus 35 per cent"; and the ad valorem percentage is placed at 43.82.

Mr. SMOOT. Why, Mr. President, if the Senator will read

it, that is the barrels for double-barreled breech-loading shot-

Mr. THOMAS. It does not make any difference whether they are double-barreled or single-barreled; the duty that is provided in section 135 covers them. Take the Senator's own emphasis upon punctuation, "breech-loading shotguns and rifles." We say nothing there about "double-barreled" rifles or "double-barreled" shotguns. The combination includes it all.

Mr. SMOOT. The Senator was reading from the statistics. If he will read from the law, paragraph 157, this is what he

will find:

Double-barreled, sporting, breech-loading shotguns-

Now, notice the wording:

Combination shotguns and rifles-

That is the combination; but in that paragraph there is not one word as to breech-loading rifles. Rifles are taken care of in paragraph 156 of the present law.

Mr. THOMAS. But in paragraph 135 there is a specific refer-

ence to breech-loading rifles:

Breech-loading shotguns and rifles.

Mr. SMOOT. I am perfectly aware of it, and you provide there a duty of 35 per cent; but in the present law breech-

loading rifles fall in paragraph 156, at 25 per cent.

Mr. THOMAS. I do not think they are so classified; but, in any event, this equalizes the duty as to all these firearms of a particular class and sort. In other words, paragraph 134 refers to muskets, muzzle-loading shotguns and rifles as one classification, and paragraph 135 refers to breech-loading arms as another classification.

Mr. SMOOT. That is right; and at present the rate upon breech-loading rifles is 25 per cent, while now it is proposed to

raise it to 35 per cent.

Mr. THOMAS. I understand the Senator's position precisely,

but I do not think it makes any difference.

Mr. SIMMONS. I do not know that I do understand the Senator with reference to paragraph 135 of the bill and paragraph 157 of the present law. Paragraph 135 of the pending bill imposes a duty of 35 per cent ad valorem-

Mr. SMOOT. That is true.

Mr. SIMMONS. On breech-loading shotguns and rifles, combination shotguns and rifles. The present law—

Mr. SMOOT. A combination shotgun and rifle is a shot-

Mr. SIMMONS. The Senator will not permit me to finish. I am going to show him that the present law uses the same language:

Double-barreled, sporting, breech-loading shotguns, combination shotguns and rifles, valued at not more than \$5, \$1.50 each—

Mr. SMOOT. Yes; but where do you find "breech-loading rifles" there? That item is not found in that paragraph.
Mr. SIMMONS. There it is—"breech-loading shotguns."
Mr. CLARK of Wyoming. "And rifles."

Mr. SMOOT. "And rifles."
Mr. SIMMONS. "Double-barreled, sporting, breech-loading shotguns "-that is the present law.

Mr. SMOOT. Mr. President, let me read it.
Mr. SIMMONS. It does not make any difference whether it
is a rifle or not. Then you have the combination shotguns and

Mr. SMOOT. Why, Mr. President, a combination shotgun and rifle is a gun that is not only a rifle but a shotgun; they are combined in one gun.

Mr. SIMMONS. Of course they are combined in one gun,

Mr. SMOOT. But I am talking about breech-loading rifles.

Under the present law

Mr. SIMMONS. The Senator insists that the things enumerated in the old law are not the things enumerated in the pending bill. I disagree with him about it. I think the language of the pending bill and the language of the old law are substantially the same. The Senator probably has not calculated the present rate upon double-barreled sporting breech-loading shotguns and combination shotguns and rifles. Under the present law, if they are valued at \$5, the duty is 45 per cent ad valorem. If valued at \$10, the duty is 55 per cent.

Mr. SMOOT. I do not dispute what the Senator says in that

respect; but I call his attention again to the fact that breech- shall so vote.

loading rifles are not mentioned in paragraph 157 of the present law.

Mr. SIMMONS. I think they are included.

Mr. SMOOT. Mr. President, they are not mentioned, nor are they included.

Mr. SIMMONS. I think they are, Mr. NORRIS. Mr. President—

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Nebraska?

Mr. SMOOT. Yes; I yield.

Mr. NORRIS. If the Senator from Utah will permit me, I should like to ask the Senator from Colorado a question. Is it the desire of the committee to increase the tariff on rifles?

Mr. THOMAS. It is not the desire of the committee to increase the tariff on rifles, and it is its contention that it has not

done so.

Mr. NORRIS. I understand that. Mr. THOMAS. It has merely made a slightly different classification, upon the assumption that the position of the Senator from Utah is correct.

Mr. NORRIS. Will the Senator from Colorado tell me what rate the breech-loading rifle, or any rifle, would have to pay under the proposed law? Would it be 35 per cent?

Mr. THOMAS. Under the proposed law rifles which are muzzle-loading would pay 15 per cent ad valorem. Rifles which are breech-loading would pay 35 per cent ad valorem.

Take the breech-loading rifle, then. Senator contend that under the present law a single-barreled breech-loading rifle would pay more than 25 per cent ad valorem?

THOMAS. A single-barreled rifle would pay 35 per cent if it were breech-loading.

Mr. NORRIS. I mean under the existing law.
Mr. THOMAS. Under the existing law it would have paid, last year, an equivalent of 45.94 per cent ad valorem.

Mr. NORRIS. I understand that that is in the table, but suppose the table must have been deduced from paragraph 157 of the present law; and I am not able to find in paragraph 157 anything that seems to me to cover a single-barreled breechloading rifle.

Mr. THOMAS. That may be, but I think-

Mr. NORRIS. If it is not contained in that paragraph under the present law, must it not be contained in paragraph 150 of the present law, which fixes the rate at 25 per cent ad valorem?

Mr. THOMAS. Of course, if it does not fall under paragraph

157 it falls under paragraph 158. That is clear.

Mr. NORRIS. I am seeking information. It seems to me that no man can construe the two sections together and find any place in paragraph breech-loading rifle.

Mr. THOMAS. We think otherwise.

Mr. NORRIS. If the Senator can find it there, I wish he

language that he thinks covers it.

find it, I am sure I

Mr. THOMAS. If the Senator can not find it, I am sure I can not, to the extent of satisfying him. Our contention is that it is included in the phraseology of that section.

Mr. NORRIS. I understand the Senator's contention. I am

only trying to get at the true fact of the matter. If the Senator has that information and can point to the language, I should

be very glad to have him do it. Mr. THOMAS. I can only read the section to the Senator. Mr. NORRIS. But paragraph 157 covers several different specifications.

Mr. THOMAS. Yes.

Mr. NORRIS. I should like to know the specification that would include in its terms a single-barreled breech-loading rifle.

Mr. CLARK of Wyoming. Mr. President— The VICE PRESIDENT. Does the Senator from Utah yield

to the Senator from Wyoming?

Mr. SMOOT. Certainly. Mr. CLARK of Wyoming. I will ask the Senator from Colorado if he is willing to take the opinion of the Treasury Department as to which one of these two sections the rifle desig-

nated by the Senator from Nebraska would come under? Mr. THOMAS. If the Treasury Department has decided in accordance with the contention of the Senator from Utah and the Senator from Nebraska, I suppose it would be controlling over any mere opinion of mine. Besides, I have no pride of

opinion. Mr. CLARK of Wyoming. Then the Senator would say that it came in at 25 per cent. Would he then still think it would be

wise to raise the duty to 35 per cent?

Mr. THOMAS. I do. I think these arms should be classified as they have been classified by the House in this measure, and I

Mr. NORRIS. If the Senator feels that way

Mr. CLARK of Wyoming. Then the Senator thinks the wisdom of the House should at all times prevail?

Mr. THOMAS. Oh, no.

Mr. SMOOT. Of course, from the position now taken by the

Senator I have not another word to say.

The VICE PRESIDENT. The Chair must insist, in the interest of the Reporter, and not in the interest of the Chair, that there shall be some orderly method of procedure. The Reporter can not take a chorus.

Mr. NORRIS. Mr. President, I will ask the Senator from

Utah if he will yield to me now?

Mr. SMOOT. Certainly. Mr. NORRIS. As I understand the motion of the Senator from Utah, as he understands the present law and the paragraph under consideration of the present bill, the effect of the motion is to reduce the tariff on single-barreled breech-loading rifles from 35 per cent to 25 per cent ad valorem?

Mr. SMOOT. That is exactly it, Mr. President; and to con-

form to the present law.

Mr. NORRIS. I am not particularly concerned about conforming to the present law; but it does seem to me, with all due respect to the opinion of the Senator from Colorado, that the bill as reported here by the committee increases the tariff on single-barreled breech-loading rifles from 25 per cent to 35 per cent, and the effect of the motion of the Senator from Utah will be to reduce the tariff to 25 per cent.

Mr. SMOOT. That is exactly it. Mr. WALSH. Mr. President—

The VICE PRESIDENT. Does the Senator from Utah yield

to the Senator from Montana?

Mr. SMOOT. I yield.

Mr. WALSH. Assuming that the Senator from Utah is correct about his construction, I should like to hear him state briefly what objection he has to a duty of 35 per cent on breech-

loading rifles.

Mr. SMOOT. The objection is that 25 per cent on rifles is a protective duty. It has been in the past. No one has asked for an increase so far as I know. I have not received a single letter asking for an increase from a private individual or a manufacturer in the United States. No complaint of the present rate has been made to anyone. I think the present duty is a protective duty, and therefore I think that is the duty that ought to be imposed.

Mr. WALSH. If I may be permitted further, do I understand the Senator to object to it because nobody has asked for

the change?

Mr. SMOOT. Oh, no; I object to it because 25 per cent is a

protective duty

Mr. WILLIAMS. Mr. President, as I understand, the Senator from Utah is objecting because this is a protective duty. Is

Mr. SMOOT. Oh, no; I said 25 per cent was a protective duty. I do not object to any protective duty; but since in the past 25 per cent has been a protective duty, and no objection has been made to it from any source, I do not believe it ought to be increased. It is for that reason that I have offered my

Mr. WILLIAMS. I merely wanted to express my gratification at discovering some duty that was too high for the Senator from Utah.

Mr. SMOOT. Mr. President, of course the Senator from

Mississippi is now facetious.

Mr. WILLIAMS. Oh, no; not facetious. The Senator is mistaken in my meaning. I was never more earnestly and prayerfully solicitous about anything in my life. I have been looking for two years to find some duty that was too high for the Senator from Utah. This is my first opportunity, and I am merely expressing my gratification in public. If the Senator thinks I am humorous about it, he is mistaken. He may think I am humorous, but I am in the most earnest possible position right now; and I want the entire American public to know that we have finally discovered a duty that is too high for the Senator from Utah.

I remember that a recent Senator from Idaho said that if a fence was 6 feet high, and that kept out the invasions of stock, it did no harm to make it 40 feet high, because that would equally keep out the invasions of stock. If the Senator is in favor of a protective tariff, I do not see how he can quarrel with a rate because it is more protective than even he thought. If his philosophy has any meaning at all, I guess it means that he wants the domestic producers of articles to be left without foreign competition. Now he has struck a rate which, according to himself, will preclude foreign competition, and he is quarreling with us about it. That merely indicates that no

matter what we may possibly do, the Senator would still

This reminds me of the report of the Senator's expert upon cyanide of soda. He pronounced it a sedative. because it is a deadly poison; and, if you give it to anyone, it will put him in a sedative conditon for quite a long while. the Senator has finally discovered a duty that puts a sedative upon the importation of repeating rifles, he ought to be

happy, from his standpoint; and if anybody ought to quarrel with it, we are the people that ought to do the quarreling, and

not he.

Mr. SMOOT. The Senator from Mississippi has not watched very closely the amendments I have offered to this bill so far. I think nearly every amendment I have offered so far, with the exception of a few, has been to decrease the rate. I have tried to take articles for which rates have been provided by the Democrats in this bill and put them on the free list in cases where they are on the free list to-day. I have now asked for a decrease in the rate that they have provided through the phraseology adopted. Through that phraseology a rate has been increased from 25 to 35 per cent. The 25 per cent is a protective rate, as I told the Senator, with no one objecting to it; and it is 6 feet high, measured by the standard of the fence spoken of by the Senator, that was mentioned by the late Senator from Idaho, Mr. Heyburn.

Mr. WILLIAMS rose.

Mr. STONE. That is enough.

Mr. WILLIAMS. I did not rise for any purpose of discussion. I rose merely to express my gratification, to express in a certain sense my recognition of the Senator from Utah as a new adherent of the party of tariff reduction. I am not certain that my memory is correct, but if it is correct he was one of the chief architects of the Payne-Aldrich bill; and he is very bitterly opposing this bill principally upon the ground that it reduces duties. Yet he appeared before the public a moment ago and announced that every amendment that he has offered hitherto, except two, was for the purpose of reducing duties. If the Senator, within the next six months, can reconcile his vote for the Payne-Aldrich bill with the position he has just announced, and can reconcile those two positions with his opposition to this bill, which reduces duties all around, it will be a delightful curiosity of political literature.

Mr. SMOOT. No, Mr. President; I simply called the Senator's attention to the fact that he was mistaken in thinking this the first chance I have given him to express his pleasure, because about every amendment I have offered so far was to take items provided with a duty in this bill from the dutiable list and place them on the free list, where they are under the

present law.

I want to say to the Senator that it gives me delight if any action on my part in this body has pleased the Senator from Mis-

sissippi. I assure him the pleasure is mine.

Mr. WILLIAMS. The Senator from Utah can feel delighted because he has succeeded in that regard, but so far as I remember the Senator has not moved to put anything upon the free list, nor to remove any duty where any American producer had a pocketbook interest in collecting a part of the tax from the American consumer. So far he has moved to put things upon the free list that were not produced in America or else to reduce a duty that was too high even to satisfy the tariff cormorants. That is as far as he has gone. He seems to measure in his philosophy this result: That if the thing is produced in America the American people ought not to receive any revenue from its importation; in other words, that unless somebody in America has a pocketbook interest in the imposition of the tax he is opposed to it.
Mr. SMOOT. Mr. President—

Mr. STONE. Mr. President, I ask the Senator from Utah—Mr. SMOOT. Very well, at the solicitation of the Senator from Missouri I will not answer the Senator from Mississippi, but simply call for a vote by yeas and nays on my amendment.

The VICE PRESIDENT. Is the demand for the yeas and

nays seconded?

The yeas and nays were ordered.

Mr. SHIVELY. Let the amendment be read.

The VICE PRESIDENT. The Secretary will read the amendment.

The Secretary. In paragraph 135, page 39, line 21, after the word "shotguns" strike out the words "and rifles"; and in line 25, after the words "ad valorem" and before the period insert a semicolon and the words: "breech-loading rifles, 25 per cent ad valorem," so as to make the paragraph

volving, or parts thereof and fittings therefor, 35 per cent ad valorem; breech-loading rifles, 25 per cent ad valorem.

The VICE PRESIDENT. The Secretary will call the roll on agreeing to the amendment of the Senator from Utah.

The Secretary proceeded to call the roll.

Mr. CHILTON (when his name was called). I have a pair
with the junior Senator from Maryland [Mr. Jackson]. Unless

I can get a transfer, I will refrain from voting.

Mr. FLETCHER (when his name was called). I have a general pair with he Senator from Wyoming [Mr. WARREN].

In his absence, I withhold my vote.

Mr. THORNTON (when the name of Mr. Johnston of Alabama was called). I desire to announce that the junior Senator from Alabama [Mr. Johnston] is necessarily absent from the Chamber

Mr. THOMAS (when his name was called). I have a general pair with the senior Senator from New York [Mr. Roor]. I transfer that pair to the Senator from Oklahoma [Mr. Gore] and vote "nay."

The roll call was concluded.

Mr. SMITH of Georgia (after having voted in the negative). I inadvertently voted a moment ago. I have a general pair with the senior Senator from Massachusetts [Mr. Lodge]; but I transfer that pair to the junior Senator from Colorado [Mr. SHAFBOTH] and will let my vote stand.

I wish to announce that my colleague [Mr. Mr. JAMES. Bradley] is detained from the Chamber by reason of illness, He has a general pair with the Senator from Indiana [Mr.

Mr. KERN. I transfer my general pair with the Senator from Kentucky [Mr. Bradley] to the Senator from Alabama [Mr. Johnston] and vote "nay."

Mr. BACON. I inquire whether the senior Senator from Minnesota [Mr. Nelson] has voted?
The VICE PRESIDENT. He has not.

Mr. BACON. For that reason I withhold my vote, having a general pair with that Senator. If he were present, I should

Mr. CHILTON. I transfer my pair with the junior Senator from Maryland [Mr. Jackson] to the senior Senator from Maryland [Mr. Smith] and vote. I vote "nay."

Mr. JONES. I desire to state that my colleague [Mr. Poin-

DEXTER] is necessarily detained from the Chamber.

Mr. SHAFROTH. By a transfer of pairs, I stand paired on this vote with the senior Senator from Massachusetts [Mr.

Mr. PERKINS (after having voted in the affirmative). inquire if the junior Senator from North Carolina [Mr. Over-MAN] has voted?

The VICE PRESIDENT. He has not.
Mr. PERKINS. I will transfer my general pair with the
Senator from North Carolina [Mr. Overman] to the junior Senator from Wisconsin [Mr. STEPHENSON] and let my vote

Mr. SHEPPARD. My colleague [Mr. Culberson] is unavoidably absent. He is paired with the Senator from Delaware [Mr. DU PONT]. I will let this announcement stand for the day.

Mr. GALLINGER. I was requested to announce that the junior Senator from Maine [Mr. BURLEIGH] is paired with the junior Senator from Virginia [Mr. Swanson]; the Senator from Delaware [Mr. DU PONT] with the Senator from Texas [Mr. Culberson]; the Senator from West Virginia [Mr. Goff] with the Senator from Alabama [Mr. BANKHEAD]; and the Senator from North Dakota [Mr. McCumber] with the Senator from Nevada [Mr. NEWLANDS].

The result was announced-yeas 31, nays 40, as follows:

	YE	AS-31.	
Borah Brady Brandegee Bristow Burton Catron Clark, Wyo.	Crawford Cummins Dillingham Gallinger Gronna Jones Kenyon La Follette	Lippitt McLean Norris Oliver Page Penrose Perkins Sherman	Smith, Mich. Smoot Sterling Sutherland Townsend Weeks Works
	NA	YS-40.	
Ashurst Bryan Chamberlain Chilton Clarke, Ark. Hitchcock Hollis Hughes James Johnson, Me.	Kern Lane Lewis Martin, Va. Martine, N. J. Myers O'Gorman Owen Pittman	Pomerene Ransdell Reed Robinson Saulsbury Sheppard Shields Shively Simmons Smith, Ariz,	Smith, Ga. Smith, S. C. Stone Thomas Thornton Tillman Vardaman Walsh Williams
	NOT V	OTING-25.	
Bacon Bankhead Bradley	Burleigh Clapp Culberson	du Pont Fall Fletcher	Goff Gore Jackson

Johnston, Ala. Lodge McCumber Nelson

Newlands Overman Poindexter Root

Shafroth Smith, Md. Stephenson Swanson

Warren

So Mr. Smoot's amendment was rejected.

Mr. BRANDEGEE. Mr. President, although I do not suppose it makes any difference to the party that has framed this bill as to what the difference in the cost of production here and abroad may be, it makes a great difference to the makers of these goods. I have a communication here from a maker in my State of pistols, which are covered by this paragraph, in which the writer says:

We feel, should these tariff measures go through as proposed now before Congress, it would result in working a very grave hardship to the men employed in this line of industry, as their wages would of necessity have to be very materially reduced, or else our factories would be obliged to close their doors.

Another states:

Another states:

We maintain that the present duty of 75 cents each and 25 per cent ad valorem is no more than sufficient to cover the difference in the cost of labor in our factory and in the gun factories of Belgium and Spain where our principal foreign competition is located.

In our factory we employ about 500 operatives—all grown men—and a large percentage American born. Our skilled workmen earn from \$15 to \$20 per week, working 55 hours. The operatives of our foreign competitors are largely women and children, and they earn from \$3 to \$5 per week. The few skilled men employed earn from \$6 to \$9 per week. The hours of labor are from 60 to 65 per week.

There are no agreements of any kind between American makers of pistols, but on the other hand competition is so keen that the prices have declined during the last few years to a point where there is practically no profit in the business.

I also have here a statement from several manufacturers of double-barrel guns in the State of Connecticut, among them Hopkins & Allen Co., of Norwich, Conn.; the American Firearms Co., of Meriden, Conn.; and Parker Bros., of Meriden, Conn. They state in relation to their industry as follows:

In view of a proposed change in tariff, we, the manufacturers of double-barrel sporting shotguns earnestly ask that such double-barrel shotguns be considered separately from all other firearms, as in the past. Referring to the last proposed change embodied in tariff bill H. R. 18642, paragraph 31—

They have the wrong number, however; they were looking at the bill which came from the House in the last Congress-

the bill which came from the House in the last Congress—
it was proposed to classify double-barrel shotguns with rifles, revolvers, single-barrel repeating and automatic shotguns. We beg to call the attention of your bonorable committee to the fact that formerly double-barrel shotguns have always been considered in a class by themselves, and must be so considered in order to permit the American manufacturers of such arms to remain in business, inasmuch as conditions surrounding their manufacture vastly differ from other firearms. * * * We beg to submit our opinion that if the proposed change were permitted it would be absolutely fatal to the double-barrel gun industry in this country, because the cost of production of a double-barrel shotgun here as compared with the cost abroad is more than double (the difference in cost being made up almost entirely in the difference of wages paid in Belgium as compared with the wages paid in the gun factories in the United States). We cite Belgium, as seven-eighths of the guns imported into the United States are from that country. Any material reduction of the present tariff would be the means of crippling or destroying the double-barrel shotgun industry.

To establish the fact of difference in wages we quote from Dally Consular and Trade Reports, issued in Washington by the Government, dated August 31, 1912, page 1117, the following:

"The wages paid in the gunmaking industries in Belgium vary from 77 cents to 96 cents per day for the ordinary workmen and from 96 cents to \$1.54 for skilled workmen. In spite of a steady advance in the cost of living there was a tendency to reduce the scale of wages of the workingmen employed in gunmaking:

And, according to data published by the Belgium Government in the Annualre Statistique, which gives the official figures for 1910, shows the following dally wages:

About 65 per cent of the men workers over 16 years of age earn less than 68 cents; of the workmen, 67 per cent earn less than 30

the following daily wages:

About 65 per cent of the men workers over 16 years of age earn less than 68 cents; of the workmen, 67 per cent earn less than 39 cents and 33 per cent less than 58 cents per day.

We mention the wage scale of the women because a large percentage of work in Belgium gun factories is done by women and children. It is therefore a very conservative estimate if we assume that the wages paid in Belgium for this class of work is something less than one-third the wages paid for the same work in this country, and the cost of a gun manufactured in this country is composed of over 80 per cent labor. For example, a gun that costs the American manufacturer \$20 to produce represents:

Material Labor Lab	\$4.00 16.00
Total	20. 00
Same gun in Belgium would cost: Material Labor	\$4.00 5.35
Total	9. 3
Present duty added— Specific. Ad valorem, 15 per cent	4. 00

The above shows that the present protection is not sufficient to cover the difference in cost of production, and any further reduction in duty must of necessity swing balance of trade almost exclusively to the Belgium manufacturers, which condition existed prior to our present tariff schedules, and we therefore earnestly ask that the present duty on double-barrel shotguns be left without change.

Mr. President, as I said, it is difficult to make any argument to Senators who say that they utterly disregard the difference in the cost of production between the goods produced in this country and the goods produced abroad. Therefore, as has been repeatedly demonstrated in the past, I do not think it is of any use whatever to offer any amendment to this proposed reduction

Of course, the producers who come here one after another and state they will be obliged to curtail their output and discharge their employees and shorten their hours of work and reduce wages are simply flouted. It is said that any industry which asks to be protected is simply looking after its pocket nerve. In that way one industry after another, and altogether constituting the total productive capacity of this country, is simply set aside. It is assumed—one would think, at least, the assumption to be that there are no persons in this country but consumers, and that the consumers are not producers.

Mr. President, if each industry is to be put out of court by saying that they are trying to protect themselves and hence are not entitled to consideration, I do not know how the prosperity of this country is to be maintained by turning over voluntarily the employment of both the capital and the labor of the country to foreigners in order to reduce temporarily the cost of living, as they say to a certain portion of the people who are nothing but consumers. The trouble is everybody is a consumer, both the employed producers and the people of wealth who do not have to work for a living. But where will the operative who is now getting wages in these factories under a protective tariff that has paid some consideration to the difference in the cost of production in this country and abroad based upon the theory that on the average from 70 to 80 per cent of the cost of every manufactured article is labor, where are the people of this country, the great masses of whom are producers now engaged at profitable wages, to avail themselves of any reduction in the cost of living, even if the importer and the jobber and the middle man and the retailer would allow the ultimate consumer to have the benefit of the cheaper foreign goods that are imported in place of those produced by our own labor and capital? Where are they to get the wages to avail themselves of even the reduced prices of these commodities if in order to get these commodities they are to be discharged from their now productive and prosperous trades?

As I said in the beginning, it is very evident that it would be no use to offer any amendment or make any argument upon this question, when the difference in the cost of production is not even pretended to constitute a controlling element in the opinion of the framers of these measures.

Therefore it is just as well, from my point of view, to vote against the committee provision that is contained in the bill as it is to propose an amendment endeavoring to correct the abuse and have the majority vote it down without a break. It appears to make no difference what the strength of the argument upon any question may be, it is to be voted down. Even if the argument made is unanswered, no amendment proposed by any Senator upon this side of the Chamber is to be tolerated. Men are to vote blindly even when defeated in argument and debate in favor of the action of this secret party caucus, which stands bound not to submit to the dotting of an "i" or the crossing of a "t" or the changing of a comma in the bill, unless the same is proposed as an amendment by the committee in charge of the bill.

As I said before, I shall content myself with voting against the reductions proposed.

The VICE PRESIDENT. The Secretary will proceed with the reading of the bill.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in paragraph 136, page 40, line 3, after the word "or," to insert the words "any of the above composed wholly or in chief value," so as to make the paragraph read:

136. Table, kitchen, and hospital utensils, or other similar hollow ware composed wholly or in chief value of aluminum or any of the above composed wholly or in chief value of iron or steel, enameled or glazed with vitreous glasses, but not ornamented or decorated with lithographic or other printing, 25 per cent ad valorem.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee.

Mr. SMOOT. Mr. President, I am going to content myself with calling the attention of the Senate to the amendment now under consideration. I believe if you will take out of the amendment the words "any of the above" there will be no misunderstanding as to what the paragraph really means, but with those words in I do think there will be a great misunderstanding. Let me tell the Senate why. The paragraph reads:

Table, kitchen, and hospital utensils, or other similar hollow ware, composed wholly or in chief value of aluminum, or any of the above made wholly or in chief value of aluminum—

And so forth.

What are "any of the above"? "Any of the above" are table, kitchen, and hospital utensils composed wholly or in chief value of aluminum. If the Senator wants to have it apply not only to aluminum, but to steel and iron, by striking out "any of the above," then it would read this way, which is perfectly plain:

Table, kitchen, and hospital utensils, or other similar hollow ware, composed wholly or in chief value of aluminum or composed wholly or in chief value of iron or steel.

That covers both of them; but the way this wording is, in order that they shall be composed wholly or in chief value of iron or steel they have to be composed wholly or in chief value of aluminum. The words "any of the above" refer to aluminum ntensils.

Mr. THOMAS. Ithink the Senator and I are wholly agreed as to what the purpose of the amendment was designed to subserve, but it seems to me that the criticism of the Senator's suggestion lies in this: If you strike out the words "any of the above," then there would be no provision made for table, kitchen, and hospital utensils composed wholly or in chief value of iron or steel, unless the latter were enameled or glazed with vitreous glasses.

Mr. SMOOT. No; that is the way the House had it. The way you have it now, with the words "any of the above," those words refer to aluminum ware or aluminum ware composed wholly or chiefly of aluminum; and in order that the latter part of the paragraph may have any effect whatever it first must be tableware composed wholly or in chief value of aluminum; but if you strike those words out, then the meaning is plain.

is plain.

Mr. THOMAS. It may be that the Senator's criticism of the language of the paragraph is sound. We have no pride of opinion in construction. But I still think that if we eliminate those words we must add something to cover table, kitchen, and hospital utensils composed wholly or in chief value of iron or steel which are enameled or glazed with vitreous glasses. As it stands, the committee thinks that it does cover all classes; and inasmuch as these utensils which are composed wholly or in chief value of aluminum are not enameled or glazed, and can not be, as I understand it, that amendment was made.

not be, as I understand it, that amendment was made.

Mr. SMOOT. If that is the case, certainly the comma should be stricken out after the word "steel." But I will ask the Senator if he will not let the paragraph go over for further examination.

Mr. THOMAS. We will examine it, of course. We want to get it precisely as the Senator thinks it ought to be. We are agreed as to the result that is satisfactory.

Mr. STONE. It is a mere matter of phraseology. I ask that the paragraph be passed over.

The VICE PRESIDENT. Paragraph 136 will be passed over. The Secretary continued with the reading of the bill.

The next amendment was, in paragraph 137, page 40, line 12, after the word "articles," to strike out "25" and insert "20," so as to make the paragraph read:

137. Needles for knitting or sewing machines, latch needles, crochet needles, and tape needles, knitting and all other needles not specially provided for in this section, bodkins of metal, and needle cases or needle books furnished with assortments of needles or combinations of needles and other articles, 20 per cent ad valorem; but no articles other than the needles which are specifically named in this section shall be dutlable as needles unless having an eye and fitted and used for carrying a thread.

Mr. McLEAN. Mr. President, some time ago I submitted an amendment to this section. I suppose it has been printed and is now on the table. If it is not at hand, I can read from the amendment which I have. On page 40, line 8, between the words "needles" and "and" insert the following:

The hook part of which is made of metal, 40 per cent ad valorem, crochet needles, the hook part of which is made of other materials than metal.

My amendment makes a distinction between the needles made of metal and of wood, crochet needles, which those interested in the business say should be made. There is no reason why there should be as large a duty upon needles made of wood as there is upon the metal needles.

But my principal objection to this section is the rate applied to sewing-machine needles. If Senators will look at the reports upon this product at page 142 of the Tariff Handbook, they will note that in 1896 the rate was 25 per cent and the imports were \$53,000. In 1905 the rate was 34 per cent, an increase of nearly 10 per cent, and the importations increased to \$145,064. In 1910 the rate was raised still higher, to 41.93 per cent ad valorem. Notwithstanding this, the importations increased more than \$50,000, to \$206,875. In 1912, with the same rate, 41.94 per cent, the imports increased more than \$50,000, to \$263,162.

Mr. President, I desire to call the attention of Senators upon the other side of the Chamber who have charge of this schedule

to the fact that in regard to this industry it does not seem to me it could have been considered at all and the rate fixed as it has been fixed.

In Connecticut the industry began in 1866. Needles at that time sold for \$50 a thousand, but by reason of improvements in machinery the price has now been reduced to \$5 a thousand or thereabouts. Owing to improved machinery and the competition which has resulted from the German makers of this same class of goods, this concern some years ago was compelled to build a factory in Germany, at Aachen, where they introduced precisely the same machinery which they had in the mills at Torrington. They had to do this in order to meet the German

I call the attention of Senators on the other side to the fact that this is a clean-cut case of a duty on a product where the only difference in the cost of production is the labor cost. The same firm with the same machinery to-day is manufacturing needles in Germany and also manufacturing them in Torring-

In the brief which was submitted to the committee it seems to me that the Torrington concern very frankly states the exact difference in the cost and the reasons for it, and shows that the German cost is \$3.25 a thousand, whereas the American cost by the old machinery is \$7.80 and by the newer machinery, the latest model, it is \$6.57 per thousand. All they ask for is the maintenance of the present duty, not that it makes good the difference in the cost, because even the present duty does not do that. The report shows that there are absolutely no exports in this product, and it shows that the imports have been increasing very rapidly since 1896. Practically the only difference in the cost of the product here and in Germany is the labor cost.

Mr. STONE. How much is that difference?
Mr. McLEAN. It is about \$2.55 a thousand.
Mr. STONE. What is the per cent of difference?
Mr. McLEAN. It is much more than is asked for. All they

ask is 40 per cent, the same duty that has been upon this article all the years in which the importations have increased. The Torrington manufacturer states in his brief that the reduction of the duty will drive the whole of this industry to Germany. There is no question about that. It can not stand the sharpness of the competition as it is at present.

I want to call the attention of the committee to the fact that in the list of questions which was sent out by the committee that of labor cost was one of the important questions

Mr. STONE. If the Senator will permit me, I will say that I have a table here of the imports into the country in 1912. What is the particular kind of needle the Senator has in mind?

Mr. McLEAN. These are the latch sewing-machine needles. Mr. STONE. Here I find an item for knitting or sewingmachine needles, and the value of the imports for the year ending June 30, 1912, was twenty-nine thousand and odd dollars; of crochet and tape needles, knitting, and all other needles not specially provided for, and bodkins of metal, eighty-seven thousand and odd dollars. Do those two items cover the needles which the Senator from Connecticut has in mind?

Mr. McLEAN. I do not think so; but if the Senator will look at page 132, which includes the importations under paragraph 137, he will find that they are bunched together; and it is very difficult to identify the different varieties of needles that come in under the importations; but the total amount has increased

very rapidly.

Mr. STONE. If the Senator please, I find another item in this list which has been made by the Treasury Department of this kind—"latch needles." Is that what the Senator has reference to?

Mr. McLEAN. That is one of the classes of needles which is made at Torrington and one of the important products.

Mr. STONE. I was endeavoring to get at just what kind of

needles were made at Torrington.

Mr. McLEAN. The other interests appeared before the com-The crochet-needle men appeared before the committee, and their argument was based practically upon the same reasons that the Torrington factory gave-that the importations have increased notwithstanding a constant increase in the duty.

Mr. STONE. Of these latch needles, \$145,000 worth were imported in the fiscal year ending June 30, 1912. Has the Senator from Connecticut any data on his desk by which he could give the production of these needles as compared with

importations?

Mr. McLEAN. No; I have not. As there were no exports, I did not think that that would be important. It seemed to me that the fact that the imports have increased so rapidly under almost double the duty that is imposed here it must be clear to the committee that unless this duty is maintained

the manufacture of this product will have to go to Germany, and that is clearly what the president of the Torrington company, Mr. Vincent, says in his statement to the committee. I will read a paragraph from this brief, which seems to me to be a very fair statement of the situation:

be a very fair statement of the situation:

We felt obliged some years since to establish factories in England and Germany, as we were losing the greater part of our foreign trade, owing to our not being able to meet prices from our factory here. The figures we are giving are comparisons between our factory costs at our Torrington plant and our factory costs at our plant in Aachen, Germany. These figures are made up under the same system and are submitted to the same people eventually for correction and tabulation. We are giving figures of factory cost, leaving out general and selling expenses, as these might differ considerably between the two countries and would be higher in Germany than in the United States, because we go more to the retail trade in Germany than here. In these costs we have taken in all factory costs except insurance, taxes, and depreciation.

We have given two columns of Torrington costs, the first being costs with our latest machinery and the second column costs with the same machinery as we are using in Germany.

In the Torrington factory the costs are: For stock, 53 cents

In the Torrington factory the costs are: For stock, 53 cents per thousand; supplies, 19 cents; labor, \$4.86; machine-shop repairs, 11 cents; waste, 60 cents; factory overhead charges, 20 cents; a total of \$6.57 per thousand.

In Germany the stock is 37 cents; supplies, 18 cents-not a very great difference-labor, \$2.14, in comparison with the \$4.86 in this country; machine-shop repairs, 4 cents; waste, 34 cents; factory overhead charges, 14 cents; a total of \$3.21 a thousand.

It seems to me, Mr. President, in view of the fact

Mr. STONE. Mr. President, I have not been able somehow to place great reliance at any time during these various tariff discussions from session to session upon statements such as the Senator has just made. We have heard over and over again that there was a difference in the labor cost on particular manufactures here and in Germany or in England. I have read with some care divers and sundry reports on that subject, among others the report of Mr. Herbert Knox Smith, former head of the Bureau of Corporations, who made a pretty exhaustive investigation into this subject. I hold in my hand a very excellent synopsis and analysis of that report, and I read three lines from it. as follow:

The bureau attempted to get costs of manufacture in the chief for-eign producing countries, but it was found impossible to obtain any comprehensive information as to cost.

The conclusion is that there was, in fact, no available trustworthy data of the kind referred to, and that comparisons, of course, are therefore practically out of the question as a basis of calculation or of legislation. I would be glad if I had some more definite information on that subject, but such as I have had does not appeal very strongly to my confidence.

Mr. McLEAN. That might well be so in a great many instances, but I present this case because it does seem to me that the committee had trustworthy information in regard to the exact cost, not only from this concern, but I think representatives of two or three other concerns appeared and filed their briefs, not only before the Senate committee but before the House committee.

If the Finance Committee assume in every case that the American manufacturer presented false statements when he came before the committee to appeal for a certain rate of duty, why, of course, I have nothing more to say.
Mr. STONE. Oh, Mr. President, I hope the Senator from

Connecticut will not assume that.

Mr. McLEAN. The Senator from Missouri has stated that he found it very difficult to obtain reliable information.

Mr. STONE. Yes; I have.

Mr. McLEAN. In reply, I suggest that there were at least three firms, whose representatives appeared before the

three firms whose representatives appeared before the committee, and the one which I have mentioned in particular did state to the committee precisely the difference in the cost of production at home and abroad of this particular article. Se in this case the difficulty under which the Senator labored car not exist, provided he gives credence to the American manufacturer. That is all I said. That being the case, the only purpose, apparently, of the committee in fixing this rate was to drive the American manufacturer out of the country and give the benefit of the doubt to the foreign producer. say further to the Senator from Missouri that the author of this bill, almost under the very roof where these needles are made, used the following language:

Now, there are two sides to this question. There isn't a particle of possibility of the Democratic Party that it won't equalize the difference in labor cost at home and abroad.

He said that in Waterbury, close to this factory.

Mr. STONE. Well, I can not assume, and I do not assume, as the Senator does, that the distinguished chairman of the Ways and Means Committee has not kept faith and practically performed that promise in this bill, even as to this particular item of the bill.

Mr. McLEAN. Well, if that is the position taken by the Senator, then his claim is that this rate does make good the difference in the cost of production at home and abroad.

Mr. WILLIAMS. No; the labor cost. Mr. McLEAN. The labor cost?

Mr. WILLIAMS. Yes; the labor cost.

Mr. McLEAN. But let me call the attention of the Senator from Mississippi to what Mr. Underwood said in that same speech. Perhaps the Senator was not here when I read it the other day. Mr. Underwood said in Waterbury:

Now, let us see what the difference between these two great parties is. He says—

Referring to ex-Representative Hill-

we are a free-trade party. I deny it. There is a clean distinction, revenue tariff must be a competitive tariff.

If the Senator from Iowa [Mr. CUMMINS] were here, he would now get Mr. Underwood's definition of a competitive

Whenever you cut off competition then you are damming back revenue, and your tariff is levied for the purpose of protecting somebody's profit, and not for the purpose of getting revenue for the Government. When you coualize exactly the difference in cost at home and abroad, if you can do it—it is impossible to do it exactly, but you may approximate it—but when you do that you have got a competitive tariff.

I was addressing my remarks to the Senator from Mississippi [Mr. Williams], but if he does not care to hear me, I will not read any further. I was endeavoring to communicate to the Senator from Mississippi the definition of a competitive tariff as announced to the people of Connecticut before the election by the author of this bill. If the Senator does not care to hear any more of it, of course I will not proceed further.

Mr. WILLIAMS. I do not know how the Senator arrives at the idea that I was not always sweetly receptive of anything in the world he wanted to say.

Mr. McLEAN. The Senator was engaged in conversation with

another Senator.

Mr. WILLIAMS. That was merely an incidental matter. I did not know the Senator wanted me to listen. If I had known it, I would have listened with all my heart and strength and

Mr. McLEAN. I apologize to the Senator. I will continue to read Mr. Underwood's definition of a competitive tariff:

It is a field in which you can collect a revenue tariff-

That is the competitive tariff-

because all, after fixing the exact difference of cost at home and abroad, on downward it is a revenue tariff. Now, what I said at the meeting at Hartford was that that being the case, and the Government needing all the revenue it could get—we have got to have it—we had to levy the taxes at the highest revenue rate consistent with our principles, which, of course, can not go above the difference of cost at home and abread. and abroad.

Mr. Underwood does not limit the cost to the labor cost.

Mr. WILLIAMS. But he said it in the beginning of the address, did he not?

Mr. McLEAN. No.

WILLIAMS. I suppose he did not have to repeat it every time.

Mr. McLEAN. He finished with this sentence:

There isn't a particle of possibility of the Democratic Party that it won't equalize the difference in the labor cost at home and abroad,

Mr. WILLIAMS. Ah, yes.

Mr. McLEAN. At least equalize the labor cost. Mr. WILLIAMS. The labor cost; yes.

Mr. McLEAN. But a competitive tariff must begin with the difference in cost, according to Mr. UNDERWOOD.

Mr. WILLIAMS. No; labor cost. Mr. McLEAN. Oh, no; he does not limit it to "labor" cost. It may not be a matter of very great importance, except to you; but it does seem to me, under the circumstances, that the confidence of the people of Connecticut was secured by this declaration of the author of this bill. The conditions were such that every word uttered by him was weighed carefully by these men. They were there with their upturned faces to get from him what they were to expect if the Democratic Party should be returned to power; and when he said to them that they need have no concern, that the revision which he might have control of would certainly equalize the difference in the labor cost at home and abroad, I think it would take more than any excuse which I have heard at present to satisfy the laboring man, provided he loses his employment, that he has not been betrayed and deceived. That is why I took the liberty to bring the attention of Members on the other side of the Chamber to this one product, because it is a clean-cut illustration where, if the manufacturers are honest, if their statements are to be given credence—and I believe they are absolutely honest—the tariff does not equal the difference in cost at home and abroad.

Mr. STONE. Mr. President, the Senator from Connecticut has several times quoted from a newspaper report of a speech made by the chairman of the Ways and Means Committee of the House. The speech, it seems, was made in Connecticut during the last campaign. As to the accuracy of the report I have no means of knowing. The Senator is very much wedded to it, as, in way, he keeps referring to it. He quoted it all in a somewhat elaborate and very interesting address he made here some days ago; and about every time he takes the floor he reads again from this supposed utterance of Mr. Underwood, taken from some newspaper in Connecticut. I should think, however, if the Senator from Connecticut were really desirous of knowing the position of the Democratic Party on the tariff, he might, with greater profit, refer to the platform itself, although I do not in that statement mean to say that the chairman of the Ways and Means Committee, a very wise and influential legislator and a great Democrat, has at any time departed from the declaration and policy announced in the party platform.

Mr. President, aside from all that, here we have a reduction of a little above 40 per cent ad valorem. I see the Senator

shake his head. Does he differ from that statement?

Mr. McLEAN. I was simply freeing myself from the heat. I was not annoyed-

Mr. STONE. I did not suppose the Senator was annoyed. It was a question of whether he disagreed.

Mr. McLEAN. No; I do not disagree.
Mr. STONE. Well, according to the figures tabulated by
Treasury officials and now lying on my desk, the existing duty on the articles to which my friend refers is a little above 40 per cent, and the House bill reduced it to 25. Now, Mr. President, I think that——
Mr. McLEAN. If the Senator will pardon me, it is now re-

duced to 20 per cent.

Mr. STONE. The House bill provided a duty of 25 per cent, and the Senator was criticizing the action of the House committee, and particularly that of Mr. Underwood, chairman of the committee.

Mr. President, it seems to me that with a duty such as has been provided here in this bill, even by the amendment of the Senate committee, the workingmen at Torrington who heard Mr. UNDERWOOD speak-

Mr. McLEAN. Well, I did not say that-

Well, that is immaterial. I understood the Mr. STONE. Senator to say

Mr. McLEAN. I said he delivered this speech in Waterbury, which is practically under the roof of or a short distance from

the Torrington factory. Mr. STONE. Then the Senator says that during the delivery of the speech Mr. UNDERWOOD made at Waterbury, in the audience were a number of the men engaged in the industry about

which he had been speaking? Mr. McLEAN. Yes; and men engaged in hundreds of other

industries in the State of Connecticut.

Mr. STONE. And men engaged, as the Senator says, in hundreds of other industries in Connecticut were sitting there, as he described them, with upturned faces listening to what this great leader of the Democratic Party had to say, and that they were influenced by what he said, probably, to vote the Democratic ticket.

Mr. President, I think my friend is unduly alarmed, if he is really alarmed, and is not joining in the same general crusade of his party colleagues on this Democratic tariff measure in a general effort to discredit it. If that be true, then it would be useless to say anything to him or to any other Senator who is inspired by motives of that kind; but, assuming now that he is speaking from the heart and from his judgment, then he must be unduly alarmed.

These manufacturers will go on with their enterprises under the duty fixed in this bill, and the workingmen whom the Senator described most eloquently as looking into the face of Mr. Underwood when he was delivering an impassioned address will go on with their work and their employment just the same

and at the same price.

Mr. McLEAN. I have no desire to prolong this discussion; but I would suggest to the Senator from Missouri that the mechanics of Connecticut had a right to assume that the author of this bill, Mr. UNDERWOOD, would give them a safer interpretation of the Democratic platform, perhaps, or as safe an interpretation as they could get anywhere. Inasmuch as he came to Connecticut with authority to speak as the author of the bill, you can hardly blame the mechanics of Connecticut for accepting his interpretation of the tariff plank of the Democratic platform, because we all know that as a matter of history there has been some difficulty in reaching a consensus of opinion as to what Democratic tariff platforms have meant.

Just one suggestion and I shall finish. I want to say that the report of this speech which I have read was published in a leading Democratic paper of Connecticut, and I have reason to believe that the most accurate stenographer that could be had in the State was sent to Waterbury to take that speech. Inasmuch as I read this speech to the Senate nearly a week ago and no one has seen fit to question the accuracy of a word of it, it is fair to assume that it represents precisely what Mr.

UNDERWOOD said.

So much for that. I want to say further to the Senator from Missouri that I know there are Republicans who will overestimate the injury which will result from the passage of this bill, as a matter of course, and I think it is safe to assume that there are Democrats who will underestimate the extent of the injuries that will result. That is human. But if it comes to us, as it does to-day, so sacred that no amendments can be had; if it comes to us from the mountain, cut in stone, so sacred that when-I will not say by a mistake, but by what seemed to me to be an accident—a rate is raised higher than any human being desires to have it raised, it must still receive the baptism of that side of the Chamber, I want to suggest to the Senator from Missouri that he may be mistaken in this matter, and if so, very serious consequences will result to the manufacturing interests of Connecticut. I mentioned two woolen concerns the other day. I believe the statement I made with regard to them is accurate.

Mr. STONE. Yes; I remember the statement. Mr. McLEAN. I want to say, in conclusion, that if these men in Torrington lose their occupation, if they have to tread the streets in idleness and want, it will take more than the jubilant whistlings of the senior Senator from Missouri to satisfy them that they have not been betrayed and deceived.

Mr. STONE. Mr. President, I do not say one way or the other as to the accuracy of the newspaper report of Mr. Underwood's speech. I am indifferent about it. But certainly every man who heard the speech, and who had read the Democratic platform and the speech made and the letter written by Gov. Wilson accepting the nomination, must have known that it was the declared purpose of the Democratic Party to reform what we considered tariff abuses; that our purpose was to revise the tariff and to keep our promise-whatever our Republican friends may have done about their promises to the same effect—to revise the tariff downward. That meant to cut it somewhere and everywhere along the line. They must have known that it was not the purpose of the Democratic Party to retain the high protective duties laid by the Payne-Aldrich bill.

There is another thing, Mr. President, that these men must have known when they sat there listening to this speech; for I think the people of Connecticut are exceptionally intelligent people. They at least come up to the highest average of our American citizenship. The Senator will agree to that. They must have known that this same Mr. Underwood, chairman of the Ways and Means Committee, had at the previous session of Congress, before he delivered this speech, presented to Congress a bill remodeling the metal schedule, and that the reduction of duties carried in this bill appeared in that bill.

Looking at that fact, that these men knew what had been done by Mr. Underwood's committee and under his guidance, knowing what the Democratic platform contained in giving expression to the purpose of the Democratic Party to reduce taxation all along the line-

Mr. WILLIAMS. And the indorsement of the action of the

Mr. STONE. And, as my friend from Mississippi says, expressly giving indorsement to the previous action of the Housein the face of all this these bright-faced and intelligent workmen from Torrington, making needles, who sat under the eyes listened to the voice of Mr. Underwood, certainly could not have understood him as saying that there was no intention to reduce these duties.

What the Senator read was to this effect-I am trying to state the substance of it-

Mr. McLEAN. I will read it again for the Senator. Mr. STONE. No; the Senator has read it so often that I hope he will not read it again. I can not repeat it verbatim, but I can repeat the substance of it. It was that Mr. Underwood declared that there would be no legislation that would not maintain the difference in the labor cost here and abroad.

Mr. McLean. Or that would destroy any legitimate industry. Mr. STONE. Or that would destroy any legitimate industry. Mr. WILLIAMS. That was not in this speech. Mr. STONE. That is in the platform. I do not know whether

the Senator read that in the speech or not.

Mr. McLEAN. I have no doubt the Torrington mechanics understood it that way.

Mr. STONE. Now, the Senator from Connecticut contends that the existing duty of 40 per cent is not sufficient to cover the difference in the labor cost here and abroad. In other words, he claims that the difference in the labor cost here and abroad is about 60 per cent. Does he understand that Mr. Underwood was promising these happy, bright-faced, intelligent workingmen of Torrington that he would raise this duty to 60 per cent-assuming, now, that the Senator's statement of fact is correct?

Mr. McLEAN. If it was necessary to preserve the industry;

Mr. STONE. Oh!
Mr. McLEAN. But all they are asking is 40 per cent.
Mr. STONE. Mr. President, if the Senator is prepared to say, in view of all the things to which I have referred, that these workingmen believed or for one moment expected any such thing as that, he must be so badly mistaken that the foundation of his contention is-

Mr. WILLIAMS. Rotten.
Mr. McLEAN. I heard the suggestion of the Senator from Mississippi; and if the Senator will pardon me, I would suggest that in the event that we assume that this is a legitimate in-dustry and it is destroyed by the tariff which it is proposed to place upon this article, I will leave to the Senator from Mississippi and the Senator from Missouri the demonstration of the fact that the Democratic Party has kept its promise to these laboring men. I have no doubt those Senators will be able to convince these men that when the author of the bill told them that their industry should not be destroyed they had no right to expect that Mr. Underwood was making a promise which

he intended to perform.

Mr. STONE. Let me ask the Senator from Connecticut a question. Has the Senator offered his amendment? I am not

quite sure whether he has or not.

Mr. McLEAN. Yes. Mr. STONE. Then, Mr. President, I should be glad to have vote on the amendment.

Mr. GALLINGER. Mr. President, the Senator will not get

vote just yet. Mr. STONE. My dear friend does not imagine that I would endeavor to shut him out?

Mr. GALLINGER. Oh, no; I understand.

Mr. STONE. I am always too charmed to hear him. Mr. GALLINGER. Mr. President, a couple of hours ago, when the Senator from Missouri, apparently in a somewhat excited state of mind, told this side of the Chamber that they were wasting time—that they were offering "toploftical" amendments, if I remember the term correctly—I was not quite sure that I would have the temerity to say another word during the consideration of this bill.

But the Senator from Missouri has resumed his normal sweetness of temper; and that being the fact, I propose to say

word or two about this paragraph.

The imports of these needles are very considerable, and from my viewpoint I think they ought not to be increased. I think the factories that make these needles in this country are all in New England. I have been struggling to protect some other New England industries and have not had any success, and I have little expectation that I shall be able to do much for the manufacturers of needles. But I want to read from a brief that was filed with the Committee on Finance of the Senate during the consideration of this bill. It is signed by the following concerns, or their officers:

E. H. Sturtevant, treasurer Franklin Needle Co., Franklin, N. H.; W. F. Duffy, treasurer Mayo Machine & Needle Co., Franklin, N. H.; C. J. Darrah, treasurer William Corey Needle Co., Manchester, N. H.; A. Currier, treasurer Dodge Needle Co., Manchester, N. H.; J. E. Wilson, treasurer Wardwell Needle Co., Laconia, N. H.; John T. Busiell, president Laconia Needle Co., Laconia, N. H.; J. F. Alvord, president Excelsior Needle Co., Torrington, Conn.; W. S. Page, Page Needle Co., Chicopec Falls, Mass.; C. E. Kehoe, Charles Cooper Machine & Needle Works, Bennington, Vt.; E. E. Sawyer, president Contoocook Needle Co., Contoocook, N. H.; J. M. Shaw, treasurer George H. Adams Needle Co., Hill, N. H.

It will be observed that while Connecticut has one needle factory-at least, the name of the representative of a concern in Torrington, Conn., appears in this brief-there are eight mills in my little State of New Hampshire making needles. Hence, I think I have a right to say a word in behalf of this industry, which is a very considerable industry in New Hamp-

In their brief they said:

In their brief they said:

Fully 85 per cent of the cost of manufacturing latch needles is in labor, and there is a strady demand for increased wages. Since 1909 our wages have been increased between 6 and 7 per cent and the cost of material has increased in a greater proportion. With this steady increase in the cost of wages and material and a reduction in the tariff on latch needles that is already too low, the American needle maker will have to shut down his factory and turn the whole business over to the German competitor. There are several small needle makers in Germany to day that are not importing into this country at the present time. With a reduction in the tariff these small needle makers will increase their capacity and establish agencies in this country, undersell the American manufacturer, and take away what trade there is that the present importers can not supply.

It seems to me that as this bill has been reported the Committee on Finance either intentionally or unintentionally has struck a deathblow at this industry. The duty was reduced in the House bill as it came to the Senate from 41 per cent to 25 per cent, and for some inscrutable reason the Democratic members of the Committee on Finance reduced it still further, to 20 per cent. I presume they had some reason for doing that. Certainly it could not have been upon the ground that it covered the difference in the labor cost in Germany and in the United States, because those of us who have looked into the matter know that it will not equalize the labor cost between the two countries. Therefore, I say that while the bill as it came to the Senate is, from my viewpoint, a very disastrous bill, so far as this New England industry is concerned, and especially the New Hampshire industry, the proposed further reduction of the duty, as recommended by the Senate Committee on Finance, is without question going to work irreparable injury to the manufacture of needles in this country.

I received a few days ago from a gentleman connected with one of these factories a letter, which I will read:

LAKEPORT, N. H., July 31, 1913.

Hon. J. H. GALLINGER, Washington, D. C.

Washington, D. C.

Dear Mr. Gallinger: Do you think it possible for us to get any increase in the duty on latch needles? Knowing that you would do everything possible for our industry the writer has refrained from asking any further effort on your part; but for some unexplained reason the Senate has cut the House rate 5 per cent, which makes the duty entirely too low. The Germans are constantly increasing their importations under the present rates, and to reduce the duty to 20 per cent ad valorem places American manufacturers at a great disadvantage. Our employees are mostly skilled help and receive high wages while the Germans pay very low wages. The maximum for men is about \$8 per week, and women receive \$1.75 to \$4 per week. In this country we pay some of our men \$18 per week, and the women \$6 to \$10. The labor cost of latch needles is \$5 per cent. Competition is now so keen that the profit per thousand needles is very small. As you are doubtless aware, there are no latch needles made outside of New Enjand, and most of them are made in New Hampshire—Manchester, Franklin, and Laconia. We are aware that the chances are very much against us, but you may see some way to get the duty placed at a reasonable sum, and anything you can do will be much appreciated. Thanking you for your kindly interest in the past, we are,

Yours, very truly,

Wardwell Needle Co.,

Julius Wilson, Treasurer.

WARDWELL NEEDLE Co., JULIUS WILSON, Treasurer,

My correspondent was not very hopeful when he wrote that letter, and I am sure he will be very much depressed when this paragraph is acted upon if the majority insist upon the violent reduction they propose to make in the duty on this product. It is a very serious matter to the section of country from which I come that these little industries, upon which our prosperity so greatly depends, are taken one by one in this bill and marked, as I think, for slaughter.

I am not a prophet of evil. My nature is to be optimistic rather than pessimistic. I shall indulge the hope that notwithstanding the legislation that is proposed some of them may continue to exist and make profitable returns. But I am constrained to the feeling that so far as the little manufacturing industries in the industrial North are concerned, the policy that is pursued in this bill will irreparably injure them.

I am not concerned about the Woolen Trust, or the Steel Trust, or any of the great concerns that can weather almost any storm, however severe it may be. But I am greatly concerned about these little industries that employ a hundred or two hundred or three hundred men, granting them high wages, giving them an opportunity to own their own homes, giving them an opportunity to deposit in the savings banks, as they are depositing, considerable sums of money. I am concerned about those men and those women; and I should not be doing myself justice if I did not register my protest against a pro-posed reduction of duty such as is embraced in this paragraph.

From the year 1893 to 1897 the laboring people of New Hampshire drew from the savings banks of that little State more than \$10,000,000 to supply the necessaries of life to their families. I do not want to see those men turned out of employment again, as they were during that terrible period of disaster. While I do not and can not persuade myself to believe

that any concession will be made to us, even in this small matter, I want to say it ought to be done; and these men and women, happy and contented in their homes, earning large wages, ought not to be compelled to enter into a keen competi-tion with the people of Germany and other European countries where wages are not 50 per cent of what they are in the needle mills of New England.

Mr. President, the Senator from Connecticut [Mr. McLean] is about to offer an amendment, and I will wait until it is acted upon. If it is not agreed to, I have one or possibly two amendments that I shall desire to offer to this paragraph.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Connecticut.

Mr. STONE. Let the amendment of the Senator from Connecticut be read.

The VICE PRESIDENT. The amendment will be stated.

The Secretary. On page 40, line 8, after the word "needles," where it occurs the second time in the line, it is proposed to insert:

The hook part of which is made of metal, 50 per cent ad valorem; crochet needles, the hook part of which is made of other materials than metal.

Mr. McLEAN. On that I ask for the year and nays.

The yeas and nays were ordered.

The Secretary proceeded to call the roll, and Mr. ASHURST responded in the negative.

Mr. McLEAN. I wish to call the attention of the Senate—— Mr. SIMMONS. Mr. President, I make the point of order that the roll call has begun, and it has been responded to.

Mr. McLEAN. The amendment is not my amendment.

The Secretary resumed the calling of the roll.

Mr. BRANDEGEE (when his name was called). I am informed that the amendment as reported is not the amendment that the Senator from Connecticut offered. I should like to know what the amendment is before I vote upon it. There is a mistake, I understand, in the wording of the amendment, and I should like to know what I am voting on.

The VICE PRESIDENT. The Chair will state for the infor-

mation of Senators that this amendment was submitted by the Senator from Connecticut on the 24th day of July and ordered to lie on the table to be printed; but the form of the amendment offered by the Senator from Connecticut to-day the Chair does not know, because it was not sent to the desk. However, it was assumed by the Secretary and by the Chair that the amendment offered by the Senator from Connecticut on the 24th of July was the amendment upon which he desired the vote to be taken.

Mr. McLEAN. I wish to modify my amendment by reducing

the rate to 40 per cent; that is all.

Mr. STONE Mr. President, if it is in order, that the RECORD may appear right, I ask unanimous consent to vacate the order

for the yeas and nays.

Mr. SMOOT. That can not be done.

Mr. LA FOLLETTE. It can not be done, the roll call having commenced.

The VICE PRESIDENT. The Chair is going to take the authority to say that the Senator from Connecticut has a right to modify his amendment, and he modifies it so that it reads "40 per cent." The roll call will proceed upon the amendment with that modification.

Mr. STONE. I understand the Senator from Connecticut [Mr. McLean] says that the amendment now being voted on is

not the amendment he offered.

Mr. BRANDEGEE. The votes of Senators that have been cast have been upon one basis, and now a modification comes changing the amendment. As the Chair has stated, the entire amendment was not stated to the Senate before the roll call was begun, and I think the amendment should, at least, be was begun, and think the amendment should, at least, be stated to the Senate by the Secretary.

The VICE PRESIDENT. The Senator from Connecticut is

in error. It was read by the Secretary, and now the Senator from Connecticut has modified his amendment. The roll call

will proceed upon the amendment as modified.

Mr. BRANDEGEE. The amendment was read by the Secretary as offered by the Senator from Connecticut some days ago and printed. The amendment the Senator from Connecticut offered on the floor to-day has a different per cent, and it ought to have been stated, it seems to me.

Mr. STONE. Let us proceed. I call for the regular order.
Mr. BRANDEGEE. I hope the request of the Senator from
Missouri for unanimous consent will be given.
Mr. LA FOLLETTE. The regular order.
The VICE PRESIDENT. The Secretary will commence at

the beginning and call the roll.

The Secretary again proceeded to call the roll.

Mr. BANKHEAD (when his name was called). I have a general pair with the junior Senator from West Virginia [Mr.

GOFF], which will stand until further notice.

Mr. JAMES (when Mr. BRADLEY'S name was called). again announce the absence of the Senator from Kentucky [Mr. Bradley] on account of illness, and state that he has a pair with the Senator from Indiana [Mr. Kern]. I will allow this announcement to stand for the day.

Mr. CHILTON (when his name was called). I make the same announcement of a transfer that I made on the former

roll call and vote "nay."

Mr. THORNTON (when the name of Mr. Johnston of Alabama was called). I again announce the unavoidable absence of the junior Senator from Alabama [Mr. Johnston]. I ask

that this announcement may stand for the day.

Mr. KERN (when his name was called). I transfer my general pair with the senior Senator from Kentucky [Mr. Brad-LEY] to the Senator from Alabama [Mr. Johnston] and vote. I vote "nay."

Mr. GRONNA (when Mr. McCumber's name was called). wish to announce that my colleague [Mr. McCumber] is absent on account of illness in his family. He is paired with the senior Senator from Nevada [Mr. NEWLANDS]. I wish this announcement to stand for the day.

Mr. SMITH of Georgia (when his name was called). I transfer my pair with the senior Senator from Massachusetts [Mr. Lodge] to the senior Senator from Nebraska [Mr. Hitch-

[Mr. LODGE] to the senior Senator from Nebraska [Mr. Hitch-cock] and vote "nay."

Mr. THOMAS (when his name was called). I transfer my general pair with the senior Senator from New York [Mr. Root] to the Senator from Oklahoma [Mr. Gore] and vote

Mr. SMITH of Michigan (when Mr. Townsend's name was called). My colleague [Mr. Townsend] is temporarily absent from the Chamber. He has a pair with the junior Senator from Florida [Mr. BRYAN]

The roll call was concluded.

Mr. BRYAN. I will transfer my pair with the junior Senator from Michigan [Mr. Townsend] to the junior Senator from Nevada [Mr. PITTMAN] and vote "nay."

Mr. SUTHERLAND. I will inquire whether the senior Sen-

ator from Arkansas [Mr. CLARKE] has voted.

The VICE PRESIDENT. He has not.

Mr. SUTHERLAND. I have a pair with the senior Senator from Arkansas, and therefore withhold my vote.

Mr. JONES. I desire to announce again the necessary absence of my colleague [Mr. Poindexter].

The result was announced—yeas 18, nays 50, as follows:

	YE	AS-18.	
Brandegee Catron Colt Dillingham Gallinger	Lippitt McLean Nelson Oliver Page	Penrose Perkins Sherman Smith, Mich. Smoot	Sterling Warren Weeks
	NA:	YS-50.	
Ashurst Bacon Brady Bristow Bryan Chamberlain Chilton Clapp Fletcher Gronna Hollis Hughes James	Johnson, Me. Jones Kenyon Kern La Follette Lane Lea Lewis Martin, Va. Myers Norris O'Gorman	Overman Owen Pomerene Ransdell Reed Robinson Saulsbury Shafroth Sheppard Shields Shively Simmons Smith, Ariz,	Smith, Ga. Smith, S. C. Stone Thomas Thompson Thornton Tillman Vardaman Walsh Williams Works
	NOT VO	OTING-28.	
Bankhead Borah Bradley Burleigh Burton Clark, Wyo. Clarke, Ark.	Crawford Culberson Cummins du Pont Fall Goff Gore	Hitchcock Jackson Johnston, Ala. Lodge McCumber Newlands Pittman	Poindexter Root Smith, Md. Stephenson Sutherland Swanson Townsend.

So Mr. McLean's amendment was rejected.

Mr. CLARK of Wyoming. Mr. President, I desire to state that while present I did not vote because I did not believe that a roll call once begun could be interrupted until it had been completed to the end.

Mr. JONES. I desire to say that I understood in voting upon the amendment that we were voting upon a 50 per cent rate proposed by the Senator from Connecticut. If the rate of the

amendment was 40 per cent, I should vote for it.

Mr. GALLINGER. Mr. President, I propose to offer an amendment, which I will first state and then it can be read from the desk. It reduces the rates of the present law on needles for knitting or sewing machines from \$1 to 75 cents

per thousand and from 25 per cent to 20 per cent ad valorem; latch needles from \$1.15 to 90 cents per thousand and from 35 per cent to 25 per cent ad valorem; and on bodkins of metal from 25 per cent to 20 per cent ad valorem.

Mr. President, that is a very large reduction from the existing law under which the manufacturers of these needles find it very difficult to sustain themselves as against the intense competition from foreign countries.

I hope the amendment will receive an affirmative vote. The VICE PRESIDENT. The amendment offered by the Senator from New Hampshire will be read.

The Secretary. Strike out paragraph 137, as printed in the bill, and insert in lieu thereof:

137. Needles for knitting or sewing machines, 75 cents per thousand and 20 per cent ad valorem; latch needles, 90 cents per thousand and 25 per cent ad valorem; crochet needles and tape needles, knitting and all other needles, not specially provided for in this section, and bodkins of metal, 20 per cent ad valorem, but no articles other than the needles which are specifically named in this section shall be dutiable as needles unless having an eye and fitted and used for carrying a thread. Needlecases or needlebooks furnished with assortments of needles or combinations of needles and other articles shall pay duty as entireties according to the component material of chief value therein.

Mr. GALLINGER. I ask for the year and nays on the amendment.

The yeas and nays were ordered.

Mr. OLIVER. I should like to ask the Senator from New Hampshire how the rates in his amendment compare with the 40 per cent rate that was proposed by the Senator from Connecticut [Mr. McLean]?

Mr. GALLINGER. My impression is that it would place the ad valorem a little below 40 per cent.

Mr. OLIVER. A little below? Mr. GALLINGER. I think so. I feel sure that it would be as low as 40 per cent.

The VICE PRESIDENT. May the Chair suggest to the Sen- . ator from New Hampshire, as the amendment he has offered embraces an entire change in the paragraph, that the commit-

tee amendment should be first passed upon?

Mr. GALLINGER. The Senator from New Hampshire does not think so. I think that a substitute can be offered which if it is agreed to will extinguish the committee amendment absolutely. If this amendment is not agreed to, I will say to the Chair that I have some amendments to offer to the committee amendment itself.

Mr. STONE. Let us have a roll call.

The VICE PRESIDENT. The Secretary will read Rule XVIII

The Secretary read as follows:

RULE XVIII.

AMENDMENTS-DIVISION OF A QUESTION.

If the question in debate contains several propositions, any Senator may have the same divided, except a motion to strike out and insert, which shall not be divided; but the rejection of a motion to strike out and insert and insert one proposition shall not prevent a motion to strike out and insert a different proposition; nor shall it prevent a motion simply to strike out; nor shall the rejection of a motion to strike out and insert. But pending a motion to strike out and insert. But pending a motion to strike out and insert, the part to be stricken out and the part to be inserted shall each be regarded for the purpose of amendment as a question; and motions to amend the part to be stricken out shall have precedence.

Mr. GALLINGER. Mr. President, I think that manifestly means a motion from the floor to amend. We have here an entire proposition coming from the committee. The committee recommend an amendment that has not been agreed to; it is a part of the paragraph as it stands now. If I had made my motion to strike out and insert, and a Senator had made a motion to amend the text, unquestionably the rule would apply; but I do not think it applies in this case at all.

The VICE PRESIDENT. The only difficulty with the Chair

is that the Chair has been ruling heretofore that before a motion to strike out the text and insert other matter the committee has a right to have its amendment first passed upon and the text perfected. The Chair has no pride of opinion about

this question or any other.

Mr. GALLINGER. Mr. President, I will submit to the ruling of the Chair, whatever it may be, but it places those who desire to amend this paragraph at somewhat of a disadvantage, for the reason that after the rejection of this mendment, if it shall be rejected, then I propose to offer amendments to the amendment submitted by the committee. It is true I could offer them now, but I do not think they would have the potency that they would have after my proposition to strike out and insert has been acted upon. However, I will surrender to any decision the Chair makes on the proposition.

Mr. BRISTOW. Mr. President-

Mr. STONE. I am inclined to think the Chair is correct in the suggestion he made; but there has been no point of order raised against it, and I think we can dispose of the amendment of the Senator from New Hampshire much more speedily by acting upon it now, unless the Chair thinks he is obliged to

make a ruling of this kind.

The VICE PRESIDENT. The VICE PRESIDENT. The Chair does not care the slightest about it in the world. The Chair simply announced that he had heretofore made the ruling that the friends of a measure have a right to perfect the text before there is any motion entertained to strike out and insert a different text; but if no one cares to insist upon the rule, the question will be taken on the amendment proposed by the Senator from New Hampshire. On this amendment the year and nays have been ordered, and the Secretary will call the roll.

Mr. BRISTOW. Mr. President, I should like to inquire of

the Senator from New Hampshire about what is the per cent in these changes he has made, since it is not an ad valorem but a specific rate? I desire to say that from the discussion I believe the amendment of the committee to the paragraph is not justified; but I do not want to go much above the point fixed by the House. How much would the ad valorem rate be as it

is proposed by the Senator?

Mr. GALLINGER. I have not made a calculation, and I think I would not be competent to do it if I tried. I should give it as my judgment that the proposed reduction from the existing law embraced in the amendment I have offered would undoubtedly reduce it from 41 per cent to considerably below 40 per cent, and quite likely to 35 per cent. That is my judg-

The VICE PRESIDENT. The Secretary will call the roll on agreeing to the amendment of the Senator from New Hamp-

The Secretary proceeded to call the roll.

Mr. BRYAN (when his name was called). I again announce my pair with the junior Senator from Michigan [Mr. Town-SEND] and the transfer of the pair to the junior Senator from Nevada [Mr. PITTMAN]. I vote "nay."

Mr. CHILTON (when his name was called). I make the same announcement of my pair and its transfer as before. I

vote "nay.'

Mr. KERN (when his name was called). I transfer my pair with the Senator from Kentucky [Mr. Bradley] to the Senator from Alabama [Mr. Johnston] and vote "nay."

Mr. SMITH of Georgia (when his name was called). fer my pair with the senior Senator from Massachusetts [Mr. LODGE] to the junior Senator from New Hampshire [Mr. Hollis] and vote. I vote "nay."

Mr. SUTHERLAND (when his name was called). I again announce my pair with the Senator from Arkansas [Mr. CLARKE], and on account of his absence refrain from voting. I will let this announcement stand for the remainder of the

Mr. THOMAS (when his name was called). I transfer my general pair with the senior Senator from New York [Mr. Root] to the Senator from Oklahoma [Mr. Gore] and will vote. I vote "nay."

The roll call was concluded.

Mr. SMITH of Georgia (after having voted in the negative). The junior Senator from New Hampshire [Mr. Hollis], to whom I had transferred my pair, has come into the Chamber, and I will therefore withdraw my vote.

The result was announced—yeas 25, nays 45, as follows:

		AS—25.	,
Brandegee Burton Catron Clapp Clark, Wyo, Colt Dillingham	Gallinger Gronna Jones La Follette Lippitt McLean Nelson	Oliver Page Penrose Perkins Sherman Smith, Mich. Smoot	Sterling Warren Weeks Works
	NA.	YS-45.	
Ashurst Bacon Brady Bristow Bryan Chamberlain Chilton Crawford Fletcher Hitchcock Hollis Hughes	James Johnson, Me. Kenyon Kern Lane Lea Lewis Martin, Va. Martine, N. J. Myers Norris Overman	Owen Pomerene Ransdell Reed Robinson Saulsbury Shafroth Sheppard Shields Shively Simmons Smith, Ariz	Smith, S. C. Stone Thomas Thompson Thornton Tillman Vardaman Walsh Williams
Hugues		OTING—26.	
Bankhead Borah Bradley Burleigh Clarke, Ark, Culberson Cummins	du Pont Fall Goff Gore Jackson Johnston, Ala, Lodge	McCumber Newlands O'Gorman Pittman Poindexter Root Smith, Ga.	Smith, Md. Stephenson Sutherland Swanson Townsend

So Mr. Gallinger's amendment was rejected.

Mr. GALLINGER. Mr. President, the size of the affirmative vote encourages me, and I will now move to amend the amendment of the committee, in line 12, before the words "per cent," by striking out "20" and inserting "35."

The VICE PRESIDENT. The question is on the amendment offered by the Senator from New Hampshire to the amendment

of the committee.

Mr. GALLINGER. I ask for the yeas and nays on the amendment.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. BRYAN (when his name was called). I transfer my pair with the junior Senator from Michigan [Mr. Townsend] to the junior Senator from Nevada [Mr. PITTMAN] and will vote. I vote "nay."

Mr. CHILTON (when his name was called). I again announce my pair and its transfer and will vote. I vote "nay.

Mr. KERN (when his name was called). I transfer my pair with the Senator from Kentucky [Mr. BRADLEY] to the Senator from Alabama [Mr. Johnston] and will vote. I vote "nay.

Mr. THOMAS (when his name was called). I transfer my pair with the senior Senator from New York [Mr. Root] to the Senator from Oklahoma [Mr. Gore] and will vote. I vote

The result was announced—yeas 27, nays 42, as follows:

Dillingham

YEAS-27.

MoLogn

Brandegee Burton Catron Clark, Wyo. Colt Crawford	Gallinger Gronna Jones Kenyon La Follette Lippitt	Nelson Nelson Oliver Page Penrose Perkins Sherman	Smoot Sterling Warren Weeks Works
0.000	NA NA	YS-42.	
Ashurst Bacon Bristow Bryan Chamberlain Chilton Fletcher Hitcheock Hollis Hughes James	Johnson, Me. Kern Lane Lea Lewis Martin, Va. Martine, N. J. Myers Norris Overman Owen	Pomerene Ransdell Reed Robinson Saulsbury Shafroth Sheppard Shields Shively Simmons Smith, Ariz.	Smith, S. C. Stone Thomas Thompson Thornton Tillman Vardaman Walsh Williams
James		OTING—27.	
Bankhead Borah Bradley Burleigh Clapp Clarke, Ark. Culberson	Cummins du Pont Fall Goff Gore Jackson Johnston, Ala,	Lodge McCumber Newlands O'Gorman Pittman Poindexter Root	Smith, Ga. Smith, Md. Stephenson Sutherland Swanson Tewnsend

So Mr. Gallinger's amendment to the amendment of the com-

mittee was rejected.

Mr. GALLINGER. Mr. President, the affirmative vote is growing somewhat. I had hoped on the last vote to get at least the votes of the Senator from New Hampshire [Mr. Holls] and the Senators who have told us that the sugar industry will be destroyed if the bill passes as it has been reported; but I have been disappointed.

The rate proposed in this bill by the Senate committee is 20 per cent. I presume that anything I might say would fall on

deaf ears on the other side of the Chamber.

Mr. STONE. I should like to have a little more order. I can not hear what the Senator is saying. Did I understand the

Senator to offer an amendment to the sugar schedule?

Mr. GALLINGER. No; I will leave that for other Senators when the sugar schedule is reached. I made an observation about it; that was all. I suggested, Mr. President, I will say for the benefit of the Senator from Missouri, that the proposed rate in this bill of 20 per cent, in the judgment of those who know something of this industry and who want to preserve it if they can, preferring that the work shall be done in the United States rather than in Germany, and that the wages shall be paid in New Hampshire and in other States of New England rather than in foreign countries, is a disastrously low rate and ought not to be agreed to. I shall offer no further amendment, Mr. President, but I ask for the yeas and nays on the amendment reported by the committee.

The VICE PRESIDENT. The question is on agreeing to the amendment reported by the committee, on which the Senator

from New Hampshire demands the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded

to call the roll.

Mr. BRYAN (when his name was called). I transfer my pair with the junior Senator from Michigan [Mr. Townsend] to the junior Senator from Nevada [Mr. PITTMAN] and will vote. I vote "yea."

Mr. CHILTON (when his name was called). I again announce my pair and its transfer, as before stated.

Mr. KERN (when his name was called). I transfer my pair with the Senator from Kentucky [Mr. Bradley] to the Senator from Alabama [Mr. Johnston] and will vote. I vote

yea."

Mr. SMITH of Georgia (when his name was called). transfer my pair with the senior Senator from Massachusetts [Mr. Lodge] to the junior Senator from Mississippi [Mr. VARDA-MAN] and will vote. I vote "yea.'

The roll call was concluded.

Mr. STERLING. I wish to announce that my colleague [Mr. CRAWFORD] is necessarily absent from the Chamber. this announcement to stand for the day.

Mr. GALLINGER (after having voted in the negative). inquire whether or not the junior Senator from New York [Mr. O'GORMAN] has voted?

The VICE PRESIDENT. The Chair is informed that he has

Mr. GALLINGER. I have a general pair with that Senator, but I will transfer the pair to the junior Senator from Wisconsin [Mr. Stephenson] and allow my vote to stand.

The result was announced—yeas 39, nays 28, as follows:

YEAS-39.

Ashurst Bacon Bryan Chamberlain Chilton Fletcher Hitchcock Hollis Hughes James	Johnson, Me. Kern Lane Lea Lewis Martin, Va. Martine, N. J. Myers Overman Owen	Pomerene Ransdell Reed Robinson Saulsbury Shafroth Sheppard Shields Shively Simmons	Smith, Ariz. Smith, Ga. Smith, S. C. Stone Thomas Thompson Thornton Walsh Williams
	NA	YS-28.	
Brady Brandegee Bristow Burton Catron Clark, Wyo. Colt	Dillingham Gallinger Gronna Jones Kenyon La Follette Lippitt	McLean Nelson Norris Oliver Page Penrose Perkins	Sherman Smith, Mich. Smoot Sterling Warren Weeks Works
		OTING-29.	
Bankhead Borah Bradley Burleigh Clapp Clarke, Ark. Crawford Culberson	Cummins du Pont Fall Goff Gore Jackson Johnston, Ala. Lodge	McCumber Newlands O'Gorman Pittman Poindexter Root Smith, Md. Stephenson	Sutherland Swanson Tiliman Townsend Vardaman

So the amendment reported by the committee was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in paragraph 138, page 40, line 20, after the words "ad valorem," to insert "Provided, That no article of fishing tackle herein named shall be imported having attached thereto any of the feathers the importation of which is prohibited by this act,' so as to make the paragraph read:

138. Fishhooks, fishing rods and reels, artificial flies, artificial baits, snelled hooks, and all other fishing tackle or parts thereof, not specially provided for in this section, except fishing lines, fishing nets and selnes, 30 per cent ad valorem: Provided, That no article of fishing tackle herein named shall be imported having attached thereto any of the feathers the importation of which is prohibited by this act.

Mr. SMOOT. Mr. President, I should like to have that paragraph go over until the feather paragraph is finally passed

Mr. STONE. I think that is very well.

I think that it ought to go over, not that I am objecting to the rates or anything of that kind.

Mr. STONE. I agree with the Senator.

The VICE PRESIDENT. Paragraph 138 will be passed over. The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in paragraph 139, page 40, line 24, after the word "plates," to insert "halftone plates, photogravure plates, photo-engraved plates," so as to make the paragraph read:

139. Steel plates engraved, stereotype plates, electrotype plates, half-tone plates, photogravure plates, photo-engraved plates, and plates of other materials, engraved for printing, plates of iron or steel engraved or fashioned for use in the production of designs, patterns, or impressions on glass in the process of manufacturing plate or other glass, 15 per cent ad valorem; lithographic plates of stone or other material engraved, drawn, or prepared, and wet transfer paper or paper prepared wholly with glycerin, or glycerin combined with other materials, containing the imprints taken from lithographic plates, 25 per cent ad valorem.

The amendment was agreed to.

The reading of the bill was resumed, and the Secretary read to the end of paragraph 142, page 41.

Mr. PENROSE. Mr. President, I ask that the next paragraph, 143, be passed over.

The VICE PRESIDENT. It will be passed over.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in paragraph 144, page 42, line 7, after the word "manufactured," to strike out "25" and insert "15," so as to read:

144. Wheels for railway purposes, or parts thereof, made of iron or steel, and steel-tired wheels for railway purposes, whether wholly or partly finished, and iron or steel locomotive, car, or other railway tires or parts thereof, wholly or partly manufactured, 15 per cent ad valorem.

Mr. PENROSE. Mr. President, I do not suppose it will be of any use to record a protest on this paragraph; but I should like to call the attention of the Senate to a few facts concerning this business.

The investment is approximately \$25,000,000. The plants are located in the States of Illinois, Missouri, Pennsylvania, New York, Michigan, and Colorado. It is estimated that employment is given to 8,000 men in this industry.

If any change of a material nature is made in the existing tariff rates, it would not be possible, in the opinion of all of those engaged in the business, for the manufacturers of these products in the United States to compete with importations of similar products from Europe. This is proven by the fact that they are now unable to compete successfully with the European manufacturers for the exportation of these articles to Canada, where the opportunities for securing this business are equal and the deciding factor should be one of price only. At the present time the United States manufacturers are unable to secure any business except when the demand is urgent and it is impossible to await delivery from Europe-that is, in Canada.

Investigation will show that prices for home consumption of these products in Europe are higher than the prices charged by American manufacturers of these products to home consumers. In England and Germany tires are sold at upward of 4 cents per pound; in the United States at from 3 to 31 cents per pound, and in no case as high as 4 cents per pound. Canada and Mexico are practically the dumping grounds of Europe for the excess production of these materials by European manufacturers, and it is certain that the United States will likewise become the dumping ground of the same products from the same sources if any material reduction is made in the duties.

England protects her industry by the compulsory use of

British tires manufactured in England or her colonies and Germany protects hers by a high tariff. At the present time the production of these materials from the plants in the United States is largely in excess of the American demands. This fact has already reduced the price which the manufacturers can obtain for their goods to a much lower basis than the importance of the business demands and would justify. If, in addition to this, they are to be confronted with the surplus products of the European manufacturers, it will have a disastrous effect on the business and capital invested in the plants, particularly when England has shut off any possibility of competition in the British Isles and her colonies, and Germany has done the same thing by her tariff laws.

I simply desire to call the attention of the Senate to the large investment, the peculiar character of the foreign trade, and the

results which are anticipated.

The foreign plants manufacturing these materials are located principally in Germany and England, there being but 3 plants in France as against 8 in Germany, 10 in England and Scotland, and 3 in Belgium. Thus it will be seen that the great majority of the foreign manufacturers are protected from importations from this country, or practically so; and if these duties are to be reduced they can send their surplus products here, with practically no chance of retaliation by the home manufacturer.

If competition is a desirable thing to bring about, Mr. President, it certainly should be reciprocal. A one-sided competition, where the American manufacturers have no chance to get into the foreign markets on account of the facts above stated, certainly is not to be desired. Moreover, as already stated, these products are selling in this country, due to local competition, for considerably less than the same products sell for in foreign markets. Naturally the foreign manufacturer does not desire to reduce the price in this country any lower than prevailing prices, because he can already sell his products for a higher price at home, and he will only avail himself of our markets with his surplus product, or when there is a duliness in his home market.

Here we have a case, therefore, of an American industry in which a very considerable amount of capital is invested, one in which the business has been created in various parts of the country by the ingenuity and ability of the American people,

and by means of which a large number of our citizens-some 8,000, as I have stated-obtain their employment and their livelihood.

If this change is made, it is confidently believed in the trade that it will result in the partial destruction of the industry, if not in the very serious embarrassment of the entire business.

I do not intend to offer any amendment, Mr. President, I simply desire to call the attention of the Senate to the facts.

Mr. THOMAS. Mr. President, I merely wish to call the attention of the Senate to the fact that in 1910 the value of the imports under this paragraph was \$37,708, while the production was \$18,740,000, with an export trade of \$410,291.

Mr. OLIVER. Mr. President, I should like to have from the committee some explanation as to why they reduced the rate proposed by the House, 25 per cent ad valorem, to the exceed-

ingly low rate of 15 per cent ad valorem.

Mr. THOMAS. For the same reason that other reductions are made, because the raw material for this product is placed upon the free list, and also because the large disparity between imports and exports justifies it, in the opinion of the committee.

Mr. OLIVER. Does the Senator mean to say that placing the raw material upon the free list is going to make very much difference in the cost of the raw material to the producers of these wheels?

Mr. THOMAS. I do not see any reason why it should not. If they get their raw material free of duty, certainly the cost of production will be to that extent decreased.

Mr. OLIVER. Then do I understand that the Senator proposes that the raw material for these wheels shall be brought in from abroad?

Mr. THOMAS. I understand that to be the contention of the

other side.

Mr. OLIVER. Oh! Then the Senator confesses that he expects all the raw material for this industry to be brought in from other countries?

Mr. THOMAS. Oh, no: I do not expect that, and I do not think the Senator does.

Mr. PENROSE. My only contention was that the American people are getting this commodity cheaper than any other people in the world, and owing to the peculiar laws and requirements in England and the tariff of Germany there can be absolutely no reciprocity in our foreign relations so far as this particular product is concerned. It is simply surrendering our own market as a dumping ground to the foreigner and putting us on a level with Mexico in connection with the articles mentioned in this paragraph.

Mr. SHERMAN. Mr. President, the railway tire is a very highly finished product. It requires special machinery and highly skilled labor for its manufacture. There are 12,000 men, all of them skilled laborers, engaged in that particular industry in this country. Between four and five thousand of them are engaged in the Mississippi Valley, principally in two States, in the large manufacturing centers of that part of

the country.

As given in the bandbook, in 1910 the entire domestic production consisted of 366,000 tons, valued at about \$18,000,000. The exports of this product aggregated only \$410,000. percentage of the entire domestic production represented by exports, if the value be considered, is very low, making a very high consumption of the domestic product in this country.

By referring to the figures for 1912 in the handbook, it is

found that the imports for that year amounted to 1,341.000 pounds, valued at only about \$35,000. This measures the entire imports of this product for 1912. For 1910 the imports are slightly larger, aggregating in round numbers about \$37,000.

Our imports under the existing rate are comparatively small. If you reduce the figures to tons instead of pounds, as given, the tonnage is very small. That is under a rate of 11 cents per pound. The proposed rate of 15 per cent ad valorem is equivalent to a reduction of about 64 per cent, I think, instead of the reduction indicated in the handbook. If the price be taken as the basis of figuring the reduction, it runs from 58 to 64 per cent of actual reduction.

Railway tires are selling in Chicago on board the cars for from 3 to 31 cents a pound. Three and a half cents a pound is about the maximum price on the market at any point in the Mississippi Valley where I have information that the articles are manufactured. If 3 cents a pound be taken as the figure, it is a reduction of about 64 per cent, as you will find if you figure it up. It is correspondingly smaller as the price on the market increases. This 64 per cent reduction is given without any compensating advantage to the manufacturers of more than \$18,000,000 worth of this single product in this country.

Germany maintains a very high protective tariff. When it is put alongside of our product, selling at from 3 to 31 cents a pound, it is practically prohibited as an article of export to Germany; and so our manufacturers in Chicago find it. They are practically shut out of the German trade. They are entirely prohibited, as the Senator from Pennsylvania says, from entering the United Kingdom. Great Britain prides herself on being a free-trade country. Her budget is made up entirely on a revenue basis. But when she undertakes to protect an article of her manufacture, she does not take the roundabout method of a protective tariff. She in this case absolutely prohibits a solitary tire from this country rolling on one of her wheels in England, or in any of her dependencies. It amounts, in substance, to a prohibition. It is not protection; it is an absolute exclusion of the American manufacturer from partici-

pation in that trade abroad.

The wages paid the men in Chicago, in Pullman, in Chicago Heights, and in East St. Louis, Ill., range from \$2.75 to \$5 per day. Their labor is skilled labor. Some of the wages range even higher than that. There have been some wages paid, at one time, amounting to nearly \$6 a day. Notwithstanding that, our product here goes upon the market at a maximum price of about 3½ cents. By throwing our market open on the basis of a 50 or 60 per cent reduction, with no compensating advantages in Germany, with France maintaining a rate of \$1.10 per hundred pounds on steel tires, with our absolute exclusion from England, and with the rate of wages paid for skilled labor, it means not only that we lose the comparatively small quantity of our export trade, but this 15 per cent basis, with a 64 per cent reduction, leaves us practically but 36 per cent of the present protective rate.

It means, in substance, throwing open our markets for this product to the manufacturers of Germany, England, and Austria. There are three countries which produce this article in greater quantities than their domestic needs. They export it largely to countries demanding the article. Because of the degree of protection of 14 cents per pound the imports into this country have been small during the continuance of that This is a lower rate than it has been under former. Those manufacturing that product in our country tariffs. under former tariffs were able to establish their industry. They have been able to keep running every day in the year under the present rate of one cent and a quarter a pound, but with a 64 per cent reduction of this article, with the article selling at a maximum of $3\frac{1}{2}$ cents a pound, it looks to me like it amounts to a suspension of the business in this country.

I have here petitions signed by a large number of men engaged in this industry. They are not the owners or managers of the enterprises; they are the men who are working in the shops. I do not care to encumber the RECORD with the petitions, but I wish respectfully to call attention to the presentation of the petitions in connection with the remarks I have submitted. These men are on the pay rolls at Chicago Heights, at Pullman, Ill., and at East St. Louis, Ill., in the factories manufacturing this variety of product.

Mr. NORRIS. Mr. President, I wish to ask the Senator

from Illinois a question, if he will yield to me. Can the Senator give us any information as to the cost of the production

of this product here and abroad?

Mr. SHERMAN. We produce the article here with a very high degree of efficiency. Our labor cost is nearly two to one.

Mr. NORRIS. The Senator from Pennsylvania, I understand, makes the statement that we can produce it here as cheaply as it can be produced in a foreign country.

Mr. PENROSE. No: I said it is sold to the American con-

sumer more cheaply than it is sold in Europe.

Mr. NORRIS. Can the Senator from Pennsylvania give us

any information as to the cost of production?

Mr. PENROSE. I probably could do so to-morrow. I have not the information at hand here. But this is a very peculiar case, as the Senator from Illinois has so ably stated. Germany and England have by their dumping process absolutely extinguished this industry in every other country in Europe. right at our borders, is already a dumping ground for those two We can not hope for any reciprocity from them, because Germany has her tariff and England has her peculiar laws about the use of this material in connection with railroads in the United Kingdom and in her colonies.

Therefore we are deliberately letting down the bars to make. the American Republic a dumping ground, and, in the opinion of many persons, it will absolutely extinguish an investment of \$25,000,000, employing throughout the country some 8,000 people. If it was an ordinary case where we could hope for foreign interchanges, the question might be different; but I can not imagine the argument which prompted the majority in this Chamber to cut down the duty in this particular paragraph.

Mr. SHERMAN. Mr. President, I should like to answer a little more at length the question of the Senator from Nebraska. Our efficiency is high. Our rate of wages is correspondingly high. It is roughly stated at from 2 to 1 as compared with the pay rolls of our principal competitors. We can only continue to produce and sell at the rate of from 3 to 3½ cents per pound the finished product when we have the entire domestic market. The domestic market practically belongs to the manufacturers

of our country at this time.

The domestic production was 366,000 tons in 1910, having a commercial value of \$18,740,000. The domestic consumption in the United States amounted to \$18,368,000. Of course, in this is included our imports to find our total domestic consumption. But our imports for the same year are trifling, amounting to only \$37,000 in commercial value on the market. So practically our domestic market furnished by these manufacturers was over That constitutes practically all of the American market. As long as the home manufacturer has the American market he can continue to sell his product on a very close margin, because the quantity that he sells is large; but if the quantity is reduced by importations, his margin of profit being small, having not the entire American market, he can not sell at 3 or 31 cents a pound. If he does, he will have no margin to continue business on.

Mr. NORRIS. Can the Senator give us any idea as to the difference in freight? The difference in freight ought to be some protection to the American producer.

Mr. SHERMAN. The freight is practically to be ignored in

figuring on this product.

Mr. NORRIS. The freight must be quite an item. Mr. SHEKMAN. The freight on this article is not an important item.

Are there any manufacturers in the eastern part of the United States, along the coast?

Mr. SHERMAN. It costs something to import from abroad, but the importations are brought here with the advantage of a

through rate or a joint rate.

Mr. NORRIS. I do not think the Senator heard my question. Is there any of it produced along the eastern shore of the United States?

Mr. SHERMAN. Of this article?

Mr. NORRIS. Yes.

Mr. SHERMAN. Yes, sir.
Mr. PENROSE. I recited the States that produce it. These

Mr. PENROSE. I recited the states that produce it.
are Pennsylvania, Illinois, Colorado, half a dozen States.
Mr. OLIVER. Mr. President, if the Senator from Illinois
will allow me, I think I can answer the question of the Senator from Nebraska about freight. When you come to an article as high in value as this the freight becomes a comparatively small factor, because these tires are transported at practically the same rate as lower grades of steel, and the freight rate is small in proportion to the value. For instance, take 3½ cents a pound as the value of the article; the freight, say, from Pittsburgh to Chicago would be only 18 cents a hundred. That is a very small amount compared to the value. The freight rate of 18 cents a hundred applies just as well upon an article worth only 2 cents a pound.

Mr. NORRIS. Yes; but, of course, this article is very

Mr. OLIVER. Of course it is heavy. Mr. NORRIS. I presume the freight rate is low because it is not liable to be broken or anything of that kind.

Mr. OLIVER. It is not liable to be broken, but— Mr. NORRIS. Still it has to be transported a long distance. That is the reason why I was inquiring about the production of the article in the eastern part of the United States. I can see how the freight rate across the ocean might be more than the freight rate from Chicago to the Atlantic seaboard.

Now, I should like to ask the Senator about the dumping process that he speaks of. It seems to me there is rather a peculiar condition in regard to this product. As yet there has been no dumping process going on in this country. Can the Senator give us any idea about overproduction in the other countries?

Mr. SHERMAN. There is a surplus in three countries and has been for probably five years. That is as far back as I have the figures.

Where has that found an outlet heretofore? Mr. SHERMAN. It finds some outlet in Canada, some in Mexico, and wherever there is railway development. Wherever

able mileage of railway, the European manufacturer finds an outlet for it

Mr. NORRIS. There has not been any of it so far dumped in the United States.

Mr. SHERMAN. There has not been since the existing rate or any rate that has been similarly protective, because the dumping process is unprofitable. It can not get in here without the added cost-

Mr. NORRIS. I can see how a high enough tariff would

prevent that, of course.

Mr. SHERMAN. But figuring 3 cents a pound as the mini-mum price, with the volume of business done in this article a 64 per cent reduction will immediately produce the condition the Senator from Pennsylvania speaks of; the dumping process will begin, because there is a surplus in those countries. Germany, Austria, and England manufacture more than they can use there, and continually finding a surplus on their hands it will be shipped here. We can not get into that market. The United Kingdom bars us.

Mr. NORRIS. Mr. President—
Mr. STONE. I ask that we may have a vote. Let us dis-

pose of this paragraph.

Mr. OLIVER. I think the Senator should allow this side a little latitude in debating an important proposition like this, and not try to take a Senator off the floor when he is engaged in its discussion.

Mr. STONE. I beg pardon, if the Senator thought I intended

to take anyone off the floor.

Mr. PENROSE. This is one of the most vicious paragraphs in the whole bill, and it ought not to be lightly passed over. Let it go over until to-morrow.

Mr. STONE. Very well, if we can not dispose of it now.

Does the Senator from Nebraska desire to speak?

Mr. PENROSE. I suggest that we let the paragraph go over until to-morrow and that the Senate adjourn.

Mr. STONE. I ask if the Senator from Nebraska desires to

debate this paragraph?

Mr. NORRIS. I do not know that I shall desire to debate it, but I was seeking some more information. I understand the Senator from Pennsylvania has some information that he does not have with him here in the Senate Chamber. I myself should like to have some more light upon it.

Mr. PENROSE. I hope to have some information to-morrow,

and the Senator from Illinois I have no doubt will desire to

debate the paragraph a little further.

Mr. SHERMAN. On one query propounded by the Senator from Nebraska, I think, in the morning I can give some additional light.

Mr. STONE. Does the Senator desire to pass over the para-

graph until to-morrow?

Mr. SHERMAN. I am willing to yield until to-morrow.

Mr. BACON. Mr. President— Mr. STONE. I yield to the Senator from Georgia, and I ask to lay the bill aside for the present.

The VICE PRESIDENT. Unanimous consent is given to lay

the bill aside, the Chair understands.

PROPOSED CURRENCY LEGISLATION (S. DOC. NO. 154).

Mr. KERN. I ask unanimous consent to have printed as a public document a letter written by the chairman of the Senate Committee on Banking and Currency showing the advantages of the pending currency bill to the country banks. It is a different letter from that ordered printed the other day. short letter, and I am very anxious to have it printed.

Mr. OLIVER. I should like to inquire which pending cur-

rency bill it refers to?

Mr. PENROSE. It is the administration measure, I assums.

Mr. KERN. It relates to the currency question.

Mr. PENROSE. Is it the House bill or the administration bill to which it refers?

Mr. KERN. I made the only statement I care to make on

that subject. It is on the currency question.

Mr. SHERMAN. Does the Senator ask to have it read? The VICE PRESIDENT. The Senator from Indiana asks that the letter be printed as a public document. Is there objection? The Chair hears none, and it will be printed.

EXECUTIVE SESSION.

Mr. BACON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After 11 minutes spent in Mr. SHERMAN. It finds some outlet in Canada, some in Mexico, and wherever there is railway development. Wherever there is a railway building or wherever there is any consider- day, August 7, 1913, at 12 o'clock m.

NOMINATIONS.

Executive nominations received by the Senate August 6, 1913. MINISTER.

Preston McGoodwin, of Oklahoma, to be envoy extraordinary and minister plenipotentiary of the United States of America to Venezuela, vice Elliott Northcott, resigned.

UNITED STATES DISTRICT JUDGE.

William H. Sawtelle, of Arizona, to be United States district judge for the district of Arizona, vice Richard E. Sloan, whose recess appointment expired on March 4, 1913.

PROMOTIONS AND APPOINTMENT IN THE NAVY.

Lieut. Raymond S. Keyes to be a lieutenant commander in the Navy from the 1st day of July, 1913.

Asst. Surg. Walter A. Bloedorn to be a passed assistant surgeon in the Navy from the 28th day of March, 1913.

Robert H. Foster, a citizen of Mississippi, to be an assistant surgeon in the Medical Reserve Corps of the Navy from the 29th day of July, 1913.

CONFIRMATIONS.

Executive nominations confirmed by the Senate August 6, 1913. COLLECTOR OF INTERNAL REVENUE.

Alexander Stuart Walker to be collector of internal revenue for the third district of Texas.

PROMOTIONS IN THE NAVY.

Ensign Harold W. Boynton to be a lieutenant (junior grade) Ensign William B. Cothran to be a lieutenant (junior grade).
The following-named assistant paymasters with rank of ensign to be assistant paymasters, with rank of lieutenant (junior grade):

George S. Wood,
Ulrich R. Zivnuska,
Alonzo G. Hearne,
Hervey B. Ransdell,
Harold C. Shaw,
Henry R. Snyder,

Smith Hempstone, Harry W. Rush, jr., Harold C. Gwynne, and Robert W. Clark.

POSTMASTERS.

GEORGIA.

Gilbert B. Banks, Waynesboro.

TOWA

Edward Z. Dempsey, Dysart.

MASSACHUSETTS.

Patrick Curran, Scituate

Patrick J. Dempsey, Williamstown.

OHIO.

William Briggs, New Holland. O. E. Curl, West Mansfield. Louis J. Golling, Bedford. Albert G. Witte, Elmore.

SENATE.

THURSDAY, August 7, 1913.

Prayer by the Chaplain, Rev. Forrest J. Prettyman, D. D. The Journal of yesterday's proceedings was read and approved. REPORTS ON COURTS AND JUDGES (S. DOC. NO. 156).

The VICE PRESIDENT. The Chair lays before the Senate a communication from the Attorney General, which will be

The Secretary read as follows:

OFFICE OF THE ATTORNEY GENERAL, Washington, D. C., August 6, 1913.

The President of the United States Senate.

legislative, executive, and judicial appropriation bill. Their duties consist in the making of periodical and special investigations of the conduct in office of United States attorneys, United States marshals, clerks of United States courts, United States commissioners, and refereres and trustees in bankruptcy. There are two special examiners, having the same duties as the statutory examiners.

The expert accountants are employed primarily in investigations of violations of the national banking act, although they are also used quite extensively in other cases where the services of an accountant are required.

The special agents are engaged primarily in collecting evidence in complaints and in cases arising under the criminal laws of the United States.

complaints and in cases arising under the criminal laws of the United States.

The expert accountants and special agents are employed and their salaries and expenses are paid under authority of the following provision in the sundry civil appropriation bill:

"Detection and prosecution of crimes: For the detection and prosecution of crimes against the United States; the investigation of the official acts, records, and accounts of marshals, attorneys, clerks, and referees of the United States courts and the Territorial courts, and United States commissioners, for which purpose all the official papers, records, and dockets of said officers, without exception, shall be examined by the agents of the Attorney General at any time; for the protection of the person of the President of the United States; for such other investigations regarding official matters under the control of the Department of Justice as may be directed by the Attorney General."

The names of the examiners, special examiners, and expert accountants will be found in the department register, a marked copy of which is hereto annexed.

The names of the examiners, special examiners, and expert accountants will be found in the department register, a marked copy of which is hereto annexed.

The duties of the special agents being to detect crime and to collect evidence in criminal cases, the disclosure of their names, I think, is incompatible with the public interest. I am informed that committees of both the House and Senate have accepted this view and withdrawn their requests for the names of these special agents when reminded of the nature of the duties performed by them.

General instructions to examiners and expert accountants are contained in a series of circular letters addressed to them from time to time, complete sets of which are hereto annexed. They are also given from time to time special instructions in the particular cases in which they are engaged.

The special agents are furnished with a pamphlet containing general instructions, and are constantly given special instructions in particular cases, all with a view to preventing their doing any unjust or oppressive act. To make public the instructions given the special agents, in my opinion, would be incompatible with the public interests.

Within the past five years agents of the department have investigated the conduct of three judges of courts of the United States appointed under the Constitution to hold office during good ochavior, and of three judges of the United States who were removable by the President, and no others. The investigation of the conduct of Judge Archbald, which is already a matter of public record, constituted one of the cases of the first class. The report of that investigation was transmitted to the House of Representatives and was printed as a public document. To state with particularity what courts and judges have been under investigation within the past five years by agents of this department would, in my opinion, be incompatible with the public interests.

The Constitution provides that the President "shall take care that

been under investigation within the past five years by agents of this department would, in my opinion, be incompatible with the public interests.

The Constitution provides that the President "shall take care that the laws be faithfully executed." It is impossible for him successfully to discharge this obligation unless the judges whom he appoints are faithful to the trust imposed upon them; and occasionally it has become highly important that he should know the real facts in reference to charges preferred against them. While without power to remove judges appointed under the Constitution, it seems clearly within his prerogative to inform the House of Representatives of facts which might necessitate a further investigation or an impeachment.

The suggestion that the Department of Justice is maintaining a system of espionage over the courts and judges of the country is entirely without foundation. The conduct of judges and the actions of courts have very seldom been the subject of inquiry by its agents, and in those few instances specific complaints seemed imperatively to require an ascertainment of the real facts. The utmost care is taken to select agents of proved integrity, judgment, and fairness, and see that they so proceed as fully to inform the House of Representatives in cases which appear to merit that course.

Respectfully,

J. C. McReynolds,

Attorney General.

J. C. MCREYNOLDS, Attorney General.

Mr. WORKS. Mr. President, this communication from the Attorney General does not meet the requirements of the resolution passed by the Senate. It is so general in its terms as to be almost useless as information.

almost useless as information.

If the time has come in the history of this country when a head of one of the departments may secretly investigate the doings of the courts and judges of the country and conceal that fact from the Congress of the United States, I think it is about

time we should inquire into that phase of the question.

I am not satisfied with this reply of the Attorney General. It is wholly insufficient. It is an evasion of the questions that have been submitted by the Senate. But I am not going to take up the time of the Senate now in discussing the question. I shall expect at a later time to insist that these questions shall be answered.

Six: Interpreting Senate resolution No. 126, introduced by Senator Works and passed July 7, 1913, as a request to be supplied, so far as not incompatible with the public interest, with the information in the possession of the Department of Justice touching the matters mentioned in the resolution, I have the honor to reply thereto as follows:

No inspectors or other agents are appointed or employed by the Attorney General or by the Department of Justice specifically to investigate and report upon the conduct or proceedings of any of the courts or judges of the United States.

However, a force is employed by the department under the authority of acts of Congress to investigate all subjects in respect of which it is the duty of the department to keep itself informed. This force consists of three classes of employees: (1) Examiners, (2) expert accountants, and (3) special agents.

Except in two special instances the examiners are statutory employees whose positions and salaries are provided for in the regular

culated to influence judges in their decisions and in their conduct where the Government was interested. In different ways and by different methods other than by the usual practice judges are given to understand the views of the Government as to what the law is and what the decision should be, and in different ways and by different methods judges are relieved and others whose views of the law are more satisfactory are substituted.

Mr. President, this is, I realize, a serious charge to make. If I were not prepared, in my judgment, to sustain it, I would not make it. I know that it has been done, if the information which I have, which comes almost first hand, can be relied upon at all.

It has come to me more than once.

Now, Mr. President, there is nothing in which the people of this country are so much interested as in the integrity and the independence of their judges. There is nothing left to this Republic if our judges can be controlled by any influence other than the law and the facts as they are presented by litigants in the open forum and face to face with each other. No other influence is high enough or holy enough to be intrusted with the control of our courts. The law and the law only as it is written must be their guide.

Mr. SMITH of Georgia. Will not the Senator state the period of time at least in which these efforts were made?

Mr. BORAH I said for the last several years. I think it fair to say that no facts which I have relate to this administration.

Mr. SMITH of Georgia. Would not the Senator be willing to

indicate more specifically the time?

Mr. BORAH. I think it has been going on for several years. Therefore, Mr. President, while I am not going to detain the Senate this morning, I want it understood before this matter passes from the consideration of the Senate that it shall devolve upon us at some future day to determine how we are to These judges are appointed by the control such a situation. Executive: they are promoted by the Executive. I am opposed to any influence being exerted by departmental action. The view of the Government is made known to the judges; the judges are given to understand what the Government desires; and they are impressed with the desire that the Government desires decisions along certain lines. It is altogether to the credit of the judiciary that such vicious practices are ordinarily ignored; but that such practices have been indulged I can not, I am not permitted to doubt. I realize how difficult it is to prove it, for all parties are interested in denying it, and the evidence is almost completely secret, and it now seems incompatible with the public interest for it to be known.

I say that there is no more serious thing with which we have to contend than that proposition. If we are going to have that kind of influence exerted upon judges in this country, then I am in favor of the popular election of the Federal judges and a recall by the people. Much as I am opposed to the principle, it is a thousand times better than to have our judiciary controlled through sinister and subtle influences about which the people know or can know nothing. The Government has no more right to privately communicate with a judge about causes in which the Government is interested than individuals or corporations. The judge either stands indifferent to all the world

or he stands condemned by all the world.

Mr. NORRIS. Mr. President, it seems to me that I ought not to let the occasion pass without saying just a word on this

subject.

I wish to say, to begin with, that I most heartily concur in everything that the Senator from Idaho [Mr. Borah] has said. I believe it is a serious proposition, and yet I do not believe I would want to take any action that would prevent the Department of Justice or any other department from making any investigation that it saw fit.

I see the danger lurking in it. The judiciary ought to be independent; it must be independent of any other department of

It seems to me that if an investigation is made it ought to be made public at least when it is finished. If the judge who is investigated is found to be all right along the lines that have been investigated he ought to have the benefit of a vindica-

I presume charges are often made of a serious nature and the Department of Justice deems it necessary to investigate them. If the investigation is made along lines that in no way transcend the powers of the judiciary or the judge, without any attempt to influence him in his official capacity, it can do no harm, particularly if it is afterwards made public.

Now, the Attorney General in his letter refers to an investi-gation that was made in the case of the late Judge Archbald. I feel like saying a word on this general subject, because I

think I have a definite knowledge of every detail of that entire investigation. There was such an investigation made, and it was of the greatest value to the House of Representatives, particularly those Members of the House who were investigating the conduct of Judge Archbald, in reaching a conclusion on that very important matter. They would have been seriously handicapped had it not been for that investigation, which brought forth the facts that were obtained before the public or before the Congress knew very much about it, although in that case the Attorney General says, and says truly, that it was communicated to the House of Representatives. It was not done, however, until after the House of Representatives had passed a resolution calling on the President for that information. Possibly that might have been done; I am not saying it might not have been the intention to do that anyway; but the first information directly of an official nature that the House of Representatives had was in response to a resolution which I introduced in that body and which was passed and sent to the President.

I do not believe when we do legislate, if we legislate on this subject, we ought to go so far as to prevent the Department of Justice from making investigations. I realize that it is a difficult matter to draw the line. I know that it is a dangerous line. If the Department of Justice or the administration was inclined to take an advantage of judges, perhaps to influence them unduly in their official work, it might be done if there were no

restraints upon them in that respect.

At the same time, I believe we would go to the other extreme if we would absolutely prevent the Department of Justice from investigating any complaints that might be made of a serious nature against the members of the judiciary. If the investigation is honest, if it is fair, then no honest judge would be injured. But I believe that if such an investigation is made the judge ought to have the benefit of it and the country ought to have the benefit of it, and it ought not to be concealed. seems to me that the Attorney General is wrong when he thinks that the good of the public service demands that these things should be kept secret.

Mr. CRAWFORD. Do I understand the Senator from Nebraska also concurs in the view expressed by the Senator from Idaho that these investigations have been made not upon complaint for the purpose of ascertaining whether or not there were substantive charges, but made for the purpose of securing an undue influence and control over a judge so that his decisions might be according to the preconceived view of some department

of the Government?

Mr. NORRIS. That is a matter upon which the Senator from Idaho expressed his opinion, he having information. Of course, do not have that information.

Mr. CRAWFORD. Does the Senator concur in that view? Mr. NORRIS. Of his judgment as to whether that is true or not I can have no opinion, because I do not have the evidence

that the Senator from Idaho has. Mr. CRAWFORD. It seems to me that that is one of the most astounding charges I have heard on the floor of the Senate.

Mr. NORRIS. It is a very serious and astounding charge. Mr. BORAH. Mr. President, it is nothing new. I made this statement two years ago in a discussion of the question of the recall of judges. I asserted at that time that, in my opinion, it was being done. I have no doubt about it now. At the time referrred to, on August 7, 1911, in the Senate I used the fol-

lowing language:

"But, Mr. President, I am not only opposed to the popular recall, but I am opposed to private recall. I am opposed to the subtle, silent system which has grown up in this country to a remarkable extent unknown to most people—that of exercising an influence upon Federal judges through the executive departments of our Government. If there is going to be a recall, we want a popular recall. We want a people's recall. We want it We want it in the open and not in quiet and subtle ways by devious and undiscovered methods. We want the privacy sought to be established between Federal judges and the heads of departments forever condemned and damned. It is vicious, indefensible, and ought to forever discredit the judge who would brook it or the department head which would seek it.

I am not going to discuss this at length at this time. I hope to do so at a later date. I only want to say now it is well known to those who have examined and watched the system that, during the last few years, when certain departments here are interested in a question they have a system by which they get for a particular cause a judge off the bench that they want off and another on that they want on They have a system of transfer and exchange carried on formally under the statute, but in fact through the impudent exertion of power upon the part of the interested department. If the time ever comes in

this country when the people of the country understand that there is any string attached to a Federal judge which they do not through established laws hold, they will not only elect, but they will recall their Federal judges. Those who are preaching against the recall of judges throughout this country must be careful that they do not adopt a system which will far outweigh the strength of their words and overcome their argu-When the system goes so far that an assistant United States attorney privately approaches a Federal judge to suggest that he disqualify himself to sit in a particular case or formally consent to be transferred because some one else is wanted to try the case, it is time that the system should be The statutes provide for changes when necessary because of disqualification or an extra amount of business, but it contemplates that it be done in the open, and if a judge is

it contemplates that it be done in the open, and if a judge is actually disqualified let the disqualification be shown in the presence of the contending parties."

Mr. OWEN. Mr. President, the administrative branch of the Government is charged with the duty of seeins that the laws of the United States are faithfully executed. In the discharge of that function it may be entirely proper and necessary to institute an inquiry into the conduct of a judge. A judge on the bench is only a human being after all: a judge on the bench. the bench is only a human being after all; a judge on the bench may be corrupt personally. Shall he be so safe under the sacred ermine of his office that no man shall inquire into his conduct?

Mr. BORAH. Mr. President—
The VICE PRESIDENT. Does the Senator from Oklahoma

yield to the Senator from Idaho?

Mr. OWEN. I yield to the Senator from Idaho.

Mr. BORAH. Mr. President, we do not object, so far as I know, on this side of the Chamber or anywhere else, to investi-What we want is that the public shall know the result gation. of that investigation and why it is being made. If there is anything that the public ought to know it is that the judge is honest if he is honest, and that he is dishonest if he is dishonest.

Mr. OWEN. Mr. President, the observations which I make are sufficiently broad to cover all classes of cases. In the case of Judge Archbald the Senate and the country became advised at some length of his turpitude and of his unfitness. I call the attention of the Senate-

Mr. CRAWFORD. Mr. President-

Mr. OWEN. I ask the Senator please to allow me to con-I do not wish to carry on a desultory debate. I merely desire to make a few observations, and then I will yield the

I wish to say, however, that in this Union there are 48 States, and they have two ways of taking a judge off the bench-one by impeachment, the other either by resolution of

the legislature or by a fixed tenure of office.

I believe Federal judges should be subject to matured public opinion; that they should respect it; that they should regard themselves as the faithful administrators of the law, as the servants of the people. I believe, therefore, that those judges should not be appointed for life, with no other way to reach them except by the cumbersome and almost impossible remedy of impeachment. I believe the British rule of the right of Parliament to pass a resolution to that effect should suffice to remove a judge from the bench, without any charges being made with regard to his conduct, if he proves to be unfit for any reason; and I believe the people of this country will be obliged to come to the point of exercising a greater control over the Federal bench.

I believe it would be better to have the people nominate and elect the inferior Federal judges for limited terms. The short term of four or six or eight years would suffice to make the judges duly respectful of matured public opinion, and they would, in that event, administer the law in a much more efficient and proper manner. That is all I care to say with regard

to the subject.

Mr. CRAWFORD. Mr. President, I think that no one will question the propriety and the right of the proper department to investigate the conduct of a judge—a judge is no better than any other officer-but that is quite a different thing from the exercise of dangerous power under the guise of investigation, or whatever you may call it, to unduly exercise control over his decisions. The statements made here go to that extent. I think if the power of the Government is being employed or has been employed in that way, to bring about, through coercion or through any other undue influence, a decision which is not the free judicial judgment of the court, it is high time that it was investigated.

Mr. O'GORMAN. Mr. President, I should like to ask the Senator who has just spoken whether he knows of any instance where the Department of Justice, in this or in any previous administration, has sought improperly to influence the judicial action of a Federal judge?

Mr. CRAWFORD. Mr. President, I am glad to say that I do not-

Mr. O'GORMAN. Nor do I. Mr. CRAWFORD. And I am glad to say that I never heard so astounding a claim made before it was made this morning on the floor of the Senate by one of the most distinguished Senators in this body, whose word I am bound, for one, to respect. When a statement so sweeping as that is made in all seriousness, I think we should pay some attention to it.

Mr. O'GORMAN. Unfortunately I was out of the Chamber when the statement was made, and can only infer what it really was from what has just been said by the Senator. As I gather from the discussion, if it be assumed-and, so far as my knowledge goes, it should be assumed-that no such improper action has ever been taken by the Department of Justice, I am at a loss to understand why there should be such an insistent demand for a radical change with respect to the investigation of charges affecting the judiciary.

Mr. SUTHERLAND obtained the floor.

Mr. SIMMONS. Mr. President

Mr. SUTHERLAND. Mr. President, I shall take only a moment.

Mr. SIMMONS. I wish to inquire of the Senator from Utah if this debate is proceeding by unanimous consent?
The VICE PRESIDENT. It is.

Mr. SUTHERLAND. I understand that I had been recognized.

The VICE PRESIDENT. The Chair recognized the Senator from Utah.

Mr. SIMMONS. Well, Mr. President, if this debate is proceeding by unanimous consent, I ask for the regular order.

Mr. SUTHERLAND. I understood that the presiding officer had laid before the Senate a communication from the Attorney General, which was being discussed.

The VICE PRESIDENT. That is true; but such discussion can only take place during the morning hour by unanimous consent.

Mr. SUTHERLAND. If the Senator from North Carolina will bear with me-

Mr. SIMMONS. I am not going to make the objection against the Senator now, but after the Senator concludes I shall ask for the regular order.

Mr. SUTHERLAND. I only wish to make a single observation. I should have been through by this time if I had been permitted to proceed.

Mr. SIMMONS. Very well.

Mr. SUTHERLAND. The statement made by the Senator from Idaho [Mr. Borah] this morning is to me a very startling one; and yet, knowing the Senator from Idaho as I do, and knowing the care with which he makes statements upon the floor of the Senate, I am bound to accept what he says as having a foundation in fact. That being so, it is a most serious proposition, and one which to my mind demands investigation.

Certainly, nothing can be worse in our form of government than sinister influences brought to bear, either by officers of the Government or by private persons, upon our judges, because, if successful, the very sources of justice are corrupted and the end

of the Republic is in sight,

I simply rose, however, for the purpose of saying that while it may be true that influences of that kind have been attempted, for one feel quite sure that they have not been successful. I think, and my observation and study of the judicial system of the United States warrant me in saying, that there is no body of judiciary anywhere in the world that is more free from corrupt influences than the Federal judiciary of the United States, and I think it is a very rare circumstance, one which always attracts alarmed attention, when any member of that great body departs from the line of right conduct.

Mr. WORKS. Mr. President, what would the Senator think of the Attorney General or of his representatives, when he found that a judge was unsatisfactory in the trial of a case, if he should call upon the presiding judge to call in somebody else

for that reason and insist upon it?

Mr. SUTHERLAND. I think it would be utterly indefensible. Mr. CLARK of Wyoming. And yet that has been done.
Mr. COLT. Mr. President—

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Rhode Island?

Mr. SUTHERLAND. I yield to the Senator from Rhode Island.

Mr. COLT. Mr. President, I only wish to state for the information of the Senate that from my personal experience of something over 31 years upon the Federal bench in the first

circuit I have never known of any improper influence of any nature or description being brought to bear by the Attorney General, his department, or any of the officers representing that department upon the judges of the first circuit. I am aware that there have been agents from the Department of Justice who have been sent into the first circuit for the purpose of investigation; but I merely wish to say in a single sentence that I have never known of any influence that the department has attempted to bring to bear of any nature or description upon the official act of a single judge in the first

Mr. SIMMONS. Mr. President, I ask for the regular order. The VICE PRESIDENT. The presentation of petitions and memorials is in order.

PETITIONS AND MEMORIALS.

Mr. BRISTOW presented a memorial of sundry citizens of Oswego, Kans., remonstrating against the enactment of legislation compelling the observance of Sunday as a day of rest in the District of Columbia, which was referred to the Committee on the District of Columbia.

Mr. LEA presented petitions of sundry citizens of Memphis, Tenn., praying for the adoption of an amendment to the Constitution granting the right of suffrage to women, which were referred to the Committee on Woman Suffrage.

Mr. MYERS presented sundry petitions signed by citizens of the State of Montana, praying for the adoption of an amendment to the Constitution granting the right of suffrage to women, which were referred to the Committee on Woman Suffrage.

Mr. JACKSON presented a resolution adopted by Pomona Grange, Patrons of Husbandry, of Montgomery County, Md., indorsing the interpretation of the parcel-post law as rendered by the Postmaster General, which was referred to the Committee on Post Offices and Post Roads.

Mr. TOWNSEND presented a memorial of sundry citizens of St. Joseph County, Mich., remonstrating against the enactment of legislation compelling the observance of Sunday as a day of rest in the District of Columbia, which was referred to the Committee on the District of Columbia,

WOMAN SUFFRAGE AMENDMENT (S. DOC. NO. 155).

Mr. FLETCHER. From the Committee on Printing I report back favorably the motion of the Senator from Oregon [Mr. CHAMBERLAIN] to have printed as a public document the proceedings in the United States Senate July 31, 1913, upon the presentation of petitions favoring the adoption of Senate joint resolution No. 1, proposing an amendment to the Constitution of the United States extending the right of suffrage to women, together with the report of the Senate Committee on Woman

Suffrage recommending the passage of the joint resolution.

The VICE PRESIDENT. The report will be received, and if there be no objection the matter will be ordered printed as a

public document.

Mr. CHAMBERLAIN subsequently said: Mr. President, I desire to ask to have printed as a public document the paper which was reported out favorably from the Committee on Printing this morning by the Senator from Florida [Mr. Fletcher].

The VICE PRESIDENT. That action has already been taken. Mr. CHAMBERLAIN. I did not so understand.

ESTATE OF ADAM L. ROSE.

Mr. MARTIN of Virginia. Several days ago a communication from the Chief Justice of the Court of Claims requesting a return of the court findings in favor of the estate of Adam L. Rose, deceased, was received and referred to the Committee on Appropriations. 1 ask that that committee be discharged from the further consideration of the communication and that it be referred to the Committee on Claims. The papers in the case are with the Committee on Claims.

The VICE PRESIDENT. The communication was referred to the Committee on Appropriations through a misunderstanding on the part of the Chair. The Committee on Appropriations will be discharged from its further consideration, and it will be referred to the Committee on Claims.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BRISTOW:

A bill (S. 2899) to provide a site and erect a post-office building at Mound City, Kans.; to the Committee on Public Buildings

and Grounds.

A bill (S. 2900) to remove the charge of desertion against Joseph B. McCall; to the Committee on Military Affairs.

By Mr. DILLINGHAM (by request):

A bill (S. 2901) to establish in the District of Columbia a laboratory for the study of the criminal, pauper, and defective classes; to the Committee on the District of Columbia.

By Mr. CHAMBERLAIN:

A bill (S. 2902) to reduce fees in the United States district courts, to fix the salaries of the clerks of such courts, to increase the mileage and per diem of witnesses and jurymen therein, and to repeal section 840 of the Revised Statutes and all other conflicting laws; to the Committee on the Judiciary.

A bill (S. 2903) for the relief of Judd McKelvey; and (By request.) A bill (S. 2904) for the relief of certain persons, their heirs or assigns, who heretofore conveyed lands inside national forests to the United States; to the Committee on Public Lands.

By Mr. McLEAN:

A bill (S. 2905) granting an increase of pension to Ellen M. Hall (with accompanying paper); and

A bill (S. 2906) granting an increase of pension to Harriet A. Barry (with accompanying paper); to the Committee on

By Mr. O'GORMAN:

A bill (S. 2907) to authorize the President to award a medal of honor to Dr. John T. Nagle for conspicuous bravery at the Battle of Kernstown, Va., on July 24, 1864, while serving as an acting assistant surgeon of the United States Army; to the Committee on Eoreign Relations.

By Mr. SHIVELY:

bill (S. 2908) granting an increase of pension to William M. McClure (with accompanying papers); to the Committee on

THE GOLD RESERVE.

Mr. OWEN. I introduce a short bill providing for increasing the gold reserve in the Redemption Division of the Treasury Department. The bill is very short, and I should like to ask that it be printed in the RECORD for the information of the Senate.

The bill (S. 2898) providing for increasing the gold reserve in the Redemption Division, retiring the 2 per cent bonds, and unifying the currency issues of the United States, and for other purposes, was read the first time by its title and the second time at length and referred to the Committee on Banking and Currency, as follows:

A bill (S. 2898) providing for increasing the gold reserve in the Redemption Division, retiring the 2 per cent bonds, and unifying the currency issues of the United States, and for other purposes.

currency issues of the United States, and for other purposes.

Be it enacted, etc., That the Secretary of the Treasury is hereby authorized and directed, as gold certificates are received into the Treasury or subtreasuries of the United States, to have them canceled and the gold represented by such certificates transferred to the Redemption Division of the Treasury, and in lieu of such canceled gold certificates to issue Treasury notes of the United States, redeemable in gold at the Treasury of the United States at Washington, D. C.

The Secretary of the Treasury is further authorized, in his discretion, when requested to do so by national banks having outstanding national-bank notes, secured by 2 per cent, bonds, to purchase such bonds at par and accrued interest, and to assume the redemption at par of the bank notes secured by such bonds, charging the amount of such notes against the proceeds of such 2 per cent bonds and paying the balance in cash to such national bank. Such 2 per cent bonds shall then be canceled and a like amount of 20-year 3 per cent bonds shall be placed in the Redemption Division and the annual interest thereon credited to the funds of the Redemption Division. When such national-bank notes the redemption of which has been thus assumed shall come into the Treasury of the United States, they shall be canceled and retired, and in lieu of such notes so canceled and retired the Secretary of the Treasury shall issue Treasury notes of the same amount.

FEES OF CLERKS OF DISTRICT AND CIRCUIT COURTS.

FEES OF CLERKS OF DISTRICT AND CIRCUIT COURTS.

Mr. CHAMBERLAIN submitted the following resolution (S. Res. 155), which was read and referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Whereas the fees and compensation paid to the clerks of the several district courts of the United States and to the clerks of the several district courts of appeals vary in different States of the Union and in different districts in the several States, in many instances the amount of compensation paid to such clerks being largely in excess of a reasonable compensation for services rendered; and Whereas the fees and compensation of these officials were fixed by statute in many of the States under conditions which differed materially from conditions which exist to day; and Whereas in some of the States under statutes passed more than 30 years ago the fees of clerks of the then circuit and district courts were made double the fees of clerks in other States, and conditions which warranted these statutes have completely changed, so that the compensation now received under them is largely in excess of a reasonable compensation; and
Whereas the act of March 3, 1911, entitled "An act to codify, revise, and amend the laws relating to the judiciary" did not harmonize or attempt to rearrange the fees and compensative of the clerks of the district courts and circuit courts of appeals intivided for in said act, and there is now confusion as to the proper construction in many instances as to the amount of feet and compensation that ought to be collected by the clerks of said courts; and

Whereas the amount of fees and compensation allowed to the clerks of said courts is now so exorbitant that they are practically prohibitive and prevent a man of moderate means from litigating his cases in said courts to final determination thereof: Therefore be it

cases in said courts to final determination thereof: Therefore be it Resolved, That a committee of five Senators be appointed by the Vice President to examine into the question as to the fees and compensation allowed to the clerks of the several district courts and circuit courts of appeals, and to report the same to the Senate with their findings thereon, and with power vested in the committee, if deemed best by them, to report a bill that will correct any injustices and irregularities that may exist in the premises to conform to the views of the committee, having for its purpose an adjustment of the question of the compensation paid to such clerks upon a just and reasonable basis: And be it further be it further

be it further

Resolved, That the said committee be, and they are hereby, authorized to sit during the recess or sessions of the Senate at such times and places as they may deem advisable, to send for persons and papers, to administer oaths, and to employ such stenographic, clerical, and other assistance as may be necessary, the expenses thereof to be paid from the contingent fund of the Senate; and the committee is authorized to order such printing and binding as may be necessary for its use.

EXPENDITURES FOR TELEGRAMS.

Mr. SHAFROTH submitted the following resolution (S. Res. 156), which was read and referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the expenditures for telegrams sent or received by Senators on public business, payable out of the contingent fund of the Senate, be, and is hereby, limited to a sum not exceeding \$60 per annum for each Senator.

STUDIES IN CRIMINOLOGY.

Mr. KERN submitted the following resolution (S. Res. 157) which was read and, with the accompanying paper, referred to the Committee on Printing:

Resolved, That a manuscript, entitled "Studies in Criminology, Including Other Patho-Social Conditions," by Arthur MacDonald, be printed as a Senate document, and that 200 copies each of Senate Document No. 187, Fifty-eighth Congress, third session, entitled "Man and Abnormal Man," and of Senate Document No. 532, Sixtleth Congress, first session, entitled "Juvenile Crime and Reformation," be reprinted; and that the Superintendent of Documents be permitted to order copies for sale.

THE TARIFF.

Mr. PENROSE. Mr. President, I have here an amendment to the pending tariff bill, which I have been intending to offer for some time. My attention, however, was called by the course of the debate last evening to the urgency of its introduction, and I therefore offer it now, rather than wait until the paragraph to which it relates is reached. It is an amendment providing for what is known as an antidumping clause in the pending tariff bill.

When the Senate adjourned last night we had under consideration a paragraph concerning which the discussion partially disclosed the fact that the article of manufacture covered by the paragraph is peculiarly susceptible of dumping. It is one of the articles which have been dumped upon the foreign market, its production in Germany and in England having entirely extinguished the manufacture of similar articles in every other country in Europe. It is proposed by a cut of over sixty-odd per cent in the present duty to expose the American market to a similar dumping process, which, in the opinion of those engaged in the manufacture of the articles mentioned in the paragraph, would practically extinguish the industry in the United States. The antidumping provision which has been stricken out of the House bill by the Senate Committee on Finance has been altered in phraseology and scope in the amendment which I intend to offer.

I propose to ask the Senate to introduce into our tariff law a provision levying a slight extra duty on foreign goods which are dumped, to use a common term, into this country at prices that frequently are below the cost of production. Briefly my amendment provides that on any importation of articles of a class or kind that are produced in the United States which are sold or consigned for export to the United States at an export or selling price less than the actual market value or wholesale price at which such articles are sold in the ordinary course of trade for home consumption in the country of exportation there shall be levied a duty equal to the difference between this export price and the market value in the home country. In order, however, that there should be no undue increase of duty the amendment provides that this special duty or dumping duty shall in no case exceed 15 per cent ad valorem, and that it shall not apply to goods upon which the tariff act levies a duty of 50 per cent or more. The amendment applies to free goods as well as to dutiable goods.

Dumping of surplus products into a foreign market-always at a lower price than they command in the home market and frequently at less even than the cost of production-is done for the purpose of maintaining prices in the home market by keeping the supply in the home market on a parity with the de-The great proportions it has attained in these days is

due in some measure to the organization and maintenance in European countries of syndicates, conventions, or cartels, as they are variously called, the avowed and actually accomplished purpose of which is to fix and maintain selling prices in the country of production, punishing any deviation from the agreement by certain fines and penalties which are part of the agreement. These agreements sometimes include as well other countries on the European Continent, but they leave the members of the syndicate, convention, or cartel at perfect liberty to sell at whatever prices they please in countries that are not included in the agreement. Of course, the United States with its wonderful power of absorption is a shining mark for these syndicates, and is the best outlet in the world for the dumping of their surplus production. Right here I wish to remind the Senate that agreements of this character, which would be made the subject of a criminal prosecution in this country, do not .t all incur the disfavor of the Government in those countries, but on the contrary are actually fostered and encouraged by them. In Germany the Government is a partner in the syndicate organized to regulate the price of potash. If anyone has any doubt as to the existence of these syndicates or conventions with their huge output, I refer him to page 379 of the report on Schedule A, made by the Committee on Ways and Means of the Sixty-second Congress in reporting to the House H. R. 20182.

In extending this dumping clause so as to include free goods I am meeting what seemed to be the chief objection to such a provision in the minds of the Democratic majority of the Finance Committee as expressed in its report on the bill. clause is still open to the other objection expressed by them relating to goods paying ad valorem rates of duty. I have not made any attempt to meet that objection, because it is a very easy matter for the committee to remove the cause of that objection if it sees fit, and I prefer to let the committee do it.

I shall attempt no extended statement at this time, because the vital importance of this matter and the great interest which attaches to it require that it should be made the subject of fuller remarks and discussion, which can be had later on. I would like, however, to commend the amendment to the serious attention of the Senate, in the hope of favorable action thereon. It should be remembered that an antidumping clause, of the same general character as this, was put into the tariff bill by the Democratic Ways and Means Committee, and that it received the approval of the House by a unanimous vote. Its desirability and usefulness were urged upon the House by two of the Democratic members of the Ways and Means Committee. Finally, while it is a new feature of tariff legislation in this country, it has been thoroughly tried in the neighboring country of Canada under conditions surrounding importations which closely approximate those in our own country. It has been in effect in Canada since 1904, and has been completely successful there, although at no time has the dumping duty reached such proportions as to constitute an oppressive exaction. I hope when this paragraph of the bill is reached in due course to make some further remarks thereon, in the hope of demonstrating the value and necessity of some such provision as this in our law.

Mr. President, I now offer the amendment, and ask to have it read and lie on the table.

The VICE PRESIDENT. The amendment submitted by the Senator from Pennsylvania will be read.

The Secretary read as follows:

Amendment intended to be proposed by Mr. Penrose to the bill (H. R. 3321) to reduce tariff duties and to provide revenue for the Government, and for other purposes, viz: On page 271, beginning on line 24, insert the following:

ment, and for other purposes, viz: On page 271, beginning on line 24, insert the following:

R. That whenever articles are exported to the United States of a class or kind made or produced in the United States, if the export or actual selling price to an importer in the United States or the price at which such goods are consigned is less than the actual market value or wholesale price of the same article when sold for home consumption in the usual and ordinary course in the country whence exported to the United States at the time of its exportation to the United States, there shall, in addition to the duties otherwise established, be levied, collected, and paid on such article on its importation into the United States a special duty (or dumping duty) equal to the difference between the said export or actual selling price of the article for export or the price at which such goods are consigned and the said actual market value or wholesale price thereof for home consumption in the country of exportation, and such special duty (or dumping duty) shall be levied, collected, and paid on such article, although it is not otherwise dutlable: Provided, That the said special duty shall not exceed 15 per cent ad valorem in any case, and that goods whereon the duties otherwise established are equal to 50 per cent ad valorem shall be exempt from such special duty.

"Export price" or "selling price" or "price at which such goods are consigned" in this section shall be held to mean and include the exporter's price of the goods exclusive of all charges thereon after their shipment from the place whence exported directly to the United States.

Involces of such goods shall show in parallel columns the export or selling price or price at which the goods are consigned and the actual

Invoices of such goods shall show in parallel columns the export or selling price or price at which the goods are consigned and the actual market value or wholesale price thereof for home consumption in the

country of exportation, and the Secretary of the Treasury shall make such rules and regulations as are necessary for the carrying out of the provisions of this section and for the enforcement thereof.

The VICE PRESIDENT. The amendment will be printed and lie on the table.

AFFAIRS IN MEXICO.

The VICE PRESIDENT. The Chair lays before the Senate a resolution coming over from yesterday, which will be read.

The Secretary read the resolution (S. Res. 152) submitted by Mr. Clark of Wyoming on the 6th instant, as follows:

by Mr. CLARK of Wyoming on the 6th instant, as follows:

Resolved, That the Committee on Foreign Relations be authorized and directed to proceed with all due dispatch with a full and complete investigation of the condition of American citizens in the Republic of Mexico, with a view of recommending to the Senate such action as will protect the lives and property of citizens of the United States, if the same shall be in danger and require protection, and to make early report to the Senate of the results of such investigation; such committee shall have the power to send for persons and papers, to subpoma witnesses, and to administer oaths, and the expenses incurred hereunder shall be paid from the contingent fund of the Senate.

Mr. CLARK of Wroming. Mr. President on vectorday, when

Mr. CLARK of Wyoming. Mr. President, on yesterday, when this resolution was presented, I stated the purpose of the resolution as well as I was able, and I have no desire to make any further remarks upon it.

I hope the resolution may be taken up and passed at this

session of the Senate.

Mr. WILLIAMS. Mr. President, the resolution has to go to the Committee to Audit and Control the Contingent Expenses of the Senate, does it not?

Mr. CLARK of Wyoming. I am not sure of that.

Mr. WILLIAMS. I suppose it would have to, as nothing can be paid out of the contingent fund of the Senate under any resolution without its being first referred to that committee.

Mr. CLARK of Wyoming. There is a difference of opinion on

that point.

Mr. WILLIAMS. If I caught the reading of the resolution correctly, it says "to be paid from the contingent fund of the

Mr. CLARK of Wyoming. Yes; but I say there is a difference of opinion on the question raised by the Senator from

Mississippi.

Mr. BACON. Mr. President, in view of the present conditions, both of a public nature and of the business before the Senate, I hope the Senator from Wyoming will consent to the reference of the resolution to the Committee on Foreign Re-

Mr. CLARK of Wyoming. Mr. President, the request coming from the Senator from Georgia, the chairman of the Foreign Relations Committee, in whom for many, many years I have had the utmost confidence as to his desire to turn in the right direction the business intrusted to the care of that committee, would have a prevailing effect upon my mind were it not for the very facts that were set forth in my statement yesterday.

I know very well the motives that impel the Senator from Georgia, the chairman of the Foreign Relations Committee, to request that the resolution go to that committee. In my view of the conditions that surround us at this moment, however, I can not consent, so far as I am concerned, at least, to that

reference being made.

The Senate for months-I was going to say for years-has been trying to get some light upon the Mexican situation. The people of the country for months and months have been wondering why there was not something definite coming out of the disturbed condition in the Republic on our southern border. For months and months we have had a standing army of from 15,000 to 20,000 men stationed along that border, an evidence of the disturbed condition of affairs and of the danger to American citizens and American property across the border. we have waited in vain for any definite statement, either from the Committee on Foreign Relations of the Senate-and I am not blaming them for this-or from the present or the past administration, of any facts upon which we could base a just judgment of the actual conditions as they exist.

The only information we have-whether reliable or not, I do not know-comes through the newspaper press, through newspaper correspondents, through correspondence with individuals in Mexico. Probably there is not a Senator in this body who has not had in his mail some letter from a personal friend or a personal acquaintance reflecting upon the condition of affairs regarding American citizens in that country. The telegraph every evening brings to the Associated Press something of the supposed condition there; and yet we are left absolutely at sea as far as any definite official information is concerned.

For weeks the Foreign Relations Committee has had under consideration resolutions which are intended to effect the same purpose that this resolution is intended to effect, and yet with-

out result. The administration probably has a policy, but we do not know what it is,

The President of the United States has now sent his third confidential messenger into that Republic, if we are to believe the current reports. One, two, and now the third have been sent. Days, weeks, and months have been spent in this manner of investigation, and while American lives are being lost and American property is being destroyed, the Congress of the United States is left without one single fact authoritatively stated upon which to base any action that we may care to take as the representatives of the American people.

It seems to me the resolution ought not to be referred. It seems to me it ought to be passed. It seems to me no harm can come if the Committee on Foreign Relations shall enter upon an investigation on behalf of this body, as the administration for months has been investigating on its part to find out the

conditions.

Why should we not have some information? Why should we not have it now? Why should we not have had it months ago? If we had had it months ago, many an American citizen who to-day is dead in Mexico would be alive, and hundreds and hundreds of thousands of dollars of American property would have been protected.

I think, Mr. President, that this resolution ought not to be referred. I think this resolution is as important on the subject covered by it as anything before the American Congress or the American people to-day. We have the tariff before us, and it is urged by the chairman of the Committee on Foreign Relations that as long as we have the tariff and other important matters, we ought to refer the resolution to the committee rather than to take present affirmative action.

Mr. President, there is no matter before the American people or the American Congress to-day, in my judgment, and there can be none, more important than the protection of American

citizens.

Mr. President, it is coming too much to be the case that American citizenship has well-nigh become a byword, and that in a foreign country no man is so poor as he who owes his allegiance to the American flag; and if we may believe the current reports, we find the humiliating fact that in Mexico American citizens are appealing to foreign ambassadors to protect their lives and property.

It is time, Mr. President, that we had some information, that we had something upon which to act, because we do not want

to act without information.

I am opposed to referring the resolution to the Committee on Foreign Relations or any other committee of this body. lieve the Senate ought to take up the resolution, and if it is the judgment of the Senate that we ought to have the information, let us act offhand and pass the resolution, and thus get the information.

I desire to modify the resolution by striking out the last

sentence.

Mr. PENROSE. The clause with reference to payment? Mr. CLARK of Wyoming. The clause with reference to the payment of the expenses of the investigation.

Mr. BACON. Mr. President, there is one thing said by the Senator from Wyoming in which I most heartily agree with him, and that is that there is no more important subject before the Senate and no more important subject now engaging the attention of the American people than the question of our relations with Mexico under the conditions now existing.

If that is true, Mr. President, there is no higher duty on us than to approach it with the utmost gravity and with the most careful consideration of that which it is best for us to do, having in view the honor and dignity of the United States Government, the general public welfare, and the protection to which each and every citizen of the United States is entitled.

It is, Mr. President, in full recognition of that fact that I made the suggestion to the Senator from Wyoming, which I am very sorry he did not recognize the propriety of agreeing with, that the resolution should without debate go to the Committee

on Foreign Relations for consideration.

Mr. President, they are very light matters which come before this body that are recognized as being so light that they shall be considered by the body without first having been considered by a committee. The most trivial matters as a rule go to the committees selected by this body with special reference to their fitness for the consideration of such matters. Yet we are to be told that a matter of this utmost gravity—and I use the word "utmost," Mr. President, because there can be no word more far-reaching than the word "ntmost"; there is nothing beyond the utmost-I say this matter of the utmost gravity the learned Senator from Wyoming would have this body pass upon without its having been considered by the committee selected by this body for the special consideration and examination of matters relating to foreign affairs with a view to recommendations to the Senate for action thereon.

I am glad, Mr. President, that the Senator recognizes it as a matter than which there is no other more important, and I would need no stronger argument than that upon which to base the contention, and the urgent contention, that it should have the careful consideration of the Committee on Foreign Relations before it is acted upon.

Mr. President, I do not wish to go into the question of the Mexican situation at this time, because I do not think that it is for the best interest of the public weal or for the best interest of any person, official or private, that it should now be gone into for discussion. The time will come when it will have to be discussed, I have no doubt. This Mexican question is not going to be settled in a day or a week, and I fear not in a very much longer time. There will be ample opportunity for Senators to say what they wish to say on this subject.

But, Mr. President, there are times when it is not advisable, when it is not prudent, when it is not politic to discuss some matters, not because they should be kept secret, but because that discussion at an inopportune time may defeat measures which are best calculated to bring about the Lest result.

Mr. President, we are not in the dark as to what is going on. We know what is going on. We have a grave duty and a grave responsibility, and stand in the face of an unspeakable danger. It is our great desire that peace shall be restored in Mexico; that orderly government may be set up in Mexico; that personal safety and that of property, not only of the Mexican people, but of our own people who are there, shall be safeguarded. are two ways in which it can be done. I do not mean that there are only two ways, but there are two ways in which we of the United States have any possibility of action. There may be other ways open to the people of Mexico in which we have not possibility of action. One way open to us is the attempt through peaceful measures to bring about a condition of affairs which will relieve the present distressing conditions. The other way open to us is by the strong arm, by force.

Who will say, Mr. President, that the latter should not be the very last to be resorted to by the United States, and then not until every other peaceable device and effort has been ex-

hausted to accomplish the end otherwise?

Mr. President, I do not desire now to discuss the question as to what would be the consequences upon our own people there of the attempted exercise of force by the United States Govern-It is sufficient to say that the present purpose is to endeavor to bring about the best results through peaceful measures. It is a known fact to the people of the United States, not by rumor, not by irresponsible newspaper paragraphs, but by the official enunciation from the Department of State, speaking for the President of the United States, that he has formulated a plan with a view to affecting, if possible, this desired result by peaceful means; that he has formulated a plan and that he is now engaged in the effort to execute it.

Mr. President, Senators may say that that plan will not Everybody recognizes that it is a situation of very great difficulty. Everyone recognizes that it is a situation of extreme difficulty, and everyone must recognize that in any situation of extreme difficulty there is no certainty of success.

No one will pretend that there is.

But, Mr. President, in proportion to the gravity of the situation and to the vast disasters which may flow from these conditions, in the same proportion is it that every chance, however small it may be, should have the best effort, the best opportunity, to make it successful rather than that it should be repudiated in advance.

Mr. President, I say what is not a secret. It is not mere rumor; it is known. It has been officially announced that the President has openly sent a personal representative to Mexico for the purpose and in the hope of bringing about some composition, some arrangement by which peaceful results may be

Mr. FALL. Mr. President, will the Senator yield to me for a moment?

The VICE PRESIDENT. Does the Senator from Georgia yield to the Senator from New Mexico?

Mr. BACON. I do.

Mr. FALL. I have no desire to debate this question; I do not intend to do so at all; and for that reason just at this point I wish to ask the Senator if he has not been furnished with a copy of the reply of the Mexican Government to that particular effort which we are making now?

Mr. BACON. I wish the Senator would speak just a little

louder. I heard him imperfectly.

Mr. FALL. The Senator has referred to efforts which are just being made by this Government in the sending of a private investigator to Mexico, and I rose to ask the Senator if he has not been furnished with a copy of the reply received, forwarded to the Secretary of State here from the Mexican Government, with reference to that mission of Mr. Lind.

Mr. BACON. I know to what the Senator alludes,

Mr. FALL. The Seuator, then, understands, does he not, that the Mexican Government, through its minister, in an official statement to the United States Embassy and cabled here, says:

By order of the President of the Republic, I declare, as minister of foreign affairs ad interim, that if Mr. Lind does not bring credentials in due form, together with recognition of the Government of Mexico, his presence in this country will not be desirable.

The Senator, I presume, has been furnished with a copy of that statement.

Mr. BACON. Possibly if the Senator had given me the opportunity I might have read that before I got through. I have a copy of it before me.

Mr. FALL I knew the Senator had it.

Mr. BACON. Then the Senator was not inspired by a lack of information when he propounded the inquiry.

Mr. President, I was saying that in the proportion that the situation is one of extreme difficulty and of great danger in the same proportion ought we to be careful to give opportunity for every chance, however small that chance might be, and I was coming to a full recognition of the fact that the chance is small. I have been furnished with the paper the Senator has It was handed to me by a reporter of the Associated Press as I was entering the Chamber. I have not been furnished with it by any official authority or from any official source. This paper states that it was sent to the State Depart-I do not know whether it has been or not, but conceding that it has, Mr. President, it is nothing but right and proper that that fact should not be considered as one authorizing action on our part until the reply has been made, either by message or by act, to the message of the President when received by the Mexican authorities.

There has been as yet no message received by any official or authority of any kind in Mexico from this Government or from the President of the United States, and not until that has been done should we undertake to deal with the situation, and not until the effort being made by the President has come

to a definite and formal conclusion.

It is possible, Mr. President, that when Mr. Lind gets to Mexico and delivers his message there may be a different reply. It is possible that the situation may be entirely changed when that comes

Recognizing the danger of failure, at the same time I must recognize the fact that when the Government of the United States undertakes in a peaceful way to aid a sister Republic in restoring conditions of order, and when, as I have no doubt, every civilized nation in the world of any consequence will back up the United States in that benevolent effort, I am not prepared to accept it as a fact that it will be rejected, however much in the haste and irritation of the moment such a mes-

sage as that might have been sent.

Where is the necessity that we should act until this most commendable and humane effort has come to its conclusion? It has not come to its conclusion. Here is a message sent by one claiming to be an official, evidently in a moment of heat and temper, before it has received any communication whatever from this Government. And whatever we may think about it, I appeal to Senators to ask themselves the question-when the President of the United States has sent an envoy, his personal representative, not an ambassador, not one clothed with official power, but has sent his representative to do what he would have a right to do if he himself could have personal conference with the Mexicans, for the purpose of endeavoring to bring about the result which we all desire—I ask every Sen-ator to answer for himself whether there is anything in the conditions which require such haste that we should not permit the President of the United States to have his personal representative deliver his message and receive a reply. That is all. Whenever the personal representative of the President of the United States delivers the message and receives his reply, then the result will have been ascertained. If his reply is such as this telegram from Mexico indicates—that nothing can be accomplished in that line—then, no doubt, what will be necessary to be done by our Government will be done; but it is not proper, Mr. President, to defeat absolutely the possibility, however small that possibility may be, of success by action now taken when there is no such urgency as requires it to be

Senators will say that when the lives of American citizens are in danger and their property is being destroyed there is urgency; I grant that; but, Mr. President, there is no such condition as will make any action taken by us save a life tomorrow or the next day or the next week. If the resolution as framed were adopted and if the Committee on Foreign Relations were instructed to proceed with this investigation, it would not be an investigation of a day or of a week or of a month. So there would be no such hasty result from this resolution, if adopted, as would meet such a stage of urgency as to the present danger to life and property in Mexico.

Mr. President, the Senator from Wyoming is not correct in stating that present conditions are not known; the Senator is not correct in stating that the methods pursued, the undertakings on the part of the executive department, are not known. Every detail can not possibly be known, but in a general way they are known. One thing, I presume, is undoubtedly true, that, so far as these conditions are made public or represented to exist, they are in some measure exaggerated and set down without due regard to exact accuracy; but not only is it known, Mr. President, that the executive department is endeavoring in the manner which has been published to the world to compose matters in that country, to bring about peace and the restoration of order, if possible, to bring about harmony, if possible, to that distracted people; but it is a fact that the Foreign Relations Committee has not been idle. The Foreign Relations Committee has been gathering in its own way, in a quiet way, without any direction from the Senate, such information as it could in regard to the situation in Mexico. It has heard witness after witness, men of prominence, men acquainted with affairs in Mexico. At the very time when the Senator from Wyoming had that resolution read from the desk and when he was making his speech to the Senate on yesterday the Foreign Relations Committee was actually in session and hear-ing evidence on this subject. It was for that reason that members of the committee, myself among the number, were not present in the Senate on yesterday when the resolution was introduced and read.

Mr. President, if it be true, as stated by the Senator from Wyoming, in which I most fully agree, that this is a matter of great gravity, I should like for Senators to answer what is the propriety in having a committee selected with reference to the consideration of these questions if a resolution which is supposed by the Senator from Wyoming to be so far-reaching and so radical that it will, if adopted, cure the situation—if a question of this magnitude shall be taken away from the committee and presented to the Senate, and the Senate asked to act upon it without any opportunity for consideration by that committee? If the committee has been well selected, if it is adapted to its work, its examination and its opinion are certainly worthy of consideration by the Senate before it acts upon this resolution.

There is no politics in this question, or, rather, no party in this question; there is no division between the Republican and the Democratic Parties upon the question of our relations with Mexico as to what we should do in regard thereto. It is true, Mr. President, of the Foreign Relations Committee that it is not a political committee. The Senator from Wyoming was for a long time an honored member of that committee, and he knows the fact that I now state, having served, as I have, upon many standing committees of the Senate, that the great distinguishing feature between the Committee on Foreign Relations and any other committee in this body is the utter absence of political partisanship in that committee.

There is a saying, well uttered by some one, that our party differences end at the seashore, and properly so; and I may say, as a general thing, that in the Committee on Foreign Relations our party differences end at the committee door. It is a rare thing—an exceedingly rare thing—that anything like partisan politics engages the attention or influences the action of the Foreign Relations Committee. There are divergences of opinion, Mr. President, in the present membership of the Foreign Relations Committee as to what should be done in Mexico. Naturally that is so; but I can say, with the utmost confidence, that those differences have no possible mark of party line about them.

I want to say, however, one thing, that, so far as that committee is now concerned, and so far as those divergences of opinion are now concerned, I have heard but one voice from any member of that committee, whether he be a Republican or a Democrat, and that is, that the President of the United States should be given full opportunity in the effort to make successful that which he has now undertaken. I have heard that as emphatically and as earnestly said by Republicans in that committee as it has been said by Democrats.

Mr. President, I want to appeal to Senators on the other side of the Chamber and to ask each one of them to answer for him-

self the question if, in face of this action by the President of the United States, which has been published to the world, which is not only known in America but known in every country in Europe, that the President has undertaken this great task in this way-I ask not only my colleagues on this side of the Chamber, but I ask every Republican Senator to answer for himself the question whether the passage of this resolution would not be considered as flouting in the face of the President of the United States an utterance of an utter distrust in anything which he has undertaken to do at this time? Are you willing to stand in that position? Is it possible for any Senator to give his support to this resolution in face of a request that it may go to the Committee on Foreign Relations under the statements which I have made here to-day? Is it possible for any Senator to do otherwise than to recognize that it would be flouting the President of the United States in a matter in which he is entitled to the support, and the cordial support, not only of Senators on this side of the Chamber, but of Senators sitting on the other side of that aisle?

One thing is sure, that if there is belief in the efficacy of the measures which he has inaugurated and in the success of that which he has undertaken, there would be no need for the passage of this resolution. There would be no necessity for this resolution if what the President has undertaken is to succeed and it were believed that it is going to succeed. If it is to succeed, then peace and order will be restored and person and property in Mexico will have protection.

Now, I want to ask Senators, even if they do not have confidence that it is going to succeed, is it a proper thing, if there is one chance in a hundred of its success, to take action which shall assume that it will not succeed? Mr. President, if a Senator does not believe there is one chance in a hundred of success, is there no other reason why the President should be permitted to carry through his program in this particular, coming, as it must, to a very speedy and quick conclusion?

There are two reasons why I say he should be allowed to carry it through, even if it is foredoomed to failure. One reason is the respect that is due to him in his high office, and the confidence that I know is entertained and that should be manifested in his integrity, official and personal, in the presence of this great emergency.

Mr. NORRIS. Mr. President—
Mr. BACON. If the Senator will pardon me, I will yield to him in a moment. The other reason is this: If I had been certain in advance that this effort would be a failure, I would have applauded the action of the President of the United States in making it. We stand in a very peculiar relation to this question, and what we do in the future may be most momentous in its consequences, and therefore, sir, even with the certainty, if I had it, that this effort would fall, I would still applaud the making of it, because it puts us before the world as exhausting every possible device in the effort to bring about peace in that country; to bring tolerable conditions to the Mexican people; and also to bring about a condition of affairs which will redound to the safety of our own people and their property in that country. So far as this effort goes, it puts us before the world as exhausting every possible device before we resort to any other measure. This effort and others, if you please, along the same line, if they shall be found advisable, are important as acquitting us in the eyes of the world of any sordid or mercenary or unfriendly desire in any action we may hereafter take as to Mexico. Therefore it is that this action of the President is to be commended and applauded, and will serve a valu-

Mr. NORRIS. Mr. President, I should like to ask the Senator a question; but I will preface my question with the statement that I would be the last man here or elsewhere to interfere in any way with the effort which the President is trying to make to bring about peace and the best possible results, even though, as the Senator himself has said, I doubted the wisdom of the course he has taken. I want to give him full permission to do as he thinks right; but it seems to me the Senator assumes that this resolution would be disrespectful to the President and that it would interfere with the President.

able end, even if it does not succeed. Now I yield to the Senator

from Nebraska.

Mr. BACON. If the Senator will permit me to correct him, I did not say "disrespectful."

Mr. NORRIS. Perhaps the Senator's statement was not that broad.

Mr. BACON. On the contrary, I think it goes a good deal beyond the matter of disrespect.

Mr. NORRIS. The Senator thinks it goes beyond disrespect? Mr. BACON. Oh, yes.

Mr. NORRIS. As I heard the reading of the resolution, certainly the President would have no reason to be offended, it

seems to me, if we pass it and ask the committee to do what the Senator himself has practically said the committee is already

doing without a resolution.

Mr. BACON. Mr. President, a mere matter of disrespect, which, of course, is something which should be very carefully guarded against by the Congress, or either branch of it, in its dealings with the President of the United States, may be in some instance a very grave matter, and it may be in another instance a very grave matter, and it may be in another instance a very trivial matter. Disrespect is a matter of degree, as almost everything else is; so that I would not put this resolution in the classification of disrespect at all.

I say, here is the President of the United States in the face

of the gravest emergency which has confronted the Congress of the United States since I have been a Member of the Senate much graver than that which confronted us when the Cuban question was here-much greater. That was a tempest in a teapot compared to what may be the consequences of our efforts to restore peace and order and maintain it in Mexico, as we will have to do for a generation or two generations; and when the President of the United States, standing in the face of such an emergency, with such an unspeakable duty and responsibility resting upon him, in the same way that an unspeakable duty and responsibility will rest upon us in a certain emergency; when he in good faith as a man of integrity, of official and personal character for which we all give him credit, has undertaken a policy, for us to adopt a resolution which can only be based upon the assumption of its failure, I say is to flout him in the face.

Mr. President, there are a great many things that it is very difficult to restrain the temptation to say in regard to this matter; but I do restrain myself, because I do not want to say anything to-day except as it may bear upon the question whether or not we should now take this proposed action in the

adoption of this resolution,

Mr. SMITH of Michigan. Mr. President-The VICE PRESIDENT. Does the Ser Does the Senator from Georgia yield to the Senator from Michigan?

Mr. BACON. I do.

Mr. SMITH of Michigan. I think, Mr. President, that the Senator from Georgia does not appreciate the gravity of the situation in which we are placed more than do Senators upon this side of the Chamber.

Mr. BACON. I fully grant that.
Mr. SMITH of Michigan. I feel that his apprehensions are justified. I would personally welcome a thorough investigation. The difficulty of this situation, if I may be permitted to say so, is that there is so much misinformation abroad. This morning, for instance, the first page of the Congressional Record contains an exhibit of the so-called Carranza strength which an immediate investigation might easily dispel.

I am bound to say in justice to my colleagues upon both sides of the Chamber that there is at the present moment in this Capital a thorough, practical, systematic lobby, putting forth their revolutionary propaganda with a serious and a definite object of affecting the American attitude toward the Government of Mexico which Senators ought to fully understand. A man who stood at the elbow of the late President Madero, a witness before the committee of which I had the honor to be chairman, is now in this Capital, as he has been for two years on our border, directing a war junta, not in the interest of peace but war, ably aided by experts who pretend to have the ear of the Department of State in this administration as they claimed to have the ear of the last administration, and such evidence as this warns the Senate that it must not be misled.

The Senator from Georgia will, I think, do me the credit to say that while for weeks, under the authority of the Senate, we took a thousand pages of testimony, all sworn to and all to the point, yet the delicacy of the situation was such that I did not feel that I should put my personal views forward at a time when the effect might be baleful to our country. I have refrained from doing it, and up to this moment I have not said a single word; and yet I can remain silent no longer if this

matter is to be left where it now rests.

I was here during the days of the Cuban insurrection. was one of the men who was taken into the confidence of President McKinley, as were other Senators upon this floor. He did not hesitate to communicate with the Senate and the House. We were apprised of every delicate and difficult situation. I think it would be eminently becoming—and I do not say it in criticism or in anger—if the President of the United States would allow the Committee on Foreign Relations to know some of the facts upon which he is taking extraordinary and unusual initiative. I do not know of a President since I have been connected with public affairs who did not invite the attention of the time of his remarks I have heard no intimation that this

these committees to the delicate and important work he was trying to do. in connection with far-reaching foreign policy affecting the welfare of the people we represent.

The President of the United States in this crisis may be misled as are others. He may have misinformation. I do not desire to trespass upon the courtesy of the Senator from Georgia, for whom I have the highest respect and in whom I have the greatest confidence. He has viewed the situation with dignity and with candor to his associates. But the situation is exceedingly serious. Human life has been imperiled by our laxity and frequently unnecessarily taken. The arm of our Government has been too freely used to sustain an administration in Mexico and too sparingly used to protect American life and property in this crisis. The officers of our Government have thronged the borders. The jails of our cities have been filled with Mexican noncombatants and with those active in the revolution. It is a tale that reflects no credit upon our country. Up to this moment nothing has been done which measures up to the dignity or the importance of our Government in the western world.

I wish we might have more uncolored light. I wish the light we have might be more clearly understood by my associates. If more light is not forthcoming soon, I promise the Senate a careful detail of the information that has been gathered under oath, with such recommendations as we believe, upon our responsibility as Senators, should be the basis for definite action.

What I have said has been said in the kindlest spirit. I know the President is patriotic. I know his Secretary of State is patriotic. I would not do injustice to either. But the in-formation upon which they act is not official, and it should be official. It is largely hearsay and haphazard when the true condition is within our grasp by the appropriate committee of the Senate.

Mr. BACON. Mr. President, I was about to take my sent when the Senator asked permission to interrupt me, and I held the floor only because I presumed he intended to ask me a I have no objection whatever to his having occupied question. the time.

I do not think, however, that what the Senator has said casts any special light upon the question as to whether this particular resolution should be adopted or should be referred to the Committee on Foreign Relations. I repeat that there are a great many things with regard to the Mexican situation that one is very strongly tempted to discuss at this time. Some things have been said by the Senator who last addressed the Senate which are provocative of reply. Passing them by generally, I will only say that one purpose in sending Mr. Lind to Mexico is to secure information at first hand, and that information when received will doubtless be substantially com-municated to Congress. But I am trying to limit myself to the single question before the Senate, because there will be ample opportunity for discussion of all these other matters.

The simple question here is, with the known fact that the President of the United States has formulated a plan by which he hopes to bring about peace and order in Mexico and to restore the authority of law, and is in the attempted execution of it, whether we shall pass a resolution which, however justifiable it might be under other circumstances, can be based only upon the assumption that that which he has undertaken is to fail. Even if that assumption were correct, we should not properly consider the position and attitude of the President if we failed to await the formal conclusion of the effort on his

part.

Therefore I shall insist upon the motion which I made to refer the resolution to the Committee on Foreign Relations. I do that when I might make a motion which would be more summary, but which I have no desire or disposition to make. I will only repeat and emphasize to the Senators that I do think whatever action is taken in the Senate in regard to this matter should first receive, as all grave matters and almost all trivial matters habitually receive, the prior consideration of the committee charged generally by the Senate with the considera-

tion of matters relating to foreign affairs.

Mr. CLARK of Wyoming. Mr. President, just one word.

I do not agree with the Senator from Georgia that this is one of the resolutions which should be referred to the Committee on Foreign Relations, for the simple reason that it directs the committee to perform a certain service; and it occurs to me that it is folly to direct a committee in a resolution to perform a certain service and then leave it with the committee to say whether or not such a direction shall be given. It is simply a direction to the committee to perform a service for this body.

was in any respect a political resolution. The Senator and myself served long enough on the Foreign Relations Committee, before I was relieved from service on that committee, for him to know that so far as a thing of this sort is concerned there would be no politics in any resolution I might offer. My support, now and hereafter, will be given to the President of the United States in such action as he may wisely see fit to take upon the various matters that may confront him with relation to our foreign affairs. But I, for one, am tired of following a blind trail. I believe there comes a time, even in the consideration of our foreign affairs, when we should have a path marked out knowing in what direction it leads. So far as the success or nonsuccess of the present mission to Mexico is concerned, I believe it is not affected, nor is it sought to be affected, by the resolution.

I hope Gov. Lind's mission may be a success. I have every confidence in the man himself. I have known him for 25 years. know that he is an honest, straightforward, thoroughgoing American citizen. I know he will do whatever in him lies to carry out the wish of the President in bringing about some adjustment of Mexican affairs. But no matter what may be the policy of the President, no matter what may be the success of John Lind in Mexico, I, as a Member of the Senate of the United States, want some information, gathered from our own

sources; upon which we may safely rely.

Mr. FALL. Mr. President—
The VICE PRESIDENT. Does the Senator from Wyoming yield to the Senator from New Mexico?

Mr. CLARK of Wyoming. Certainly.

Is it not a matter of history that in every affair of this character—Mexican in 1858, Cuban in 1898, Venezuelan long prior to that—the President of the United States, Mr. Cleveland first, long before his final message to the secretary of foreign affairs of Great Britain, took the Congress of the United States into his confidence in a message, saying that "Congress was the body who finally had to act," and so forth? Is it not a fact that two years before the Spanish-American War Mr. Cleveland transmitted to the Congress of the United States information with reference to Cuba and called upon Congress to investigate the situation? Is it not a fact that a year before the Spanish-American War Mr. McKinley, coming into the Presidency and taking up the matter where Mr. Cleveland had left off, communicated to the Congress of the United States his views and asked their assistance in the investigation, and let them know what he was doing?

If those things be true, why is a different method now pursued, and why is an effort being made to prevent an investiga-

tion by the Congress of the United States?

Mr. CLARK of Wyoming. Mr. President, I am not personally familiar either with the facts or with the history of all the incidents to which the Senator alludes. I do, however, know that the Foreign Relations Committee of the Senate for weeks and months before the Spanish-American War—and I think the Senator from Georgia and myself were both members of the committee at that time—had in its charge exactly such an investigation as that which is asked by the pending resolution. Nobody at that time raised the question that it was disrespectful to the President of the United States, and no one questioned the wisdom of the course then pursued.

I want to say here that I am somewhat surprised that the Senator from Georgia should indicate that this resolution is, or was intended to be, disrespectful to the President of the United States, and should go so far as to characterize it as flaunting something in the face of the President of the United States. Mr. President, nothing was further from my thoughts. The situation that confronts the country to-day is bigger than the President of the United States or any other citizen; and it was only to get important and absolutely necessary information that this resolution was introduced and is now being pressed.

Mr. CRAWFORD. Mr. President, will the Senator from Wyoming yield to me?

Mr. CLARK of Wyoming. Yes.

Mr. CRAWFORD. I judge from the remarks made by the Senator from Michigan [Mr. SMITH] that the subcommittee of which he is chairman very recently made an investigation for the purpose of ascertaining the Mexican situation, and we have here a whole volume containing sworn testimony; so that the Senate does not appear to be without information upon the question of conditions in Mexico. Mr. CLARK of Wyoming.

Mr. President, that is one of the We have not been given even the things I am complaining of.

information thus gathered.

Mr. CRAWFORD. Why do we want another investigation when we have just had one? A committee of the Senate has

just made an investigation extending over a number of weeks. It has made a report here that probably not one Senator out of fifty has seen.

Mr. CLARK of Wyoming. Mr. President, the Senator from South Dakota is just arriving at what I am trying to get at. We have been working on this thing. A subcommittee, I think, of the Foreign Relations Committee investigated along the border as to our own losses and as to what we were doing. subcommittee made its investigation under the able and energetic chairmanship of the Senator from Michigan. It took hundreds of pages of sworn testimony. Yet the Senate has no report from that committee up to to-day. Its investigations and activities, for some reason unknown to me at least, were stopped while in full swing, and the work of the Senator from Michigan and his colleagues on that committee has consequently been of little avail and has practically gone for naught.

Mr. SMITH of Michigan. Mr. President, will the Senator

from Wyoming permit me?

The VICE PRESIDENT. Does the Senator from Wyoming yield to the Senator from Michigan?

Mr. SMITH of Michigan. I do not want to annoy the Senator. Does the Senator yield?

Mr. CLARK of Wyoming. Certainly. Mr. SMITH of Michigan. The committee of which I was chairman made no formal report, although we laid before the Senate the results of our labor and each Senator has to his credit the testimony taken at El Paso, in California, and at New Orleans, showing fully the deplorable condition of our countrymen in Mexico and much of the unfortunate situation of our sister Republic; but our work was not fully concluded when the reins of government passed into other hands and we were unable to go further.

Mr. CLARK of Wyoming. That is it exactly, Mr. President. Mr. SMITH of Michigan. Senators will not accuse me of lack of diligence nor of lack of patience or persistence in any work assigned to my care, but we were not permitted to close up our work. I do not charge that to anyone. I think they intended to complete the work, and I think they intend to do it now. There ought to be an investigation. I entirely agree with the Senator from Wyoming.

Mr. BACON. I hope the Senator will permit me to say that nothing I said reflected upon the Senator personally. not say that was the intention of the resolution; I said that

was the effect of it, and that statement I stand by.

Mr. CLARK of Wyoming. Mr. President, I can not agree to that. If it is a reflection upon the President of the United States, in matters of the greatest international concern, for the Senate of the United States, through its proper committee, in a decent, orderly way, to make investigations of those affairs, then the Senator is right; otherwise the resolution is not subject to that particular criticism of the Senator.

Mr. FALL. Mr. President, will the Senator yield to me for moment?

Mr. CLARK of Wyoming. Yes; I yield to the Senator from New Mexico.

The Senator said he was not familiar with the Mr. FALL. Cleveland message on Cuban affairs. I have here a portion of that message which I should like to read to him, and I call his attention to it.

On December 7, 1896, two years before the Spanish-American War, Grover Cleveland, the President of the United States, sent to the Congress of the United States a message on Cuban affairs. I will read only a few words from it:

But I have deemed it not amiss to remind the Congress that a time may arrive when a correct policy and care for our interests, as well as a regard for the interests of other nations and their citizens, joined by considerations of humanity and a desire to see a rich and fertile country intimately related to us saved from complete devastation, will constrain our Government to such action as will subserve the interests thus involved and at the same time promise to Cuba and its inhabitants an opportunity to enjoy the blessings of peace.

A year afterwards, and a year before the Spanish-American War, Mr. McKinley sent an almost identical message, taking the Congress of the United States into his confidence and asking their help.

Mr. CLARK of Wyoming. Mr. President, I ask for a vote upon the resolution.

The VICE PRESIDENT. Does the Senator from Wyoming ask for the yeas and nays?

Mr. CLARK of Wyoming. I ask for the yeas and nays. Mr. POMERENE. Mr. President, I regret exceedingly that we have this unfortunate disturbance in the Republic south of us, but I am in hearty accord with the position taken by the chairman of the committee that this resolution should be re-ferred to the Foreign Relations Committee before it is finally acted upon by the Senate.

Everyone who has spoken here to-day has referred to the splendid character and ability of the President and of the Secretary of State and of Mr. Lind, who has been sent as a special representative of the President to Mexico. That confidence is not going to be misplaced.

I can not believe that either the President or the Secretary of State adopted the course they have without full justification,

based upon official information in their possession.

I do not think that we are justified in saying that such information as they have had has been gathered from different sources and lacks an official character-by no means,

I do not know what their position is with respect to this resolution except as I infer it from the action of the President and the Secretary of State when a resolution was referred to them on the 24th of April calling upon the State Department for certain information with reference to the kind and character and number of claims which American citizens have against the Republic of Mexico. That resolution also asked for a statement as to what redress, if any, had been offered by Mexico or demanded by the United States of America, and the result of such offer or demand, and what assurance of protection to the lives and property of our peaceful, law-abiding citizens Mexico offered. The Secretary of State, with the approval of the President, replied on July 30, 1913, that in their judgment it would be incompatible with the public business to give that information to the Senate at that time.

Now, it does seem to me that the scope of the present resolution is much wider than that which was presented to the Senate on April 24, and if in their judgment at that time it was in-compatible with the public interest to give that information to the Senate, certainly, in my judgment at least, we ought not at the present time to take this up for investigation, certainly not

in a public way.

For that reason it does seem to me that we ought not to act

hastily upon this resolution.

The VICE PRESIDENT. The hour of 2 o'clock having arrived, the morning hour has expired, and the Chair lays before the Senate the unfinished business.

Mr. CLARK of Wyoming. I ask that the resolution may go

over without prejudice.

The VICE PRESIDENT. The resolution goes to the calendar under the rule, the Chair understands.

I understood the Senator from Wyoming to Mr. SIMMONS.

ask that the resolution should go over.

Mr. CLARK of Wyoming. The presiding officer indicated Mr. CLARK of Wyoming. The presiding officer indicated that the morning hour had closed and I asked that the resolution should go over without prejudice.

Mr. SMITH of Georgia. Under the rules it goes to the cal-

Mr. CLARK of Wyoming. Under the rules it goes to the calendar, where undoubtedly it will be buried, if the Senator from Georgia desires.

Mr. SMITH of Georgia. I ask that it go to the calendar. I ask unanimous consent that the Mr. CLARK of Wyoming.

resolution may lie on the table.

Mr. SMITH of Georgia. I object. The VICE PRESIDENT. The request of the Senator from Wyoming being objected to, the resolution goes to the calendar. THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 3321) to reduce tariff duties and to provide revenue for the Government, and for other purposes.

Mr. WARREN rose. Mr. LIPPITT. Mr. President-

The PRESIDING OFFICER (Mr. SHAFROTH in the chair). Does the Senator from Wyoming yield to the Senator from Rhode Island?

Mr. WARREN. I understand that the Senator from Rhode Island desires to complete his argument and to answer some questions propounded to him at the close of his speech yesterday, and I yield for that purpose.

The PRESIDING OFFICER. The Senator from Wyoming yields, and the Senator from Rhode Island will proceed.

Mr. LIPPITT. Mr. President, a few minutes after the close of my remarks yesterday, and while I was out of the Chamber, the Senator from Missouri [Mr. STONE] made some remarks which I find upon page 3151 of the Record of to-day and which, if they were not abusive, were certainly not flattering. seem to insinuate that I have at some time, or that somebody has at some time, done something that is wrong in regard to the cotton schedule.

I appreciate the compliment which the Senator pays when he chooses to criticize the man instead of replying to the argument, but I do not understand exactly what it is that he intends to criticize in his remarks. I have a very high regard for

the Senator, and I should like to stand well in his mind. Perhaps, to put it a little more definitely, I want him to state what it is that has been done that is subject to criticism. I will take occasion to read from the remarks of the Senator from Missouri [Mr. STONE]:

souri [Mr. Stone]:

Before the very honorable Senator from Rhode Island came to grace this body with his official presence he was accustomed to appear before the committees of the Senate and of the House, as were numerous others representing this very industry, to discuss its technicalities with Representatives and Senators who were not themselves familiar with those technicalities—any more then than now—and not only did they come with reference to this industry, but also with regard to practically every industry of any moment in the country.

It is not to the credit of our legislation in the past that interested representatives of the cotton industry, the woolen industry, the steel industry, and other industries were permitted by the Ways and Means Committee of the House and the Finance Committee of the Senate to come here and prepare the tariff schedules in which they were interested, to be afterwards passed by the two Houses of Congress, and to be approved by a Republican President. That used to be done.

But this is not the time when that sort of thing can be repeated.

A little further on he says:

A little further on he says:

That was the custom in Republican times, but that day is past. We have entered upon a different era.

Mr. President, I was not accustomed to appear before committees of the House or Senate. I never appeared in my life before a committee, except once, and I was so little accustomed to it that I can say I was almost frightened to death on that I subsequently wrote a short letter to the committee in regard to the tariff, and then went to Europe.

Now, just exactly what it is that the Senator thinks in that record I did that was wrong I hope he will take occasion to specify, because I should like to stand well in his graces, as

I have said.

But I further want to find out exactly what he means by saying that the custom of people appearing before committees and of being in intimate relations with those making these tariff bills and of being relied upon for information in connection with them is something that was simply characteristic of

Republican bills and is no longer permitted.

I have here, Mr. President, Tariff Bulletin No. 6, published by the American Cotton Manufacturers' Association of North Carolina under the auspices of the committee on tariff and legislation, composed of 14 members, I think, from the States of North and South Carolina, Georgia, Virginia, and Alabama. It consists of 67 pages. Of the 67 pages over 40 pages are taken up with an intimate correspondence between the two leading members of that committee, Mr. Lewis M. Parker and Mr. Stuart W. Cramer, with Mr. Underwood, in which they show the most intimate relations, the correspondence going on over several weeks, if not months, and the correspondence referring to repeated personal interviews. I will read the beginning of it.

Mr. STONE. Is that a public document?

Mr. LIPPITT. No; it is not a public document of the Senate. It is a document that has been published widespread through the South, and there is no secrecy about it in any way.

I will say, furthermore, Mr. President-and I am not in the slightest degree going to criticize Mr. Underwood, and I am not in the slightest degree going to criticize Mr. Cramer or Mr. Parker. I know those gentlemen well, and I have a very high opinion of all of them. I do not believe that any one of them would try to do anything that is improper, and I am absolutely sure that, however much they might try, there is no man who could make the chairman of the Ways and Means Committee of the House do anything that is improper. I am not in the slightest degree trying to throw any discredit upon the source to which he went for information, but I am trying to discover why the Senator from Missouri, in the light of the facts which are in that publication, pretends that the present bill, and particularly the cotton schedule of the present bill, was not written under the closest association with the people he says in his speech it should not be associated with. I read:

Lack of space prevents publishing these statements in full-

He is referring to some tables-

Furthermore, the following briefs and correspondence of Messrs. Cramer and Parker with Mr. Underwood and his committee fully cover the ground (including several personal interviews).

I am not going to encumber the RECORD with all these letters. They are the correspondence back and forth between Mr. Cramer and Mr. Parker and Mr. UNDERWOOD. I simply want to call attention at one point in them to show how intimate those relations were.

My dear Mr. UNDERWOOD-

Says Lewis W. Parker on January 28-

I regret I was not able to see you before leaving Washington to express my appreciation of your courtesles.

I am auxious, before you determine upon the cotton-goods schedule, to go over in detail with you and such other members of the committee

as you may desire the provisions of the suggested schedule of the American Cotton Manufacturers' Association.

February 3, a few days later, Mr. Underwood replied acknowledging the receipt of this letter:

I am very anxious to go over the matter with you, and if you will let me know when it is convenient for you to be here will arrange the necessary time for the consideration of the matter.

Mr. Parker writes again, in reply to Mr. UNDERWOOD, on February 4, saying:

I had expected to leave the afternoon of Saturday, the Sth Instant, for New York, where I shall be for several days. I could arrange, however, to leave the afternoon of Friday, the 7th, and be with you on the 8th instant, or I could arrange to stop over in Washington as I return from New York.

I read from Mr. Parker's letter of February 7 to Mr. Underwood, Evidently there had been some communication with him:

I expect to see you, as previously advised, on the morning of the 13th, when I shall discuss this matter with you further.

Now, all that interview was being arranged for the purpose of going over the cotton schedule with Mr. Underwood before it had been reported, as they say. All the letters are full of data that show the most intimate relations between these two, and in the light-

Mr. BRANDEGEE. Mr. President-

The PRESIDING OFFICER. Does the Senator from Rhode Island yield to the Senator from Connecticut?

Mr. LIPPITT. I do. Mr. BRANDEGEE. Will the Senator be kind enough to state again the title of the document from which he has been reading?

Mr. LIPPITT. It is called Tariff Bulletin No. 6, published

by the American Cotton Manufacturers' Association, North Carolina, which is an association of the southern end of the cotton business. It also has some members from the North, but it is substantially a southern organization. lotte, N. C." "March 5, 1913, Char-

Mr. BRANDEGEE. How many pages are there in the document?

Mr. LIPPITT. There are 67 pages in the document, of which something over 40 are taken up with the correspondence, which is perfectly open, and which is published and distributed through the South and over the country. I say there are about 40 pages that are taken up with this correspondence between these gentlemen. The other pages are taken up with certain tables to explain references in the correspondence.

Mr. BRANDEGEE. I should like to know whether the document is entirely given over to the questions in the cotton schedule of the proposed tariff bill.

Mr. LIPPITT. Entirely.

Mr. BRANDEGEE. Does it purport to be a report by a committee of this association to the members of the association?

Mr. LIPPITT. It is a report by a committee of the association to the members of the association.

Mr. BRANDEGEE. I understand it now.

Mr. LIPPITT. The Senator from Missouri refers to information and testimony, open testimony, that was given before the Ways and Means Committee by myself and others some four years ago, and implies that I did something discreditable. do not believe the Senator really thinks that I did anything discreditable, but that is the implication of his speech. I know of no way in which a committee of this body that is going to prepare a bill of this kind can obtain proper information unless it gets it from sources where the knowledge exists, and I think it is a very objectionable practice for Members of this body to discredit witnesses who do come down here fairly and honestly to give such testimony and to impugn their motives, for the simple reason that it prevents people from coming here who are in possession of the facts and from whom they can be obtained, and who are the only people from whom they can be obtained.

Now, I did not want to let those remarks of the Senator from Missouri go by, in which he claims such entirely different methods to be in existence at the present time, without some little

statement in regard to it.

The PRESIDING OFFICER. The Senator from Wyoming will proceed.

Mr. STONE. Mr. President-

The PRESIDING OFFICER. Does the Senator from Wyoming yield to the Senator from Missouri?

Mr. WARREN. I yield to the Senator from Missouri.

Mr. STONE. Mr. President, I wish in the beginning of what I may have to say in reply to the Senator from Rhode Island [Mr. Lippitt] to disclaim any purpose of intended discourtesy to him. The Senator in his personal intercourse with the Members of this body since he entered the Senate has been characterized by the highest courtesy and kindliness, and I am

sure that, so far as the personal equation goes, he is regarded with most kindly consideration by everyone.

Mr. President, I listened yesterday to the address of the Senator from Rhode Island. There were remarks in that address that I thought he might well have left out of it. In a way he impeached the capacity of the Ways and Means Committee of the House and the Committee on Finance of the Senate to deal with the questions before them relating to tariff revision. He assumed, as I thought, an air and tone of toploftical superiority that was not altogether agreeable to me. A man may be superior to other men in many ways, at least in his own opinion, and of course he has a right to a flattering opinion of himself, but I do not care to have my hair rubbed the wrong way by having any man tell me that he thinks he knows more and is in many ways better than I am, or that his party is better than mine.

Mr. President, I did say that the Senator had been accustomed in past Congresses to appear before congressional committees to use his influence in shaping tariff legislation. Senator says I was mistaken in saying that he was accustomed to do this; that he had never appeared except once, and that he was frightened on that occasion. I accept his statement that he personally never appeared except once, but, Mr. President, I positively assert that it has heretofore been the custom of interested parties, representing all kinds of industries, to appear before congressional committees and to use their influence to shape legislation. I do not mean to say that gentlemen who thus appeared used their influence in a corrupt or even in an altogether improper way. They were dealing with legislators who were in sympathy with them; there was a concurrence of views and a mutuality of interest between them; they were working hand in glove, and I do not severely criticize the representatives of great industries if, when offered the opportunity to appear before committees of Congress having in charge legislation in which they are vitally interested, they come and strive to direct the course of such committees. have a right, I suppose, to so appear and help themselves if they can. I am not going to discuss the propriety of that. There is certainly no turpitude in that kind of proceeding. If a committee is willing to have outside interested parties write tariff schedules for it, the outside party is at least not much to

Now, as to the part the Senator from Rhode Island played in this legislation relative to the cotton schedule as it was written in the Payne-Aldrich bill, I desire by way of reminder to re-produce a bit of history. It is a matter which I did not intro-duce yesterday, but now that it is called for I think I may properly introduce it. What I am going to read may be incorrect, and if so, the Senator from Rhode Island should here now have a chance to make his own reply.

Mr. President, I do not certainly know what influence the

Senator had in shaping the cotton schedule of the Payne-Aldrich bill. All I know is what I have read and heard. I hold in my hand some excerpts from the debates had in the Senate at the time the Payne-Aldrich bill was pending and when the cotton schedule was under consideration.

From these I will first read an extract from a speech of former Senator Dolliver, of Iowa, one of the most distinguished and eloquent men who ever represented that great State in the Senate

On May 4, 1909, page 1719, volume 44, of the Congressional RECORD, Mr. Dolliver is reported as saying:

Mr. Dolliver. * * * Mr. H. F. Lippitt, of Providence, R. I., a member of the Arkwright Club, of Boston, representing a large number of cotton spinners of New England, came before the committee (Ways and Means) on the 1st of December and stated as follows (this is from page 4528 of the hearings):

"We ask that the present cotton-cloth schedule shall not be reduced—

That was all that was asked, that the rates should not be

reduced-

because when it was enacted it was the result of a careful inquiry into the conditions of the cotton-manufacturing industry. We ask, therefore, that the present schedule shall not be materially changed. (Page 4532.)

"I am not here to ask for an increase in the duties on the cloth clauses of the cotton schedule. I think that while there are importations going on under them, it is reasonably regulative of the cotton trade. The importations are not so large that we feel justified in asking that the duties be increased." (Page 4538.)

Someton Dell'iver read this cortract from these bearings, which

Senator Dolliver read this extract from these hearings, which I have here now on my desk. Then he proceeded to say-I am now quoting from his speech:

Now, notwithstanding that statement, Mr. Lippitr and James R. MacColl, for the Arkwright Club, on January 15, 1909, addressed a letter to the Committee on Ways and Means asking for provisions substantially identical with those that appeared in paragraphs 318 and 321 of this bill as originally reported from the House Ways and Means Committee.

And these paragraphs increased—in some respects materially increased—the rates of the Dingley law.

Mr. President Mr. LIPPITT.

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Rhode Island?

Mr. STONE. I should prefer if the Senator would let me finish this statement.

Mr. LIPPITT. I will do so. Mr. STONE. I resume the reading:

Upon discovering to what extent they had been misled by following these suggestions Mr. Payne, one of the wisest practical students in the United States on the cotton business or any other business of our people, and a man who, in my judgment, knew more about it in 1890 than William McKinley did, and more definitely about it in 1897 than even Gov. Dingley himself—

Mr. LIPPITT. Mr. President—
The PRESIDING OFFICER. Does the Senator from Missouri yield to the Jenator from Rhode Island?

Mr. STONE. I do. Mr. LIPPITT. I merely want to ask the Senator if he has the copy of that testimony there or if he can tell me just where I can refer to it?

Mr. STONE. I have it here.
Mr. LIPPITT. May I look at it while the Senator is reading?
Mr. STONE. Certainly. I send the Senator the volume containing his statement before the Ways and Means Committee and the letter signed by him and Mr. MacColl. The letter is not very long; his statement is not very long; and I am not sure. Mr. President, but that it would be enlightening to incorporate both of them in this connection in the Record. However, I will not now ask to have that done.

Senator Dolliver continued:

Senator Dolliver continued:

When Mr. Payne found out what had been put into the bill by adopting the suggestions made in writing by James R. MacColl and Mr. Lippith he said to them in plain language, somewhat exaggerated by implety, that he would have nothing to do with it. In other words, he and his associates on the committee felt that these two amiable gentlemen who came there stating that they desired no increase to be made in the cotton schedule had perpetrated an act of bad faith in inducing them to report an amendment which, in the judgment of the committee, could not be defended in the Congress of the United States. I will say another thing. These very amendments, with the omission of one or two which were cast out in wrath by the House committee; come back with great rejoicing in the report of the Senate committee on the cotton schedule. * * I traced the very language of this bill past the customhouse to the two honorable gentlemen who wrote to Mr. Payne a letter, which does not appear in the cotton hearings in the House of Representatives, although it has an obscure resting place in the appendix of that interesting series of volumes.

I find that the language which they prepared for Mr. Payne—
Mark you, which they prepared for Mr. Payne—

Mark you, which they prepared for Mr. PAYNE-

was handed in to the customhouse by Mr. Lippitt and Mr. MacColl, and was approved by the experts, who, we have supposed, were engaged out of the abundance of their wisdom and knowledge in writing the whole thing by themselves. I confess it leaves a very ugly impression upon my mind.

When Mr. Payne found that he had been swindled, he dropped the enterprise, and with it practically all the other suggestions of these amiable gentlemen. I want to say now that they perpetrated even a greater swindle upon the Senator from Rhode Island.

I do not see how it was possible, however, to overreach the then Senator from Rhode Island, Mr. Aldrich.

Again, on May 5, 1909, page 739, volume 44, of the Congres-SIONAL RECORD, Mr. Dolliver is reported as saying:

For 10 years I have heard about the mercerization of cloth, but I never understood it until very recently, although it has been a known process in cotton weaving for 107 years. It is not a very costly process. It consists in bathing the cloth after it is made in a bath of caustic soda dissolved in water. * * * That provision for a duty of 1 cent a yard more for mercerization is not the work of our honored committee; it is not the work of our honored appraisers—those eminent retired statesmen that are now sheltered in the customhouse at New York waiting for future promotion to justices and supreme justices of the Court of Customs Appeals in that great building. [Laughter.] That proposition was put in there by two amiable gentlemen from New England who know more about this cotton business than all the rest of us put together.

And they do.

I quote again from Mr. Dolliver:

Did they tell the customhouse appraisers what this process cost? Not a word. Did anybody make any inquiry as to what the process cost? Did any human being weigh the relative cost here and abroad and put a rate on it that would about cover it, with a little profit to enterprising and good people? Not a word of it.

I could go on and quote much more from this speech of our lamented friend, the former Senator from Iowa, but I will end this particular line of quotations at this point.

On June 3, 1909, Mr. La Follette said, as may be seen by reference to page 2595 of the RECORD:

Mr. Lippitt, if I may supplement what the Senator from Iowa has said, is one of six men or six families who control the great cotton industry of Rhode Island. Mr. Lippitt is a man who has been on hand here whenever tariffs were to be revised as the spokesman of the cotton industry.

So the Senator will notice that I am not the only Senator who was unaware of the fact that he had appeared here only

once. If, however, he really appeared only once, many others came very frequently.

Mr. Lippitt is the head and front of the cotton organization in Rhode Island. He did not represent, Mr. President, the great body of the people of Rhode Island when he sent his letter up here asking for some increases after he had appeared before the Ways and Means Committee and stated that the conditions were satisfactory to the cotton industry under the Dingley tariff any more than he represents in his views as a member of the Republican Party the rank and file and the great body of voters of that party in Rhode Island.

At that point the distinguished Senator from Minnesota [Mr. Nelson] rose and said, as appears on page 2705 of the Record:

Mr. Nelson. I want to say that the trouble with Mr. Lippitt at the time he made that statement before the Committee on Ways and Means was that he was not aware of the new doctrine that the tariff was to be revised upward. If he had been impressed with that idea, his statement would have been more conservative. [Laughter.]

Now I wish to read another interesting chapter to the distinguished Senator from Rhode Island. In the Senate on June 4, 1909, page 2750, volume 44, of the Congressional Record, this appears:

Mr. I.A FOLLETTE. * * * Mr. LIPPITT appeared before the Ways and Means Committee, and I found an interesting little colloquy in the report of the hearings which gives a New England manufacturer's idea of a fortune and what constitutes a fortune. The Senator from Massachusetts said that New England fortunes were not large—

I suppose that must have been the present senior Senator from Massachusetts [Mr. Lodge], although it may have been the then junior Senator, but that is immaterial; it was one of them-

or that large fortunes were not acquired in this industry at least—referring to the cotton industry—and that seems to be the view of Mr. LIPPITT, to whom reference has been so often made in the course of this debate. * * After summarizing the condition of the cotton-mill industry in New England, Mr. LIPPITT said:

"The result of all this is that while the best-managed mills of New England have made a living they have shown no extraordinary profit. Great fortunes made in cotton manufactures are very rare."

Great fortunes! Senators, you must keep in mind the descriptive words—"great fortunes" or "large fortunes." Subsequently Mr. Lippitt was interrogated on the subject of large fortunes and answered as follows:

Mr. Longworth, I do not know whether I understood Mr. Lippitt correctly to say that no large fortunes have ever been made in this business in New England.

Mr. Lippitt, I think so,

Mr. Longworth, My impression is that most of the large fortunes have been made in it.

Mr. Lippitt, We are not accustomed to large fortunes in New England.

Mr. Longworth, Then may I ask you what you call a large fortune?

Mr. Lippitt, I would receive a feature of three converge of a bill

Mr. Longworth, Then may I ask you what you call a large fortune?

Mr. Lippitt. I would regard a fortune of three-quarters of a billion as a large fortune.

Mr. Hill. That would be quite a moderate one for an Ohio man, would it not?

Mr. Longworth. I only asked the question because I thought it was rather an exaggerated statement.

Mr. Lippitt. I do not think so.

Mr. McCall. You mean that there are no manufacturers of very great wealth in New England?

Mr. Lippitt. Yes; I mean to say if you compare the cotton industry with others. with others.

A little later in the course of Mr. Lippitt's testimony, in order to make certain that there should be no misunderstanding of the New England standard of fortunes, Mr. Lippitt was further interrogated and made answer as follows:

Mr. CLARK. How much would you say you would regard as a com-rtable fortune, three-quarters of a million or three-quarters of a

billion?

Mr. Lippitt. The gentleman asked what I would consider was a large fortune. I said I thought three-quarters of a billion was a large fortune.

Mr. CLARK. A billion?

Mr. Lippitt. Yes, sir.

In other words, anything below \$750,000,000 the Senator took out of the class of large fortunes; under that sum in New England fortunes were to be regarded as moderate.

My friend from Georgia [Mr. SMITH] suggests that under the protective system a man such as the Senator from Rhode Island, who materially aided, directly and potentially aided, in writing the cotton schedule of the Payne-Aldrich law, is naturally of the opinion that the profits piling up from year to year do not exceed reasonable bounds, nor yet create large fortunes in the hands of those profiting by statutory extortion, until a fortune reaches the minimum standard of \$750,000,000.

Mr. President, I have no wish, and I had no such desire yesterday, to say anything offensive to the Senator, but I can not withdraw the statement that the Senator did appear-he says "only once," but, my Lord, that once was enough-and used his great and seemingly controlling influence in first inducing the Ways and Means Committee to write his suggestions into the bill which that committee reported to the House. I do not adopt the language of Senators from whom I have quoted-I merely read it-in saying that the Ways and Means Committee

was misled. I do not know as to the fact; I have only Senator Dolliver's statement, that Chairman PAYNE said he was misled and that he repudiated the provisions relating to cotton as they had been prepared and submitted to him, and which he had adopted. But, not content with Chairman PAYNE's repudiation of their suggestions, it appears that these manufacturers of cotton cloth came here to see the Finance Committee, presided over by Senator Aldrich, and induced that committee to adopt and report to the Senate the cotton-cloth schedule as it had been first adopted by the Ways and Means Committee, and then afterwards repudiated by that committee, as I have shown.

Mr. President, I do not personally know what the present Senator from Rhode Island had to do with all this. He knows whether what I have read is true. He says he appeared but once. I do not know whether that once was before the Ways and Means Committee or the Finance Committee; but when and wherever he did appear, according to the record, he said that he did not ask for an increase; he only protested against a reduction in the duty; and yet, in the letter which the Senator has in one of those volumes I sent over to him and from which the then Senator from Iowa quoted, signed by the Senator and Mr. MacColl and addressed to the Ways and Means Committee, they wrote out in that letter the very phraseology of the bill, in so far as their particular industries were concerned, suggesting the very words and form of the law, knowing that the effect would be to increase the duties.

Mr. President, this sort of controversy is not agreeable. Yesterday I passed it by; but to-day the Senator brings it up in a way that warrants me in saying what I have. I have not anything but personal good will and kindly feeling for the Senator; but, Mr. President, in vew of what has occurred, I can not retreat from nor retract any syllable of the statement I made on yesterday, that in past Congresses, when Republicans were in control of both Houses and of the White House, interested men, dominating, controlling, directing great manufacturing establishments and interests, came here and arranged the very form of tariff legislation that was to be enacted into law.

I think I will read before I sit down an extract from the testimony of the Senator from Rhode Island before the so-called lobby committee of the present Congress. I read from

the hearings before that committee:

the hearings before that committee:

The CHAIRMAN. You have a list of the questions that have been propounded by the committee to all Senators appearing here. You will find 11 questions there, and I will ask you to look at the questions and answer them fully in your own way.

Senator Lippitt. In reply to the first question, I will say that I am now and have all my life been interested in the manufacture of cotton goods of various kinds. I also have some slight interest in the manufacture of a refrigerating machine and a small interest in an experimental attempt to make an oil engine. I think those are the only things that I am interested in that would come under the description given in that question.

The CHAIRMAN. The question says to state fully the nature and also the extent of your interests.

Senator Lippitt. In the manufacture of cotton goods, the Manville Co., of Providence, R. I., manufactures a very wide range of cotton cloths of various descriptions, and, of course, all of the articles manufactured are to some extent affected by the proposed tariff changes. I do not know what detail you want me to go into.

The CHAIRMAN. What is the capital stock?

Senator Lippitt. S6,280,000.

The CHAIRMAN. What is the extent of your holdings?

Senator Lippitt. I own about a quarter of it.

Mr. President, so there were over six and a quarter million

Mr. President, so there were over six and a quarter million dollars in one concern interested in cotton manufacture, of which the Senator says he is himself the owner of one-fourth. While with most of us that would be considered a large fortune, I presume according to the Rhode Island standard a man possessing only that amount would be close on to the verge of That is all I care to say.

Mr. LIPPITT. Mr. President-

The PRESIDING OFFICER. Does the Seming yield to the Senator from Rhode Island? Does the Senator from Wyo-

Mr. WARREN. I yield.

Mr. LIPPITT. Mr. President, the arts and methods of the

cuttlefish are very well understood.

I made a speech yesterday in which I discussed one of the most important schedules of the tariff bill. I discussed it, I believe, with great fairness. I tried to point out some of the things in which I thought it was deficient. I tried to point out its inequalities. I did not enter into any personalities, so far as I can remember. I did criticize the bill, however, and I am not surprised that the Senator from Missouri is hurt, and says that I must not say that a bill is not well made even if, as a matter of fact, it is not well made. That is the sum and substance of his criticism.

The Senator has brought up, as an answer to my criticisms on this schedule, quotations from a discussion that went on in this body four years ago, a discussion which lasted a fortnight or more, during which testimony was quoted for partisan pur-

poses and misquoted for partisan purposes. It is an effort to distract attention from the very proper criticisms which I have made on the textile schedule of the bill that the Senators on

the other side have prepared.

Mr. Dolliver, when he made those statements and quoted me as saying that I had appeared here in behalf of men who did not ask to have the cotton schedule increased in whatever year it was, 1908 or 1909, quoted me correctly as far as he went. quoted the position which I took at that time, and which I have taken ever since. Over and over again I have said that so far as the cotton schedule was concerned the cotton industry as a whole did not need any more protection. Mr. Dolliver, however, failed to quote all that I said, for I also pointed out that there were some minor features which were still in controversy and might need elucidation. This is exactly how I put it: "As it is, however, excepting some minor details which should be corrected, it regulates reasonably well the cotton trade of the country under present conditions."

In accordance with the suggestion there made, that there were some points that needed elucidation, and at the request of the chairman of the Ways and Means Committee of the House— Mr. PAYNE, as I recollect, but it is .. far back that I am not certain on that point—I spent some little time in studying some of the decisions which had been made in regard to that schedule. There was one thing in particular that I investigated. and I am sorry I have not a sample of the cloth here. During the debate there was shown here a piece of cloth so filled with colored yarns that it looked as though it had as much color in it as the carpet on which I stand. Yet, by a decision of the appraisers in New York or the courts of final jurisdiction, the law was so interpreted that such fabrics came into this country as white goods.

Was there any impropriety, at a time when that law was to be reconsidered, in finding the proper language to meet such a situation, where a piece of goods so thoroughly colored that you could scarcely see any white yarn in it at all was nevertheless admitted through the doors of the customhouse as a piece of white goods, with a difference in duty of a cent or two cents a yard or more, perhaps, as compared with the duty of other

colored fabrics?

Then there was another situation. I do not want to go into the discussion of all the technicalities of that old question, but there was another question. It was the question of etamines and vitrages. An etamine is a fabric composed of twisted yarns, 2 ply or more. It is of very open construction. The yarns have to be twisted so that they will not slip on each other, so that they will retain their position, so that the mesh will be square. If they are made of single yarns the yarns may be the same size, but in practice they slip one over the other and fray, as it is called.

Etamines are at certain times in fashion, and had been in fashion but a short time before the revision of that bill came about, and because of that there had been an attempt on the part of some importers to have etamines put in an entirely different classification. Because they were composed of this twisted yarn, which added greatly to their cost, they were at that time in a paragraph—I think of the flax schedule—at a duty of 60 per cent. Suit was brought on the ground that nothing was an etamine unless it was called an etamine: that the interpretation of that paragraph should be that any piece of goods that came into this country and was not stamped "etamine," or did not have a ticket on it that called it etamine, or in some way was described as etamine, it did not make any difference what its construction was, was not an etamine. The courts decided that way. Immediately there was not a single etamine coming into the country. The goods that had been brought in here at 60 per cent were brought in, in some cases, at as low a duty as 8 per cent under the paragraph into which they were put.

Was there any impropriety in my taking up that question? I had been asked by the cotton manufacturers of New England to act as part of a committee representing them. Until I arrived in Washington I had not the faintest idea that I was going to be the spokesman of the committee. It came about by accident. I was not thoroughly prepared for it, but I was asked shortly before I did so to make a statement for the com-To the best of my ability I complied, and to the best of my ability I told the committee and the country that the cotton manufacturers did not ask for any higher duty, but they did ask

to have the schedule properly interpreted.

What was proposed? We suggested to cover the twisted-yarn situation that when a piece of goods came in and the threads were counted for classification so as to decide, for instance, whether it would go into a class comprising threads between 50 and 100, with one duty, or between 100 and 150, with another duty, the single threads of which the 2-ply yarns were composed should be counted in establishing that classification just exactly as would have been the case if they had been single That had not been done before in the tariff. was some decision away back-I do not know how far; a long time ago-by which it was decided that under the wording of the tariff a twisted yarn must be counted as one yarn, and therefore goods counting between 100 and 200 were sometimes put as low as into the 50-thread class. It seemed like a simple way to adjust it to provide that threads composed of two or more threads-I do not remember the exact language, but this is the substance of it-should be counted for classification according to the threads of which they were composed.

The purpose of it was to put etamines and similar fabrics back at a duty of about 30 to 40 per cent, whereas under the old law they had been dutiable at 60 per cent until this decision of the courts had taken them out of the 60 per cent class and put

them down into a lower class.

To see just how it was best to cover such points as these, after I appeared before the committee I went home and studied the question and consulted with people whom I supposed had information about it, and wrote what I thought were desirable changes. Every one of them was of very little consequence. I then went to Europe. That was before the bill had been reported from the Ways and Means Committee. I did not come back to this country until after the bill had been reported to the Senate.

Mr. STONE, Mr. President-

The PRESIDING OFFICER (Mr. SHAFROTH in the chair). Does the Senator from Rhode Island yield to the Senator from

Mr. LIPPITT. I do. Mr. STONE. I find here-

What is "here"? Mr. LIPPITT.

Mr. STONE. This is testimony given before the lobby investigating committee. I find here, on page 154, the statement that after the Senator had been before the Ways and Means Committee he went to Europe or Africa or went abroad, and

On my return the bill had been reported to the Senate, as I have said, and when I arrived in New York I was telegraphed to and asked to come down here to act as an expert in advising the committee, or particularly the chairman of the committee, Mr. Aldrich, who was a great personal friend of mine and who had confidence in my understanding of that subject, in regard to the effect and general bearing of that schedule of the bill.

Did the Senator come in response to that telegram?

Mr. LIPPITT. I was just going on to say So.
Mr. STONE. Then the Senator came more than once.

Mr. LIPPITT. What does that imply? I have not said I did not come more than once.

Mr. STONE. I certainly understood the Senator to say so when he was first on the floor this morning-that he had made one appearance here before the Ways and Means Committee.

Mr. LIPPITT. The Senator from Missouri spoke about my appearing at public hearings before the Ways and Means Committee and said I was accustomed to go there. I was not accustomed to go there. I never was there but once in my life, as I said to the Senator.

Mr. President, when I was interrupted I was talking about 2-ply threads, and I had said that we made this report suggesting that the proper way to classify the goods was by the single threads of which the 2-ply threads were composed. The result of that would have been to take etamine from the 8 to 15 per cent class, at the very bottom of the list, and restore it to a medium class, where the duty would have been about 30 or 40 per cent instead of the 60 per cent class, where it had been until this court decision practically deprived it of duty. Quite a large variety of goods of this kind come in here occasionally. They are called voiles, vitrages, and various names. They are very attractive and very expensive fabrics, and it was a perfectly proper thing to suggest a reasonable rating for

What happened? After the bill was reported to the House some interested representatives of importers went to Mr. PAYNE and told him that counting the threads in that way raised the duty, and that he had been fooled; that it was a "joker;" that had been fooled by me. Well, he was fooled, but he was fooled by the importers that went to him and told him that. was not here. I was in Europe. I was in no position to What that change did was to take a piece of goods of that kind and raise it from the 8 to 15 per cent duty, where it had wrongfully gone, to about one-half the duty that it had carried when the duty had been rightfully collected. If there was any deception about it, it was deception on the part of the representatives of the foreign interests, who forgot to tell Mr.

PAYNE that while the change raised the duty from a very low point it brought it nowhere near the high point at which it had originally been.

Was there anything wrong about that? Was I doing anything wrong when I pointed out that irregularity in that minor I say "minor," for the whole value of all the etamines and all the voiles and all the vitrages that are used in this country is so small that they are insignificant.

As for the mercerization question, that subject is very fully discussed in a speech made by the senior Senator from Massachusetts [Mr. Lodge] during the course of the debate on the Payne-Aldrich bill. I will not take the time here to repeat or amplify what was then said.

Let me see—what was the other charge the Senator made against me? Why, that I thought three-quarters of a billion

dollars was a large fortune.

Has any man ever said that it was not a large fortune? To the Senator from Missouri does it appear a small fortune? came about in this way: While I was testifying, Mr. Longworth, of Ohio, a member of the committee, in a joking way, with a smile on his lips, said to me: "What do you consider a large fortune?" and with a smile I said, "Three-quarters of a bil-

Why did I say it? Because a few days before the papers of the country had been full of the evidence of a gentleman reputed to have made nearly that sum in the iron and steel business, Mr. Carnegie. No Carnegie ever came out of the textile busi-No Rockefeller ever came out of the textile business. But it is out of the iron and steel business, and out of the banking business, and out of the mining business, and out of the lumber business, and out of the railroad business these fortunes have been accumulated. At the time the question was asked me, as I say, the papers were full of the fact that Mr. Carnegie had sent back word from Scotland that the steel industry did not need any more protection; and it seemed to me like a very strange and remarkable circumstance, just at that moment, that a gentleman who had made that amount of money out of a protected industry, when his time had come to retire, should send back word that it did not need any more protection. I supposed, really, that some of the gentlemen would go on and ask me what I meant by it; but it was passed over, and occasioned at the time no particular interest.

Since then some people-and now the Senator from Missouri takes it up-have tried to insinuate that I think nothing less than three-quarters of a billion dollars is a large fortune. When he made the insinuation he knew it was not true. He knew I did not think any such thing. He knew no man would make such a statement. I did make the statement that it was a large fortune, and he tried to put into those words the statement that nothing less than that was a large fortune. Why is he saying it? Because yesterday I showed what the cotton schedule really was. Because I showed that, as compared with the silk schedule and wool schedule, it was absolutely unjust. Because I showed that one part of it, as compared with another part, was absolutely unjust. Now they are trying here, with their cuttlefish methods, to injure the witness in the hope of discrediting the testimony.

Mr. SMOOT. Mr. President—
The PRESIDING OFFICER. Does the Senator from Wyoming yield to the Senator from Utah?

Mr. WARREN. I yield for the moment.

Mr. SMOOT. Mr. President, it seems, according to our friends on the other side, that it is a crime for a manufacturer to appear before any committee of either branch of Congress, especially if he speaks in behalf of any industry in which he may be interested.

In looking over the hearings and the briefs that have been filed during the consideration of the pending bill, I am fully convinced, as the Senator from Missouri has so often stated, that there is a change of policy. The change is that instead of the manufacturers of this country being listened to or asked for information affecting rates of duties, the importers have the ear of the committees of Congress and their advice is paramount.

I am not going to take the time to discuss this question, but I am going to ask that the names of importers and others who appeared asking for reduction in tariff duties may be printed in the RECORD, and also in connection with that, a list of the briefs and statements filed with the Committee on Finance of the Senate on the different schedules of the bill. I ask that that may be printed in the RECORD.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Utah? The Chair hears none.

Mr. REED. Does this give the names of all that appeared?

Mr. SMOOT. As nearly as I can find out. I went over them pretty carefully. I may have missed a few, but I certainly have not included any that did not appear.

The matter referred to is as follows:

NAMES OF IMPORTERS AND OTHERS WHO APPEALED FOR REDUCTION OF TARIFF DUTIES AT HEARINGS BEFORE WAYS AND MEANS COMMITTEE. SCHEDULE A.

Robert J. Keller; Alfred Kubler, vice president: the Geigy-Ter Meer Co., New York; manufacturers in Basel, Switzerland, of tannic acid and nutgall extracts (p. 53).

C. S. Welsh; Park & Tiiford, New York; importers of perfumery, toilet preparations, brushes, etc. (p. 66).

Ferdinand Cocorullo, New York; importer of mannit (p. 87).

G. R. Schroeder, secretary Italian Chamber of Commerce, New York (pp. 88, 101, also pp. 284, 480, Schedule B). Subsidized by the Italian Government, p. 278, line 15).

E. O. Lemon, vice president; W. J. Dippel, secretary; C. Tennant & Sons Co., New York 100 William Street: United States agents of the Norwegian Hydro-Electric Nitrogen Co. (Ltd.) (pp. 89-92).

Schering & Glatz, New York; camphor (p. 130).

Joseph Dick, 198 Broadway, New York; importer of German and Austrian bone glues in cake form (p. 217).

E. C. Kilpstein, A. Kilpstein & Co., New York; importers of indigo colors. "We are importers, and consequently we have not come here to say that any of the things you have done or are going to do are going to ruin us" (p. 227).

A. H. Washburn, representing J. A. & W. Bird & Co., New York and Boston; importers of paints; agents for the Repolin Co., Holland (p. 312).

Maurice Leon, representing Roger & Gallett, New York; importers of

and Boston; importers of paints; agents for the Repolin Co., Holland (p. 312).

Maurice Leon, representing Roger & Gallett, New York; importers of perfumery and soaps. "Under the present rates (Payne-Aldrich) it has been our experience that it is difficult, if not impossible, for us to compete on our market for the class of goods which goes into the homes of people in medium circumstances" (p. 389).

Francis B. Arnold, representing F. R. Arnold & Co., New York; importers of soaps. "Under the Payne tariff we have been able to recommence the importation of the low-priced soaps" (p. 391).

Lockwood, Brackett & Co., New York; importers of Castile soap (p. 414).

Albert & Hart, representing Leousi, Clouney & Co.; advocated free sponges (p. 419).

SCHEDULE B.

The Meyer Co., 253 Broadway, New York; tiles (p. 436).

Adolph Grant & Co., New York. "The tile industry in this country would not suffer in the least if the entire duty were removed" (p. 437).

W. S. Pitcairn, New York, representing the importers of English china and earthenware (p. 564).

E. H. Pitkin, Chicago, merchant; dealer in pottery, crockery, and earthenware (p. 607).

Jerome Jones, merchant; dealer and importer of china, crockery, and earthenware (p. 612).

George Kolb, Herman Siegel, Julius Rosenfeld, committee of the importers of German and Austrian china, New York; electric-light carbons (p. 689).

M. Kirchberger, 374 Second Avenue, New York; H. G. McFoddin & Co., 38 Warren Street, New York; Henry Endemann, 32 Park Place, New York; Oscar O. Snedlently, 127 Duane Street, New York; Fonderille & Naw Industrie, 37 Warren Street, New York; Fensterer & Riehl, 47 Murray Street, New York; B. Gunthel, 49 Barclay Street, New York; Franz Enler & Co., 1 Hudson Street, New York; importers of glassware at the port of New York (p. 765).

Oscar O. Friedlander, New York; importer of hollow glassware (p. 776).

F. J. Goertner sales manager, Semon Bache & Co., New York; window

Oscar O. Friedlander, New York; importer of hollow glassware (p. 776).

F. J. Goertner, sales manager, Semon Bache & Co., New York; window glass (p. 816). "We request your consideration of the propriety of a substantial reduction in the duties throughout this paragraph" (pp. 816, 848, 849, 851).

F. E. Hamilton, attorney, representing the Taylor-Hobson Co., New York; lenses of glasses (p. 881).

G. C. Gennert, 24 East Thirteenth Street, New York; lenses and cameras (p. 883).

Henry S. Williams, president Williams, Brown & Earle (Inc.), Philadelphia; lenses and microscopes (p. 891).

T. M. Lane, representing Mayer & Co., Philadelphia; stained glass windows (p. 901).

Benjamin D. Traitel, secretary Marble Industry Employers' Association, New York; block marble (p. 915).

C. D. Jackson & Co., New York; marble (p. 928).
George W. Ashley, president Sisson Marble Co., Baltimore (p. 936).

Frank J. Hanold, representing National Association of Granite Dealers; granite (p. 942).

SCHEDULE C.

Paul Baumann, 621 Broadway, New York, representing Wm. Prym Co. (Ltd.), Germany; hooks and eyes, snap fasteners, and buckles (p. 1595).

"There are no fasteners made in this country," etc. (See brief filed with Finance Committee by United States Fastener Co., also "pins") (p. 1596).

Frederick H. Beach, New York; aluminum (p. 1514).

Hermann Boker & Co., New York; plated sheets. Asked for reduction of 40 per cent duty because these sheets are not made in this country (p. 1110). Also pocketknives (p. 1367). (Compare duties asked for with bill.)

Philip Berolzheimer, 337 Broadway, New York; penholders (p. 1712).

Curt G. Pfeiffer, vice president Geo. Borgfeldt & Co.; cutlery and pocketknives (p. 1378); penholders (p. 1712).

Alex, Schwallach, New York; representing J. S. Bretz Co., New York, and Fichtel & Sachs, Schweinfurt, Bavaria; balls and bearings (p. 1070).

Otto Huber, secretary Budd & Westermann, New York; bettle see

York, and Figure & Sacus, Schweinfurt, Davata, Sans and Schrings (p. 1070).

Otto Huber, secretary Budd & Westermann, New York; bottle caps (p. 1938).

Dr. Henry A. Christian, professor theory and practice, Harvard University; surgical instruments and scientific apparatus (p. 2141).

E. Straimsun, chairman; Max Klaas; Ewald Krusuis; Herman Kind; committee Cutlery Importers' Association (p. 1370).

Francis E. Hamilton, counsel the Danubil Works, 32 Broadway, New York; flexible metal tubing or hose (p. 1355). Also containers (p. 1909). Also machine tools (p. 2003).

Francis E. Hamilton, 32 Broadway, New York; representing the Wine and Spirit Traders' Society of the United States (p. 3257). Irish Industrial Association; wines, ales, porters (p. 3263). Italian Chamber of Commerce; wines, spirits, etc. (p. 3280). C. A. Mariani, New York; wines (p. 3289).

R. W. Mcade, president New York Transportation Co., Fifth Avenue Coach Co.; automobile chassis and parts (p. 1289).

Max Frankel Co., New York; bottle caps (p. 1933).

Joseph Gales, 302 Broadway, New York; representing Schoverling, Daly & Gales; firearms (p. 1425).

Affred Field & Co., agents Joseph Gillott & Sons, New York; importers of pens (p. 1709).

Edward P. Rosenfeld, Guiterman, Rosenfeld & Co., New York; importers, aluminum, aluminum sheets (p. 1539).

J. W. Riglander, Hammel, Riglander & Co., New York; watches, nippers and pliers, spectacles and cycglasses (p. 1867).

Oscar Heyman, president Oscar Heyman & Co., 220 West Nineteenth Street, New York; representing importers of bottle caps (p. 1930).

H. J. McGrane, secretary Read, Holliday & Sons; iron drums (containers) (p. 1358).

Byron W. Holt, chairmen tariff committee of the Reform Club (p. 1865).

II. J. McGrane, secretary Read, Holliday & Sons; Iron drums (containers) (p. 1358).

Byron W. Holt, chairman tariff committee of the Reform Club (p. 1865).

H. Allen Odell, 10 West Thirtieth Street, New York; representing Henry Hope & Sons (Ltd.), Birmingham, England, and George Wragge Co. (Ltd.), Manchester, England; window casements (p. 2166).

J. M. Sullivan, Emilio Yaselli, H. Winship Wheatley, attorneys for Irish Industrial Association, New York (p. 1369).

Allan A. Irvine, 93 Nassau Street, New York, agent for the Buchne Steel Wool Co.; Importer of steel wool (p. 1369).

C. A. Keene, 180 Broadway, New York; watches (p. 1787).

E. Lascaris, president; automobile importers (p. 1278).

Lac-Philips Co., New York; incandescent lamps (p. 2982).

Julius Loewenthal, New York; representing importers of dress trimmings and tinsel wired (p. 1584).

Walter H. Weed. Washington, D. C.; representing lead-ore operators in Mexico (p. 1630).

Milton L. Lissberger, Lissberger & Son, Long Island City, N. Y.; lead ore (p. 1632).

Magnolia Metal Co., New Sork; lead-bearing ores (p. 1635).

L. Vogelstein & Co.; lead-bearing ores (p. 1637).

H. Gardner McKerrow, Boston, Mass.; textile machinery (p. 2126).

H. S. Peters, Dover, N. J.; Diesel engines (p. 2135).

S. J. Mixter, M. D., Boston; Massachusetts General Hospital; representing 43 other; surgical and scientific instruments (p. 2140).

James E. Pope, secretary American Manufacturers of Metal Products; antimony (p. 1552).

Robert Homans, Boston; representing Richards, Atkinson & Haserick; importers of textile machinery (p. 2107).

H. Tauscher, New York; firearms (p. 1441).

Sidney B. Veit, secretary, New York; importers and manufacturers of millinery goods (p. 1714).

Emlle J. Wittnauer, representing A. Wittnauer Co., 30 West Thirtysixth Street, New York; importers and manufacturers of Swiss watches (p. 1777).

James M. Carples, representing automobile importers (p. 1273).

SCHEDULE E

Frank C. Lowry, New York; representing Federal Sugar Refining Co. and committee of wholesale grocers (p. 2262).
William A. Jamison, Brooklyn, N. Y.; representing Arbuckle Bros.

William A. Jamison, Brownin, R. 2., (p. 2337).
E. L. Weinple, 79 Wall Street, New York; representing the Warner Sugar Refining Co. (p. 2388).
Charles D. Westcott, attorney at law, Washington, D. C.; Cuban sugar (p. 2403).
John J. Overton, New York; free sugar (p. 2487).

John R. Young, representing the Philadelphia Leaf Tobacco Board of Trade; tobacco (p. 2498).

John H. Duys, chairman of the tariff committee of the Leaf Tobacco Board of Trade of New York City; wrapper tobacco (p. 2509).

J. N. Storr, Kuhles & Stock Co., St. Paul, Minn. (p. 2551).

John W. Merriam, chairman Havana Tobacco Importers' Association, New York (p. 2551).

Francis E. Hamilton, counsel, Park & Tilford and other importers (p. 2580).

SCHEDULE G.

Daniel J. Haley, representing the United Master Butchers' Association of America.
Charles A. Beatley, secretary, Cuban National Horticultural Society; citrus fruits and vegetables (p. 2815).
A. H. Benjamin, New York; canned beef (p. 3174).
John Quinn, attorney, representing Lawrence J. Callahan, New York; mackerel, herring (p. 2873).
G. E. Chamberlin, Cork, Ireland; mackerel, herring (p. 2875).
John P. Donovan, New York; hay (p. 2757).
L. B. Parsons, president The Dried Fruit Association, New York (p. 2883).

L. B. 2883)

L. B. Parsons, president The Dried Fruit Association, (p. 2883).

Richard Gough, New York; rice (p. 2719).

Richard Gough, New York; rice (p. 2719).

Charles M. Stewart, Bangor, Me.; lemons (p. 2962).

R. A. Hegerty, Kinsale, Ireland; mackerel (p. 2875).

H. Horsfield, The John Layton Co., New York; eggs (p. 2755).

Edwin L. O'Bryan, representing Huntley & Palmers (Ltd.), Reading, England; biscuits (p. 2728).

J. M. Sullivan, attorney, Irish Industrial Association, New York; bacon and hams (p. 2173).

J. M. Sullivan, attorney, Irish Industrial Association, New York; bacon and hams (p. 2173).

Italian Chamber of Commerce, New York; lemons (p. 3133); macaroni (p. 2678).

R. Tynes Smith, president; William H. Smith, vice president; J. S. Johnson Co.; preserved pineapples (p. 2876).

S. S. Mack, representing Austin, Nichols & Co., New York, wholesale grocers; importers of sardines (p. 2818).

P. Torre, president New Orleans Fruit Importing Co., lemons (p. 2973).

P. Torre, president vol. 2973); New York Fruit Exchange; oranges (p. 2938); lemons (p. 2957). Norwegian minister; cheese, sardines, fish in tins, salted cod fish (p. 2740).

Harrison Osborne, New York; lemons (p. 2975). B. M. Shipman, B. M. Shipman Co., New York; fish in oil (p. 2831). Antonio Zucca, New York; cheese, olive oil, lemons (p. 2736). SCHEDULE H.

Victor E. Whitlock, New York, representing importers of beer (p. 3291).

Antonio Zucca; wines, liquors, brandies (p. 3289). Henry Melville, New York; mineral water (p. 3300). Apolinaris Agency Co., 503 Fifth Avenue, New York (p. 3308). SCHEDULE I.

Frederic B. Shipley, F. B. Shipley & Co., 49 Leonard Street, New Philip F. Timpson, New York; cotton manufacturers.

SCHEDULE J.

Sidney B. Veit, secretary Association of New York Importers and Manufacturers of Millinery Goods; laces (p. 3914).

H. W. Baker, president Baker Linen Co., New York; flax, hemp, etc. (p. 4096).

Manufacturers of Millinery Goods; laces (p. 3914).

H. W. Baker, president Baker Linen Co., New York; flax, hemp, etc. (p. 4096).

Henry Beutell & Sons, Germania Importing Co., Greenwich Linoleum Co., P. O. Judson & Co., A. & M. Karagheusian & Co., Scott & West Co., and C. H. Weber, all of New York; ollcloth and linoleum (p. 3815).

D. Strachan for Erskine Beveridge & Co., New York; linens (p. 4092).

Charles M. Albertson, Continental Cordage Co., New York; cables and cordage (p. 3765).

Henry D. Cooper, president Linen Association of New York; jute yarns, threads, and fabrics (p. 3748).

Dezell & Helwig, New York; flax manufacturers (p. 4098).

Henry Douglas, Douglas & Berry, New York; handkerchiefs (p. 4078).

Galland, Wechmar & Co., New York; by Francis E. Hamilton, counsel; laces, embroidery (p. 3922).

H. N. Gildea, president J. & A. D. Grimond (Ltd.), New York, and Dundee, Scotland; jute carpeting (p. 3798).

Richard H. Grooch, New York; linens (p. 4090).

Charles D. Orth, representing Hanson & Orth, New York; flax, hackled or dressed (p. 3719).

Italian Chamber of Commerce, New York; hemp (p. 3742).

Thomas H. Watson, New York, representing Mills & Gibbs, New York; importers of laces and embroideries (p. 3915).

Neuss, Hessieln & Co., New York; flax (p. 4094).

George Staber, representing the Germania Importing Co., 41 Union Square, New York; olicloth and linoleum (p. 3800).

Phillp W. Thomson, representing Thomson & Fessenden, Boston; linen fabries (p. 4084). Inen thread and yarn (p. 3766).

Isaac Weingart, New York; linen thread and yarn (p. 3788).

J. C. Wirtz, importer, New York; floor mattings (p. 3788).

"Of course, being an importer, I naturally do not look on the side of protection."

SCHEDULE K.

E. H. Van Ingen & Co., importers, New York (p. 4237).

E. H. Van Ingen & Co., importers, New York (p. 4237).

P. B. Worrall, importer, New York (p. 4258). Has a warehouse in Yorkshire, England; accuses Mr. Whitman of "robbing"; suggested going down to Washington to "have a talk with Mr. Underwood"; favored goods duty of 35 and 40 per cent.

Oelrichs & Co., New York; for ad valorem on wool (p. 4284). Andrew J. Solis, Boston; low rates on tops and yarns (p. 4286). W. A. Schneider, New York; importer; "theoretically" for free trade (p. 4398).

George Borgfeldt & Co., importers; "chief value" of wool (p. 4400).

SCHEDULE L.

Italian Chamber of Commerce; silk and silk manufactures (p. 4513).

John W. Stewart, Stewart Silk Co.; schappe and spun silk (p. 4517).

Edward L. Johnson, president; Sidney B. Veit, secretary; Association of New York Importers and Manufacturers of Millinery Goods (p. 4544).

Samuel Kridel, New York, representing J. Kridel Sons and other importers (p. 4590).

C. A. Streuli, of Streuli & Howell, New York, for Rusch & Co., importers (p. 4615).

Albert Herzog, New York; silk and silk goods (p. 4619).

Francis E. Hamilton, New York, representing the French Chamber of Commerce (p. 4621).

T. M. Sullivan, attorney, representing the Irish Industrial Association of New York; poplins, silk, and silk goods (p. 4624).

Bertram, Lyon, France (p. 4628).

I. S. Wolf, of I. S. Wolf & Co., 99 Green Street, New York (p. 4628). Otto Muller & Co.; H. G. Adolph, New York; umbrella silk (p. 4633). Charles Herrmann, 96 Spring Street, New York; umbrella silk (p. 4643).

(p. 4643).

John Donat & Co., Dearberg Bros., Isler & Guye; importers of silk braids (p. 4662). SCHEDULE M.

Gen. Herman Staber, representing the Germania Importing Co., New York; paper (p. 4681).

John Norris, chairman committee on paper, American Newspaper Publishers' Association; print paper (p. 4755).

Richard T. Stevens, president Japan Paper Co.; importers of high-grade printing paper (p. 4817).

Alfred Frank, president Rose & Frank Co.; tissue paper (p. 4819).

Charles W. Williams, New York.

Charles W. Williams & Co., importers; surface coated paper (p. 4823).

L. Beck, Philadelphia, Charles Beck Co., importers; surface coated paper (p. 4847).

M. Greenbaum, treasurer Kern Commercial Co. New York; wrapping

Charles W. Williams C. Charles Beck Co., importers; surface coated paper (p. 4847).

M. Greenbaum, treasurer Kern Commercial Co., New York; wrapping paper (p. 4849).

Samuel Robert, New York; importer of German paper bags (p. 4861).

Alfred Clements, Willis & Clements, Philadelphia; importers of photographic paper (p. 4866).

John MacRae, New York, representing E. P. Dutton & Co.; importers and publishers (p. 4880).

Edward Wolf, Wolf & Co., Philadelphia; importers of lithographic prints (p. 4892).

Lewis C. Wagner & Co., New York; cigar labels and bands (p. 4895).

Moller Kokeritz & Co., New York; cigar labels and bands (p. 4897).

F. Rodriguez, treasurer Salvador Rodriguez (Inc.), New York; cigar labels and bands (p. 4908).

Max L. Kaufmann, A. L. & M. L. Kaufmann, New York; cigar labels and bands (p. 4909).

Carl O. von Kokeritz, New York; cigar labels and bands (p. 4910).

Francisco Garcia, F. Garcia & Bros., 22 Warren St., New York; cigar labels and bands (p. 4912).

Homer A. Jones, Steffens, Jones & Co., New York; cigar labels and bands (p. 4914).

J. A. Voice, Kaufman, Pasbach & Voice, New York; cigar labels and bands (p. 4915).

Charles W. Harrison, East Liverpool, Ohio; decalcomanias (p. 4916). Rudolph Gaertner, New York and East Liverpool, Ohio; Alfred Munich; Ceramic Transfer Co., New York and East Liverpool, Ohio; Peter May; Translucent Window Sign Co., New York; decalcomanias (p. 4917).

Shirley S. Lloyd, treasurer W. H. S. Lloyd Co.; Lionel Moses, by B. Moses; George J. Hunken; Emil Majert Co.; Alexander Hutchinson, treasurer Hutchinson, Blackley Co.; T. B. Aldrich, president F. J. Emmerick Co.; importers of wall paper (p. 4935).

Clark J. Bush, representing the Prager Co., Brooklyn, N. Y., importers of wall paper (p. 4936).

SCHEDULE N. SCHEDULE N.

Julius Lowenthal & Co., C. Willenborg & Co., Kern, Loewi & Mendel, Ewing & Clancey, L. Maul & Co., Seurdheimer Bros., Royal Embroidery Works, S. Katz & Co., B. Blumenthal & Co., Case & Co., Mills & Gibb, Max Mandel, and G. Hirsh & Son, all of New York, importers of dress trimmings (p. 4985).

T. S. Todd, Bronson Bros. & Co., 21 West Fourth Street, New York; importers of straw hats (p. 5002).

Italian Chamber of Commerce; straw braid (p. 5007).

Ernest H. Holton, New York, representing importers of brushes (p. 5018).

Ernest H. Holton, New York, representing importers of brushes (p. 5016).

Dieckerhoff, Raffloer & Co., New York; trousers' buckles (p. 5082).

George W. Hogan, New York, representing Topken Co.; vegetable ivory buttons (p. 5120).

Adolph Keller, New York, representing Strauss Bros. & Co., J. Porter & Co., Dieckerhoff, Raffloer & Co., importers of agate buttons (p. 5125).

Gustav Blumenthal, New York, representing B. Blumenthal & Co., Bailey, Green & Elger, Dieckerhoff, Raffloer & Co., Strauss Bros. & Co., importers of buttons (p. 5146).

S. Basch, New York, S. Basch & Co., representing Waldes & Co., Germany; snap fasteners (p. 5170). "These fasteners are not made in this country."

Paul Bowmann, New York; buckles and snap fasteners (p. 5171). Ferdinand Gutmann & Co., New York, importers of cork (p. 5191).

Max Frankel Co., New York; corks (p. 5203).

Strobel & Wilkin Co., New York; importers of floys (p. 5221).

Edward H. Wagner, New York; importers of fireworks (p. 5238).

S. H. Ganz, for the committee of jewelry and novelty importers (p. 5400).

Francis E. Hamilton, 32 Broadway, New York; counsel for importers and foreign manufacturers of horn combs (p. 5685).

Briefs and Statements Filed with the Committee on Finance,

BRIEFS AND STATEMENTS FILED WITH THE COMMITTEE ON FINANCE, SCHEDULE B.

William S. Pitcairn, New York, representing importers of earthenware and white ware (p. 237).

Fisher, Bruce & Co., 221 Market Street, Philadelphia, Pa.; importers of earthenware (p. 247).

Burbank, Douglass & Co., Portland, Me.; importers of earthenware and china (p. 254).

Laco-Philips Co., 131 Hudson Street, New York; incandescent lamps (p. 288).

SCHEDULE C.

James M. Carples, New York; automobile importers committee (p. 334).

Italian Chamber of Commerce, New York; automobiles (p. 352).

H. Trentinel, Brussels, Belgium; automobiles (p. 304).

Berlin manufacturers (p. 364).

Italian manufacturers (pp. 375, 378).

Leigh & Butler, Boston; importers textile machinery (p. 569).

SCHEDULE E.

Frank C. Lowry, 138 Front Street, New York; free sugar (p. 828). SCHEDULE G.

L. B. Howe, secretary New York Produce Exchange; cattle and sheep

L. B. Howe, secretary New York Produce Exchange; cattle and sheep (p. 841).

J. P. Wade, secretary New York and New Jersey Live Stock Exchange; live animals (p. 842).

United Master Butchers' Association of America, Boston, Mass.; meat; food animals and meat (p. 842).

William A. Hagard & Co. 29 Broadway, N. Y., agents for Huntley & Palmers (Ltd.), Reading, England; biscuits (p. 906).

Harrison Osborne, 34 Nassau Street, New York, for Daires, Auerbach & Cornell, importers of lemons (p. 941).

William A. Camp, president New York Fruit Exchange, 81 Beach Street, New York; lemons (p. 946).

De Luccia & Co. and L. G. Mariana, New York; importers of lemons (p. 951).

(p. 951). SCHEDULE I

Churchill & Marlow, 63 Wall Street, New York, representing E. De Grandmont; cotton cloth (p. 1068).

Ernest A. Falmer, Providence, R. I., representing the Winternottom Book Back Co., Manchester, England; tracing cloth (p. 1072).

Lyon Bros. & Co., Baltimore, agents for the Lancaster (England) window blinds (p. 1083).

SCHEDULE J. SCHEDULE J.

Dudley Field Malone, representing New York importers of laces (p. 1186). Neilson & Crossley, 116 Franklin Street, New York; flax (p. 1196). SCHEDULE L.

E. De Grandmont, by Churchill & Marlow, 63 Wall Street, New York; silks (p. 1355). SCHEDULE M.

Francis E. Hamilton, 32 Broadway, New York, for the importers of paper hangings (p. 1485).

SCHEDULE N.

Rowland H. Smith; Alfred H. Smith. 35 West Thirty-third Street,
New York; importers of brushes (p. 1507).
Edward P. Stahel & Co., 354 Fourth Avenue, New York; glass buttons (p. 1531).
Ewald C. Dieckerhoff, 560 Broadway, New York; representing importers of agate shoe buttons (p. 1529).
Warren B. Hutchinson, Salvation Match Co., New York; matches (p. 1552).
Bill & Caldwell, 588 Broadway, New York; importers of felt hats (p. 1597).
Dudley Field Malone, New York; representing over 50 concerns importing laces and embroideries.

ADVOCATES OF REDUCED DUTIES AT THE HEARINGS BEFORE SUBCOMMITTEES OF THE COMMITTEE ON FINANCE,

F. J. Goertner, representing Semon-Bache & Co., New York; importers of plate glass (p. 6).

(At the lobby hearing Mr. Goertner testified that two-thirds of the money spent in his tariff campaign was contributed by foreign manufacturers.

money spent in his tarik campaga was controlled facturers.)

W. S. Pitcairn, 44 Murray Street, New York; representing committee of importers of pottery (p. 55).

Benjamin A. Levett, 17 State Street, New York; representing Laco-Phillips Co., importers of incandescent lamps (p. 74).

William A. Schlobohm, Yonkers, N. Y.; representing 80 per cent of the importers of cutlery (p. 98).

Maurice A. Harwick, importer of bronze powder (p. 114).

Robert Homans, 53 State Street, Boston; representing Richards, Atkinson & Haserick, importers of textile machinery (p. 144).

M. E. Mailhouse, New York; representing German manufacturers of yelvet (p. 285).

Atkinson & Haserick, importers of the control of th

Mr. WARREN. Mr. President, with the threatened Mexican war and the cotton war, I hope we may have the alighting of the dove of peace for the tariff.

The VICE PRESIDENT. The Senator from Wyoming is

recognized.

Mr. WARREN. Mr. President, a few mornings since the distinguished and amiable Senator from Missouri [Mr. Stone], ranking member next to the chairman of the Finance Committee, took to task in rather forceful manner and terms all the Senators on this side of the Chamber who had so far made speeches upon the pending tariff bill, charging, in effect, that such Senators were in a conspiracy to bring on hard times and financial distress during or following the consideration of this bill, in order thereby to obtain some political advantage.

That the Senator was more in jest than in earnest we must,

of course, believe, for it would be a preposterous, a monstrous, injustice to presume that either side of this Chamber desires or would knowingly participate in favor of any course of legislation that would bring on panic and retrogression. I myself would many, many times rather see the present dominant party retain the reins of government for a long, extended time, with continued prosperity equal to that which the Nation has enjoyed under Republican rule since 1896 than to again endure the strain and hardships of the period following the election of 1892 and continuing until into 1896 which we were subjected to.

ALL WANT PROSPERITY.

I believe that all of us, regardless of political label, desire

national prosperity first and always.

But, Mr. President, if Republicans believe that these great tariff changes will disarrange business affairs, I claim that it is their privilege, if not their duty, to say so, equally with the majority Senators who are holding out promises of greatly increased national prosperity following the prospective change in our financial affairs.

Mr. President, sometimes when one doubts the successful outcome of a proposed enterprise or policy he throws out hedges or guards in the way of straw men or bogy men, laying the blame beforehand on the other fellows for what he fears might happen to his policy. Can it be possible that our Democratic

friends are thus hedging?

But these things "all come out in the wash." If Republicans have forebodings, and express them, which the future shows to have been groundless, then Democrats gain prestige and Republicans lose thereby. If Democrats make too many rosecolored promises that can not be fulfilled, the equation works

the other way.

Another method of hedging is to criticize severely or attack present and past conditions, however satisfactory they may have been, whenever some proponent is big with promise and anxiety to obtain the indorsement of his fellows to some new process or plan. I fear our most amiable friend the chairman of the Finance Committee has fallen into this habit in at least some slight degree as to several matters, and most egregiously so regarding the farmer, as I shall show a little later on in my remarks. But for a few moments let us roam in the realm of prophecy.

IN THE REALM OF PROPHECY.

The able chairman of the Finance Committee [Mr. Simmons], in presenting the tariff bill in the Senate, assumed the rather dangerous rôle of a prophet. Of the future results of the proposed legislation he says:

The passage of this bill will not result in closing factories; it will not throw labor out of employment. On the contrary, I confidently predict that it will open a broader field to our manufacturers and farmers, both at home and abroad, and that the resulting expansion of both our foreign and domestic trade will open new opportunities to industry and enlarged employment for labor.

Very cheering words. I sincerely pray this may come true. We remember the lines Perhaps it will do all of these things. of the old hymn:

God moves in a mysterious way His wonders to perform; He plants His footsteps in the sea And rides upon the storm.

Possibly out of the mysteries of the present bill will come the wondrous results predicted by the prophets of the majority. for one hope they will not prove to be false prophets, but that all their predictions of prosperity may be fulfilled. At any rate, I shall not enter the lists against them in the realm of prophecy by predicting the misfortunes and disasters which many good citizens fear will follow in the wake of this assured tariff legislation

However, in this connection I would say that during the past three months, while the tariff bill has been pending, I have re-ceived, probably, thousands of letters from citizens of the United States, representing hundreds of industries, and the bulk of these letters have contained expressions of fear as to the future should the Underwood-Simmons bill become law and protests against the rates prescribed for importations of goods or products manufactured or produced by the writers.

Many of these letters are pleas for the preservation of the

industry in which the writers are interested or appeals to Congress to save their businesses from being wiped out of existence.

Many of these appeals are pathetic, and I believe that most of them are the cry of men fearful that their commercial existence is to be destroyed by this legislation instead of broadened and enlarged, as predicted by the prophetic Senator in charge of the bill. I have not as yet presented here in the Senate a single one of these many letters.

In no one of the many letters which have come to me regarding the proposed legislation is there a hopeful expression or an optimistic view concerning the future. On the contrary, they show the existence in the business world of widespread anxiety regarding the future, and their general tone indicates that the people of the country have grave forebodings concerning what is in store for them.

TIME WILL TELL.

While I shall not attempt to say what the future may bring forth as a result of the Underwood-Simmons Tariff Act, yet I have ventured in an earlier speech to remind the Senate of what the past has dealt out to us in periods following the enactment of tariff legislation of the same general trend as that provided for in this bill, recalling at the same time what great American statesmen have said, that "there is no way of judging the future but by the past."

It is well known by every student of American political history, and needs no elaboration here, that we have had during nearly the entire life of the Republic alternating periods of downward and upward tariff rates, periods tending toward free

trade alternating with periods of protection.

The legislation approaching free trade has been secured by those whose knowledge of the subject has been obtained from the textbooks of theorists. The college professor, holding an honorable place in the thinking world and yet helpless in business matters, has supplied the arguments for the free-trade trend of legislation.

On the other hand, protective legislation has been the result of actual business experience and has been fathered by business men, who had learned by the trials of real work and the hard knocks of adversity what was needed in tariff legislation to insure prosperity.

Thus throughout our history we find that low-tariff legislation and periods in which the trend was toward free trade have been quickly followed by business depression, business disturbances, failures, hard times, low wages, and general commercial and financial depression.

On the other hand, the periods of adequate tariff and the application of the principle of protection in tariff legislation have been periods of good wages, ample work, fair profits, and

general commercial and financial prosperity.

Of course hard times may have been an incident, and not caused by low-tariff legislation, while good times may have been incidental and not caused by high tariffs, but the coincidences are remarkable, and form a reasonable basis for the assumption that the interests of the country have been best served in the

past by protective legislation.

And there is, therefore, good reason to assume that with the passage of the pending bill, which is a free-trade measure in its application to the greater industries of the country, history will repeat itself, and we shall again have to contend with adversity until there is an opportunity to repeal the law and enact a new one; and among the disappointments that I imagine will be the most heartbreaking will be the failure to satisfactorily reduce the cost of living and provide the ultimate consumer with the Utopian conditions expected. Next to these will be the disappointments caused by those enthusiastic Representatives who have promised, in terms, great reductions in the retail prices of clothing, food, etc., to consumers, who will find no reduction as to many things and little reduction as to others, whereas great reductions all around are expected. "Great cry whereas great reductions all around are expected. "Great cry and little wool" will be the refrain from the consumers who and little wool" will be the refrain from the consumers who have taken as law and gospel these promises of great reduction in the cost of living. I heartily wish these rosy representations could and would materialize; but there is nothing that I can discover in the history of this country, or any other, that justifies the expectation that the enactment of this bill will greatly lessen the cost of living, unless it be at the expense of the returns for labor. Labor is the predominating factor of the returns for labor. Labor is the predominating factor of cost in almost every product, alongside of which the relatively infinitesimal protective tariff upon so-called raw material and a moderate tariff on conversion cost seem puny enough.

For be it remembered that heretofore the removal or reduction of tariff, while perhaps it lessened the cost to the manufacturer and increased the profits of the middleman, has not appreciably reduced the price of the commodity or fabric to the ultimate consumer, as witness the fact that we removed the duty on coffee years ago, and it has steadily increased in price since and is now higher in price than ever before, the differ-

ence in gold and paper currency considered.

Again: Note that boot and shoe manufacturers promised, Again: Note that boot and shoe manufacturers promised, four years ago, when asking for free hides, a reduction of prices and a better quality. A little later the promise of cheaper shoes was dropped and the promise of better shoes alone was relied upon. But no lower prices were made; no better quality furnished. Instead came an actual rise in prices

to the wearers of many kinds of footwear. During the past two months, since free wool and a lower tariff on cloths has seemed certain, various meetings of clothing men, in associations or otherwise, have been held and the foundation laid for the pronouncements from the ready-made clothing manufacturers and merchants that the public must expect very slight reductions, if any, because of the free wool and low woolens tariff; but it is intimated that better quality may be

This has cropped out at various times and places, but notably on Monday of this week in a speech of the distinguished Sena-

tor from New Jersey [Mr. MARTINE], who said:

I wish to state that quite recently I had a conversation with a member of the great clothing firm of this country known as the Stein-Bloch Co. In conversation with this gentleman as to the operation of the tariff he said to me, "I fear you will be mistaken in a very radical reduction in the cost of clothing. But," said he, "you will get infinitely better clothing than you do now. Our clothing of the day for the average mortal is very largely laid with shoddy. A free-wool clause will give the people better clothing; it will last longer, and in that way it will be cheaper."

History repeats itself. The shoe men provided in advance a soft place on which to fall; the clothing men are now doing the We shall have the same old retail price for clothing; the same old shoddy and adulterants (which the pending bill proposes admitting free) inserted in all the fabrics that yield readily to that treatment in the course of their manufacture.

Yes; history undoubtedly will repeat itself in this regard, for human nature and avarice is the same now as it was four

years ago and has been since.

THE FARMER

But, Mr. President, I promised to talk of the farmer, and shall now turn to him and his most important of all industries.

In his defensive speech of July 19 the chairman of the Finance Committee [Mr. SIMMONS] said, and with much emphasis:

No class of our people have reaped as little from the Republican tariff system and suffered as heavily from its exactions as the farmer.

Mr. President, that assertion is absolutely disproven by the statistics of agriculture in this country collected and published by the United States Census Bureau.

The chairman of the Finance Committee in making this statement evidenty desired to convey the idea or conviction that the

proposed new tariff measure will be an improvement over the present law. The farmer knows better than this.

That the exact contrary of Chairman Simmons's assertion is true is shown plainly by the table on page 265 of the Abstract of the Census of 1910, under the caption "Farms, farm land, and farm property of the United States," which, with the comments of the Census Bureau, I ask to have inserted in the RECORD.

The VICE PRESIDENT. If there is no objection, that will be done.

The matter referred to is as follows:

FARMS AND FARM PROPERTY-UNITED STATES, AS A WHOLE, 1910 AND 1900. The present chapter gives the principal data pertaining to farms and farm property, by States and geographic divisions, for 1910 and 1900, and by geographic divisions for each census from 1850 to 1910.

The following table summarizes, for the United States (excluding noncontiguous possessions), the principal facts with regard to farms and farm property for the years 1910 and 1900:

Farms, farm land, and farm property of the United States.

	1910	1900	Increase.1	
	(April 15)	(June 1)	Amount.	P. et.
Population	91,972,266	75, 994, 575	15,977,691	21.0
Urban population 2		31,609,645	11,013,738	34. 8
Rural population 3	49, 348, 883	44,384,930	4,963,953	11.2
Number of all farms Land area of the country,	6,361,502	5,737,372	624, 130	10.9
acres	1,903,289,600	4 1,903,461,760	4-172,160	
Land in farmsacres Improved land in farms,	878, 798, 325	838, 591, 774	40, 206, 551	4.8
acres	478, 451, 750	414, 498, 487	63,953,263	15.4
Average acreage per farm Average improved acreage	138.1	146. 2	-8.1	-5. 5
per farm Per cent of total land area	75. 2	72. 2	3.0	4.2
in farms	46. 2	44. 1		
improved Per cent of total land area	54. 4	49. 4		
improved	25. 1	21.8		
total	\$40,991,449,090	\$20, 439, 901, 164	\$20,551,547,926	100.5
Land	28, 475, 674, 169	13,058,007,995	15, 417, 666, 174	118. 1
Buildings Implements and ma-	6, 325, 451, 528	3,556,639,496	2,768,812,032	77.8
chinery	1,265,149,783	749, 775, 970	515, 373, 813	68, 7
try, and bees	4,925,173,610	3,075,477,703	1,849,695,907	60. 1
erty per farm	\$6,444	\$3,563	\$2,881	80.9
farms	\$46.64	\$24.37	\$22.27	91.4
acre	\$32, 40	\$15.57	\$16, 83	108.1

¹ A minus sign (—) denotes decrease.

² Population of incorporated places having ,in 1910, 2,500 or more inhabitants. The figure for 1900 does not represent the urban population according to that census, but is the population in that year of the territory classified as urban in 1910.

² Total, exclusive of urban. (See Note 2.)

⁴ Change in area due to the drainage of lakes and swamps of Illinois and Indiana, building of the Roosevelt and Laguna reservoirs, and the formation of the Salton Sea in California.

"Change in area due to the dramage of lakes and swamps of Illinois and Indiana, building of the Roosevelt and Laguna reservoirs, and the formation of the Salton Sea in California.

There are in the United States 6,361,502 farms (a "farm" for census purposes is all the land which is directly farmed by one person managing and conducting agricultural operations, either by his own labor alone or with the assistance of members of his household or hired employees. The term "agricultural operations" is used as a general term referring to the work of growing crops, producing other agricultural products, and raising animals, fowls, and bees. A "farm" as thus defined may consist of a single tract of land or of a number of separate and distinct tracts, and these several tracts may be held under different tenures, as where one tract is owned by the farmer and another tract is hired by him. Further, when a landowner has one or more tenants, renters, croppers, or managers, the land operated by each is considered a "farm." In applying the foregoing definition of a "farm" for census purposes, enumerators were instructed to report as a "farm" any tract of 3 or more acres used for agricultural purposes, no matter what the value of the products raised upon the land or the amount of labor involved in operating the same in 1909. In addition, they were instructed to report in the same manner all tracts containing less than 3 acres which either produced at least \$250 worth of farm products in the year 1909, or on which the continuous services of at least one person were expended), containing a total of \$78,798,000 acres, of which 478,452,000 acres are improved. The land in farms ("land in farms") is divided at the present census into (1) improved land, (2) woodland, and (3) all other unimproved land. The same classification was followed in 1880. At former censuses, except that of 1880, farm land was divided into improved land. Improved land, woodland being included with unimproved land. Improved land, swamp land, and any other land w

the Census. There is evidence that the same kind of land has at certain times and places been reported as "improved land" and at other times and places as "unimproved land," rendering these classifications less accurate than the report of total farm acreage and value) represents somewhat less than one-half, 46.2 per cent, of the total land area of the country, while the improved land represents somewhat over one-half, 54.4 per cent, of the total acreage of land in farms. Improved land in farms thus represents almost exactly one-fourth, 25.1 per cent, of the total land area of the country. On the average the farms of the United States contain 138.1 acres, of which, on the average, over one-half, 75.2 acres, are improved land.

The total value of farm property reaches the enormous sum of \$40-901,000,000, of which over two-thirds represents the value of land, about one-sixth the value of buildings, and about another one-sixth the combined value of implements and machinery and of live stock. The average value of all farm property per farm reporting is \$6,444. The average value of all farm property per acre of land in farms is \$46.64, and the average value of the land itself per acre is \$32.40.

It is a significant fact that whereas the total population increased 21 per cent between 1900 and 1910, the urban population increased 34.8 per cent and the rural population only 11.2 per cent. The number and acreage of farms increased much less rapidly than the total population, but the growth in the number of farms nearly kept pace with the movement of the rural population, amounting to 10.9 per cent. The total farm acreage, on the other hand, increased only 4.8 per cent. This, however, is less significant than the increase in acreage of improved farm land, which amounted to 15.4 per cent, showing a greater percentage of increase than the number of farms or rural population but still falling appreciably behind the increase in total population but still falling appreciably behind the increase in total population but should

118.1 per cent, and this in turn was due largely to the advance in the price of land, the average value per acre being more than twice as high in 1910 as in 1900—\$32.40 as compared with \$15.57. There have been remarkable increases also in the value of farm buildings and equipment, the value of buildings having increased 77.8 per cent, that of implements and machinery 68.7 per cent, and that of live stock 60.1 per cent.

per cent.

Notwithstanding the decrease in the average size of farms, the value of all farm property per farm increased from \$3,563 in 1900 to \$6,444 in 1910, or 80.9 per cent.

Mr. WARREN. This résumé of our agricultural growth covers 10 years, 1900 to 1910, under the Dingley and Payne-Aldrich protective tariffs, and the result is a fair test of what the policy of protection has accomplished for agriculture.

It will be noticed that while the population of the entire

country increased 21 per cent in the 10-year period-

The value of farm property increased
The value of farm land increased
The value of farm buildings increased
The value of farm implements and machinery increased
The value of domestic animals increased
The value of domestic animals increased
The average value of all agricultural property, per farm, increased from \$3,563 to \$6,444, or
The average value of all agricultural property, per acre of land, in farms increased from \$24.37 to \$46.44, or
The average value of land, per acre, increased from \$15.57 to \$32.40, or 100 118 60 80

Again, in a table published on page 281 of the Census Abstract, giving the agricultural statistics by decades from 1850 to 1910, a remarkable growth in agricultural lines is shown from one 10-year period to each succeeding 10-year period, but the greatest percentage of such growth has taken place during the 1900-1910 period, with a protective tariff continuously in force.

I ask that the table mentioned be inserted in the RECORD.

The table referred to is as follows:

Farms, farm land, and farm property of the United States, 1850 to 1910,

1 100 1 100 1 100 1 100 1 100						1000	
	1910	1900	1890	1880	1870	1860	1850
Population Number of farms Land area of the country	878, 798, 325 478, 451, 750 138, 1 75, 2 46, 2 54, 4	75, 994, 575 5,737, 372 1, 903, 461, 760 888, 591, 774 414, 498, 487 146, 2 44, 1 49, 4 21, 8 820, 439, 901, 164 16, 614, 647, 491 1749, 775, 970 3, 075, 477, 703 \$3,503 \$24, 37 \$19, 81	62, 947, 714 4, 564, 641 1, 903, 337, 600 623, 218, 619 357, 616, 755 136. 5 78. 3 32. 7 57. 4 18. 8 \$16, 082, 267, 689 13, 279, 252, 649 494, 247, 467 2, 308, 767, 573 \$3, 523 \$25. 81 \$21. 31	50, 155, 783 4, 008, 907 1, 903, 337, 600 536, 981, 835 284, 771, 042 133, 7 71. 0 28, 2 53. 1 15. 0 \$12, 180, 501, 538 10, 197, 096, 776 406, 520, 085 1, 576, 884, 707 83, 038 \$22, 7 \$19, 0	38,558,371 2,659,985 1,903,337,600 407,735,041 188,921,099 133.3 71.0 21.4 46.3 9.9 \$8,944,857,749 7,444,054,462 270,913,678 1,229,889,609 83,363 \$21.94 \$18.26	31, 443, 321 2, 944, 077 1, 903, 337, 600 407, 212, 538 163, 110, 720 199, 2 79, 8 21, 4 40, 1 8, 6 87, 980, 493, 063 6, 645, 045, 007 246, 118, 141 1, 089, 329, 915 83, 904	23, 191, 875 1, 449, 073 1, 884, 375, 680 293, 560, 614 113, 032, 614 202, 6 38, 5 83, 967, 343, 56 3, 271, 575, 426 151, 587, 638 544, 180, 518 \$13, 51 \$11, 14

Mr. WARREN. As to mortgage indebtedness on farms the abstract shows, on page 295:

Total value of the 1,006,511 farms in the United States in 1910

in 1910 _____ \$6, 330, 000, 000 Amount of debt, only 27.3 per cent of the value, or ____ 1, 726, 000, 000

Percentage of debt to value in 1890 was 35.5 per cent. (No statistics of the mortgage indebtedness on farms were collected for the 1900 census.)

There was thus, during the 20 years, a marked diminution in the relative importance of mortgage debt. The average amount of mortgage indebtedness per farm increased from \$1,224 in 1890 to \$1,715 in 1910, but the average owner's equity per farm increased from \$2,220 to \$4,574, or more than doubled.

Thus, the average net ownership of the agriculturist, after deducting his mortgage indebtedness, was \$2,220 in 1890 and \$4,574 in 1910, showing that in that 20 years revised the

\$4,574 in 1910, showing that in that 20-year period the average farmer of the country more than doubled his possessions in the face of the four years of hard times coincident with the Wilson-Gorman tariff.

I commend to the chairman of the Finance Committee a careful reading of the agricultural statistics presented in the Abstract of the Thirteenth Census, on page 360, Table 1. It is there shown that the value of all crops, exclusive of forestry, and so forth, produced in the United States was-

In 1899---In 1909---\$2,998,704,412 5,487,161,223

An increase of 83 per cent in the 10 years.

And this, we are advised by the oracles of wisdom in charge of the tariff bill, was while the farmers suffered under a Republican protective tariff.

- \$89.46 - 59.66 - 523.00 - 863.00

The forestry products for 1909 aggregated \$5,487,161,223.

In the increased value of the cereal crops of the country during the last census period the showing is remarkable.

Bushels. 4, 438, 857, 013 4, 512, 564, 465 An increase of but 1.7 per cent, or ____

But the value of the cereals produced increased from \$1,482,-603,049 in 1899 to \$2,665,539,714 in 1909, an increase of \$1,182,-

936,665, or 79.8 per cent, in value.

The production of corn was— In 1899 In 1909	Bushels. 2, 666, 324, 370 2, 552, 189, 630
A falling off in quantity of 4.3 per cent, or	114, 134, 740
The value of the corn crop was, however— In 1899 In 1909	\$828, 192, 388 1, 438, 553, 919
An increase of 73.7 per cent, or	610, 361, 531
The production of wheat was— In 1899	Bushels. 658, 534, 252 683, 379, 259
An increase of 3.8 per cent, or The value of the wheat was—	24, 845, 007
In 1899	\$369, 945, 320 657, 656, 801
An increase of 77.8 per cent, or	287, 711, 481
The production of oats was-	
In 1809	Bushels, 943, 389, 375 1, 007, 142, 980

An increase of C.8 per cent, or_____

63, 753, 605

The value of the oats was-	
In 1899	414, 697, 422
An increase of 91 per cent, or	197, 598, 838
Corresponding increases in value as compare in production are shown in other crop statistics period 1899 to 1909.	d with increases s for the 10-year
Hay and forage:	Per cent.
Increased in production	23 70. 2
Increased in production Increased in value	42. 4 69. 2
Tohacco: Increased in production Increased in value	21. 6
man and a standard an	
In 1899	Bales. 9, 534, 707 10, 649, 268
An increase of 11.7 per cent, or	1, 114, 561
The value of the cotton was-	
7n 1000	\$323, 758, 171
In 1909	703, 619, 803
An increase of 117.3 per cent, or The acreage in sugar beets was—	379, 861, 132
In 1899 In 1909 (more than three times as great)	Acres. 110, 170 364 093
	050,000
	203, 928
The value of the beet sugar produced was—	eo 909 940
In 1899 In 1909 (nearly six times as great)	19, 880, 724
An increase of	
The production of sugar cane was—	Tons.
In 1899 In 1909	4 202 202
An increase of	
The value of the sugar-cane crop was-	
In 1899	\$20, 541, 636
In 1909	26, 415, 952
An increase of	
Mr. President, these figures are of course offic	ial, having been

Mr. President, these figures are of course official, having been taken from the census, and they must be accepted as correct, notwithstanding any pronouncement to the contrary from any one of us, be he a Senator or a chairman of committee.

Mr. WALSH, Mr. President—
The VICE PRESIDENT. Does the Senator from Wyoming

yield to the Senator from Montana?

Mr. WARREN. I do.

Mr. WALSH. Before the Senator leaves those interesting

figures, I have been endeavoring to follow the course of his discussion. I understand the course of his argument to signify that the gratifying results to which he has invited our attention are as a matter of course to be attributed to the tariff.

Mr. WARREN. That is rather a broad statement.
Mr. WALSH. I thought so.
Mr. WARREN. I am answering an assertion made by the chairman of the Finance Committee that at no time had the farmer been as badly served, and, as he seemed to think, by the tariff, as during the last 10 years in consequence of and under a protective tariff.

Mr. WALSH. So I understand.

Mr. WARREN. I am showing, or endeavoring to show whether or not the farmers have been successful in those 10 I draw the conclusion myself that it has not all been due to the tariff, but nevertheless a protective tariff has been of substantial benefit to all farmers.

Mr. WALSH. I was interested in the figures simply because I used a great many of them a year or two ago when I delivered an address to the graduates of the agricultural college in my State, and I thought I had correctly attributed a great deal of this gratifying growth to the better style of farming which had been introduced into this country consequent on the enlightenment given by the agricultural colleges and the Department of Agriculture.

Mr. WARREN. Undoubtedly a measure of credit should go to both, but I beg my friend from Montana to understand that when we are running all the way over from 25 per cent to 125 per cent in growth of assets of the farmer in the 10-year period there is room sufficient to accredit much to agricultural colleges and the Agricultural Department and still recognize and give much credit to the protective tariff.

Mr. WALSH. If I do not interrupt the Senator, I will say further I noted particularly his reference to the increase in the production of cereals. I recall very distinctly inviting the attention of the students on that occasion to the experiments made by a distinguished professor of the State of Minnesota-the senior Senator from Minnesota will doubtless recall him-who conducted extensive experiments in the breeding of wheat, by which the production of wheat was largely increased. The selection of seed corn in the State of Iowa has proceeded until it is a real science, by which the production of corn has been immensely increased, increasing immeasurably the value of corn land in the State of Iowa and in the State of Illinois. I thought possibly the results might in a measure be attributed to that source.

Mr. WARREN. I think I ought, right here, to correct the Senator as to there being any great increase in the total volume or number of bushels of wheat and corn. As a matter of fact, the figures show that there has been a decrease in the quantity of corn raised, but the value is more-

Mr. WALSH. In the yield per acre?
Mr. WARREN. I have not quoted the yield per acre.
Mr. WALSH. That is what I was speaking of.
Mr. WARREN. Undoubtedly the Senator from Montana is

correct in that; but as to the total quantity and price per bushel. I recall the time when in the State of Nebraska and possibly in other States corn was used for fuel, and I recall with regret, too, that I have bought a great many thousands of bushels of corn for 8 and 10 cents a bushel, where I have had great pleasure since in paying 50 cents a bushel.

Mr. FLETCHER. Mr. President—
The VICE PRESIDENT. Does the Senator from Wyoming

yield to the Senator from Florida?

Mr. WARREN. If the Senator will just allow me a moment to explain the reason why I say I was in distress with the low price of corn and happy when prices were higher. It was be-cause the corn was used in producing meat product, and the country and the market were at the time in such condition that we could hardly get more than the transportation and cost of feeding for our meat product, even with the low price of corn. With the increase since in price of meat product, and without any increase but, instead, a reduction in transportation, commissions, and such charges, there has been ample reason why the farmers could get, and the feeders could afford to pay, the higher price of corn, and reason for our satisfaction

in feeding and paying the better prices.

Mr. WALSH. I, of course, am familiar with the history of it. It is my recollection that we had practically the same pro-

tective system at the time they were burning corn in Kansas.

Mr. WARREN. The Senator is partially incorrect in that.

yield to the Senator from Florida.

Mr. FLETCHER. I was merely going to suggest that I gathered from listening to the statistics furnished by the Senator that the whole trend of his discussion tended to show that the quantities had decreased.

Mr. WARREN. No.

Mr. FLETCHER, As to production. Mr. WARREN. The quantities have decreased so far only in

one product—that of corn.

Mr. FLETCHER. And as to the others I think the figures will show that the increase has not kept pace with the increase of population in the country, while the values as shown indicate a marked increase as to that feature. I ask the Senator whether he attributes the increase in value of these products to the tariff, or to what other cause?

Mr. WARREN. Mr. President, I am very glad to answer the question. The increase has been because the general business of the country, under an adequate protective tariff, has been so prosperous for a number of years that the number of men engaged in farming has not kept up in proportion with the number in other vocations, and the consequence is that what the farmer raises is naturally higher because of the scarcity proportionately of farmers and because of the increase in the

Mr. President, that is where my grief comes in. Our friends on the other side, honest, of course, in their contentions, when they undertake to reduce the cost of living, are, in my opinion, killing the goose that lays the golden eggs by making farming less attractive because less profitable; driving farmers out of business with their proposed free wool and free cattle; greatly reducing the number of animals that will conduce to the meat product, and hence increasing rather than decreasing the cost of living

Mr. FLETCHER. I will not interrupt the Senator further, but my recollection of the statistics is that since 1907 the population has increased 9,000,000 and there has been a decrease of 16,000,000 in the number of cattle in the country, a decrease of 22 per cent as to cattle, compared with the increase in population; and that has all occurred under the protective system.

Mr. WARREN. Mr. President, I have not at hand the figures for 1907 to which the Senator from Florida alludes, but I shall take the matter up at another time. At present I am dealing with 10-year periods, in order that I may base my remarks upon the official census reports, which all of us must accept as correct.

The agriculturists engaged in the sugar-beet and sugar-cane industries are satisfied with conditions relating to them under a protective-tariff policy, and have represented to the President and to Congress that the proposal to ultimately remove the protective duty on sugar will seriously cripple the sugar-beet industry and annihilate the sugar-cane industry in this country. That these representations are correct is the belief, it is safe to say, of a majority of the Members of the Senate; and it is equally safe to say that a majority of the Democratic majority of the Senate is doubtful of the wisdom of this free-trade policy in the treatment of the sugar industry of the country. It is noticeable that in his opening speech in defense of the pending bill, the chairman of the Finance Committee was mute as to Schedule E; and it is also noticeable that the majority report of the Finance Committee on the bill put forward as the most salient fact in reference to Schedule E that the duties now in force shall be extended up to and including the 28th day of February, 1914.

I assert, without fear of successful contradiction, that if the fiat of the White House prescribing free sugar were withdrawn there would be no difficulty in obtaining an amendment to the pending bill which, while it would in some degree reduce duties,

would eliminate the free-sugar proviso.

It is a matter of common knowledge and general comment in the press of the country that the condition of the farmers in recent years has improved to a greater degree than that of any other class of manual-labor workers, although it is true, to be sure, that his workday has been nearer 16 hours than 8 hours long, and that he has had all the extreme hard work incident to his calling. Under the protective system and consequent prosperity the farmer has been able, with strict and rugged economy, to send his sons and daughters to college; his home has been fitted up with modern conveniences, and he has enjoyed all of the modern means of transportation; the rural free postal delivery takes the mail and city papers to his door daily; the telephone has removed the isolation of farm life and has placed the farmer in close touch with the entire countryside.

The press of the country, recognizing the prosperity of the farmer, has humorously cartooned him as the modern aristocrat, surrounded by all the luxuries of present-day ingenuity. And yet we have not farmers enough, up to this date, nor farm produce enough to force down the cost of living, as we so much desire to do, or to furnish enough of many of the large agricultural products to supply domestic consumption—notably sugar, wool, and now beef and many minor products. While not long ago we exported meat products and wheat in great values, now it is a question whether we are not at the point of importation

rather than exportation.

BACK TO THE FARM.

"Back to the farm!" is the cry. Back to the farm, in order that congestion may be relieved in many quarters and also that a sufficient food supply may be grown for our own countrymen. But "Down with the farmer!" is practically the sentiment of the now dominant party, as read in this proposed tariff bill by farmers and hosts of others.

Cost of production shall not be considered or cared about, say

the Senators in charge of this measure.

Millions upon millions of acres of public domain and millions more in private ownership in this Republic are yet uncultivated, and if let alone, with the progress of the last few years under protection, the farmers would continue to increase in numbers and power of production, whereas they have no chance with the discouragement of being forced to produce crops at lower prices in competition with the world and its pauper labor, while paying full American wages. In competition with other industries upon which a tariff is levied—a tariff which, although termed a revenue tariff, is nevertheless a protective tariff in just so far as it increases the price of the foreign product to the consumer—the number of farmers and their power of production have no encouragement or reason to increase.

The success and prosperity of the farmer during the present protective-tariff period is due to the fact that his products have been protected by some portion, at least, of the rate of duty, while the protective policy applied to other industries has brought success to them, and there has thus been maintained a

steady, dependable home market in addition to any obtainable

foreign market.

Under the pending bill this policy of protecting the farmer and the manufacturer is to be abandoned. So far as the farmer is concerned the bill goes beyond even the Walker free-trade bill in that it places the so-called raw material of the farmer, the unmanufactured product, on the free list, where the Walker tariff imposed duties on the raw materials. It follows the lines of the Mills bill which Congress refused to pass and which formed the subject of the presidential campaign in 1888, resulting in the defeat of Mr. Cleveland and the election of Mr. Harrison.

Will consideration of this bill have an effect similar to that of

the Mills bill?

As the chairman of the Finance Committee admits, the pending bill places on the free list many of the products of the farm; in fact, all of the large, important ones, including those which we do not yet raise in sufficient quantities to provide for American consumption, such as sugar, wool, and now cattle. It places on the free list wheat, flour, cattle, sheep, swine, sugar, wool, eggs, potatoes, buckwheat and buckwheat flour, corn, flax and flax straw, hides, lard, meats, milk and cream, nuts, rye and rye flour, tallow, and so forth.

Other products of the farmer have been greatly reduced as

follows

Article.	Rate, tariff act 1909.	Rate, proposed bill.	Decrease.
Horses and mules	25 per cent 20 per cent	10 per cent	Per cent.
Barley	30 cents per bushel	15 cents per bushel	
Barley malt	45 cents per bushel	25 cents per bushel	
Oats	15 cents per bushel	6 cents per bushel	
Rice, cleaned	2 cents per pound	1 cent per pound	
Rice, uncleaned	11 cents per pound	# cent per pound	50
Butter	6 cents per pound	21 cents per pound	60
Cheese	do	do	60
Beans	45 cents per bushel	25 cents per bushel	4.5
Beets	25 per cent	5 per cent	80
Vegetables, natural state	do	15 per cent	40
Vegetables, prepared	40 per cent	25 per cent	371
Cidar	5 cents per gallon	2 cents per gallon	60
Hay		\$2 per ton	50
Honey	20 cents per gallon	10 cents per gallon	50
Onions	40 cents per bushel	20 cents per bushel	50
Peas	25 cents per bushel	10 cents per bushel	
Straw	\$1.50 per ton	50 cents per ton	
Cabbages	2 cents each	15 per cent	
Apples, peaches, quinces, plums, and pears.	25 cents per bushel	10 cents per bushel	1,100
Lemons	11 cents per pound	d cent per pound	66
Oranges, etc	1 cent per pound	do	50
Poultry, live	3 cents per pound	1 cent per pound	
Poultry, dead	5 cents per pound	2 cents per pound	
Flaxseed	25 cents per bushel	15 cents per bushel	
Vinegar	72 cents per gallon	4 cents per gallon	35

In brief, every product and by-product of the farm and ranch has either been placed on the free list or the duties on it have been reduced below any measure of possible protection and below any measure which would sustain competition with the foreign-produced article and still maintain prices of labor in this country as against foreign products raised by cheap foreign labor.

Every shred of protection under which the farmer has prospered is to be torn away, and from now on he will sell in practically a free-trade world's market and buy in a protected

market.

Cattle, sheep, wheat, meats, wool, and the product from sugar cane and sugar beets, forming the bulk of the farmers' productions, will come in free, and hay and other products at such low rates of duty as to afford no protection; and in return or justification for placing practically all of the productions of the farmer on the free list, the chairman of the Finance Committee pleads that certain articles used by the farmer have also been placed on the free list or the duties on them have been greatly reduced.

He leads off with cotton bagging and cotton ties, a wholly sectional concession, designed to aid but one class of farmers,

the growers of cotton.

Paragraph 416 of the free list provides for free entry of—bagging for cotton, gumy cloth, and similar fabrics suitable for covering cotton, composed of single yarns made of jute, jute butts, aloe, mill waste, cotton tares, or other material not bleached, dyed, colored, stained, painted, or printed, not exceeding 16 threads to the square inch, counting the warp and filling, and weighing not less than 15 ounces per square yard; plain woven fabrics of single jute yarns by whatever name known, not bleached, dyed, colored, stained, printed, or rendered noninflammable by any process, nor in any manner loaded so as to increase the weight per yard; waste of any of the above articles suitable for the manufacture of paper.

Bags or sacks for use in handling grain, wool, and so forth, used by farmers generally, are given a reduction of duty from seveneighths of a cent per square yard plus 15 per cent to 10 per cent.

Paragraph 290 of the bill provides that "bags or sacks made from plain woven fabrics of single jute yarns not dyed, colored, stained, painted, printed, or bleached," shall pay a duty of 10 per cent ad valorem.

The wool and grain raised in foreign markets come in free, in competition with the wool and grain raised by our farmers. The American farmer goes into a free-trade market with his product, but the sacks he buys in which to make his shipments carry 10 per cent duty. To be consistent and nonsectional, cotton bagging and cotton ties should carry 10 per cent duty or other bagging should come in free. Why free wool and grain, which the farmer must put in protective-tariff sacks for shipments, while cotton may have free sacks or covering?

THE PREE LIST.

Stress is laid on placing baling wire on the free list to aid the farmer. At present balling wire carries 35 per cent duty. Practically all of the balling wire used in this country is made here, the imports entered for consumption being inconsiderable. Consequently this "concession" to the farmer amounts to naught, 80,772 pounds only being imported, including all kinds of wire.

Plows, harrows, harvesters, reapers, drills and planters, mowers, horserakes, cultivators, thrashing machines, and cotton gins, now carrying a duty of 15 per cent ad valorem, are placed on the free list; but as we buy these but occasionally and consume them but slowly, and as we get practically none of these implements from other countries, but export many of them from this country, the concession in duty will not help the farmer in any great degree. The imports of these articles for the year ending June 30, 1912, amounted to only \$22,069.90 in value, bringing to the Government only \$3,310.50 in duties, while the exports amounted to \$35,640,005 in 1912.

Headers, wagons, and carts, and beet and sugar machinery also are placed on the free list; but under the present tariff law of 1909 these articles are now admitted free from any country which imposes no tax or duty on like articles imported into it from the United States. And as the imports for 1912 aggregated in value only \$67,664, it is evident that cutting off the duty will not help the farmer in that direction to any great

Sewing machines, now carrying a duty of 30 per cent, are placed on the free list; but we import very few such machines. Placing them on the free list will not help the farmer, as the market is held by American-made machines, the prices being controlled mainly by the status of the patents on them.

Harness, saddles, and saddlery, now paying a duty of 20 per cent, are placed on the free list. But with the exception of a few English hunting saddles, used by the aristocrats of the turf, the harness and saddlery used in this country are made here. In fact, we imported in value of goods but \$58,359 worth of harness, saddles, and saddlery in 1912, while in the same year the home production amounted to \$54,224,602—only one dollar's worth of foreign goods to a thousand dollars' worth of domestic; and we exported goods of this character to the extent of \$788,374—nearly fourteen times as much exported as imported. Therefore, while putting harness on the free list may injure the manufacturers in this country, it will not materially help the farmers.

The farmer is promised relief through removing the duty of 10 per cent on importations of boots and shoes and placing them on the free list. I earnestly hope the promised relief may materialize and that the price of boots and shoes may be lowered not only to the farmer but to all other classes.

DOES THE FREE LIST LOWER PRICES

When the Payne bill was pending a campaign for free hides was conducted by the manufacturers of boots and shoes, harness, and other leather products, and the promise was then made that with free raw material the consumer would be given cheaper boots and shoes, cheaper harness and saddlery, and so forth. Well, the 15 per cent tariff was removed and hides went on the free list; 15 per cent of the duty on boots and shoes and 25 per cent of the duty on harness, saddles, and saddlery was removed, and the day the law went into effect the importers put up the price of hides from abroad about 15 per cent. The Government lost about \$3,000,000 a year revenue; the foreign shippers of hides made that amount of additional profit; and boots and shoes, harness, and other manufactures of leather cost no less to the consumer under free hides than when the former rates of duty were imposed.

It is not likely that placing boots and shoes on the free list will materially help the farmer, but, in the opinion of boot and shoe manufacturers, this is what will be the result:

(1) An extreme reduction in the wages they are paying for

labor, which will reduce the employees to the condition of foreign labor:

(2) Closing the factories; or (3) Moving the plants abroad. (See p. 1807, briefs and statements filed with Senate Finance Committee.)

The chairman of the Finance Committee says that the farmer will be the beneficiary of putting textbooks on the free list, apparently overlooking the fact that the textbooks of the children of the farmer are published and printed in this country. Furthermore, the Payne tariff admitted free all books printed chiefly in languages other than English, while the Underwood-Simmons bill imposes a duty of 15 per cent. The Payne Act admitted free all books for educational institutions.

The benefits to be taken from the farmer by the pending bill are enormous; the benefits to be given him are inconsiderable and trifling.

The world is to be permitted to ship the great staples of commerce into the home market of the farmer without restriction, while he will be obliged to buy hundreds of articles of daily use on which duty remains.

Mr. President, practically speaking, the pending tariff bill might be termed a war measure, if not revolution. It is in its predicated effect tantamount to a declaration of war against the farmer, especially against the northern farmer, and more especially against the farmer of the Northwest.

According to the declaration of one of our great war leads, "War is hell." This has never been denied; is always admitted; and therefore I beg the liberty of saying that this bill is feared to be, indeed, hell, so far as the farmer of the Northwest is concerned. About everything he has to sell, the use of his capital and his labor, the product of both must, with but few exceptions, meet the competition of the world with its cheap pauper and peon labor, while everything he has to buy, barring certain occasional purchases, is taxed.

Whatever else may contribute to the building up of the country, agriculture must be the most valued, the most substantial, and altogether the most important basis. The farm is the very foundation upon which successful government must That country is poor indeed in which agriculture can not rest. flourish.

YIELD OF THE SOIL.

The products of the soil yield a greater income to this country than any other industry—nearly \$11,000,000.000 annually—and by protecting and fostering the farm industry through adequate protective tariffs, the same as afforded manufacture and trade, we can at one and the same time immensely enlarge our own product, prevent higher prices, and furnish meanwhile through import duties on the balances from foreign countries the most productive sources of revenue for defray-ing the expenses of the Government, as, for instance, sugar, bringing into the Treasury over fifty millions annually; raw wool, twenty millions; and wool manufactures about as much

The production of beet sugar has grown from 163,458,075 pounds in 1900 to 1,199,000,000 pounds in 1912, being more than sevenfold in volume in 12 years.

Beef, mutton, and wool have been large productions that have not only satisfactorily employed the farmers but have brought substantial revenues from such of the products as have been imported from other countries.

There has been more or less effort expended-"hot air." some would term it-in explaining that the farmer's tools used in his business are to be free; and while that is true as to a few of the items which he must occasionally buy, like a wagon or plow or harrow, they are inconsequential as compared with the real, all-round expenses of the farmer and the tremendous list of items which he must purchase, all of them under revenue duty.

TAXED ARTICLES FARMER MUST BUY.

The long list of articles which the farmer must purchase and which bear a duty is appalling, when it is remembered that all of his own chief products, heretofore protected, are to be made free. Nearly everything that he eats or drinks not raised on his own farm or in his garden is taxed. Nearly every utensil, all articles of furniture, plate, tableware, including table linen, and so forth, bear duties. Everything in manufactured cotton, linen, wool, and silk which he wears, uses on his table, about his bedroom, kitchen, or in general house furnishings; floor coverings-carpets, mattings, and so forth; all of the chemicals, medicines, drugs, needed for himself and family or for domestic animals, are taxed. Oils, paints, varnishes, glue, coal-tar products, and substances used for the preservation of buildings and are taxed.

fences; musical instruments, toilet articles, shoe blacking, pins, pens, pencils, ink, paper; flavoring extracts and coloring matter for the butter and cheese which he manufactures; his tobacco, pipes, cigars, cigarettes, spirits of all kinds, mineral waters, and so forth, are, of course, all taxed, the same as to those citizens who manufacture and sell only protected articles, while the farmer sells in a world-made, free-trade market.

The farmer must be more or less a jack-of-all-trades, and the carpentering tools, such as files, saws, planes, bits, augers, grindstones, and the like, are taxed; lime, brick, tile pipe for draining, every kind of iron pipe except cast iron, lead pipe, and all are taxed. His surveying instruments, field glasses, spectacles, fishing hooks and tackle, the same. Gypsum and other fertilizers, with which to improve the soil; buckets, bottles, and decanters; milk pans and pails, of either tin, stone, or earthenware; and whether he takes his coffee from a cup, or food from a plate, of china, granite ware, or tin, it is all the same—all taxed. The range upon which his food is cooked, as well as his heating stoves, all the same. The flatirons and all small tools used about the house—the same. Tin and iron for roofing or sidings of buildings; horse, ox, or mule shoes; bolts, nuts, and rivets; telephone and other wire, except barbed wire and certain baling wire; manure forks, shovels, scrapers, crowbars, paint brushes and calcimine brushes; chains, hay knives, and other farm and table knives; forks, spoons, hooks and eyes, needles for indoor and farm use; copper utensils of all kinds; extra pieces and repairs of every kind; casks, boxes, sacks, barrels, window blinds, building paper, brooms, matches, baskets, also rope, cord, cable, string—though it is true that some kinds of binding twine are to be free, but other kinds, for binding wool,

As for food not raised on the farm, the taxed items are too numerous to mention, and they include fish food, pineapples, bananas, nuts, spices, chocolate, and so forth.

But the farmer may smile and be temporarily happy when he discovers that the important items of asafetida, catgut, and balm of Gilead are to be free. These three items may go a long way toward contributing to his good health, amusement, and final salvation, but they cut little figure in the final equation, when everything he has to buy of the many thousands of items, except a paitry few, even to the gravestone that marks his final resting place, he must seek in a protected market, while what he has to sell, every crop or product of the larger denominations and most generally grown, must meet the competition of the world's market under free trade.

THE PIONEERS

Mr. President, the farmers, the live-stock men, and the miners have been great developing factors in our national life. They have been in the front rank, the pioneers who in the last generation, or a little more, have pushed the frontier of settlement in this country away across the plains and mountains—that hitherto almost unknown country—until there is no longer a frontier between settled and unsettled domains; until there is no longer between the Atlantic and Pacific Oceans a barrier of unsettled, unknown, and uninhabited (except by savages) country, as of yore. It has been the farmer who has pushed west from point to point all the way from the Alleghenies-the miner and the sheep and cattle growers in the lead, the forage and grain raisers next, and finally the sugar-beet grower, orchard and small-fruit grower, and the all-round intensive farmer and gardener.

NOT A MEMBER BUT A VICTIM OF TRUSTS.

The farmer is a member of no trust or combination. He is possessed of no "swollen fortune" or "predatory wealth." He stands alone, his back to the wall, battling not only against trusts, combinations, and trust products, but with the elements, wind, drought, and flood to protect and preserve his industry. Long hours, hard manual labor, epidemic and other diseases of human, animal, and vegetable life are his lot and risk. He deserves good and not ill treatment at the hands of this Congress and administration, and I plead with all the earnestness at my command for more liberal consideration of him than is at present proposed in the pending bill.

Mr. KENYON. Mr. President, I had intended to submit some suggestions on paragraph 145, which we are about to reach, but at this hour of the day I am in somewhat of a quandary as to whether to proceed. I will accommodate myself to the chairman of the committee. If he desires to go ahead with the bill at this time, well and good; or, if he prefers, I will go on to-

Mr. PENROSE. We are still on the car-wheel paragraph.
Mr. STONE. We have not yet reached the paragraph to
which the Senator from Iowa refers.
Mr. PENROSE. We have not yet reached it.

Mr. KENYON. Reached what? Mr. PENROSE. The aluminum paragraph.

Mr. KENYON. I understood we had.

Mr. STONE. No; that is the next paragraph.
Mr. KENYON. Mr. President, I will give notice, then, that to-morrow at the close of the morning business I will speak on that subject.

Mr. STONE. I beg the Senator to consider a moment that we are now right on the eve of taking up the aluminum paragraph. I think there is very little left to be said with reference

to the preceding paragraph.

Mr. KENYON. I desire to submit some remarks with reference to another amendment which I intend to propose. I have offered an amendment to place aluminum on the free list, and

Mr. STONE. Then will the Senator allow us to take up the

next paragraph?

Mr. KENYON. I simply want to give notice that to-morrow interat the close of the morning business, if no other business intervenes, I will speak on this subject.

Mr. STONE. If we get to that paragraph in the next few

minutes

Mr. KENYON I will ask to have it go over until to-morrow.
Mr. STONE. Oh, the Senator is not ready to proceed?
Mr. KENYON. I am ready to proceed; yes.
Mr. JAMES. Would the Senator prefer to go on this after-

noon or to wait until to-morrow?

Mr. KENYON. I think I would prefer to wait until tomorrow, if that is agreeable to the committee.

Mr. STONE. Well, let us go ahead with the bill.
The VICE PRESIDENT. The Chair understands that paragraph 145 goes over until to-morrow.

Mr. STONE. No; there has been nothing said about it. Let us go on with the bill.

The VICE PRESIDENT. The Secretary will state the pending amendment.

The Secretary. The Committee on Finance propose, in paragraph 144, page 42, line 7, to strike out "25" and insert "15"; and in the same line, after the words "ad valorem," to strike out "ingots, cogged ingots, blooms, or blanks for the same, without regard to the degree of manufacture, 10 per cent ad valorem," so as to make the paragraph read:

144. Wheels for railway purposes, or parts thereof, made of iron or steel, and steel-tired wheels for railway purposes, whether wholly or partly finished, and iron or steel locomotive, car, or other railway tires or parts thereof, wholly or partly manufactured, 15 per cent ad vaiorem: Provided, That when wheels for railway purposes, or parts thereof, of iron or steel, are imported with iron or steel axles fitted in them, the wheels and axles together shall be dutiable at the same rate as is provided for the wheels when imported separately.

The amendment was agreed to.

The reading of the bill was resumed, and the Secretary proceeded to read paragraph 145, on page 42.

Mr. KENYON. Mr. President, I ask that that paragraph be passed over.

The VICE PRESIDENT. The Chair understands that under the agreement the paragraph will be passed over.

Mr. THOMAS. Does the Senator desire it to go over until to-morrow?

Mr. KENYON. I desire to submit some remarks on it tomorrow

Mr. THOMAS. But does the Senator want it to go over until to-morrow :

Mr. KENYON. Yes; I should like to have it go over until to-morrow.

Mr. THOMAS. Only to-morrow? Mr. KENYON. Yes.

Mr. SHERMAN. Mr. President, I desire to submit some additional remarks on paragraph 144. I did not care to submit them on the amendment. I did not conclude yesterday evening. It is immaterial to me just at what time I proceed. the rules that prevail in the Senate I can just as well take up the matter on dried fish or catgut as I can on any other subject. I prefer to have my remarks somewhat pertinent, or within reasonable gunshot of the paragraph, if I can.

Mr. JAMES. Is the Senator speaking to an amendment? Mr. SHERMAN. I am asking whether by unanimous consent

I can properly speak to paragraph 144 after it has been passed? Mr. PENROSE. Mr. President, when the Senate adjourned yesterday the Senator from Illinois had the floor, and it was understood that he should continue on paragraph 144.

Mr. THOMAS. Mr. President, I think the committee has no intention of endeavoring to prevent the Senator speaking on that paragraph.

Mr. PENROSE. No; I do not think so. I think we had better go back to paragraph 144.

Mr. THOMAS. The Senator was not here, and consequently we voted upon it.

Mr. JAMES. I am trying to find out whether the Senator wishes to offer an amendment. The committee amendment has

already been agreed to.

Mr. PENROSE. Inadvertently, the Senator from Illinois was not aware of the fact that the amendment had been disposed of.

Mr. SHERMAN. I tried to obtain recognition before the announcement was made; but it is immaterial, Mr. President, as I say. I wish to be heard on it at some time before the final vote is taken. I am not consumed with impatience.

Mr. PENROSE. I ask unanimous consent that we return to

paragraph 144.

The VICE PRESIDENT. Does the Chair understand that the vote by which the amendment was agreed to shall be set aside? Mr. JAMES. No, Mr. President. The amendment has already been agreed to.

The VICE PRESIDENT. Or does the Senator from Pennsylvania merely ask that we may return to the paragraph in order that the Senator from Illinois may complete his remarks?

Mr. PENROSE. The Senator from Illinois has a right to

speak on paragraph 144.

Mr. SHERMAN. I will withdraw my request for recognition

Mr. STONE. There is certainly no objection to the Senator

speaking, Mr. President.

Mr. SHERMAN. Very well. I desire to take it up in this order more particularly in view of the questions asked by the Senator from Nebraska [Mr. Norms]. There was some question in his mind about the production cost of steel tires abroad as compared with our own production cost in this country.

I endeavored to secure accurate information on that subject from some of the departments. Generally, it is available here. I called, and caused an investigation to be made at some length at the Bureau of Foreign and Domestic Commerce in the hope that I might secure tables on that subject. I have not been able to do so. I was told at that department that there were no available statistics on the subject; that in the investigation made by the Tariff Board they were unable to get the produc-tion cost from England or from other foreign countries on this article; that there were some difficulties encountered in the way of collecting the figures. I also called upon the persons having charge of the investigation of corporations some time ago, with the thought that some statistics might be available at that place. There were none.

So I have recourse only to some general facts which are available, the source of which, I think, is the London Board of Trade. I can find only the general wages paid to such workmen as blacksmiths, boiler makers, ironworkers, and machinists engaged in the manufacture of metal. The scale of wages of these related occupations, when collected, appears to be a fraction over 40 cents per hour in the United States and less than 21 cents per hour in the English and Scotch workshops. This would substantially bear out the general statement made yester-day that the labor cost stands in about the relation of 2 to 1. The cost of equipment and the cost of putting the product on the market are not more in those countries, and I would be safe in saying they are less, than the cost of putting a similar product on the market in the United States.

I repeat here that there is no open market in England, Scotland, Ireland, or any of the dependencies of Great Britain for the products of the United States of this character. All of them are excluded by positive regulations. Therefore, all of this product that might go to that country, if we had any

surplus to export, is barred. There is substantially the same condition in Germany. Germany maintains a high protective tariff. She does it avowedly for the purpose of giving her producers the domestic market.

Mr. THOMAS. Mr. President—

The VICE PRESIDENT. Does the Senator from Illinois yield to the Senator from Colorado?

Mr. SHERMAN. I do.
Mr. THOMAS. I wish to inquire of the Senator the basis of his statement that there is a prohibitive tariff duty upon the statement that there is a prohibitive tariff duty upon the statement that there is a prohibitive tariff duty upon the statement that there is a prohibitive tariff duty upon the statement that there is a prohibitive tariff duty upon the statement that there is a prohibitive tariff duty upon the statement that there is a prohibitive tariff duty upon the statement that there is a prohibitive tariff duty upon the statement that there is a prohibitive tariff duty upon the statement that there is a prohibitive tariff duty upon the statement that there is a prohibitive tariff duty upon the statement that there is a prohibitive tariff duty upon the statement that there is a prohibitive tariff duty upon the statement that there is a prohibitive tariff duty upon the statement that there is a prohibitive tariff duty upon the statement that there is a prohibitive tariff duty upon the statement that there is a prohibitive tariff duty upon the statement that there is a prohibitive tariff duty upon the statement that there is a prohibitive tariff duty upon the statement that the statemen importation of these commodities in Great Britain. I understood the Senator to say that Great Britain had placed a prohibitive duty upon their importation into Great Britain or any of its colonies

Mr. SHERMAN. Yes.

Mr. THOMAS. I merely wish to ask the Senator for the sources of his information in that respect.

Mr. SHERMAN. The information was obtained from the shipping departments of three of the principal factories turning

out this product. The Senator will not find it in the budget or the revenue law of Parliament.

Mr. THOMAS. No; and I am unable to get from the Departments of Commerce and Labor information upon the subject that is confirmatory of the Senator's statement.

Mr. SHERMAN. I made a somewhat exhaustive search in the first instance to find it there, and it is not there; nor will it be found in any of Great Britain's revenue laws relating to that subject. There are a great many chapters; but in their budget, made up annually by the House of Commons, it will not be found.

Mr. SIMMONS. Do I understand the Senator to say that there is some law or regulation of Great Britain prohibiting the importation of these tires? I have here the trade report of Great Britain up to the year 1913, embracing the year 1912. According to that report, in 1912 there were imported into Great Britain, of foreign and colonial merchandise, tires and axles to the value of £40,970.

Mr. SHERMAN. What year was that?

Mr. SIMMONS. Nineteen hundred and twelve. The importations for 1908 were £21,000. I will not call off the odd figures. In 1909 they were £51,000; in 1910 they were £40,000; in 1911, £38,000; in 1912, £40,970.

Mr. PENROSE. Mr. President, will the Senator permit me to make a suggestion at this point?

to make a suggestion at this point?

Mr. SHERMAN. Yes.

Mr. PENROSE. That very frequently occurs, and those figures are most misleading. The importations might have been for reshipment to South America or to some oriental country. There is no evidence from the figures there that the tires were used in Great Britain, and they could not be so used under her compulsory law.

Mr. SIMMONS. Has the Senator that law?

Mr. PENROSE. I have references to the law. I have not the law itself. There is no question about the law, however.
Mr. SIMMONS. I think there is, from inquiries I have made.

Mr. PENROSE. The Senator can not successfully question

Mr. SIMMONS. This is the report of imports of foreign and

colonial merchandise into the British Empire.

Mr. PENROSE. There is certainly no significance in those figures unless the proof accompanies them that the articles were used in the United Kingdom; and they can not be so used.

Mr. SIMMONS. Can the Senator tell us where we can find that law? I find these figures in a British trade document, an official document published by the British Government. That explanation, unless there is some authority for it, would not seem to be altogether convincing.

Mr. SHERMAN. The inquiry is certainly a proper one. I was struck with the fact myself. The explanation lies in what the Senator from Pennsylvania said. It is very evident, from the course of trade, that certain of these products-I think a small proportion, however-may have passed through the United Kingdom and have been entered in their customhouses for reexport to some of the European or Asiatic countries. By turning not only to the existing law, but to the language of this bill, it will be found-

Mr. SIMMONS. But the Senator said yesterday that Great Britain was a great exporter, and that she was dumping this product upon Mexico and Canada. If Great Britain is a great exporter of this product, why is she importing it for the purpose of exporting it again?

Mr. SHERMAN. I will get to that in a minute. There is a difference between a stoppage in transit to a foreign country and a shipment out of this country that does not stop in transit. That sometimes happens.

Mr. SIMMONS. Does the Senator think that if this product were simply stopping there in transit it would be recorded in official documents as an importation?

Mr. SHERMAN. It goes through in bond, as we sometimes export through Canada, or Canada through this country.

Mr. SIMMONS. What is the Senator's authority for making that statement in the face of these official figures?

Mr. SHERMAN. I will go along further in a moment. I will read the language of the bill, which will explain the greater part of it, as well as the language of the existing and

preceding laws covering the subject.

The language of the bill is as follows:

144. Wheels for railway purposes, or parts thercof, made of iron or steel, and steel-tired wheels for railway purposes, whether wholly or partly finished, and iron or steel locomotive, car, or other railway tires or parts thereof, wholly or partly manufactured.

Some of these are street car wheels. Quite a large part of the output of certain of the plants in this country is used exclusively for street cars, or tram cars as they are called. Some of

those are not subject to the prohibition. Tires for the steam roads of foreign countries are the ones to which this pro-hibition was originally applied. I think that explains it in Nevertheless, if we consider the entire export that is given for the years referred to, it is not very important.

The exports for 1909-I will give them now in turn, taking them in their chronological order-were 54,944 tons, valued at

Mr. SIMMONS. Where were the exports from? Mr. SHERMAN. From the United States. Mr. SIMMONS. Oh, from the United States?

Mr. SHERMAN. Yes; of a value of \$439,356. I will explain that these figures are taken from the report of the Bureau of Foreign and Domestic Commerce for these years. For 1910 the export was 50,689 in number and \$410,291 in value. In 1911 it was 46,891 in number and \$367,453 in value. Our exports for 1912 are given in the figures the Senator quoted, and are the same that I have here.

The exports for 1912 were to the countries I will name. I think it is significant, in view of where these exports go, to keep in mind the condition of the tariff laws that bar us in our entry into that market, as well as this regulation of the English

Government.

I started awhile ago, when interrupted, to make the statement that Germany not only avowedly maintains a high protective tariff but she likewise

Mr. SIMMONS. Will the Senator tell us what is the German tariff?

Mr. SHERMAN. I do not know. I have not it here. Has the Senator the information there?

Mr. SIMMONS. Yes; I have it here.

Mr. SHERMAN. On this article the German tariff is-I am quoting from memory

Mr. SIMMONS. I have it here. It is 271 cents a hundred

Mr. SHERMAN. I was about to say 30 cents in round num-

Mr. SIMMONS. It is 27½ cents a hundred pounds, which, at the rate of 3 cents a pound, is equal to 9 per cent, or less than the rate fixed in this bill.

Mr. SHERMAN. 27½ per cent ad valorem?
Mr. SIMMONS. Oh, no; 27½ cents a hundred pounds, which is equivalent, upon the basis of 3 cents a pound, to 9 per cent ad valorem. In other words, the German tariff instead of being a high protective tariff, as the Senator contends, is only about one-half the rate that we retain in this bill.

Mr. SHERMAN. The rate in Germany of 27% cents a hundred pounds is enough to make it extremely difficult to export if there were no other obstacle. As a matter of fact, every exporter from this country finds another impediment in his way. That is where I have not completed my statement. If I had, probably the Senator would have taken the two things together and then would have seen the bearing of the matter, as I am sure he will now.

The German railroads are nationalized. The purchasers of railway trucks, wheels, and other equipment of that kind always represent a Government purchasing agency. When the exporters from this country submit their bids, as they have found by experience, they must not only compete with this tariff, which of itself apparently is not an insuperable obstacle, but they must meet the impossibility of selling to the German Gov-

I wanted to couple that with the statement that the German tariff, with the other element, is impossible of avoidance.

does not permit any competition in this product.

Mr. SIMMONS. I wish to ask the Senator from Illinois, however, if he agrees with the Senator from Pennsylvania [Mr. Penrose]? On yesterday the Senator from Pennsylvania said that these tires were selling for about 4 cents a pound, I think.

Mr. SHERMAN. No; a maximum of 3½ cents, he said.

Mr. SIMMONS. Four cents in Europe.
Mr. PENROSE. Four cents in Europe and 3½ cents in this country.

Mr. SIMMONS. Yes. I desire to know if the Senator from Illinois agrees with the Senator from Pennsylvania?

Mr. SHERMAN. I do.

Mr. SIMMONS. The Senator agrees that they are selling higher there than they are here, then?

Mr. SHERMAN. I do; and that the maximum price here is about 34 cents.

Mr. SIMMONS. And in that condition of things, with this product selling higher in England and in Germany than here, with a German tariff of one-half what our tariff here is, the Senator insists that we would not be upon a basis of reasonable competition with those countries?

Mr. SHERMAN. Yes; I anticipated that argument, and I have heard it a great many times. I have heard the same argument used against the shipping departments of these factories.

Here is the condition we meet: England, with its prohibitive regulations; Germany, with its nationalized railroads, buying our product, if at all, only through a Government purchasing agent. As a matter of fact, they absolutely refuse to buy the American product at any price in the German market. In purchasing railway equipment of this kind they do pay 4 cents a pound on the market for the German product rather than pay 31 cents for the American product; so that we are absolutely barred from that market.

The conditions in both of those countries are such that we can not sell there our product that we sell at home for 31 cents a pound, even if we were to take it there and pay the freight and meet the criticism after we came back with our product sold that we were selling cheaper abroad than we were here, because we had to pay the freight.

Mr. SIMMONS. I was calculating a little while ago upon a 3-cent basis. Upon a 4-cent basis the German ad valorem is only 7 per cent. I understand the Senator to say that with this product selling at only 31 cents here, in Germany, with a tariff of only 7 per cent, they will not buy from us, although they may be able to get it from us at a less price than it sells for on e German market? Why does the Senator say that? Mr. SHERMAN. Just because the German citizen is a good

deal better than a tariff reformer in this country; that is the

Mr. SIMMONS. As a matter of patriotism? Mr. SHERMAN. He would a good deal rather buy in his own country, and have the iron and the price of it there, to use an old expression, than to buy at some other place and have only the iron, and lose the money. That is the reason. German Government and the German people buy their material there from choice.

Mr. SIMMONS. The Senator on yesterday said that we could not get into the German market because of their high tariff. To-day, when we come here and show the Senator that the German tariff is only one-third of the rate we have inserted in this bill, he says the Germans will not buy our product under those circumstances. Then, would the German buy it if it had no duty at all?

Mr. SHERMAN. I have seen a good many men that did not get all of the statement before they started in to refute it.

That is the difficulty now. I have just gotten to the point where I have said that they maintain a high tariff avowedly for the purpose of excluding us, and before I had proceeded further to explain the nationalization of the roads and the method of purchase, I was cut off. I have both statements on my notes here, and I intended to make them together.

Mr. SIMMONS. Then I should like to ask the Senator another question. If he regards a German tariff of 7 per cent as a high tariff, why does he insist that the American rate fixed in

this bill, 15 per cent, is a low tariff?

Mr. SHERMAN. If the project of a certain gentleman was carried out and our roads here were all nationalized like those in Mexico, with the exception of the Mexican Southern road, having 51 per cent of the stock and guaranteeing a billion and a half of bonds-if we were in that condition here, so that the United States Government bought nothing but American tires, we would be in a condition where the 7 per cent that the Senator talks about would be something to be considered if a foreigner were buying tires to ship into this market.

Mr. SIMMONS. Did I understand the Senator to say Ger-

many, or Mexico, or Canada a little while ago?

Mr. SHERMAN. They have nationalized their railroads. Mr. SIMMONS. Has Canada nationalized her railroads? Mr. SHERMAN. I do not know.

Mr. SIMMONS. Has Mexico nationalized her railroads?

Mr. SHERMAN. She has,

Mr. SIMMONS. Then I have misunderstood the Senator. Mr. SHERMAN. But if the German railroads are nationalized and the purchasing department refuses to buy an American product, that, coupled with the rate of tariff the Senator has

quoted, makes it an impossibility for us to enter that market. Mr. SIMMONS. Then I should like to ask the Senator if because of the nationalizing of their railroads over there they will not buy these tires from other countries what is the necessity of putting a tariff on them at all? If they have a prohibition against buying them because their railroads are nationalized

Mr. SHERMAN. You will have to ask the Germans. not know. We impose our duty as a defense against the unfavorable conditions abroad.

Mr. SIMMONS. The Senator does not contend that the railroads of England are nationalized, does he?

Mr. SHERMAN. I do not know.
Mr. SIMMONS. I will tell him that they are not nationalized. If that argument applies to Germany, where the railroads are nationalized, and if that is the reason the Germans will not buy it does not apply to England, because the railroads of England are not nationalized. They are privately owned.

Mr. SHERMAN. They have a positive prohibition in an act of Parliament. When our exporters try to reach that market they are turned out. They find when they attempt to get through the customhouse in England that it is of no use to go They will not meet a single sale. I have the sales here during those years and they show what has become of our trade.

Mr. THOMAS. Mr. President

Mr. SHERMAN. I yield to the Senator. Mr. THOMAS. I find from the Report of Commerce and Navigation of the United States for 1912 these figures with reference to the exportation of these articles from this country to the United Kingdom. In 1912, \$8,468 worth to England, and to Scotland \$3,890 worth. In 1911 to England \$12,486 worth, and in 1910 to England \$8,010 worth. So the last statement of the Senator from Illinois seems to be a little too broad.

Mr. SHERMAN. I have those same figures taken out of the report. I call attention, in connection with those quotations, to the fact that in 1909, a year further back than the Senator went, and which he has there, our total exports amounted to \$439,356. In 1910 they were reduced to \$410,291; in 1911 to \$367,453; in 1912 to \$327,285. The figures show a constantly diranishing export in those products. They are not all steel tires, it is true. They are not separated in the customhouse. It includes not alone the center of the wheels. That might go over. I do not think many of them will be exported. I think they are only of chilled iron in this country. But it includes either the tire or the tire and wheel welded together.

Mr. THOMAS. But does the Senator notice that there is a diminution of imports to this country; but the rate of diminu-

tion is much greater?

Mr. SHERMAN, I have likewise the exports from other countries, which would be our imports here. Our imports for the year ending June 30, 1912, are in quantity by pounds 1,341.363, of the value of \$34,725, the duties levied amounting to \$16,767. Those are the imports for one year. I have not the figures up to the 30th day of June, 1913, but for the first three-quarters of the present fiscal year of 1913 the imports amount to 1,400,416 pounds, slightly in excess of the totals of last year, with a total value of \$36,043 and with a duty of \$17,505.

I take these figures for the purpose of showing that of late years our exports have diminished and our imports have not increased There is very little increase. Possibly there was some increase in 1913 over that of 1912, if the last quarter is in, but it remains about the same.

Our total manufactures in this country, added to our imports of these articles, aggregate for 1912 a little over \$18,000,000. If, however, the exports be deducted, it shows that the greater part of the products made in this country is used here. other words, of \$18,000,000 worth of steel tire and steel-tire railway wheels for steam roads, for street cars, and for other purposes we are, in substance, using the greater part of it in this country without exporting abroad.

Then the question comes up-

Mr. SIMMONS rose.

Mr. SHERMAN. Pardon me just a minute, and I will yield. I want to finish the statement for obvious reasons. tion comes up, if we sell at a maximum price in this country of 31 cents a pound, while they are selling in England and continental Europe at 4 cents a pound, why there is any danger in this rate if it is higher in the European countries. Our principal competitors are England and Germany. They are the ones against which these provisions were originally framed.

Mr. SIMMONS. Right there, if the Senator will pardon me, as I understand the Senator's position it is that although the tires are selling at 4 cents a pound in Germany and in England and at 3½ cents a pound here, if we make this reduction in our tariff, retaining a duty of only 15 per cent, England and Germany will dump their surplus upon this country and swamp the manufacturers of this country.

Now, the Senator thinks that is a reasonable statement to make, in view of the fact that this product is worth half a cent a pound more in England and in Germany than it is here, and that before it can enter this market place it must pay 15 per cent duty under this bill?

Mr. SHERMAN. Yes, sir.

Mr. SIMMONS. Yet the Senator is afraid of dumping from Europe.

Mr. SHERMAN. That— Mr. SIMMONS. I want to follow that up a little. The Senator therefore thinks that England is producing a very large surplus of this product, and that she is dumping it upon such countries of the world as she can find an opportunity to place

I want to give him from this official document-the British Foreign Trade—the amount of the total exportations last year from Great Britain, so that he may see that Great Britain is consuming nearly all that she produces of this product. Our exportations last year were about \$400,000. This document informs us that in 1912 the total exportation of this producttires and axles-from Great Britain was £502.591, or about \$2,500,000. That is the total export from Great Britain. It is to be assumed that that was all the surplus that Great Britain produced last year. Where did it go? The Senator from Pennsylvania says that a part of it was dumped upon

Mr. SHERMAN. I will come to that shortly in the course

of my remarks. I have it here.

Mr. SIMMONS. I have here all the countries to which the £502,000 of this product was exported last year, and I will read where it went. Some of it went to Portuguese East Africa, some to Spain, Egypt, France, China, Japan-the United States got 178 tons of it-to Chile, Brazil, the Argentine Republic, Cape of Good Hope, Natal, British India, Australia, New Zealand, and other British possessions. Mexico is not mentioned.

Mr. THOMAS. And, if the Senator will permit me, I will say right here that our exportation to Mexico was nearly \$114,000

worth greater, I believe, than that of Great Britain.

Mr. SIMMONS. It does not appear that England exported any to Mexico. It does not appear that there was any dumping last year in any part of this continent.

Mr. SHERMAN. I will take one at a time, Mr. President. never was able to talk double-barreled. Our export trade to Mexico in this product has fallen off. By looking at the exports from the border you will find a decrease. It is not very large, but it has fallen off.

Mr. THOMAS. That is due to the disturbed political condi-

tion.

Mr. SHERMAN. It is about \$113,000 in value, I think, for the fiscal year 1912. For 1913 I have not footed up for the

three quarters.

Take the English export, to which the Senator from North Carolina alluded. Here are the exports to foreign countries of our total product. To Germany last year we sold nothing. Look at the export trade and you will find nothing in quantity and nothing in value. We sold nothing to England save 1.287 in number of the value of \$8,468. This is practically a negligible quantity. Eight thousand four hundred dollars or \$8,500 worth out of a total of \$18,000,000 worth of domestic production is such a small proportion that we had as well consider that our English trade does not merit serious attention. They separate the affairs of the two countries. We sold to Scotland a total of \$3,890 worth in 1912. To Ireland we sold nothing. So, taking the combined trade of England, Scotland, and Ireland, we sold a total of less than \$13,000 worth out of a total production in this country of more than \$18,000,000. To Canada we sold \$36,000 worth in 1912. To Japan we sold \$9,080 worth To China we sold nothing. Not a pound of any railway equipment of this character went to China in the year 1912, and it is safe to say that nothing will go to China. Dollar diplomacy may be discredited, but dollar diplomacy have been vindicated in the sale of railway iron, railway trucks, and railway equipment if the six nations that were in the course of negotiations for the financial and industrial development of that Empire had been permitted to compete in their undertaking with the United States as a factor. But in place of dollar diplomacy and the sale of our productions in the Far East we have grape-juice diplomacy in this country and the sale of nothing. That is modern statesmanship as applied to the Orient and elsewhere.

Take steel tires and the related industries in this country. Steel tires alone, to say nothing of the related industries, have run up into hundreds of millions of dollars. The steel tire and wheel industry alone has an invested capital in the States of Colorado, Missouri, Illinois, New York, and Michigan of more than \$25,000,000, and in that \$25,000,000 there is not a dollar of water. It is boiled down, and that applies to every dollar's worth of stock in the steel tire and railway business from Mount Vernon, Ill., clear through to Michigan, and from St. Louis clear to New York. There is not a dollar of watered stock

in railway or wheel tires in all the business, whether the wheels

be sent out in one form or the other.

Now, with the \$25,000,000 invested, which represents an actual investment without a dollar of water, which has on its pay roll 12,000, more than three-fourths of whom are the highest form of skilled labor there is in this country, by this reduction of 64 per cent we lose what little trade we have abroad; and it means not only that the small pitttance which remains, as shown by these reports, will be lost but that worse will happen. This 15 per cent ad valorem duty that is in effect a 64 per cent reduction means that the American market is thrown open to France, Germany, Belgium, and England to come in with these products.

If anyone should have any scruple about voting for 11 cents on this finally, it can be removed by showing that in 1890 the McKinley rate was 24 cents a pound on these products. Wilson Act of 1894 imposed a duty of 11 cents a pound. Dingley Act of 1897 retained the rate of 11 cents a pound, and the Payne-Aldrich bill of 1909 kept the same rate that the McKinley Act put on in 1890, that the Wilson Act kept in 1894, that the Dingley Act kept in 1897. There is no increase along the line in all these years, no change in all these years, until we come to the year 1913, when a 64 per cent reduction is put

on the single product.

The freight rate is not a sufficient protection. Let me urge on the question of freight rates, that on articles that are bulky and not in advanced stage of manufacture freight often is a sufficient protection. The mere distance of itself, as was well argued here one day, in regard to other products, is enough to equalize the difference in cost of production or in giving us

the advantage of our home market.

The steel tires, especially if they are shipped without being shrunk or welded on the railway wheel, are of themselves not bulky. They can be shipped so that comparatively the freight charge is small; but where it is produced in England and Germany, with labor that equalizes about two to one, the advantage becomes apparent to the foreign producer on this

64 per cent reduction.

I took some figures of related industries from the British Board of Trade. There are no statistics here in the department. Some of the gentlemen were out who are interested in this phase of the controversy. I asked the Bureau of Foreign and Domestic Commerce to give me the rate of wages and the production cost of wheels and steel tires in England and Ger-They do not have any figures and gave me the information that it was very hard to obtain any authentic statistics on that subject from foreign countries. They were somewhat averse apparently to giving it up; but the Tariff Commission encountered the same difficulty when they undertook to get the wages from abroad. I called up the department that had the investigation on for corporations some time ago and they had no information on the subject. So I took the report of the British Board of Trade, the last figures of which, I think, are for 1907.

The figures are only of the related industries. They do not segregate the different classes of workmen-the boiler makers, the machinists, the blacksmiths, and the general term "iron-

I find in this country, if you take all of them together, when we add them and take an average, we get over 40 cents an hour here for a 10-hour day, reducing it correspondingly if the number of hours is shorter. In other words, the pay is per hour instead of per day. In England in these related industries they do not segregate the steel-tire and the wheel manufacturers or workmen in such a way as to make a separate estimate. The compensation for the like lines of work, the blacksmiths, the machinists, the boiler makers, and the ironworkers, in which latter clause would be embraced those engaged in the manufacture of the product in question, obtain about 21 cents, or nearly a ratio of 2 to 1 in favor of the rate of wages paid per hour in this country. The equipment, the machinery, the building, the charges in the construction of the building, are lower correspondingly in those countries. As a result, the general cost of production must necessarily be less in the foreign country. The freight charge is of a kind, I think, that would not afford a sufficient protection here in view of this 64 per cent reduction.

Mr. NORRIS. Mr. President-

The VICE PRESIDENT Does the Senator from Illinois yield to the Senator from Nebraska?

Mr. SHERMAN. Yes, sir.

Mr. NORRIS. If the figures just given by the Senator from Illinois are correct, how does he account for the fact that this product is selling for half a cent a pound less in this country than it is in Europe?

Mr. SHERMAN. Yes, sir; I will get to that. That was the question which was very properly asked by the Senator from North Carolina [Mr. SIMMONS]. In Germany the quoted price will show that it ranges about 4 cents a pound. In England it sells at 4 cents a pound. The average price of the product at the plant in the United States, as well as in the domestic market here, is 3½ cents a pound. I was making a statement of conditions.

Mr. NORRIS. I do not want to interrupt the Senator until he has finished his statement; but when he concludes I want to ask him another question.

Mr. SHERMAN. I yield to the Senator. Mr. NORRIS. I want to ask the Senator if his figures are correct, showing that the wages are higher here but that the finished product is sold at a less price per pound, does it not follow that the labor or the machinery, or both, here must be much more efficient than they are in Europe? That must be true, or the manufacturers in Europe are making a much larger profit than those in this country are making. In addition to all that must be added the difference in freight, if they come over here to compete. That would amount to something, although, as the Senator said, it might not be a very large item.

Mr. SHERMAN. The 4 cents a pound in the countries mentioned is largely in England the price at which it is sold from the plant to the railway companies or the street car companies. They sell at that price in that country, although their production cost may be less. I do not know what contributes to sustain that selling price in England.

Mr. PENROSE. Will the Senator from Illinois permit me to interrupt him?

Mr. SHERMAN. Yes, sir. Mr. PENROSE. I think the question raised by the Senator from Nebraska [Mr. Norris] brings up the whole dumping proposition. These prices are maintained in England and in Germany, but every year they have a surplus of this product, which is dumped on the rest of the world and sold at a lower price than it is sold for to the domestic consumer there.

Mr. NORRIS. But, Mr. President, if that be true, it seems to me the figures given here must certainly be erroneous. statistics, as they have been produced here during the debate, show that there has been very little of this particular product sold in the United States and in Mexico. On the other hand, we have sold some in Canada, in Mexico, and even in England and in Scotland. I can not see from these figures where the dumping process has been going on.

Mr. SIMMONS. Mr. President—
The VICE PRESIDENT. Does the Senator from Illinois yield to the Senator from North Carolina?

Mr. SHERMAN. I do. Mr. SIMMONS. If the Senator will permit me, I think I can enlighten the Senator about the facts a little bit more than has been done. The entire amount of exportation of this article, as I said a while ago, from England last year was in value 502,000 pounds sterling; the quantity exported in that year was 25,606 tons. I have just had that calculated, and I find that the average price at which these English exports were sold last year was 4.2 cents a pound, or two-tenths of a cent higher than the Senator says it is selling for in the English market. So there was no dumping in that.

Mr. NORRIS. Mr. President, if the Senator will permit me, the quantity almost demonstrates that there is no dumping.

Mr. SIMMONS. It does demonstrate it. Mr. NORRIS. They have not sold enough of it to amount to

anything; it is so small in quantity.

Mr. SHERMAN. Mr. President, the price abroad in the countries named is the usual selling price quoted from the trade journals. The current trade journals for 1911, 1912, and 1913 are my authority. They export and the same authorities state that they sell at a lower price the surplus stock they have on hand at the end of the year than they do for the domestic consumption in either England or Germany, following the idea that they must clean up whatever they have for that year.

Mr. NORRIS. I presume that is true of the manufacturers Perhaps that accounts for our exportation of in all countries. some of our products to England, to Scotland, and to Canada. I presume our manufacturers were also cleaning out at the end of the year and selling their surplus.

Mr. SHERMAN. I wish here, in connection with that same subject, to state that the uniform maximum price of 3½ cents in this country is maintained only when we have the whole \$18,000,000 worth of our domestic market intact.

Our export trade of this merchandise is comparatively small. It does not aggregate out of the over \$18,000,000 in any one year, as I remember, over half a million dollars. If this surplus, that comes in from abroad, that remains after the domestic consumption has been satisfied, comes in at that reduced rate, it breaks the domestic consumption in this country to the home manufactured article. In that event, the plants now manufacturing the article can not maintain their present prices. It is only by having a market that we can do that.

Mr. NORRIS. Is it not true that the exportations from all

countries are small as compared with the amount of the prod-

ucts manufactured in the respective countries?

Mr. SHERMAN. I do not think so.

Mr. NORRIS. I think, as I remember the figures given, that there is not any country that exports a very large amount as compared with the amount that is produced in the country. As I recall the figures given in the case of Great Britain, they were something over a million dollars in value, or \$2,000,000, I believe it was.

Mr. SIMMONS. Two and a half million dollars.
Mr. NORRIS. But those exports were divided up over the entire world. Several of England's dependencies got a portion of them. So the amount exported to any one country as compared with the amount produced was very small-almost an insignificant quantity.

Mr. SHERMAN. In connection with the figures quoted as the

export price from England of 4.2 cents, it is not stated whether that is the price leaving England or the price at the point to

which exported. That would make some difference.

In 1912 the distribution of plants manufacturing this article in Europe was as follows: Belgium contains 3 plants, but their exports are comparatively small. France contains 3, but neither of those countries is much of a competitor of ours for the domestic market. Germany contains 8 plants, and England contains 10. The trade journals report that they manufactured more for this year and last year than the domestic consumption in either country. That surplus constitutes what they export They export it abroad and sell it for what they can abroad. They have already made their profit in the domestic market in their own country. If sometimes in this country, as the Senator suggested, an article is sent abroad and sold cheaper than it is here, on investigation it is invariably discovered that it is what is left over. It is the dump of our domestic market taken abroad to clean up for that year. The next year's model of machine, whatever it may be, will contain some improve-ments, so the old is gotten out of stock before they start in on the new manufacture.

Mr. NORRIS. Mr. President, will the Senator allow me?

Mr. SHERMAN. Yes, sir.

Mr. NORRIS. Right on that point, I want to make an inquiry of the Senator. I think what he has said is true of all countries in the civilized world, for it seems to be a law of business; but does he think that we can meet that contingency by raising the tariff so high as to meet all such exigencies? Would it not be better by some general law to provide against the dumping process? I understand the Senator from Pennsylvania [Mr. Penrose], in order to remedy that very situation, has to-day proposed an amendment to the pending bill. If we undertook to remedy that difficulty by placing the tariff on all articles of manufacture high enough to shut them out, we would need a tariff higher, I think, than the Senator from Illinois would support.

Mr. SHERMAN. I should like to ask the Senator from Nebraska if he considers excessive the rate of 11 cents in the McKinley tariff law of 1890 or the rate in the Wilson Act of

Mr. NORRIS. Well, I do not know enough about the product to be advised in that regard, but I should think, taking into consideration all the subsequent tariffs which cut down the McKinley rate, that the McKinley rate was too high. Now, let me ask the Senator right along that line, assuming when the Wilson bill and the Dingley bill were enacted, both of which had the same rate on this product, that that rate was right, would it not follow, as a general proposition-there might be exceptions to it, and this might be one—that after the lapse of these years we could stand a reasonable reduction in that

Mr. SHERMAN. Not at all. Mr. NORRIS. Has it not been the general rule that tariffs enacted 10, 15, or 25 years ago would be higher than would be

necessary now to give proper protection?

Mr. SHERMAN. No, sir. Precedent does not possess any particular virtue in tariff schedules. Every schedule is to be made in view of existing conditions. In view of the conditions now in our market and the surplus abroad, I am contending that a 64 per cent reduction will result in very great injury to this line of industrial effort in this country.

Mr. NORRIS. Without disputing the Senator's statement in that regard—of course, that is a reduction, and, even if we

concede that there should be some reduction, whether it is too great or not is entirely another question-but, following up the suggestion I made to the Senator, that usually when tariffs are revised, the tariff is reduced, has not that been true of all tariff bills? Take the McKinley tariff. It imposed a high duty on this particular product, which was cut down by the Wilson bill in a Democratic Congress, and, then, in the Republican Congress which followed, after they investigated it, they found. I presume it is safe to say, that the Wilson rate of a great many years ago was a protective rate and was sufficiently high. That was done when the Payne bill was enacted; and they, at least, found that it was not necessary to increase the rate. Take the average rates in the different tariff bills, and from a protective standpoint I think history will show that on the average they have all been reduced in the general run of tariff revisions, even along protective lines.

Mr. OLIVER. Will the Senator allow me?
The VICE PRESIDENT. Does the Senator from Illinois yield to the Senator from Pennsylvania?

Mr. SHERMAN. Certainly.

Mr. OLIVER. Mr. President, there is one phase of this dumping matter that has not been alluded to in the course of the present debate, and that is that continental countries particularly encourage their manufacturers to sell to their own people higher than they sell to foreign countries. They encourage the formation of syndicates and trusts to maintain high prices amongst their own people and, to keep their factories and establishments running full, send their surplus out to other countries at lower prices than they charge to themselves.

Mr. SHERMAN. My contention is that the reduction of 64 per cent is excessive. If the Senator from Nebraska is not satisfied with a rate of 11 cents a pound, he might suggest an ad valorem duty of 30 or 35 per cent, which would be at least some degree better than the reduction to 15 per cent ad valorem. The equivalent of the old rate of 14 cents a pound on this product is 48 per cent and a fraction. This rate was fixed at 25 per cent in the House and cut to 15 per cent by the Senate At some place between these extremes, possibly, committee. some Senators who are not willing to support the old rates of 1894, 1897, and 1909 may find some middle ground. I want here to make a claim for as adequate a degree of protection against the surplus product from abroad as may be pos-

The VICE PRESIDENT. The Secretary will continue the

reading of the bill.

Mr. GALLINGER. Mr. President, I have had such poor success in securing the adoption of the amendments I have offered that I do not propose to offer one to paragraph 145.

Mr. PENROSE. That goes over.
Mr. THOMAS. That has been passed until to-morrow.

Mr. GALLINGER. I call the attention of Senators having charge of that paragraph to the fact that the proper designa-tion for this product should be "aluminium" and not "alumi-I think, perhaps, when they look in the dictionary they will conclude to make an amendment to the bill.

Mr. THOMAS. I think the Senator will find that the two words are used interchangeably in all the standard dictionaries. Mr. GALLINGER. I think the Senator is wrong on that

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in paragraph 146, page 42, line 22, after the word "metal," to paragraph 146, page 42, line 22, after the most strike out "antimony ore, stibnite, and matte containing antistrike out "antimony ore, stibnite, and matte containing antimony but not containing more than 10 per cent of lead," to read:

146. Antimony, as regulus or metal, 10 per cent ad valorem.

Mr. SMOOT. Mr. President, I notice in paragraph 4041 that "antimony ore, stibnite, and matte containing antimony, only as to the antimony content," are placed upon the free list. I believe that the words "antimony matte" and "antimony regulus" are one and the same thing; they are synonymous words, and if the committee intended to place a duty on antimony as regulus they are going to cause a conflict at the ports of entry.

The same question arose in relation to copper. It was decided in a case that was tried that copper regulus and copper matte were one and the same thing and the words were synony-The division that has been made here, putting matte upon the free list and regulus upon the dutiable list, will surely

lead to trouble if it is allowed to remain in this way.

Mr. THOMAS. I will state for the Senator's information that we will look into that matter between now and the time we reach the free list. Of course, however, the Senator is familiar with the fact that the same classification appears in the present law, which provides one rate of duty for regulus or metal and another rate of duty for matte.

Mr. SMOOT. Yes, Mr. President; but the question did not arise under the present law, because they were all dutiable.

Mr. THOMAS. But on different bases, at different amounts, one being 1½ cents per pound and the other 1 cent per pound.

Mr. SMOOT. But one was in the ore and the other was after it had been put in regulus form.

Mr. THOMAS. No; matte could not be ore. If it were, it would not be synonymous with regulus.

Mr. SMOOT. No, Mr. President; I say, here it is matte from the ore. It is not made into the regulus; that is, I mean, into the pure antimony, or the pure copper, or the pure lead.

Mr. THOMAS. The Senator's criticism is perhaps well

founded. As I say, by the time we reach the free list we can dispose of it, and perhaps can come to an agreement. I do not know as to that.

Mr. SMOOT. I simply wished to call the attention of the Senator to the matter now.

Mr. THOMAS. I am obliged to the Senator, of course. The VICE PRESIDENT. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in paragraph 146, page 42, line 24, after the words "ad valorem," to strike out all down to the end of line 18, page 43, as follows:

to strike out all down to the end of line 18, page 43, as follows: Provided, That on all importations of antimony-bearing ores and matte containing antimony the duties shall be estimated at the port of entry, and a bond given in double the amount of such estimated duties for the transportation of the ores by common carriers bonded for the transportation of appraised or unappraised merchandise to properly equipped sampling or smelting establishments, whether designated as bonded warehouses or otherwise. On the arrival of the ores at such establishments, they shall be sampled according to commercial methods under the supervision of Government officers, who shall be stationed at such establishments, and who shall submit the samples thus obtained to a Government assayer, designated by the Secretary of the Treasury, who shall make a proper assay of the sample and report the result to the proper customs officers, and the import entry shall be liquidated thereon, except in case of ores that shall be removed to a bonded warehouse to be refined for exportation as provided by law, and the Secretary of the Treasury is authorized to make all necessary regulations to enforce the provisions of this paragraph.

And on line 19, page 43, after the word "antimony," to strike

And on line 19, page 43, after the word "antimony," to strike out the comma, so as to make the paragraph read:

146. Antimony, as regulus or metal, 10 per cent ad valorem; antimony oxide, salts, and compounds of, 25 per cent ad valorem.

Mr. SMOOT. Mr. President, I have another matter to suggest in relation to that paragraph, but I will wait until we reach the free list and then bring up both questions at the same time

The VICE PRESIDENT. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The reading of the bill was resumed.

The reading of the on the Committee on Finance was, in paragraph 148, page 43, line 24, before the word "bronze," to insert "8 cents per pound"; and in line 25, after the word "leaf," to strike out "25 per cent ad valorem" and insert "4 cents per 100 leaves," so as to make the paragraph read:

148. Bronze powder, brocades, flitters, and metallics, 8 cents per pound; bronze, or Dutch-metal or aluminum, in leaf, 4 cents per 100 leaves.

The amendment was agreed to.

The next amendment was, in paragraph 149, page 44, line 1, after the word "copper," to strike out the comma; and in line 2, after the word "rods," to insert "strips," so as to make the paragraph read:

149. Copper in rolled plates, called braziers' copper, sheets, rods, strips, pipes, and copper bottoms, sheathing or yellow metal of which copper is the component material of chief value, and not composed wholly or in part of iron ungalvanized, 5 per cent ad valorem.

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment was, in paragraph 152, page 44, line 12, after the word "lahn," to strike out "30" and insert "25," so as to make the paragraph read:

152. Tinsel wire, lame or lahn, made wholly or in chief value of gold, silver, or other metal, 10 per cent ad valorem; bullions and metal threads, made wholly or in chief value of tinsel wire, lame or lahn, 25 per cent ad valorem; fabrics, ribbons, beltings, toys, or other articles, made wholly or in chief value of tinsel wire, lame or lahn, or of tinsel wire, lame or lahn, and india rubber, bullions, or metal threads, not specially provided for in this section, 40 per cent ad valorem. valorem.

The amendment was agreed to.
Mr. OLIVER. Mr. President, at the request of the senior
Senator from Massachusetts [Mr. Lodge], who is absent, I
should like to have paragraphs 153, 163, and 169 passed over until his return, which will be either to-morrow or Monday.

The VICE PRESIDENT. Without objection, those paragraphs will be passed over.

Mr. SUTHERLAND. I will ask that paragraphs 154 and 155 go over until to-morrow morning. I desire to say a few words in regard to them. I intend to be very brief about it, but I prefer not to take up the matter to-night.

Mr. THOMAS. We have no objection.

The VICE PRESIDENT. Paragraphs 154 and 155 will be passed over until to-morrow.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in paragraph 158, page 46, line 15, after the word "metallic," to insert "not specially provided for in this section," so as to make the paragraph read:

158. Pens, metallic, not specially provided for in this section, 8 cents per gross; with nib and barrel in one piece, 12 cents per gross.

The amendment was agreed to.

The next amendment was, in paragraph 159, page 46, line 22, after the words "ad valorem," to insert "Provided, That pens and penholders shall be assessed for duty separately," so as to make the paragraph read:

159. Penholder tips, penholders and parts thereof, gold pens, fountain pens, and stylographic pens; combination penholders, comprising penholder, pencil, rubber eraser, automatic stamp, or other attachment, 25 per cent ad valorem: Provided, That pens and penholders shall be assessed for duty separately.

The amendment was agreed to.

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in paragraph 164, page 48, line 13, before the words "per cent," to strike out "10" and insert "12½"; and, in the same line, after the words "ad valorem," to insert:

after the words "ad valorem," to insert:

Provided, That on all importations of zinc-bearing ores the duties shall be estimated at the port of entry, and a bond given in double the amount of such estimated duties for the transportation of the ores by common carriers bonded for the transportation of appraised or unappraised merchandise to properly equipped sampling or smeltering establishments, whether designated as bonded warehouses or otherwise. On the arrival of the ores at such establishments they shall be sampled according to commercial methods under the supervision of Government officers, who shall be stationed at such establishments, and who shall submit the samples thus obtained to a Government assayer, designated by the Secretary of the Treasury, who shall make a proper assay of the sample and report the result to the proper custom officers, and the import entries shall be liquidated thereon, except in case of ores that shall be removed to a bonded warehouse to be refined for exportation as provided by law. And the Secretary of the Treasury is authorized to make all necessary regulations to enforce the provisions of this paragraph. this paragraph.

So as to make the paragraph read:

So as to make the paragraph read:

164. Zinc-bearing ores of all kinds, including calamine, 12½ per cent ad valorem: Provided, That on all importations of zinc-bearing ores the duties shall be estimated at the port of entry, and a bond given in double the amount of such estimated duties for the transportation of the ores by common carriers bonded for the transportation of appraised or unappraised merchandise to properly equipped sampling or smeltering establishments, whether designated as bonded warehouses or otherwise. On the arrival of the ores at such establishments they shall be sampled according to commercial methods under the supervision of Government officers, who shall be stationed at such establishments, and who shall submit the samples thus obtained to a Government assayer, designated by the Secretary of the Treasury, who shall make a proper assay of the sample and report the result to the proper custom officers, and the import entries shall be liquidated thereon, except in case of ores that shall be removed to a bonded warehouse to be refined for exportation as provided by law. And the Secretary of the Treasury is authorized to make all necessary regulations to enforce the provisions of this paragraph.

Mr. OLIVER. Mr. President, I will ask the members of the

Mr. OLIVER. Mr. President, I will ask the members of the committee whether they are quite sure about the word "smeltering" in line 19, page 48, and whether it should not be "smelting"? It seems to me rather uncommon.

Mr. THOMAS. Oh, yes; that should be "smelting." seems to be a clerical error.

Mr. PENROSE. I suggest that the correction be left to the Democratic caucus.

Mr. THOMAS. We will accept the suggestion.
Mr. STONE. I move, Mr. President, that the word "smeltering," in line 19, page 48, be stricken out, and the word "smelting" substituted.
The VICE PRESIDENT. The amendment to the amendment

will be stated.

The Secretary. In the committee amendment, on line 19, page 48, it is proposed to strike out "smeltering" and insert "smelting."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in paragraph 165, page 49, line 9, after the word "remanufactured," to strike out "10" and insert "15," so as to make the paragraph read:

165. Zinc in blocks, pigs, or sheets, and zinc dust; and old and worn-out zinc fit only to be remanufactured, 15 per cent ad valorem.

The amendment was agreed to.

The next amendment was, in paragraph 166, page 49, line 11, after the word "caps," to insert "of metal," so as to make the

paragraph read:

166. Bottle caps of metal, collapsible tubes, and sprinkler tops, if not decorated, colored, waxed, lacquered, enameled, lithographed, electroplated, or embossed in color, 30 per cent ad valorem; if decorated, colored, waxed, lacquered, enameled, lithographed, electroplated, or embossed in color, 40 per cent ad valorem.

The amendment was agreed to.

The reading of the bill was resumed, and the Secretary read

to the end of paragraph 168, page 49.

Mr. STONE. Mr. President, that finishes this schedule, except for several paragraphs which have been passed over. eral of them were passed with the understanding that they would be taken up and disposed of to-morrow. It is now nearly 6 o'clock; and if the Senator from Georgia wishes to make a motion, I will yield for that purpose.

EXECUTIVE SESSION.

Mr. BACON. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After 15 minutes spent in executive session the doors were reopened, and (at 6 o'clock and 10 minutes p. m.) the Senate adjourned until to-morrow, Friday, August 8, 1913, at 12 o'clock meridian.

NOMINATIONS.

Executive nominations received by the Senate August 7, 1913. ENVOY EXTRAORDINARY AND MINISTER PLENIPOTENTIARY.

Madison R. Smith, of Missouri, to be envoy extraordinary and minister plenipotentiary of the United States of America to Haiti, vice Henry W. Furniss, resigned.

COLLECTOR OF CUSTOMS.

David C. Barrow, jr., of Georgia, to be collector of customs for the district of Georgia, in place of William R. Leaken, whose term of office expired by limitation August 5, 1913.

CONFIRMATIONS.

Executive nominations confirmed by the Senate August 7, 1913. COLLECTORS OF INTERNAL REVENUE.

James Coffey to be collector of internal revenue for the district of North and South Dakota.

Duncan C. Heyward to be collector of internal revenue for

the District of South Carolina.

Josiah W. Bailey to be collector of internal revenue for the fourth district of North Carolina.

SENATE.

Friday, August 8, 1913.

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the

following prayer:

Almighty God, we come to Thee this morning in the midst of a great sorrow that has fallen upon our national life. One whom Thou didst honor, calling him to places of power and authority, who was honored by his fellow citizens of a great State, called to be their leader in public affairs, this hero of the past, this great true man, has passed on to the great

We remember with reverence and with deepest affection the lives of the worthy fathers whose characters were forged in the furnace of the conflicts of the past, who came out of the furnace unsoiled and stood for the highest, the truest, and the best. As these fathers pass on to the beyond, give to us the

inheritance of their character and the inspiration of their ex-

We pray that Thou wilt sanctify unto us the bereavement of this hour, teaching us the uncertainties of life, giving to us the real concern for the highest ideals of life, as we gather these inspirations out of the characters of the men whom Thou dost call into leadership in this great country.

Guide us, we pray Thee, in all our ways. Help us to follow the path of duty and honor until at last we, too, shall be gathered to our fathers. For Christ's sake. Amen.

The Secretary proceeded to read the Journal of yesterday's proceedings, when, on request of Mr. Smoot and by unanimous consent, the further reading was dispensed with and the Journal was approved.

DEATH OF SENATOR JOSEPH FORNEY JOHNSTON.

Mr. OVERMAN. Mr. President, in the absence of the surviving Senator from Alabama it becomes my sad and painful duty to announce the death of Senator Johnston. The end that |

comes to us all found him this morning at 8.30 o'clock in his apartment house in this city, surrounded by his stricken wife, his devoted son, and loving friends.

A prince among men, a gallant Confederate soldier, an able governor, a great Senator, a true patriot, a faithful and loyal friend has passed from this world of strife and bitterness and has crossed over the river, to rest under the shade of the trees in a better land of peace, happiness, and eternal rest.

I would ask the Senate that a public funeral in the Senate Chamber be observed, but his family desire that his funeral

shall be of the simplest character.

The Senator from Alabama [Mr. BANKHEAD] at a future time will ask the Senate to set apart a day that fitting tribute may be paid to his memory and his long and faithful services.

I offer the resolutions which I send to the desk.

The VICE PRESIDENT. The Secretary will read the resolutions submitted by the Senator from North Carolina.

The resolutions (S. Res. 158) were read, considered by unanimous consent, and unanimously agreed to, as follows:

Resolved, That the Senate has heard with deep regret and profound sorrow of the death of the Hon. Joseph Forner Johnston, late a Senator from the State of Alabama.

Resolved, That a committee of 17 Senators be appointed by the Vice President to take order for superintending the funeral of Mr. Johnston.

Resolved, That as a further mark of respect his remains be removed from his late home in this city to Birmingham, Ala., for burial, in charge of the Sergeant at Arms, attended by the committee, who shall have full power to carry these resolutions into effect.

Resolved, That the Secretary communicate these proceedings to the House of Representatives.

The VICE PRESIDENT appointed, under the second resolution, Mr. Bankhead, Mr. Bacon, Mr. Overman, Mr. Chamber-LAIN, Mr. HITCHCOCK, Mr. CLARKE Of Arkansas, Mr. VARDAMAN, Mr. Johnson, Mr. Swanson, Mr. Smith of South Carolina, Mr. Thornton, Mr. Gallinger, Mr. Waeren, Mr. Bristow, Mr. CATRON, Mr. BRADY, and Mr. KENYON as the committee on the part of the Senate.

Mr. OVERMAN. Mr. President, I move, as a further mark of respect to the memory of the deceased Senator, that the Sen-

ate do now adjourn.

The motion was unanimously agreed to; and (at 12 o'clock and 7 minutes p. m.) the Senate adjourned until to-morrow, Saturday, August 9, 1913, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES.

FRIDAY, August 8, 1913.

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the fol-

lowing prayer:

Father in heaven, let Thy blessing descend copiously upon us, that our minds may be clarified and our hearts strengthened for whatever tasks may be laid upon us. Loving mercy, doing justly, walking humbly with Thee, for if we are with Thee who can be against us? Reputation may suffer by the traducer, but if the character points to the pole, in spite of wind and tide reputation will right itself and we shall sail on and in due season reach that fair haven for which we all long under the guiding hand of the Great Captain of our salvation. Amen.

The Journal of the proceedings of Tuesday, August 5, 1913,

was read and approved.

RESIGNATION FROM LOBBY INVESTIGATION COMMITTEE.

The SPEAKER. The Chair lays before the House the following letter, which the Clerk will read.

The Clerk read as follows:

AUGUST 8, 1913.

Hon. Champ Clark, Speaker House of Representatives, Washington, D. C.

MY DEAR MR. SPEAKER: I regret very much that serious illness and the imperative orders of my physician make it necessary for me to resign from the lobby investigation committee. It is with deep regret that I tender my resignation, to take effect at once.

Yours, very sincerely,

Without objection, the resignation is ac-The SPEAKER. cepted, and the Chair appoints the gentleman from Oklahoma [Mr. Ferris] in lieu of Mr. Roddenbery.

There was no objection.

BUST OF WILLIAM PITT, LORD CHATHAM (S. DOC. NO. 150).

The SPEAKER. The Chair lays before the House a letter from the President, transmitting a letter from Lady Paget, which the Clerk will read.

The Clerk read as follows:

AUGUST 4, 1913.

Hon. CHAMP CLARK, The Speaker.

MY DEAR MR. SPEAKER: I take pleasure in transmitting herewith a copy of a letter recently received from Lady Paget, speaking for a

number of American ladies now living in England, in which they express the desire to join in presenting to the United States, in connection with the approaching Anglo-American Peace Centenary, a bust of William Pitt, Lord Chatham, the friend and champion of America, to be placed in the White House. I venture to suggest that inasmuch as the gift must be received through me as President, but can not be accepted without the permission of Congress, the Houses graciously grant that permission. that permission. Cordially and sincerely, yours, WOODROW WILSON.

The SPEAKER. The Clerk will also read the letter from Lady Paget.

The Clerk read as follows:

The Clerk read as follows:

35 Belgrave Square, S. W.,
London, England, July 1, 1913.

Mr. President: It is the desire of American women married and resident in England to take some slight part in the coming celebration in connection with the Anglo-American Peace Centenary, and I have suggested the presentation to the United States of a bust of William Pitt, Lord Chatham—that great Englishman, so preeminently the friend of America—to be placed in the White House.

I understand from our mutual friend, Mr. House, that this presentation would have to be made through the President, who would consult Congress as to whether it would be acceptable to the American Nation, and that this would, of course, have to be ascertained before proceeding further. It is desired very strongly to emphasize the fact that this offering would have absolutely no political significance—that it is entirely a matter of sentiment—a wish on the part of American women here to express their unchanging love of their native land, though zeparated from it by marriage.

If you, Mr. President, would have the kindness to give us your help and sympathy, and would bring the matter before Congress as early as possible, we feel sure our wishes could be carried into effect; and we would owe you a deep and lasting debt of gratitude.

With the earnest hope that what we ask is not impossible, I remain, Mr. President,
Yours, very trult,

Minnie Pager (Lady Pager).

Mr. President, Yours, very truly,

MINNIE PAGET (LADY PAGET).

The SPEAKER. Both of these letters are ordered printed and referred to the Committee on Foreign Affairs.

Mr. MANN. Well, Mr. Speaker, do not they go to the Com-

mittee on the Library?

The SPEAKER. The Chair was somewhat puzzled to know which one to send it to. The Chair is rather inclined to think they ought to go to the Committee on the Library.

Mr. MANN. That would be following the precedents. The SPEAKER. The Chair had a notion of sending it there once, but then it seemed to him it was a foreign matter. The reference will be changed to the Committee on the Library.

CURRENCY BILL.

Mr. McKENZIE. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record by having published a review of the proposed currency bill by James B. Forgan, president of the First National Bank of Chicago.

The SPEAKER. The gentleman from Illinois asks unanimous consent to extend his remarks by printing a letter from

Mr. James B. Forgan.

Mr. MURDOCK. Mr. Speaker, reserving the right to object, I desire to ask the gentleman from Illinois if this is one of the documents which has been published as a Senate document on the currency proposition?

Mr. McKENZIE. Not to my knowledge, I do not think so. Mr. MURDOCK, Well, has it been published anywhere or is it an original manuscript?

Mr. McKENZIE. Not as a public document. Mr. MURDOCK. It has been published, though—it has been

Mr. McKENZIE. Well, Mr. Forgan had it printed, I believe. The SPEAKER. Is there objection?

Mr. WINGO. Mr. Speaker, reserving the right to object, I

did not understand what the article was.

Mr. McKENZIE. It is a review of the proposed Glass-Owen currency bill, written by James B. Forgan, president of the First National Bank of Chicago,

Mr. WINGO. Where does the article come from? Has it been published in some magazine?

Mr. McKENZIE. No; it is a private publication.

Mr. WINGO. A private letter?
Mr. McKENZIE. It is published in pamphlet form by Mr. Forgan himself, I understand.

Mr. WINGO. Mr. Speaker, I object.
The SPEAKER. The gentleman objects.
Mr. McKENZIE. Mr. Speaker, I am sorry the gentleman

objects.

The SPEAKER. The Chair knows, but the gentleman has an inherent right to object.

EXTENSION OF REMARKS.

Mr. FERRIS. Mr. Speaker, I ask unanimous consent to extend my remarks by inserting in the Record a short article nonpolitical, moral in character, written by my colleague, Congressman Weaver, from Oklahoma, making about a page of typewritten matter-

The SPEAKER. The gentleman from Oklahoma asks unanimous consent to print in the RECORD a letter by his colleague; Mr. Weaver, on a nonpolitical, moral subject. Is there objection?

Mr. BORLAND. Mr. Speaker, reserving the right to object, I wish to say that there has been a good deal of comment recently in regard to putting in the Record articles not written by Members of Congress and not having any bearing on the matters under discussion; in other words, making the RECORD something that it was not intended to be. I do not intend to object to this particular article. The principal reason for my not doing so is because it is an intellectual product of a Member of this House and presumably bears upon public questions and ought to be made a matter of public record. Therefore I do not intend to object to it. But it does seem to me the time has come to object to the insertion of newspaper editorials, magazine articles, and all that sort of thing, that some Member might happen to think ought to be published at public expense and circulated in his locality.

Mr. MURDOCK. Mr. Speaker, how far is the gentleman going with that? He mentions magazine articles. How about pamphlets?

Mr. BORLAND. I include them. I think articles not written by any Member of Congress nor by any member of the administration, but by private citizens, and which have the full latitude of publication as a private document, ought not to be printed as a public document unless they appear as a bona fide part of a Member's debate on the floor of this House. I think there is a very close line-

Mr. MURDOCK. It would make the Congressional Record a more interesting publication.

Mr. BORLAND: There is no question of that. been printing many things that ought not to be in the RECORD. I will not say that I am not to blame in that direction, but I will not do it any more. At one time I printed a speech by a distinguished western man, president of the Trans-Mississippi Commercial Congress, at an annual gathering of that congress. I do not think that was a right thing to do, although it probably was not a serious breach of the rules. I will not attempt to sit here for the purpose of objecting, but if I am here I am going to object to foreign matter being inserted in the Record that has no connection with the business being transacted on the floor.

Mr. MURDOCK. Will the gentleman yield? Mr. BORLAND. Yes.

Mr. MURDOCK. The trouble with the gentleman's resolution is this, that unless one Member takes it upon himself to do this the exclusion will not be accomplished all the time, with the result that some Members will have the favor and others will not. If the gentleman is going to take upon himself that thing, he ought to be here all the time.

Mr. BORLAND. If the "gentleman from Missouri" undertook that, he would make himself the guardian of the House, which he does not intend to do. It is not any more his privilege than the privilege of other Members. But I think the sentiment ought to be inculcated which will lead to the objection being made when that sort of thing is attempted, and I intend to do my part toward that general sentiment.

Mr. STAFFORD. Does not the gentleman think it would be better if the Committee on Printing should bring in a resolu-

tion to apply to all these cases?

Mr. BORLAND. I do not think that would cover it. This is a request for unanimous consent, and if it be given it does not matter what the article is, because it goes in. So I think it is a matter more of sentiment, more of public opinion, among all the Members of the House than it is a matter of any fixed rule. It is a question of building up an opinion that will discourage the insertion of foreign matter in the RECORD. So, withdrawing my objection for the present, I am going to object to foreign matter being put in the Record hereafter. The SPEAKER. Is there objection?

Mr. MANN. Reserving the right to object, I have heard the speech the gentleman from Missouri [Mr. Borland] has now made at least three or four times a year ever since I have been a Member of the House; not made by him, perhaps, before. But two years ago it was made by my friend from Kansas [Mr. MURDOCK], not then the leader of a party. Now that he is such a leader he will feel the responsibility of protecting the men who are with him in the party. You can not prevent the publica-tion in the Record of many of these articles. You can adopt rules, but they will not be followed out. One side of the House can protect itself against encroachments of the other side of the House when it comes to unanimous consent.

The gentleman from Arkansas [Mr. Wingo], as he had the right to, without any explanation objected to the insertion of an article which was offered by my colleague from Illinois [Mr. McKenzie] in relation to a matter now pending, of great importance, and where the views of men from the outside are much needed on the inside of the Chamber. The gentleman has the right to object. I am not criticizing him at all. But it can not be that Democratic Members of the House shall have the right to insert articles in the Record constantly, relating to banking and currency or other subjects, but that Republican Members or Progressive Members can not do so. While I shall not object to the request of the gentleman from Oklahoma [Mr. Ferris], yet if it is to be the policy of the other side of the House, or of any Member of it, to object to the requests from this side of the House for leave to extend, I shall be here sufficiently often to carry out the proposition for a time, for a time only.

Mr. BORLAND. Mr. Speaker, will the gentleman yield? The SPEAKER. Does the gentleman from Illinois yield to the gentleman from Missouri?

Mr. MANN. Certainly. Mr. BORLAND. I know that the gentleman from Illinois is not in sympathy with the idea of putting too much foreign matter in the RECORD.

Mr. MANN. I would keep it all out if possible, but it is not

possible.

Mr. BORLAND. Therefore the gentleman thinks it is not worth while to have any opinion or sentiment in the House on the subject?

No; I think it is very well worth while to have Mr. MANN. an opinion and sentiment on the subject; but I notice that the sentiment changes as gentlemen want to put their matters in

Mr. BORLAND. That is hardly the case here.

Mr. MANN. The gentleman and I agree, and the gentleman from Kansas [Mr. Murdock] and I agreed two years ago; but still the practice continues.

Mr. GARDNER. Mr. Speaker, will the gentleman yield? Mr. BORLAND. I do; but I have not the floor.

Mr. GARDNER. I thought the gentleman reserved the right to object.

Mr. BORLAND. No.

Mr. GARDNER. I therefore reserve the right to object, Mr. COX. Mr. Speaker, I demand the regular order.

The SPEAKER. Is there objection? Mr. GARDNER. I object.

The SPEAKER. The gentleman from Massachusetts [Mr. GARDNER | objects.

Mr. GARDNER. I will withdraw my objection if the gentleman from Indiana [Mr. Cox] will withdraw his demand for the regular order.

Mr. COX. I demand the regular order, Mr. Speaker.

The SPEAKER. The gentleman from Indiana demands the regular order.

Mr. GARDNER. Then, I object.

ADJOURNMENT UNTIL NEXT TUESDAY.

Mr. UNDERWOOD. Mr. Speaker, I ask unanimous consent that when the House adjourns to-day it adjourn to meet on Tuesday next

The SPEAKER. The gentleman from Alabama [Mr. Underwood] asks unanimous consent that when the House adjourns to-day it adjourn until Tuesday next. Is there objection? [After a pause.] The Chair hears none, and it is so ordered.

EXPENSES INCIDENT TO THE FIRST SESSION, SIXTY-THIRD CONGRESS. Mr. SISSON. Mr. Speaker, I ask unanimous consent for the present consideration of the resolution which I send to the Clerk's desk.

The SPEAKER. The Clerk will read the resolution.

The Clerk read as follows:

Joint resolution (H. J. Res. 118) making appropriations for certain expenses incident to the first session of the Sixty-third Congress.

Resolved, etc. That the following sums are appropriated out of any money in the Treasury not otherwise appropriated, namely:

SENATE. For compensation of the officers, clerks, messengers, and others in the service of the Senate, namely:

For 16 pages for the Senate Chamber, at the rate of \$2.50 per day each from July 1, 1913, until the close of the first session of the Sixtythird Congress; so much as may be necessary.

HOUSE OF REPRESENTATIVES.

For the following employees, from and including July 1, 1913, until the close of the first session of the Sixty-third Congress, namely:

For 46 pages, including 2 riding pages, 4 telephone pages, 1 press gallery page, and 10 pages for duty at the entrance to the Hall of the House, at \$2.50 per day each; 3 telephone operators, at the rate of \$75 per month each; so much as may be necessary.

The SPEAKER. Is there objection?

Mr. GARDNER. Reserving the right to object, Mr. Speaker, I have no objection to proceeding by unanimous consent if gentlemen do not call for the regular order and thereby shut off a proper question. But especially did that come ill from the gentleman from Indiana [Mr. Cox], because he, in this very last Record, inserted a document with reference to the banking and currency question, the product of the brain and pen of Mr. John Skelton Williams, who, I believe, is an employee of the Government.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. GARDNER. It comes especially ill from the gentleman from Indiana, because his side of the House has just objected to the introduction of an exactly similar document by a Member of our side of the House. Now, Mr. Speaker, I demand the regular order.

Mr. SISSON. Mr. Speaker, will the gentleman withhold that

for a moment?

Mr. MANN. I hope the gentleman from Massachusetts will withhold.

Mr. GARDNER. I will withhold, Mr. Speaker.
Mr. SISSON. Mr. Speaker, I want to say that these pages have not been paid for the month of July. They are provided for in the general deficiency bill, but the general deficiency bill has assumed such proportions that the hearings have been continued, and it is quite possible that that bill may not get through the Senate for two or three months. It is not likely

that they will sidetrack the tariff bill for it.

Mr. GARDNER. The gentleman from Mississippi misunderstands me. I am not objecting to unanimous consent, but I demand that the question be now put—no, Mr. Speaker; I

withdraw that.

Mr. MANN. Mr. Speaker, I think the gentleman from Mississippi ought to make a statement in reference to the resolution, which I understand is for the payment of pages employed in the House and Senate.

Mr. SISSON. That is what I wanted to do. I want to state, Mr. Speaker, that the pages on both sides of the House and in the Senate were provided for in the last legislative bill up to

July 1.

Now, these little boys have not had their salaries for the month of July, and unless this joint resolution is passed it will not be possible for them to get any salaries for the month of August, and probably not for the month of September. was very careful not to include in this joint resolution a single page or employee not provided for by law. These boys are certainly entitled to their money.

Now, there are some other employees who are not receiving their money, but Mr. Woods, the Superintendent of the Capitol Building and Grounds, tells me that the charwomen who did not receive their pay for the month of June failed to receive it because he had apportioned the fund so as to take care, as

nearly as possible, of the Malthy Building.

There are some other session employees who will have to be taken care of. But these pages are provided for by law and are entitled, of course, to their salaries for the month of July, which are now overdue, and for the month of August, which will soon be due.

Will the gentleman allow me to interrupt him? Mr. LLOYD.

Mr. SISSON. Yes.

Mr. LLOYD. The Committee on Accounts have undertaken to take care of a number of individuals.

Mr. SISSON. Yes. Mr. LLOYD. They asked the Committee on Appropriations in May last to provide for their payment, but up to this time it has not been done.

Mr. SISSON. I will say to the gentleman from Missouri that the reason why it has not been done is because provision is made for them in the general deficiency bill, which has not yet been reported. I have no objection to a resolution to take care of all these employees of the House and Senate who are not now being paid. They ought to have their money. Their board bills are due.

Mr. LLOYD. I want it distinctly understood that I am not objecting in any way to the payment of these pages. They ought to be paid; but, on the other hand, I very much regret the condition which exists

Mr. SISSON. So do I.

That employees of both Houses are not paid Mr. LLOYD. That employees of both Houses are not paid and can not be paid until the deficiency bill passes Congress, which may be two or three months from now.

Mr. SISSON. I will state to the gentleman from Missouri that if my attention had been called to one or two other classes of employees in the House and Senate at the time this joint resolution was prepared by the clerks of the House and Senate Appropriations Committees I should have requested that they

include these other employees, but my attention was only called to the case of the pages and charwomen.

The gentleman from California [Mr. KAHN] called my attention to the fact that certain charwomen had not been paid, but when I called up Mr. Woods, Superintendent of the Capitol Building and Grounds, he said that the matter could be taken care of in the general deficiency bill, and he did not insist upon it.

Mr. KAHN. But these charwomen have not been paid since

the 1st of June, as I understand it.

Mr. SISSON. Some of them have not been paid.

Mr. KAHN. And they get less than \$20 a month. Mr. SISSON. But they have all been paid since the 1st of Their salaries since the beginning of the fiscal year were provided for in the legislative bill. The fund for the last fiscal year was exhausted, and some of the charwomen for the Maltby

Building have not been paid for the month of June. Mr. KAHN. Does the gentleman say they are taken care

of now? Mr. SISSON. The superintendent informs me that they are taken care of for the present fiscal year in the last legislative

Mr. MURDOCK. Will the gentleman yield for a question?

Mr. SISSON. Yes. Mr. MURDOCK. Will the gentleman tell us what is the reason for the delay in reporting the general deficiency bill? I should like to know that.

Mr. SISSON. To be frank with the gentleman, I will say that it is because of the great number of deficiencies. In other words, what it was supposed would perhaps be an urgent deficiency bill has grown into a general deficiency bill.

Mr. MURDOCK. . What is the likelihood that it will be reported?

Mr. SISSON. I think it will be reported in about 10 days. Mr. MURDOCK. The Committee on Appropriations are working on the bill?

Mr. SISSON. Oh, yes; they have been at work on it for about four weeks.

Mr. MURDOCK. And there is no reason for this delay other

than that it is a larger deficiency bill than usual? Mr. SISSON. I do not know that the deficiency bill when brought in will be larger than usual, but it is a most unusual bill for a special session of Congress, I will state to the gentle-

The SPEAKER. Is there objection?

Mr. MANN. Reserving the right to object, I believe this resolution was not introduced until this morning.

Mr. SISSON. That is correct.
Mr. MANN. What was the reason for dating it a week later than now?

Mr. SISSON. I do not know how that occurred, and I will say to the gentleman that if I can get unanimous consent for the present consideration of this joint resolution, I will ask unanimous consent to have the date changed as of to-day.

Mr. MANN. That is no part of the resolution. Mr. SISSON. No.

man.

Mr. MANN. Mr. Speaker, while this resolution is dated August 15, it is late enough now. This is the 8th of August, and this Congress met in special session on April 7. The months of April, May, June, and July have passed. This Congress has been in session four months, and an urgent deficiency bill has not yet been presented to the House. The proposition is now to pass a resolution by unanimous consent to pay the boys who are pages in the House and at the door both in the Senate and in the House. The general deficiency bill should cover appropriations which were utilized out of which was expended money for services rendered prior to July 1, and the general deficiency bill has not yet been reported. It is a remarkable situation, that with the House and Senate in session for more than four months a bill to supply urgent deficiencies has to wait until now, and, as the gentleman from Mississippi says, may not pass the Senate for several months yet. They might just as well wait and make it a general deficiency bill for December. Char-women who do the cleaning in the House Office Building have to stand off the people from whom they buy groceries and from whom they rent rooms because the Congress of the United States has not provided the money with which to pay them.

Mr. SISSON. Will the gentleman permit an interruption?

Mr. MANN. Yes.

Mr. SISSON. The gentleman is mistaken; the money is provided to pay them after the 1st of July. It is the month of

June for which they are not paid.

Mr. MANN. Oh, I understand; the money has not yet been provided to pay them up to date. It is true the appropriation

commencing July 1 is available to pay them for services rendered since July 1, but the deficiency bill is to provide for emergencies that arose before July 1, and the charwomen who do the cleaning, get down on their knees and scrub out the House Office Building, still have owing to them by the great Government of the United States the money for their services for the month of June.

The same thing applies wherever the deficiency bill proposes to appropriate money. Now, I do not know that it is the Committee on Appropriations which is to blame. From the deficiency estimates which have been coming to the Speaker of the House, and which I take the opportunity of examining as they are printed, apparently almost every branch of the Government is sending in as deficiency estimates requests for money which were turned down in the last Congress in the ordinary course of business. Congress declined to appropriate the money to make provision for work and services asked for by the departments, and the departments in utter disregard of the will of the appropriating power now blandly send through the Secretary of the Treasury estimates to the Speaker asking to have the money appropriated as a deficiency which was re-fused as a regular appropriation. The Committee on Appropriations apparently has been kept busy hearing these gentle-men, seeing whether they can differentiate between now and last winter. I do not know whether there will ever be an end to it. I hope the Committee on Appropriations may soon be able to report the deficiency bill and pay these persons who have money due to them for services rendered before July 1 last.

Mr. SISSON. Mr. Speaker, I will state for the information of the House that this deficiency bill is a large one. I hold the original estimate in my hand. It takes a good deal of time to go through the bill and have a hearing in reference to all these estimates. The subcommittee on deficiencies, of which I am a member, has been meeting for several weeks every day at 10 o'clock and sat frequently until late in the afternoon in hearings on the bill. I will state that the hearings have about been completed and the chairman of the committee hopes to report the bill within about 10 days from this date.

I am frank to admit that a good many of these deficiencies are matters which were turned down by the Congress at the last session, and these so-called deficiencies or demands on Congress are nothing more or less than demands denied by the Congress to the departments at the last session. I think it is fair and proper that that much be admitted. But the Appropriations Committee has been endeavoring to arrive at exactly what the departments are really entitled to and exactly what they ought to have, and in order to do that it is necessary that we should have careful hearings, in order that we may give the Members of the House proper information in reference to the bill when it is reported and considered.

Mr. HAMLIN. Will the gentleman yield?

Mr. SISSON. Yes, Mr. HAMLIN. I appreciate the gentleman's position; but has that any reference to the House employees, whose salaries are fixed? There is no necessity for hearings in regard to them.

Mr. SISSON. Absolutely not; but they were included in the deficiency bill.

Mr. HAMLIN. But this resolution does not cover it.

Mr. SISSON. If I had known and my attention had been called to some of these items, I would have had the clerks on the Committee on Appropriations take care of these.

Mr. HAMLIN. I understood the gentleman to make that

statement a moment ago. Now, I want to ask the gentleman if he will not bring in immediately another resolution covering the employees here?

Mr. SISSON. I am perfectly willing to present to the House a resolution for these employees, whose salaries are past due. I think it is an outrage for these people to work here two or three months without their pay, and for that reason I am presenting this resolution-

Mr. HAMLIN. Then if the gentleman feels that way about it he certainly will bring in a resolution in a short time, providing for their pay.

Mr. SISSON. I am frank to state that these matters were not

called to the attention of the committee until-

Mr. CLAYTON. Can not the gentleman amend the present resolution in accordance with the suggestion of the gentleman from Missouri?

Mr. SISSON. I would not like to do that unless I can prepare a resolution so as to include exactly the proper language, so as

not to overshoot or undershoot the mark.

Mr. HAMLIN. There will be no overshooting. I have in mind some janitors doing janitor service under very small pay who have not been paid for May and June, and have been com-

pelled to borrow money to pay their bread bills. New, that is inexcusable, it seems to me, and their pay ought not to be held back because you can not determine what particular items should be allowed.

Mr. SISSON. I will say to the gentleman I am perfectly willing at the next session of Congress for the Clerk to make up a list of the employees of the House

Mr. HAMLIN. You do not want to wait until the next session of Congres

Mr. SISSON (continuing). I did not know at the time this resolution was prepared that anybody else except certain char-women had not been provided for. There has been no complaint to the committee, and when we had up Mr. Woods, Superintendent of the Capitol Building and Grounds, he said the charwomen were now being cared for, but that a small number who were in the Maltby Building who performed services for the month of June might be taken care of in the deficiency bill, and for that reason they are not included. If I had known of these things, I should have been glad to have included every proper salary in this resolution where the services were authorized by law and rendered.

Mr. HAMLIN. Will the gentleman give the House any

assurance that—he said the next session of Congress; of course he meant the next session of the House

Mr. SISSON. I meant the next session of the House. Mr. HAMLIN. Can the gentleman give the House at Can the gentleman give the House assurance that such a resolution will be forthcoming at the next session

I will be glad to look into the matter, and if Mr. SISSON. I find such conditions exist as the gentleman states, where any of these employees are rendering services without being paid, I feel like the chairman of the Committee on Accounts and like my friend from Missouri, and I will be glad to do it.

Mr. HAMLIN. If we have that assurance, I certainly shall not object, because I think these pages ought to be paid and these other people ought to be paid.

Mr. SISSON. I am not trying to play any favorites; I am simply trying to take care of the people I know about.

Mr. KAHN. Will the gentleman yield?

Mr. SISSON. Yes. Mr. KAHN. The gentleman from Missouri [Mr. HAMLIN] has been referring to employees of the House who have not been paid. I understand that all over the country there are merchants who have furnished supplies to the Government who have not been paid, and that in many instances these men have had to borrow money from the banks in order to carry along their business because this great Government of ours has not Now, can the gentleman assure us or paid them their bills. give us any idea when it is likely this deficiency bill will become a law, in order that we may inform these merchants who happen to live in our districts when they can expect their money?

Mr. SISSON. I will state to the gentleman that properly audited claims which were authorized by law are always taken care of by the Committee on Appropriations, as the gentleman knows, if they are proper deficiencies and proper claims against the Government, and the Congress of the United States always reserves the right to be the final judge of whether they will or will not pay any claim.

And many of these so-called claims that are presented are frequently nothing, more nor less, than claims against the Government that have been turned down in the auditor's office.

Mr. KAHN. The matters of which I speak are not in that category. I refer to men who have furnished all kinds of food supplies for the Army and Navy and various departments of the Government prior to July 1, 1913, that have not had their money and are clamoring for it.

Mr. SISSON. In proportion to the amount of goods sold by these people, those deficiencies are infinitesimally small, and if in the Army and in the Navy men shall sell to the Government goods without the money being appropriated, they, of course, must take their chances upon the long delays in Congress

Mr. KAHN. Yes; but does not the gentleman see that it will work ultimate damage to the Government? Because merchants, when they find they have to wait for their money, will charge more for their goods.

Mr. SISSON. I am not endeavoring to justify a condition. I am simply stating that wherever a deficiency is a proper charge against the Government and the auditors say it is I have never known any Appropriation Committee to turn it down.

Mr. KAHN. But often it takes a long time before they get the money. Can the gentleman inform us when we may be able to write our constituents that they can have their money at such and such a time?

Mr. SISSON. I stated in the gentleman's presence three or four times that we hope to report this bill to the House within about 10 days. Now, I do not know what the Senate is going to do; but I did consult with one Member of the Senate, and he stated that there would be no disposition to sidetrack the tariff bill in the Senate and take up this deficiency bill, and how long the Committee on Appropriations in the Senate may keep this bill is as much within the knowledge of my friend from California as it is within my knowledge.

Mr. KAHN. Then the gentleman considers it advisable to write to our constituents that they may have to wait until the

snow flies before they can get their money?

Mr. SISSON. If you on your side do not hold up the tariff bill over there in the Senate and do not hold up things here, we may be able in 10 or 15 days to give your constituents the money that is properly due them.

The SPEAKER. Is there objection to the present considera-tion of this House joint resolution?

Mr. HINEBAUGH. Reserving the right to object, I would like to ask the gentleman from Mississippi a question or two. Has there been any meeting of the Appropriation Committee in reference to this resolution that is reported here to-day?

Mr. SISSON. The subcommittee on deficiencies have had meetings frequently. The full committee has not met.
Mr. HINEBAUGH. With reference to this particular resolu-

tion?

Mr. SISSON. No. sir.

Mr. HINEBAUGH. Is it the practice of individual members of the Appropriation Committee to present resolutions on the floor of the House bringing the matter to the attention of all the members of the Appropriation Committee?

Mr. SISSON. All members of the Committee on Appropriations have the estimates, and if the gentleman will look at the estimates he will see on page 17 the item for the House pages, and the chairman of the Committee on Appropriations of the Senate prepared the language in reference to the Senate bill. and that is why I ask unanimous consent. If we had had a report of the Committee on Appropriations, we might have taken it up on the call of the committees.

Mr. HINEBAUGH. I will say to the gentleman this, that I am a somewhat insignificant member of the Committee on Appropriations, a representative of the first minority in this Congress on this committee. So far I never heard from that committee as to any meeting or any action of the committee, nor have I had a copy of that resolution.

Mr. SISSON. Nor has the gentleman from North Carolina [Mr. Page] seen it. I consulted with the gentleman from Illinois [Mr. Mann], the leader of his party, and with the gentleman from Kansas [Mr. MURDOCK], the leader of the other party, and the gentleman from Alabama [Mr. UNDERWOOD], and the Speaker of the House, calling attention to this provision, but there has been no meeting of the Appropriation Committee. The only committee that has had a meeting was the subcommittee on deficiencies, and we will report that bill to the full committee, and the gentleman, of course, will be notified of that meeting.

Mr. HINEBAUGH. The gentleman does not answer my question. I am asking for information and I have no desire to object at all; but, as a member of the Committee on Appropriations, I think I am within my rights in asking whether or not it is customary, or whether it is a practice, for members of that committee to present resolutions from that committee.

Mr. SISSON. This is not a resolution from the committee.

This is a resolution of individual members.

Mr. HINEBAUGH. That is what I mean—independent of the committee.

My friend Dr. Foster, or any other Member in Mr. SISSON. this situation, could have presented this resolution and asked unanimous consent for its present consideration. doing it as a member of the committee but simply because it was called to my attention as an individual Member of the House, and I was requested to introduce the resolution, and I did so.

Mr. HINEBAUGH. Then it does not come from the committee?

Mr. SISSON. No. It was simply referred to the committee by the Clerk at the desk.

The SPEAKER. Is there objection to the present consideration of the House joint resolution? [After a pause.] The Chair hears none. The question is on the engrossment and third reading of the House joint resolution.

Mr. SISSON. Mr. Speaker, I ask unanimous consent that the Clerk may make a proper correction. I notice that the Public Printer has the bill dated on the back "August 15."

Mr. MANN. That is not required. That is no part of the resolution itself.

The House joint resolution was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is, Shall the House joint res-

olution pass? The question was taken, and the House joint resolution was passed.

LEAVE OF ABSENCE.

Mr. Houston, by unanimous consent, was granted leave of absence, indefinitely, on account of sickness in his family.

EXTENSION OF REMARKS.

Mr. FERRIS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by the insertion of a short article, measuring about half a column in the Record, by Congressman Weaver. I got caught under the meshes a little

The SPEAKER. The gentleman from Oklahoma [Mr. Fer-RIS] asks unanimous consent to extend his remarks in the Rec-ORD by inserting an article produced by his colleague, Mr. Weaver, as part of his remarks. Is there objection?

Mr. FOSTER. Reserving the right to object, Mr. Speaker, may I inquire of the gentleman from Oklahoma if it is the intention to print this article in the body of the proceedings or in the back of the RECORD?

Mr. FERRIS. I have no preference about that.

The SPEAKER. There was an agreement entered into here at the last Congress by which speeches introduced in this way should be printed at the end of the RECORD. The Chair does not know whether the Public Printer has paid any attention to that or not.

Mr. FERRIS. That is satisfactory to me.

Mr. MURDOCK. Mr. Speaker, a parliamentary inquiry. The SPEAKER. The gentleman will state it.

Mr. MURDOCK. The Speaker says that an agreement was entered into at the last Congress. Now, I notice another form, and I would like to know the origin of it. Formerly such a speech when inserted in the RECORD was headed, "Speech by the Hon. So-and-so." Now, under the present practice the heading is, "Extension of remarks" of the gentleman. Now, the question is, Who authorized the change?

The SPEAKER. The man who first used that phrase on the floor of the House, so far as the Chair remembers, was the gentleman from Illinois [Mr. MANN], and it was a part of the agreement, because to take a long speech made on the outside somewhere and inject it into the interlocutory proceedings here made the whole thing seem ridiculous, and it was agreed to all around. The Chair does not think any resolution was passed in regard to it, but it was agreed that speeches such as those should be printed at the end of the proceedings, and the gentleman from Illinois [Mr. Mann] suggested that they ought to be marked "Extension of remarks."

Mr. MURDOCK. I think the change, in so far as it gives

further definition of what a man was doing, is very valuable,

and I approve the practice; but I did not know its origin.

The SPEAKER. The Chair is informed that the Public Printer has observed this regulation. Is there objection?

Mr. BUCHANAN of Illinois. Mr. Speaker, I would like to ask if it would not also be a good reform to label it with a statement of the actual fact when a man makes a speech with not more than half a dozen Members present, including the Speaker. It seems to me that would be an improvement. I have seen here probably as small a number as five Members of the House when a Member was delivering a speech. It seems to me we ought to let our constituents know all the facts.

The SPEAKER. Is there objection? [After a pause.] The

Chair hears none, and it is so ordered.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Tulley, one of its clerks, announced that the Senate had passed the following resolutions: IN THE SENATE OF THE UNITED STATES

August 8, 1913.

Resolved, That the Senate has heard with deep regret and profound sorrow of the death of the Hon. Joseph Forney Johnston, late a Senator from the State of Alabama.

Resolved, That a committee of 17 Senators be appointed by the Vice President to take order for superintending the funeral of Mr. Johnston.

Resolved, That as a further mark of respect his remains be removed from his late home in this city to Birmingham, Ala., for burial, in charge of the Sergeant at Arms, attended by the committee, who shall have full power to carry these resolutions into effect.

Resolved, That the Secretary communicate these proceedings to the House of Representatives.

Resolved, That as a further mark of respect to the memory of the deceased Senator the Senate do now adjourn.

In compliance with the foregoing the Vice President appointed as said committee Mr. Bankhead, Mr. Bacon, Mr. Overman, Mr. Chamber-

LAIN, Mr. HITCHCOCK, Mr. CLARKE OF ARKADSAS, Mr. VARDAMAN, Mr. JOHNSON, Mr. SWANSON, Mr. SMITH OF SOUTH CAPOlina, Mr. THORNTON, Mr. GALLINGER, Mr. WARREN, Mr. BRISTOW, Mr. CATRON, Mr. BRADY, and Mr. KENYON.

DEATH OF SENATOR JOHNSTON OF ALABAMA.

Mr. UNDERWOOD. Mr. Speaker, it is my sad duty to announce to the House the death of the Hon, Joseph F. John-STON, of Alabama.

At a later date I will ask the House to set apart a day to

pay proper respect to his memory.

I now move the adoption of the following resolution. The SPEAKER. The Clerk will report the resolution. The Clerk read as follows:

House resolution 225.

Resolved, That the House has heard with profound sorrow and sincere regret of the death of the Hon. Joseph F. Johnston, late a Senator from the State of Alabama.

Resolved, That the Clerk communicate these resolutions to the Senate and send a copy thereof to the family of the deceased Senator.

Resolved, That a committee of 17 Members of the House, with such Members of the Senate as may be joined, be appointed to attend the funeral.

The resolution was agreed to, and the Speaker announced as the committee on the part of the House, Mr. Underwood, Mr.

CLAYTON, Mr. TAYLOR of Alabama, Mr. RICHARDSON, Mr. HOB-SON, Mr. BURNETT, Mr. HEFLIN, Mr. DENT, Mr. BLACKMON, Mr. ABERCROMBIE, Mr. WEBB, Mr. HOWARD, Mr. AUSTIN, Mr. TOWNER, Mr. NORTON, Mr. KELLEY of Michigan, Mr. CULLOP, Mr. McKellar, and Mr. Bell of California.

ADJOURNMENT.

Mr. UNDERWOOD. Mr. Speaker, I move the adoption of the following resolution.

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

Resolved. That as a further mark of respect to the memory of the deceased Senator, the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 53 minutes p. m.) the House, in accordance with the order heretofore adopted, adjourned until Tuesday, August 12, 1913, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1. A letter from the Secretary of the Treasury, transmitting a letter from the Acting Secretary of the Navy reporting that under provisions of the act of June 24, 1910, the Navy Department has considered, ascertained, adjusted, and determined that \$91 is due the Union Oil Co. of California, Seattle, Wash., owner of the Union Oil Co.'s wharf at Seattle, for damages for which the vessels of the Navy were found to be responsible (H. Doc. No. 185); to the Committee on Appropriations and ordered to be printed.

2. A letter from the Secretary of the Treasury, transmitting a letter from the Attorney General submitting an estimate of appropriation for the enforcement of antitrust laws (H. Doc. No. 186); to the Committee on Appropriations and ordered to be

3. A letter from the Secretary of the Treasury, transmitting a letter from the Acting Secretary of the Interior submitting an estimate of appropriation for special repairs to the Pension and Patent Office Buildings made necessary by the storm of July 30, 1913 (H. Doc. No. 187); to the Committee on Appropriations and ordered to be printed.

4. A letter from the Acting Secretary of War, transmitting a letter from the Chief of Engineers, together with copies of reports from Col. W. M. Black, Corps of Engineers, on preliminary examination and survey of East River and Little Hell Gate, N. Y., and resurvey of East River and Hell Gate, N. Y., including any ledge or ledges near to the westerly shore (H. Doc. No. 188); to the Committee on Rivers and Harbors and ordered to be printed, with illustrations.

5. A letter from the Acting Secretary of War, transmitting, with a letter from the Chief of Engineers, report of preliminary examination of Hillsboro River, Fla., between Tampa Electric Co.'s dam and Crystal Springs (H. Doc. No. 183); to the Committee on Rivers and Harbors and ordered to be printed, with illustration.

6. A letter from the Acting Secretary of War, transmitting with a letter from the Chief of Engineers, report of preliminary examination of harbor at Duluth, Minn., and Superior, with a view to extending the 20-foot channel up the St. Louis River to Commonwealth Avenue, New Duluth, including a channel of the same depth on the south and east sides of Big Island (H. Doc. No. 184); to the Committee on Rivers and Harbors and ordered to be printed with illustration.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. PROUTY, from the Committee on the District of Columbia, to which was referred the joint resolution (H. J. Res. 107) directing the Treasurer of the United States to transfer \$1,003,257.24 upon his books from the District of Columbia to the credit of the United States, reported the same with amendment, accompanied by a report (No. 44), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. GARD, from the Committee on Military Affairs, to which was referred the joint resolution (H. J. Res. 111) to authorize the reinstatement of Adolph Unger as a cadet in the United States Military Academy, reported the same with amendment, accompanied by a report (No. 43), which said bill and report were referred to the Private Calendar.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, the Committee on Appropriations was discharged from the consideration of the bill (H. R. 7350) for the relief of George Q. Allen, and the same was referred to the Committee on Claims.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. SMITH of Minnesota: A bill (H. R. 7355) to amend an act entitled "An act to codify, revise, and amend the laws relating to the judiciary," approved March 3, 1911; to the Com-

mittee on the Judiciary.

By Mr. L'ENGLE: A bill (H. R. 7356) to authorize the Secretary of War to donate two condemned brass or bronze cannon and cannon balls to the city of Sanford, in the State of Florida; to the Committee on Military Affairs.

By Mr. SMALL: A bill (H. R. 7357) to promote efficiency in the civil service; to the Committee on Reform in the Civil Service.

By Mr. HOUSTON: A bill (H. R. 7358) providing for the registry of officers, clerks, and employees in the Federal service, and for other purposes; to the Committee on the Census.

By Mr. ROTHERMEL: A bill (H. R. 7359) to establish a fish-cultural station in the thirteenth congressional district in the State of Pennsylvania; to the Committee on the Merchant Marine and Fisheries,

By Mr. HULINGS: A bill (H. R. 7360) to provide revenues for the United States by the taxation of the issues of and transactions in securities as defined herein, to prohibit gambling contracts by regulating certain stock-exchange transactions, and for other purposes; to the Committee on Ways and Means.

By Mr. CARAWAY: A bill (H. R. 7361) to amend an act to authorize the erection of a bridge across the Mississippi River at Memphis, Tenn.; to the Committee on Interstate and Foreign Commerce.

By Mr. THOMSON of Illinois: A bill (H. R. 7362) prohibiting the use of steam locomotives in or within 20 miles of the District of Columbia; to the Committee on the District of Columbia.

By Mr. LINDBERGH: A bill (H. R. 7363) to amend the national-banking laws; to provide a revenue system by which the Government taxing powers shall be represented by United States currency drawn on the people of the United States, to be disbursed through the governmental agencies on appropriations by Congress for services rendered or to be rendered the Government; to inaugurate, develop, and maintain an American financial policy and currency system which will liquidate and eventually abolish debt, national, State, and municipal, and put the public and private enterprises, industries, and exchanges upon a sound economic basis, and remove the power of private interests to monopolize the mediums of exchange, and for other purposes;

to the Committee on Banking and Currency.

By Mr. CARTER: A bill (H. R. 7364) to authorize certain changes in homestead allotments of the Choctaw and Chickasaw Indians in Oklahoma; to the Committee on Indian Affairs.

By Mr. WICKERSHAM: Resolution (H. Res, 224) requesting

information from the Secretary of the Navy respecting naval coal upon the Pacific and in Alaska and a naval-base railway therein; to the Committee on Naval Affairs.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions

were introduced and severally referred as follows:
By Mr. CLARK of Missouri: A bill (H. R. 7365) granting a pension to Louisa Merritt; to the Committee on Invalid Pen-

By Mr. COOPER: A bill (H. R. 7366) granting an increase of pension to Levi H. Yance; to the Committee on Invalid Pensions.

By Mr. FRENCH: A bill (H. R. 7367) granting an increase of pension to Anton Maybaum; to the Committee on Pensions. Also, a bill (H. R. 7368) granting an increase of pension to

Augusta S. Roske; to the Committee on Invalid Pensions. By Mr. KETTNER: A bill (H. R. 7369) granting an increase

of pension to Eva M. Lamb; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7370) for the relief of John W. Reddington; to the Committee on Military Affairs.

By Mr. POWERS: A bill (H. R. 7371) for the relief of the heirs of Algenon S. Gray, deceased; to the Committee on War Claims.

By Mr. STEPHENS of Texas: A bill (H. R. 7372) for the relief of Samuel E. Howell and James H. Howell; to the Committee on War Claims.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid

on the Clerk's desk and referred as follows:

The SPEAKER (by request): Petition of the National Hay Association, of Winchester, Ind., favoring currency legislation during the present session; to the Committee on Banking and Currency.

By Mr. BURNETT: Petition of Fritz Apel, Cullman, Ala., favoring the passage of legislation exempting mutual life insurance companies from the income-tax bill; to the Committee on Ways and Means.

By Mr. DALE: Petition of the Allied Printing Trades Council of New York City, protesting against the reduction of the duty on printed matter; to the Committee on Ways and Means.

By Mr. DOOLITTLE: Petition of the farmers of Gregory County, S. Dak., favoring the passage of the farm-loan bill (H. R. 6158); to the Committee on Ways and Means.

By Mr. KETTNER: Petition of Bennington Camp, No. 20, United Spanish War Veterans, favoring a bill for the distribution of rifles belonging to the United States among civilian organizations; to the Committee on Military Affairs.

By Mr. McGILLICUDDY: Petition of the Socialists of Lewiston, Me., favoring a congressional investigation of the imprisonment of certain labor leaders because of solicitude in connection with strikers; to the Committee on Labor.

By Mr. RAKER: Petition of the Commonwealth Club, of San Francisco, Cal., favoring House bill 6281; to the Committee on the Public Lands.

SENATE.

Saturday, August 9, 1913.

Prayer by the Chaplain, Rev. Forrest J. Prettyman, D. D. The Journal of yesterday's proceedings was read and approved. MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. J. C. South, its Chief Clerk, announced that the House had passed a joint resolution (H. J. Res. 118) making appropriations for certain expenses incident to the first session of the Sixty-third Congress, in which it requested the concurrence of the Senate.

The message also transmitted to the Senate resolutions of the House on the death of Hon. Joseph Forney Johnston, late a Senator from the State of Alabama.

THE TARIFF-COTTON SCHEDULE.

Mr. HOLLIS. Mr. President, I desire to give notice that on Monday next, at the close of the morning business, I shall address the Senate on the tariff bill, with particular reference to the cotton schedule.

PETITIONS AND MEMORIALS.

Mr. WORKS presented a petition signed by sundry citizens of San Francisco, Cal., praying for the adoption of an amendment to the Constitution extending the right of suffrage to women, which was referred to the Committee on Woman Suffrage.

Mr. NELSON presented a resolution adopted by the Com-mercial Club, of Mankato, Minn., favoring an appropriation for the purchase of suitable residences for American representatives abroad, which was referred to the Committee on Foreign Relations.

Mr. SUTHERLAND presented a petition signed by sundry citizens of the State of Utah, praying for the adoption of an amendment to the Constitution extending the right of suffrage to women, which was referred to the Committee on Woman Suffrage.

WOMAN SUFFRAGE (S. DOC. NO. 160).

Mr. MARTINE of New Jersey. Mr. President, in view of the widespread interest taken in our country on the question of woman suffrage and the mooted discussion pro and con of that subject, and inasmuch as many documents and petitions have been presented fortifying and substantiating the claim of woman suffrage, I have been requested by Miss Annie Bock, a most estimable and cultured lady from Los Angeles, Cal., to present to the Senate a letter or address that it was hoped she might have delivered before the committee personally, but arriving too late, I have been requested to present the same and ask that it be printed in the RECORD.

I will say that I have read the letter or address; that it is couched in most beautiful, dignified, and decorous terms, and attacks no one or no party bitterly, while upholding the side that she herself advocates. Having been formerly a woman suffrage advocate, having enlisted in the cause of that propaganda, and having acted as a captain or ward worker, so to speak, in her city of Los Angeles, I feel that she can speak with force and with some knowledge of the subject.

I present the paper, and ask unanimous consent that it may

be printed in the RECORD.

Mr. GALLINGER. I will ask the Senator if it would not be quite as agreeable to him to have the paper printed as a document? I think that is a better form than to have it printed in the RECORD.

Mr. MARTINE of New Jersey. I thank you very much, Senator. At the suggestion of the Senator from New Hamp-

shire I make that request.

The VICE PRESIDENT. Is there objection to printing the paper as a public document? The Chair hears none, and it will be so ordered.

REPORTS OF COMMITTEES.

Mr. THOMPSON, from the Committee on Irrigation and Reclamation of Arid Lands, to which was referred the bill (S. 221) for the relief of the Garden City (Kans.) Water Users' Association, and for other purposes, reported it without amendment and submitted a report (No. 99) thereon.

Mr. WILLIAMS, from the Committee to Audit and Control

the Contingent Expenses of the Senate, to which was referred Senate resolution 155, authorizing the appointment of a committee of five Senators to examine into the question as to fees and compensation allowed to clerks of the several district courts and circuit courts of appeals, and to report the same to the Senate with their findings thereon, reported it with amendments.

ELIZABETH T BUTLER.

Mr. SHAFROTH, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which was referred Senate resolution 145, submitted by Mr. Kern on the 31st ultimo, reported it without amendment, and it was considered by unanimous consent and agreed to, as follows;

Resolved, That the Secretary of the Senate be, and he is hereby, authorized and directed to pay, out of the contingent fund of the Senate, to Elizabeth T. Butler, widow of Maj. George Butler, late a member of the Capitol police of the United States Senate, a sum equal to six months' salary at the rate he was receiving by law at the time of his death, said sum to be considered as including funeral expenses and all other allowances.

ESTATE OF ANDERSON GORDON, DECEASED.

Mr. SHAFROTH. I report back favorably with an amendment from the Committee to Audit and Control the Contingent Expenses of the Senate Senate resolution 150, submitted by the Senator from Arizona [Mr. SMITH] on the 4th instant. for its present consideration.

The Senate, by unanimous consent, proceeded to consider the resolution.

The amendment was, in line 3, after the word "Senate," to strike out "to Ulysses Gordon, son" and insert "to the legal heir or heirs," so as to make the resolution read:

Resolved, That the Secretary of the Senate be, and he hereby is, authorized and directed to pay, out of the contingent fund of the Senate, to the legal heir or heirs of Anderson Gordon, late a hostler in the employ of the Senate, a sum equal to six months' salary at the rate he was receiving by law at the time of his death, the said sum to be considered as including funeral expenses and all other allowances.

The amendment was agreed to.

The resolution as amended was agreed to.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SAULSBURY:

A bill (S. 2910) granting a pension to Amelia Xandry; to the Committee on Pensions.

By Mr. SMOOT:

A bill (S. 2911) further to assure title to lands granted the several States, in place, in aid of public schools; to the Committee on Public Lands.

By Mr. BRYAN:

A bill (S. 2912) to prohibit the importation and the interstate transportation of certain films or other pictorial representations, and for other purposes; to the Committee on Interstate Commerce.

By Mr. CLAPP (by request):

A bill (S. 2913) to authorize the Secretary of the Navy to amend the record of Lieut. William S. Cox; to the Committee on Naval Affairs.

By Mr. O'GORMAN:

A bill (S. 2914) granting an increase of pension to Catherine E. Stamp; to the Committee on Pensions.

By Mr. McLEAN:

A bill (8. 2915) granting an increase of pension to Ellen C. Messenger (with accompanying paper); to the Committee on Pensions.

By Mr. GALLINGER:

A joint resolution (S. J. Res. 63) providing for the disposition of the undistributed residue of the reports of the South Sea Exploring Expedition; to the Committee on the Library.

BANKING AND CURRENCY REFORM-AGRICULTURAL FINANCE AND COOPERATION.

Mr. FLETCHER. I introduce a bill which I send to the desk with a statement to accompany it. I ask that the resolutions which I also present be read.

The Secretary read the resolutions, as follows:

The Secretary read the resolutions, as follows:

At the State convention Florida Division, Farmers' Educational and Cooperative Union of America, held at Gainesville, Fla., July 16, 1913, the following resolution was passed:
Whereas there are 12,000,000 farmers in this country and 32,000,000 people directly dependent on agriculture owning property valued at \$40,000,000,000, producing annually products valued on the farm at \$9,500,000,000; and
Whereas those engaged in agriculture pay high prices for the supplies they require, and are burdened with high rates of interest and inadequate credit facilities wholly out of proportion to their resources and of a character not responsive to their needs; and Whereas in the banking system established some 50 years ago the farmer has not been duly considered and the great industry of agriculture has been ignored; and
Whereas in the changes proposed by S. 2639, while improvement is suggested in these respects, said bill, dealing almost exclusively with commercial banking suited to the needs of the merchant and manufacturer, fails to provide adequately for the needs of agriculture: Therefore be it

Resolved, That we petition the President of the United States and

Resolved. That we petition the President of the United States and the Congress to see that provisions are incorporated in said bill for the establishment of a specific class of institutions, such as cooperative rural banks and national organizations, designed especially to meet the requirements and demands of agriculture in respect to credit and

finances.

Resolved further, That these resolutions be transmitted to the President, to our Senators and Representatives in Congress, to the national union, and all local unions in this State as a request for their consideration, assistance, and cooperation in these matters.

M. S. Knight, President.

R. M. Bush, Secretary-Treasurer.

Mr. FLETCHER. I ask that the bill be read by title.

The bill (S. 2909) to provide for the establishment, operation, management, and control of a national rural banking system in the United States, and for other purposes, was read twice by its title.

Mr. BRISTOW. I understand that the Senator from Florida has introduced a bill and now proposes to address himself to

the bill he has introduced?

Mr. FLETCHER, I have introduced a bill, and I propose to make some remarks at this time.

Mr. BRISTOW. But the bill is not up for consideration?

Mr. FLETCHER, No.

Mr. BRISTOW. Except as to the address of the Senator?
Mr. FLETCHER. Precisely. It is not up for consideration.
Mr. President, the resolutions just read prompt me to ask

the indulgence of the Senate at this time for a brief consideration of this very important subject.

COMMISSION ON BURAL CREDIT AND COOPERATION.

The commission appointed by the President under act approved March 4, last, "to investigate and study in European countries cooperative land-mortgage banks, cooperative rural

credit unions, and similar organizations and institutions devoting their attention to the promotion of agriculture and the betterment of rural conditions," sailed on the Saxonia April 26 and returned on the Ccdric July 26. It pursued its studies and investigations in Italy Austric Harrows Commercial Science and investigations in Italy, Austria, Hungary, Germany, Switzerland, France, England, Denmark, Wales, and Ireland, and through subcommittees in Russia, Denmark, Switzerland, Holland, Belgium, Norway, Sweden, Scotland, Spain, and Egypt.

An immense amount of material has been collected, which must be compiled, boiled down, analyzed, reduced to its essence, and made ready for convenient use. This will require some time, and when completed will form the basis of findings and recommendations of a definite and, we believe, important char-Very valuable information of great public interest and up to date, on the ground, has been gained. At a later time a

formal report will be laid before Congress.

Inasmuch as banking and currency legislation is in immediate prospect, I feel it advisable to take occasion now to direct attention to a very important phase of the subject, is already known to warrant some general conclusions which should be under special consideration at this time.

PRESENT BANKING AND CURRENCY LAW.

The Federal reserve bill now before the committees of the House and Senate is most opportune. I shall not now attempt any analysis of that bill. It may be that some of its provisions could be improved upon, and if so, the committees will doubtless discover them. I have thought of submitting some views on that proposed measure, but will allude to only a few features. Generally speaking, I have no criticism to offer. On the contrary, I most cordially commend the principle and plan of

the reserve banks as therein provided.

The point I especially desire to press now is that the proposed measure is mainly a commercial banking measure. quite agree with the idea that our trouble is more with banking than with currency. I believe this bill will accomplish a very great improvement in our present system and work a much-Our system is a commercial system, intended needed reform. primarily to accommodate industries and commerce. chant and the manufacturer are chiefly taken care of and advantaged by it. It is modeled after the Ohio law of 1844. It is antiquated and insufficient for our present needs. did have reference to that other great enterprise constituting in large part the foundation of our institutions and of civilization itself-agriculture. It began by discriminating against the farmers' chief asset, real estate, and it has continued to neglect, if not ignore, the interest of agriculture. To a large extent agriculture can not be accommodated or taken care of by any commercial banking system.

Broadly speaking, the needs of agriculture can only be met by

a separate and distinct system of banking. Credit associations based on cooperation, organized and managed by those engaged in agriculture, coordinating with a banking plan with sufficiently broad and extensive powers and authority, supervised and directed by Government officials, will be inevitably required.

It is impossible to devise a system suitable and effective adapted to commerce and industry which would afford the kind of credit and banking accommodation the farmer must have.

I realize the demand for legislation such as contemplated by the pending bill. Our present reserve system is unquestionably defective and vicious.

THE WAY OUR RESERVE SYSTEM OPERATES.

Under the laws governing national banks the country banks must hold 15 per cent of their demand liabilities in cash. They may redeposit three-fifths of this reserve in reserve city banks. These city banks must hold 25 per cent of their demand liabilities in cash and they may redeposit one-half of this in the central reserve city banks in New York, Chicago, and St. Louis. The country banks can count as reserves three-fifths of the 15 per cent when deposited with reserve agents, and the city banks one-half of the 25 per cent when deposited with central reserve

The effect of this is these central reserve city depositories hold millions of deposits made by banks. These central reserve city banks must carry 25 per cent of their demand liabilities in cash in their vaults. They dare not tie up all their funds over

and above this 25 per cent reserve in time paper.

In times of stress the demands of agriculture on the country banks and of commerce and industries on the city banks are passed up to these central reserve city banks. They have not passed up to these central reserve city banks. been able to calculate on the possibility of these demands. They have been absorbed in a practice which meant continuous returns to the banks. They hunt for loans payable on demand. They find that market in Wall Street. Here they get higher rates for call loans, and the tighter the money the higher the banking institutions.

rates, and the higher the rates the greater the flow from the country towns and smaller cities to the great centers. Street bids against the country and wins. The rede The redeposited reserve money of the other banks of the country is already there, and it will remain there because it can be loaned "on call" and earn interest.

The banks of New York become under this system of redepositing reserves the ultimate holders. They normally carry \$500,000,000 of cash reserves, equal to one-third of all the money in the banks of the country and equal to one-sixth of all the lawful money of the United States. Under sections 5192 and 5196 of the Revised Statutes of the United States it would seem the comptroller has very extensive power and broad discretion in the matter of appointing reserve agents or depositaries, and may lay down rules and regulations for the protection of the reserves and their use. Some of the present evils could be remedied by the judicial exercise of this power and discretion.

The "reserve" intended to protect in time of trouble and furnish relief in time of need performs no such function. It is based on no sound principle, because, while one bank may be amply protected by a reserve of 10 per cent, another, owing to the kind of business it does, would require a reserve of, say, 35

per cent.

When the demand for money is great the banks, under the present system, naturally raise interest and curtail loans. This makes the situation worse. If there is real stringency, or a

scare, they stop loaning altogether. This increases the trouble.

Business demands credit in vain. The actual value of farm lands counts for nothing. Agriculture is on no credit basis. The resources of legitimate industries offer no inducement in such times—the very times they need it—for credit.

Again, we can not afford to continue a system whereby the control of the money of the country and the control of credit may be concentrated in the hands of a small group of men. Better have the Government look after that control, if it is to be vested anywhere, and especially attend to the issue of the

currency.

It is a situation which carries menace of alarming proportions where 18 financial institutions in New York, Chicago, and Boston, by means of interlocking directorates, have a voice in the management of 134 corporations with an aggregate capital of \$25,325,000,000.

These 18 financial institutions have 180 men connected with them in official capacity, and these are further officially connected with banks and trust companies, insurance companies, railroad systems, producing and trading corporations, and public-utilities corporations; and who can estimate the power they have to stifle competition, to work their own will in their own way, to control credit through the control of money, and thus, being master of the situation as to credit, become master of the commerce and industry of a nation?

Mr. OWEN. Mr. President-

The VICE PRESIDENT. Does the Senator from Florida yield to the Senator from Oklahoma? Mr. FLETCHER. I do.

Mr. OWEN. I ask the Senator whether under any circumstances in this country capital can be obtained for any great enterprise without the consent of these gentlemen?

Mr. FLETCHER. It seems that such consent would be abso-

lutely necessary.

It is not necessary to find this tremendous power active and exercised. It is sufficient to know that it is existing. Those who possess it may not improperly use it, but the men who come after them in the management of these institutions may not be so considerate. It is an unsafe and unsound situation. No body of men responsible only to themselves can, in safety and justice, whether they exercise it or not, possess such power or possibilities of control over the destinies, the very bread and butter, of 95,000,000 freemen.

AS AFFECTING AGRICULTURE.

While the pending legislation is most desirable, it does not, can not, and no amendment to it could be made to supply the great and pressing call for financial consideration by agriculture. In the past Great Britain bent her energies developing her

industries and her commerce.

Germany realized she must provide food for the people, including her army, and she looked after agriculture as well. consequence. Germany has the most complete financial system aimed to benefit agriculture and under which her farmers per, and without which they would have perished. Raiffeisen heard the call in 1849. The Landschaften and other plans were evolved. They are quite distinct from ordinary commercial

In recent years England has endeavored to remedy her oversight. Her statesmen and economists saw the trouble and legislation has been enacted in the interest of agriculture.

But the most marked example of the successful application of the German idea to local conditions is found in Ireland. In the days of absent landlordism and tenancy that country was noted for the poverty, distress, intemperance, and discontent of its people and the prevalence of crime. Since the efforts of her patriots resulting in the act of Parliament constituting the development commissioners in 1909, whereby the Government by its credit of \$1,000,000,000 has made it possible for those who work the land to own it, there is bounding hope, general prosperity, contentment, and progress on every hand, and the jails are turned into schoolhouses, and the Irish lad no longer hurries from the farm. Under the leadership of such economists as Sir Horace Plunkett there has come about a real rural reconstruc-It is because by some wise consideration shown those who till the soil, enabling them to have a fair and square chanceand they have never asked special favor or special privilegeslife on the farm is being made, as it must be in every country, if that country is to prosper, conspicuously comfortable, intellectually interesting, and socially satisfying.

We must not get into Ireland's former condition.

Statistics show there has been an increase of tenants on the farms of this country of some 12 per cent since 1880, a decrease of occupying owners in that period of 14 per cent. The exodus from the farm is increasing—our exports of food products rapidly decreases. Soon, at the present rate, we shall not be producing sufficient to supply the home demand. For instance, while our population has increased 9,000,000 since 1907, the number of cattle has decreased 16,000,000. Yesterday 900,000 pounds of beef from the Argentine Republic was delivered in Washing-The shipment came from Buenos Aires via Liverpool, and the time required was 35 days.

It may be claimed that section 27 of Senate bill 2639 will serve the farmer. To a degree it will be of benefit, but it does not approach ample provision. It removes the ban on real estate as security heretofore existing, but the farmer can not return his capital in nine months. This would give but temporary short-time accommodation. What the farmer wants is long-time loans at a low rate of interest, with an amortization feature. In this way he can acquire a home, improve his property, develop his industry, and out of the annual proceeds pay off the debt by

installment reductions.

Mr. GALLINGER. Mr. President-

The VICE PRESIDENT. Does the Senator from Florida yield to the Senator from New Hampshire?

Mr. FLETCHER. I do. Mr. GALLINGER. I will ask the Senator from Florida when we may expect a report from the commission that made this

Mr. FLETCHER. The commission returned on the 26th of last month. I have been spending nights and days studying the data which have been collected. It will take quite a time to boil down and digest that matter. I can not state in response to the Senator's inquiry when the report will be made, but the work is going on continuously, with the hope that before a great while we shall be able to submit a formal report.

Mr. GALLINGER. As I understand, the Senator from Florida was denied the privilege, because of public business, of ac-

companying the other members of the commission.

Mr. FLETCHER. I am sorry to say that is the truth. Mr. GALLINGER. I will ask the Senator if he knows

whether the commission took up particularly the problem of what is called sometimes intensive farming with a view of

increasing the output of American farms?

Mr. FLETCHER. My understanding is that the commission investigated all the subjects marked out in the scope of the inquiry as defined before it left this country, and that the report will include production, distribution, financing the affairs of the farmer, which would, of course, include the question of intensive farming, and also matters looking to the betterment of rural conditions generally.

Mr. GALLINGER. One of the most interesting books I ever read had the title "Ten Acres Enough." It was a plea to the effect that in Europe 10 acres, if properly cultivated, would enable a man to raise and educate his family. Once as I had the privilege of passing through some of the European countries Hungary in particular, and Bohemia-I was rather impressed with the thought that if much smaller farms were cultivated in this country to the extent of their productive capacity we would be better off than we are with the large farms which our western farmers seem to desire to secure. There seems to be a disposition, as I have gone through the West, for a farmer when he gets a quarter section of land—160 acres—to ahead of the rural.

add another quarter section; and when he gets that he thinks he ought to have a section, and, of course, it can not be farmed to the best advantage.

I hope the commission did deal with this subject. I am in great sympathy with the work the commission laid out to do and will look forward with great interest to getting the report.

Mr. FLETCHER. I am quite sure the Senator will not be disappointed with the result of the investigation made there. am glad to hear him express his interest in it. I think the subject he mentions will be included in the report.

COMMERCIAL BANKING SYSTEM NOT SUFFICIENT.

You can not provide for that in any commercial banking You must have a separate plan. In nine months he might be able to meet obligations incurred for temporary needs for supplies to enable him to produce the last crop-but that is but a small addition to the avenues now open to him for that purpose. Besides, the Senator from Oklahoma [Mr. Owen] estimates this section would make available for loans on real estate some \$250,000,000. This is an insignificant sum compared to the demands of that great industry. How great it is may be understood when we reflect that over 10,000,000 of our people are directly engaged in it, and over 30,000,000 are on the farms and supported by them. Furthermore, that the value of the products on the farm, last year, were \$9,400,000,000, and it is estimated that one-third of these were consumed on the farms, leaving the remainder to be marketed, and for which the consumers paid over \$13,000,000,000. Further, our farmers owe some \$5,000,000,000, nearly three billion of which is secured by mortgages on the land. What would two hundred and fifty million amount to when it is a question of properly taking care of that three billion, to say nothing as to the other two billion secured by crop liens and due local merchants?

I realize that in some portions of the country the farmers are lending money to the banks, enjoying automobiles and other luxuries. There are many other portions where the farmer is having a hard and miserable existence. Excessive rates of interest, inability to get capital, lack of credit, or other difficulties, in no few districts, prevent his getting a direct return from

his toil, strive how he will.

STATUS OF AGRICULTURE AND RURAL LIFE,

We must take the average, as we must deal with the average man in all our calculations. We find that the average farmer earns, gross, \$700 per annum, less than \$2 per day. With this he must support his family, educate his children, meet medical bills; then he can buy barrels with which to store away the remainder.

There seems to be two theories advocated by earnest, con-

scientious, able thinkers, respectively:

Mr. David Lubin contends the farmer is-

Mr. David Lubin contends the farmer is—
behind the times in the United States * * * because he has no
cash, no open account. Give him that and he will have the rest. It
therefore follows that the American commission should first of all find
out why the European farmer has cash, has open accounts, and why
the American farmer has not. Having found out the why, it will be
easy enough for the American farmer to build up the structure he
should have so as to adapt himself to the needs of the twentieth century and in conformity with the progressive modes in operation in the
United States in all other fields of activity.

Sir Havenon Plumbert, the Luigh patriot, economist, and pub-

Sir Horace Plunkett, the Irish patriot, economist, and publicist, says:

I hold strongly that until farmers have fallen into line with the economic system of your and our countries by organizing their business they can not themselves know the character of the security they have to offer, and therefore will not have credit or get cash adequate for their requirements.

He insists upon dealing with "the problem of rural life in its entirety" rather than restricting our efforts "to the financial aspect of the problem."

As I understand, he contends that we must first get the farmer ready to utilize credit. He must organize cooperative societies, combine with his neighbors, prepare himself and his undertaking in order to make effective and economical use of the credit which will come to him, and then a system may be devised whereby he can economically finance all, his operations.

Both aim for the same goal; both wish to accomplish the same ends; the difference appears to be in methods or means. seems to me both may be right; that the resultant, rather, the middle course, would be nearer the true and the wise course. In other words, let us proceed with both developments at the same time—cooperation to better rural conditions and financial arrangements pari passu.

George Washington said:

I know of no pursuit in which more real and important service can be rendered to any country than by improving agriculture.

In that day our agricultural population was 96 in 100; to-day it is 52 in 100. Everywhere the urban population is increasing Daniel Webster said:

Farmers are the founders of civilization and prosperity.

The farmer must always be the foundation, but that does not

mean he must be kept beneath the surface.

The rewards of his labor are too meager. Experts say, upon an average, the farmer gets only 35 cents of the consumer's dollar. The cotton grower gets the largest proportion of what the consumer (meaning the manufacturer) pays, 70 per cent. The vegetable and fruit grower get the smallest per cent, 20 per cent. This is because cotton passes through fewer hands. He pays high prices for the things he buys. He pays tribute to the manufacturer, the middleman, and the financier. The poorest preachers the church sends to the country meeting houses. The most inexperienced and inefficient teachers the State sends to the country schools. About the cities and towns the paved roads are found. There is need of centers for business and social gatherings in order to make rural life more richly enjoyable and humanly interesting. Farming must be made more remunerative. The returns do not warrant good wages, and hence the lowest wage is given to farm labor, and hence, too, its decreasing quantity and quanty.

receives less for the hours he spends in toll than any other receives less for the hours he spends in toll than any other receives less for the hours he spends in toll than any other receives less for the hours he spends in toll than any other receives less for the hours he spends in toll than any other receives less for the hours he spends in toll than any other receives less for the hours he spends in toll than any other receives less for the hours he spends in toll than any other receives less for the hours he spends in toll than any other receives less for the hours he spends in toll than any other receives less for the hours he spends in toll than any other receives less for the hours he spends in toll than any other receives less for the hours he spends in toll than any other receives less for the hours he spends in toll than any other receives less for the hours he spends in toll than any other receives less for the hours he spends in toll than any other receives less for the hours he spends in toll than any other receives less for the hours he spends in toll than any other receives less for the hours he spends in toll than any other receives less than the hours have been decreased by the hours have been decreas worker. His work is unceasing, is never done. Yet Adam Smith stated the fact that "all wealth comes from labor applied to land."

The primitive values are food and shelter. There is much talk about universal peace; build up a contented and prosperous husbandry and you make the greatest stride in that direction. The farmer is for peace; he is never a despoller. He brings on no wars, although, like the hunting-shirt men under Jackson, he does the best fighting when it needs to be done.

We talk about world disarmament; let a nation produce a surplus of prime necessities of life which other nations must come to it to obtain or go hungry and unclothed, and you have a nation in position of supreme power.

I would encourage, not undermine, the policy of self-help and

individual initiative.

But something must be done to give this oldest and really only absolutely necessary industry its proper place in the Nation's economy.

We know that about 1880 the cooperative movement for the benefit of agriculture became very active in Germany, Italy,

Denmark, France, and other continental countries.

Sir Horace Plunkett and a Jesuit priest, Father Finlay, just from his studies in German universities, organized the pioneer society of agricultural cooperation in English-speaking countries, the Irish Agricultural Organization Society, which has brought into existence all the present societies, combining 100,000 Irish farmers, giving an output valued at £2,500,000 annually. They apply the cooperative principle to agricultural production, distribution, and finance.

In sporadic instances that course is pursued in the United States. I have been informed that a cooperative society about Summerville, S. C., saved last year to its members \$7 per ton

on the fertilizers the members used.

EXPERIENCE IN OLDER COUNTRIES.

The three causes which revolutionized Irish farming are given as: Land purchase, whereby the farmer became the owner of the land; technical education, whereby he was taught to do better farming; and agricultural cooperation, whereby business methods were applied to the industry and the produce was disposed of to the best advantage. The Irish Agricultural Organization Society has successfully demonstrated that the cooperative system is capable of enabling the farmer to produce and distribute efficiently and economically, and at the same time to finance both these operations. Credit societies have been formed as auxiliary to the cooperative society.

There are some 200 rural banks in Ireland. One of the first forms of cooperation on the Continent, and the most useful, was cooperative credit. No loss has come to anyone in their operation in all the years since Raiffeisen started the plan in 1849.

In 1884 the idea took fast hold in France and the agricultural syndicates were established and soon came to be considered veritable public utilities.

regression to the considered verifable public utilities.

To-day there are 4,000 syndicates, having a million members, representing 5,000,000 of the rural population of France.

There are 1,350 credit societies after the Raiffeisen principle,

There are 1,350 credit societies after the Raiffeisen principle, having some 60,000 members. There are 1,500 societies of agricultural credit under the law of 1894, which inaugurated a special type of bank composed of members of agricultural syndicates.

These societies have resulted in doubling the produce of the land, enabled the farmers to meet the competition of other coun-

tries, attached the people to the soil, advanced the rural population in prosperity and in economic, moral, and social improvement. An illustration of the way cooperation works is this statement: The syndicate chartered steamers to carry strawberries to London, and growers doubled their profits over what they were when they consigned to Paris and left Paris to sell to London. Foreign trade was established in the same way in fruits and early vegetables, to the immense advantage of the growers.

In Germany there are 17,000 credit societies, with 1,500,000 members. These and the Landschaften and other institutions providing for amortization and low rates of interest on long-time loans have redeemed agriculture in Germany. The German farmer and the French obtain all the money they need under the cooperative credit system at 3 to 4 per cent.

The farmer must have capital. He must provide for annually recurring requirements. He must have the means of using his asset (land) to get money as capital. Relief can not come through a system of commercial banking. There is need for a special kind of bank, authorized to use its credit to guarantee long-term loans, so as to meet the farmers' capital requirements.

These can not be met by direct loans from any bank. The railroads are financed by the sale of long-term bonds, based on capitalized prospects, rights, and property. The farmer needs an institution to guarantee his bonds and make them saleable; one that would furnish not only the capital requirements of the farmer, but his annually recurring needs, naturally bringing about business methods, necessitating organization and cooperation, thus covering the entire field of agricultural reconstruction and making conditions for ideal rural life.

I can not too strongly urge that a special kind of bank, a system separate and distinct from commercial banking, must be established in order to supply the needs of agriculture and

rural life.

The deposit of postal savings funds and, perhaps, the governmental funds with the rural banks thus established would be wise and helpful, enabling the banks controlled by individual farmers, familiar with the needs of their communities, to make the loans as needed.

The objection that such facilities would encourage debt and extravagance is unsound. On the contrary, the effect would be to lend hope to the farmer, brighten the lives of the country men, instill habits of thrift and economy, give open accounts and savings accounts, and promote business methods, so much desired, and strengthen the independence and self-reliance of the rural population.

The experience of older countries is contrary to the apprehension indicated. By the establishment of financial institutions primarily for the benefit of those engaged in agriculture and by methods of cooperation in various directions that industry has, perhaps, attained its highest development in Germany. With an area of 208,780 square miles—not as large as Texas by an area greater than Alabama (53,618 square miles)—that Empire produces 95 per cent of the food required for its 67,000,000 people.

The contention may be that an act creating a rural banking system would be class legislation. This is not well founded. Agriculture, commerce, and industries are the three great pillars of support and strength. The banking system heretofore in force contemplated meeting the requirements chiefly of the last two-commerce and industries. Agriculture has been left out of the reckoning. No commercial banking provisions can supply the needs of the farmer and must largely be confined to commerce and industries. The man engaged in trade and the manufacturer must have facilities which are entirely different from those needed for the farmer. The time has come when the chief stone of the temple must be considered. We can no longer neglect suitable financial provision for the farmer. Statistics furnish argument enough when they show the population of the United States increased from 1900 to 1910, 21 per cent, while the number of workers increased on the farm during that period only 10.9 per cent and the workers in the factories increased (1900-1909) 40.3 per cent and in the mines (1902-1909) 83.1 per cent.

The criticism may be made that the proposed legislation smacks of paternalism. Not at all. The Government is asked for no subsidy. The postal savings must be deposited somewhere; why not in the rural banks? It simply means providing by law a means of self-help. Individual initiative by the farmers must be exercised in order to make the system a success. The Government does no more in this matter than it does in respect to commercial banks. It gives opportunity, furnishes the machinery, supplies the working tools or a chance to get and use them. Laws applicable to the sea are peculiar and different from the laws in force on land, because the condi-

tions are different.

The conditions of rural life are not at all the same as conditions of life in the cities. Laws governing commerce are not the same as those with respect to mining. The proposition simply is to establish a system of agricultural finance suitable to the needs of those priests of nature who live nearest the fountain of life in the divine economy and on whose prosperity the welfare of all depends.

It would mean that agriculture is not to be longer subordi-

nated to commerce and industry.

The Government should play no favorites. The moral and material upkeep of the rural population is quite as important as the development of urban industries or commercial expansion. The strength and health of society depend on the intelligent labors and well-being of the countrymen.

We must look after something more than merely giving instruction how to cultivate, produce, and market. We must do those things which will create a social order and adjust it to

human needs.

We can provide the machinery whereby the farmer can protect himself, and by its intelligent use reconstruct his great industry and redeem rural life from stagnation and decay.

That the time has come for the taking of steps of this kind is clearly indicated, I think, by what has been already said, to which I might add references to a few more statistics.

Mr. President, I offer certain tables, which I ask to have printed as a part of my remarks.

The VICE PRESIDENT. Without objection, leave will be granted.

The tables referred to are as follows:

Table 1.—Number and percentage of farms of specified tenure in the United States, 1880 to 1910.

[From decennial census of agriculture.]

Year.	Number operate		Percentage of farms operated by—	
	Owners.1	Tenants.	Owners.1	Tenants.
1880 ² . 1890 ² . 1800 .	2, 984, 306 3, 269, 728 3, 712, 408 4, 006, 826	1,024,001 1,294,913 2,024,964 2,354,676	74.5 71.6 64.7 63.0	25.5 28.4 35.3 37.0

1 Includes farms operated by owners, part owners, owners and ten-

ants, and managers.

Not including farms with an area of less than 3 acres, which reported the sale of less than \$5 worth of products in the census year. (This table can be expanded to a showing by geographic divisions and by States.)

TABLE 2 .- Urban and rural population in the United States, 1880 to 1910. [Urban population resides in incorporated places of 2,500 inhabitants and over.]

Year.	Num	ber.	Percentage.	
	Urban.	Rural.	Urban.	Rural.
1880	14, 772, 438 22, 720, 223 30, 797, 185 42, 623, 383	35, 383, 345 40, 227, 491 45, 197, 390 49, 398, 883	29.5 36.1 40.5 46.8	70.5 63.9 59.5 53.7

Note.—Quotation from abstract of the Thirteenth Census. (This table can be expanded to a showing by geographic divisions and States.)

-Number and percentage of farms in the United States mort-gaged and free from mortgage, 1890-1910. TABLE 3 .-

[From decennial census.]

	Num	ber.	Percentage of owned farms.	
Year.	Mortgaged.	Free from mortgage.	Mort- gaged.	Free from mortgage.
1890	886, 957 1, 127, 749 1, 327, 439	2, 255, 789 2, 510, 654 2, 621, 283	28. 2 31. 1 33. 6	71.8 C8.9 66.4

-The figures are for farm families in 1890 and for farms in 1900 and 1910.

(This table can be expanded to a showing of geographic divisions and States.)

Table 4.—Percentage of farm-mortgage debt of the value of the mort-gaged farms, 1890 and 1910.

[From decennial census.] 35. 5 27. 3

Mr. FLETCHER. Table 1 has been prepared from the census reports as far back as 1880, and the results of these censuses with regard to farm tenure show that the fraction of farms operated by tenants has steadily increased from 25.5 per cent in 1880 to 37 per cent in 1910.

It appears also from this table that the fraction of farms operated by owners decreased from 74.5 per cent in 1880 to 63

per cent in 1910.

The actual and relative urban and rural populations from 1880 to 1910 are expressed in Table 2, and in this table it appears that the rural population has declined from 70.5 per cent of the total population in 1880 to 53.7 per cent in 1910. Conversely the urban population has increased from 29.5 per cent in 1880 to 46.3 per cent of the total population in 1910. These figures do not mean that the changes in the relative proportions of these two classes of population have been caused entirely by the movement from country to city. Immigrants have tended more and more to remain in the cities, especially in New England and in the Middle States.

The censuses of 1890, 1900, and 1910 took account of the number of farms operated by owners that were mortgaged or were free from mortgage, and the results are expressed in Table 3. The fraction of farms operated by owners that were mortgaged increased from 28.2 per cent in 1890 to 33.6 per cent in 1910.

The bulk of the farm-mortgage debt is incurred to secure deferred payments and to make improvements. This was thoroughly investigated in the census of 1890. See Abstract of the Eleventh Census, page 243.

Farms were worth more per acre in 1910, including improvements, than they were worth in 1890, and because of the increase in the value of lands the ratio of farm-mortgage debt to the value of the mortgaged farms declined from 35.5 per cent in 1890 to 27.3 per cent in 1910. See Table 4.

The decline in exports in the case of wheat and most of the

packing-house products has been marked. In the exports of

cotton it is true there has been enormous increase.

In connection with an examination of the trend of exports of farm products it may be borne in mind that the imports of agricultural products has been greatly increased.

The fact that agricultural production is not keeping pace with consumption is full of meaning. This diminution of agricultural surplus may be partly due to the effect of unfavorable climatic influences upon production; but it is also due in part to the building up of cities by immigration and to the drift from agriculture to other occupations at a faster pace than formerly. The movement from country and farm to city and town exists and has existed in all parts of the United States, and it everywhere exceeds the contrary movement, such as it is,

Last year we produced on our farms and in our factories and mines products valued at \$40,000,000,000, of which we consumed thirty-eight billion and exported two billion, in round numbers. We imported and consumed commodities from other countries of the value of \$1,800,000,000. The important part cotton plays in the balance I need only suggest.

ILLUSTRATIONS-RURAL CREDITS.

To be sure, there is no "royal road" to success in farming any more than there is to learning.

Everything depends on the individual farmer-his industry,

judgment, and capabilities.

But, assuming he has the necessary sense, energy, and ambition, he could get much further ahead, accomplish much more, enjoy life to a fuller degree if he is enabled to make judicious financial arrangements on terms two or three times as advantageous to himself as he can now.

Certainly it means much to the country if a plan can be devised and put into execution whereby the worthy and industrious man may secure a farm, which lack of cash or credit makes impossible to him now. It would count for the indi-vidual and the general good if a way could be found whereby the people may be attached to the soil in contentment, comfort, and prosperity, whereas now they seek the city for employment yielding only a bare existence.

It would help mightily in the well-being of society if a plan of organization or cooperation can be put into use whereby the tenant can acquire a home for himself and become the owner of the farm he cultivates.

These ends can be attained by profiting by the experience of others whose necessities compelled a solution of the problem

For instance, take this illustration from a Danish mortgage society law, mentioned by the commission on rural credits and betterment: Members of the company (farmers who have mortgaged their property) must pay a yearly amount of 4 per cent interest, three-fourths of 1 per cent amortization, and one-fourth of 1 per cent for expenses, making altogether 5 per cent per

annum, with the result that in 47 years their debts, principal and interest, are paid in full.

The American farmer mortgages his farm and pays from 7 to 10 per cent interest per annum. The average rate of interest paid by the American farmer to-day is 7.79 per cent per annum, while the German pays 3½ to 4 per cent, notwithstanding interest rates are generally higher there than here. His mortgage runs for 3 to 10 years—no matter what time—at the end of which he must pay the entire principal. Suppose, with renewals, his mortgage runs 12 years. He would pay 90 to 95 per cent for the use of his money for that time. The Danish farmer would pay 135 per cent for his money for 47 years. The American farmer would pay 7.5 per cent a year for his

money—the Dane would pay 2.9 per cent.

The Dane's loan is an investment. He can afford to borrow money to improve his farm or purchase his farm at that rate. The American is in debt and mortgaging his home; the Dane is using his credit. Each year, while paying only 5 per cent on the money received, the Dane is getting out of debt. The American is paying 7 to 10 per cent and not reducing his debt a penny. At the end of 47 years—or less time if he chooses to pay more the Dane is out of debt and his premises are free. At the end of any period—even 100 years—the American would owe the original principal, his premises would be encumbered by the mortgage, although he will have paid twice as much as the Dane.

A special imperial act provides for cooperative societies in Germany. As we have seen, there are 17,000 cooperative agri-cultural banks in Germany, with a total membership of over one and a half millions. The loans outstanding at the end of 1910 for fixed periods, together with overdrafts, amounted to £93,034,000, while the savings deposits totaled £92,429,000, and the deposits on current account amounted to £10,865,000.

The late distinguished minister of finance in Prussia, Herr von Miguel, some 17 years ago said in Parliament:

This must be our goal-to have a cooperative loan bank in practically every parish of the whole monarchy.

The result is the transaction with the German farmer is as follows: On a loan made at 4 per cent is added three-fourths per cent for amortization, one-fourth per cent to cover operating expenses of the association, and by paying this amount, a total of 5 per cent annually for between 40 and 50 years, the entire loan is paid off. The farmers of this country must be got out of the clutches of money lenders, such as demand uncon-scionable rates and terms, factors who charge outrageous interest on advances, merchants who sell him goods on time at double prices, middlemen who take advantage of the situation to despoil him, transportation companies which take all his products will bring him and call for more. I do not say these practices are universal or that the farmer is commonly imposed upon; but the picture is quite too familiar and at

present he is too often helpless.

Mr. OWEN. Mr. President—

The VICE PRESIDENT. Does the Senator from Florida yield to the Senator from Oklahoma? Mr. FLETCHER. I do.

Mr. OWEN. I understand that even at the other end of the earth, in New Zealand, they have a plan of lending money to farmers at 3 per cent on the principle of amortization, so that at the end of 30 years, on an extremely low rate of interest a farmer can acquire a home or borrow money on the home, improve it, make it more productive, and by the use of easy credit produce the values from the home easily to pay for its development.

I do not know whether the investigators studied the New Zealand method or not, and I should be glad to have the report include the New Zealand method of farm land credits.

Mr. FLETCHER. Mr. President, the commission did not visit New Zealand, but I do not doubt that the Senator from Oklahoma is entirely correct in his statement of the practice there. I have, however, no information on that subject through the commission or from any investigation which I have made. I have not any question but that the Senator's statement is correct. The system there is similar to the system which has been in existence and in operation in Germany for a great many

The farmer, to whom we must go for what we eat and wear, should and must be a free man, when he is fit and does his part, and not the slave of grinding conditions. Some of these conditions can be remedied by legislation. We surely can find a plan adaptable to circumstances here which will build up the economic as well as the social structure of rural life.

I wish to submit as a part of my remarks the preliminary statement agreed upon by the permanent American commission, on board of the steamship Cedric as they were returning from the

investigations in Europe, in cooperation with the United States commission, heretofore mentioned.

The VICE PRESIDENT. Without objection, leave will be granted.

The statement referred to is as follows:

PRELIMINARY STATEMENT OF THE AMERICAN COMMISSION.

The VICE PRESIDENT. Without objection, leave will be granted.

The statement referred to is as follows:

FREIMINARY STATEMENT OF THE AMERICAN COMMISSION.

The American Commission on Agricultural Cooperation has completed its tour of European countries and has perfected plans to digest and organization of rural life in European countries along financial, business, and social lines. It is believed that this task can be completed before the end of the present year, when the final report of the commission is deeply impressed with the vital importance of a theoroughly organized and united rural population. In this respect the manufactural interests of most of the European countries visited by the commission are organized along one or more of the following betterment of country life.

Organizations for the provision of credit facilities for European farmers follow the natural division into short-time presents credit and long-respective to the commission of credit facilities are as highly developed as are the systems of commercial banking. The prevailing rate of interest paid by the farmer follow the natural division into short-time presents and by the farmer following the prevailing rate of interest paid by the farmer following the prevailing rate of interest paid by the farmer following the prevailing rate of interest paid by the farmer following the prevailing rate of interest paid by the farmer following the prevailing rate of interest paid by the farmer following the prevailing rate of interest paid by the farmer following the prevailing rate of interest paid by the farmer following the prevailing rate of interest paid by the farmer following the prevailing rate of interest paid by the farmer following the prevailing rate of interest paid by the farmer following the following the form of cooperative should be followed by the farmer following the prevailing rate of interest paid by the farmer following the following following the following following following the following following following the following followi

economists, leading agriculturists, and business men all contributed with most gratifying willingness to the successful accomplishment of the work of the commission.

The commission has selected two committees to draft the final report regarding the investigation to submit to the full commission.

The members of the compliation commission are: Dr. Kenyon L. Butterfield, of Massachusetts, president of the Massachusetts Agricultural College and formerly a member of the Roosevelt Country Life Commission; Dr. John Lee Coulter, the Government's expert on agricultural statisties: Mr. Le Roy Hodges, formerly immigration commissioner of the Southern Commercial Congress; Dr. Charles F. Balley, deputy minister of agriculture. Province of Ontario, Canada; and Mr. Robert L. Munce, of Pennsylvania, farmer.

The members of the advisory committee are: Dr. J. E. Stubbs, president of the University of Tennessee; State Senator John Cunningham, of Ohlo, farmer: Robert B. Van Cordiandt, of New York, farmer and retired banker; William B. Hatch, of Michigan, editor and farmer; Col. J. S. Williams, of Texas, farmer; and Lieut. Gov. E. L. Daughtridge, of North Carolina, farmer.

Mr. FLETCHER, Any financial system is insufficient, in-

Mr. FLETCHER. Any financial system is insufficient, inadequate, and fails utterly in its application which denies to that great industry lying at the base of all wealth and which must prosper if there is to be prosperity, which must make progress, if there is to be any, and which must keep pace with the times and improve in method in order to supply the increasing demand of a growing population just and fair facilities equal to those furnished the other great industries.

It is said the farmers' assets are not liquid, therefore they can not be utilized, as, for instance, goods moving in trade. do not dispute the claim. I simply say then the farmer must have a system or plan different from the commercial plan suitable to the proper demands of agriculture. There is a necessary relation between cooperation and organization among the farmers and a banking scheme which must be evolved in solving their financial problems. Credit is necessary to suc-cessful cooperation. Organization on a cooperative basis will make possible the establishment of a system of agricultural credits. The most eminent authority on German commercial and agricultural banking, Prof. Reisser, says, "Agriculture reand agricultural banking, Prof. Reisser, says, "Agriculture requires a credit system adapted to the special nature of its production." Let us have this great economic truth sink into our minds to stay. Let us not ignore or blot it from our memories. Fully cognizant of its meaning let us face the problem in the blazing light of that truth.

By Bulletin No. 1, April, 1913, by John Lee Coulter, it appears that of the total loans made by national banks only 6 per cent are secured by real estate, including mortgage owned; that of

are secured by real estate, including mortgage owned; that of the total loans made by mutual savings banks, 42.6 per cent are so secured; that of the total loans made by stock savings banks, 40.6 per cent are thus secured; that of the total loans made by loan and trust companies, 10 per cent are thus secured; that of the total loans made by private banks, 20.5 per cent are thus

As I understand, this includes all real estate, and I dare say a comparatively small portion of the real estate included is country property.

NECESSITY FOR A COMPLETE SYSTEM OF RURAL BANKING.

Mr. President, in what I have said I have sought to present a kind of general survey of the economic situation as affecting agriculture as an industry, a business, and a life, for it means all of these.

Particular reference has been had to pending and proposed legislation respecting what is designated "currency reform," as related to that situation. I have sought to concisely state some reasons why I regard it highly desirable, if not absolutely necessary, that legislation, such as the pending Federal reserve bill, should be enacted into law, and that speedily.

I have endeavored to point out that our present system of national banks is a commercial system, incapable of meeting the

needs of agriculture.

I have contended that the Federal reserve bill likewise is necessarily limited to the demands of commerce and industries. I have attempted, though in a cursory way, to point out the efforts made in other countries to save agriculture by cooperative organizations and the establishment of banking and credit systems and to suggest that we profit by the experience and example of older countries, compelled by necessity to devise and put in operation such systems that agriculture might prosper.

I have sought to give a glance at the status of agriculture in this country, its importance, its problems, and rural condi-

tions to-day.

I have particularly aimed to stress the disadvantages under which the farmer now labors by reason of the lack of proper financial facilities, and to point out the necessity of a separate, distinct banking law under which institutions will be organized which can be authorized and empowered to supply the peculiar needs of the farmer.

I contend that adequate banking facilities are necessary to the successful conduct of any business; that for this large class of our citizenship, about one-third of our population, and for this great industry upon the prosperity of which the welfare of the Nation depends, there has been heretofore no sufficient provision for meeting their banking necessities.

I contend further their financial requirements can not be sufficiently provided for, except through a special system of

rural banking.

I would like now to be more specific, both as to the needs and the remedy. Before attempting to provide a remedy you will want to clearly understand the needs.

The needs of the farmer, as I conceive them, can be stated, in a condensed way, under three general heads, as follows: FIRST. THE NEED OF CAPITAL TO ACQUIRE, IMPROVE, AND EQUIP HIS FARM.

The cost of improving and equipping his farm is as much a part of the capital requirements of the farmer as the cost of the machinery in a cotton mill is a part of the capital cost of the mill. No class of men should be expected to work without tools or to make bricks without straw. A certain amount of money must be invested as capital in any business in order to equip that business and enable it to earn proper returns. This capital must be permanently invested or else it must be loaned to the business for a long period on such terms that the loan can be repaid in small annual installments out of a portion of the profits derived from the business. This is felt keenly, too, when one desires to purchase land and acquire a home in the country. A remedy means tenants will become owners.

SECOND. BANKING FACILITIES.

The farmer must have available institutions which can meet his temporary banking requirements. He must be able to borrow for a few months some of the money needed to till the soil and to harvest and market the crop. Like the merchant who seeks temporary accommodation to secure money with which to discount his bills and pays back this money out of the proceeds of sale of the goods purchased therewith, so the farmer must likewise be able to borrow temporarily to discount his bills for fertilizer, seed, and so forth, and for the purpose of carrying on his business during its nonproductive period. Such loans must run for a few months, must be repaid out of the proceeds of the crop, and should not properly be borrowed on a real estate mortgage on the farm any more than the manufacturer's temporary accommodations for discounting his bills should be borrowed on a mortgage on his plant.

THIRD. BUSINESS METHODS IN THE CONDUCT OF HIS BUSINESS.

The farmer, like the merchant, will ultimately keep an accurate statement of the condition of his business, so that he can always ascertain whether he is operating at a profit or at a loss, and he will cease depending on the business man to conduct all business transactions for him. He will adopt business methods and put them in practice in his own affairs.

HOW THESE NEEDS CAN BE SUPPLIED.

If this analysis of the farmer's needs approaches accuracy, the important question then is, How can these needs be supplied? And it must be remembered that these needs have been stated in the order of their importance, and that, in order to meet the requirements of the situation, it is necessary to provide some machinery for supplying these needs in the order named.

FIRST, HIS CAPITAL NEEDS.

How can the farmer secure capital for the improvement and equipment of his farm or for the purchase of a farm?

The answer is obvious. The farmer has only one asset, viz, land, on the credit of which he can secure capital. He must secure his capital by borrowing on his land. Remembering that this capital must be in substance a permanent investment, it is obvious that any loan on land, made for the purpose of supplying the capital requirements of the farmer, should be a longtime loan, repayable in small annual installments set aside by the farmer for that purpose out of the annual profits derived by reason of the purchase or the improvements and equipment made possible by the loan. A loan of one year or three years or five years will not furnish the farmer's capital requirements, because he obviously can not repay it from his profits in that time. No other business could pay off its capital investment within such a period.

It is plain, therefore, that the best if not the only method of furnishing the capital requirements of the farmer is the creation of a long-term first-mortgage bond, secured on his land, which bond shall contain an amortization or sinking-fund provision, so that a small amount will be set aside each year sufficient in the aggregate to pay off the bond when it matures.

This is analogous to the German Landschaft plan.

Moreover, the capital requirements of the farmer, like the capital requirements of the merchant, manufacturer, or the railroad, can not be met by direct loans from the banks. The farmer's loans, made to furnish his capital requirements, should run from 20 to 50 years. No bank can loan money for such a length of time. The money must be borrowed from the invest-

Consequently the problem is not only to create such a bond, but more than this, it is to create such a bond in such a way that it will be bought and traded in by the investing public on

In order to do this, the bond must not only be secured on the land but it must be guaranteed by some financial institution or institutions of sufficient standing to satisfy the investor that the bond is absolutely beyond question. Just here is where a special system of banks is needed, which will be authorized to use their credit in guaranteeing such bonds under restrictions which will reduce the risk of such guaranties to a minimum. Such banks must be limited in their operations, so that a guaranty of this kind will not, under any circumstances, endanger their solvency.

SECOND. HIS TEMPORARY BANKING NEEDS,

The temporary banking facilities needed by the farmer must be supplied by local institutions managed and controlled by his neighbors, who are familiar with his needs, and who will see that the money borrowed is applied to the purposes for which it was This means that the farmer should have available the services and resources of a local rural bank, owned and managed by local people, which will collect together the neighborhood funds and make them available for neighborhood purposes. In the system outlined in the bill which I have offered, these local rural banks serve this purpose, and are also permitted to use their credit to guarantee the long-term bonds of the farmer, and so aid in supplying his capital requirements, which are the first and greatest needs. This follows the idea of the Raiffeisen system, to which I have alluded.

THIRD. HIS NEED OF BUSINESS METHODS

The observance of business methods by the farmer and the keeping of proper accounts can not and could not be enforced simply by legislation. Business methods will be observed only where business conditions require the observance. The observance of business principles by the farmer will be accomplished when the banks which lend him the money for his temporary requirements demand the observance of such practices and the keeping of proper accounts as a condition of such loans. local rural bank provided for in the bill will induce the farmer to keep accurate accounts as a condition to his obtaining the desired credit to meet his annually recurring banking needs.

HOW THE BILL MEETS THESE REQUIREMENTS.

The bill, through a system of rural banks, limited as to their operations and containing the power to use their credit in guaranteeing long-term farm bonds, furnishes a means of meeting these three essentials of any banking system suggested for the rural population. The rural banking board is so constituted and given such powers of supervision and control as to safe-guard all transactions and have the system conform to correct principles.

COMMERCIAL BANKS ARE UNABLE TO MEET THE REQUIREMENTS OF THE FARMER.

I feel quite convinced that we can not expect a system of commercial banking to meet the needs of the farmer. It is recognized all over the world that no commercial banks can with safety be allowed to execute a pure contract of guaranty. A commercial bank can not afford to guarantee the payment of long-term bonds. Its assets must be quickly convertible and must become due and payable within a short period. By concensus of opinion it is generally recognized that it is unwise for commercial banks to lend money for a longer period than four months. It must be in position to respond to any liability

FIRST, CAPITAL,

As the farmer's capital requirements must be met by longterm loans obtained from the investing public, as the guaranty of these long-term bonds by some financial institution is necessary to their sale, as a commercial bank can not safely execute a contract of guaranty, it is obvious that commercial banks can not meet the farmer's capital requirements.

SECOND. TEMPORARY BANKING FACILITIES.

As commercial banks can not safely grant temporary credit for longer than four months, and as the farmer's requirements are for temporary accommodations for a longer period (or until the crop comes in), it is equally obvious that commercial banks are not suited to supply the annually recurring banking needs of the farmers.

THIED, BUSINESS METHODS

Commercial banks, as a rule, are located in cities, towns, villages, or other centers. They are usually remote from the farmer. Being remote, they are unable to make small loans needed in the operation of his business because of the expense incident thereto and because they can not keep in close enough touch to ascertain if the money derived from these loans is used for the purposes for which it was granted. The local rural bank is accessible, convenient, and conducted at nominal expense.

THE PRESENT CURRENCY BILL.

Let me recur again to the pending Federal reserve bill, which is generally referred to by the public as a "currency-reform measure." As a matter of fact, it is more than this. It is, in fact, a bill for the reform of the currency and for the reform of the existing commercial banking system. But the bill refers only to commercial banking and not to rural banking, as heretofore stated.

As a currency bill I favor the Federal reserve bill. reform of commercial banking I favor it. I am prepared to say that in the effort to meet the needs of the farmers it has gone further than any commercial banking act has ever gone. I respectfully insist that the farmer's needs can not be dealt with and should not be dealt with in a commercial banking bill.

This is so important I feel justified in repeating that it must be evident that the Federal reserve bill, although it attempts to grant some relief to the farmers, does not meet the needs of the situation. The only provisions in the bill to meet the farmer's banking requirements, as we have seen, are contained in section 27. This provides that not exceeding 25 per cent of the capital and surplus or 50 per cent of the time deposits of certain banks can be loaned on the security of unencumbered lands for not exceeding nine months.

This provision, from the standpoint of the farmer, is inef-

fectual for three reasons:

First. Because a nine months' loan can not furnish the capital requirements of the farmer, for obvious reasons. It is not a permanent investment. It is not a loan which can be repaid out of the profits of the business.

INEFFECTUAL.

Second, The class of loan provided is not suited to meet the annually recurring banking requirements of the farmer. meet his temporary financial needs a farmer can no more afford to put a mortgage on his property than the manufacturer could afford to put a mortgage on his plant in order to secure a ninety-day, accommodation.

INADEQUATE.

Third. The relief afforded in the bill is, moreover, inadequate, The present mortgage loans on farms in the United States approximate \$3,000,000,000. In explanation of section 27 of the bill, the chairman of the committee has said, in effect, that if every bank in the system loaned every dollar that it could under this provision there would be available about \$250,000,000, which is just about one-fourteenth, or 7 per cent, of the present requirements, and is obviously inadequate.

SPECIAL BANKS NECESSARY.

The conclusion is irresistible that rural banking should be provided for in a separate system from commercial banking; that rural banks should have a special power to use their credit in addition to their cash resources to meet the needs of the farmer, and especially in order to aid the farmer to obtain capital, and should, on the other hand, be limited and restricted as to their operations and activities, so that the use of their credit will not impair their solvency.

Some critics have suggested that bankers and capitalists

would like to facilitate the mortgaging of farms and issuing of bonds in the expectation that they might eventually own the farms. Here, again, the experiences of other countries is help-In Saxony 85 per cent of the land-mortgage bonds are held by the people of that Province. The rural people themselves are the chief and, in most instances, almost the exclusive owners of the bonds. The terms are so favorable to the borrower as to interest, reductions, and payments there can be no excuse whatever for losing his land.

Mr. President, I frankly say that the bill I have introduced has its weaknesses. It is not claimed to be perfect. It is not the last thought or the final word on the subject by any means. It has the merit of proposing something definite, and my hope is it will provoke discussion and lead to action now. It seems to me greatly preferable to have it considered at this time rather than have it go over to next session. It ought to be taken up and, if possible, considered and acted upon along with the commercial-banking bill.

Mr. President, there is no more important subject before the people of this country to-day than the unsolved problems of rural life

It is gratifying to note that interest is being aroused on this subject and our people are stirring in an unprecedented fashion. The highest country ideals mean the highest civilization.

If we can set in motion agencies that will bring about the highest type of an advanced rural society, we will have done a most useful public work.

If we can start moving forces which will develop the best country life, we will have answered the call for genuine service.

We make a tremendous contribution in those directions when we reach out our hand to the tillers of the soil and say, "We will start with you on the land; we will be with you in the cultivation, go with you to the markets, and open the way for you to finance your affairs."

When that is done, fair opportunity will widen the horizon and beautify the lives of those engaged in agriculture. It will open the way for the betterment of rural conditions, even as Daniel's window opened toward Jerusalem.

Mr. President, I move that the resolutions and the bill be referred to the Committee on Banking and Currency, and that the statement which accompanies the bill, explaining it, may be printed as a document. (S. Doc. No. 158.)
The motion was agreed to.

INVESTIGATION OF ATTEMPTS TO INFLUENCE LEGISLATION.

Mr. REED. I send to the desk a resolution and ask that it be read. I shall then make a statement in just a few words

The resolution (S. Res. 159) was read, as follows:

Resolved, That the expenses of the investigation of the charge of a "lobby being maintained in Washington," ordered by the Senate under resolution of May 29, 1913, be paid out of the contingent fund of the Senate upon vouchers to be approved by the chairman of the Committee on the Judiciary or the chairman of the subcommittee thereof. The stenographers employed shall receive a compensation at a rate not to exceed \$1 per printed page. The action of said subcommittee in employing clerks is hereby ratified, and the expense so incurred shall be paid out of the fund aforesaid.

Mr. REED. Mr. President, I ask unanimous consent that the

Mr. WILLIAMS. Mr. President—
The VICE PRESIDENT. The Chair thinks that under the statute the resolution ought first to go to the Committee to Audit and Control the Contingent Expenses of the Senate.

Mr. REED. I understand that by unanimous consent the

Senate can do almost anything.

The VICE PRESIDENT. The Chair does not think so. The Chair does not think that will satisfy the statutes of the United States

Mr. WILLIAMS. There is a statute covering the subject. can assure the Senator from Missouri that the committee will take up and consider the resolution as soon as possible.

The VICE PRESIDENT. The resolution will be referred to the Committee to Audit and Control the Contingent Expenses

of the Senate.

Mr. REED subsequently said: Mr. President, I ask consent at this time to report favorably with an amendment from the Committee to Audit and Control the Contingent Expenses of the Senate the resolution submitted by myself this afternoon. The amendment appears upon a separate sheet.

Mr. GALLINGER. Let the resolution be read.

The VICE PRESIDENT. Is there any objection? The Chair hears none.

Mr. GALLINGER. Let the original resolution be read. The VICE PRESIDENT. The Secretary will read the resolu-

The Secretary. The original resolution reads as follows:

The SECRETARY. The original resolution reads as follows:

Resolved, That the expenses of the investigation of the charge of a

"lobby being maintained in Washington," ordered by the Senate under
resolution of May 29, 1913, be paid out of the contingent fund of the
Senate upon vouchers to be approved by the chairman of the Committee
on the Judiciary or the chairman of the subcommittee thereof. The
stenographers employed shall receive a compensation at a rate not to
exceed \$1\$ per printed page. The action of said subcommittee in employing clerks is hereby ratified, and the expense so incurred shall be
paid out of the fund aforesaid.

Mr. DEFED. The expendement has been written in there It

Mr. REED. The amendment has been written in there. It comes in at that point.

The Secretary. The following amendment is proposed:

The committee is authorized to continue the employment of such clerks and stenographers until the work of the committee as authorized be completed.

Mr. GALLINGER. Mr. President, I will venture to ask the Senator from Missouri whether or not the end of this investigation is anywhere in sight?

Mr. REED. I can not answer that question. Mr. SHAFROTH. What is the question?

Mr. GALLINGER. I asked the Senator from Missouri whether the end of the so-called lobby investigation was in

Mr. SHAFROTH. The Senator from Missouri knows more about that than I do.

Mr. GALLINGER. I asked the question of the Senator from Missouri.

Mr. REED. I can not answer the question. The committee has been proceeding as rapidly as it could with some regard for some of the duties of the Members here. The expenses have been held to the absolute minimum. The only reason for requesting the adoption of the resolution at this time is that a technical objection has been raised to it as it was originally submitted, in which it is claimed that there was no authoriza-tion of clerks. The only clerks employed have been some five or six people to separate, out of something like 150,000 or 200,000 letters, those which appeared to be somewhat pertinent to the inquiry. Their work is almost completed, although probably there will be a couple of indexes to be prepared.

Mr. GALLINGER. Beyond question provision ought to be made to pay the expenses of the investigation; and yet I am somewhat curious to know exactly how far it is going. Almost every suggestion that is made here about somebody being around the Capitol, as a suggestion was made this morning concerning Mexico, is met with the remark, "Why, let the lobby committee take it up." Some of us had not thought the field would be as wide as it has proved to be.

I have noticed that about 4,000 printed pages have been sent to us. That means \$4,000 for stenographic work. Of course, I have no disposition to curtail the work of the committee; and yet I venture to say that I trust the committee will exclude everything they can in the future, so as to get to the end of the investigation, and make a report.

Mr. REED. Mr. President, nobody wants to quit this work more, I think, than the members of the committee, because it is

very onerous.

I ask for the present consideration of the resolution.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

The Senate, by unanimous consent, proceeded to consider the resolution.

Mr. WILLIAMS. Mr. President, the Committee to Audit and Control the Contingent Expenses of the Senate has reported the resolution favorably; but before we dismiss the subject I want to express the hope that the committee to discover lobbies in Washington will not quit until it has investigated the lobby—the paid syndicate which I believe to exist—which is trying to propagate and bring about a war between the United States and the Republic of Mexico. The original language of the resolution is broad enough to cover that question, and I hope the committee will go into it before it ceases its labors.

I am firmly convinced that special interests—moneyed interests in Mexico and moneyed interests in the United States are enlisted in bringing about a war between this country and that country. It is of the utmost importance to the American people, if that be a fact, as I believe it to be-I do not know with any degree of absolute personal knowledge—that it should be examined into before the committee adjourns.

Mr. GALLINGER. Mr. President, I will add to what I have said that I sincerely hope this committee, which was appointed for a different purpose, will not enter upon an investigation of matters connected with our relations with Mexico.

There may be somebody who wants a war. I do not know who he is. I am sure I do not want a war. I can not believe there is a conspiracy on foot to plunge the United States into a war with any country. I think it would be "love's labor lost" if the committee should undertake that investigation.

The VICE PRESIDENT. The question is on agreeing to the amendment proposed by the committee.

The amendment was agreed to.

The resolution as amended was agreed to.

PHILIPPINE INDEPENDENCE (S. DOC. NO. 159).

Mr. SHAFROTH. Mr. President, I ask unanimous consent that an article by Mr. Moorfield Storey, relative to the Philippine Islands situation, be incorporated in the Record or printed as a public document.

The VICE PRESIDENT. Is it the Senator's request that

the article may be printed as a public document?

Mr. SHAFROTH. I ask that it may be incorporated in the RECORD.

Mr. SMOOT. I did not hear the Senator's statement as to what the article is.

Mr. SHAFROTH. The article is one by Mr. Moorfield Storey relative to the Philippine Islands situation. It is a very able

document and one that he has taken considerable time to prepare. It is upon a subject that is bound to be of great interest to the American people, especially during the next year. I know it will throw great light upon the situation, and I ask that it may be printed in the Record.

The VICE PRESIDENT. Is there any objection?

Mr. JONES. Mr. President, I assume the Senator has read the article?

Mr. SHAFROTH. I have read it. It is a very able document. Mr. SUTHERLAND. Mr. President, I have read the article, and it is a very able one, as the Senator says; but I do not think an article of its kind and length ought to be printed in the RECORD. Those who are particularly interested in the subject can be informed if it is printed as a public document. That is the usual practice of the Senate with reference to documents of this character. I shall object to its being printed in the RECORD.

Mr. SHAFROTH. Will the Senator object to its being printed as a public document?

Mr. SUTHERLAND. I have no objection at all to that.

Mr. SHAFROTH. Then I ask that it may be printed as a public document.

The VICE PRESIDENT. There being no objection, the article will be printed as a public document.

PERSONAL PRIVILEGE-FATHER'S DAY.

Mr. LEWIS. Mr. President, I rise, in a small matter, for a dual purpose-something of privilege, but more of justice to a Member of the coordinate branch.

The public papers have been printing, and the Congressional RECORD recording, by some error, that I am the author of a bill or measure of some nature having for its object the creation of a day designated as "father's day." I have never seen such a bill; I never heard of such a bill until this publication; I have never presented such a measure. But since there seems to be some credit here and there given to that benefaction it is in justice to the distinguished Representative from Maryland, Mr. Lewis, that I desire the public records corrected and that he may be given the credit wherever such credit is due, as he, I understand, is the author of this very meritorious project.

Again, sir, the public press, by some error, credits me with the excellent literary production of the distinguished Senator from Oregon [Mr. Lane] in the proceedings of the woman suffrage day. The Senator from Oregon created an observation exquisite for its literary invention, as well as for its delightful construction. The public press for some days has been crediting me with this. I simply desire to say that I made no speech to this honorable body on the woman suffrage question at the time of the presentation of the petitions on the subject. The credit and praise which have been given me are due to the Senator from Oregon.

With these corrections, I thank the Senate for its attention, as I rose merely to "render unto Cæsar the things which are Cæsar's.'

SALARIES OF PAGES.

The VICE PRESIDENT. The Chair lays before the Senate a joint resolution from the House of Representatives, the title of which will be stated.

The Secretary. House joint resolution 118, making appropriations for certain expenses incident to the first session of the Sixty-third Congress

Mr. MARTIN of Virginia. Mr. President, I ask unanimous consent for the present consideration of the joint resolution.

The VICE PRESIDENT. Is there objection to the present consideration of the joint resolution?

Mr. JONES. Let it be read, Mr. President.
Mr. MARTIN of Virginia. The resolution will be read in a
moment. In the meantime it will take but a second for me to say that it is a joint resolution passed by the House of Representatives on yesterday, providing for paying the salaries of the pages who serve here in the Senate and those who serve in the House.

Mr. GALLINGER. Will not the Senator have the resolution referred to the Appropriations Committee and reported back in the regular way?

Mr. MARTIN of Virginia. I will go through that empty form if any Senator desires it.

Mr. GALLINGER. I think it would be better.
Mr. MARTIN of Virginia. Senators will know just as much about the joint resolution when they hear it read as they will know after it has been reported from the committee.

The joint resolution contains about a dezen lines, and simply provides for paying the salaries of these little boys, who ought to be paid before to-night. They have not had a cent of money for more than a month.

Mr. GALLINGER. There is no question about the urgency of the matter, but there are a great many other bills that might be acted upon in the same way, and requests of this kind are constantly made. I am not one of the technical Members of the body, but the Senator is the chairman of the Appropriations Committee, and some of the rest of us are members of it, and we will authorize the Senator to report back the joint resolution immediately

Mr. MARTIN of Virginia. If the Scnator objects, I shall have to go through that form.

Mr. GALLINGER. I shall not object, Mr. President.

Mr. MARTIN of Virginia. I ask unanimous consent for the present consideration of the joint resolution because of its absolute simplicity. It is but a simple provision to pay the salaries of the pages. The Senate will understand it just as well without a report as with a report from the committee.

The VICE PRESIDENT. Is there objection to the present consideration of the joint resolution?

Mr. JONES. Let us have it read.

The VICE PRESIDENT. The Secretary will read the joint resolution as requested.

The Secretary read as follows:

Resolved, etc., That the following sums are appropriated out of any money in the Treasury not otherwise appropriated, namely: SENATE.

For compensation of the officers, clerks, messengers, and others in the service of the Senate, namely:
For 16 pages for the Senate Chamber, at the rate of \$2.50 per Gay each from July 1, 1913, until the close of the first session of the Sixty-third Congress; so much as may be necessary.

HOUSE OF REPRESENTATIVES.

For the following employees, from and including July 1, 1913, until the close of the first session of the Sixty-third Congress, namely:
For 46 pages, including 2 riding pages, 4 telephone pages, 1 pressgallery page, and 10 pages for duty at the entrances to the Hall of the House, at \$2.50 per day each; 3 telephone operators, at the rate of \$75 per month each; so much as may be necessary.

The VICE PRESIDENT. Is there objection to the present consideration of the joint resolution?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the joint resolution.

joint resolution was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

PERSONAL EXPLANATION-CONSTITUTIONALIST CAUSE IN MEXICO.

Mr. SHEPPARD. Mr. President, I rise to a matter of personal privilege.

The VICE PRESIDENT. The Senator from Texas will

Mr. SHEPPARD. On Thursday, August 7, the Senator from Michigan, Mr. William Alden Smith, made the following statement in the course of his remarks on the Mexican situa-

The difficulty of this situation, if I may be permitted to say so, is that there is so much misinformation abroad. This morning, for instance, the first page of the Congressional Record contains an exhibit of the so-called Carranza strength which an immediate investigation might easily dispel.

I am bound to say, in justice to my colleagues upon both sides of the Chamber, that there is at the present moment in this Capital a thorough, practical, systematic lobby, putting forth their revolutionary propaganda with a serious and a definite object of affecting the American attitude toward the Government of Mexico, which Senators ought to fully understand.

I had been called out of the Chamber before the Senator from Michigan began his speech and was not present when he was on the floor. I would have called attention to this matter yesterday but for the fact that the Sanate properly adjourned on account of the unfortunate death of the late Senator from Alabama.

Mr. President, I was responsible for having placed in the RECORD the statement to which the Senator from Michigan referred. As he stated in the very next sentence, after referring to that exhibit:

There is at the present moment in this Capital a thorough, practical, systematic lobby, putting forth their revolutionary propaganda with a serious and a definite object of affecting the American attitude toward the Government of Mexico, which Senators ought to fully understand—

I deem it my duty to state the source from which I obtained that statement. I neglected to do this through pure oversight when I obtained permission Wednesday to have the statement published in the RECORD and printed as a public document.

I want to say here that since the death of Madero and the rise of the constitutionalists I have been watching affairs in Mexico with especial interest. On Tuesday, July 29, I introduced a resolution recognizing the beiligerency of the constitu-tionalists, because I believe that this recognition is necessary to the maintenance of neutrality on the part of this Government between the contending forces. I introduced the resolution on my own initiative and at the suggestion or intimation of no one

A day or two after I introduced the resolution Mr. Romero, the official agent of the constitutionalists in Washington, called to see me and thanked me for having introduced the resolution, He did not endeavor in any way to suggest what my course should be in this matter or any other matter. I was impressed with the earnestness, the sincerity, and the ability of Mr. Romero, and I requested him to prepare a statement for me showing the history and the nature of the constitutionalist cause, the extent of the territory that the constitutionalists now control, and the number of men in the constitutionalist army. Mr. Romero had this statement prepared in his office at my request, and did not know to what use I might put the statement.

When I read the statement I deemed it of such value that I asked permission to have it published in the RECORD and printed as a document. It did not emanate from any lobby whatever, and if any lobby exists here in behalf of the constitutionalist cause I do not know it. I know that my good friend the Senator from Michigan would not suggest, in view of my statement, that I was influenced in any way by a lobby in this matter. If any lobby exists here improperly to influence legislation in behalf of the constitutionalists, the information ought to be given to the lobby investigating committee in order that the matter may be properly investigated.

Mr. SMITH of Michigan. Mr. President, of course the Sen-

ator from Texas understands that in what I said about the exhibit which appeared in the Congressional Record, giving the so-called strength of the Carranza forces, I had no disposition whatever to criticize the Senator from Texas, whose motives and high character I appreciate very thoroughly. In a service of many years with him I have learned that he is both painstaking and active and honorable in everything that he does

I did say, as the Senator has quoted me as saying, that much misinformation was abroad. I shall not repeat it. It is unnecessary to repeat it. I could emphasize it, and I could give specific instances of proof, if that be desired.

I encountered these same people on the Mexican border. They infested the city of El Paso for two years. They made it the base of their operations, and have now shifted their base of operations from El Paso to Washington.

Mr. SHEPPARD. Mr. President

The VICE PRESIDENT. Does the Senator from Michigan yield to the Senator from Texas?

Mr. SMITH of Michigan. Certainly.

Mr. SHEPPARD. Would the Senator object to giving us the names of those parties?

Mr. SMITH of Michigan. No; I will not object to giving the

Mr. OVERMAN. If the Senator will excuse me, does he mean lobbying with Members of Congress:

Mr. SMITH of Michigan. No. They are not lobbying with

Members of Congress, so far as I know.

Mr. OVERMAN. If they are lobbying with any Members of

Congress, I think the matter ought to be investigated. Mr. SMITH of Michigan. But if any Senator on the other side of the Chamber challenges the statement that there is such an organization here, that it has its headquarters in one of the prominent buildings in Washington, that it has as its adviser a man who drew \$50,000 from the Mexican treasury for his services at the close of the Madero revolution, I am prepared to

sustain that charge.

Mr. CLAPP. Will the Senator yield to me for a moment?

Mr. SMITH of Michigan. Certainly.
Mr. CLAPP. Of course, I would not say what I am going to say in any sense to challenge the Senator's statement, but it does seem to me that if for any reason the accuracy of the statement could be challenged, the information ought to be stated as to the individuals and the office and the association of which he speaks.

Mr. SMITH of Michigan. Well, Mr. President, I had thought possibly that if I could get my data together soon I would report fully to the Senate the result of my investigation and certain recommendations concerning its present aspect, which will include that matter.

Mr. CLAPP. · If the Senator will pardon me further, it strikes me that the question of making the report of the committee and its recommendations is not necessarily involved in the statement that there is now an organization here, who they are, and where are their headquarters. I confess I have not seen any of them. If there are any such characters here, I think we should know who they are. I do not want to press the Senator at this time if he has any hesitancy about the matter.

Mr. SMITH of Michigan. I appreciate the motive of the

Senator from Minnesota. I am only going to say that the

junta to which I refer is advised by Mr. Hopkins, of this city, a lawyer, who has been engaged by the Madero government in Mexico for service in this Capital, who seems to have had the ear of the State Department in the last administration and who may have had access to this administration. I refer to Mr. Hopkins and to Mr. Sommerfield, Mr. Sommerfield having been for over two years the head of the so-called Maderista propaganda on the border between the United States and Mexico. are here now; they are carrying on this work, and they are undertaking to influence, not corruptly, the course of public opinion and the action of officials of this Government.

Now, if you want further evidence, summon Mr. Hopkins and summon Mr. Sommerfield, the agent of the Maderista government, before the committee. I have had both of them before

my committee.

Mr. OVERMAN. Has the Senator made a report from his committee?

Mr. SMITH of Michigan. I have not made a formal report. The testimony has all been submitted to the Senate, and I think a final report should be made.

Mr. JAMES. Mr. President, I should like to ask the Senator a question

The VICE PRESIDENT. Does the Senator from Michigan yield to the Senator from Kentucky?

Mr. SMITH of Michigan. Certainly.

What is the basis of the charge of the Senator from Michigan that Mr. Hopkins has the ear of the State Department? That is a grave charge.

Mr. SMITH of Michigan. It is a grave charge.

Mr. JAMES. And it appears to me that if the Senator has such information as that upon which he bases so grave a charge in the Senate of the United States, the Senator ought to state to the Senate the facts upon which he bases the charge, and he himself ought to appear before the lobby committee to give this information. In the crisis that now confronts our Government, whether it is grave or not, certainly the charge the Senator has made upon the floor of this Chamber that our State Department has given its ear to a representative of the Madero government in Mexico is one that ought not to pass by unnoticed, but the

facts should, if the Senator has them, be given.

Mr. SMITH of Michigan. Well, I do not intend that it shall

pass unnoticed.

Mr. SIMMONS. Mr. President, I rise to a question of order. The VICE PRESIDENT. The Senator from North Carolina will state his point of order.

Mr. SMITH of Michigan. I shall make my report to the Senate

Mr. SIMMONS. I withdraw the point of order for the present.

Mr. GALLINGER. Mr. President, if the Senator from Michigan will permit me, it seems to me that he ought not to be loading any more work on the so-called lobby committee.

Mr. OVERMAN. I agree with the Senator.

Mr. GALLINGER. If there is substantial ground for the accusation which the Senator from Michigan makes-and I assume there must be-he ought to go to the Committee on Foreign Relations, it seems to me, that committee having, I think, direct jurisdiction over matters of this kind.

Mr. OVERMAN. I agree with the Senator as to that.

Mr. SWANSON. Mr. President-

The VICE PRESIDENT. Does the Senator from Michigan yield to the Senator from Virginia?

Mr. SMITH of Michigan. Certainly. Mr. SWANSON. The Senator from Michigan is a member of the Foreign Relations Committee. The Secretary of State has repeatedly appeared before that committee. If the Secretary has been improperly influenced and has given improper hearings to anyone, the proper place for the Senator to have made that charge would have been to his colleagues on that committee, and I am satisfied that committee would have directed a full investigation. The Senator has been attending the meetings of that committee, and I am surprised he could leave the committee this morning, come on the floor of the Senate, and make a charge that was not heard in that committee.

Mr. SMITH of Michigan. Well, Mr. President, the Senator from Virginia need not be surprised. I was called to my feet by the Senator from Texas [Mr. Sheppard], who rose to a question of personal privilege. I was biding my time and would have made my report formally to the Senate for the Senator's information. I have never seen the Secretary of State in the Committee on Foreign Relations since he assumed the duties of his office.

Mr. SWANSON. If the Senator failed to see him, it is not the fault of the Secretary of State, who is always accessible.

Mr. SMITH of Michigan. Mr. President, the Senator from Virginia ought to be cautious as to his own words in attempting to put me in a false position, because the Senator from Virginia has no warrant whatever for saying that I have said that any one has the ear of the Secretary of State. I was very cautious to say "the State Department." I did not say the Secretary of State.

Mr. SWANSON. The State Department is run by the Secre-

tary of State.

Mr. SMITH of Michigan. I do not believe it; but you say it

Mr. SWANSON. I believe it is so. The Secretary of State is capable, he is efficient, he is able, and patriotic; and I believe he runs the State Department. He is attentive to it. I am sure the Senator from Michigan, as I do, entertains for the Secretary of State a very exalted opinion.

Mr. SMITH of Michigan. Certainly. My opinion has never changed as to the eminent ability and patriotism of the Secretary of State. I have not criticized him and shall not do so.

Mr. SWANSON. I should like to ask the Senator another question, and that is, Does he think it improper for the Department of State to listen to representations made by the constitutionalists and the different factions in Mexico? Should they not listen to them all and get all the facts they can? Is the Senator such a partisan that he thinks nobody ought to be listened to except one faction in Mexico?

Mr. SMITH of Michigan. Oh, no, Mr. President. I think the State Department should get its information wherever it can obtain it accurately, and I assume that it does so. I am finding no fault about that. When I said that there was in this Capital a determined lobby attempting to affect public opinion in the United States on the Mexican situation, I stated the fact. I know it to be the fact, and I know the men; I have encountered them before. They have never attempted to influence me, but their testimony under oath is upon the record, and it requires no guesswork from anyone to ascertain what they have done or how they have done it.

Mr. SWANSON. Is that the information that the Senator

gathered as chairman of a subcommittee-

Mr. SMITH of Michigan. It is; some of it.
Mr. SWANSON. On which the Senator says he expects to make a full report to the Committee on Foreign Relations very

Mr. SMITH of Michigan. I think I shall try to make a

report on Monday to the Senate committee.

Is the Senator authorized to report to the Mr. SWANSON. Senate or to the Foreign Relations Committee?

Mr. SMITH of Michigan. I will do whichever seems to be

Mr. SWANSON. Does the Senator think he is authorized to

report to the Senate?

Mr. SMITH of Michigan. I am sure that, in the regular order, it ought to come through the committee of which I am a

Mr. FALL. Will the Senator yield to me?

Mr. SMITH of Michigan. But, inasmuch as I have been asked to do it, I thought I might as well respond to the invita-

Mr. SWANSON. When was this wonderful evidence taken that is so important to the country?

Mr. SMITH of Michigan. I do not understand the Senator. Mr. SWANSON. When was this wonderful evidence takenhow long ago?

Mr. SMITH of Michigan. While the Senator was busily at work here in the summer of last year.

Mr. SWANSON. When was it finished?

Mr. SMITH of Michigan. It was printed about March 1.

Mr. SWANSON. About March 1, and yet no report has been

Mr. SMITH of Michigan. Yes.

Mr. SWANSON. The Senator says the State Department has been derelict, although it only came into office on the 4th of

Mr. SMITH of Michigan. Well, Mr. President, the attempt of the Senator from Virginia to becloud our work will not have any influence with me. I have known him long enough to know that when he sees that it has been conscientiously and appro-

priately done he will acknowledge it.

Mr. SWANSON. I know that the evidence has been conscientiously gathered. The Senator is always alert and active. I am only complaining of the delay in getting it to the attention

of the Senate.

Mr. SMITH of Michigan. It is just possible, Mr. President, that, if I may have the cooperation of my friends on the other side of the Chamber who are also members of the committee, we can quickly finish and report our work.

Mr. CRAWFORD, Mr. WILLIAMS, and Mr. BACON addressed the Chair.

Mr. SMITH of Michigan. I am going to say no more.
The VICE PRESIDENT. Does the Senator from Michigan yield to the Senator from South Dakota?

Mr. SMITH of Michigan. Certainly.

Mr. CRAWFORD. I thought the Senator had yielded the floor.

Mr. SMITH of Michigan. I have.

Mr. FALL. I should like to ask the Senator a question. Mr. CRAWFORD. Mr. President—

The VICE PRESIDENT. The Chair would like to recognize all Senators at once, but that is an impossibility.

Mr. SMITH of Michigan. If the Senator from New Mexico

desires to ask me a question, I will answer it.

Mr. FALL. Mr. President, along the line the Senator was addressing the Senate upon, I merely wanted to ask a question that possibly may throw some light upon this matter, if the Senator from South Dakota [Mr. Crawford] will yield to me. I think the testimony of Mr. Hopkins taken before the committee here in Washington is the testimony to which the Senator from Michigan referred?

Mr. SMITH of Michigan. It is.

Mr. FALL. That testimony is printed, and any Member of the Senate can get it at any time he wants it. It was taken, I think, in the presence of the Senator from Nebraska [Mr. HITCHCOCK] and several of the other members of the subcommittee.

Mr. SMITH of Michigan. And the Senator from North Dakota [Mr. McCumber].

Mr. JAMES. Will the Senator tell us when that testimony was taken.

Mr. FALL. It was taken in February, I think. Mr. JAMES. Does the Senator think that testimony taken last February ought to be the basis for a charge made in the Senate that the State Department now is under the influence of certain individuals?

Mr. FALL. I have made no charge.

Mr. SMITH of Michigan. I did not say that. Mr. FALL. I know nothing about Mr. Hopkins's influence upon this administration, if he has any. I imagine he has very little. That is my guess at it. There is, however, something in the testimony of Mr. Hopkins itself which was perfectly frank. He is the man who testified to receiving a \$50,000 fee.

Mr. JAMES. If the Senator will permit me, certainly that testimony taken in February last can not throw any light upon the conduct of the State Department at this time, when we all know that this administration was not inducted into office until

last March.

Mr. FALL. Certainly not. I was simply trying to explain what this testimony of Mr. Hopkins's was and what was the basis, as I understand, of the statement of the Senator from Michigan that Mr. Hopkins had influence with the State Department. Mr. Hopkins, I believe, testified—there was a question asked him on cross-examination-with reference to a certain letter which he had written to a man by the name of Firth, in Germany, and which had been repeated to the President of one of the Central American Governments, stating that Mr. Hopkins did have great influence with the State Department; but that was two or three years ago. I have certainly heard nothing of Mr. Hopkins's influence with this administration or with the State Department. I have met Mr. Hopkins two or three times in town recently. I want to say that on a very recent date I called Mr. Hopkins, as the attorney for the constitutionalist junta, into my office, because there was a threat to deport an American citizen from Mexico. The State Department were doing what they could to prevent the deportation of this American citizen, but I did not believe their methods would be thoroughly successful. I sent for Mr. Hopkins and repeated to him a statement that I had made to the Secretary of State with reference to the effect of this attempted deportation, and warned him that there might be interference which even this Government could not control in the event that method of dealing with American citizens was pursued. Mr. Hopkins secured a telegram to Pesqueira, governor of Sonora, with reference to that matter, and I think that it, together with the representations of the State Department, resulted in the action being taken which we wanted.

Mr. STONE. Mr. President, I rise to a parliamentary inquiry. The VICE PRESIDENT. The Senator from Missouri will state his parliamentary inquiry.

Mr. STONE. What is before the Senate?

The VICE PRESIDENT. The debate has been proceeding by unanimous consent.

Mr. CRAWFORD. I desire to say a word.

The VICE PRESIDENT. The present order of business is petitions and memorials.

Mr. BACON. Mr. President—
Mr. CRAWFORD. I desire to say a word, and I think the Senator from Missouri [Mr. STONE] will indorse what I have

Mr. STONE. Very well; but after the Senator has finished shall call for the regular order.

Mr. WILLIAMS and Mr. CRAWFORD addressed the Chair, The VICE PRESIDENT. The Senator from Mississippi.

Mr. WILLIAMS. Mr. President, if the rule is going to be enforced, I shall insist that it be enforced right now, and not in such a way that one side is to have an opportunity to be heard and no opportunity is to be given to the other side to reply. Therefore, understanding that the Senator from Missouri will call for the regular order in a moment or two, I call for it now.

Mr. CRAWFORD. Well, Mr. President, my desire is not to express a view in harmony with some things that have been said; I take exception to them; and I should like to have an opportunity to say a word or two on the subject.

The VICE PRESIDENT. Does the Senator from Mississippi

call for the regular order?

Mr. WILLIAMS. I call for the regular order. If it is understood that it is going to be called for by the Senator from Missouri after the Senator from South Dakota is through, it might as well be called for now.

The VICE PRESIDENT. The Chair lays before the Sen-

Mr. OVERMAN. Mr. President, I understand the Senator from Missouri has not raised a question of order, and I think the Senator from South Dakota has a right to speak.

The VICE PRESIDENT. The Senator from Mississippi did

call for the regular order.

Mr. OVERMAN. I think the Senator from Mississippi said that if it was to be called for, he would call for it, but he did

The VICE PRESIDENT. The Chair knows what the Senator from Mississippi said; and he called for the regular order.
Mr. WILLIAMS, I did not misunderstand, Mr. President; I

understood what the Senator from Missouri said, and I insisted that, if the regular order was going to be called for, it should be called for now.

SECOND INTERNATIONAL OPIUM CONFERENCE (S. DOC. NO. 157).

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read and, with the accompanying papers, referred to the Committee on Foreign Relations and ordered to be printed: To the Senate and House of Representatives:

I transmit herewith a communication from the Secretary of State, accompanied with a report prepared by Mr. Hamilton Wright on behalf of the American delegates to the Second In-ternational Opium Conference, which met at The Hague on the

1st of July last and adjourned on the 9th of the same month.

The first opium conference assembled at The Hague on December 1, 1911, and adjourned on January 23, 1912. The convention formulated by this conference has since been signed by all of the Latin American States and by a great majority of those of Europe, and all but three of the States that have signed have already agreed to proceed to the deposit of ratifications.

The results of the conferences should be regarded by the Government and people of the United States with great satisfaction. An international convention imposing the obligation to enact legislation strictly to confine the trade in opium and allied narcotics to medical purposes has been signed by all but 10 nations of the world, and there is reason to believe that by the end of the present year, through the action of the recent conference, all the nations of the world will have become signatories of the agreement.

It remains for the Congress to pass the necessary legislation to carry out the stipulations of the convention on the part of the United States. Such legislation has recently passed the House of Representatives without a dissenting vote; and I earnestly urge that this measure, to the adoption of which this Government is now pledged, be enacted as soon as possible dur-

ing the present session of the Congress.

WOODROW WILSON.

THE WHITE HOUSE, August 9, 1913.

PERSONAL EXPLANATION-OFFICERS AND MEN OF THE NAVY.

Mr. KERN. Mr. President, I rise to a question of personal privilege. I hesitate to take the time of the Senate for any considerable time, and I have so hesitated for several days; yet I think it is my duty to call the attention of the Senate to the matter to which I am about to refer.

A few days ago, when the junior Senator from Virginia [Mr. SWANSON] asked unanimous consent for the publication as a public document of an address recently delivered by the Secretary of the Navy, the senior Senator from New Hampshire, in the course of some remarks on that subject, propounded the following inquiry:

I will ask the Senator from Virginia whether the Secretary of the Navy in this address advocated what he has advocated somewhere else, if not on that occasion, that the officers and sailors of the Navy should be required to mess together?

The Senator from New Hampshire, while regarded as one of the sturdiest champions of stalwart Republicanism here, has such a reputation for fairness on both sides of this Chamber and is usually so careful in statements of this kind that I felt sure he did not desire to do injustice to any man of any party, and being morally certain that the Secretary of the Navy, whom I have known intimately for many years, entertained and had expressed no such views as were thus attributed to him, I asked the Senator from New Hampshire if he was quite sure that the Secretary of the Navy on any occasion had declared in favor of the sailors and officers of the Navy messing together, to which he replied:

I think there can be no question about it. It has been published broadcast and never denied.

After some further colloquy the Senator from New Hampshire

I will suggest to him (the Senator from Indiana) that the Secretary of the Navy has rescinded that order, admitting that it was not correct—that is my understanding.

Mr. President, all this proves, if proof were necessary, how unsafe it is, here or elsewhere, to base statements reflecting upon the official or personal character of any man upon unverified newspaper reports.

The Secretary of the Navy assures me that he has never, in any public address nor in any other way, expressed the sentiment attributed to him by the distinguished Senator from New Hampshire; that he never issued any such order as was spoken of by him, nor for a moment contemplated the issuance of such

order. It transpires that a certain New York newspaper printed a story some time ago that the Secretary of the Navy favored the plan of requiring officers of the Navy and enlisted men to mess together, and had issued or was about to issue an order carrying that plan into execution. But it also transpires that immediately upon reading that publication, on the day following

its appearance, the Secretary of the Navy repudiated and denied it.

The Senator from New Hampshire doubtless read this original publication and observed that it was reproduced in other newspapers, but did not see the denial so promptly made by the Secretary.

Such an oversight is neither strange nor unusual, for it is a matter of common knowledge that the people who read publications, however false and libelous, rarely see the denial or

retraction which often follows.

To illustrate still further the unreliability of many news items, I call attention to the fact that notwithstanding my efforts, in the colloquy referred to, to defend the Secretary of the Navy against a charge which I characterized as cruel if untrue, one of the leading newspapers of Washington on the following day in giving an account of the Senate proceedings stated in effect that Senator KERN had declared himself in favor of the proposition that officers and sailors should be required to mess together; while a day or two later it was declared by an afternoon paper, usually accurate in its news reports, that I was about to institute an investigation into certain matters pertaining to the Navy-there being not the slightest basis for such a statement.

Mr. President, I allow no man to go beyond me in admiration for the American Navy, nor is any man prouder of its achievements, which have glorified so many pages of American his-But, sir, I have insisted, and shall continue to insist, that the door of opportunity shall never be closed in the faces of enlisted men who by bravery, devotion to duty, and proved

ability show themselves to be worthy of promotion.

I have complained that under present regulations, as I have understood them, when the enlisted man, no matter what his merit may be, reaches a certain subordinate place a dead wall stands in his way which prevents further advancement. There is only one avenue through which it is possible for him to reach further promotion, and that is under a regulation which permits 12 of such men to take an examination once each year before a board of naval officers and who if successful in that examination may be advanced to higher rank. Many enlisted men, common sailors, are looking forward to this examination as their last and only chance for preferment, and study hard and work assiduously while in the service, hoping that through this only avenue they may have their laudable ambitions gratified.

These enlisted men who take this examination are, according to an editorial printed in a recent issue of the Washington Post, referred to by officers of the Navy as "mustangs," an appellation of doubtful compliment, to distinguish them from their more favored comrades, and it is charged that the examining board referred to, composed of naval officers who have been educated at public expense and who for the most part came from the ranks of the common people, has adopted such methods of examination as to make it extremely difficult for any man who has ever been a common sailor to run the gantlet of their

It is also charged, but I hope for the honor of the American Navy that it is not true, that some of these officers who sit on that examining board have expressed their abhorrence of the idea that a man who has been a common sailor should by reason of a promotion through such examination become entitled to sit at the same table with them and other officers who have had the good fortune to reach the higher grades without the hard service known only to the common sailor.

When in the colloquy the other day I used the term "per-fumed naval officers," I had in mind such un-American snobs as would thus discriminate against their equals; nor did I refer to the brave, manly Americans fully imbued with the American spirit of equality, who for the most part make up the great body of officers of the American Navy, and who have in so many ways honored the uniform they wear.

Mr. President, I am sure that our naval officers are too brave, too thoroughly American in all that the name implies, to forget that in this Republic there can exist no order of nobility, save that which is within the reach of all brave, true, and deserving men in every walk of life, who by intellectual superiority and moral worth are entitled to it, and they must know that every attempt to introduce into any department of this Government any regulation or practice which does violence to the American idea of equality will surely arouse resentment throughout the country and be condemned by all patriotic people.

It is not strange that irregularities should often exist and abuses spring up in any department, for there is not perfection anywhere, but it is one of the glories of this Republic that most such irregularities and abuses vanish almost at once upon their discovery, and I have no sort of doubt that if such wrongs as have been complained of exist they will be quickly righted, not by reason of congressional investigation but because of the high ideals and patriotic impulses of the officers of the American

Mr. GALLINGER. Mr. President, I will apologize in advance to the Senator from North Carolina [Mr. Simmons], who is anxious to take up the tariff bill, for taking a single moment of the time, and I will occupy only a minute or two.

In the first place, I thank the learned Senator from Indiana for his kind personal reference to me. The newspapers exaggerated the little colloquy that occurred the other day between the Senator from Indiana and myself. One would have supposed from the newspaper accounts that we had had almost a personal altercation in the Senate Chamber. No one admires the Senator from Indiana, his diligence, his learning, and his knowledge of public affairs, any more than I do, and it was far from my mind to say or do anything offensive or unfair either to the Senator or the Secretary of the Navy.

Mr. President, what occurred the other day is a fresh illustration of the fact that unless a man is a real humorist he would better not undertake to indulge in humor. My question was asked in a humorous spirit, and I supposed that it would end with a simple reply to the effect that the incident to which I alluded did not occur on the occasion to which the Senator from Virginia alluded.

I regret, Mr. President, if I was the innocent means of doing the Secretary of the Navy the least possible injustice. I have watched his career since assuming that high office with a great deal of interest. I have noticed the practical manner in which he has taken hold of naval affairs, his investigation of naval stations and navy yards; and a recent report from the board of inspection, approved by the Secretary, has been read by me with the greatest possible satisfaction, because I believe it is calculated to do very great good to the Navy.

So far as the officers of the Navy are concerned, I have had

the honor of knowing many of them, having served upon the Committee on Navel Affairs of the Senate for a good many years, and I have never come in contact with the "perfumed" officers the Senator from Indiana referred to the other day. There are possibly some of them in the service, but I have found them, as a rule, high-minded, patriotic, earnest men. I in Mexico with property, women, helpless children. Certainly confess I regretted and do regret that the Senator from Indiana nothing should be said to inflame the passions and arouse the

used the term in the broad sense that he seemed to use it on that occasion.

Now, Mr. President, I repeat my regret that any casual observation of mine has done an injustice to the distinguished Secretary of the Navy, and I would gladly withdraw it from the Record if it were possible to do so. I saw the statement in several newspapers, and it also came to me from another source, and I did not see the denial which the Senator from Indiana says was made by the Secretary. Had I seen that denial, I assure the Senator from Indiana and the Senate itself that no allusion to the matter, even in a humorous way, would have been made by me.

Mr. SIMMONS. Mr. President, I ask unanimous consent that House bill 3321 be laid before the Senate and proceeded with.

There being no objection, the Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 3321) to reduce tariff duties and to provide revenue for the Government, and for other purposes.

Mr. KENYON. Mr. President-

Mr. CRAWFORD. I do not want to trench on the time of the Senator from Iowa, but I do want, if he will permit me, to have the opportunity to say a word or two, which I wanted to say a little while ago when the discussion was indulged in

here relating to the Mexican situation.

Mr. KENYON. I yield to the Senator from South Dakota. Mr. CRAWFORD. Mr. President, with all my heart and with the deepest conviction of my being I sympathize with the statement which has been made here several times that all partisanship and all factional spirit ends at the seashore, and that when grave, delicate, and difficult situation arises between our country and a foreign nation we are one.

I have no doubt, sir, and I do not believe that any Member of the Senate has any doubt, but that the President of the United States and the great State Department of this Government, presided over by a man who for years has been a national figure, commanding the admiration of millions of his fellow citizens, aided in his work by a master of international lawdo not believe there is a doubt in the mind of a single Member upon this floor but that these men are bringing to the service of their country patriotism, wide experience, great ability, and that they are giving to these difficult questions their constant, anxious, and solicitous attention. They are entitled to our united, sympathetic, loyal, complete support, and I deplore, sir, the evidence of any disposition to be hypercritical, to add to their difficulties, to lay upon them greater burdens than they are now compelled to bear.

Mr. President, the Senate has in its service a committee which deals with foreign relations. Every member of that committee, no matter to which political party he belongs, has distinguished himself in service in this body, enjoys the full confidence of the Senate, measures up to the responsibility placed upon him. That committee is in charge of this delicate situation as the working committee into whose hands great questions of this character have been intrusted by the Senate. I regret to see any course or conduct which may add to the difficulties which surround this committee, which we all know is giving its undivided and solicitous attention to this situation of embarrassment and great difficulty.

I wish to say to the distinguished chairman of the Committee on Foreign Relations that I for one appreciated every word that he uttered on the floor of the Senate the other day. No matter if I do belong to this side of the Chamber, and to a different political party, I regret to observe any inclination, any disposition, or evidence of desire to hinder or embarrass or make more difficult the work which that great committee is called upon to perform.

Mr. President, the administration may commit error; probably it will. It will be subjected to criticism; that is inevitable. The argus-eyed press of the country, watching every step, and filling the columns of the papers with readable articles in regard to the situation, will start criticism. The great public will indulge in criticism. But Members of the Senate, a body which must participate in the settlement of difficulties with foreign nations, the making of treaties, and the abrogation of treaties, have a responsibility that compels the Senate in its dignity to rise above the field of carping criticism, of partisan criticism. I do not say that criticism should not be indulged in here by Members in the discharge of their duties who think mistakes are being made, and who wish to call attention to them and have them rectified, but it ought not to be partisan criticism.

There is a grave situation in Mexico. There are Americans

excitement of people unduly, because if the public temper is inflamed to a certain condition of fever we know what the result will be. We might crush Mexico as a paper box, perhaps, but it would be no credit to us to do that. We might take upon ourselves a responsibility that would extend down to our children and our children's children, and raise the lid from Pandora's box; but we ought to weigh the situation very carefully before we take the first step that may lead to such a result.

I say this question is too serious to be discussed from the standpoint of small advantages for anybody or in any spirit of that kind. I wanted to say that much here in the hope that it may aid in small part at least in bringing to this situation sober, dignified, impartial judgment and discretion. The American people expect that from us. That much is due from us all.

I hope, Mr. President, that in the deliberations of the Senate, in the grave situation before us, which may remain here for some time to come, every phase of it will be viewed in the spirit of loyalty, patriotism, and unselfish interest in the welfare of the whole country which is expressed in the language used by the distinguished Senator from Georgia [Mr. BACON] the other day when he said all partisanship stops at the seashore.

Mr. WILLIAMS. Mr. President-

The VICE PRESIDENT. The Senator from Iowa is recognized. Does the Senator yield to the Senator from Mississippi? Mr. WILLIAMS. Will the Senator yield to me for three or four minutes?

Mr. KENYON. No more than that? Mr. WILLIAMS. I think not.

Mr. KENYON. I am not inclined to yield for a long speech, I will say to the Senator, but I am perfectly willing to yield for three or four minutes.

Mr. WILLIAMS. That is what I want.

The VICE PRESIDENT. The Senator from Mississippi will

Mr. WILLIAMS. Mr. President, all enlightened America will applaud the cool, dispassionate, and patriotic remarks just made a moment ago. There are periods in the life of a people when speech may be silver, but when silence is certainly golden. have a period of that sort now confronting us. I do not think that anyone who loves the three Americas—North and South and Central America-would willingly inflame the minds of the people or any part of them against each other at this moment.

Mr. President, I frankly confess, with the first Secretary of State of the United States, that my passion is peace. I am a peace-at-almost-any-price man, anything short of absolute hu-

miliation, national pusillanimity.

Therefore in what I am about to say I know that nobody will think that I am trying to exaggerate the situation. Several Senators have given their credos as regards what is going on in Mexico or about what is now happening here. I want to say to the Senate, and I want to say to the American people in a voice of warning-and I wish the voice were strong enough to catch their attention-that I am of the deliberate opinion that there is now an organized and a syndicated effort to bring about war between the United States and Mexico, organized with lobbyists here, organized and syndicated through the newspapers with money behind it, and not all of it Mexican money, and that they must, in their patriotism and good sense and wisdom, hold themselves in check all they can. I do not believe there is a Senator here who has been noticing recent editorials in many metropolitan newspapers who will not agree with me that they have a sameness of tenor, a sameness of purpose, and a sameness of statement that show a syndicated, moneyed effort behind them. It is time, I think, that we should pause.

I merely want to add this sentence: So far as I am con-cerned, I do not feel even brave to myself—and a man very easily does that-when I am talking about war with poor little Mexico, disrupted, torn to pieces, disemboweled, weak anyway. I might feel a certain degree of inspiration, of sham courage, if I were talking about war with some nation that could stand

upon its own two feet for a little while.

Mr. SHIVELY. Mr. President-The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from Indiana?

Mr. KENYON. I yield to the Senator from Indiana. Mr. SHIVELY. Mr. President, I came into the Senate just as the senior Senator from Michigan [Mr. SMITH] was making his statement relating to certain work that had been done by a subcommittee of the Committee on Foreign Relations. It so happens that I was a member of that subcommittee. It is only justice to the other members of the subcommittee to say that it was impossible for me to participate in the work that was done by that subcommittee. The burden of that work fell upon the senior Senator from Michigan and the senior Senator from New Mexico [Mr. FALL].

The question of the report by the subcommittee was only adverted to while I was present in the Chamber, but I was glad to be reassured that before any report by that subcommittee should be made that report would be submitted to the full Committee on Foreign Relations of the Senate. I did not apprehend that the Senator from Michigan would assume to make the report before taking into his confidence the entire Committee on Foreign Relations; and I am glad to be assured by him that whatever report is to be submitted, whatever recommendations are to be made by those who investigated the subject, will be first submitted to the Committee on Foreign Relations, to be there considered by that committee, utterly regardless of any question of partisanship.

Mr. KENYON. Mr. President, if there is no one else who desires me to yield, I will submit a few observations. however, glad that I yielded to the Senator from South Dakota [Mr. Crawford]. He has expressed the sentiments I know, of a large number of Senators on this side of the Chamber. The President of the United States, the distinguished Secretary of State, and the level-headed and distinguished chairman of the Foreign Relations Committee of the Senate [Mr. Bacon] are doing their best in a troublesome situation, and we ought to hold up their hands, and not in any way irritate the situation

with relation to Mexico.

I know, Mr. President, it is customary in submitting remarks here on the tariff question to state that the speaker hesitates to take up "the valuable time of the Senate." I had that feeling in my mind for the first two weeks of the discussion, but I have gotten entirely over it now. We have spent hours on the discussion of dextrine, wool grease, peanut oil, oxalic acid, and Even in the last two days we have entered upon the trial, practically, of a Senator in this Chamber; and I have been suspicious now and then that there might be an organized effort among a few of our Democratic friends to delay this bill by talking and filibustering, much to the sorrow of many of us on this side of the Chamber, who want to get through with it. So I am not going to enter any apology for taking up "the valuable time of the Senate" in this discussion. I have come to the conclusion that it is not so very valuable after all, but I would have been glad to have waived any argument in the discussion had it not been for what seemed to me a waste of time; and as we are apparently settled down here now for the summer and fall on this bill, I am going to be so bold as to take a little time in advancing some arguments in favor of some propositions contained in amendments I have introduced.

Mr. President, I know that a number of Senators on this side of the Chamber would be glad to vote for some bill that would reduce or eliminate some of the extravagant and unnecessary duties of the Payne-Aldrich law. I regret that a bill has not been drawn that would more nearly conform with their views, although, of course, we could not expect or ask it.

I am not one of those, Mr. President, who join in the clamor and cry that this bill when enacted into law will produce devastation and panic; nothing will so assist in bringing on panic as to continually predict it. I am aware of the fact that there are those in this country who are so blinded by partisanship that they will be actually disappointed if panic does not follow the enactment of this measure; if factories do not close; if times are not hard; if men are not out of employment; if children are not hungry; but I believe it a patriotic duty to decry all such clamor. The country is prepared for the passage of this bill; the people know it will pass in practically its present form. Their one anxiety is to get through with discussion and let the bill pass as soon as possible. The waters of the industrial sea should be calmed instead of being lashed into any further fury.

There is a distinct line of cleavage in this country between the advocates of a protective tariff and the advocates of free trade. Our country must be in the last analysis either protection in principle or free trade. This bill seems to be framed on no tariff-for-revenue principle; it draws no inspiration from the philosophy of the Walker revenue tariff; some one seems to have taken the Payne-Aldrich bill and simply reduced duties here and there, removed certain articles from the protected list and placed them on the free list. It is not a tariff-for-revenue measure, it is not a free-trade measure, it is constructed on no economic theory, it is a protection-in-spots measure, and "selected spots" at that. Many of the reductions are good, and could the bill be taken up schedule by schedule many Members on this side would be glad to support a large part of the bill, including, of course, the income-tax feature.

It is a protective measure to a certain extent. If protection is a robbery, as our Democratic friends have so often asserted in their platform and preached from the rostrum, a robbery of the many for the benefit of the few, then protection is wrong.

If protection is a robbery of the many for the benefit of the few, why not get rid of the robbery and go to a free-trade basis? If a national system of protection is right as a system, then why not proceed with a permanent tariff board and take the question entirely out of politics? Along these two lines must come the essential difference in the future of the two great political parties. The Democratic Party has hardly dared declare for free trade, but the time will come in this country when some party will so do, and then the two prin-

ciples will be squarely fought out.

Mr. President, while believing in the principle of protection as a national policy, I am not a high-tariff Republican, and never have been. The people of my State are not, but the general system of a tariff so levied as to equalize conditions in this country for the producers has nothing to fear from the firesides of the West. The farmer of the West has believed that a general system of protection by tariff duties which would protect the American working man against the low-waged laborer of foreign countries was a wise and thrifty policy, a policy that would preserve a home market for the home producer. He has believed that if competition existed behind tariff walls the tariff would not increase to the consumer by the extent of the tariff the cost of the article; he has realized that where he was selling his products abroad and was an exporter that the tariff was of little direct benefit to him, and its benefit came in the general welfare that it might bring to the people, an incidental benefit to him; that the duties given to him on his products practically amounted to nothing as long as we were a Nation exporting agricultural products, but he now sees great areas open in Canada and the Argentine and finds that the American consumption is increasing so that he may cease to be an exporter in a short while, and that articles such as he produces will be imported, and when the tariff therefore becomes of some direct practical benefit to him it is taken away. It occurs to him as he sits around his fireside that this is not a fair proposition, and that it does not savor of the square deal. He has been taught that to sell his products in a free-trade market and buy in a protected market is a species of discrimination.

But, Mr. President, I never, up to the last few years, have heard it preached to the farmers of this country that the tariff on wheat, the tariff on corn, and the tariff on oats directly increased the price of those articles. I have heard from boyhood, and have believed, that the farmer was benefited by a protective tariff only incidentally, by the promotion of the general welfare, by the planting of the factory by the side of the farm, by furnishing more mouths to fill, and by giving better wages; but, Mr. President, I fear those who advocate a high tariff on the products of the farm and preach to the farmer that that is a direct benefit to him are sowing a whirlwind, because, if the day ever comes in this country that the tariff on wheat or corn or oats directly increases the price to the consumer by the extent of the tariff, and thus imposes a tax upon breadstuffs in this country, such a tariff can never stand before the en-lightened judgment and the conscience of the American people. The farmer has been content to accept the protective-tariff theory as one making for great general welfare, in which he has been a participant, and he is more prosperous to-day than

ever before in his history.

Mr. BRISTOW. Mr. President—

The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from Kansas?

Mr. KENYON. Yes.
Mr. BRISTOW. Let me inquire if the Senator thinks it is any worse or more indefensible to put a tariff on foodstuffs than it is to put a tariff on clothing?

Mr. KENYON. Well, it is about the same thing. I will talk

about that later.

Mr. President, in 1908 the Republican Party went into the campaign pledged to a revision of the tariff, and that revision was understood to be a downward revision. No one is candid who claims otherwise. Protection, while being a great national system, and believed in by a majority of people in this country, had been abused by those who desired to plunder the American people. It was not the principle of protection that the people were at war with, but it was the abuse therof. Its abuse had developed lobbyists, trading statesmen, conglomerations of favorseeking selfishness, and the people were restless under it. Tariff bills had been so drawn that it was difficult to understand their meaning; there grew up a feeling that protection in some way bore a close relationship to campaign contributions; there was dissatisfaction and suspicion over Members of Congress serving on campaign committees soliciting funds from protected industries. The abuse of the system seemed to have atrophied the power of many men in public life for moral thinking and assisted in commercializing our legislation.

The Republican Party, therefore, in 1908, pledged itself to a revision of the tariff. Up to that time, however, it had never been inserted in the Republican platform that the tariff should be such as to afford a reasonable profit to manufacturers. appeared for the first time in the platform of 1908. With American genius, American capital, American brains, labor conditions being equal, we could compete with the world. The protectivetariff system was not a system to help some and injure others. It never could have stood the test of the years if such was its mission; it never was based on the proposition of insuring profits to anyone.

The justification for a protective tariff was and is that it is a great national system making for general welfare. If it ceases to do that, its existence can not be justified. It had made for general welfare, but it had become possible for those who cared more for special welfare than general welfare to crack the party whip, to wave the flag, to talk about American wages for American workingmen, to talk about the best-paid labor in the world, which was true, and the splendid conditions under which labor worked, which was only in part true. And so, rallying the party and winning victories, they had gone on increasing tariff duties

until the people rebelled.

We heard much and do hear much of the standard of American wages; no one wants to lower them. The protective tariff has given better wages and higher standards of life, but it is idle to contend that the American workingmen have received or are receiving their proportion of the great prosperity that has come to this country under laws, the very excuse for their exist-

ence being that they benefit the man who toils.

If one picks up the report of the Pittsburgh Survey or the report of the Commissioner of Labor investigating conditions in the steel industry, he will see that there has been a good deal of buncombe about the talk of labor conditions in this country. Men were compelled in those steel industries to work long hours at the white-heated furnaces with little chance to see their families, enjoy the blue sky or the green grass. It is easy for men living in luxury to talk about the high prices paid labor; wages of labor have not increased in proportion to the price of necessities, and wages have been increased not through generosity but because of the organizations of labor demanding it. Labor conditions have driven mere children to work in factories and shops; have required women, who ought to be attending to their families, to go into the factories and the sweat-shops and try to earn something to keep their families going.

In 1909 the leaders of the Republican Party had come to realize these things and yet, after the pledge in the platform for a revision of the tariff, they presented to the country the Payne-Aldrich bill, which was an instance at least of party forgetfulness. Four years ago a little band of Senators in this Chamber blazed the way for fair tariff reduction; they asked only for a fulfillment of the Republican platform. The old leaders of the party would not consent, with the result that they became absolutely lost in a wilderness of a popular condemnation. Opportunity knocked at the door of the Republican Party, modestly asked that party pledges be kept; it was denied admission, and passed on. Had President Taft denounced the Payne-Aldrich bill as a failure of the party to live up to its pledges and vetoed it, Mr. Wilson would not, in my humble judgment, have been President to-day, but Mr. Taft would have been triumphantly reelected.

The Payne-Aldrich bill has been referred to by a distinguished Senator as the Gettysburg of the Republican Party. I think it comes much nearer being the Waterloo of the Repub-

lican Party.

People in this country are not particularly interested in party welfare; they are deeply interested in public welfare, and any party that does not keep its promises can not longer hold men to its ranks by imploring them by the old slogan of In the election of 1910 the country repudiated the Payne-Aldrich bill. It was the issue in that campaign. Broken party platforms were on trial; the verdict was easily understood except by those "who having eyes see not and ears hear not." In the last presidential campaign the Republican Party and the Progressive Party agreed on one thing-the protection principle. I hope they may soon agree on other measures.

The President of the United States believes in his party keeping its pledges. I do not join in the clamor against him for alleged attempts to influence legislation. I do not believe he attempts to influence legislation improperly. He has the right, elected on a platform making certain pledges, to urge Members of Congress to carry out those pledges. He has no right to try and coerce by the use of patronage. Any President who would do that should be impeached. But the present President of the United States has too high a conception of public duty, is too honorable a man to use patronage to accomplish his pur-

The President is one of those conscientious men who believe that party platforms should be kept; he believes his party has been commissioned to revise the tariff downward.

I doubt not the country wants a revision of the tariff downard. They have grown tired of deception with reference to tariff revision; tired of having schedules written by those who have a direct pecuniary interest therein; and they have likewise grown tired and weary of tariff debates. Whatever may be the result of the passage of this bill—and let us hope in a spirit of patriotism that it may result in great good to the country—no one in the future can rise and say that President Wilson did not have the courage of his convictions, even though it was a little embarrassing to our friends from Louisiana who have been voting the Democratic ticket for so many years and whose present predicament finds great sympathy on this side of the Chamber, but, like the philosophy of Hancock, our friends have been, I fear, rather of the opinion that the tariff was a

I find myself in an embarrassing position as to this bill. have advocated for many years revision of the tariff downward; am anxious to vote for many schedules of this bill; am especially anxious to vote for the income-tax feature. I do not want to cast a vote that might in any way be an approval of the Payne-Aldrich Act. That act placed duties too high. I the Payne-Aldrich Act. That act pla fear in some instances this is too low.

My predecessor gave days and nights of ceaseless toil in the fight against that measure. His work shortened his life, and he was as much a martyr to the people's cause as any soldier who ever died on the battle field. He gave his life fighting a battle to reduce the burdens of the toiling millions in this country who are compelled to wear clothes, and while his fight was of no avail in Congress it awakened the conscience of the people and made it impossible ever again for trickery and deception to fool the American people on any tariff bill, and, although he is gone, he has left a great work, a work that makes for better citizenship, better legislation, better politics, and keeps open a little wider the door of opportunity for the children of to-morrow. No voice rang out more in exposing the shams and

hypocricies of the Payne-Aldrich bill than did his.

Believing in him as I did in life, and believing in him now that he has crossed over the river, I would be false to myself, false to him, and false to my constituency if I was not willing to do something to reduce the tariff rates of the Payne-Aldrich bill. That I am ready and anxious to do. If some changes were made in the Simmons-Underwood bill I should not hesitate to cast my vote for it. If we could get rid of caucus domination, those who believe in tariff revision on this side and those who likewise believe in it on that side could undoubtedly frame a bill that would be satisfactory to the country. course, Mr. President, it is impossible to have an ideal bill or one that suits everybody, and I realize that the majority have tried to frame a measure in line with their belief as near as

I have offered two amendments to this bill, one to place trust and monopoly controlled products upon the free list; the other to place aluminum on the free list. I introduce the amendment as to aluminum because it is a sample of a monopoly-controlled product.

I think I will not stop at this time to read the amendment, Mr. President.

I want to urge my Democratic friends to adopt these amendments. Their platform at Baltimore declared in favor of such

You said in 1908:

We favor immediate revision of the tariff with reduction of import duties. Articles entering into competition with trust-controlled products should be placed upon the free list.

In 1912 you said:

Articles entering into competition with trust-controlled products and articles of American manufacture which are sold abroad more cheaply than at home should be put upon the free list.

The Republican platform in 1912 said:

The Republican Party is opposed to special privilege and to monopoly. So in adopting this amendment you would be merely carry-

ing out your party pledges.

Many years ago in my State the Republican Party adopted a somewhat similar plank, its import being that where the tariff in any case was a shelter to monopoly it should be removed. This was the somewhat famous Iowa idea, and like Iowa ideas in general, it is sound. I am glad that the Democrats followed

theory can not consistently advocate such a doctrine. judgment Alexander Hamilton's theory of a protective tariff was right. A protective tariff covering the difference in cost of production at home and abroad would produce prosperity if behind that tariff wall combinations were not formed to control prices. Protection for the producer and competition for the consumer. A far greater trouble in this country than high tariff has been the enormous growth of trusts and combinations.

I know when anyone says anything about trusts or combinations he must expect to be termed a demagogue, and so we are derided, and pass it by, and they go on and flourish. But if my Democratic friends, by adopting an amendment to this bill in accordance with their platform at Baltimore, could assist in the work of destroying the trusts in this country, they would accomplish greater good than merely to reduce the tariff.

Mr. President, the question of controlling the great combinations of wealth far overshadows any other question in this country. It has demanded the attention of all political parties. The figures of the distinguished Senator from Idaho as to the control of the wealth of the country, submitted in a speech a few days ago on the subject, were startling. One of the leaders of the new Progressive Party, who had made a fortune in trust organizations, elucidated during the campaign the philosophy that he wanted this country to be a better place for his children to live. I have always thought that rather a selfish view, and the broad view would be to have this country a better place for everybody's children to live, and I could have had more enthusiasm for the cause he advocated and his trust policies if he had not been instrumental in the organization of two of the greatest trusts that the world has ever seen. Reformation is splendid, but it is more entitled to respect if the reformer returns the stolen goods.

Mr. President, if this Government can not control the trusts in this country, if it must confess itself impotent on this proposition, then we may as well concede that the trusts are powerful enough to destroy this Government. The Sherman Act has been helpful. The Supreme Court of the United States in the Naval Stores case, recently decided, has upheld the criminal sections of that act, and I hope that some trust magnates may eventually land in jail. It has always been my theory that the criminal sections of the Sherman Act if enforced, and jail sentences imposed instead of fines, would restrain trusts in this country.

That proposition was so splendidly put by a distinguished Senator from Texas, who has left this body, that I am going to make bold to use his language.

Senator Bailey some years ago, in discussing this question,

Mr. President, I will tender my good offices to this administration. I will show that I am more of a patriot than a partisan, and God knows I am as much of a partisan as any good citizen ought to be. Yet I am willing to see the Republicans do right, and I am even willing to help them do right.

I will tell them how they can make obedience to the laws of the United States certain. The plan is simply to send one of the malefactors of great wealth to the penitentiary. That will do it. Send one of them there for violating either the interstate-commerce law or the antitrust act, and he will be the last one of his kind to violate it. You can not restrain them by levying a fine, because when the courf fines a trust the trust fines the people. They pay the sheriff with one hand and they take a double sum out of the pockets of the people with the other hand. As long as their punishment can be measured in delars and cents they will continue to violate your laws, because men will take the chance of a pecuniary loss, in the hope of a greater pecuniary gain. But send one of them to the penitentiary and it will operate like magic. The millionaire trust magnate values but one thing in this world more than he does his fortune, and that is his liberty. He does not seem to love justice. He does not seem to love that repose of mind for which other men toil. He seems bent, after having many millions, upon acquiring many millions more.

Now, my Democratic friends-

Mr. NELSON. Will the Senator allow me?

The PRESIDING OFFICER (Mr. OVERMAN in the chair). Does the Senator from Iowa yield to the Senator from Minnesota?

Mr. KENYON. Certainly.

Mr. NELSON. I do not want to interrupt the Senator against his will, but I wish to call his attention to the fact that it has been the reluctance of the juries to convict.

Mr. KENYON. I am painfully aware of it.

Mr. NELSON. The Senator is no doubt familiar with the Packers' Trust prosecution in Chicago. The law has been on the statute book all the time. Yet there has been no conviction and sentence of these men. The trouble has been with our juries. this Iowa idea in their platform and wish that they might follow it in their bill. It is in no spirit of criticism or with any desire to embarrass anyone that I offer this amendment. I offer it because I firmly believe in the principle, and see no reason why a Republican who believes in a protective-tariff heart and the right spirit into American jurymen in such cases?

Mr. KENYON. Of course the best method is education. I am painfully aware of what the Senator said, because we have

Mr. BORAH. Mr. President—
The PRESIDING OFFICER. Does the Senator from Iowa

yield to the Senator from Idaho?

Mr. KENYON. If it is on the same line with the question of the Senator from Minnesota. If it is not, I wish to answer

the question before yielding.

Mr. BORAH. I will not interrupt the Senator until he has answered the Senator from Minnesota, and then I wish to dis-

cuss the same subject a little.

Mr. KENYON. I discovered where great business enterprises had been built up in a community and it was thought that the prosperity of the community was to some extent created by those great enterprises, and that influence reached all through the employees and the citizens, you could not secure a jury that in some way was not subjected to that influence. But I believe you can secure juries in most cases outside of the great cities. It is not an easy task to try and convict men who have built up a great enterprise, as the packers had done in Chicago, of violating the law when it was thought at least a jail sentence would follow; but time and time again there have been convictions, and the courts instead of sending to jail have imposed fines. A fine is merely transferred to the back of the consumer, but a jail sentence can not be transferred to anyone else's back. Because the jurors may not convict in every case same argument would apply to a murder trial and all kinds of criminal cases.

I yield to the Senator from Idaho.

Mr. BORAH. It seems to me that there is another pertinent suggestion in connection with the failure of juries to convict which we have overlooked.

In the first place, the Sherman antitrust law provides the remedy of injunction against the formation of these combina-tions. The juries have been called upon frequently to convict some 10 or 15 years after the Government has connived at the existence of these combines. There was a combination formed some 8 or 10 years ago, and before it was formed it was advertised throughout the papers that it was going to be formed, and upon what basis it was going to be formed, and the amount of the capital stock. It was discussed and understood that it was to be one of the most powerful combinations that could be brought into the industrial field.

The Government of the United States could have restrained the formation of that combination. The law provided for it. But the Government not only failed to restrain it, but by failing

to restrain it connived at its formation.

Now, if a jury is called upon some 8 or 10 years thereafter to convict men and send men to jail for that which they have done with the practical connivance and consent of the Government, it is no wonder that a spirit of equity to some extent pre-

vails and they refuse to act.

Now, there is another proposition, if the Senator will pardon me, and that is that the law itself is almost impossible of exe cution before a jury. To my mind it is just as impracticable to try a man for the crime of restraint of trade as it would be to try a man who had committed murder for having retarded the development of the human race. If the law was simplified, and it was specifically stated that such and such an act should be a violation of the law-for instance, the lowering of the price of an article in a particular community in order to destroy its competitor, the making of an agreement to limit output, division of territory—that these separate acts should of them-selves be offenses, the court and the jury could get hold of the matter and juries would not hesitate to act. But now weeks and weeks are taken to try a question which involves law, evidence, economics, speculation, and so forth, and thus a matter is pre-sented so involved and intricate that it often results in a miscarriage of justice.

I think such a law would be absolutely im-Mr. KENYON. possible. It would be well if human wisdom could devise such law. But I do not believe that it is so difficult to enforce the Sherman Act as the Senator says. As everyone knows who has had any experience with it, it is just as easy to define terms under the act as it is, for instance, in a question of negligence in a lawsuit. Of course there are difficulties in it, but it is

not impossible of execution.

Mr. COLT. Mr. President The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Rhode Island?

Mr. KENYON. I do. Mr. COLT. Mr. President, I am inclined to think that in Mr. COLT. Mr. President, I am inclined to think that in the enforcement of the Sherman law on its criminal side one not quite succeed. The farmers did not quite get him in that

difficulty arises in the rules of evidence and in the constitutional safeguards which are thrown around the individual with respect to his conviction of a crime.

I hardly agree with the position of the Senator from Minnesota [Mr. Nelson] that it is the fault of the jury. It seems to me that the trouble lies in applying the strict rules of the common law in criminal cases and the constitutional safeguards to a question of industrial combination under the Sherman Act. In other words, it would seem as if the rules of the common law must be somewhat modified in order to secure convictions by the jury under the instructions which must now be given by the court.

The difficulty, it seems to me, is not so much with the jury as in the application of the present rules of procedure to an industrial question of this character. I merely suggest this to the Senator and ask him if he does not consider this to be one of the difficulties. I am not combating his argument at all.

Mr. KENYON. Does not the Senator believe that the diffi-

culty is that the courts have dealt with this as a business statute—an economic statute—and dislike to send men to jail for violating such a statute?

Mr. COLT. Possibly.

Mr. KENYON. However, I did not want to go into a dis-

cussion of that question.

Mr. COLT. I am inclined to think, so far as the courts are concerned, after a very long experience, that it is their endeavor to enforce the law, whether it sends a poor man or a rich man to jail; that they know no distinction, but that they do enforce the law and the rules of procedure as they exist. Of course, the temperaments of judges differ. Liberal-minded judges would seek, so far as appears to be justifiable, to conform the law to public opinion, but there may be other judges who take a more technical view. However, I do not think that the men who are convicted are not sent to jail because the judge himself has any leaning in support of the proposition that a man convicted under the Sherman Act should not be sent to jail.

Mr. KENYON. Of course, I did not want the Senator to understand me as criticizing the courts at all. I entertain the The courts can same high respect for the courts that he has. have nothing to do with it until the man is convicted. I have had some complaints with the courts for not sending men to jail when they were convicted instead of fining them. In the whole history of the Sherman Act, which has been 21 years on our statute books, to my knowledge, up to the Cash Register case, where a number of men were sentenced to jail, there was but one case where distinguished gentlemen were sentenced to jail, and that case was reversed by the Supreme Court not over two or three months ago. So we never have had the experiment of these men, who seem to think the earth and all the fruits thereof belong to them, reflecting over this matter in jail.

I am not ready to give up the Sherman Act-I know that many people are-until we put it to that final test. Then if it will not do the work it is time to try some other plan.

Now, I know, Mr. President, that a great many—
Mr. SHERMAN. Mr. President—
The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Illinois?

Mr. KENYON. Certainly.

Mr. SHERMAN. The inquiry I wish to make is entirely friendly to the line of thought that the Senator from Iowa is pursuing. The statement already made that jurors are loath to convict under the Sherman Antitrust Act is true. It does not follow that any just ground of criticism of jurors or the jury system exists. A verdict rendered in a prosecution under the antitrust law in the jurisdiction from which I come, where I know the personnel of the jurors—

Mr. KENYON. What case was that? Mr. SHERMAN. It was in the Packers' case; not the original immunity case, but, I believe, another one. There was on that jury a number of farmers. There was on it a farmer with jury a number of farmers. whom I had been associated, off and on, for, I will say, 18 years, an actual farmer. If he had any prejudices it must have been against the defendant. There were out of the 12 jurors 7 farmers, and none of them lived by the sweat of the hired man's brow. Their hands were just as hard as those of the average farmer who sustains himself, in large part, by his own toil, Still there was very little difficulty in arriving at a verdict of acquittal. I am stating this as a certificate to the integrity and fitness of juries. This is only in justification.

Mr. KENYON. And let me add, one, I to

And let me add, one, I think, had been a

Progressive candidate for Congress.

year. This is only in order to round out the thought presented here that ultimately will be found to come up at a long session.

The question raised by the Senator from Rhode Island [Mr. COLT] on the rules of procedure embraces two things. One is the admission of testimony. That is very material on a verdict. The jury is sworn to try the case on the evidence. The admission of the testimony is governed by the rules of which the The court does not arbitrarily make those Senator speaks. rules; he administers those rules as he finds them. Again, the instruction from the court, in a Federal court especially, and in many State jurisdictions, obliges the jurors to take the law from the court.

In these industrial controversies there are sometimes in some of the larger industrial combinations, such as the Packers, the Steel Trust, and similar ones, having offices both in the East and in the Middle West, grave questions, and it is extremely hazy as to whether the Sherman anti-trust law on the acts complained of has been violated at all.

Again, the question is whether it is such a violation as to constitute a crime. This leads me to make the inquiry—
Mr. KENYON. I do not want to try the Packers' case over

again; I spent three months upon it.

Mr. SHERMAN. No; this leads me to make the inquiry, in view of the statement made, whether in the solution of this question and the reluctance of a jury to convict under present conditions we must not reach the point where we must decide on what has come up any number of times in these prosecutions and in the formation of these industrial combinations.

First, whether in the formation there ought to be some authority to approve the incorporation articles before the concern is launched upon the industrial life of this country. That constitutes one feature of remedial legislation. One fragment of the Republican Party inclines to the opinion that there ought to be some form of a commission or some head of a department or some reliable authority to pass upon and validate the articles of incorporation before the corporation is given a Federal license.

Mr. KENYON. Does the Senator speak by authority as to this constituting a fragment of the Republican Party?

Mr. SHERMAN. No; only the Progressive platform of 1912.

speak by the authority of that platform only. Mr. KENYON. Then the Senator is speaking without authority.

Mr. SHERMAN. The only authority I have is from the returns of the last election. It seems to me like there was little of anything but fragments of our party to speak of, to the best of my information. I was in it.

Mr. KENYON. So was I.
Mr. SHERMAN. If the Senator will pardon me, the other method is whether we will not take outright the platform of the Democratic Party as adopted at Baltimore a year ago this summer. It laid down the principle of a code that shall definitely and specifically define what is lawful and what is unlawful in the formation of these industrial combinations. That is what we reach here. It is what has been reached in State legislation, and in any attempt to modify or amend the Sher-man antitrust law we will reach it in this Chamber. The question arises whether it shall be a commission, with authority to license or approve and with powers to suspend and dispense with statutes, to grant absolution for industrial sins, or whether we go to the opposite view and frame a code which will define specifically what can be done lawfully and what can not be Then when there is a specific code, anybody who comes along, lawyer, client, and other authority passing upon this question, will have brought squarely before them the lawfulness or unlawfulness of the act on the part of these industrial com-binations or whether they shall be launched upon the business life of the country. You will find in this instance it is a statute which will be your guide. Every man who practices law where these things have come up knows that many, many times the hardest thing in the world is to advise a business combination whether they can properly invest their money in it without the danger of being prosecuted under the antitrust law or possibly be charged with an offense that will land them in jail.

Mr. NELSON. Mr. President-

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Minnesota?

Mr. NELSON. I shall not trespass on the Senator— Mr. KENYON. I hardly know who started this subject. I should like to go on with my speech.

The PRESIDING OFFICER. Does the Senator from Iowa decline to yield further?

Mr. KENYON. I do.

The PRESIDING OFFICER. The Senator from Iowa has

Mr. SHERMAN. Mr. President—
The PRESIDING OFFICER. The Senator from Iowa declines to yield further.

Mr. SHERMAN. I want to complete the inquiry—
The PRESIDING OFFICER. The Senator from Iowa refuses to vield.

Mr. SHERMAN. I do not want to take any time.
Mr. KENYON. How long will it take to complete the inhiry? I will yield to the Senator only to finish.

The PRESIDING OFFICER. The Senator from Iowa yields, and the Senator from Illinois will proceed.

Mr. SHERMAN. In rounding out the explanation of this principle, some light might be properly given by the Senator on this subject, whether we take a code or a commission. I am asking for information.

Mr. KENYON. I will just make this answer to the Senator from Illinois: Many good and wise men have come to the conclusion that the Sherman Act is a failure. I am not a wise man, but I try to be a fairly good man. I am not willing to accept that theory. If the time comes when it is a failure and we are not going to accomplish anything under the Sherman Act, I am ready to join in the movement for a commission of some kind to pass upon the question of incorporation and probably on the question of capitalization. It must be one or the other. But let us not give up the Sherman Act until it has been fully tried out. Let us rather equip the Department of Justice with trained lawyers and pay them large salaries and let them go ahead and enforce the criminal features of that act. You can not do it under the present equipment of the Department of Justice.

Now, Mr. President, I want to get back to where I was. know there are a great many wise people who feel that the tariff and the trusts have nothing to do with each other, that they ought to be separate subjects, and that you can not undertake in a tariff bill to do anything in relation to the trusts. Other very wise people believe otherwise.

I quote from a very distinguished lawyer, who was President of the United States, Mr. Taft, who at Missouri Valley, in my State, said relating to this question:

It should not be so high as to furnish a temptation to the formation of monopolies to appropriate the undue profit of excessive rates.

In his speech of acceptance he said:

The excess over that difference serves no useful purpose-

That is, the difference in the cost of production at home and abroad-

but offers a temptation to those who have monopolized the production and sale of such articles in this country to profit by the excessive rates.

It seems to me that excessive tariff rates may help monopoly. I can not understand why my Democratic friends are not willing in this bill, if it can be done, to assist in a new method

of helping to destroy the trusts in this country.

Where the Nation has granted protection, and when the industry so protected violates the law of the Nation, that protection should be taken away from it. That is all this amendment seeks to do, and it only does that when a court has decreed that the article is the subject of monopoly. Out of abundance of caution it does not go as far as your platform. If this may strike down the protective-tariff system, it certainly will not hurt your feelings. You do not believe in having the country, the wealth thereof, and its industries dominated and controlled by great trusts and combinations. Why will you not support this amendment? Do you not mean what you said in your platform about it, that articles entering into competition with trust-controlled products should be put upon the free list? Have you no independence? Are you the slaves of King Caucus? Is your party in caucus greater than you party in convention assembled? implore you not to set aside the action of your convention and submit to the dictation of a caucus. How far is this caucus proposition to go?

Is the currency bill to be a matter of caucus? Is the Mexican situation to be a matter of caucus? Is every question that comes up here to be a matter of caucus? I am glad that we can not have binding caucuses on this side of the Chamber. refuse to abide by party caucuses on this side. Everything should be open. Let the sunlight of publicity in. Committee meetings, except where foreign relations are involved, should be open to the public; caucuses likewise should be open to the public. Do not, my Democratic friends, I beseech you, because of caucus slavery, repudiate this important plank in the Baltimore platform. It will be suggested that Republicans have nothing to do with this platform, that you are suspicious of such assistance from Republican sources; but I have waited in vain for some Democrat to take up the cudgel for this plank. As no one has come forward, I venture in a modest and humble way to offer my assistance with this amendment, because I believe it to be in the interest of those seeking industrial freedom in this

Mr. SUTHERLAND. Mr. President, I promise not to trespass on the Senator's time

Mr. KENYON. I have been accustomed to it. I am perfectly willing.

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Utah?

Mr. SUTHERLAND. The Senator has yielded.

I understood the Senator from Iowa in the beginning to justify, and I think, perhaps, going further than that, to commend the President of the United States in his effort to direct the

present Congress, or, at any rate, the Democratic——
Mr. KENYON. No; I did not. I ask the Senator to-place it as I stated it, if he desires to comment on it.

Mr. SUTHERLAND. I was simply stating, preliminary to the question-

Mr. KENYON. I should like to have the preliminary correct,

Mr. SUTHERLAND. The Senator justified the President in his effort to induce the Democratic membership of the two Houses to put through a tariff bill, because, as the Senator said, that would be carrying out the platform pledge of the Democratic Party, and the Senator seemed to think it was the duty of the President to see that that platform pledge was carried out as far as he was able to do it.

Mr. KENYON. I said I thought he should not be criticized

for attempting to carry it through in a proper way, by argu-

Mr. SUTHERLAND. By advising the members

Mr. KENYON. Not by the use of patronage.
Mr. SUTHERLAND. I quite understood that, but by advising in a legitimate way the members of his party in Congress.

Now, the Senator has called attention to this particular plank in the Democratic platform with reference to the trust question. It is a part of the party platform, and does not the Senator think that it was the duty of the Democratic President to have advised his party with reference to that as well as these other things?

Mr. KENYON. I wish he had done so. I think certainly it would do no harm. Of course I am not in the confidence of the

President, and I do not know what he would prefer.

Mr. SUTHERLAND. Does the Senator think that may explain the failure of the Democratic Members of the two Houses to put that proposition into the bill; that is, that the President had not so advised them to do it and therefore they left it out?

Mr. KENYON. I am not going to try to explain anything

that the Democratic Congress may have done.

If this amendment were adopted, doubtless many articles would go on the free list. I want to take one glaring example of a monopoly-controlled product as an illustration—a great corporation that has come up from a small investment of money to where they have declared enormous dividends and represent millions of capital, have secured power from Niagara Falis, and now seeking further power on the St. Lawrence River, and willing to invest \$40,000,000 to secure it; a monopoly so bold that it has not only absorbed practically all the business in this country in its line, but through a subsidiary company in Canada has entered into contracts with European companies actually providing that this article shall not be sold to the United States Government by these foreign concerns; a company that has built up a monopoly so powerful that it is engaged in business treason against the Government under which it lives and under which it enjoys protective-tariff duties. I refer to aluminum and the products thereof, which are now protected by tariff duties.

I do not want to spend much time in argument, as I am not in favor of delay in the passage of this bill. Even those who are opposed to the bill, knowing that it will pass, are anxious that it be immediately passed. The country is squared away for the bill and will try it out, and it must stand or fall by the test of operation. If the bill is a good one, the country is entitled to it at once; if bad, the sooner found out the better. If the bill is a success, if it reduces the high cost of living and still maintains high wages for the laborer and good prices for the farmer, the Democratic Party can look forward to a long lease of power; if it does not do these things, however, it will be some sixteen or so odd years before they will come into power again. I am glad the bill is not a compromise measure. It should embody the views of those who sincerely believe in a principle, and I assume it does, although it is difficult to discover the principle.

Indeed, in my judgment, Mr. President, the country is not particularly alarmed concerning this tariff bill. Nothing but failure of crops can bring hard times in the present condition of our affairs. The people are more interested in the question of banking and currency and in questions of industrial and social justice than they are in tariff legislation.

ALUMINUM.

I now want briefly to take up the question of aluminum.

In 1889 Charles M. Hall was granted a patent on a process for the manufacture or reduction of aluminum by the aid of

an electric current.

In 1892 Charles Bradley, who had made application prior to Hall, was granted a similar patent, and about the same time a French inventor named Herroult began to apply substantially the same electrical process in the manufacture and reduction of aluminum.

In 1888 the Pittsburgh Reduction Co., afterwards the Aluminum Co. of America, was incorporated. They became the owners of the Hall patent process and had some litigation with reference to the Bradley patents, securing rights under both these patents. The capital stock of the Pittsburgh Reduction Co. originally was \$20,000. This stock was increased in 1889 to \$1,000,000. There is some question as to just how much of this was cash.

I ask to be permitted to insert in my remarks, without taking the time to read it, certain portions of the testimony taken be-fore the Ways and Means Committee of the House.

The PRESIDING OFFICER. Without objection, permission

to do so is granted.

The matter referred to is as follows:

The matter referred to is as follows:

Mr. Palmer. How long did the capital continue at \$1,000,000?

Mr. Davis. For a number of years, when we increased the capital to \$1,000,000 by issuing \$600,000 of preferred stock for \$600,000 in cash. The capital then remained at \$1,600,000 for another period of years, when we issued \$2,200,000 more of common stock, making the total of common-stock capitalization \$2,200,000, and of this \$2,200,000 \$1,200,000 was for cash and \$1,000,000 was a stock dividend.

Mr. Palmer. \$1,200,000 was cash?

Mr. Davis. Yes, sir: and \$1,000,000 was a stock dividend. And then at the expiration of our patents—our patents expired in 1909, or at the end, I think, of 1908—we capitalized the carnings which we had always left in the company, because we paid little or no dividends during all those years; we declared a stock dividend and authorized the issuance of \$20,000,000 worth of stock, but only \$18,750,000 is issued.

Mr. Davis. Yes, sir.

Mr. KENYON. Mr. Davis admits that no amount equal to \$2,000,000 in cash was ever invested from outside sources in the aluminum company.
Mr. OLIVER. Mr. President-

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Pennsylvania?

Mr. KENYON. I think I will.

Mr. OLIVER. I merely want to correct—
Mr. KENYON. I should like to ask the Senator first, however, before I yield, if he is interested in any way in the Alu-

minum Co. of America?

Mr. OLIVER. Mr. President, I regard that question as

being rather impertinent in this place.

Mr. KENYON. I will withdraw it.

Mr. OLIVER. But I will cheerfully answer it. I am not and never have been in the slightest degree interested in that company

Mr. KENYON. Did the Senator not appear before the House committee with reference to power sites on the St. Lawrence River in behalf of the Aluminum Co. of America?

Mr. OLIVER. I did, Mr. President—
Mr. KENYON. The Senator was there directly representing this company in the hearings before the House committee?

Mr. OLIVER. I was there representing the owners of this company, who are constituents of mine, and endeavoring, so far as I could, to accommodate them; but I am not and never have been directly or indirectly interested in any degree whatever in this business or in anything connected with it.

Mr. STONE. I should like to ask-

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Missouri?

Mr. STONE. I should like to ask the Senator from Iowa-

Mr. OLIVER. I was just going to ask—
The PRESIDING OFFICER. To whom does the Senator from Iowa yield?

Mr. KENYON. I yield first to the Senator from Pennsylvania [Mr. OLIVER], and then I will be glad to yield to the Senator from Missouri [Mr. STONE].

Mr. OLIVER. Mr. President, the Senator said, or, at least, I so understood him, that at no time was any sum approximating \$2,000,000 in cash paid in. I think he will find from the testimony that Mr. Davis said that there was something over \$2,000,000 in cash paid in.

Mr. KENYON. I set out the testimony; but I will not stop to read it. My recollection of the testimony is that it was exactly opposite, and that \$2,000,000 had not been paid in. Mr. OLIVER. I think the Senator will find, upon examina-

tion of the testimony, that he is wrong.

Mr. KENYON. If I am, I will be glad to be corrected. I

now yield to the Senator from Missouri.

Mr. STONE. I merely wanted to remark that the Senator from Iowa, in the beginning of his speech, said something about delay, and, among other things, that a Senator had been put on trial here the other day. I was just wondering if the Senator from Iowa was endeavoring to put some Senator on trial.

Mr. KENYON. If I am, I will not take as much time as the

Senator from Missouri took in his trial.

Mr. STONE. Then, it is a mere question of time. Mr. KENYON. I will not occupy in all I have to say anything like the time the Senator from Missouri has occupied on

In 1903 the Aluminum Co. of America took over the Pittsburgh Co. Its present capitalization is \$30,000,000, so that from the investment of less than \$2,000,000 the Aluminum Co. in 24 years has made approximately \$28,000,000. It developed the industry until 1911, in which year it produced about 30,000,000 pounds, which was substantially the entire production in the United States.

PROFITS.

This monopoly has made enormous profits. In 1908 this company declared a stock dividend of 100 per cent. In 1909, three months after the passage of the Payne-Aldrich Act, it declared a dividend of 500 per cent on a capitalization then of \$3,200,000, while at that time their profit and loss account was \$6,500,000.

Mr. Davis, the head of this company, had testified before the

Ways and Means Committee of the House in hearings on the Payne-Aldrich bill that the tariff of 8 cents on aluminum ingot and 13 cents on sheets, bars, and rods was absolutely necessary if their company was to continue to produce aluminum in this country, to give employment to American workmen, and to provide reasonable profit on the capital invested; and yet within three months after the passage of that act they declared a dividend amounting to \$16,000,000. Commenting on this fact, the

The Aluminum Co. of America, whose headquarters are at Pittsburgh, has declared a stock dividend of 500 per cent. It recently gave notice that it would increase its capital from \$3,200,000 to \$25,000,000. The company is now paying the equivalent of 24 per cent on its common stock per annum. No recent quotations have been made on the stock. It sold some months ago as high as \$350 per share and in 1907 at \$500 per share.

The New York Times of November 19, 1909, in commenting on the fact that the Aluminum Co. of America had a stock dividend of 500 per cent, properly termed it "Melons to the Mellons.

The Payne-Aldrich Act reduced the duty on aluminum ingots from 8 to 7 cents per pound and reduced the duty on sheets, bars, and rods from 13 to 11 cents per pound. Taking the figures for the total production of aluminum in the United States from the United States Geological Survey and subtracting the figures of imports furnished by the Department of Commerce and Labor, we find that the total production of the Aluminum Co. of America from the year 1891, when their production was 150,000 pounds, to June 30, 1909, was about 160,000,000 pounds. Their lowest duty since the Dingley bill was 7 cents per pound. The highest protection under the Dingley bill was 8 cents per pound. This dividend of 500 per cent, therefore, in 1909 amounts to 10 cents per pound on every pound of metal they had ever produced, or more than the entire duty for this period.

In Mr. Davis's testimony (House committee, p. 1495) he shows the Aluminum Co. from 1891 to 1909 had earned from twenty to twenty-four million dollars on 80,000 tons of aluminum. That would give them a net profit per ton of from \$250 to \$300 on every ton of aluminum made. The protection on ingots during this time was about 8 cents per pound, or \$160 per ton. So they were making in profits the entire protection and an ad-

dition of approximately \$90 to \$140 per ton.

Again, Mr. Davis states in his testimony that the price of the Aluminum Co. of America during 1912 on ingots was 21 cents. The average price in Europe was 15½ cents. If the Aluminum Co. made 101 cents per pound selling at 21 cents, according to Mr. Davis's own testimony they would have made 5 cents per pound if duty had been removed. In other words, a profit of 5 cents per pound on a cost of 11 cents per pound, or at least 40 per cent on the cost price.

An institution of this character can not well be claimed to be an infant. It has grown to be a very lusty infant, swallowing and digesting practically all other concerns in this country endeavoring to engage in business, and like Oliver Twist continually asking for more. It was before the Sixty-first Congress asking for power sites on the St. Lawrence River and calculating to spend \$40,000,000 therefor.

I ask to be permitted, Mr. President, to insert from the hearings of the House committee certain parts of page 690. I do not wish to stop to read it.

The PRESIDING OFFICER. In the absence of objection, permission is granted.

The matter referred to is as follows:

Mr. Littlefield. What do you take as your aggregate investment?
Mr. Davis. We are calculating \$40,000,000 ought to see us through.
Mr. Littlefield. Covering everything?
Mr. Davis. Covering everything. That is applied to the power house as well, excluding any aluminum plants or transmission lines or any means of utilization.
Mr. Littlefield. Does that include damages you may have to pay for ringrian rights?

riparian rights?

Mr. Davis. We do not expect to have to pay any damages for riparian rights, because we own all of the property which would be affected

rian rights, because we own an of the property by this enterprise.

Mr. LITTLEFFELD. That is, the expectation of the promoters is that they are in a position where no riparian proprietor will be in a position to recover damages in case the development is made?

Mr. Davis. That is our expectation.

Mr. KENYON. On January 14, 1913, Mr. Davis, speaking for the Aluminum Co. of America, stated to the Ways and Means Committee of the House that their present capitalization was \$30,000,000, and he admitted that the company was earning annually from 15 to 18 per cent on its capital, or from \$4,500,000 to \$5,400,000 per annum, and he was asked this question by Mr. Palmer:

So when you earn 15 per cent on your \$30,000,000 you are earning from 180 to 225 per cent on the actual money which was invested in your plant?

Mr. Davis. Yes, sir.

This company has held the American price of aluminum without reference to cost at a point just a little above or a little below the European prices plus the duty, which is verified from a table taken from the American Metal Market of New York

I ask permission to insert that table as part of my remarks. The PRESIDING OFFICER. Without objection permission to do so is granted.

The table referred to is as follows:

. Year.	Average price in Europe per pound.	Plus duty.	Average price in United States per pound.
1908. 1909. 1910. 1911. 1912.	Cents. 18, 89 14, 56 15, 65 12, 95 15, 25	Cents. 8 7 7 7 7	Cents. 26, 89 to 30, 50 21, 56 to 23, 00 22, 65 to 22, 25 19, 95 to 20, 34 22, 25 to 21, 00

GOVERNMENT'S CASE.

Mr. KENYON. Mr. President, so powerful had become this great monopoly, and so iniquitous were the contracts it was entering into, both at home and abroad, that the Government commenced suit under the Sherman Antitrust Act in the District Court of the United States for the Western District of Pennsylvania, charging it with violating the Sherman Antitrust Act as a combination in restraint of trade and as a monopoly. It was charged in the Government petition that it controlled not only the raw product but the manufactured product likewise; that it controlled:

First. Raw material. Second. Cooking utensils. Third. Castings. Fourth. Aluminum goods and novelties.

The aluminum company own and control, as charged by the Government, more than 90 per cent of all the known deposits of bauxite in the United States and Canada. This is denied by Mr. Davis in his testimony, but he admits that they control 90 per cent of the bauxite beds in this country which are being commercially used; and that it is true to some extent that the revson the other bauxite beds are not being used commercially because there is nobody to sell it to except the Aluminum Co. of America

I.

In 1905 or thereabouts the Aluminum Co. of America acquired the General Chemical Co. In 1911 they acquired the aluminum bauxite properties of the Republic Mining & Manufacturing Co. from or through the Norton Co. The only remaining independent producer of bauxite in appreciable quantities is the National Bauxite Co., but its output has been used entirely in the manufacture of alum and chemicals with the General Chemical Co., the Norton Co., and the Pennsylvania Salt Manufacturing Co. The only other possible competitors they have are under

agreements and contracts, which I will refer to later.

It is quite apparent that the aluminum company has a monopoly as to bauxite. The refiners of bauxite into alumina, suitable for making metal aluminum, are the Aluminum Ore Co., the Pennsylvania Salt Manufacturing Co., and the Merrimac Chemical Co. The Aluminum Ore Co.'s capital stock is owned by the Aluminum Co. of America. The amount of alumina produced by the Merrimac Co. is negligible. These companies are all tied up with contracts, so that the aluminum company practically control it.

ALUMINUM COOKING UTENSILS.

This industry has grown very much. The Government in its petition states:

The history of the aluminum cooking utensil business in the United States is a history of shipwrecks caused chiefly by the arbitrary, discriminatory, and unfair dealings of the Aluminum Co. of America.

The United States Aluminum Co., the Aluminum Cooking Utensils Co., and the Northern Aluminum Co. own and control approximately 78 per cent of the stamped and spun aluminum cooking-utensil business of the United States and Canada.

The United States Aluminum Co. practically owns and controls the stock and entirely controls trade and commerce in aluminum cooking utensils.

ALUMINUM CASTINGS.

Prior to 1909 there were a number of independent manufacturers of aluminum castings throughout the United States. Patents were about to expire. In May, 1909, there was a combination of the plants engaged in the manufacture of aluminum There was one at Cleveland, one at Detroit, and one at Buffalo. These plants combined with the United States Aluminum Co., of New Kensington, Pa., and the Syracuse Aluminum & Bronze Co., of Syracuse, and the Eclipse Foundry Co., of Detroit, Mich. These were all combined by stock exchanges into the Aluminum Castings Co., a corporation organized under law of the State of Ohio, of which the Aluminum Co. of America owns 1,625 out of the 4,000 shares. This ownership, together with the fact that said company is the only profitable source of supply of aluminum ingots in the United States, enables them to control the policy of said Aluminum Castings

IV.

ALUMINUM GOODS AND NOVELTIES.

This is another branch of the industry. Several large plants of the United States have been united under the corporate name of the Aluminum Goods Manufacturing Co. of New Jersey.

Mr. MARTINE of New Jersey. Mr. President— The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from New Jersey?

Mr. KENYON. I always yield to the Senator from New

Mr. MARTINE of New Jersey. I am quite free to confess that the little Commonwealth of New Jersey has been the festering place, the spawning pool, of a thousand iniquities, of which I am heartily ashamed.

Mr. KENYON. During the long residence of the Senator in New Jersey, in his State, I am surprised they could have ex-

isted.

Mr. MARTINE of New Jersey. We Democrats have done our best to allay the iniquity and in a measure we have succeeded, but we are hoping, nevertheless, for better results than we have thus far obtained.

Mr. KENYON. Then I sincerely hope the Senator will sup-

port my amendment regardless of the caucus.

The Aluminum Co. of America own 37 per cent of the capital stock, which, together with the fact that it is the sole available source of supply, places them in control of its policy; and in said suit it is charged that on account of its interest in said company they furnished crude and semifinished aluminum to said Aluminum Goods Manufacturing Co. at preferential

price quoted in the table heretofore introduced of 21 cents on American produced aluminum was the price at which the great part of the output of the Aluminum Co. of America was sold by them to their subsidiary companies, in which they owned a large portion of the stock and whom they favor by preferential rates and deliveries in the sale of the raw product, making competition by the independent consumers in the open market practically impossible. I will, if I may be permitted to do so, insert as part of my remarks a copy of one of their contracts, which is a fair sample of the harassing methods employed by this arrogant monopoly toward those who were compelled to deal with them.

The PRESIDING OFFICER. In the absence of objection,

permission is granted.

The matter referred to is as follows:

COPY OF CONTRACT.

Mr. KENYON. I also ask permission to insert four letters filed with the Ways and Means Committee of the House from various jobbers, showing the method of treatment accorded them by this monopoly

The PRESIDING OFFICER. Without objection, permission

is granted. The letters referred to are as follows:

CINCINNATI, OHIO, January 13, 1913.

The letters referred to are as ioliows:

Cincinnati, Ohio, January 13, 1913.

Hon. Oscar W. Underwood,
Chairman Ways and Mears Committee, Washington, D. C.

Dear Sir: As merchant jobbers handling manufactured aluminum products, would say that during the last six months we have lost valuable contracts and orders in large quantities, due to the fact that we are advised by the manufacturers that they are unable to secure a sufficient amount of aluminum ingots. This we believe due to restricted productions by the United States Aluminum Co. and their failure to fill orders placed with them. We as well as the manufacturer find it impossible to secure elsewhere the aluminum ligots, and in a great number of cases other articles have been substituted and aluminum dispensed with, in some cases resulting in permanent diversion of business from us.

Promises of delivery are made indefinite, and we have not only lost valuable orders but are daily threatened with cancellation of such orders as we now hold. The consumers of aluminum products to-day are suffering through nondelivery, and if there is anything, in our opinion, on which the tariff should be removed it is aluminum ingot. It is our opinion, based on the best information we can secure, that aluminum can be manufactured in this country nearly as cheap as abroad, and this applies on sheet aluminum, rods, molding, and aluminum tubing. We think on these there should not be more than 3 cents per pound duty inflicted upon the consumer, provided the rods, molding, sheets not thinner than one-sixteenth inch to one-eighth, and tubing are not smaller in diameter than 2 inches.

We trust therefore your honorable committee can devise means whereby aluminum products may be delivered more satisfactorily to the consumers.

Yours, truly,

consumers.
Yours, truly,

E. K. MORRIS & Co.

RACINE, WIS., November 25, 1912.

CHAIRMAN WAYS AND MEANS COMMITTEE, Washington, D. C.

MY DEAR SIR:

to said Aluminum Goods Manufacturing Co. at preferential rates, thereby enabling the said company to underbid its competitors.

In all these respects the Aluminum Co. is a monopoly. It would be difficult to find a more many-sided one. The independent users of the country have been at their mercy. In letters filed before the Ways and Means Committee it was apparent that the independent users were unable to get deliveries at any price from the Aluminum Co. of America in 1912. The

can produce material and sell it abroad cheaper than what it can be sold at in this country it clearly shows that they are reaping the benefit of the duty on all stock imported. It is not a question of wage earners, but one in which the profits are put on a more equitable basis. This matter would not have arisen had the aluminum company been able to take care of the users of aluminum in this country; but they are not in a position and can not take care of their customers, apprising them all to import their stock.

Our claims, as far as the exporting of this stock is concerned, can be substantiated by referring to the trials of the tariff commission, and if these are not available the information can be secured through Mr. Arthur Seligman, 165 Broadway, New York City, who has a complete copy of all shipments of aluminum made abroad during the past year.

We consider this matter serious owing to the fact that we are importing approximately 20 tons in the coming three months—December, January, and February; and by being able to have this duty of 11 cents removed it would make a tremendous large saving for us as well as the balance of aluminum users in this country, and at the same time put the thing upon a fair basis for all concerned.

We believe in protection where it can be shown that protection is of some benefit to all concerned, and not to any one individual, as it is in this instance.

We appreciate that you have a good many matters come before you; also that a good many of these matters are hard to take up, but we ask that as a favor some action be taken if it is possible. Do not hesitate to ask for any further information that you need.

Yours, very truly,

RACINE MANUFACTURING Co.,
By HAROLD SMITH, Secretary.

RACINE MANUFACTURING Co., By HAROLD SMITH, Secretary.

TOLEDO, OHIO, January 14, 1913.

Hon. OSCAR W. UNDERWOOD, Chairman Ways and Means Committee, Washington, D. C.

Hon. OSCAR W. Underwood,
Chairman Ways and Means Committee, Washington, D. C.

Dear Sir: We understand that at an early date the Ways and Means Committee is going to take up the question of tariff on aluminum. This country, on account of the increased use of aluminum on automobile bodies, is now using an enormous amount of aluminum, and the supply at the present time is very much below the demand.

We ourselves are using a great deal of the material and are having a great deal of trouble to get shipments made quicker than six or eight months. We have been compelled, in order to keep our business going, to purchase several quantities of this material outside of the United States, and the present tariff is exceptionally high and makes the delivery price of such material very large.

We believe that, owing to the increased demand on account of automobile bodies, that this tariff should be lowered a good deal and that it should be placed at not over 3 cents a pound.

We further believe that this country can produce aluminum as cheap as other countries, because it was not very long ago that the United States exported a great deal of aluminum, and this aluminum was sold at lower prices than it was sold in this country.

When we mentioned above that we believed that duty should not be over 3 cents a pound we referred to the semimannfactured article, such as sheet aluminum, rods, moldings, etc.

We also believe that the tariff should be made on a pound basis rather than ad valorem; then the manufacturers of this country would know what duty to figure on.

Yours, very respectfully,

The Milburn Wagon Co.,
H. W. Suydam, President.

THE MILBURN WAGON CO., H. W. SUYDAM, President.

BLUFFTON, OHIO, January 21, 1918.

Hon. J. H. GOEKE, Washington, D. C.

Dear Sir: You are undoubtedly aware of the fact that the rates of duty provided in the present tariff are an injustice to the American consumer. The production in this country has not by any means been sufficient to enable buyers to secure all they needed, and they have been compelled to buy a very large portion of their requirements in the European markets; that is, from importers. We attach copies of two letters from the Aluminum Co. of America verifying this statement.

of two letters from the Aluminum Co. of America verifying this statement.

It is also a well-known fact that aluminum can be produced as cheaply over here as it can abroad, and only a few years ago very considerable quantities of aluminum were exported to Europe and sold by the American producer at prices ruling on the other side, which, of course, were much lower than the prices pald over here; that is, the duty deducted from the American prices usually shows the prices obtainable in Europe. Statistics show that for the year ending June, 1912, there were exported in aluminum from this country an aggregate amounting to \$1,144,353. It is only reasonable to say that should the duty be revised it would lead to a very large extension of the aluminum Industry in America and would absolutely benefit the manufacturers as well as the country in general.

Ingot aluminum, rods, moldings, etc., being only semimanufactured, should pay no more than 1 cent per pound duty.

We feel sure that some relief must come to the American manufacturer using aluminum. The present situation compels us to order from four to eight months in advance, and it is next to impossible for the average manufacturer to anticipate requirements so far in advance. Reduction in the tariff will be a relief, and we strongly urge that you use your influence in furthering this needed reduction when the metals schedule is brought before the committee for consideration.

Yours, very truly,

The Diller Manufacturing Co.,

THE DILLER MANUFACTURING CO., P. DILLER, President.

Mr. KENYON. The decree secured by the Government in the suit against them under the Sherman Act recites (p. 14):

This decree having been agreed to and entered upon the assumption that the defendant, Aluminum Co. of America, has a substantial monopoly of the production and sale of aluminum in the United States, etc.

This was a consent decree agreed to by the Aluminum Co., in which they agreed that they have a substantial monopoly of the production and sale of aluminum in the United States, and the court so finds.

Why should this monopoly have any further protection for their product? But they say, "We are a good trust, not one of the wicked trusts." Mr. Davis, president of the company, wrote Senator Kavanaugh, of Arkansas, February 16, 1913, a letter,

which Senator Kavanaugh placed in the hearings before the House committee. I ask permission to insert that letter in the RECORD.

The PRESIDING OFFICER. Without objection, permission is granted.

The letter referred to is as follows:

Washington, D. C., February 6, 1913.

Washington, D. C., February 6, 1918.

United States Senate, Washington, D. C.

Dear Senator Kavanaugh: The Aluminum Co. of America finds one of its principal sources of raw material in Arkansas, which is our reason for venturing to interest you in our behalf, for any blow to the aluminum industry will be correspondingly reflected by depression in value and activity in the bauxite fields of Arkansas.

We have presented a brief to the Ways and Means Committee, and inclose you a copy of it. The fact that we are the only manufacturers of aluminum has, however, brought upon us the undeserved charge of monopolistic practices. We have therefore filed a "supplemental statement."

of aluminum has, however, brought upon us the undeserved charge of monopolistic practices. We have therefore filed a "supplemental statement" bearing directly upon this point, and inclose you a copy of that statement.

Our patents, which were the foundation of the aluminum industry, did not expire until the beginning of 1909, and for two or three years the effects of the panic were such that few enterprises were started. In 1911 or 1912, however, the only company that ever tried to start in the aluminum business, so far as we know, raised \$10,000,000, and have their plant nearly finished in North Carolina. We have never tried to stop anybody from going into the aluminum business, and we have never combined with or bought out any other aluminum manufacturers. We certainly ought not to be called a monopoly in the offensive use of the term. We do not hesitate to say that we have been a good monopoly, both with respect to our treatment of our customers and workmen and with respect to the development of the aluminum industry. We certainly have not used our position to the detriment of either our customers or workmen or would-be competitors.

Along with the charge of monopoly and the insinuation that our policy has been "monopolistic" the fact that our investment has grown is urged against us. The fact is, however, that our earnings have been only reasonable and normal on the investment, but we have pursued the rather unusual policy of not paying out our profits to any extent, but have kept them in the business. Few people stop to think how fast reasonable profit, yet 20 per cent per annum reinvested in the business.

For instance, 20 per cent in a manufacturing business is not an unreasonable profit, yet 20 per cent per annum reinvested in the business.

For instance, 20 per cent in a manufacturing business is not an unreasonable profit, yet 20 per cent per annum reinvested in the business.

We will certainly very much appreciate any assistance which you can give us to getting a fair and reasonable amount of protect

ALUMINUM CO. OF AMERICA, ARTHUR V. DAVIS, Jr., President.

Mr. KENYON. It will be observed that Mr. Davis says in his letter, "We do not hesitate to say that we have been a good monopoly." It is interesting to note what a "good" monopoly they have been. In the hearings of the House committee, page 1501, is the following interesting dialogue:

Mr. Palmer. Then your only contract is between your Canadian company and the European companies?

Mr. Davis. Yes, sir.
Mr. Palmer. Which prevents the European companies from importing into Canada—is that the contract?

Mr. Davis. No, sir; that is not the nature of the contract.
Mr. Palmer. What is it?
Mr. Davis. Well, the companies agree to subject themselves to certain rules of a committee, both with respect to price and quantity of output, etc.
Mr. Palmer. This agreement prevents competition between your Canadian plant and the foreign manufacturers?
Mr. Davis. Yes, sir.
Mr. Palmer. Is it successful in preventing that competition?
Mr. Davis. Yes, sir.
Mr. Davis. Yes, sir.

Mr. OLIVER. Mr. President-

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Pennsylvania?

Mr. KENYON. I do. Mr. OLIVER. The Senator understands that that has reference to the sales in other countries and does not affect sales in the United States in any way whatever.

Mr. KENYON. I am coming to that in just a moment. The Senator is anticipating me a little.

Also note the further dialogue:

Mr. PALMER, Then your Canadian company has a contract with all the aluminum manufacturers?

Mr. DAVIS. Yes, sir.

Mr. PALMER. Which contract regulates the prices?

Mr. DAVIS. Yes, sir.

Mr. PALMER. What is the price in Canada to-day?

Mr. PALMER. What is the price in Canada to-day?

Mr. PALMER. Yes. Is it the same as it is here?

Mr. DAVIS. Yes. The same as it is in England or Italy. Just now it is abnormally high. It has averaged about 12 or 14 cents until just within the last two or three months.

Mr. SHIVELY. Mr. President, will the Senator right there yield for just a moment?

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Indiana?

Mr. KENYON. Certainly.

Mr. SHIVELY. Was it not in this same examination of Mr. Davis that the following testimony was given?

Mr. PALMER. What companies are connected with your Canadian company in a contract? Where do they operate?

Mr. Davis.—

Of course, this Mr. Davis was president of the Aluminum Co. of America

There is a company in Italy, a Swiss company, with plants in Switzerland, Germany, and Austria; two companies, I think, in Norway; some five or six companies in France; two companies in England; and another company in Switzerland, independent of the one first spoken of, I think that is all.

Mr. Palmer. That comprises about all the aluminum manufacturers on the Continent?

Mr. Davis. Yes, sir; all aluminum manufacturers on the Continent.

Mr. KENYON. I thank the Senator. I quote further from the testimony of Mr. Davis before the House committee:

Mr. Palmer. Is there real competition abroad between these various companies which you have mentioned?

Mr. Davis. There has been.

Mr. Palmer. Is there now?

Mr. Davis. Not now; no, sir.

Mr. Palmer. Why not?

Mr. Davis. On account of this contract that I speak of.

Mr. Palmer. Well, I mean in the foreign markets; is there real competition?

Mr. Palmer. Well, I mean in the foreign markets; is there real competition?

Mr. Davis. This contract covers the foreign market.

Mr. Palmer. As well as the Canadian market?

Mr. Davis. Yes, sir.

Mr. Palmer. And the only other territory, then, so far as you are concerned, is the United States?

Mr. Davis. Yes, sir; as far as we are concerned.

Mr. Palmer. Did you make an effort at the time to have the United States included within that agreement?

Mr. Davis. No. sir.

Mr. Palmer. Why not?

Mr. Davis. It was against the Sherman law.

Mr. RAINEY then questioned him concerning French bauxite. I will not take the time to read it, but will ask to have that included in the Record as a part of my remarks.

The PRESIDING OFFICER. Without objection, permission

is granted.

The matter referred to is as follows:

Mr. RAINEY. You do not anticipate that French bauxite can penetrate very far into this country, do you?

Mr. Davis. French bauxite at the present time goes in large quantities to Pittsburgh. That is the farthest that I know it goes.

Mr. RAINEY. And that is as far as you expect it to go on account of freight rates?

Mr. Davis. Yes, sir.

Mr. RAINEY. These foreign countries do not control the bauxite deposits in France and in the other countries where bauxite is found, do they? de they?

Mr. Davis, No, sir.

Mr. Rainey, I understand the situation to be that you own the

Mr. RAINEY. I understand the situation to be that you own the Canadian company.

Mr. Davis. Yes, sir.

Mr. RAINEY. And the Canadian company controls the foreign companies?

Mr. Davis. No, sir; the Canadian company controls no companies.

Mr. RAINEY. Well, it has an agreement with all of the other foreign

Mr. RAINEY. Well, it has an agreement with all of the other foreign companies?

Mr. DAVIS. Yes, sir.

Mr. RAINEY. And your company in Canada has a perfect agreement with all the foreign companies?

Mr. DAVIS. Yes, sir.

Mr. RAINEY. Of course you do not expect your Canadian company to furnish much competition, do you?

Mr. DAVIS. In this country?

Mr. RAINEY. Yes.

Mr. DAVIS. No, sir; naturally not.

Mr. KENYON. Also, from page 1507 I quote the following: Mr. Hill. Does your Canadian company, which you own, agree with the European companies as to the price at which the metal shall be

the European companies as to the price at which the metal shall be sold in Europe only?

Mr. Davis. In Europe only. In Europe and Canada.

Mr. Hill. Then it does not affect any other country in the world?

Mr. Davis. No, sir.

Mr. Hill. The European companies can sell in any other country except Canada, and at any price they please?

Mr. Davis. No, sir; you misunderstood me. The agreement covers all of the world except the United States.

Mr. Rainey. And the only reason why it does not cover the United States is because we have a law here which prevents it?

Mr. Davis. I must admit perhaps that is a fair way of putting it.

So we find this "good" trust controlling the market, controlling the prices, not only in this country but practically throughout the world. And again as a sample of their "goodness" are the contracts entered into by them, one, to which I now refer, being so infamous as to constitute business treason. The Aluminum Co. of America, controlling the Northern Aluminum Co. of Canada, which is owned by them, entered into a contract in September, 1908, with the Swiss Co. of Europe, which is the largest of European companies engaged in the aluminum industry and which is designated in their agreement as A. J. A. G. Parts of this contract are as follows: 2. The N. A. Co .-

That is, the Canadian company-

agree not to knowingly sell aluminum directly or indirectly in the European market.

The A. J. A. G. agree not to knowingly sell aluminum directly or indirectly in the American market—defined as North and South America with the exception of the United States, but including West Indies, Hawailan and Philippine Islands.

4. The total deliveries to be made by the two companies shall be divided as follows:

European market, 75 per cent to A. J. A. G., 25 per cent to N. A. Co. American market, 25 per cent to A. J. A. G., 75 per cent to N. A. Co. Common market, 50 per cent to A. J. A. G., 50 per cent to N. A. Co. The Government sales to Switzerland, Germany, and Austria-Hungary are understood to be reserved to the A. J. A. G.

The sales in the United States of America are understood to be reserved to the Aluminum Co. of America.

Accordingly the A. J. A. G. will not knowingly sell aluminum directly or indirectly to the United States of America and the Northern Aluminum Co. will not knowingly sell directly or indirectly to the Swiss, German, and Austro-Hungarian Governments.

5. The Northern Aluminum Co. engages that the Aluminum Co. of America will respect the prohibitions hereby laid upon the Northern Aluminum Co.

Aluminum Co.

In this agreement it will be noted that the foreign company, under an agreement with the subsidiary of the American company, absolutely refuses to sell aluminum directly or indirectly to the United States Government. And this agreement by a company asking for a protective tariff. The Navy and War Departments use large quantities of aluminum. I was so astounded by the language of this contract that I took up with the War and Navy Departments the question of the use of aluminum since June 30, 1912, and I beg that I may have the privilege of putting in, as part of my remarks, the letters received from these departments showing such and the companies from whom the same was purchased.

The letters referred to are as follows:

ALUMINUM, PURCHASE OF, FOR NAVAL SERVICE.

NAVY DEPARTMENT, BUREAU OF SUPPLIES AND ACCOU SUPPLIES AND ACCOUNTS, Washington, D. C., May 28, 1913.

Hon. WILLIAM S. KENYON,

United States Senate, Washington, D. C.

SIR: 1. In reply to telephone request from your office, the bureau's records show the following purchases of aluminum, after newspaper advertisement, since January 1, 1910:

Sched- ule.	Date.	Quan- tity.	Unit price.	Contractor.
2036	Jan. 4,1910 Jan. 25,1910 Aug. 2,1910 Aug. 9,1910 Nov. 8,1910 May 31,1911 Dec. 5,1911 Jan. 16,1912 May 7,1912 May 14,11912 July 2,1912	Pounds. 800 1,500 2,000 3,000 3,000 5,000 16,000 20,000 6,000 1,600 25,000	\$0, 215 .2175 .2299 .219 .2175 .2015 .1820 .185 .194 .1890 .2160	Great Western Smelting & Refining Co. Nassau Smelting & Refining Works. Berry & Aikens. Nassau Smelting & Refining Works. General Metals Selling Co. Pope Metals Co. Aluminum Co. of America. Pope Metals Co. Aluminum Co. of America. Do. Do.

2. The above list includes the larger items of this material which have been purchased during the period named, but there may have been certain small purchases made through the various Navy pay offices, in addition to the above quantities, which can not be readily referred to.

3. The bureau understands that the principal use of this material is as an alloy in combination with other metals when it is desired to produce a metal combining strength with lightness of weight, etc., and for similar purposes.

Respectfully,

Paumaster General United States Navy

Paymaster General, United States Navy. WAR DEPARTMENT.

OFFICE OF THE CHIEF OF ORDNANCE, Washington, May 28, 1913.

Hon, William S. Kenyon,
United States Scnate, Washington, D. C.

Dear Senator: In reply to telephonic inquiry from your secretary, I desire to state that the following tabulation shows the principal purchases of aluminum made by the Ordnance Department of the Army since June 30, 1912:

Date.		Quantity purchased.	Price per pound.	From whom purchased.	Used for.	
July	1, 1912	3,000 pounds (ingots)	Cents. 22	Aluminum Co. of Amer- ica.	Castings at Rock Island Arsenal.	
July	1,1912	18,000 sheets, 0.04 by 7 by 33½ inches, 0.88 pound per sheet, grade 3 S 2. 26,000 sheets, 0.04 by 31 by 9½ inches, 1.08 pounds per sheet, grade 3 S 2.	31	United States Aluminum Codo	Meat cans, cups, etc., manufac- tured at Rock Island Arsenal. Do.	
July	16, 1912	300 pounds rivets 250 pounds rivets 446 sheets, 0.075 by 30 by 48 inches, 10.1 pounds per sheet.	35 43 31		Do. Do. Miscellaneous man- ufactures at the Frankford Arse- nal.	
Apr.	8, 1913	7,000 sheets, 0.05 by 9 by 40 inches, 1.7 pounds per sheet, grade 2 S 0.	41	do	Canteens manufac- tured at the Rock Island Arsenal.	

Since January 1, 1912, 93,915 aluminum canteens and cups have been purchased by this department from the Aluminum Goods Manufacturing Co., Manitowoc, Wis., at a price of \$1.02 per canteen and cup on a lot of 23,085 canteens and cups, and at a price of \$1.07 per canteen and cup for the remainder of the quantity purchased.

The canteen above referred to is of a new design, and there is little likelihood that so large a number will again be purchased during so short a time. A plant for the manufacture of these canteens has been installed at the Rock Island Arsenal, and it is intended to manufacture sufficient aluminum canteens and cups at that establishment to meet the needs of this department. the needs of this department, Very truly, yours,

R. BIRNIE,
Colonel, Ordnance Department, United States Army,
Acting Chief of Ordnance.

Mr. CLAPP. Mr. President—
The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Minnesota?

Mr. KENYON. I do.
Mr. CLAPP. I simply wish to make an inquiry, which is whether the contract to which the Senator has just referred is found in the hearings before the committee?

Mr. KENYON. It is in the hearings before the committee and is set forth in the Government's suit. I mean it is in the House hearings.

Mr. CLAPP. I mean the House hearings, of course.

Mr. KENYON. I think it is in the Senate hearings, too.
Mr. SHIVELY. I do not think the bill of the Government and the decree were repeated in the Senate hearings.

Mr. KENYON. They were in the House hearings.
Mr. SHIVELY. They were incorporated in the House hear-The record is complete so far as concerns the action of the Government against the Aluminum Co. of America.

Mr. CLAPP. I was inquiring about the contract, extracts from which the Senator has just read, with reference to selling in this country and other countries. I wish to know whether that is in the House hearings.

Mr. KENYON. It will be found in the House hearings, in

volume 2. I have it here.

It is interesting to note that the War Department purchased aluminum castings, meat cans, cups, canteens, and other miscellaneous aluminum articles which they could not purchase from the foreign company if they desired because of this contract. The Navy Department likewise purchase large quantities of aluminum, which is used for various purposes in the Navy. But there are two great departments of the Government precluded from purchasing abroad what may be necessary in times of war for the safety of the Government by virtue of the monopolistic restraints of trade and contracts entered into by this powerful monopoly. Does not that come pretty well within the Baltimore platform? Such a monopoly ought to be destroyed; it comes close to being treasonable; and why should any protection be longer accorded this product? Why not open the doors and let this gigantic monopoly take its chances with the world's importation?

Mr. McLEAN. Mr. President-

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Connecticut?

Mr. KENYON. I do.

Mr. McLEAN. I should like to know just what effect the re duction of the tariff would have upon a monopoly which, as stated by the Senator, controls the product throughout the

Mr. KENYON. It is world-wide. I had anticipated that question.

Mr. McLEAN. If this agreement stands, what effect will the reduction of the tariff have?

Mr. KENYON. Then there can certainly be no objection to reducing the duties, because the converse of the Senator's proposition is true, and they are here asking for this protective

Mr. McLEAN. Very true. Mr. KENYON. It may not affect it one particle if they have a world-wide monopoly; but it is a matter of principle.

Mr. LA FOLLETTE. And they must receive some benefit

from it or they would not ask it.

Mr. KENYON. They would not be here, appearing before the committee and filing their briefs, if it were not of some benefit, I assume.

Mr. McLEAN. Mr. President—
The PRESIDING OFFICER. Does the Senator from Iowa further yield to the Senator from Connecticut?

Mr. KENYON. I do. Mr. McLEAN. I hope the Senator from Iowa will pardon me if I quote to him the opinion of his illustrious predecessor, Mr. Dolliver, in this body.

Mr. KENYON. Anything Mr. Dolliver said is good, and I hope the Senator will always follow it.

Mr. McLEAN. The subject was brought up in 1909. In May of that year Senator Dolliver said-

Mr. KENYON. What is this-a campaign textbook?

This is taken from the Congressional Record. Mr. McLEAN.

Mr. KENYON. But is it a campaign textbook? Mr. McLEAN. No; it is entitled "Story of a tariff."

Mr. KENYON. Whom is it by? Mr. McLEAN. This is Senator Dolliver that I am quoting.

Mr. LA FOLLETTE. Who compiled it?

Mr. KENYON. "Story of a tariff," by Senator Dolliver? Mr. McLEAN. No; I am quoting from Senator Dolliver's address, delivered in this Chamber in May, 1909, upon this sub-

I spoke years ago in the Senate Chamber on the subject of the protective-tariff system and the speculative trusts. Very few listened to what I said, and I never have met anybody since who appeared to have had any familiarity with the literature which that speech created. And yet it is some satisfaction for me to know it laid down some broad principles and some sound principles, and among them this, that no trust can master this market place in the present state of American enterprise and the present abundance of American capital without first monopolizing the raw material with which business must be transacted. I have felt ever since that a wise thing for the Senate to do is not to put trust-made goods on the free list, a remedy which would fall equally upon the just and unjust, and instead of killing the trusts would be more likely to kill the struggling competitors and turn the entire domestic business over to the trust, or, if not, would at least sacrifice American labor, which must be entitled to our consideration, whatever may be the offenses of American capital against our policy and our laws.

The point to which I want to call the attention of the Senator is this: If there is an absolute monopoly, I understand the Senator agrees with me that a reduction of the tariff will not affect it. If there is less than a monopoly, you destroy competition in

this country.

Mr. KENYON. Regardless of that, does the Senator believe that where a concern has been decreed to be a monopoly, where such contracts have been entered into by a concern as the one I have called attention to, they are in any position to ask for

protective-tariff rates?

Mr. McLEAN. That is a question— Mr. KENYON. It is a moral question.

Mr. McLEAN. It is a question for the courts to decide, upon prosecution under the Sherman Act.

The courts have passed upon it. The only Mr. KENYON. objection I find to it is that it was not a criminal prosecution.

Mr. REED. Mr. President

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Missouri?

Mr. KENYON. Certainly.

Mr. REED. Did I not understand the Senator to say, early in his remarks on this branch of the subject, that aluminum was being sold in this country at the European price plus the tariff, or substantially that?

Mr. KENYON. I put in a table showing substantially that. Mr. REED. Then it is manifest that for some reason-and this is the answer to the question which has just been askedthis company, although a world-wide monopoly, is able to take advantage of the tariff in this country, and that if the tariff were taken off the American people would at least get the benefit of European prices.

Mr. McLEAN. That depends upon the agreements and the

Mr. KENYON. Unless, of course, the world-wide trust they might be engaged in elevated prices all over the world.

Mr. REED. Of course, they might elevate the prices in Europe, which would diminish their output and profits. that sort of condition, we need not speculate as to how it obtains, as long as it does exist.

Mr. KENYON. If it were not of some benefit, it is quite

certain that Congress after Congress—
Mr. CRAWFORD. Mr. President—
The PRESIDING OFFICER. Does the Senator from Iowa

yield to the Senator from South Dakota?

Mr. KENYON. Just a moment. I would like a chance to finish once. As I say, if it were not of some benefit, it is quite certain that Congress after Congress would not find these gentlemen present stating that they could not conduct their business without a protective-tariff duty.

Mr. CRAWFORD. I desire to know the present status of the suit brought by the Government. I have not followed the

litigation.

Mr. KENYON. The suit has gone to decree. been entered by the court enjoining this company from further enforcement or carrying out of these contracts.

Mr. BORAH. Mr. President—
The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Idaho?

Mr. KENYON. I do.

Mr. BORAH. I presume, then, if the suit has gone to decree, in view of the experience of the past, instead of having one trust we will have several, and their stocks will increase rapidly in value.

Mr. KENYON. Not yet.

Mr. BORAH. Has the decree been effective?

The decree goes to the annulment of these Mr. KENYON. contracts and enjoins them not to carry out these contracts.

Mr. BORAH. Has it worked out any result?
Mr. KENYON. I do not know whether it has or not.
Mr. OLIVER. Mr. President—

Mr. POMERENE. Mr. President-

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Pennsylvania or to the Senator from

Mr. KENYON. I yield to the Senator from Ohio.

Mr. POMERENE. I was going to ask when this decree was entered?

Mr. KENYON. I can only guess at that. I should say five or six months ago.

Mr. POMERENE. Has any criminal prosecution been begun against any of the parties to the agreement?
Mr. KENYON. There has not.

Mr. POMERENE. Does the Senator know of any reason why such prosecutions should not be begun?

Mr. KENYON. I do not. It is a very fertile field for criminal prosecution.

Mr. POMERENE. I entirely agree with the Senator.

Mr. OLIVER. Mr. President-

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Pennsylvania?

Mr. KENYON. I do. Mr. OLIVER. I think the Senator ought to add that the agreement to which he has just alluded was voluntarily abrogated years ago and was not in force when the suit was brought.

Mr. KENYON. I did not know that that was true. If that

is true, I ought to add it.

Mr. OLIVER. I can inform the Senator to that effect.

Mr. SHIVELY. Mr. President—

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Indiana?

Mr. KENYON. I do. Mr. SHIVELY. I think it will be found that some of the agreements that had been entered into had actually expired by limitation of their own terms before this suit was brought.

Mr. KENYON. I think that is true as to one or two of

Mr. SHIVELY. But, as a matter of fact, after the complaint was filed the defendant stopped with filing an answer, pre-ferring not to go into the litigation of the case on the facts and permitting a decree to be taken against itself.

Mr. KENYON. The defendant consented to the decree.
Mr. SHIVELY. Yes; rather than have an investigation and
exposure in the court of the real facts in the case.

Mr. KENYON. Which decree, the Senator remembers, recited that they were a substantial monopoly.

Mr. SHIVELY. Oh, certainly.

Mr. BORAH. Mr. President—

The PRESIDING OFFICER. Does the Senator from Iowa again yield to the Senator from Idaho?

Mr. KENYON. I do. Mr. BORAH. I should like to ask the Senator from Indiana, while he is on his feet, in view of his statement, upon what mr. SHIVELY. Does the Senator mean in the present act?

Mr. SHIVELY. D. Mr. BORAH. Yes.

Mr. SHIVELY. I will give it up, if the Senator please.
Mr. KENYON. The Senator from Idaho means in the proposed act, does he not?

Mr. SHIVELY. The Senator is inquiring about the act of 1909.

Mr. KENYON. No; I think he is talking about the present bill.

Mr. SHIVELY. Under the act of 1909 a duty of 7 cents per pound was fixed upon crude aluminum. A duty of 11 cents per pound was fixed upon the products of crude aluminum-sheets, plates, bars, and rods. Why any such duty should have been placed in the act of 1909 I am unable to state to the Senator from Idaho.

Mr. BORAH. Upon what theory is the duty placed upon it

in this bill?

Mr. KENYON. Why is it placed there now?
Mr. SHIVELY. Let me state that the Dingley Act placed a duty of 8 cents a pound upon crude aluminum. It placed a duty

of 13 cents a pound upon the plates, sheets, and rods. The act of 1909 placed a duty of 7 cents a pound on crude aluminum, a reduction of 1 cent a pound. The same act placed a duty of 11 cents a pound upon sheets, rods, and strips, or a reduction of 2 cents a pound. The House passed this bill reducing the duty to 25 per cent ad valorem, that applying both to the crude aluminum and to the fabrications of aluminum. That was a reduction of what, at the time these tables were made up, was a duty of about 58 per cent ad valorem to a duty of 25 per cent. It came to the Senate, and we have reduced the duty on crude aluminum from the present law, where it is 7 cents a pound, to 2 cents a pound, and from 11 cents to 3½ cents a pound on the plates, sheets, rods, and strips, leaving a low revenue duty upon the article.

Mr. BORAH. Mr. President-

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Idaho?

Mr. KENYON. I will let the Senator complete what he is about to say, and then I should like to be permitted to finish.

Mr. BORAH. I will not interrupt the Senator if he desires that I shall not do so.

Mr. KENYON. Go ahead; I am willing to yield to the Senator.

Mr. BORAH. Then, as I understand, this duty is placed

here as a revenue duty?

Mr. SHIVELY. Why, certainly.

Mr. BORAH. But it seems, from the argument of the Senator from Iowa, conceded by the distinguished Senator from Missouri, that notwithstanding that fact they sell in this country at a price with the duty added over that which is the price in Europe. So it must be that it is a duty which, while it is a

revenue producer, at the same time gives protection.

Mr. SHIVELY. If the Senator please, of course where there is competition there is not any question that as an incident of the revenue the domestic industry will get that much incidental advantage. That will attend any duty that is a revenue duty in its character where there is competition.

Mr. BORAH. I will not further detain the Senator from

Town.

Mr. KENYON. I should like to finish. Mr. REED. Mr. President, will the Senator from Iowa yield to me for a second?

Mr. KENYON. Yes.

Mr. REED. As showing how hard it is to agree upon matters of this kind, I call attention to the fact that the amendment offered by the Senator from Iowa [Mr. Cummins] gives these rates:

Aluminum, aluminum scrap, and alloys of any kind in which aluminum is the component material of chief value, in crude form, 6 cents per pound; * * barium, calcium, magnesium, sodium, and potassium, and alloys of which said metals are the component material of chief value, 2 cents per pound and 20 per cent ad valorem.

Which is about three times as much as is proposed here.

Mr. BORAH. Mr. President-

The VICE PRESIDENT. Does the Senator from Iowa further yield to the Senator from Idaho?

Mr. KENYON. I decline to yield any further. I want to finish what I have to say.

Mr. BORAH. I was going to say something which I think the Senator from Iowa would like to hear.

Mr. SMOOT. Mr. President—
The VICE PRESIDENT. The Senator from Iowa has de-

clined to yield further.

Mr. KENYON. I yield to the Senator from Utah for a moment.

Mr. SMOOT. The Senator from Missouri stated that the rate of 2 cents a pound and 20 per cent ad valorem on barium and calcium and magnesium and sodium and alloys of metals was about three times what the present bill provides. The present rate on those articles is 3 cents per pound and 25 per cent ad valorem, and that is only equivalent to 27.79 per cent, whereas the pending bill provides 25 per cent ad valorem. So there is scarcely a 10 per cent reduction in the present rate upon those

Mr. REED. Mr. President, the Senator misquotes me. I did not confine my remarks to those articles. I spoke of the entire proposition.

Mr. SMOOT. All I know is that the Senator mentioned

barium and calcium.

Mr. REED. I read that at the last of the paragraph and made my comments on the paragraph, the first item of which is 6 cents per pound instead of the rate in this bill.

Mr. KENYON. Now, Mr. President—
Mr. KENYON. Mr. President—
Mr. KENYON. I decline to yield.
Mr. SHIVELY. Just one word.

Mr. KENYON. I fear that we will be charged with trying to filibuster against the passage of this bill.

Mr. SHIVELY. No; we will absolve you from any such

charge as that.

Mr. KENYON. I yield to the Senator for a moment. Mr. SHIVELY. The senior Senator from Iowa [Mr. Cum-MINS], who has given special study to Schedule C, does propose, as suggested by the Senator from Missouri, a duty of 6 cents a pound on crude aluminum while we propose a duty of 2 cents a pound. He proposes a duty of 9 cents a pound on the plates, sheets, bars, and rods, while we propose a duty of 312 cents a pound. I only wondered if it were not possible for the Junior Senator and the senior Senator from Iowa to hold some sort of conference—not a caucus; I know the Senators object to a caucus—that might result in some unity on this question.

Mr. CUMMINS. Mr. President, I think my colleague will

yield to me now for just a moment. Mr. KENYON. Certainly.

Mr. CUMMINS. Of course, the Senator from Missouri could not resist the temptation to cast some sort of imputation upon me. I have my own views about these matters, for which my colleague is in no wise responsible and for which he must not be held responsible. When I come to present the amendment which I have proposed I will give those views to the Senate. I trust the argument of my colleague may be allowed to proceed without attempting to days were arrested to the contract of the contrac to proceed without attempting to draw my amendment into the matter, for we have had no caucus respecting the subject. We do not caucus. Each man upon this side holds his independent, free opinion.

Mr. BORAH and Mr. REED addressed the Chair.

The VICE PRESIDENT. Does the Senator from Iowa yield,

and to whom?

Mr. KENYON. No. This illustrates the independence of this side of the Chamber. The other side might well follow it. Nobody is doing any thinking for anybody else on this side

of the Chamber.

Mr. REED. Mr. President—

The VICE PRESIDENT. Does the Senator from Iowa yield

to the Senator from Missouri?

Mr. REED. The Senator's colleague made a remark indicating that I could not resist the temptation to reflect upon him. I think that statement is of such a nature that the

Senator ought to permit me to say what I am going to say.

I made no reflection upon the Senator. I intended no reflection upon the Senator. I have never reflected upon the Senator, in public or in private, and I do not know why he makes that statement. I called attention to this matter merely to illustrate the fact that it was difficult on this side to prepare a bill that would make a reduction satisfactory to the other

Mr. CUMMINS. Mr. President, I understood that my colleague was making an argument for the importation of this commodity without duty, and that the Senator from Missouri called attention to the fact that in that respect he did not agree with the senior Senator from Iowa; that is all.
Mr. BORAH. Mr. President—

The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from Idaho?

Mr. KENYON. I do.

Mr. BORAH. It is evident that all these schedules were made up without the remarkable information which has been given to us this afternoon. If that be true, why would it not be well for the Democratic caucus to meet with the two Senators from Iowa and put this article upon the free list?

Mr. KENYON. And include the Senator from Idaho, and

take up the lead schedule, too.

Mr. BORAH. I have already given my consent. I do not need to be there.

Mr. SHIVELY. Mr. President-

Mr. KENYON. Mr. President, I decline to yield further.

Mr. SHIVELY. Just one concluding observation.

Mr. KENYON. No; not for one word. I am going to get through

Mr. SHIVELY. Has the Senator really arrived at the point of his speech where he declines all further interruptions?

Mr. KENYON. I have certainly been pretty lenient in regard to interruptions. I should like to get through. The Senator will have plenty of time then. I do not want to be discourteous. Mr. SHIVELY. An observation had just been made that I

thought ought to be answered. Of course, the Senator has the right to conclude his speech without interruption if he insists. Mr. KENYON. The Senator from Indiana will have plenty of time to answer it before this bill is passed.

I am sorry these little colloquies drift in. The senior Senator from Iowa always has good reasons for his amendments, and

will take care of himself in his own proper time. I have simply been trying to argue this out as a moral question and as a patriotic question-rather outside of economic questions. I have been trying to advance the theory that protection ought not to be further granted to such an institution as this; that it comes with poor grace from people who have not only violated the law of their country, but have been willing to rob their Government and to prevent its great departments of national defense from securing at fair prices what they need, to ask for protection from their country in the way of tariff duties. The benefits of a protective tariff ought not to be granted to those who rob their

Government and violate its laws to add to their greedy profits.

Other contracts entered into by this "good" trust are those with the General Chemical Co., a portion of which I ask to be

inserted as part of my remarks:

inserted as part of my remarks:

Fourth. Said chemical company further expressly covenants and agrees that it will not use or knowingly sell any of the bauxite sold to it by the said bauxite company hereunder, or any other bauxite, or the products thereof for the purpose of conversion into the metal aluminum, and that upon proof that any of said bauxite or products thereof have been put to any such use it will not make any further sales or deliveries to the purchaser thereof.

Eighth. It is understood and agreed that the bauxite sold hereunder by the said bauxite company to the said chemical company shall be used by the said chemical company to the said chemical company shall be used by the said chemical company to the said chemical company to aluminally or whose stock is largely held by it, and by no other person or party, and only for the manufacture of alum, alum salts, alumina sulphate, or alumina hydrate for alum and its compounds, and for no other purpose whatsoever.

prose whatsoever.

Fifth. The said reduction company agrees to use its good offices in the interest of said chemical company so far as relates to promoting the trade of the latter in alum and alum products in the United States and in foreign countries; and said chemical company reciprocally undertakes and agrees to use its good offices in the interest of said reduction company so far as relates to promoting the metal business of the latter in the United States and foreign countries.

Also the contract with the Norton Co., a portion of which I ask to insert:

ask to insert:

Tenth. Norton Co, may mine and use bauxite from the said 40-acre tract of bauxite land referred to in paragraph D above, which shall be used for the purpose of manufacture of alundum, and may mine and sell from the said property bauxite or other mineral taken therefrom for any purpose except for the manufacture of aluminum; and Norton Co, shall not sell or otherwise dispose of said 40-acre tract except subject to the above restrictions.

Eighteenth. Norton Co, shall not at any time during the continuance of this agreement use or sell any of the bauxite contained on the said 40-acre tract described in paragraph D above, or any other bauxite, or the products thereof, hereinafter acquired by Norton Co., in the United States of America or the Dominion of Canada, for the purpose of conversion into aluminum.

Also the contract with the Pennsylvania Salt Manufacturing Co., a part of which I ask to insert:

The Pennsylvania Salt Manufacturing Co. agrees not to enter into the manufacture of aluminum as long as this agreement is in force.
This agreement was ratified, explained, and enlarged by the Pennsylvania Salt Manufacturing Co. in a letter dated January 1, 1907, as

This agreement was rathed, explained, and charged by the real-sylvania Salt Manufacturing Co. in a letter dated January 1, 1907, as follows:

"Referring to the clause in the contract of this same date between our companies for the sale and purchase of alumina, wherein we agree not to engage in the manufacture of aluminum during the term of the contract or the extension thereof in case you avail yourselves of the option contained in the contract for its extension, we wish to assure you that this clause will be carried out to the full extent of the spirit and intent as expressed in our verbal conversations; that is, we will not manufacture aluminum ourselves nor allow any company in which we own a controlling interest to do so, nor will we invest any of our capital in any way, through the stock of any corporation or otherwise, in the manufacture of aluminum. Furthermore, we will not sell, directly or indirectly, any hydrate or anhydrate of alumina while the contract or any extension of it may be in effect to any person or persons for use in the manufacture of aluminum; and in case it should be discovered that any persons to whom we have sold alumina have resold it so that it is being used in the manufacture of aluminum, we will take such steps as to future sales to such persons as will prevent any alumina which has been manufactured by us being used in the manufacture of aluminum."

Also with the Kruttschnitt-Coleman, or rather individuals.

Also with the Kruttschnitt-Coleman, or rather individuals, which I ask also to insert:

As part consideration for the execution of this agreement by Aluminum Co., Kruttschnitt & Coleman hereby severally agree that for the period of 20 years from the date hereof in that part of the United States of America east of a north and south line through Denver, Colo., neither Kruttschnitt nor Coleman will directly or indirectly engage or become interested in the manufacture or fabrication or sale of aluminum or any article made substantially of aluminum, provided that either or both the said Kruttschnitt and Coleman may be employed by or become interested in Aluminum Co. or said Aluminum Goods Manufacturing Co. without committing a breach of this contract.

The Government also in its suit set up many acts of unfair competition. This guilty company practically plead guilty to the charge and permitted a consent decree to be entered.

The revenues derived from importation are not large. A table prepared by the statistical clerk to the Committee on Ways and Means gives an estimate for a 12-year period under the highest duties, which are duties of 25 per cent. The revenue derived would be \$625,000. The Senate has reduced these duties even more and made them specific, so that the duties would not now amount to more than approximately \$450,000.

I ask leave to include that table, so prepared, as a part of my

The VICE PRESIDENT. Is there any objection? The Chair hears none.

The matter referred to is as follows:

	Dingley		Payne tariff.	Estimates for a 12-	
Imports.	tariff, 1905.	1910	1911	1912	month period, H. R. 10.
Quantity pounds. Value Average units Duties Equivalent ad valorem, per cent.	638, 513 \$153, 134 \$0. 240 \$51, 081 33. 36	12,386,898 \$1,840,851 \$0.149 \$875,462 47.56	6, 240, 826 \$445, 820 \$450, 000	14,971,290 \$1,857,726 \$0,120 \$1,047,990 56,41	\$2,500,000 \$625,000 25.00

Mr. KENYON. Mr. President, I have taken up too much of the time of the Senate, but I have not been entirely to blame. I have cited and discussed aluminum merely as an example of the proposition I am trying to bring forward for attention, namely, that articles entering into competition with trust or monopoly controlled products should be put upon the free list. That does not mean war with healthy business enterprise; no one in this country desires to wage war on large business so long as it is honest business; but whether the Sherman Act embodies a proper economic policy, it is the law, and as long as it is the law it should be obeyed, and those who will not obey the law ought to have no benefit from tariff duties. This amendment has been offered in the best of faith. I believe in the principle thereof, and I am no less a believer in the protective tariff theory-a tariff that will equalize conditions between this country and competing countries abroad, and no Business ought to be satisfied with such a tariff and ought to be willing to enter into competition behind such tariff wall. If, however, business is not willing so to do, but prefers to go into combinations in violation of law, then it should take its chances with the competition of the world.

Mr. President, I have approached the debates upon this bill with an open mind, looking for light. The light, it is true, at times has been rather dim, but after the completion of the debate and after all the light has been shed upon it that is possible, I propose to be governed in my vote by the one test whether or not this bill is better for the hundred million people of this country than is the present tariff law. If in the last analysis I shall feel compelled to vote against the bill, it would not indicate that I was opposed to the income tax and a very large number of other features of the bill. The income tax is the fairest form of taxation; it places the burden of taxation upon those most able to bear it. In my judgment the rates on the higher incomes should be increased and increased to such proportion that the great fortunes of this country may bear a large part of the burden of an enlarged Navy for this Nation, which must come just as certain as the sunset. This Nation which must come just as certain as the sunset. must increase its Navy.

It is idle to talk about enforcing the Monroe doctrine without a powerful Navy. The American people demand an adequate Navy. We may as well give up the Monroe doctrine as to try and enforce it without a powerful Navy. An income tax, properly graduated so as to reach the great fortunes of the country, together with an inheritance tax, would assist in providing ample funds for the building and maintenance of a great Navy.

I hope this bill may be amended in some respects. I trust, among other amendments, a provision will be adopted for a tariff commission—a real commission, not a makeshift—also a provision for an inheritance tax.

I indulge the hope, Mr. President, that some day partisan-ship may be set aside and the tariff cease to become a political football; that through the instrumentality of a nonpartisan commission the tariff question may be taken out of politics and we may have a tariff bill formed on the theory of the difference in the cost of production at home and abroad, with some intelligent basis to act on from the investigation and findings of such a commission.

That may be an iridescent dream. Dreams sometimes come true. I trust this one will.

Mr. STONE. Mr. President, a number of paragraphs in Schedule C were passed over at the request of different Sena-I desire to make an effort to dispose of some of them this afternoon.

Paragraph 106 was passed over, but I do not wish now to

take it up; also paragraph 116.

Mr. OLIVER. I will ask the Senator what was the number of the paragraph to which he first alluded?

Mr. STONE. Paragraph 106. That was passed over for further consideration by the committee on suggestions made here. Paragraph 116 was also passed over in the same way.

not desire to take it up now.

Paragraph 126 was passed over at the instance of the senior Senator from Massachusetts [Mr. Lodge]. I understand from the Senator from Utah [Mr. Smoot] that the Senator from Massachusetts will be here on Monday.

Mr. SMOOT. I expect him here Monday, Mr. President; also the junior Senator from Massachusetts, who is interested in

the same schedule.

Mr. STONE. It is desired by the Senator from Utah that the paragraph shall remain as it is until the Senator from Massachusetts is present on Monday.

I will ask the Senator from North Carolina about paragraph

127. It was passed over at the instance of the senior Senator

from Arkansas [Mr. CLARKE].

Mr. SIMMONS. The senior Senator from Arkansas is not here at this moment. If there is to be any controversy about that paragraph, I think it had better go over.

Mr. SUTHERLAND. It is impossible for us to hear what is

being said.

Mr. SIMMONS. Paragraph 127 was passed over at the instance of the senior Senator from Arkansas [Mr. CLARKE]. He is not in the Chamber this afternoon. If there is to be any controversy about it, I should prefer that it go over until he is

Very well; let that be passed over.

Paragraph 130 relates to penknives and cutlery of different kinds. That seems to have been passed over at the instance of the Senator from Ohio [Mr. BURTON].

Mr. BURTON. I am ready to take it up now, if agreeable to

the Senator from Missouri.

Mr. STONE. Yes; I should like to dispose of it, if possible. It was passed over at the instance of the Senator from Ohio and the Senators from Connecticut.

Mr. BURTON. The Senators from Connecticut, I believe,

are here.

The object of the amendment which I proposed was to impose upon scissors and shears the same duty as upon penknives and The amendment was offered as long ago as May 26. I have here a copy of the section, with erasures and interlineations, which I will ask the Secretary to read, to show what is proposed.

The VICE PRESIDENT. The Secretary will read as requested.

The Secretary. In paragraph 130, page 38, line 13, after the word "razors" and the comma, the Senator from Ohio proposes to insert "scissors and shears, and blades for the same"; also, in line 18, after the word "razors" and the comma, it is proposed to insert "shears, scissors"; and in line 19, after the word "razors," at the end of the line, it is proposed to insert "shears, scissors"; and in lines 20, 21, and 22 to strike out the words "scissors and shears, and blades for the same, finished or unfinished, 30 per cent ad valorem," so that, if amended, the paragraph will read:

paragraph will read:

130. Penknives, pocketknives, clasp knives, pruning knives, budding knives, erasers, manicure knives, and all knives by whatever name known, including such as are denominatively mentioned in this section, which have folding or other than fixed blades or attachments, and razors, scissors and shears, and blades for the same; all the foregoing, whether assembled but not fully finished or finished; valued at not more than \$1 per dozen, 35 per cent ad valorem; valued at more than \$1 per dozen, 55 per cent ad valorem: Provided, That blades, handles, or other parts of any of the foregoing knives, razors, shears, scissors, or erasers shall be dutiable at not less than the rate herein imposed upon the knives, razors, shears, scissors, and erasers, of which they are parts: Provided further—

And so forth.

Mr. BURTON. Mr. President, the object of this amendment is to include scissors and shears in the same classification with penknives and other kindred articles, in lines 9 and 10, the first and second lines of paragraph 130, and with razors. For that there are two or three principal reasons. Indeed, when the facts are given, the case for a maximum duty is stronger for scissors and shears than for knives and razors.

In the first place, when you take all classes of scissors and shears into account, the proportion of labor involved in their manufacture is greater. It is especially greater than in the case of penknives. The cost of material for penknives, as compared with shears, is about as 4 to 1. The labor cost of scissors and

shears is very large.

In the second place, in certain varieties of scissors and shears there is a comparatively new industry which has started in the last two or three years. The work upon this variety, both at home and abroad, is almost exclusively handwork. Certain factories have been started here, making the finest quality, such

as is manufactured in the city of Solingen, in Germany. That city is one in which this industry has been established for a very long time, and on certain grades it has held a monopoly until perhaps within the last three years. Now factories have been started in the United States and are making fair progress.

A third reason, which is really a repetition of the first, is that the proportion of labor contained in them is even greater than

in the great majority of the other articles.

I really think this paragraph ought to go back to the Committee on Finance for further consideration. I think I can conjecture the reason why the distinction was made between the two and a lower duty imposed upon scissors and shears. The difference existed under the Payne-Aldrich bill. But on all classes-penknives, razors, scissors, and shears-the duty was not only ample but large, so that it was sufficient for scissors and shears. But there is now and was then no reason why the last-named articles-scissors and shears-should carry a lower duty than the others. I think they should be classified

Mr. STONE. They do carry a lower rate in the Payne-Aldrich

bill.

Mr. BURTON. They do; yes. I fancy that is the reason why the Finance Committee made a distinction in this case.

Mr. STONE. It was the action of the House Ways and Means

Committee, not of the Finance Committee.

Mr. BURTON. Yes. I shall be entirely satisfied if the committee will pass over this paragraph or amendment for further

consideration.

Mr. STONE. Mr. President, of course, if the Senator asks to have the paragraph passed over, under our practice here it will be passed over; but I was taking up the paragraphs which had been passed over heretofore with the hope of disposing of them, if possible,

Mr. BURTON. I recognize the wish of the Senator from Missouri to finish as much as possible of the bill at this time.

Mr. STONE. And I understood the Senator to say he was ready to proceed.

Mr. BURTON. I am ready. I have made my statement in regard to it.

Mr. STONE.

I should prefer to have it disposed of now, unless the Senator insists on passing over it.

Mr. BURTON. The matter can be considered by the committee, I take it, between now and the time when it comes up in the Senate.

Mr. STONE. Of course, the committee can consider it in any event; but I should like to dispose of it now, if the Senator pleases.

Mr. BURTON. If there are any reasons why the classification should not be the same, I should like to hear them.

Mr. STONE. I can not spend much time in discussing these amendments; but in the book I have here, being a report of merchandise entered for consumption in the United States in 1911, and so forth, I find that knives and penknives were under a different classification.

Mr. BURTON. Yes; that is true in the present law. Mr. STONE. It reads as follows:

Valued at not more than 40 cents per dozen, 40 per cent ad valorem; valued at more than 40 cents per dozen and not exceeding 50 cents per dozen, 1 cent per piece and 40 per cent ad valorem; valued at more than 50 cents per dozen and not exceeding \$1.25 per dozen, 5 cents per piece and 40 per cent ad valorem; valued at more than \$1.25 per dozen and not exceeding \$1 per dozen, 10 cents per piece and 40 per cent ad valorem; valued at more than \$1.25 per dozen and not exceeding \$1 per dozen, 10 cents per piece and 40 per cent ad valorem; valued at more than \$3 per dozen, 20 cents per piece and 40 per cent ad valorem.

Then, if you go down to scissors, it appears that the value of the blades is very much lower than in the case of knives. the case of those valued at not more than 50 cents per dozen, the duty was 15 cents per dozen plus 15 per cent ad valorem. The equivalent of 15 cents per dozen is 11 cents per piece. In the case of those valued at more than 50 cents and not more than \$1.75 per dozen the duty was 50 cents per dozen plus 15 per cent. That is equivalent to 4 cents per piece plus 15 per cent. In the case of those valued at more than \$1.75 per dozen the duty was 75 cents per dozen plus 25 per cent, equivalent to 6 cents per piece plus 25 per cent. The average on knives was 77.62, as against 52.55 on scissors. So the value was much lower.

It strikes me that the committees of former Congresses properly classified these articles, and I feel that the Ways and Means Committee of the present Congress has not gone far from

the mark of a proper classification.

Mr. BURTON. Mr. President, I am thoroughly familiar with the facts relating to the duty in the existing law; but, as I have already stated, the duties were all of them ample. When you come to reduce them, while a sufficient duty, in my judgment, is retained on razors, the duty is quite insufficient on shears and scissors, partly because of the very large element

of labor that enters into their manufacture and partly because some forms of scissors and shears are now made which were

not formerly made in this country.

I should like very much, Mr. President, to have the committee give this further consideration. I do not wish to make any undue demand upon their time. I understand the Senator from Connecticut [Mr. Brandegee] also desires to be heard on this question.

Mr. STONE. I will say to the Senator that the committee will give further consideration to it. The Senator offers an

amendment?

Mr. BURTON. I offer an amendment to make them all the same rate of duty.

Mr. STONE. I would be glad to have a vote on it, unless the

Senator from Connecticut desires to be heard.

Mr. BRANDEGEE. Mr. President, this is one of those instances in the bill where it means a great damage to a considerable number of people without much of any benefit, if any at all, to anyone. There are certain industries-not large industries at all-engaged in the manufacture of shears. I have received communications from three or four of them which are located in Connecticut. I will briefly give the Senate an idea of what they say their situation is. Here is one from the Acme Shear Co., of Bridgeport, Conn., stating:

Referring to our formal letter inclosed, we ask you to note that the manufacture of cast-iron shears is peculiarly a Connecticut industry. The high-priced shears (laid steel) are not made in Connecticut, but in various parts of the country, particularly New Jersey and Ohio.

We appeal to you as a Connecticut Congressman to consider carefully the facts given. Our company has been in business in Bridgeport since 1882, and you may be sure of our integrity and sincerity of purpose.

If you do agree with us that our request for a tax of at least 45 per cent on shears careful.

purpose.

If you do agree with us that our request for a tax of at least 45 per cent on shears costing 75 cents per dozen or less is a logical and urgent necessity borne out by facts, will not you do whatever you can to have our request granted? Unless such protection is given to our low-priced shears it will mean a greatly reduced production or materially reduced wages for our workmen.

Again they state:

There are two classes of shears and scissors manufactured in the United States.
First. "Laid-steel" shears, which retail at from 65 cents to \$2 per

First. "Laid-steel" shears, which retail at from 65 cents to \$2 per pair.

Second. "Cast-iron" shears, which retail at from 5 cents to 25 cents per pair.

The manufacturers of cast-iron shears in the United States are:
The Acme Shear Co., Bridgeport, Conn.
The Atlas Shear Co., Bridgeport, Conn.
The Bridgeport Hardware Manufacturing Corporations, Bridgeport, Conn.

Conn.

Conn.
Clayton Bros. (Inc.), Bristol, Conn.
The Ansonia Novelty Co., Ansonia, Conn.
We submit the following figures as substantially correct for the
manufacture of cast-iron shears and scissors in the United States, viz:

Number of employees	933
Pay roll for the year 1912 \$	570, 167. 00
Average weekly wages (59½ hours)	\$11.75
	160, 000. 00
	824, 380. 00
	\$74, 160, 00
Percentage of profit on sales Percentage of profit on investment	9. 0

Eighty-nine per cent of all cast-iron shears manufactured in the United States in 1912 were sold for consumption in the United States, and 11 per cent were exported.

Of the quantity used in the United States over 80 per cent were sold to 5-and-10-cent stores, the other 20 per cent being sold to hardware and department stores, retailing at from 10 cents to 25 cents neer pair.

sold to 5-and-10-cent stores, the other 20 per cent being sold to hardware and department stores, retailing at from 10 cents to 25 cents per pair.

Of the quantity exported not one pair was sold in Germany, and but few in England and continental Europe. Most of the cast-iron shears exported were shipped into Canada and Mexico, where quickness of delivery offset to some degree the lower prices of German competition. The prices for export and domestic trade were and still are equal. Practically all the competition to American cast shears and scissors is from German factories in the Solingen district. According to the British Board of Trade reports, the wages of cutlery workers in Solingen ranges from \$5.10 to \$8.64 per week, or an averaging \$11.75 per week. The wages of American cast-shear workmen averaging \$11.75 per week are over 70 per cent higher than the wages paid in Solingen. The cost of manufacturing American cast shears is proportioned 24 per cent material and 76 per cent labor, as every operation in their manufacture has to be performed by hand.

Bearing in mind the 70 per cent higher wages paid American workmen and the 76 percentage of labor cost, it is shown that the German factories have an advantage of 53 per cent over American factories.

Shears and scissors to the value of over \$570,000 were imported into the United States during 1912, this being a greater amount than in any previous year, and an amount nearly as large as the combined yearly sales of American cast-shear factories.

Believing that the broad aim of tariff revision is to lessen the cost of articles and materials to the American consumer, we wish to strongly emphasize the fact that over 71 per cent of all American cast-iron shears and scissors are retailed in the United States at 5 cents and 10 cents per pair. The proposed duty of 30 per cent on scissors (Schedule C) in place of the present average of 53.77 per cent (specific and ad valorem) will simply mean a greater profit to importers and retailers, as the prices of 5 cents and 10

Mr. President, I will not read more of these communications. They are along the same line. One of them writes me that he will have to go out of business if this rate is imposed. What advantage is it going to be to drive out of business these small manufacturers who are employing American skilled labor in a product that is made entirely by hand labor at good wages in this country? They are paying their taxes, owning their houses, and they are settled in their communities. What is the good of transferring that industry to Germany and Great Britain, throwing these men out of employment, on the chances that the importer, the jobber, and the retailer will be able some way or other to sell possibly a pair of scissors a quarter of a cent or half a cent cheaper when they now sell for 5 cents and 10 cents

a pair?
What I view as one of the strongest reasons for not going at every schedule with a reduction without knowing much about the facts and taking the chances is this: The accumulated effect of all these reductions is going to make a lot of discontented people in this country, who will have lost their employment, and the work they have done is turned over to foreigners. It is upon the guess of this committee that this is done. They are not able to guarantee that the goods imported

will be sold any cheaper.

These people, who I think know what they are about and know the condition of their own business, say that they can not produce these articles cheaper without lowering wages. I do not think it will be a good thing for anybody to experiment

along this line.

As I said, here are five or six factories, whose names I have read, in my own State. They say they sell 89 per cent of the product in this country. They export the rest. They do not sell cheaper abroad than they do at home. They are in no trust or combination. It seems to me, if there is anything which can come within the definition of the leaders of the party in power that they do not want to harm a legitimate industry it is the case of these little New England factories, manufacturing notions and tools and things of this kind, located some in the cities, but some in the smaller towns of New England.

Mr. THOMAS. Mr. President—

The VICE PRESIDENT. Does the Senator from Connecticut

yield to the Senator from Colorado? Mr. BRANDEGEE. Certainly.

Mr. THOMAS. Did I understand the Senator correctly in saying that the manufacturers of shears and scissors export a part of their product?

Mr. BRANDEGEE. Oh, yes. The Senator's attention was probably diverted. The letter that I read stated that of the total product of scissors made in this country 89 per cent were used in the country and the remaining 11 per cent were exported.

Mr. THOMAS. Can the Senator inform me what foreign

countries receive the exports?

Mr. BRANDEGEE. The letter stated that they went to Canada and to Mexico, and that they went there because they had to have them immediately and it was quicker dispatch, and they imported some from this country rather than to get them cheaper from Europe by waiting.

Mr. THOMAS. I beg the Senator's pardon; my attention

was diverted.

Mr. BRANDEGEE. If I wanted to encumber the RECORDwhich I am very reluctant to do, and I shall not do it in this case with these letters-it would appear that in many instances penknives, pocketknives, clasp knives, pruning knives, budding knives, manicure knives, and razors are all made in the same factory that make scissors. Scissors are just as much trouble to make as knives and the blades of razors. They are made of different material, but they are made by the same people in the same factory. Now, I say they are just as much entitled to protection if any of them are entitled to protection.

Whether the committee are bent upon reducing the duty upon razors and these other things or not, I can not see why they should discriminate between these different classes of knives, for that is all the scissor is. It is just two knife blades hitched

together.

Mr. McLEAN. Mr. President, I suggest to my colleague that the reason given by the senior Senator from Missouri [Mr. STONE], as I understood him, was because the unit of product in the shears is cheaper than the unit of product in the knives. That is as I understand the Senator. I may have been mistaken. Am I correct in so understanding him?

Mr. STONE. The unit of product of shears is less than that

of knives.

Mr. McLEAN. It is cheaper than the unit of product in the

Mr. STONE. I so stated.

Mr. McLEAN. It will be difficult, I think, to explain, when ad valorem duties are applied, why the price of the unit of the product should be considered. For instance, an article that costs 10 cents, it seems to me, is entitled to the same ad valorem duty as an article that costs 20 cents.

Mr. BRANDEGEE. Now, upon scissors they have proposed a rate of 30 per cent ad valorem, and upon pocketknives, and so forth, 35 per cent ad valorem. These constituents of mine think they ought to have 45 per cent upon scissors, but whether the committee could give them that or not, I certainly hope that they will allow scissors, made in the same factories in many cases, to come under the same classification as the other goods. I think no harm would be done to anybody by it. I was about to say that I trust the theory upon which the paragraph was formed will not be invaded or invalidated. I hope the committee will take this into consideration and that the amendment of the Senator from Ohio [Mr. Burron] may be allowed to prevail.

Mr. STONE. Let us have a vote on the amendment. Mr. SIMMONS. Before the vote is taken, I wish to call the attention of the Senator from Connecticut to a statement made before the Finance Committee of the Senate by Alfred Field &

Co., of New York, in which they say:

Co., of New York, in which they say:

From 1864 to 1890 the rate on scissors and shears was 35 per cent, from 1890 to 1894 the rate on scissors and shears was 45 per cent, and since then the Dingley and Payne mixed rates. So you will see that scissors and shears never paid a higher rate than 35 per cent until the McKinley bill, and under this rate of 35 per cent the American manufacturers completely captured the market on shears and large quantities are exported, some domestic manufacturers having their own agents and places of business abroad for the sale of their goods.

I just wanted to ask the Senator, if he has knowledge of that industry, whether it is a fact that this industry before 1890 and when the duty was only 35 per cent had, as a matter of fact, as stated here, captured the American market and was exporting scissors and shears in large quantities?

Mr. BRANDEGEE. I have not seen the statement of the gentlemen. Who were the gentlemen who made the statement?

Mr. SIMMONS. Alfred Field & Co. Mr. BRANDEGEE. What was their business?

Mr. SIMMONS. I do not know. It is not stated here.

Mr. BRANDEGEE. Do they state whether they were steel shears or iron shears?

Mr. SIMMONS. No; they do not. They just say scissors and shears, like the language of the bill.

Mr. BRANDEGEE. Of course the statement is by a party unknown to me, and, in reference to a class of goods that is not stated, I could not say anything about it from any knowledge of the business that I have. I have no knowledge of it other than what the Senator has had by the benefit of the letters which I have read. If the American manufacturers, owing to the protective duty of 35 per cent, did get the market, I myself think it was a good thing.

Mr. SIMMONS. If they could capture the market in the early days of the industry, when the rate was only 35 per cent, how does it happen that they can not hold it now at the same rate since the industry has been built up and established?

Mr. BRANDEGEE. The statement of the gentlemen, whose

names I do not remember, which the Senator read states that large amounts were exported. I have read what the exports were last year, and it appears that my figures were right. Eighty-nine per cent were marketed in this country, and the rest of it, which would be 11 per cent, was exported to Canada and Mexico. If those constitute large quantities exported abroad, then I take a different view of what a large percentage would be from what the Senator does.

Mr. BURTON. Mr. President, I should like to inquire where a report of the hearings is to be found? It is well for us to

know whether the statement is that of an importer.

Mr. SIMMONS. I will take great pleasure in giving the reference to the Senator. It is the "Hearings and statements filed with the Senate Committee on Finance on House bill 3321."

Mr. BURTON. I do not find it in the index of the copy I have.

Mr. SIMMONS. The Senator will find the statement on page 422

Mr. BURTON. According to the copy that I have, the matter on that page is something on an entirely different subject. I have a copy of the hearings before me.

Mr. SIMMONS. I will state to the Senator that this is volume 1, containing the hearings from Schedule A to Schedule H. I will send the book to the Senator, if he desires it.

Mr. BURTON. I do not seem to have it.
Mr. President, I am convinced that if this provision goes through in this form an injustice will be done to the manufacturers of these articles-scissors and shears. Those with whose business I am familiar manufacture the better grade, the more

expensive grade, and they are not exporters at all. They are sesking to maintain, however, a foothold in the domestic market. The proportion of labor in the manufacture of these articles is very large, reaching as high, perhaps, as 70 per cent of the total cost of the product. To say to these manufacturers, "You shall have less support by the tariff than is given to the manufacturer of all these different grades of penknives which can be made in the same factory," is to virtually tell them, We will place you at a disadvantage, and we are indifferent whether you are put out of business or not."

Mr. President, one word more about this. These gentlemen, I take it, are without doubt importers. They come from 93 Chambers Street and 75 Reed Street, New York City. That is a locality where there are no factories of which I know. On the other hand, it is a locality where persons are engaged in the import trade. I should question very much the statement made that from 1864 to 1890 the domestic manufacturers had the

trade.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Ohio [Mr. Burron]. [Putting the question.] By the sound, the noes appear to have it.

Mr. BRANDEGEE. Let us have the yeas and nays, Mr. President.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. JAMES (when Mr. Bradley's name was called). I announce the absence of the senior Senator from Kentucky [Mr. Bradley] on account of illness. I wish also to say that he is paired with the Senator from Indiana [Mr. KERN]. I shall let

this announcement stand for the day. Mr. CHILTON (when his name was called). I transfer my pair with the junior Senator from Maryland [Mr. Jackson] to the senior Senator from Tennessee [Mr. Lea] and vote. I

Mr. SHEPPARD (when Mr. Culberson's name was called).
My colleague the senior Senator from Texas [Mr. Culberson] is unavoidably absent. He is paired with the Senator from Delaware [Mr. DU PONT].

Mr. JAMES (when his name was called). I transfer the pair which I have with the junior Senator from Massachusetts [Mr. Weeks] to the junior Senator from Louisiana [Mr. Rans-DELL] and vote. I vote "nay."

Mr. KERN (when his name was called). I have a general pair with the senior Senator from Kentucky [Mr. Bradley]. I transfer that pair to the senior Senator from Nebraska [Mr. HITCHCOCK] and vote. I vote "nay."

Mr. OVERMAN (when his name was called). I have a general pair with the senior Senator from California [Mr. Perkins], and as he is not present I withhold my vote. I should vote "nay" if I were at liberty to vote.

Mr. SAULSBURY (when his name was called). pair with the junior Senator from Rhode Island [Mr. Colt].

therefore withhold my vote.

Mr. SMITH of Georgia (when his name was called). fer my pair with the senior Senator from Massachusetts [Mr. Lodge] to the senior Senator from Maryland [Mr. Smith] and vote. I vote "nay."

Mr. STONE (when his name was called). I have a general pair with the Senator from Wyoming [Mr. CLARK]. In his ab-

sence, I withhold my vote.

Mr. SUTHERLAND (when his name was called). count of the absence of the Senator from Arkansas [Mr. CLARKE], with whom I have a pair, I will withhold my vote.

Mr. THOMAS (when his name was called). I have a general pair with the senior Senator from New York [Mr. Root]. I transfer that pair to the Senator from Oklahoma [Mr. Gore] and vote. I vote "nay."

Mr. ASHURST (when Mr. VARDAMAN's name was called). have been requested to announce that the junior Senator from Mississippi [Mr. Vardaman] is absent on account of business of the Senate, and that he is paired with the junior Senator

from Idaho [Mr. Brady].

Mr. WILLIAMS (when his name was called). I have a pair with the senior Senator from Pennsylvania [Mr. Penrose] and

withhold my vote.

The roll call was concluded.

Mr. SUTHERLAND. I will transfer my pair with the Senator from Arkansas [Mr. CLARKE] to the Senator from Rhode Island [Mr. LIPPITT] and vote. I vote "yea."

Mr. BRYAN. I am paired with the junior Senator from Michigan [Mr. Townsend], and therefore withhold my vote.

Mr. GRONNA. I wish to announce that my colleague [Mr. McCumber] is necessarily absent on account of illness in his family. He is paired with the senior Senator from Nevada [Mr.]

NEWLANDS]. I wish this announcement to stand for the remainder of the day.

Mr. JONES. I desire to announce that the junior Senator from Michigan [Mr. Townsend] is detained from the Chamber on important business, and, as already announced, he is paired with the Senator from Florida [Mr. BRYAN].

Mr. GALLINGER. I have been requested to announce that the Senator from Maine [Mr. BURLEIGH] is paired with the Senator from Tennessee [Mr. Shields]; the Senator from New Mexico [Mr. CATRON] with the Senator from Maine [Mr. Johnson]; the Senator from West Virginia [Mr. Goff] with the Senator from Alabama [Mr. BANKHEAD]; the Senator from Wisconsin [Mr. Stephenson] with the Senator from Louisiana [Mr. THORNTON]; and the Senator from Wyoming [Mr. WAR-REN] with the Senator from Florida [Mr. FLETCHER].

Mr. LEWIS. I wish to announce that the junior Senator from Tennessee [Mr. Shields] has been called from the Chamber by a calamity which has occurred in his household whereby

he has been compelled to leave the city.

The result was announced-yeas 11, nays 38, as follows:

Control of the Contro	1.1.	A5-11.	
Brandegee Burton Dillingham	Gallinger McLean Nelson	Oliver Page Sherman	Smoot Sutherland
	NA	YS-38.	
Ashurst Kenyon Bacon Kern Bristow Chamberlain Lare Chilton Clapp Martin, Va. Gronna Martine, N. J. Hollis Myers James O'Gorman Jones Owen		Pittman Poindexter Pomerene Reed Robinson Shafroth Sheppard Shively Simmons Smith, Ariz.	Smith, Ga. Smith, S. C. Sterling Swanson Thomas Thompson Tillman Walsh
	NOT V	OTING-46.	
Bankhead Borah Bradley Brady Bryan Burleigh Catron Clark, Wyo, Clarke, Ark, Colt Crawford Culberson	Cummins du Pont Fall Fletcher Goff Gore Hitchcock Hughes Jackson Johnson Lea Lippitt	Lodge McCumber Newlands Norris Overman Penrose Perkins Ransdell Root Saulsbury Shields Smith, Md.	Smith, Mich. Stephenson Stone Thornton Townsend Vardaman Warren Weeks Williams Works

So Mr. Burton's amendment was rejected.

paragraph, I desire to call the attention of the Senate to an amendment which I desire to offer, and I hope the Senator having the bill in charge will accept it. After the word "ad valorem," in paragraph 130, page 38, line 17, I move to insert surgical and dental instruments, or parts thereof, 40 per cent ad valorem."

Mr. President, I offer this amendment for the reason that to-day surgical and dental instruments, or parts thereof, fall into the basket clause and are dutiable at 45 per cent. They are a highly finished product, and under the 45 per cent duty 80 per cent of the consumption of those items in the United States is imported, so certainly 45 per cent is a competitive rate. I now offer this amendment to make the rate 40 per cent instead of 45 per cent, as the present law provides. Under the pending bill these articles will fall under the basket clause at cent. Mr. President, I believe that the Senator from Misscuri himself will acknowledge that that would be detrimental at least to the manufacturers of the 20 per cent of these goods that are made in the United States. I ask if the Senator will not accept the amendment?

Mr. SHIVELY. Mr. President, am I correct in understanding the Senator to say that, notwithstanding the 45 per cent duty, 80 per cent of these instruments are imported and only 20

per cent produced in this country?

Mr. SMOOT. That is the information furnished me by the

makers of surgical instruments.

Mr. SHIVELY. Does the Senator mean to say that as useful instruments as these should be laid under a duty of 45 per cent when 80 per cent of them are now imported?

Mr. SMOOT. Mr. President, they could all be made in this country if it were possible under the present law, but the Senator knows that surgical instruments and dental instruments are among the most technical and highly finished articles of manufacture.

Mr. SHIVELY. I agree to that.

Mr. SMOOT. Mr. President, as I have said, under the present rate of 45 per cent, I am informed by the makers of this class of goods that the importations amount to 80 per cent of the consumption of this country. It does seem to me that these articles

should be made in this country. In case of war what would be our position? We would be entirely at the mercy of a foreign country for this most essential class of goods. If this rate of 20 per cent is adopted, that is exactly the position in which we will be placed.

Mr. SHIVELY. Mr. President, that is all based on the theory that we would have no access to such goods in case of war. What the Senator has just said would indicate that this industry is purely statutory; that it is parliamentary in this I can hardly believe that; and, on reflection, I can hardly believe that the Senator will insist on laying the medical profession in this country and their patients under a 45 per cent contribution on this article.

Mr. SMOOT. Mr. President, of course I do not know personally that 80 per cent of these goods are imported, but I have the statement from at least half a dozen manufacturers in this country that to-day, under the 45 per cent rate, there is an importation of 80 per cent of the consumption in this country. I believe that statement, and so I have offered an amendment in paragraph 130 inserting after the words "ad valorem," on page 38, line 17, the words:

Surgical and dental instruments, or parts thereof, 40 per cent ad

Mr. STONE. I will say to the Senator that I should like to have a vote on the amendment, but I have made a little note in my book on the proposed amendment, and the committee will look into it.

Mr. JONES. I desire to ask the Senator from Utah how long has the 45 per cent rate been in force?

Mr. SMOOT. Since 1909.

Mr. JONES. What was the rate before that?

Mr. SMOOT. The same rate of 45 per cent prevailed under the Dingley law.

Mr. JONES. And they have only developed 20 per cent of

the industry under that duty?

Mr. SMOOT. That is all they are able to hold; in fact, they are not making as large a quantity under the 45 per cent duty as they did a few years ago, I suppose on account of the exceedingly sharp competition in this line of business

Mr. LA FOLLETTE. Can the Senator state how many factories there are in this country manufacturing these instru-

Mr. SMOOT. There are about 200 manufactories in the industry to-day, and, of course, there are many skilled mechanics employed. The letter which I have does not give the number of employees, but it does state that they are of the highest class of skilled mechanics, as necessarily they would have to be to make that class of instruments.

The VICE PRESIDENT. The question is on the amendment

proposed by the Senator from Utah.

Mr. WILLIAMS. Mr. President, I should like to ask the Senator from Utah what is the duty proposed by him?

Mr. SMOOT. Forty per cent.

Mr. WILLIAMS. On surgical instruments?

Mr. SMOOT. On surgical and dental instruments.
Mr. WILLIAMS. Mr. President, this is an illustration of Mr. WILLIAMS. Mr. President, this is an illustration of the consequences of the theory underlying Republican doctrines. Here are thousands of poor men and poor women lying in hospitals, awaiting surgical operations. Of course the Senator from Utah knows that in the long run the surgeons do not pay this duty. Their patients do pay it. If there is any time in a man's life when he needs human charity and help, and can not submit to taxation, it is when he is lying between life and death in a hospital somewhere, being operated upon. Yet the Senator wants to tax the disabled people in the hospitals in order to protect a domestic industry.

Mr. GALLINGER and Mr. SMOOT addressed the Chair.

Mr. WILLIAMS. I yield to the Senator from New Hamp-

shire.

Mr. GALLINGER. Does the Senator from Mississippi really believe that a surgeon would charge more for an operation if his instrument cost \$5 than if it cost \$4? Does he think he

would charge up the difference to the patient?

Mr. WILLIAMS. I not only believe, but I know, that a lawyer must make up the cost of his law library, that a railroad must make up the cost of its expenditures in operation, and that a surgeon must, somehow, make up the cost of all the charges that he must endure in order to exercise his profession. know as well as I know the name of the Senator from New Hampshire, and he knows as well as he knows his own name, that any man engaged in a business of any sort must pay the cost of his business before he calculates his profit, and that if you tax the entire surgical fraternity in the United States 10 per cent, 25 per cent, or 45 per cent duty—it makes no difference what—they must, somehow or other, take care of the

profit and loss account on their ledgers before they even begin

to calculate what they can charge their patients.

Mr. GALLINGER. If the Senator will permit me, I know that surgeons nowadays do not calculate their charges on the basis of adding 25 or 50 or 75 cents or a dollar so as to pay for their instruments. They have a schedule of rates that they charge for various operations.

Mr. WILLIAMS. Oh, yes; that is true, and so have the lawyers, so have the physicians, so have the plumbers. All of them, however, in making up their schedules of rates consider

what it will cost them to perform their service.

Mr. SMOOT. Mr. President, I want to say to the Senator from Mississippi that his pathetic appeal falls on rather deaf

Mr. WILLIAMS. It is not pathetic at all.

Mr. SMOOT. While I have never had the experience of a surgeon operating upon me, I have had the experience of paying bills for surgeons operating upon members of my family. first operation cost me \$500, and I do not believe the instrument the surgeon used cost him \$5. The next one was a plain case

of appendicitis, and I received a bill for \$150.

Mr. OVERMAN. The Senator got off mighty easily.

Mr. SMOOT. I think so myself. I do not think the instru-

ment the surgeon used cost him \$4.

I want to say to the Senator now that it is a mighty weak appeal for anybody to say here that because of a 40 per cent ad valorem duty on a \$3 instrument, amounting to \$1.20, the surgeon is going to charge the patient more for an operation.

Mr. GALLINGER. And, if the Senator from Utah will per-

mit me, the same instrument is used in 20, 30, 40, or 50 cases.

Mr. SMOOT. In fact, in many, many more than that, I sup-

Mr. STONE. This is very interesting, Mr. President, but I should like to have a vote on the amendment.

Mr. WILLIAMS. Wait a minute, now; do not be too impatient. The Senator has been pretty patient with Members on the other side of the Chamber. I am beginning to suspect

his Democracy. Mr. President, it is absolutely absurd to put forward the general idea that the cost of carrying on a business has nothing to do with the prices charged by that business. I do not believe that in private conference between the Senator from Utah and the Senator from New Hampshire, where nobody was present

except those two and God, they would undertake to say to one another that they thought the cost of carrying on a business had nothing to do with the prices charged in the business. Of course, I understand that surgeons frequently charge for

an operation in accordance with the ability of the patent to pay. I remember once reading in a newspaper where a millionaire in America paid a thousand dollars for a certain operation. Not long after that I went to the hospital in Louisville, Ky., and paid \$300 for the same operation. Not very long after that, when I began to get well, a friend of mine from Sunflower County, Miss., sent for me, and he was languishing in another bed in the same hospital, and he had paid only \$50 for the

But the fact that surgeons charge different rates in accordance with the ability of men to pay for operations does not disturb the fundamental principle that in fixing the classification, as I might call it, to use a tariff-bill phrase, they are guided by several things—the cost of the surgeon's education, the cost of his maintenance, the cost of his instruments, the rent of his office, the amount of business he has, the number of millionaires like the Senator from Utah he can strike with very large fees now and then, and so forth. By the way, in saying "millionaires" I am not quite certain that I am right.

Mr. SMOOT. The Senator is about as near right in that as he is in a great many other statements he has made about me on the floor. I will say to him, for his own information, that I

am nowhere near a millionaire.

Mr. WILLIAMS. I was about to correct that statement. I was about to say that the Senator is at least in a class of men that surgeons regard as legitimate prey. He has accumulated a great deal out in Utah, and his friends and his colleagues there have accumulated a great deal, and they all belong to a class of men that surgeons regard as their legitimate prey

But when you come down to real poor folks, like the Senator from New Hampshire and myself, we all know the surgeon does begin to calculate, and he says: "Here, on one side, is my phil-anthropy." He never thinks of his philanthropy when he is dealing with the Senator from Utah, of course. "Here, on one

Oh, pshaw, Mr. President! Neither one of the Senators will seriously contend anywhere in the world, except upon the floor of the Senate, that the cost of surgical instruments has no relationship to the poor and suffering in the hospitals. Neither

one of them will contend that.

Mr. GALLINGER. Mr. President, I do make that contention; and I can show the Senator from Mississippi a scalpel that was used for 25 years—unfortunately it was purchased abroad originally-and it is in good condition now. To say that its cost influenced the surgeon or the physician who used it during those 25 years in the matter of his fees is too absurd to be discussed.

Mr. STONE. Now, let us have a vote, Mr. President.
Mr. SMOOT. I am not going to pay any attention to what
the Senator from Mississippi said, but I want to call attention

to the paragraph.

In this very paragraph Senators will notice that on penknives, pocketknives, clasp knives, and all other knives valued at more than \$1 a dozen, there is a duty of 55 per cent ad valorem. I have only asked that there may be a duty of 40 per cent on these highly finished instruments. I do that because I think they belong here, instead of in the paragraph where steam rollers are provided for. There is no comparison between the making of steam rollers and surgical instruments. Of course, if the amendment is voted down I shall then hope that the Senator from Missouri will take it under consideration, as he has already said he would do.

The VICE PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from Utah [Mr. Smoot].

The amendment was rejected.

Mr. STONE. Mr. President, the next paragraph passed over is 136.

The Secretary. Paragraph 136, at the top of page 40, to which a committee amendment is pending.

Mr. SMOOT. All there was in this paragraph 136 was the striking out of the words "any of the above" in the committee amendment.

Mr. THOMAS. We agreed to take that back and examine into the merits of the suggestion of the Senator from Utah as

to changing the phraseology.

Mr. STONE. Does the Senator desire to pass over it at this

time?

Mr. THOMAS. Yes.

Mr. STONE. Very well; let it be passed over.
The Secretary. Paragraph 138, on the same page, was passed over.

Mr. SMOOT. That is in relation to fishhooks.

Mr. STONE. Let that be passed over, too. The Senator from Utah desires to have that done.

The Secretary. Paragraph 143, at the foot of page 41, regarding umbrella and parasol ribs and stretchers, was passed

Mr. SMOOT. The Senator from Pennsylvania [Mr. Penrose] is not in the city to-day.

Mr. STONE. That paragraph was passed over at the instance of the senior Senator from Pennsylvania.

Mr. OLIVER. My colleague is not here to-day. I should like to have the paragraph passed over.

Mr. STONE. Very well.

The Secretary. Paragraph 145, on page 42, relating to aluminum, was passed over, with two amendments pending.

Mr. KENYON. Does the Senator desire a vote on this para-

graph to-night?

Mr. SHIVELY. We might as well dispose of the committee amendments this evening, I think. Do I understand that the junior Senator from Iowa has an amendment pending, or did he simply suggest that at some time in the consideration of the bill he would offer an amendment?

Mr. KENYON. I have an amendment pending which I introduced early in the session.

Mr. SHIVELY. Let the amendment submitted by the Senator from Iowa be stated.

Mr. KENYON. I should like to have that paragraph go over until Monday, unless there is some serious objection, when there will be a larger representation here on this side of the Chamber.

I ask to have it go over.

Mr. STONE. I understand the amendment of the Senator from Iowa proposes to transfer this product to the free list. Is that correct?

Mr. KENYON. That is correct; but I thought I might desire to call for a yea-and-nay vote.

Mr. STONE. Meanwhile, it seems to me the proper parlia-

mentary course is to perfect the text of the paragraph.

Mr. KENYON. The only question in my mind was as to Mr. WILLIAMS. It is in respon calling for a yea-and-nay vote. If I do that, I should like to the President of the United States.

have a larger representation present on this side. I ask that the paragraph go over. Of course, the Senate can do as it pleases about it.

Mr. STONE. I suppose the Senator from Iowa does not object to having the Senate pass upon the amendments proposed

by the Senate committee?

Mr. KENYON. No; I think not.

Mr. STONE. Then the Senator's amendment would be in order.

Mr. KENYON. Then I will ask for a vote on my amendment on Monday, with the understanding that the paragraph will go over until then.

The VICE PRESIDENT. The Chair is of opinion, upon examining the amendment proposed by the Senator from Iowa, that the committee has a right first to perfect the text by having its amendments passed upon. They come first in order.

Mr. KENYON. That would not preclude my amendment in

any way?

The VICE PRESIDENT. That would not preclude the consideration of the amendment offered by the Senator from Iowa. The Secretary will state the committee amendment.

The Secretary. The first committee amendment is, in paragraph 145, page 42, line 17, after the word "form" and the comma, to insert "2 cents per pound" and a semicolon.

The amendment was agreed to.

The Secretary. Also, on the same page, line 18, after the word "rods," it is proposed to insert a comma and the words 34 cents per pound.

The amendment was agreed to.

Mr. STONE. Now the amendment offered by the Senator from Iowa is pending.

The VICE PRESIDENT. Yes; it is pending.

Mr. STONE. And that can go over until Monday, as he desires

Mr. KENYON. That is satisfactory.

The VICE PRESIDENT. The Secretary will state the amendment of the Senator from Iowa.

The Secretary. In paragraph 145, page 42, line 20, after the words "chief value" and the comma, it is proposed to strike out the remainder of the paragraph, or the words "25 per cent ad valorem," and to insert in lieu thereof the words "shall be exempt from duty.

Mr. STONE. Mr. President, there is no need of consuming time in looking over the paragraphs passed over. I see they were all passed over at the instance of Senators who are absent, except one, paragraph 154, which was passed over at the instance of the Senator from Utah [Mr. SUTHERLAND], and I suppose he would prefer that it should go over, too.

Mr. SUTHERLAND. I think it would be hardly worth while to take it up to-night. I should wish to speak in regard to it

for 10 or 15 minutes, at any rate.

BUST OF WILLIAM PITT, LORD CHATHAM.

Mr. WILLIAMS. Mr. President, I desire to make a favorable report on a joint resolution from the Committee on Foreign Relations. I ask that the joint resolution be read.

The joint resolution (S. J. Res. 64) authorizing the President

of the United States to accept, in the name of the United States, a bust of William Pitt, Lord Chatham, was read the first time by its title and the second time at length, as follows:

Dy its little and the second time at length, as follows:

Resolved, etc., That the President of the United States is hereby authorized to accept, in the name of the United States, a bust of William Pitt, Lord Chatham, the friend and champion of American liberties, as the gift of certain American women, married and resident in England, who desire to show their love for their native land and to honor by appropriate ceremonies a great and patriotic English statesman, who was a friend and defender of English liberties and of the American Colonies.

Mr. WILLIAMS. I ask immediate consideration of the joint resolution, Mr. President. It is a favorable report from the Committee on Foreign Relations.

The VICE PRESIDENT. Is there any objection? The Chair hears none.

Mr. GALLINGER. Is it a joint resolution, Mr. President? The VICE PRESIDENT. It is.

Mr. BACON. Mr. President, if I understand correctly, the joint resolution has just been introduced, and it has been introduced by the Senator from Mississippi by direction of the committee.

Mr. SMOOT. No: I understand the Senator from Mississippi reported it from the committee.

Mr. WILLIAMS. I was directed by the Committee on Foreign Relations this morning to draw up the joint resolution and report it to the Senate.

Mr. BACON. To introduce it.
Mr. WILLIAMS. It is in response to a special message from

Mr. BACON. The Senator from Mississippi was instructed to introduce it, which he now does.

Then, the Senator asks now to introduce the Mr. SMOOT.

joint resolution?

Mr. WILLIAMS. If the chairman of the Foreign Relations Committee says I was instructed to introduce the joint resolution, I now introduce it, and recommend that it be referred to the Foreign Relations Committee, and wash my hands of it. I was instructed this morning-

Mr. JAMES. The Senator from Mississippi has already obtained unanimous consent for the consideration of the joint resolution, and it is entirely too late now for him to wash his

hands of it.

Mr. GALLINGER. I think the Senator is wrong, because pending that I made an inquiry as to whether or not it is a joint resolution. Unanimous consent had not been given.

Mr. JAMES. I think the Record will show that unanimous consent was given. It was clearly put by the Chair and agreed

to. It was after that that the Senator made the inquiry.

The VICE PRESIDENT. Is there now any objection? There being no objection, the joint resolution was considered

as in Committee of the Whole.

Mr. O'GORMAN. May I ask to have the joint resolution read?

The VICE PRESIDENT. The Secretary will read it again. The Secretary again read the joint resolution, and it was reported to the Senate without amendment.

Mr. O'GORMAN. I do not see the necessity of inserting the words "by appropriate ceremonies." I do not know whether it was intended to have those words inserted. There is no ceremony contemplated. The honor is done in presenting it.

Mr. WILLIAMS. I was instructed by the Committee on Foreign Relations to word the proposition in response to the President's special message, and I have worded it as I thought we meant. I take it for granted that when the President of the United States accepts a bust at the hands of certain ladies there will be certain appropriate ceremonies, even if they amount to nothing except their offering the bust and the President accepting it in a few words. As to what ceremonies shall be appropriate or shall not be appropriate, of course that is left in the discretion of the President.

The joint resolution was ordered to be engressed for a third reading, read the third time, and passed.

Mr. STONE. I move that the Senate adjourn.

The motion was agreed to; and (at 6 o'clock and 2 minutes p. m.) the Senate adjourned until Monday, August 11, 1913, at 12 o'clock meridian.

SENATE.

Monday, August 11, 1913.

Prayer by the Chaplain, Rev. Forrest J. Prettyman, D. D. The Journal of the proceedings of Saturday last was read and

PETITIONS.

Mr. BRYAN presented petitions signed by sundry citizens of Bristol, Southington, Forestville, and Hartford, all in the State of Connecticut, favoring the adoption of a proposed plan, submitted by Henry P. Lason, of De Funiak Springs, Fla., for the passage of a paper-money coinage law, which were referred to the Committee on Banking and Currency.

Mr. PAGE presented a petition of the Equal Franchise League of St. Albans, Vt., praying for the adoption of an amendment to the Constitution granting the right of suffrage to women, which was referred to the Committee on Woman Suffrage.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. GALLINGER:

A bill (S. 2916) granting an increase of pension to Mary A. V. Sanger (with accompanying paper); to the Committee on Pensions.

By Mr. CRAWFORD:

A bill (S. 2917) granting an increase of pension to John O'Hara (with accompanying paper); to the Committee on Pen-

A bill (S. 2918) granting a pension to Mary D. Lauder (with accompanying papers); to the Committee on Pensions.

AMENDMENTS TO THE TARIFF BILL.

Mr. POINDEXTER submitted two amendments intended to be proposed by him to the bill (H. R. 3321) to reduce tariff duties and to provide revenue for the Government, and for | Co. and the Standard Oil Co.

other purposes, which were ordered to lie on the table and be printed

THE CURRENCY (S. DOC. 161).

Mr. GALLINGER. Mr. President, I have here a paper on the currency question by Charles G. Dawes, former Comptroller of the Currency, which will be of interest in the near future. I ask that it may be printed as a Senate document. It is a brief

The VICE PRESIDENT. Is there objection? The Chair hears none, and that action will be taken.

THE TARIFF.

Mr. SIMMONS. I ask unanimous consent that the Senate proceed to the consideration of House bill 3321.

There being no objection, the Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 3321) to reduce tariff duties and to provide revenue for the Government,

and for other purposes.

Mr. HOLLIS. Mr. President, as a Democratic Senator from
New England, born and reared in a hotbed of protectionism, I take my stand squarely upon the Democratic national platform. I decline to separate New England's tariff interests from the interests of the Nation. The platform that won the confidence of the great West and the solid South is good enough for New England—just as the successful ticket of the Democratic Party was good enough for Maine, New Hampshire, Massachusetts, Rhode Island, and Connecticut on last election day.

THE TARIFF A NATIONAL ISSUE.

My constituents as a whole have no sympathy with the provincial doctrine that New England must be coddled or tected" at the expense of the South and West. When her public men in years past have begged for special tariff privileges at the Nation's Capital she has been misrepresented. She bids me say, Mr. President, that what is best for the country at large is best for her. She recognizes the doctrine that the tariff is indeed a national issue, and the Congress has no right to tax all the people for the benefit of a few.

By the national Democratic platform this administration is committed to certain definite doctrines and pledges touching the tariff. I desire at the outset to show in a general way how the pending tariff bill conforms to those doctrines and pledges, and then to discuss more in detail Schedule I, dealing with

manufactures of cotton.

DEMOCRATIC PARTY PLEDGED TO DOWNWARD REVISION.

All agree that the Democratic Party is pledged to an immediate downward revision of the tariff's established by the Payne-Aldrich law. All agree that this pledge has been redeemed, generally speaking, in the pending bill, which carries an average ad valorem duty of 26.67 per cent, whereas the Payne bill carries an average rate of 36.86 per cent. No one will debate the question whether this revision is upward or downward. It is downward, and it is substantially downward.

MATERIAL REDUCTION ON NECESSARIES.

The Democratic platform contains a further pledge that there shall be material reductions upon the necessaries of life-upon what we eat and wear and upon what gives us shelter. And so what we eat and wear and upon what gives us sheiter. And so we find in the pending bill that meat, fish, eggs, milk, corn, wheat, flour, potatoes, sugar, wool, flax, cheap woolen blankets, raw furs, leather, boots and shoes, lumber, cement, nails, spikes, and a great variety of articles of everyday use are upon the free list, while the duties on other necessaries of life, like fruits, butter, cheese, oatmeal, rice, cotton cloth, woolens, hose, dressed lumber, household furniture, and paper have been largely re-duced. Here, again, no one will doubt that the Democratic pledge has been fulfilled.

FARMERS' FREE LIST.

To compensate the farmer for any loss that may come to him from placing his agricultural products upon the free list, the pending bill removes the duty from most of the things essential to his vocation, such as plows, harvesters, reapers, horse rakes, wagons, mowing machines, and other agricultural implements, animals for breeding purposes, harness, bagging, binding twine, fertilizers, cream separators, and the like, making up the "farmers' free list." The farmer also shares with the other consumers in the lower duties on the necessaries of

TRUST-MADE ARTICLES.

In response to another pledge in the Democratic platforn, articles entering into competition with trust-controlled products, and articles of American manufacture sold abroad more cheaply than at home, are placed upon the free list. are steel rails, sewing machines, cash registers, typewriters, shoe machinery, and the products of the American Harvester

In the case of aluminum, which was so clearly brought before the Senate last Saturday by the Senator from Iowa [Mr. KEN-YON], it is clear that it is controlled by a trust. But the trust is world-wide, and the prices in this country are fixed exactly where the trust wishes to fix them, irrespective of the duty. We are able to raise a revenue of some half million dollars by placing a duty on aluminum, and for that reason, as I understand the Democratic theory, in order to raise revenue a duty is placed upon this trust-controlled product.

FREE RAW MATERIALS.

In accordance with long-established Democratic doctrine, raw materials, such as wool, lumber, and iron ore, are placed so far as practicable upon the free list.

INCOME TAX.

The relief granted to the consumer by these various reductions in duty is made possible by the provision for an income tax which places a large part of the governmental burden upon wealth, where it is least felt. A part of the decrease in revenue is made up also by an increased tax on luxuries, such as diamonds, jewelry, ivory, and perfumery, and by an increased tax on noncompetitive articles, as will presently be explained.

TARIFF FOR REVENUE ONLY.

Throughout these many items of reduced tariffs may be clearly traced the influence of the underlying, basic, Democratic doctrine, which declares that the Government has no right or power, under the Constitution, to impose or collect tariff duties, except for the purpose of revenue. In other words, the Republican doctrine of protection is flatly opposed on principle.

It is not my purpose to discuss the general merits of "tariff for revenue only," as opposed to the doctrine of "protection to American industries." If the election of 1912 meant anything beyond a shifting of public officials, it meant that the Democratic tariff policy was indorsed. The problem now pressing for solution is the more practical one, whether the pending bill conforms to the promises and pledges of the Democratic

PENDING BILL PROTECTIVE.

It is evident at a glance that this bill is protective in certain features. And this failure to conform to the traditional Democratic doctrine requires explanation. For a revenue tariff is preferably laid on articles which are not produced in the home country, for two reasons: (1) Because the entire tax then finds its way into the public treasury; and (2) industry is not disturbed by stimulation when it becomes necessary to increase revenues, nor by starvation when less revenue is required for governmental needs. Thus, ivory, spices, opium, and tropical fruits and woods are proper subjects for a revenue tariff, and so would tea and coffee be if they were not now considered necessaries. Next in order of preference for revenue purposes are articles of luxury, such as diamonds, laces, wines, and perfumeries.

NO INJURY TO EXISTING INDUSTRY.

But in the pending bill we find tariffs laid on many prime necessities, such as cotton cloth, woolen clothing, cutlery, crockery, and the like, with the inevitable result that home products of this class are protected from competition. The reasons for this departure from the Democratic theory are two: (1) Because articles of luxury and noncompeting articles will not by themselves produce enough revenue and (2) because we are further pledged in our platform not to injure or destroy any legitimate industry.

In other words, we find that expediency and fair dealing block the way to an immediate resumption of a constitutional tariff, for we are confronted with the need of raising an enormous revenue and by a host of helpless, hothoused, abnormal industries, nourished by a highly protective tariff, and which would be utterly destroyed by the immediate withdrawal of all governmental pap.

A COMPETITIVE TARIFF.

To this extent we are handicapped in establishing a tariff for revenue only; but, while we leave on the statute books a reasonable measure of protection to existing industries, we do not undertake in any sense to guarantee to any industry a reasonable profit. We insist that home industries shall compete with foreign producers for the home market. We are placing duties at a point where we shall stimulate effective competition without destroying any legitimate industry. As our home industries respond to the stimulus of competition we shall tend toward a revenue tariff, with no heed to incidental protection; we expect to achieve this end by establishing and maintaining what may be fairly called a "competitive tariff."

The protection which is thus afforded by a competitive tariff is confined to those industries which give evidence of some day reaching a position of self-dependence. They are given a chance to demonstrate their virility. Such industries fairly come under the head of "legitimate," and among them I class the cotton and woolen industries of New England. Our boot and shoe industry has already demonstrated its fitness to stand on its own feet, as has the iron and steel industry of Pennsylvania.

SUGAR INDUSTRY NOT LEGITIMATE.

The sugar industry of the South, after a century of protection, has failed to establish a reasonable assurance of attaining self-support within a reasonable time, and it can not therefore be classed as a "legitimate" industry within the meaning of our platform. It is no longer expedient, even for the purpose of raising revenue, to tax the American consumers \$115,000,000 yearly in order to help our southern and western sugar planters produce sugar to the value of \$72,000,000, upon which their profits at 20 per cent would be less than \$15,000,000.

TARIFF ADJUSTMENT COMPLEX.

It is thus apparent that the problem of tariff adjustment is complex, that the fixing of any one item must be a composite of the declarations and pledges contained in the Democratic platform plus the traditional attitude of the Democratic Party along certain lines plus the conditions of industry and the needs of the Government.

The problem may be illustrated by a table with a ring upon its surface. Attach to one end of the table rubber bands representing the influences which tend to lower tariff duties. Attach to the other end of the table bands which represent tendencies to raise duties. Proportion these bands in length and size so that they fairly represent the relative strength and importance of the various influences. Now, attach the other ends of the bands to the ring, and the point at which it comes to rest will illustrate the position of that particular tariff on the general scale. Increase or decrease the tension on any band and the position of the ring will change.

REPUBLICAN METHOD TOO SIMPLE.

In his able and instructive speech on the textile schedules last Wednesday the senior Senator from Rhode Island stated that the Democratic theory of tariff revision is so complex that it is hard to understand. It is indeed more complex than the Republican method of calling the protected manufacturers to Washington and giving them just what they want. The heroic simplicity of this method was thoroughly understood by the American people, and it was repudiated by them last November. They desire now that all factors and parties interested be considered, including the consumer.

We may fairly divide the considerations which influence the schedules in a Democratic tariff bill into two classes—(II) those which tend to raise or resist a downward tendency of particular tariffs, and (2) those which tend to lower or resist an upward tendency of particular tariffs.

INFLUENCES TENDING TO RAISE TARIFFS. In the first class are found the following:

1. Increasing needs of the Government.

Forbearance to existing legitimate industries.

3. Suitability for revenue purposes of (a) noncompeting articles and (b) articles of luxury.

INFLUENCES TENDING TO LOWER TARIFFS.

And in the second class are these:

- 1. Hostility to all protective tariffs.
- General policy of downward revision. 3. Material reductions on necessaries.
- Discouragement of trust-made articles.
- 5. Farmers' free list.
- 6. Free raw materials.

And so each Democratic tariff bill will depend upon the importance and number and tension of the various considerations that press upon our attention. Alter any factor and the result will be altered. I incline to the belief that the upward factor which lifts most at present is the promise not to injure or destroy any legitimate industry. If it were not for the reluctance of the Democratic Party to destroy going concerns the taxes on necessaries would be still further reduced. And the test of what shall be the present limit of reduction is the "competitive tariff.'

As long as there is healthy competition home industries can not be seriously impaired, nor can they be highly protected. The competitive test meets the requirements in the most satisfactory way.

COMPETITIVE TARIFF IS BEST SOLUTION,

It has been the custom of the Republican leaders of this body in times past to look carefully after the producer and to express solicitude for the workmen engaged in a particular industry. The Democratic Party, on the other hand, has been more tender to the consumer, paying less attention to the producer. Upon the competitive basis both the producer and the consumer are served—the producer by enough tariff to place him upon even terms with the foreigner and the consumer with the tariff low enough to invite substantial foreign importations.

PENDING BILL AN HONEST ATTEMPT,

The consideration of these various tendencies involves patient research and intelligent discrimination. It must inevitably result in some uncertainties and approximations. I believe this bill is an honest, fair, and enlightened attempt to solve the problem of tariff reduction. Any claim that the solution is perfect must go the way of all claims to infallibility.

Upon my election as United States Senator I affirmed my belief in a tariff for revenue only and my utter hostility to the principles of protectionism. My views on this subject were well

known in New Hampshire.

NEW ENGLAND FAIRLY TREATED.

I declared further that a downward revision of the tariff was inevitable, and I pledged my best efforts to securing for New England fair treatment in that revision and an equitable adjustment among New England industries. My efforts have been in that direction, and I believe the bill treats New England

fairly.

That is, I am convinced that the placing upon the free list of New England products, such as boots and shoes, shoe machinery, lumber, fish, newspaper stock, plows, wagons, harness, and the like, is fully met by the free listing of southern and western products like wool, sugar, leather, cattle, meat, flour, coal, and iron ore. And I reach the same conclusion regarding the relative reduction of duties where the free list is not reached and the equality of the reductions as regards different industries and different sections of New England If there is discrimination in favor of any section or any industry or against any section or any industry, it is not so marked as to have caught my notice.

COTTON INDUSTRY IMPORTANT.

We can not apply the Democratic method of tariff revision to any schedule better than to Schedule I, and we shall find that our result, under present conditions, will agree substantially with a Republican revision of this schedule, honestly carried

out. Please mark the words "honestly carried out."

The Senator from Rhode Island [Mr Lippitt] stated last Wednesday in the Senate that all the textile schedules in the pending bill were wrong, including cotton, silk, and woolen, but that the cotton schedule was the worst of all. If, then, we can show that the cotton schedule is right, we may rest assured that the silk and woolen schedules are right. I shall therefore devote myself to a discussion of the cotton schedule, which is most important in my State and in New England. It is important also in the South, and there are charges that this bill favors the South at the expense of New England. I believe this charge is false, as I shall presently demonstrate.

REDUCTION IN COTTON SCHEDULE SUFFICIENT.

Certain Republican Senators, notably from the West, claim that the cotton industry receives too much protection under this bill; but let these Senators remember that we are now taking merely a first step toward a revenue tariff. After we have seen the result of this first step we shall be in position to take a second. I very much fear that if we should make that first step so long that the cotton industry should receive a severe blow we might not be in a position, politically, to take the second step at an early date.

But even as a first step we have made a reduction on the whole cotton schedule from 45.6 per cent ad valorem to 29.4 per cent ad valorem, a reduction of 35 per cent. Two more steps like the first would leave the cotton industry of America

entirely without protection.

That an average reduction of 35 per cent will insure a competitive basis on manufactures of cotton may be safely inferred from the fact that under the present rates imports now average over \$64,000,000 yearly. The industry is already largely upon a competitive basis.

Speaking as one who is utterly opposed to the principle of protection, and as one who is utterly opposed by the protected interests of my State, I do not hesitate to assert that no complaint of an insufficient reduction in the cotton schedule is well

REDUCTION NOT TOO DRASTIC.

Let us now inquire whether the reduction is too drastic. Are we warranted in cutting the tariffs on cotton manufactures substantially 35 per cent? Our protectionist friends insist that we are not warranted. They declare that such a tremendous re-

duction in cotton duties will close mills, open soup kitchens, and place a blight upon the cotton industry of New England. Let us assume for the moment that they are right, and let us inquire whether there is any peculiarity of these cotton manufacturers which entitles them to "protection" under the National Government in order that they may live.

PROTECTION TO INFANT INDUSTRIES.

This part of the argument is plain. Our protectionist friends say that the Government should impose a tariff on cotton goods, not primarily for revenue, but in order to prevent foreign competition, so that the makers of cotton goods may compel the rest of us to pay more than we otherwise should for cotton cloth. In other words, the rest of us must contribute money to the cotton manufacturers so that they may sell their goods at a higher price. I must pay into the pocket of my neighbor who owns a cotton mill a few cents on the shirt I wear on my back.

This is a pretty raw proposition for me, even when I know and esteem my cotton-mill friend. But if he happens to be a political enemy, or if I am a miner in Utah, it is even worse. There must have been a very plausible excuse to permit even the Republican Party to impose such a system on the American people. I never understood the reasoning very well, but as nearly as my inferior Democratic intellect can compass it, the

following is the explanation:

We are instructed to pay this tax to our cotton-mill friend and look pleasant, because a protective tariff enables him to establish new industries in our Nation and thus increase our wealth and give employment to countless workmen. We continue to look pleasant and begin to look forward to the time when the industries will be so firmly established that we need not contribute further.

PROTECTION TO AMERICAN LABOR.

Years pass and we see our cotton and woolen industries increase to mammoth proportions, producing goods valued at hundreds of millions of dollars annually. We see their great mills covering acres upon acres. We observe how prosperous their owners have become, what beautiful houses they live in, how prominent they are in the social, business, and political life of our part of the Nation. We mildly inquire if it is not about time to let up on us a bit and see if they can not rub along without taxing us for the shirts we wear. We inquire if the

infant industries have not come of age.

We are met with a benevolent and patronizing smile and are assured that we must look pleasant some more and continue to pay a tax, no longer for the benefit of the manufacturer, who is rich enough already, but so that he may pay good wages to his thousands of workmen. In other words, the Republican Party has been clever enough to see that the American public would no longer be hoaxed by the plea of "infant industries"; that they would no longer consent to be taxed so that cotton millionaires might wax richer at their expense, but in the generosity of their hearts they might be persuaded to tax themselves for the benefit of wage earners, possibly less fortunate than themselves. Anyone who might protest was blasted by the query, "Do you want American workmen reduced to the level of the pauper labor of Europe?" Naturally no one did, and the question passed for a valid argument worth 100 cents on the dollar.

CONFIDENCE SHAKEN BY LAWRENCE STRIKE,

We are a benevolent and a good-natured race. We are accustomed to pay direct local taxes for the benefit of unfortunates who can not support themselves; but we support them as paupers—there are no disguises about it. We have proceeded as a Nation to contribute millions upon millions of indirect taxes under the impression that we were helping to support countless mill hands so that they might not be reduced to the level of paupers. But our confidence that our benevolence had trickled through the treasuries of the cotton and woolen mills to the pay envelopes of the operatives received a severe jolt from the disclosures that followed close on the heels of the Lawrence (Mass.) strike in 1912.

WAGES FIXED BY SUPPLY AND DEMAND.

It has now come to be pretty thoroughly understood by day laborers, as well as by students of economics, that wages are regulated by the law of supply and demand. As was stated in the Senate recently by the Senator from Mississippi, "What makes high wages is two jobs looking for one man; what makes low wages is two men looking for one job." No matter how much money a cotton manufacturer is making, he will not be so benevolent as to pay his hands more than the going price. The price he has to pay depends on how many are available for the work. The labor strike cuts off the supply, and when the price offered is raised high enough to overcome the objections of the workmen the supply flows back.

I was pleased recently to hear the Senator from Utah combat the statement contained in a letter from Providence to the effect that miners worked in Utah for \$1.71 a day. The distinguished Senator replied, in substance, that the labor organizations would not permit a miner to work for such wages, thereby admitting that supply and demand, not the protective tariff, controls

ARE COTTON MANUFACTURERS WORTHY?

Before we pursue the wage question further let us see how great the advantages are which spring from our benevolent tariff "protection," outside of increased wages; let us inquire how grateful its beneficiaries are, how much they do for their communities, how generous and high-minded the cotton-mill owners are. Possibly they are so superior to the rest of us that we can afford to maintain them by taxing ourselves.

In the first place, we should expect these favored gentlemen, who fear so much that their workmen may be reduced to the level of the pauper labor of Europe, to conduct their industries on humane lines, to create an example for the rest of the country to follow.

STATUTORY REQULATIONS.

On the contrary, it is actually necessary to compel these men by law to conduct their business on decent lines. We have to provide factory inspectors to police their mills and see that sanitary laws are complied with. We have to curb their greed by passing child labor laws, and laws forbidding women and children to work in factories more than a certain number of hours per week. The limit has been reduced from 60 to 58, to 56, to 55, and to 54 hours a week in Massachusetts, and to 55 hours a week in New Hampshire. Each reduction has come grudgingly and after a hard fight against the determined resistance of a legislative lobby maintained by the manufacturers. We have reduced it to 55 hours a week in my State. The Committee on the District of Columbia has recently reported favorably to the Senate a bill fixing the hours of labor for women and children in factories in the District of Columbia at 48 hours per week.

RESTRAINED LIKE DRAMSHOPS.

Out of the many hundred textile manufacturers in New England you might expect to find a few benevolent souls who would voluntarily reduce the hours of labor on humane principles, even at the expense of some decrease in dividends. But not one has been known to rise to this height. Their hours of opening and closing must be regulated by law, like the saloon and the dramshop.

INTERFERE WITH LEGISLATION.

But these protected manufacturers do not tamely submit to wholesome regulations of this sort. They seek to control the Government in an effort to prevent labor legislation, to escape just taxes, to control the police and the inferior courts, and to secure military aid for the suppression of strikes. A few years ago they all rode on free passes-being men of influence-but they are now compelled by law to pay their fare like the rest

SECURE FAVORS FROM RAILROADS.

They secure for their corporations the benefits of interlocking directorates with railroads, with the result that their raw materials and products get the benefit of special commodity rates at low prices. The treasurer of the largest mill in New Engand is a director of the Boston & Maine Railroad. It appeared in evidence in a recent hearing that this railroad furnished to this mill to do its shifting in its private yard a shifter and shifting crew free of charge, and the crew was idle half the time.

ESCAPE JUST TAXES.

The influence of these mills extends into local politics, to keep down public expenditures, and to keep down their own tax valuations. It is notorious throughout New England that the great textile concerns escape their fair share of the taxes by controlling local boards of assessors.

CONTROL LOCAL OFFICIALS.

The cotton and woolen manufacturers also extend their influence to State politics, and they and their attorneys are very conspicuous about the legislature and at political conventions, making sure that their particular interests are cared for, even as they have been cared for in years past at Washington. They influence the nomination and election of governors and other State officials, and through these they get local judges, police commissioners, and truant officers appointed who will do their bidding. When mill workers of a New England city hired a hall during the Lawrence strike to consider whether they should themselves go out on strike, the local police prevented the use of the hall, and when the operatives tried to hold meetings in

the street some of them were arrested. This was accomplished by the mill owners through the chief of police, who was controlled by the police commissioners, who were appointed by the governor at the direction of the mill owners.

No strike was inaugurated in that city, but better a thousand

times the evils and perils of a strike than such an impudent denial of constitutional rights.

CONTROL LOCAL COURTS.

At one time the State authorities were trying to enforce the child-labor law. Children under 14 were not allowed to work without a certificate from the truant officer. Special counsel was hired because the State attorney in that county was controlled by the mill owners. The truant officer kept his records in such shape that no one else could tell to whom certificates were issued. The State put the truant officer on the stand and asked him if a certificate had been granted to a certain child. He smilingly took from his pocket the certificate, which he had failed to show to the prosecuting officer on request. This was a joke on the State.

The next case was proved beyond a doubt, but the police court

judge, appointed under the same influences as the police and the truant officer, discharged the respondent because "he had not intended to violate the law." The State's counsel called the attention of the judge to his delinquencies and threatened to call the matter to the attention of the Attorney General. The next week convictions were secured, and the children were thereafter sent to school under the law.

INTERFERE IN SENATORIAL CONTEST.

In a recent contest in New England for United States Senator certain Democratic members of the legislature chanced to be employees of a certain great textile corporation. These Democrats were waited upon at their homes and were "requested" by their employer not to vote for the candidate of the Democratic caucus. They were told that they might vote for anyone else. They were not threatened with discharge in so many words if they continued to vote for their party candidate, but the implication was very plain. What sort of claim have men like this to special favors at the hands of a Democratic Con-

OFPOSE LABOR LAWS.

In 1903 a bill was pending in the New Hampshire Legislature for a 58-hour law for women and children in manufacturing establishments. A hearing was held before the Labor Committee. A leading mill agent testified that the mills must run 60 hours a week in order to make money. On cross-examina-tion this agent was forced to admit that his corporation had paid dividends amounting to 46 per cent the year previous.

HIGH DIVIDENDS.

It is difficult to get at the actual dividends paid in these industries, for the stock is frequently watered, the earnings are divided in some cases in the guise of salaries, and the principal stockholders are frequently the controlling factors in selling agencies which dispose of the product at fancy commissions,

But investigations made by the Senator from Oklahoma a few years ago, which resulted in a speech in the Senate, con-vinced the entire country that the dividends paid by many of the cotton mills of New England were enormous. The subject was reviewed by the Hon. Henry T. Rainey, of Illinois, in a The subject speech delivered at the present session, April 28, 1913 (Con-GRESSIONAL RECORD, p. 648). The most ardent protectionist ad-mits that the cotton industry can fairly yield something from its recent profits.

I have lately received from a firm of Boston investment bankers the July number of a circular which calls particular attention to several cotton-manufacturing stocks as an attractive investment, which have paid an average of from 15 per cent to 20 per cent in dividends for many years past. It speaks approvingly of "substantial extra dividends."

This is what this July number says:

The policy of paying regular fixed dividends and adding annually to surplus is always indicative of a well-managed and growing business. Net profits each year should exceed several times dividend requirements, and the available working capital should always be ample to meet the demands of the business.

OVERCAPITALIZATION.

These extra net profits, "several times the dividend requirements," find their way into extra stock, and it is these capitalized earnings with which the American public is confronted when the demand is made for a protective tariff which will maintain a "reasonable profit."

INDUSTRY NOT ALARMED.

Of the tariff this firm says:

The new Congress, true to its promise, has made good progress on the tariff bill, and it is now confidently believed it will pass the Senate,

without any material change, before the summer is ended. Ample oppor-tunity has been afforded for a careful study of the new schedules and their operation on the various industries affected. This means that practically all interests concerned have accomplished much in adjusting themselves to the pending changes.

A search through the entire pamphlet discloses no fear or the slightest alarm over the reduction in the cotton schedule.

ONE-SIDED DEVELOPMENT.

There can be no doubt that the enormous stimulus to the cotton industry in New England has resulted in a one-sided The glittering attractions of the textile cities and larger towns have drawn thousands of young men and women from the farms, who would have been of more service to themselves and to the State if they had remained in the smaller communities.

And it is a subject for anxious thought whether a State is better off for possessing many cities of this character. In the early days of the textile industries the best American citizens worked in the mills side by side with the sons and daughters of the mill owners. In those days Lowell, Mass., boasted of Lucy Larcom, the mill-girl poet. In those days the owners lived close by the mills, knew the operatives personally, and took a personal interest in their welfare.

OWNERS DWELL ELSEWHERE.

fo-day many of the operatives are foreigners, speaking 20 different languages, huddled into reeking tenements, with a standard of living far below the American standard. Instead standard of living far below the American standard. of close relations with their employers, they are confronted with 10-foot, spiked iron fences to keep them away from the mills out of working hours. The owners of the mills live in Boston, New York, London, or Paris, while the managers and superintendents live in an adjacent suburb, away from the offensive sights, noises, and smells of the mill cities themselves.

THEIR PROSPERITY DESIRED.

I am well aware, Mr. President, that I shall be charged with a desire to drive these textile mills out of business. It will be stated in the press of New England, which these cotton men largely control, that I have advocated in the United States Senate the destruction and demolition of their mills. Nothing of the sort. I hope for their prosperity. I hope they will make money enough so that they may pay better wages. I shall presently show that this Democratic bill gives them all the protection they ought fairly to have. But I have felt it my duty to disclose to my colleagues the facts in the case, so that they may judge for themselves whether these gentlemen are entitled to any special consideration in a Democratic tariff bill.

So far from wishing these gentlemen any harm, I have every reason for wishing them to prosper. My relatives and my friends have their money invested in these mills. And it may readily be seen that if any considerable number of them cease running after the passage of this bill, under such circumstances that it may be said that they were put out of business because a fair amount of protection was denied them, it will injure the Democratic administration and the Democratic Party in New Hampshire and in New England.

PAY STARVATION WAGES,

But I can not refrain from improving this opportunity to demonstrate that the money the American people have yielded in the shape of taxes for the benefit of the workingmen in New England's cotton mills has been diverted from its purpose and stolen for the stockholders. For it is an established fact that while these mills pay enormous dividends to their stockholders

they pay starvation wages to their operatives.

After the strike at Lawrence, Mass., in 1912, an investigation was conducted under a Republican administration by a Republican official, Mr. Charles P. Neill, Labor Commissioner.

Mr. Neill made an elaborate report, in which he says (p. 20):

It is obvious from the figures of earnings that the full-time earnings of a large number of adult employees are entirely inadequate to maintain a family. Thus the full-time earnings of 7,275 employees, or about one-third of the total covered in this investigation, are less than \$7 a week. Of the 7,275 earning less than \$7 a week, 5,294 were 18 years of age or over, and 36.5 per cent of the 5,294 were males. These wages, however, are not peculiar to Lawrence. The wages of textile workers in that city are not lower than in most other textile towns.

CAN NOT SUPPORT FAMILY.

According to a statement by the junior Senator from Massachusetts [Mr. Weeks], made in the Senate July 24, last (Con-GRESSIONAL RECORD, p. 2697, the average weekly family expense for food alone in certain trades is \$8.03. If this is a fair average (and I do not doubt it), how is it possible for a man earning \$7 a week to maintain a family, when food alone would cost \$8.03? How about rent, clothing, and doctor's bills?

I have been told within a month by the agent of one of the largest textile mills in New England that they do not expect to pay a man enough to support a family; the women and children

must also work.

HIGH DEATH RATE.

And it is true that the women and children do work. result is exactly what one would expect. The women are sickly and the children are stunted. The death rate for children under 5 years of age in all the United States is highest in the textile cities of New England-in one of the most healthful climates in The reason is that mothers must do double duty as housewives and day laborers; children are neglected; mothers are overworked. Pregnant women must work long hours for a bare living in a stifling atmosphere amid clattering machinery; and after the child is born the mother has little strength and little time to bestow upon her offspring.

LOW STANDARD OF LIVING.
The Labor Commissioner's report, already referred to, shows that the Lawrence operatives were shockingly overcrowded. 15, 16, and 17 people occupying a five-room apartment.

It further appeared at a hearing before the House Committee on Rules that whole families lived without ever tasting meat, and the conditions before the strike were far below what our Republican friends proudly call "the American standard of living." What more can be expected with weekly wages of \$7 and \$8 and a rent of \$3 a week for a four-room apartment?

It will be understood that what is said of low wages and poor conditions of living in the cotton industry also applies to the other textile industries of New England. The hands live in the same or neighboring communities and transfer freely from one industry to another.

TARIFF DOES NOT AFFECT WAGES.

It is not pleasant to hold up the textile cities of New England in their true light, but I can not be a party to the mon-strous fraud that has been perpetrated upon the American public by the Republican Party. To represent that a high protective tariff is desired by the cotton manufacturers of New England so that they may pay fair wages to their operatives is brazen effrontery. No matter how high the tariff, no matter how large their dividends, they will continue to get their work done at the lowest possible rate. A high tariff encourages and does not relieve the conditions disclosed at Lawrence.

It seems fairly certain, on the showing made, that these cotton manufacturers are not entitled to any special favors at the hands of this Congress. I now purpose to demonstrate that the pending bill gives them more than their best friends consider

necessary.

TARIFF BOARD REPORT.

It will be remembered, Mr. President, that the Tariff Board appointed by President Taft made a report on the cotton schedule, and this report was transmitted to Congress with a message from President Taft on March 26, 1912. It occurred to me that this report might throw some light on the pending bill, and if the Democratic schedules should receive even partial support from the report it would be most gratifying.

HILL COTTON BILL.

In my researches I came across a bill offered in the House by the Hon. Ebenezer J. Hill, of Connecticut, on August 2, 1912, as a substitute for the majority bill to reduce the duties on manufactures of cotton. In the speech made by Mr. Hill in support of his substitute he stated that his bill was based upon the report of the Tariff Board, and he referred to the report freely and quoted from it in the course of his speech.

Mr. Hill was then, and had been for nine years, a Republican member of the Ways and Means Committee of the House. He was then, or had previously been, a director and the vice president of a textile mill, of which his son was treasurer. He was wedded to the doctrine of protection, and it will not be claimed that he was not intelligent enough or honest enough to draft a sound bill, based on the Tariff Board report, which should be sufficiently favorable to the protected cotton manufacturers of New England.

CONNECTICUT DISAGREES WITH RHODE ISLAND,

Examining Mr. Hill's speech we are interested to note at the very outset that he disagrees with the views of the Senator from Rhode Island on the subject of specific and ad valorem The learned Senator used his strongest against the ad valorem cotton rates in the pending bill, so that those of us who know his reputation as a tariff expert were rendered somewhat uneasy. It is very pleasant, therefore, to find that Mr. Hill, of Connecticut, is utterly opposed to the Senator's view on this subject, and accepts the view of the Tariff Board that ad valorem duties are preferable to specific duties. He comments on the Tariff Board report on this subject as follows: ADVOCATES AD VALOREM BATES.

On pages 65 to 75 of the cotton report (Tariff Board report) this question is exhaustively discussed, and the consensus of the argument is overwhelming in favor of ad valorem rates as against the present law system (the Payne bill).

On page 73 the board says:

"So far as the motive for undervaluation is concerned, it is more powerful under the scheme adopted in the present (Payne) law than it would be under a straight ad valorem tariff."

On page 74 they say:

"A system which puts a specific rate on an ad valorem basis seems to combine the evils of both systems." (CONGRESSIONAL RECORD, Aug. 2, 1912, p. 10828.)

It will be reassuring to the manufacturers of New England to hear the Democratic ad valorem system so warmly indersed by Mr. Hill and the Republican Tariff Board after the caustic criticism of the Senator from Rhode Island.

RATES SUBSTANTIALLY AGREE.

Coming now to the different items recommended by this leading protectionist, we find that they agree to a surprising extent with the rates established in the pending Underwood bill.

COTTON AND COTTON WASTE.

Cotton and cotton waste or flocks are left by Mr. Hill on the free list as under the Payne law (par. 548). We find the same in the pending Underwood bill.

In the first paragraph of the Hill substitute we find cotton card laps, sliver, roving, or roping carrying a rate of 5 per cent ad valorem. Mr. Underwood gives them precisely the same rate (par. 255).

In paragraph 2 Mr. Hill assigns a rate of 10 per cent to manufactured cotton waste and flocks. The Underwood rate is 5 per cent (par. 255). This item is unimportant because these goods were free, with small importations, under the Dingley Act, while at 20 per cent under the Payne law the amount of imports was only \$2,629, and under the pending law the revenues are estimated at only \$500. The difference between Mr. Hill and Mr. UNDERWOOD here is purely nominal.

COTTON YARN.

In paragraph 3, dealing with cotton yarn, Mr. Hill makes three classes, those not exceeding No. 40 to pay 7½ per cent; between No. 40 and No. 80 to pay 10 per cent; and exceeding No. 80, 15 per cent; an average of 10.8 per cent. The classification under the pending bill (par. 255) is more detailed, but the average below No. 40 is the same as Mr. Hill provides— 7½ per cent—while the Underwood average is 15.8 per cent, exactly 5 per cent higher than Mr. Hill's average of 10.8 per

This comparison hardly bears out the charge of our Republican friends that this bill favors the South by granting comparatively high rates on the coarse goods produced in that section, for the Underwood bill gives the coarse grades the same protection as Mr. Hill's substitute, while on the fine grades produced in New England Mr. Underwood is far more liberal than New England's protectionist champion.

This difference partly disappears in twisted and cable-laid yarns, which are given 5 per cent additional by Mr. Hill; but even with this addition the highest duty imposed by Mr. Hill on yarns is 20 per cent, while the finer yarns under the Underwood bill go to 20 per cent, 22½ per cent, and even 25 per cent. Mr. Hill fails also to impose a differential for yarns "combed, bleached, dyed, mercerized, or colored," which are given an

additional 21 per cent in the pending bill (par. 255). Here again the interests of New England are better taken care of by the Democrats than by their New England friend, Mr. Hill.

In paragraph 4 Mr. Hill provides for spool thread of cotton

at the same rate as the single yarn from which they are made. The average is 10.8 per cent, which compares unfavorably from the New England standpoint with the 15 per cent provided by Mr. Underwood (par. 256).

COTTON CLOTH,

Coming to cotton cloth, we find the Hill substitute providing three classes, based on weight, with 5 per cent, 10 per cent, and 15 per cent rates, an average of 10 per cent. In the Underwood bill (par. 257) there are eight classes, running from 71 per cent to 27½ per cent, with an average of 17.8 per cent. might be claimed that the coarser products are favored by a minimum of 71 per cent in the Underwood bill, as compared with the 5 per cent provided in the Hill substitute, we find the finer New England goods enjoying a distinct advantage over the Hill bill as soon as No. 20 is reached, while all over No. 49 enjoy greater protection than the finest plain cloth under the Hill substitute. The southern argument is effectually disposed of when we realize that the coarser fabrics are not imported into this country to any appreciable extent.

WEIGHT AND THREAD COUNT.

And here again we find the Senator from Rhode Island differing from the gentleman from Connecticut in his idea of the proper system. The protectionist Senator insists that "thread count" is the only proper method, while the protectionist Congressman classifies cotton cloths by weight, and

makes only three classes. The Democratic bill adopts the plan fixed by Mr. Hill for classifying thread and then carries along the same distinction of fineness of thread by adding 21 per cent for the single process of weaving and 21 per cent extra for fancy weaving (par. 257).

Cotton cloth of fancy weave and fancy patterns is given a flat rate by Mr. Hill of 20 per cent (par. 6), while the Underwood bill (par. 257) gives from 10 per cent to 30 per cent, according to fineness of yarn, an average of 20.3 per cent, with a differential favoring New England's finer product.

COTTON TABLE DAMASK.

In paragraph 7 also the Hill substitute grants a special rate of 25 per cent on cotton table damask and on manufactures of which cotton table damask is the component of chief value. The Underwood bill adopts the same classification and precisely the same rate (par. 268).

Cotton table damask is one of the horrible examples selected by the Senator from Rhode Island [Mr. Lippitt] to hold up before the Senate as a target for his assaults. He says that this class of goods is singled out and placed by itself for the benefit of the South, a selfish preference imposed by the dominant southern majority for their own advantage. And he says further that the rate is too low. Both his statements are flatly contradicted by Mr. Hill, of Connecticut, who makes precisely the same classification and grants precisely the same rate, 25 per cent. Can it be possible that the Connecticut Congressman was in league with these unprincipled gentlemen from the South?

OTHER COUNTABLE CLOTHS.

It is also asserted by the Senator from Rhode Island [Mr. LIPPITT] that cotton table damask is the only "countable cotton cloth" which is given a special flat rate. But flat rates are given to cloths composed of cotton and silk of which cotton is the component material of chief value (par. 259); also to cotton cloths filled or coated and waterproof cloths (par. 259); also to handkerchiefs hemmed and handkerchiefs unhemmed (par. 260); also to curtains and table covers (par. 263), underwear (par. 266), and ready-made clothing (par. 261)

COTTON AND SILK GOODS.

Cloths composed of cotton and silk, of which cotton is the component material of chief value, carry a graded duty averaging 22.8 per cent in the Hill substitute (par. 8). Under the pending bill they carry a flat rate of 30 per cent (par. 259).

Cotton cloths, filled or coated, including oilcloth, and waterproof cloths are given rates of 20 per cent by Mr. Hill (par. 9) and of 25 per cent by Mr. Underwood (par. 259).

COTTON HANDKERCHIEFS.

Under paragraph 10 of the Hill bill cotton handkerchiefs are given 5 per cent additional over gray cloths, an average of 22.8 per cent. Under paragraph 260 of the pending measure handkerchiefs not hemmed are placed at 25 per cent; hemmed or hemstitched, 30 per cent.

PLUSHES AND VELVETS.

Plushes, velvets, velveteens, corduroys, and pile fabrics, uncut, are given a rate of 15 per cent by Mr. Hill (par. 11); cut goods of this character are given 40 per cent. The Underwood bill provides 40 per cent for goods of this nature, cut or uncut (par. 262).

OTHER ITEMS.

And so we may go through the rest of the Hill substitute, comparing the rates with the Underwood bill and getting similar results:

	Hi	IL.	Under	rwood.
	Para- graph.	Per cent.	Para- graph.	Per cent.
Curtains, table covers, etc.	12	40	263	35
Cotton reps, Jacquard tapestries, and up- holstery goods	12	40	263	35
frames	13	20	264	20
Stockings. full-fashioned	14	{ 50 60	265	30 and 50
Underwear, etc. Men's and boys' gloves Tire fabric Bone casings, garters, etc. Spindle banding, wicking, etc. Belting for machinery, made of cotton and	15 16 17 18 18	33.7 50 25 30 30	266 265 267 267 267 267	30 45 30 30 25
india rubber	18 19 20	20 30 30	267 261 271	15 36 30

The friends of the cotton manufacturers of New England will be immensely relieved to learn that the seal of their good friend Hill was put upon the cotton schedule of the Underwood tariff bill precisely one year in advance. They might, however, prefer that the fact should not be so widely advertised so far in advance of the passage of the bill.

IDENTICAL RATES.

We have seen that in the six important paragraphs which include the staples-cotton card laps, cotton table damask, cheap stockings, bone casings, garters and suspenders, ready-made clothing, and the basket clause-the rates under the Hill substitute and the Underwood bill are identical. With this agreement in the staples, we should not expect much variation in the other rates, and so it proves.

SOME HILL RATES HIGHER.

The paragraphs which include cotton waste, curtains, table covers, gloves, lamp wicks, shoe lacings, labels, and beltings are at a rate less by just 5 per cent in the Underwood bill than in the Hill bill. Jacquard woven fabrics are 4.7 per cent less and expensive stockings 15 per cent less than in the Hill bill. OTHER HILL RATES LESS.

Cotton yarns; spool thread; cotton cloth, fancy woven and fancy colored; oilcloth and waterproof cloth; handkerchiefs; underwear; and tire fabric are placed at a higher rate by Mr. Underwood than by Mr. Hill by from 0.3 to 5 per cent. Cloth made of cotton and silk is 7.2 per cent higher, plain cotton cloth is 7.5 per cent higher, and plushes and velvets are 12.5 per cent higher in the Underwood bill than in the Hill substitute.

UNDERWOOD RATES AVERAGE HIGHER, Summarizing, we find 6 rates in the 2 bills identical, 7 rates higher in the Hill bill by an average of 6.4 per cent, and 10 rates higher in the Underwood bill by an average of 5.5 per cent. The net result is that the average rate in the Underwood bill is actually higher than in the Hill substitute. AD VALOREM RATES REFLECT DIFFERENCES.

The Senator from Rhode Island was courteously charitable toward the "lawyers" who composed the Senate subcommittee dealing with the cotton schedule; he admitted their fairness, but he doubted the accuracy of their information. But even an expert like the accomplished Senator could not tell the labor cost of the very fabrics he used for samples nor did he hazard an estimate of what the tariff on such elaborate goods should be. He merely showed that they cost more to make than the plain cloth. We must assume, therefore, that they sell for a much greater price than plain goods and the ad valorem duty is proportionately higher. This is one great advantage of the ad valorem system. Schedules embracing an infinite variety of goods divide naturally into general groups, and the smallest variations in manufacturing cost are reflected in the resulting

duty, based upon a certain percentage of value.

It is interesting to note that the "lawyers" of this subcommittee agree much better with Mr. Hill, of Connecticut, than does the expert Senator from Rhode Island.

Would it be discourteous to suggest that a statesman of the protectionist school expresses very different views when he is criticizing an opponent and when constructing a schedule for himself?

HILL RATES NOT REVOLUTIONARY.

Congressman Hill, of Connecticut, was defeated in the catastrophe which swept so many protectionists out of office in New England last November. Sitting at his breakfast table last Thursday morning he must have smiled when he read in his morning paper that his good friend from Rhode Island [Mr. Lippitt] had characterized the cotton schedule in the Underwood bill as "revolutionary." And his amusement was bound to increase when he reflected that these "revolutionary" items were practically identical with those of the substitute drawn by himself just one year ago.

INDORSEMENT BY MR. HILL.

Our New England protectionist friends will be further comforted to know that this substitute offered by Mr. Hill, of Connecticut, carrying a somewhat smaller rate than the cotton schedule of the Underwood bill, came on for a vote in the House on August 2, 1912, and it commanded the support, among others, of such stalwart protectionists as Payne, of New York; Mann, of Illinois; Hill, of Connecticut; Gardner, of Massachusetts; Roberts, of Massachusetts; Longworth, of Ohio; Mondell, of Wyoming; and Sulloway, of New Hampshire.

In the face of this bill, put forward by a protectionist, based

upon a report from a tariff board appointed by a protectionist President, supported by the leading protectionists of the House, how can our friends on the Republican side profess anxiety for the cotton industry of New England?

It is rumored that the New England banks are calling loans from the cotton manufacturers of New England, seeking to give

the impression that they fear the results under the cotton schedule of the pending bill. Now that we know that the pending bill gives as much protection as was asked by ultra-protectionists just one year ago, we may judge what the motives of

these New England bankers are.

In view of the facts now in our possession, I should not be surprised if some of the Progressive Republicans from the great West should insist that the rates in the Underwood cotton schedule are too high. Personally I believe that some of them are too high, and that experience will prove them to be so; but with a downward revision entailing a direct cut of 35.5 per cent, I believe we have fulfilled our promise of a material reduction and have approached as closely to a revenue basis as we safely may upon present information. We have made substantial reductions, and if we should cut deeper we might run the risk of injuring the cotton industry of New England.

Mr. GALLINGER. Mr. President, I have listened with interest and surprise to my Democratic colleague, who gravely tells the Senate that he is commissioned to speak for New England on the question of tariff duties. I did not interrupt my colleague to call his attention to various statements he made to which I take open and unqualified exception, and which at

the proper time will be presented to the Senate.

So far as New Hampshire is concerned, the tariff question has seldom been made a square issue in our politics, but it is safe to say that in view of my colleague's declarations to-day it will not be overlooked in the future, the result of which will, in my opinion, amply demonstrate that New Hampshire repudiates my colleague's free-trade views and his astounding attack upon the cotton-manufacturing industry of New England. It will be found, when the contest comes, that New Hampshire is not in favor of legislating for foreign nations as against our own interests, but stands firmly and unflinchingly for the wellestablished Republican doctrine of ample protection to the products of American farms, American mills, and American

The PRESIDING OFFICER (Mr. ROBINSON in the chair). The pending question is on the amendment offered by the Senator from Iowa [Mr. KENYON] to paragraph 145.

Mr. LA FOLLETTE. Mr. President, I suggest the absence

of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll. The Secretary called the roll, and the following Senators answered to their names

	CHARLE SALESSES !		
Ashurst Bacon Borah Brandegee Bryan Burton Chilton Cummins Dillingham Fall Gallinger Hollis Jackson	Jones Kenyon Kern La Follette Lea Lewis McLean Martin, Va. Martine, N. J. Nelson O'Gorman Oliver Overman Owen	Page Perkins Pittman Ransdell Reed Robinson Saulsbury Shafroth Sheppard Sherman Shively Simmons Smith, Ariz.	Smith, Mich, Smith, S. C. Smoot Stone Sutherland Swanson Thomas Thompson Tillman Walsh Williams

Mr. SHEPPARD. My colleague [Mr. Culberson] is unavoidably absent. He is paired with the Senator from Delaware [Mr. DU PONT]. I will let this announcement stand for the day.

Mr. BRYAN. The senior Senator from Florida [Mr. Fletcher] is absent on business of the Senate. He is paired with the junior Senator from Wyoming [Mr. WARREN]. I make this announcement for the day.

Mr. RANSDELL. I desire to announce that my colleague

[Mr. Thornton] is absent on business of the Senate.

Mr. ASHURST. I have been requested to announce that the Senator from Mississippi [Mr. Vardaman] is absent on business of the Senate.

Mr. LEWIS. I desire to announce the absence of the Senator from Kentucky [Mr. JAMES] from the Chamber, caused by official business.

VICE PRESIDENT. Fifty-three Senators have answered to their names. There is a quorum present. The question is on the amendment offered by the Senator from Iowa [Mr. KENYON] to paragraph 145.
Mr. KENYON. Mr. President, I should like to inquire if the

amendment which I have proposed is at the desk?

The VICE PRESIDENT. The Secretary will state the amendment proposed by the Senator from Iowa.

Mr. KENYON. I want to see if the amendment is in har-

mony with the one I hold in my hand.

The Secretary. In paragraph 145, page 42, line 20, after the word "value," it is proposed to strike out "25 per cent ad valorem" and to insert "shall be exempt from duty."

Mr. KENYON. Mr. President, that is not exactly the amendment that I desire to offer. I propose to offer an amendment to

paragraph 145, and I ask that it go over until the committee amendments are passed upon. There will be some amendments which we shall return to, and I should like to have this passed over until that time.

The VICE PRESIDENT. The amendment as now proposed

by the Senator from Iowa will be stated.

The Secretary. On page 42, line 15, beginning with the word "aluminum," strike out all down to the word "barium," on line 18, and insert:

That aluminum, aluminum scrap, aluminum in plates, sheets, bars, strips, and rods, shall be admitted to this country free of duty.

Mr. STONE, Mr. President, the Chair has several times correctly ruled, I think, that committee amendments shall be first disposed of with a view of perfecting the different paragraphs as we go along. If the Senator from Iowa desires to pass this over for the time being, I have no objection.

Mr. KENYON. The committee amendments have been passed

over in two paragraphs.

Mr. STONE. But the Senator can call up his amendment at any time.

Mr. KENYON. I should like to do that. Mr. OLIVER. Mr. President, I should like to ask the Senator from Iowa when he expects action on this matter. I should like to be here when this question is taken up for action, and I have made arrangements to be away for at least a week. I would not like the subject to be disposed of in my absence. I had expected it to be taken up to-day.

Mr. KENYON. I will say to the Senator from Pennsylvania that it will not be taken up in his absence. I will notify him at least a day in advance, if that is satisfactory.

Mr. OLIVER. If that is satisfactory to the Senator, it will be satisfactory to me.

Mr. STONE. I did not understand what the Senator from

Iowa said.

Mr. KENYON. I said I would not ask to take the matter up in the absence of the Senator from Pennsylvania [Mr. OLIVER], and that I would notify him a day in advance of it being taken

Mr. STONE. Mr. President, I am disposed to accommodate both Senators so far as possible.

Mr. KENYON. The Senator from Pennsylvania says he will

be away for a week.

Mr. OLIVER. I will state, Mr. President, that I have been waiting until the metal schedule-

Mr. STONE. When does the Senator from Pennsylvania expect to go away?

Mr. OLIVER. I expect to go away to-night. Mr. STONE. To be gone a week?

Mr. OLIVER. To be gone a week.

Mr. SUTHERLAND. The Senator will probably be back in

Mr. KENYON. Will there be a vote on this matter before a week, does the Senator from Missouri think? Mr. President, if it can go over without inconvenience, I should like to have it do so. If it can not, we may go on with it now.

All I feel at liberty to say is-

Mr. CUMMINS rose.

STONE. Does the senior Senator from Iowa wish to speak?

Mr. CUMMINS. I was about to suggest, Mr. President, that whenever it is convenient to the Senate and whenever the proper time has come, I intend to offer a substitute for the metal schedule. I desire to consider the paragraph relating to aluminum, and I should like very much to make such observations as I have to make upon that paragraph before I vote upon the amendment offered by my colleague [Mr. KENYON].

Mr. STONE. Mr. President, would it be satisfactory to all Senators if the committee in charge of the bill should state that we will proceed with the paragraphs that have been passed over, following the one now being spoken of, and dispose of them so far as we can? There are, however, some of those that I understand will have to be passed over until to-morrow at least; the point I have in mind being that when we have, so far as we can to-day, completed the paragraphs, the senior Senator from Iowa [Mr. Cummins] will offer his substitute.

Mr. CUMMINS. Originally I suggested that, at the conclusion of the consideration of this schedule paragraph by paragraph, I would offer my substitute; but I hold myself, of course, largely at the pleasure of the Senator from Missouri. I want to do the thing that will speed the bill, for I desire, as I am sure the Senator does, an early disposition of the whole matter. I am ready to offer my substitute, and I am ready to submit to the Senate my argument for it; but I will do whatever the Senator from Missouri thinks best.

Mr. STONE. May I ask the Senator from Iowa if he is willing to offer his substitute now?

Mr. CUMMINS. I am.

Mr. STONE. Very well. Mr. BRANDEGEE. Mr. President, will the Senator from Missouri allow me to ask him how could the substitute proposed by the Senator from Iowa [Mr. CUMMINS] be voted upon until the different paragraphs of the schedule have been acted upon so as to perfect this schedule? In other words, the other day. when a colloquy occurred about this matter, as I remember, it was stated that a substitute for the schedule could not be voted upon until the schedule itself had been perfected. If certain paragraphs are to be left in abeyance, I wondered how we could vote upon the substitute now? If the substitute were adopted. it would preclude going back to the paragraph in dispute.

Mr. STONE. Mr. President, we are wasting time. I will agree, for the time being, to pass the paragraph in which the junior Senator from Iowa [Mr. KENYON] is concerned and to go on with the others and dispose of them so far as we can to-day. I think it will not take long. The Senator from Utah [Mr. SUTHERLAND] has an amendment pending to paragraph 155.

Mr. SUTHERLAND. Yes.

Mr. STONE. We can dispose of that and perhaps of some others. Then there will be only one or two paragraphs to be considered after that, so far as the Senate bill is concerned. Then the Senator from Iowa [Mr. CUMMINS] can to-day propose his substitute, and we can proceed with that. As to the amendment offered by the junior Senator from Iowa [Mr. KENYON] to the aluminum paragraph, I am a little embarrassed in reaching an agreement because of what the Senator from Pennsylvania [Mr. OLIVER] has said, that he wished to be present when it is considered and that he will be absent for a week. I myself am not disposed to postpone the consideration of the matter for a week.

Mr. BRANDEGEE. Mr. President, let me ask the Senator from Missouri whether it is his intention, for instance, to take up paragraph 163 to-day, which, if I am correctly informed, was passed over upon the suggestion of the senior Senator from Massachusetts [Mr. Lodge], who does not seem to be here to-day?

Mr. STONE. I can say as to that that I heard from the Senator from Massachusetts this morning requesting that the paragraph in which he was concerned might be passed over until to-morrow morning, and that he would be here to-morrow morn-

ing. I feel that I can consent to that.

Mr. SMOOT. Mr. President, so that the Senator from Missouri may be informed as to paragraph 155, I will say that the junior Senator from Idaho [Mr. BRADY], who is now with a committee taking the dead body of the late Senator Johnston. of Alabama, to his home, told me that he desired to speak upon this paragraph. I really do not know how soon he will return, though I think perhaps to-morrow. Does the Senator from Missouri think that we had better pass on that paragraph under those conditions?

Mr. STONE. Well, the Senator from Utah understands the difficulty of the situation.

Mr. SMOOT. I do.

Mr. STONE. First one Senator and then another asks to pass matters over, while the committee is anxious to press them to some conclusion.

Mr. SMOOT. Of course, Mr. President, I do not want to insist, but the junior Senator from Idaho [Mr. BRADY] told me that he was going to speak upon that subject. He is now away from the city by appointment of the Senate, and I thought perhaps that it would be just as well to let the paragraph go over.

Mr. SIMMONS. Permit me to ask the Senator from Utah if

the Senator from Idaho will not be back to-morrow? Mr. SMOOT. I think he will.

Mr. SIMMONS. Then we could go on with the discussion on the substitute offered by the Senator from Iowa [Mr. Cum-We will probably not finish that to-day. MINS].

Mr. SMOOT. That is what I thought.

I think we had better proceed with the bill Mr. STONE. and dispose of it so far as we can.

Mr. GALLINGER. I rise to say that I deeply sympathize with the Senator from Missouri in his desire to make progress. It is unfortunate that so many Senators find it their duty to absent themselves and to ask for delay. I think the Senator from Missouri is exercising a great deal of forbearance and good nature, and I do hope that, so far as possible, Senators will permit the paragraphs to be considered as they are reached.

As to the paragraph concerning aluminum or aluminium, it will not delay anything if it goes over for a week, for the reason that we will be here a week from to-day and two or three Senators are deeply interested in that paragraph. Personally, I

should be very glad to have it considered to-day; but if the Senator from Pennsylvania [Mr. OLIVER] is to be gone a week, I believe we ought to agree to let that go over and proceed with the other paragraphs and, if possible, other schedules of the bill.

Mr. STONE. Well, we will see what we can do.

Mr. GALLINGER. I am somewhat fearful, the way things are going, that there will not be any time to consider currency legislation this summer.

Mr. STONE. Oh, yes; we will have an abundance of time

for that.

Mr. OLIVER. If the Senator will allow me, I will ask the Senator from Iowa [Mr. KENYON], in order to expedite the orderly disposition of the schedules, if it would be satisfactory to him for the Senate to go right along and allow him to offer his amendment after the bill shall have been reported to the

Mr. KENYON. I would prefer, I think, to have my amendment voted on when the bill is being considered as in Committee

of the Whole.

Mr. OLIVER. I am extremely anxious to be here when it is acted upon; but if the Senator from Iowa desires the paragraph to go over, I do not like to interfere in the matter. I am ready to act now, but I want to be here when it is passed

Mr. STONE. Mr. President, for the present I will ask that the amendment of the junior Senator from Iowa [Mr. Kenyon] may be passed over with the paragraph, the committee amendments having been already agreed to, and I will ask the Secretary to read the next paragraph passed over.

The VICE PRESIDENT. Paragraph 145 will go over with the amendment of the Senator from Iowa [Mr. Kenyon]

pending.

Mr. STONE. Paragraph 143 has not been acted upon. was passed over on Saturday with the understanding that it would be taken up to-day. It was passed over originally at the request of the senior Senator from Pennsylvania [Mr. Pen-ROSE]; but, Mr. President, we can not continue to pass over these paragraphs indefinitely. Is there any reason why we should not now dispose of paragraph 143?

Mr. OLIVER. I did not hear the Senator.

Mr. STONE. I am speaking of paragraph 143. Mr. GALLINGER. That is the paragraph relating to umbrella and parasol ribs, and so forth.

Mr. OLIVER. My colleague [Mr. Penrose] asked that that paragraph be passed over. I expected him here this morning.

Mr. STONE. I have not heard anything from the senior Senator from Pennsylvania on the subject. We passed it over on Saturday with the understanding that it would be taken up to-day.

Mr. OLIVER. Mr. President, I would suggest that the paragraph be acted on, with the understanding that if my colleague comes back and insists upon it he can take up with the committee the matter of reconsidering it.

Mr. STONE. Very well. He can take it up with the com-

mittee or with the Senate.

Mr. OLIVER. There is no committee amendment pending to the paragraph.

Mr. STONE. Well, that paragraph may be considered as disposed of.

Mr. CUMMINS. Mr. President, the paragraphs concerning which no amendments have been offered require, as I understand, no action by the Senate at all, and no action has been taken on any of them.

Mr. STONE. I think they do require a kind of pro forma action. They are read and are agreed to, unless there are amendments offered to them.

Mr. CUMMINS. I understood the Chair on a former date to announce a contrary rule. Parliamentarily the law does not recognize a paragraph; it recognizes only the bill. reading the bill, and as amendments are reached they are voted upon; otherwise no action of the Senate at all is taken.

Mr. STONE. Mr. President, paragraph 143 was passed over

at the request of the Senator from Pennsylvania.

Mr. CUMMINS. I know that.

And now I am asking that it be tentatively, at Mr. STONE. least in a pro forma way, disposed of, and that we may proceed.

Mr. GALLINGER. It is disposed of. Mr. STONE. Mr. President, paragraph 153 is the next one after the aluminum paragraph, and to that paragraph the junior Senator from Iowa [Mr. Kenyon] has offered an amendment. Paragraph 153 was passed over at the request of the Senator from Massachusetts [Mr. Lodge], and likewise paragraph 163 and paragraph 169. Those three paragraphs, without objection, will be passed over by the request of the com-

mittee until to-morrow morning, when, the Senator from Massachusetts sends word, he will be here and desires to be heard upon them before they are acted upon. That will leave paragraph 154 and paragraph 155, and I think we might now take up those and dispose of them.

The VICE PRESIDENT. The Secretary will state the amend-

ment to paragraph 154.

The Secretary. In paragraph 154, page 44, line 25, it is proposed to strike out "\frac{1}{2}" and in lieu thereof to insert "\frac{3}{4}," so as to read:

154. Lead-bearing ores of all kinds containing more than 3 per cent of lead, three-fourths cent per pound on the lead contained therein.

Mr. SUTHERLAND. Mr. President, I move to amend the committee amendment by striking out "three-fourths cent" and inserting "11 cents," so that it will read "11 cents per pound on the lead contained therein."

Mr. BORAH. Mr. President-

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Idaho?

Mr. SUTHERLAND. I do.

Mr. BORAH. I certainly do not desire to delay this bill; but in-view of the statement of the Senator from Utah [Mr. Smoot] I feel that I ought to say that, if it be convenient, this paragraph ought to go over. My colleague [Mr. Brady] is away on business of the Senate, and I am told that he is prepared to address the Senate on the subject; so I have felt that I ought at least to bring the matter to the attention of the Senator who has the schedule in charge.

Mr. STONE. Mr. President, of course the junior Senator from Idaho [Mr. Brady] being absent by appointment on the committee attending the funeral of the late Senator Johnston, should not feel disposed to press the matter to the extent of disposing of it finally until he can be heard to-morrow morning. I am quite sure that he will return by to-morrow morning; but the Senator from Utah [Mr. SUTHERLAND], if agreeable to him, might proceed with his amendment, and whatever is to be said about it might as well be said now as later.

Mr. SUTHERLAND. I am quite willing to do as the Senator from Missouri desires about that. I wish to occupy the atten-

tion of the Senate for only a few minutes.

Mr. STONE. What is the pleasure of the Senator? What does he wish done? Mr. SUTHERLAND. I have no choice in the matter. I am

willing to go ahead.

Mr. STONE. Then let us proceed now.

Mr. SUTHERLAND. Mr. President, I have not the slightest hope of changing the mind of any member of the committee or any Senator upon the other side of the Chamber. I think it is pretty well understood that this bill is going to be passed by the votes of the majority in the form in which it is now before the Senate. But the particular article embraced within this section of the schedule is one in which the people of my own State, as well as the people of the various Rocky Mountain States, are vitally interested. While, as I say, I have no hope that anything I may say will result in a change in the schedule, I still feel it my duty to present, very briefly, some facts bearing upon the question.

Under the McKinley bill the duty upon the lead content of lead-bearing ores was 11 cents per pound. Under the Wilson bill that was reduced to three-quarters of a cent per pound. The Dingley bill restored the original rate of 11 cents per pound, and that rate was carried forward by the Payne-Aldrich bill, so that that is the amount of duty which is now imposed

upon this article.

I know from personal observation and experience the effect of the reduction of the duty on lead under the Wilson bill, and I know that the result was disastrous to the industry in the entire West. Prior to the passage of the Wilson bill the lead-mining industry of my own State was in a fairly satisfactory condition. I think something like 2,500 or 3,000 miners were employed in the lead-producing mines of the State, and of course that meant the support of four or five times that number of people. The farmers of the State were benefited by that condition.

Mr. GALLINGER. What was the rate of duty at that time? Mr. SUTHERLAND. The rate of duty at that time was 11 cents per pound. The farmers of the State were interested in the matter, because in the camps where lead is mined there are, of course, no farms. The valleys near the mining camps depend upon the market furnished by the mines for the sale of

their products.

After the Wilson bill was adopted the price of lead immediately declined; and the result was that at least one-half of all the lead-producing mines of the State closed down. more than that closed down, but at least one-half did so. result, of course, was to throw out of employment half of the miners. The result of that was to take away from the farmers the market which before had been afforded by these miners and those dependent upon them. The mines which had been in operation of course deteriorated while they were closed. Some of them were flooded with water; the timbers rotted and deteriorated; various openings in the mines caved in; so that when the mines were reopened it required a vast expenditure of money to put them in working condition again.

What happened in Utah happened in the other States of the West. My State is now the third State in the Union in the point of production of lead. The State of Missouri comes first, the State of Idaho comes second, and the State of Utah third

in the matter of production.

There is one very essential and important difference between the lead mines of Missouri and the lead mines of the Rocky Mountain region, in that in the mines of the far West—the Rocky Mountain region-lead is associated with the precious metals. All of the lead-bearing ores in Utah, in Idaho, and in Colorado carry a certain percentage of silver and of gold. So whenever the mines of that region are closed down you have not only curtailed the production of lead in the United States, but you have likewise curtailed the production of gold and

silver, and very appreciably curtailed it.

The matter of lead mining, I think, illustrates the benefits of the protective system as well as any article embraced within the whole list. During the years 1853 to 1862, a 10-year period, the production of lead in the United States was 188,600 tons. The consumption in the United States was 422,359 tons. So we produced during those years less than one-half of our consumption, namely, 44.5 per cent. The average price of lead in New York during that period of time was 6.13 cents per pound. The average London price during the same period was 4.93 cents

per pound.

During the next decennial period, 1863 to 1872, the production in the United States increased slightly while the consumption increased materially; so that the ratio of production to consumption in the United States fell from 44 per cent to 36 per cent and the price of lead rose from 6.13 cents to 6.49 cents per pound. It would seem to be clear that what brought that about was the relatively decreased production in the United States

was the relatively decreased production in the United States as compared with the consumption. The London price during the same period was 4.31 cents per pound.

In the period between 1883 and 1892, during which time there was a substantial duty upon lead, the production in the United States rose to 1,505,042 tons. In other words, it increased from the production during the first period I have mentioned, 188,600 tons, to 1,505,042 tons. We consumed during that decennial period 1,538,994 tons. So that the ratio of production in the United States rose to 97.7 per cent of our consumption, and the price fell in the United States to 4.24 cents per pound, the London price during the corresponding period being 2.74 cents per pound.

Between 1893 and 1902, during a portion of which time the Wilson law was in operation, and therefore during which time the duty was three-fourths of a cent per pound, while during the other portion, under the Dingley law, the duty was 11 cents per pound, we produced 2,175,357 tons, the ratio of production as compared with the consumption being 95.6 per cent.

From 1903 to 1912, the last decennial period, the production of lead in the United States was 3,459,473 tons and the consumption 3,525,420 tons. During that period we produced 98.2 per cent of all the lead we consumed. The average New York price during the period was 4.6 cents, while the London price

during the same period was 3.22 cents.

I call attention to these figures for the purpose of showing that under the protective policy which has been in operation at the substantial rate of 1½ cents per pound with the exception of three or four years when the Wilson bill was in force the production of lead in the United States has steadily increased until we are producing the vast quantity of nearly 3,500,000 tons for the 10-year period; and instead of considerably less than one-half of what we consume we are producing nearly all we consume, while the price has gone down from 6.13 cents per pound to 4.6 cents per pound.

If the rate proposed by this bill goes into operation, I have not the slightest doubt that the same result will follow that followed before, namely, that many of the mines will be closed. Nobody can predict what proportion, but many of them will be closed. I say that because, as I shall show in a moment, it is utterly impossible for the mines of the Rocky Mountain section to produce lead and compete in price with the product of Mexico, Canada, Spain, or the other lead-producing countries.

I call attention to a table which is made up from the experience of the State board of equalization of the State of per day.

Utah which shows the cost of producing lead in that State. Under the laws of that State the net proceeds of all mines are taxed, so that it is necessary that the board of equalization, which has control of the subject matter, shall ascertain what are the net proceeds. Based upon this official ascertainment the net cost per pound of lead produced in that State is a trifle

over 4 cents—approximately 4 cents—per pound.

That cost is made up in this way: First, the wages of men and salaries of superintendents, foremen, and so forth, at mines and mills aggregate, per pound of lead produced, 2.6 cents; taxes and miscellaneous expenses, 0.3 of 1 cent; fuel, timber, supplies, and so forth, 0.8 of 1 cent; freight and sampling ores and concentrates, 0.7 of 1 cent; smelting, 2.7 cents; freight on bullion and refining, 1 cent; redemption of original investment for development and equipment, 0.5 of 1 cent. The total of these percentages is 8.6 cents. So that, if we had to consider the lead alone, every pound of lead produced in the State of Utah would cost, to produce it, 8.6 cents per pound.

As I have already stated, however, all of the lead-bearing ores in that State carry associated with them silver and gold; and when we credit the amount of gold and silver which runs with each pound of lead it amounts to 4.6 cents. Without allowing any part of the cost to the production of the gold and silver, that brings down the cost of the lead, as I stated, to 4

cents per pound.

I think it is utterly impossible in that State to produce lead at a less price per pound than that; and I think what is true of that State is true of the other States of the Rocky Mountain region. I am speaking of the producing mines. There are more nonproducing mines in every State than there are those which produce. I suppose that of the mines which are in actual operation in every one of the Rocky Mountain States to-day three of them are being worked at a loss where one of them is being worked at a profit. This computation includes only those which are being worked at a profit, and leaves entirely out of consideration the nonproducing properties.

I have a statement here with reference to that subject:

An analysis of the reports made to the State Board of Equalization of Utah shows that out of 141 gold-silver-lead mines 12 of them realized net proceeds, because their output was essentially precious metals; 18 mines had net proceeds derived from the combination of gold, silver, and lead, and the remaining 111 mines had no net proceeds at all.

When we come to the countries which are producing lead in competition with us, the situation is altogether different. Our greatest competitor has been Mexico. I think it is quite true that for a little while during the disturbed conditions in Mexico our mines may be able to run along, because, while the conditions in Mexico continue as they are now, the production of lead in Mexico will be very much curtailed. But the moment peace is restored, the moment normal conditions return to the Republic of Mexico and the mines resume their normal operations, then at once Mexico becomes an important competitor, and the most important competitor, as it has been in the past.

Now, I wish to call attention to the conditions under which lead is produced in that Republic. In central Mexico an ordinary miner gets 37½ cents to 50 cents per day, except in some of the larger camps. That statement is taken from an article entitled "Efficiency of Mexican labor," printed in the Engineering and Mining Journal for October, 1908. That means 37½ to

50 cents in gold, not in Mexican money.

From the report of Vice Consul C. M. Leonard, of Chihuahua, of date February 3, 1911, on Mexican mining labor, I take this

statement:

The following wages per day of 10 hours are paid in one of the largest mining camps in Mexico, 20 miles from Chihuahua, the wages being reduced to United States currency: Miners, \$1: carmen, 75 cents to \$1: * * * timbermen, \$1.50; * * * top laborers, 75 cents. * * * * The above wages apply practically to all mines in the northern tier of States, but decrease somewhat as one goes south.

From another article appearing in the Transactions of the American Institute of Mining Engineers, November, 1901, I take the statement of Mr. James W. Malcolmson, which is as follows:

Labor for the mines is fairly abundant. The Sierra Mojada miner earns usually \$1.50 Mexican, or \$0.75 United States currency, per day. He is industrious and intelligent, and will mine and timber in the heaviest ground with skill and confidence.

From the report of Consul Albert W. Brickend, jr., to the Department of Commerce and Labor, March 13, 1911, I take the following:

The thickly settled districts adjacent to Comitan and San Cristobal supply all the hands necessary in the agricultural sections, as well as the mining laborers, at a daily wage of 50 cents to \$1 (Mexican) per day.

Which would be 25 cents to 50 cents United States money

Mr. BORAH. Mr. President-

Mr. SUTHERLAND. I will yield in a moment. So it is seen that the wages paid to the Mexican miners in Mexico range from 25 cents a day up to \$1, the highest that are paid, while in the State of Utah the miners are paid from \$3 to \$3.50 per day, and I think in Idaho the wages are that much, if not more. I yield to the Senator from Idaho.

Mr. BORAH. I was simply going to ask the Senator to give in connection with the wages in Mexico the wages in Utah and

Idaho, which he has done.

Mr. SUTHERLAND. The wages in Utah and Idaho are from

\$3 to \$3.50 per day.

Mr. President, as it seems to me, if this lead-mining industry is worth preserving at all, it is a monstrous proposition to ask the people of this country, who pay their miners \$3 to \$3.50 per day, to compete with a country where the miners are paid from 25 cents to \$1 a day. It simply means that if that is attempted to be done these mines must close to a very large degree. the mines that are producing ore of exceedingly high grade, or where the associated precious metals are in large quantity, can possibly afford to operate. The low-grade lead mines, the mines which produce ores that carry only a small quantity of silver or lead, must inevitably close, with all the results that follow from that, directly and indirectly.

I shall call attention very briefly to the question of associated metals. Before I come to that, however, I wish to speak of the condition in Canada, where the production of lead has been increasing during the last few years. In Canada the miners are paid substantially the same that miners are paid in this country. I think there is very little difference. To the extent that there is a difference the wages are higher in this country than they are there. But Canada pays a bounty for every pound of lead which is produced. Upon that subject I read from the article contributed by C. E. Siebenthal, on the subject of lead and smelter products in the Mineral Resources of the United States in

the issue of 1911, in which he says:

The bounty paid by the Dominion of Canada to lead producers amounts to 75 cents per hundred pounds lead content of Canadian ore delivered to Canadian smelters, when the London price of lead does not exceed £14 10s. per long ton (3.15 cents per pound). With increase in the price of lead the bounty decreases at the same ratio, ceasing altogether when lead is about £18 per long ton (3.91 cents per pound). The result of the bounty is to maintain to the producers a steady value for lead, under the present arrangement, of £18 per long ton.

There has been appropriated for the payment of that bounty in Canada during the last few years, I think, nearly \$2,000,000.

The same writer continues:

The following figures, submitted to the meeting of the Western Branch of the Canadian Mining Institute, show the amounts paid during several periods to July 1, 1911, and the balance unexpended at that date of the \$2,500,000 originally voted by the Dominion House of Commons for the payment of bounty on lead mined in Canada:

Expenditure under Canadian lead-bounty act.

\$700, 390, 04 274, 447, 50

That would be a little less than a year-Paid during fiscal year ended Mar. 31, 1910_____

343, 099, 08 which would be the full 12 months-

_ 1, 746, 595. 00 Total amount paid as bounty on lead ___

Or, as I said in the beginning, nearly \$2,000,000. That is the way in which the lead mining industry in Canada is encouraged. The amount of bounty paid by the Canadian Government for the production of every pound of lead is as great as the amount of duty which is proposed by this bill.

I am not advised as to what the amount of duty imposed by

the Canadian laws upon the importation of lead is, but whatever that may be, it must be added to this bounty to arrive at the

aggregate protection which that industry receives.

So we find upon our northern border a country which produces in competition with us a great quantity of lead, and which is put on more favorable terms of competition with us by the payment of a bounty for every pound of lead produced; and we find upon the southern border our greatest competitor, a country where the wages paid are so little in comparison with our own as to make competition on anything like equal terms an absolute impossibility.

Mr. President, I call attention to the fact that the gold pro-

duction of the world has evidently reached its high point in the matter of production. Certainly it has reached its high point

thousand dollars; in 1911 it was ninety-six million and some odd thousand dollars; and in 1912 it was reduced to \$91,685,168.

I have already called attention to the fact that a very large production of these lead-bearing ores carry associated with them gold. Anything that we may do to discourage the production of lead, of course, still further discourages the production of gold. I think no one will disagree with me when I say. that it is exceedingly important to this country to produce all the gold it can. It is the basic money not only of our own country, but practically of the entire world.

Out of the \$91,000,000 produced in 1912, as shown by the smelter returns, 22 per cent came from lead ores, which would make out of the \$91,000,000 twenty million and some odd dollars for that year. Of course, I do not mean to say that to curtail the production of lead in the United States would result in cutting down our production of gold \$20,000,000 per annum, but I do mean to say that it would cut it down to a very large extent.

I venture to state that under the Wilson Act, where the duty was three-fourths of a cent a pound, at least one-third of the gold and silver in value came from those mines which were forced to close down. I mean one-third of the 22 per cent, not of the entire production. So if we should have the same result under this law, in addition to cutting our lead supply it would result in cutting off more than \$6,000,000 per annum from our production of gold and \$6,000,000 from our production of silver.

Of course, there can be no monopoly in this industry. Miners are going out all over the country prospecting, discovering lands which carry lead ores and ores carrying the other metals, and as long as that condition of affairs exists it is an utter impossibility that there should be any monopoly of it.

The men engaged in this industry are receiving a meager

return upon the investment which they have made.

Now, there is one other feature of this subject to which I wish to call attention, and then I will be through. It is said that this is a revenue bill; that the prime object of it is the production of revenue. When you cut down the duty upon the lead contents of ores one-half, of course to produce the same amount of revenue you must double your importations.

It is estimated that under the pending bill this duty will produce \$60,000 per annum upon lead ores, \$400,000 per annum upon bullion, lead in pigs, and so forth, and \$1,250 upon lead in sheets, and so forth. If that estimate is correct, then the entire revenue which would be produced from the importation of lead in all conditions will be \$461.250. But under the Dingley Act and the Payne-Aldrich Act, which carries the same rate of duty, namely, 11 cents a pound, the average duties paid during the last 10 years have been \$734,000. So you will not only succeed by this reduction in delivering a staggering blow to this great and important industry, but you will receive far less revenue than has been received under the 11 cents a pound duty and less than would be received if that duty were continued. It is the difference between \$734,000 per annum, produced under the existing law, and \$461,250, which is estimated will be produced under the proposed bill.

Mr. President, I have said all that I have to say upon this subject, and I conclude as I began by saying that I have not the slightest hope that I have made any impression upon my friends on the other side. But I thought I owed it to the people of my own State who are to be vitally affected by this reduc-tion and to the people of the West to say this much.

Mr. THOMAS. Mr. President, I have not, up to this time, taken a very prominent part in the discussion of the various paragraphs of this measure and perhaps I should not at the present time do so; I would not do so but for the fact that of all the various industries which are covered by the pending measure, this paragraph and paragraphs 155 and 164 affect the only industries in which I have personally the slightest interest. Having that interest I have not voted and I do not propose to vote upon this particular paragraph; but believing, as I do, that: no duty whatever is necessary either for the protection and promotion or for the existence of this industry, and that the duty which the bill provides is at best a revenue measure, whether it be for a great or a small amount, I have determined to call attention to a few facts which, in my judgment, lead to that conclusion.

I wish to say at the outset that the closing of the mines of the Rocky Mountain region in the early nineties was not due to the lowering of the tariff upon lead or to any legislative measure other than the act which repealed the purchasing clause of the Sherman law. If my memory serves me rightly, in the United States. Since the year 1909 the production of gold has been steadily decreasing. We produced during the year 1909 nearly \$100,000,000 of gold in the United States—\$99,763,400. In 1910 that fell to ninety-six million and some odd the States adjoining mine, were closed down. That was caused by the sudden drop in the price of silver from 90 cents to about 60 cents, in consequence of which the various smelters were too much alarmed about existing and future conditions to invest

money in the purchase of argentiferous ores.

So I may say that, although there may be some exceptions, all the lead-producing mines of the Rocky Mountain region, and particularly those in the State which I in part represent here, are mines which are worked for their other metallic contents, the lead being in the nature of a by-product, or wherever they are worked for lead as a principal product, the existence of byproducts, such as silver and gold, makes it possible to work them at a profit.

I may say also at this juncture that lead ores are an essential to the reduction of the gold and silver ores, particularly when they are refractory, silver ores perhaps more generally than gold, and that without lead ores as a flux, their treatment would be largely curtailed, if not diminished practically to zero.

These mines did not resume work immediately after the crushing blow which was delivered to the silver industry in 1893, but they gradually opened up here and there, until in the course of time practically all of them which produced sufficient, either directly or as a by-product of other metals, to make it an object for them to do so. Of course a great many other mines, so called, were being operated in the hope of profit, which sometimes was and sometimes was not disappointed.

Now, there was not as much lead produced from argentiferous ores during the existence and operation of the Wilson Act as before or since that time. But it is a fact, Mr. President, that the average annual production of lead in this country continued uninterruptedly during the operation of that law, as shown by

the statistics of the Government.

I call attention to page 162 of the tariff hearings, which give the production under all the acts of the United States imposing a tariff upon lead either in pigs and bars or in ores, or both, beginning with the act of March 3, 1883, and ending with the year 1912. From the statistics it appears that during the operation of the Wilson Act for the three years 1895, 1896, and 1897, 170,000, 188,000, and 211,000 tons, respectively, were produced, the two last figures being an amount in excess of any year of lead production under the operation of the McKinley law.

Mr. BORAH. Mr. President—
The VICE PRESIDENT. Does the Senator from Colorado yield to the Senator from Idaho?

Mr. THOMAS. Certainly.
Mr. BORAH. What is the price of silver at the present time as compared with silver during the years in which the Wilson

Act was operative?

Mr. THOMAS. The price of silver at the present time and the price of silver at the time covered by the Senator's question I can not give with accuracy. The present price is somewhere in the neighborhood of 60 cents an ounce, and my impression is that it was below that price during the pendency of the Wilson Act: but as to that I am not certain.

Now, Mr. President, prior to the

Mr. SMOOT. Before the Senator leaves that point will he yield to me?

Mr. THOMAS. Certainly.

Mr. SMOOT. I may have misunderstood the Senator, but I thought I heard him say that he did not believe any duty was

required upon lead.

Mr. THOMAS. Yes; I so stated; that is, not for the purpose of protection.

Mr. SMOOT. Well, for any purpose?

Mr. THOMAS. Oh, well, I believe in a revenue tariff myself, and upon that basis I think the tariff upon lead is proper.

Mr. SMOOT. This is what I wish to invite the Senator's attention to in that connection: We will take for the year 1910 the London price of lead, which was \$2.83. The Senator knows that when all smelters in our part of the country pay the miner or the producer of lead for the lead contained in his ore they

give him the New York price less \$1.50.

Mr. THOMAS. No; I do not know that. I know that they use the New York price as a basis of their contracts, but they do not give him the New York price by any means. The Senator

knows that.

Mr. SMOOT. The Senator may have misunderstood me. said that they paid him the New York price on the day of settlement less 1½ cents a pound.

Mr. THOMAS. No.

Mr. SMOOT. That is what they pay us in Utah.

Mr. THOMAS. The mode of settlement is probably universal,

because there is virtually only one purchaser.

Mr. SMOOT. What does the Senator say it is?

Mr. THOMAS. I say that the New York price is used as a basis of settlement. A miner gets so much a unit based upon the number of units in his ore, his total consideration being very much less than the New York price.

Mr. SMOOT. Mr. President, I know what the ore sold for in all the smelters of Utah, and we have some of the largest there are in the United States. They pay us the New York price on the day of settlement and deduct 1½ cents a pound from it. That is how the statements are made there; and if it be the case that the New York price was the same as the London price, with free lead, namely, \$2.83 a hundred pounds, and deducting \$1.50 a hundred from that, it would be \$1.33 a hundred pounds. The Senator certainly knows that such a price as that would close all of the lead-producing mines in the intermountain country.

Mr. THOMAS. Mr. President, the Senator from Utah and I certainly can not agree upon the price which is paid to the miner, the owner of the ore, for the lead contents in that ore, assuming the statement which he has made to be his under-

standing of the matter.

I call attention in that connection to the fact that the difference between the New York and the London prices for 1910, 1911, and 1912 varied from \$1.64 to 59 cents, which, to my mind, would of itself indicate that the American Smelting & Refining Co., which is the only purchaser of these ores, would certainly not pursue so absurd a method as that for the purpose of set-

tling with those who produce the ores which they must have.

Mr. SMOOT. Mr. President, when the present law was under consideration the question that I have just spoken of was discussed in this Chamber, and there was some doubt expressed as to whether the producer of lead was paid 11/2 cents less a pound than the New York quotations. I immediately telegraphed home to at least a dozen of the different mining companies in Utah and had them send me the statement sheets on which they receive their pay for the ore there. Every one of them was given the price of lead as quoted in New York on the day of settlement, with 11 cents deducted therefrom, the smelters claiming that they had to pay freight upon the lead to New York, that that was where all the lead had to go, and therefore the producer in the western country was taxed $1\frac{1}{2}$ cents upon all the lead contained in the ore.

Mr. THOMAS. Mr. President, I am aware of the fact that the smelter which buys the lead ores of the miner always makes a deduction for what is called the "freight rate to New York," notwithstanding the fact that a very large proportion of the ore never gets any farther east than the Mississippi River. going to refer in another connection to that; but, owing to the Senator's inquiry, I will refer now to a letter which I received some time ago from a man who has spent his life in the business of purchasing and treating ores. I will not use his name, because he does not desire me to do so, but he is a man who is thoroughly competent to judge of matters of this sort. By way of digression, I will read an extract from that letter. He says:

of digression, I will read an extract from that letter. He says:

You know and I snow that \$25 to \$30 a ton for the freight, smelting, refining, and metallurgical losses on lead and zinc ores would afford an ample and legitimate profit on a legitimate capitalization, but with lead from \$4.25 up to \$6 per hundred, and with zinc from \$5.25 to \$7.50 per hundred, the lead and zinc manufacturers or smelters and refineries demand and receive from the producer (more particularly in Colorado, where they receive a lower price for these metals than in any other metal-producing State) a margin of profit ranging from \$40 to \$100 per ton on spelter and lead in order that they may pay dividends on the water or excess capitalization. This is very simple and susceptible of proof. They, of course, will tell you that they buy their lead, based on lead quotations in New York of \$4, and buy their zinc on the St. Louis or New York quotation of \$5, but they will only allow a price of 12 cents to 2 cents per pound on this \$4 and \$5 basis, and 1 cent per unit or per cent for each advance of 5 cents per hundred, thus absorbing four-fifths of the advance and the same pro rata on the zinc. Do you understand this, and is it clear to you?

He also says:

To boll the lead and zinc situation down to a more concrete proposition: If the buyers can be forced to accept even a large profit, they can afford to pay the producer a profitable price even if there is no tariff.

Mr. President, the lead in silver-bearing ores was admitted free of duty to this country up to the time of the enactment of the McKinley law. Those ores were a very desirable importation, because they were needed for the fluxing or treating of ores carrying other metals. It stands to reason that whatever will reduce the cost of smelting will increase the range of low-grade ores which can be worked commercially. In proportion as the material entering into the matter of smelting or reduction becomes abundant and cheap, just in that proportion, industries being normal, will the cost of the treatment of ores fall, and just in proportion as they fall will the area of the market for low-grade ores be increased.

I mention that because, while it is an acknowledged fact, one of the laws of commercial development in all industries, the interesting fact is that in 1802 I was employed by those who for a number of years have had control of the American Smelting & Mining Co. to make that argument before the Senate Finance Committee here in Washington, the idea and the purpose then being to secure a removal of these duties upon argentiferous lead-bearing ores to the end that the area of law-producing ores, or low-grade ores, as we call them, could be extended in this country. While I have not the statistics, my recollection is that the lead-mining industry prospered just as much as, if not more greatly, prior to the enactment of the McKinley law than it has prospered since that time.

Mr. President, if it be true that the mines in the Rocky Mountain region are largely worked with lead as a by-product, then it must necessarily follow that any change in tariff regula-

tions will only incidentally, if at all, affect that industry.

The Senator from Utah read statistics some moments age in support of the proposition-and I do not question their authority-that it costs something over 8 cents a pound to produce ore in the State of Utah, and he premised his statement with the assertion that the statistics to which he referred were those of profitable mines, yet, with lead selling at \$4 or \$5 or \$6 per hundred, it is, of course, a self-evident fact that, if lead costs 8 cents a pound to produce, it could only be produced at a loss, all of which means that it is not the lead that is the basis of the operation of mining, but that it is the fact that since these ores contain other metals, the miner can afford to operate his mines and to develop them without reference, perhaps, to the question of the extent to which the cost of the production of lead may go.

Mr. SUTHERLAND. Mr. President—
The VICE PRESIDENT. Does the Senator from Colorado yield to the Senator from Utah?

Mr. THOMAS. I do.

Mr. SUTHERLAND. Mr. President, the Senator from Colorado has probably just stated what I intended to call his attention to, namely, that it was only possible to produce lead at a cost of 4 cents a pound when you credit against the cost of producing it the value of these metals.

Mr. THOMAS. I understood the Senator's argument, and I am not questioning his facts. I am simply calling attention to a condition that is bound to go on, whether or not you reduce the tariff upon the lead in ores, and, in my judgment, if the Sena-tor's conclusions are correct, it ought to reduce the price of smelting the ores which contain the gold and silver in such small quantities as at present to be below the point of being

commercially profitable.

Another reason, Mr. President, for my contention that the change in the duty upon the lead in ores and upon the lead itself is not going to produce the consequences which are so gloomily prophesied here is that such contentions and predictions were made away back, I think, in 1890, when the duty was removed from copper and copper ore. We were then told by those interested in the industry that protection was an absolute essential to their existence in the United States, and that with the removal of the duty the mines producing copper would be closed, that the raw material of the copper manufacturers would be furnished by the mines of foreign countries, and that ultimately they would be absolutely at the mercy of those

Mr. SUTHERLAND. Mr. President, will the Senator permit

me to interrupt him?

The VICE PRESIDENT. Does the Senator from Colorado yield to the Senator from Utah?

Mr. THOMAS. Certainly.

Mr. SUTHERLAND. The Senator from Colorado, I think, will remember that in 1890 and for some years after that the price of copper was around about 6, 7, or 8 cents a pound, because there was then no such great demand for it as there now is. Now, the uses of copper have been so multiplied and the demand is so great that the price is around 12 or 13 or 14 cents, and has been as high as 17 and 18 cents a pound.

Mr. THOMAS. Why, Mr. President, there is always an explanation for the miscarriage of a prophecy. Something unforeseen occurs somewhere, perhaps a chain of circumstances; a demand which I concede has been abnormal, perhaps, in the copper industry has caused its development, notwithstanding the absence of a duty. I think it was Grattan who said, can not argue with a prophet; you can only disbelieve him." I think I am justified in saying—at least I have quite as much basis for my assertion-that something somewhere will take place in the lead industry after the passage of this bill that will continue it and perhaps make it more profitable than before; and I hope it will, so that my friend, the Senator from Utah,

may on some future occasion be able to explain why his prediction of the effect of this measure upon his industry was not what he sincerely, in the good year of our Lord 1913, supposed it would be.

Mr. President, I propose to take very little time in a discussion of the question of labor cost. Of course, no argument which opposes the reduction of tariff duties is complete without calling attention to the disparity between wages paid in the United States and wages paid in other countries. The Senator has adverted to the low wage rate in the lead mines of Mexico. and the conclusion is that if brought into direct and deadly competition with such wages, as contrasted and compared with the wages paid in this country, ruin, as the result of the loss of profit, must necessarily attend the operation of mines producing lead in this country.

My experience has been somewhat limited in the matter of wages, not alone in this but in a great many other industries, and, perhaps, in all of them; but, so far as it goes, it teaches me that a 20-cent laborer will always bring forth a 20-cent product, and that a half-starved and ill-fed laborer will prove in the end far more expensive than a well-fed and well-paid laborer. The history of mining is a demonstration, Mr. President, of the

truth of that fact.

It is true that the per diem wage in Mexico is relatively small, but the labor cost is enormous. When mining engineers calculate upon the question of profit or loss of a given mine in Mexico, the factor of labor, the kind of labor, is of the very greatest importance. If Mexican labor is to be used the labor cost per ton is very much higher, as I think the consensus of the engineering world will demonstrate, than if the labor is to be white, and particularly if that white labor is American.

I have here some figures upon that subject, given me by an engineer of good standing in the United States, who tells me that he took them from Hoover's Cost of Mining. He says:

Hon. C. S. Thomas, United States Senate, Washington, D. C.

DEAR SIR: The following is some data regarding the labor cost for mining a ton of ore under similar mining conditions but different classes of labor:

		Numbe	r men en	ployed.	Tons	Labor cost per ton.	Average wage per day,
Mines.	Tons mined.	Na- tives.	Whites.	Super- intend- ents, white.	per man per an- num.		
4 Kolar, India, mines. 6 Australian mines 3 South African mines 5 United States mines	963,950 1,027,718 2,962,640 1,089,500	13,611 113,560	1,534 1,524	302	69.3 669.9 195.5 713.0	\$3.85 2.47 2.68 1.92	\$0,20 3,00 2,48 3,50

¹ Two-fifths Kaffirs, three-fifths Chinamen.

Then this gentleman says:

You will notice from this that the American labor brings the highest price per day, but that the labor cost per ton is the lowest of any of these. The highest labor cost per ton is the cheapest labor, namely, the Indian.

Mr. President, another fact is that there is no danger that the wage rate will fall in the mines of this country-that is, in the mines of the West and the section where I live-because they are kept up by the men themselves and not by any protection whatsoever. Silver has no protection; its birthright has been taken away; it has been outlawed, degraded among the metals of the world; but the wages of a silver miner, like the wages of a gold miner or of a lead miner or of a zinc miner or of a copper miner, which is unprotected, is practically the same, all because of the organization of the men themselves, who demand and receive good pay and who give the very best and therefore the cheapest consideration for it.

Mr. SMOOT. Mr. President-The VICE PRESIDENT. Do

Does the Senator from Colorado yield to the Senator from Utah?

Mr. THOMAS. I yield.

Mr. SMOOT. Mr. President, I was quite surprised at the statement made by the Senator that the cost per ton to produce lead in Mexico is greater than the cost per ton to produce it in the United States.

Mr. THOMAS. Of course it is; that is, where it is produced

by native labor.

Mr. SMOOT. Well, Mr. President, I thought I had with me the report from the former Department of Commerce and Labor, showing the comparison in lead mining, but I have not. How-ever, I have such a comparison in reference to zinc, and the same statement that applies to zinc applies to lead. The Department of Commerce and Labor reports, Mr. President, that out of 11 companies producing zinc ore in Mexican mines-

² Including board.

and I can give the Senator the names of the companies, if he

Mr. THOMAS. I do not desire them. Mr. SMOOT. The total cost of producing zinc ore is \$13.97 a ton, while taking nine of the producing mines of the United States in the Joplin district the cost of producing one ton of ore-and I can give the names and places, if the Senator wants them—the average cost of producing ore in the nine mines in the Joplin district-for mining cost, transportation to railroads, and freight to Kansas and Oklahoma smelters-is \$39.61 per ton, as compared with \$13.97 per ton in Mexico.

Mr. THOMAS. Mr. President, all the statistics in the world

will fail to establish the opposite of the proposition that the well-paid man is the productive man; the well-fed man is the productive man. The peon, who lives upon nothing and who receives nothing, gives nothing in return.

Mr. SMOOT. Mr. President, no one disputes the fact that the well-fed man is the productive man; there is no question about that; but when one man is paid only about one-seventh or oneeighth of what another man is paid and will produce even onefourth of what the well-fed man produces, the ultimate unit of cost will be only one-half of what it will be on the product

produced by the well-fed man.

Mr. THOMAS. Mr. President, now that we are on the subject of zinc, let me call attention to another thing by way of It was not until 1908 that any duty at all was digression. placed upon zinc ore, and yet the disparity to which the Senator calls my attention must have been quite as apparent then as now. The industry throve; it was profitable, just as it has been profitable since, and just as it will continue to be profitable.

But, Mr. President, my real purpose in rising was to call attention to the fact that what the lead-mine owner of the West needs protection from is not the production of foreign countries; he needs protection from the American Smelting & Refining Co., the only customer he has for his ores, the concern to which the ores must be sold if they are sold at all, and which therefore pays, generally speaking, what it must pay in order to obtain the ore, giving a small bonus by way of profit for the sake of keeping the mines going, and themselves reaping an enormous and stupendous profit upon \$100,000,000 of so-called capital.

Mr. BORAH. Mr. President-

Does the Senator from Colorado The VICE PRESIDENT. yield to the Senator from Idaho?

Mr. THOMAS. I yield.

Mr. BORAH. I agree with the Senator that the protection which the lead producers of this country need is against the combination or trust to which the Senator has referred; but never since I have been in Congress, in six years, have I come in contact with those people except when they were advocating

free lead.

Mr. THOMAS. Mr. President, I referred to the fact that I came in contact with some of them at one time when they were advocating free lead in ores; but I recall very distinctly that in the month of March, 1908, when the then senior Senator from my State visited the city of Denver for the purpose of mending his fences and securing a square, straight, flat-footed Taft Republican delegation from Colorado he submitted himself to an interview in the Denver Post, in which he declared that Democratic success menaced the lead and zinc industry, inasmuch as Democratic success meant tariff reduction, and that tariff reduction upon lead and zinc would practically encompass the disastrous consequences so eloquently depicted just now by the Senator from Utah. If, therefore, they stand for free lead, one of their conspicuous stockholders, at one time, and, perhaps at a critical time, certainly failed to voice the desires, the objects, and the wishes of his associates, but advocated the contrary

doctrine with all his might.

Mr. BORAH. Mr. President, I did not understand to whom
the Senator referred when he said "the then senior Senator

from Colorado."

Mr. THOMAS. I referred to former Senator Guggenheim. I

think I have here a copy of his interview.

Mr. BORAH. I do not know what his interview was in public, but I know that when he was here in the Senate he was the least concerned of all the western Senators in maintaining a lead duty

Mr. THOMAS. That may be, but I have no doubt, Mr. President, of the fact that the same things prevail in lead with the American Smelting & Refining Co. that prevail in aluminum, a condition which was so eloquently and, to my mind, convincingly depicted here last Saturday by the junior Senator from Iowa [Mr. KENYON].

Mr. SMOOT. I should like to ask the Senator if when he was asked by the American Smelting and Refining Co. as an

attorney to advocate free lead ore it was not a fact that that smelting company at that particular time had purchased lead mines in Mexico and was interested perhaps more heavily in

Mexico than it was in the United States?

Mr. THOMAS. Oh, those gentlemen had silver-bearing or

argentiferous lead-bearing ores in Mexico.

Mr. SMOOT. And lead mines.
Mr. THOMAS. And they also had a number of smelters down there. There is no doubt about that. In other words, their interest then was somewhat different from what it is now, although they were also interested heavily in the United States. They were something like the Ohio constituent of a Representative in Congress of whom I heard some time ago. He was a great tariff-for-revenue man as to everything except wool, and he kept in constant communication with his Representative, urging him, whatever else might occur, to see to it that the duty was kept upon wool. About the time the bill was to be voted upon the Representative received a dispatch from his friend which rend, "Have sold my sheep; act according to the dictates of your conscience." Those gentlemen were at that time, Mr. President, engaged on both sides of the line; but does this question depend upon the interest of the advocate that it changes in character like the chameleon whenever the interest itself undergoes a change. I assert that an argument is an argument, whether the interest of the person putting it forward is one thing or another. We are none of us consistent, perhaps; I know that my own somewhat inglorious career is full of inconsistencies; but we can borrow from the instances of history and light our lamps by the experiences of the past in judging of the effect and operation of a given policy in the future.

I shall detain the Senate only a very short time longer. My own opinion is, though I can not prove it-those things are difficult of proof in the absence of judicial investigation—that this huge concern practically dominates the lead industry of the world. I know that on December 18, 1908, in a report that was made by the American Smelting & Refining Co. at that time, its president said:

As regards the lead-smelting business of the American Smelting & Refining Co., fully 90 per cent of all the lead ores of the United States and in the Republic of Mexico are now controlled by ownership of mines and by long-time contracts. These ores are either controlled by the American Smelting & Refining Co. or by its present competitors. And I wish to state further that the earnings of the smelting company at the present time, as well as of the securities company, are considerably in excess of the dividends that are being paid.

And he might have added with perfect truth that every plant the company has could be duplicated for less than 50 per cent of the capitalization of the concern.

By way of digression for a moment I will answer the question of the Senator from Idaho [Mr. Boxar] by giving him the figures that have been kindly furnished me by the Senator from North Carolina [Mr. SIMMONS] with reference to the price per ounce of silver.

In 1892 the price was 87.8 cents; in 1893, 78 cents; in 1894, 63.4 cents—I suppose these are average prices—in 1895, 65.5 cents; in 1896, 71 cents; in 1897, 60 cents; in 1898, 59 cents; in 1899, 59 cents. Of course, it has gone lower than that, and at

present it is perhaps a little above 59.

This company is very fortunately circumstanced, in that it not only buys from the producer but it sells to the consumer, practically controlling the market in both directions. fore, in my judgment, it is able to fix the market price, or, at least, largely to control the market price, as its interests may direct. This is apparent from the nature of its more recent contracts.

Nearly all contracts between men for the delivery of goods contain at least two essential elements, one of which is the time of delivery and the other is the contract price. But these gentlemen in their sales of lead leave both of these elements

to be determined in the future.

I read an extract from their contracts on this subject:

Delivery—for shipment from the West within 30 days, or as soon thereafter as possible.

Under the caption of "Price" appears the following:

The price to be that of the American Smelting & Refining Co. on date of shipment, or, in some cases:

"The price to be that of the American Smelting & Refining Co. on date of delivery."

The settlements for the lead with the man who produces the ore from the ground, and who must sell to this concern or not sell at all, are made upon the basis of the New York quotation on the date of settlement, which, of course, is subject to such manipulations as are within the power of any huge aggregation that virtually controls a business.

I think the Senator from Idaho will bear me out in the statement that perhaps 75 to 80 per cent of the lead mines of his State are controlled, directly or indirectly, by this concern. At least, that is my information, and I have no doubt it is true. The remaining 20 or 25 per cent, perhaps, belong to gentlemen who believe, and honestly believe, that they will be in danger unless the duty is kept at the present rate.

Mr. BORAH. Mr. President, I believe that a percentage of the lead mines in Idaho are controlled as the Senator from Colorado states. I am not informed as to the exact percentage.

But some, in my opinion, are.

Mr. THOMAS. It is the policy of the concern to take within its many constituent companies, by virtue of its control of the market for the product, the ownership of the mines themselves. I am not in favor of giving even a revenue duty, to any greater extent than is absolutely necessary for the welfare of the Government, to any concern that monopolizes a great necessity of life such as lead is, entering into nearly all of the necessary manufactured articles with which we come in contact day by day in our course through life.

Mr. SMOOT. Mr. President, that may be the case in Idaho and in Colorado and some of the other Western States; but I do not know of a single mine in my State in which the American

Smelting & Refining Co. owns a dollar of interest. Mr. BORAH. Mr. President, as the Senator is discussing matters in which my State seems to be named, I wish he would

speak a little louder.

Mr. SMOOT. I say, I do not know as to whether the American Smelting & Refining Co. owns a direct interest in the mines in Colorado or in Idaho, but I do know that they do not own any direct interest in the mines in my State.

Mr. BORAH. Mr. President, I did not state that they owned a direct interest. I do not know that they do. I said they controlled some of the mines in my State to some extent.

Mr. THOMAS. Ninety per cent in the State of Idaho.
Mr. SMOOT. I understood the Senator to state that they
owned controlling interests in the mines.

Mr. THOMAS. Yes; either directly or through some of their

constituent companies.

Mr. SMOOT. That is what I understood the Senator to say. I want to say that while that may be the case in Colorado or in Idaho, I know it is not the case in the State of Utah. I know that the United States Smelter Co. owns a direct interest in one of the largest mines in the State; but the American Smelting & Refining Co. does not, nor is its policy to own any interest in the mines

Mr. THOMAS. Mr. President, the State of Utah is one of the greatest, and to me one of the most attractive, States in the

Mr. BRISTOW. Mr. President-

The VICE PRESIDENT. Does the Senator from Colorado yield to the Senator from Kansas?

Mr. THOMAS. I do. Mr. BRISTOW. If it will not disturb the Senator, I should

like to make an inquiry.

I see that the imports of lead-bearing ores for 1912 were very much less than those for 1910, and also that the imports for 1910 were very much less than those for 1905. Does the Senator know why there has been a gradual decrease in the importa-

Mr. THOMAS. I think it is due to the political conditions in Mexico.

Mr. BRISTOW. Did they start back before 1910 to such an extent as to have an effect on the importations?

Mr. THOMAS. Before 1910? I am unable, Mr. President, to explain the drop from 14,000,000 pounds in 1905 to 6,000,000 pounds in 1910, although I think it is largely to be ascribed to

Mr. BRISTOW. If the Senator will observe the figures, it appears that there was also a drop in the domestic production from 1905 to 1910.

Mr. THOMAS. Yes; I have observed that as well. Mr. BRISTOW. I was just interested in the fact.

Mr. THOMAS. And I may say that I think the production of lead, for natural reasons, is limited in the United States, and is becoming more so.

I was about to take my seat when interrupted by the Senator from Utah. Let me say, as I started to say, that the State of Utah is one of the greatest, and I hope one of the most prosperous, States in the Union. I am delighted to know that the owners of lead mines in that State have not yet fallen within the clutches of the American Smelting & Refining Co. It may be that they never will. My prediction is, however, that whenever the company wants their property, when it becomes essential to the carrying out of its affairs and its purposes and its plans, and it proposes to take it over, it will do so, just as it has done and just as it has the power to do elsewhere. But the

fact remains that it is the great, dominating, influential factor in the lead industry of this continent, and is constantly becoming more and more so. It is levying its tribute upon this necessity of life largely through the existence of a tariff, which of course finds expression in the added cost to the consumer of this vast multitude of articles so essential to our civilization and into which lead enters as a constituent element.

Mr. BRISTOW. Mr. President-The VICE PRESIDENT. Does the Senator from Colorado yield to the Senator from Kansas?

Mr. THOMAS. Certainly.

Mr. BRISTOW. I think the views of the Senator from Colorado and my own views in regard to the desire to control a monopoly of any product are very much the same. What I fear is that the effort to control a monopoly through a tariff bill will be utterly ineffective and that there is danger of doing more harm than good.

I am just as much against the monopolizing of any of our great commodities as anybody could be, and I shall do anything I can to prevent it. But it seems to me that when we undertake to control or to regulate a monopoly through tariff legislation we are undertaking to control it in a way that will

be utterly ineffective.

Mr. THOMAS. Mr. President, I am not going to enter into any discussion of the trust question. I largely agree with the Senator from Kansas. My belief is, however, that this is a step in the right direction. If I understand the policy to which the Democratic Party is committed, and which the people expect it to perform, it is that we shall through a revision of the tariff downward, and very much downward, through currency legislation, and through trust legislation together, curb and control these huge aggregations, and by that means give relief to the public from their exactions, for these three great policies are parts of a composite whole, the accomplishment of the object requiring legislation upon each and every one of them.

Mr. BRISTOW rose.

Mr. STONE. Mr. President, I beg Senators not to start a somewhat endless discussion of the trust question.
Mr. THOMAS. The Senator need not fear, I am sure. So

far as I am concerned, I was going to yield the floor, but I certainly must extend to the Senator from Kansas the courtesy of

an answer to his question.

Mr. BRISTOW. I should like to say to the Senator that I do not intend to enter upon an elaborate discussion of the trust question, but when the advocates of this tariff bill allege as one of its merits that it is going to break up trusts and cure the evils that grow out of great industrial combinations, as an opponent of the bill I think I have a perfect right to suggest that I think the position taken is erroneous, that you can not break up a trust by undertaking to regulate it through tariff legisla-

If the Democratic Party, which is now responsible for the legislation of Congress, had manifested a greater desire to break up trusts than I think it has, by taking hold of the trust question in a manner that promised to accomplish such results, it would have reached those results much quicker than by taking the roundabout and ineffective and indirect way of tinkering with the tariff or the currency.

I think the trust question is bigger and broader than the tariff and currency questions combined. Instead of undertaking to cure by tariff legislation or currency legislation this great, gigantic evil that has forced itself into the modern business affairs of the world, it would have been more effective to have dealt directly with the question of trusts and combinations.

Mr. THOMAS. As the Senator has made a statement instead of asking a question, of course there is nothing for me to reply

to at this time.

Mr. THOMAS subsequently said: Mr. President, I omitted asking the privilege of printing the wage rate in the lead mines of St. Francois County, Mo., as shown in the hearings before the Ways and Means Committee.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Wages paid, coal cost, and price received for lead by a company of St. Francois County, Mo., 1890 to 1908.

Labor (wages per day, Jan. 1).	1890	1891	1892	1893	1894	1895	1898
Mine drillers, underground				\$1.60			\$1.25
Mine backhands, underground Mine rock loaders, underground	1.15	1. 25	1. 25	1.25	1.00	1.10	1.00
Mine laborer, underground		1. 15	1. 15	1. 15	1.00	.90	1.00
Mill jigmen	1.50	1.60	1.60	1.60	1.50	1.35	1.50
Mill firemen	1. 25	1.35	1.35	1.35	1.00	.90	1.00
Mill laborer	1.00	1.15	1.15	1.15	1.00	.90	1.00
Mill chatmen	1.20	1.30	1.30	1.30	1. 25	1.15	1.25
Calciners	1.40	1.50	1.50	1.50	1.50	1.35	1.50

Labor (wages per day, Jan. 1).	1890	1891	1892	1893	1894	1895	1896
Blast furnace pot puliers	\$1.50	\$1.65	\$1,65	\$1.65	\$1,55	\$1,40	\$1.50
Coal (cost per ton at Bonne Terre, Mo., January)	2.30	2.30	2.30	2, 25	1.90	1.96	2,00
Average price received for lead at East St. Louis during fiscal years ending April 30.	3, 55	4.00	3.87	3.88	3. 15	3.01	2, 91
Labor (wages per day, Jan. 1).		1897	1898	1899	1900	1901	1902
Mine drillers, underground Mine backbands, underground		1.00	1.20	\$1.45 1.20	\$1.60 1.30	\$1.60 1.30	\$1.60
Mine rock loaders, underground Mine laborer, underground			1.40	1.40	1.55	1.55	1.55
Mill jigmen		THE REAL PROPERTY.	1.75	1.75	1.90	1.90	1.95
Mill firemen		1.00	1.20	1.20	1.30	1.30	1.35
Mill laborer		1.00	1.10	1.10	1.25	1. 25	1.30
Mill chatmen Calciners		1.50		1.60	1.00	1.60	1.60
Blast furnace pot pullers		1.50	1.60	1.60	1.60	1.60	1.60
Coal (cost per ion at Bonne Terre, Mo., ary).	Janu-	1.80	1.74	1.97	1.97	2,00	2, 15
Average price received for lead at Ea Louis during fiscal years ending Ap		1 300	3, 48	3, 82	4. 48	4, 15	4.12
Labor (wages per day, Jan. 1).		1903	1904	1905	1906	1907	1908
Mine drillers, underground		\$1.60	\$1.80	\$1.90	\$1.90	\$2. 25	\$1.70
Mine backhands, underground		1,30	1.50	1.60	1.60	1.95	1.45
			1. 50	1.50	1.50	1.85	1.35
Mine rock leaders, underground			1.95	1.95	1.95	2.30	1.95
Mine laborer, underground Mill jigmen					4 100	2.05	1.65
Mine laborer, underground		1.35	1.65	1.65	1.65		9 90
Mine laborer, underground		1.35	1.30	1.30	1.30	1.55	1.30
Mine laborer, underground		1.35 1.30 1.70		1.30			1.80 2.90
Mine laborer, underground Mill jigmen Mill firemen Mill laborer. Mill chatmen Calciners Blast furnace pot pullers		1.35 1.30 1.70	1.30	1.30	1.30 1.70	1.55 2.15	1.80
Mine laborer, underground. Mill jigmen Mill jirmen Mill laborer. Mill chatmen Calciners.	Janu-	1.35 1.30 1.70 1.70	1.30 1.70 2.00	1.30 1.70 2.00 1.80	1.30 1.70 2.00	1.55 2.15 2.25	1.80 2.90

Mr. BORAH. Mr. President, I shall detain the Senate for only a moment.

I have no doubt that this duty, as reported by the Finance Committee and sustained by the majority, represents the mature judgment of the committee and of the majority, and therefore that there is not likely to be any change in the duty. I am more interested, therefore, in sustaining the duty as it is reported than in trying to get a duty which I do not hope to get. While I do not think the duty as reported is sufficient from my standpoint as to what should constitute a duty. I hope this increase has not been put in here to be lost in conference. I am not permitted to hope for a protective duty, and shall not consume time in asking for that which is, under the circumstances, impossible. The only possible protection here is incidental protection. I am forced to be content, therefore, with the best possible to be had under this bill.

With a view of suggesting to the majority the great necessity of retaining even this much duty and thereby such incidental protection as it gives, I wish to make a suggestion or two.

It has been said by the Senator from Colorado, and very properly, I think, that a man who is paid a small wage will not be so productive in his labor or so efficient as a man who is paid a higher wage. That is true in all the different industries and fields of employment, and it is undoubtedly true with reference to the particular industry we are now discussing. But there is no such disparity between the amount of production upon the part of individual employees as there is between the wages in the respective countries.

The wage in Spain, where they have very large lead mines, is from 75 cents to \$1 and, at the outside, \$1.25 per day. It is more often 75 cents than anything above that figure. The wage in Mexico is from 75 cents to \$1.25. The wage in my State, under an eight-hour law—for we have an eight-hour law in that State—is as follows: Miners, from \$3.50 to \$4 per day; muckers, from \$3 to \$3.50 per day; laborers, from \$3 to \$3.50 per day; timbermen, from \$3.50 to \$4 per day; pump men, \$4; boiler men, \$3.50; engineers, from \$4.50 to \$5 per day; shift bosses, from \$5 to \$6 per day; track and pipe men, from \$3.50 to \$4 per day; blacksmith's helpers, from \$3.50 to \$4 per day; machinists, from \$3.50 to \$5 per day; millmen, from \$3.50 to \$4 per day.

I doubt if there is another mining camp in the world that pays a higher rate of wage than that. In fact, it has been often stated by those familiar with the matter that there is no other

camp where there is paid so high a wage, generally speaking, on an average, as in the Coeur d'Alene mining region.

While undoubtedly the laborer in Mexico can not produce so much, and his labor will not be so effective in production as the laborer in Idaho at this wage for an eight-hour day, yet there is no such difference between the two as is represented by the difference of wage. I have talked to a great many men who have mines in Mexico and with men who have traveled in Spain and have made investigations of conditions there for the specific purpose of informing themselves; and while they recognize the principle stated by the Senator from Colorado, it does not have the effect of balancing the wages between the two countries. A miner in Mexico will not produce less than one-half what the miner in Idaho does, and the same would be true in Spain.

Mr. President, it is true, as the Senator says, that you can not answer a prophecy, and therefore I am not going to indulge in prophecy. But we can reflect a little upon an actual historic fact, namely, that under the Wilson-Gorman bill the mines in my State closed down. Conceding the argument so ingeniously and effectively made by the Senator from Colorado as to the effect of the price of silver upon this matter, yet if we take the price of silver now and the price of silver then we are not aided in arriving at the conclusion that the result will be favorable in this instance. I do not see myself how it will be possible for the mine owner in my State to operate against the mine owner just across the line in Mexico, with that difference of wage, when there is nothing in the ingredients aside from lead which is sufficient to bring up the price to the difference.

So far as the Smelter Trust is concerned, I have no doubt that it has a very large and effective sway in my State. I know it had a few years ago, when I was engaged in the practice of law and knew more about it than I do now. But I have no reason to suppose that with its abundant appetite it has decreased its holdings or decreased its power. There are several independent mines in Idaho, however, one of which is very large. If there is anything that the Smelting Trust desires above all other things it is that only its mines, or those over which it has control, shall be in operation, or that it may bring about such a condition of affairs that it may own and control the balance.

Let us suppose, for the sake of argument, that this change in duty would affect the independent mines; that it would work a hardship upon them by reason of the disparity in wage, and so forth, who would benefit by reason of that fact? No one so much as the trust, because it can close down its mines and close down its operation or its control in the State of Idaho and operate exclusively its smelters in Mexico and its mines in Mexico and do that which the independent mine owner can not do—wait until such conditions are brought about that it can afford again to operate in the State of Idaho.

In other words, if the Smelter Trust owned every mine in my State, and owned and controlled every lead mine in Colorado and Utah and Missouri, I should still be perfectly justified in standing here and insisting that a larger duty be levied, if for no other reason, as a revenue duty. If a monopoly is operating exclusively in this country, there may be a sound argument for removing even a revenue duty, but here is a trust ready to ship here from abroad. I do not see why it should not pay a firm revenue duty for that privilege.

A duty of 1 cent a pound, under the figures we have here with reference to importations, and so forth, would still be a revenue duty, and certainly it would not be to our interest to take off the revenue duty if the Smelter Trust were importing lead from Mexico and Spain. That is precisely the reason why the Smelter Trust, so far as I know, has always been very friendly to the proposition of free lead. It can employ its wage earners in Mexico and Spain at 75 cents and a dollar a day, while it must pay them \$3.50 a day in Idaho. Depend upon it that the Smelter Trust will take the chance of getting the labor out of its 75-cent and \$1 man in preference to paying, say, \$3.50. In addition to that, the freight rate from my State or from Utah to New York is almost twice what it is from Mexcio to New York, by reason of the fact that Mexico has water transportation. So we can not, in this instance, affect the Lead Trust by reducing the duty.

While I do not expect that a protective duty will be placed upon this article in this bill, while I have no right to assume that the majority will yield upon that proposition, I earnestly insist that not only is the duty here a revenue duty, but that a duty of 1 cent a pound would produce more revenue than the one which is levied here.

Therefore, Mr. President, while we have no reason to hope that there will be any increase in the duty, I do hope that this

duty of three-fourths of a cent upon lead has not been placed

here for the purpose of losing it in conference.

Mr. President, I desire to call the attention Mr. SMOOT. of the Senator from Kansas [Mr. Bristow] to the world's production of lead, and also the United States percentage of the world's production, and show that that and the act of placing a duty of three-fourths of a cent a pound in the Wilson bill account for the decrease in the importation of lead ores into this

If the Senator will notice, in 1896, the Wilson bill then being in operation, and the duty of three-fourths of a cent being the same that is provided for in the pending measure, the importations were 43,336,000 pounds. After the passage of the Dingley bill the rate was 1½ cents a pound, and in 1908 the United States produced 310,000 tons; in 1909 they produced 363,000 tons; in 1910 they produced 389,000 tons; in 1911 they produced 405,000 tens. So there was a steadily increasing domestic production. In other words, in 1908 the United States percentage of the world's production was 27 per cent; in 1909 it was 30 per cent; in 1910 it was 31 per cent; and in 1911 it was 33 per cent.

Mr. BRISTOW. If the Senator will observe the figures in the Handbook which we have here, the figures to which I referred were those of the importations for 1905 and 1910. They are given in pounds here. In 1905 our domestic production was 783,000,000 pounds, in round numbers, while five years later, in 1910, according to these figures, it was 708,000,000 pounds, a

decrease of 75,000,000 pounds.

Mr. SMOOT. If the Senator will notice, in 1905 the importation was 14,000,000 pounds. That would be a little over 7,000 tons. In 1910 it was only about 3,000 tons. The total home production is more than that difference between the years named. In other words, in 1910 the domestic production was 389,000 tons, whereas in 1906 it was only 350,000 tons, which is more than the difference in pounds, as shown in the table from which the Senator has read,

Mr. BRISTOW. And what about 1905 and 1910?

Mr. SMOOT. I have not the 1905 table here. I have only the Geological Survey value to 1906. I have not the table between 1893 and 1906. There is one year missing. But I will say to the Senator since the passage of the law of 1909 there has been a gradual increase in the domestic production.

Mr. BRISTOW. These figures indicate to the contrary.

Mr. STONE. Mr. President, the junior Senator from Idaho [Mr. Brady], as has been stated, desires to be heard on the amendment to-morrow morning. He is absent on Senate business, and I do not feel warranted in asking to have the amendment voted upon. He will be here to-morrow, and I ask that it be passed over until to-morrow.

I think, Mr. President, that that will conclude anything we can do with this part of the bill for the present except the paragraphs passed over until to-morrow. If the Senator from Iowa will proceed now with his substitute, we might dispose of it.

Mr. CUMMINS. Is the Senator from Missouri addressing my colleague?

Mr. STONE. No; I am speaking to the senior Senator from

Mr. CUMMINS. I want to be governed largely by the desire of the Senator in charge of this schedule, but inasmuch as there are several paragraphs passed over, I would prefer, I think, if the Senate were now to pass to the next schedule and allow me to present my substitute at a later time. I will not, however, of course, interrupt the progress of the bill by insisting upon that. It would seem to me to be the more logical procedure, and no time would be lost.

Mr. SIMMONS. Except, I will say to the Senator from Iowa, the next schedule is the sugar schedule, and probably we will not be able to take that up on account of the illness of the Senator from Louislana [Mr. RANSDELL]. The next that will provoke any discussion at all is the agricultural schedule. The chairman of the subcommittee having that schedule in charge did not expect it to be taken up to-day. I think if the Senator from Iowa can go on with his argument this evening I would prefer that course. Of course if the Senator wishes time before that is done we might take up the agricultural schedule.

Mr. CUMMINS. Before I turn to the matter, may I ask, so far as my own position is concerned, what is the parliamentary If I were to offer the substitute, which I expect to situation? offer and debate upon it were concluded, could we vote upon it, or is there some intervening amendment that would first have to be disposed of?

The VICE PRESIDENT. The Chair has been uniformly ruling that the committee amendments must first be passed upon.

Mr. STONE. The committee amendments to these paragraphs have been passed upon—
Mr. SIMMONS. Except as to cast-iron pipes.

Mr. STONE. Except as to cast-iron pipes, so far as I recall. There are some independent amendments offered to the paragraphs. The senior Senator from Iowa [Mr. CUMMINS] has one of those, and there is at least the amendment offered by his colleague [Mr. Kenyon]. The Senator expressed a desire that that paragraph should not be acted upon until he had offered his amendment and addressed himself to it.

Mr. CUMMINS. That is true, but what was in my mind, Mr. President, was that when we came to the amendment offered by my colleague I should prefer then to submit my observations upon the entire schedule before the vote is taken. But I do not want, if I can help it, to discuss the schedule and then have the vote upon it delayed for days and days after

I have made my argument.

As it looks to me now, if I were to offer my substitute and say what I have to say upon it, at the conclusion of my argument the vote upon my substitute would necessarily be delayed until all the other amendments, or some of the other amendments, at least, were voted upon; and that might not occur for several days. That would be hardly fair to my amendment,

and I want to avoid that.

I appreciate the fact that the amendment offered by my colleague would have to be voted upon under the parliamentary situation, as I have understood it, before a vote on my substitute, even before the substitute could be offered formally; but I hope to be able to make my argument upon the substitute and then have the amendment offered by my colleague voted upon, and then immediately following that to have a vote on my substitute.

The VICE PRESIDENT. There is also an amendment pend-

ing, offered by the Senator from Utah.

Mr. GALLINGER. And in addition to that, under the rule, any amendment offered from the floor will take precedence of

the motion to substitute.

The VICE PRESIDENT. That has been the ruling of the

Chair, unless the Senate desires to decide otherwise.

Mr. KENYON. Mr. President—

Mr. CUMMINS. I yield to my colleague.

Mr. KENYON. The suggestion of my colleague that the amendment I offered be voted on first, and that then the vote be taken on his substitute raises the question of the presence of the Senator from Pennsylvania.

Mr. SIMMONS. Will the Senator please speak louder?
Mr. KENYON. The time of the vote might be when the Senator from Pennsylvania was absent. Consequently both the substitute of my colleague and my amendment would have to go over until the Senator from Pennsylvania was here. I do not want to be in any position of obstruction at all. If we are going to get into any trouble with the parliamentary situation, I shall be willing to go ahead and have the vote taken on my amendment this afternoon rather than have any embarrassment as to the substitute of my colleague and my amendment.

Mr. SIMMONS. That would not help out the situation if the Chair holds, as I understand the Chair to hold, that the substitute would not be in order until after all pending amendments

had been disposed of.

The VICE PRESIDENT. Now, that has been the ruling of the Chair, but the Chair desires to state to the Senate precisely that they can take that ruling away from the Chair at any time they choose. Senators know that without the Chair stating it. But it has been the invariable ruling that the committee first has the right to perfect a paragraph before other amendments or substitutes are offered. That has been the invariable ruling from the beginning of the consideration of the bill.

Mr. SIMMONS. I think the Chair is entirely right about

The VICE PRESIDENT. If the Senate desires to adopt any other rule, it is immaterial to the Chair. Mr. STONE. I am sure the Senate does not desire to adopt

any other rule. Mr. KENYON. I believe on reflection it would expedite mat-

ters to vote on my amendment this afternoon.

Mr. SIMMONS. Very well.

Mr. KENYON. I am perfectly willing that that shall be I understand that my colleague desires to speak on the question before the vote is taken. Otherwise, I am willing to vote now

Mr. STONE. Mr. President, this shows how unwise it is not to proceed regularly. It creates confusion.

I ask the Senate to take up paragraph 127.

The VICE PRESIDENT. The amendment of the committee in paragraph 127 will be read.

The Secretary. In paragraph 127, page 37, the committee proposes, after the numerals 127, in line 9, to strike out "castiron pipe of every description, 12 per cent ad valorem; castiron" and to insert "Castiron," spelled with a capital C, so as to make the paragraph read:

Cast-iron andirons, plates, stove plates, sadirons, tailor's irons, hatter's irons, and castings and vessels wholly of cast-iron, including all castings of iron or cast-iron plates which have been chiseled, drilled, machined, or otherwise advanced in condition by processes or operations subsequent to the casting process but not made up into articles or finished machine parts; castings of malleable iron not specially provided for in this section; cast hollow ware, coated, glazed, or tinned, 10 nor cent ad valorem 10 per cent ad valorem.

Mr. CLARKE of Arkansas. Mr. President, the effect of the adoption of the proposed amendment is to put cast-iron pipe upon the free list. That product has been largely controlled and distributed by combinations in this country.

The manufacture of this particular product can be carried on in a plant of moderate size. It does not require so large an equipment as is ordinarily employed in the manufacture of other fabrications of iron. Its manufacture is one of the cheapest and least complicated of the processes of iron manufacture.

In the celebrated case of the Addyston Pipe Co. against the United States, reported in the One hundred and seventy-fifth United States Supreme Court Reports, a complete history of the business up to the time that case was decided was put into the record in authentic form, the evidence covering every feature being given under oath, with the right of cross-examination, with the right upon the part of the United States Government as an adversary party to confront the witnesses for the company with others equally familiar with the trade.

The system uncovered in that particular case was that a number of concerns called shops entered into a combination by which a pool was formed. The purpose of it was to destroy competition within a very large area of this country. tem was one where the concern was to be chosen to be the successful bidder which could furnish pipe at the lowest price to the pool. Straw bidding was then arranged by which the contract was to be let to the concern thus selected at an exhorbitant price. The difference between the price at which the pipe was sold to the pool and that received at the competitive letting was the sum divided among the members of the pool.

It might be well to say here that cast-iron pipe is employed in

the distribution of water and gas, and that pure water and better water has become a great issue in the municipalities of the country, and any undue tax upon it is a tax upon the health, convenience, and welfare of the many communities where this necessity exists.

The same may be said in lesser degree in connection with the distribution of gas. I have discovered no reason why anything beyond fair treatment should be extended to this particular industry. Whenever there is to be a supply of pipe purchased it is generally a large one, and usually by large corporations or by municipalities, so that free and actual competition is of the very first importance.

In connection with the pending amendments I want to call attention again to the Addyston Pipe case. This group of companies proceeded against in that case adopted a plan by which they held preliminary to a final bid upon any public contract a letting of their own. The different parties to the combination, letting of their own. after having looked the field over, determined which member would furnish the pipes to the pool at the lowest price. That was what price the bidder received from the pool plus his share of the profits between the price at which he thus furnished the pipe to the pool and the price at which he furnished it to the public as the result of the nominally competitive letting. Straw opposition bids were arranged, to give the public letting the appearance of a bona fide transaction. For instance, the proof in the Addyston Pipe case shows that pipe was furnished at \$14 a ton to the pool and the same pipe was furnished at \$27 a ton to the municipality, and the difference between \$14 and \$27 constituted the profit of the pool, which was divided upon a certain basis among all the parties to it. The parties to this particular combine were all so-called independents. The business was generally at that time carried on by independents.

As I said a while ago, it is not a business that requires a very large plant. The establishments at which it is manufactured are not even called foundries; they are called shops.

It was found as a fact by the court in that case that the pipe could be furnished at that time from the shop at Chattanooga, Tenn., to St. Louis at between \$17 and \$19 a ton at a profit, but the biddings were generally in the neighborhood of \$25 and \$27. Of course that combination was held to be in restraint of trade. As it has been some time since that decision was rendered, it would be unfair now to undertake to say that that is the present condition of the business. But the record in the case is a valuable contribution to the history of the business up to that time, as it disclosed the difficulties which surrounded the distribution and a variety of other things that are important to be known wherever it is necessary to obtain reliable information in order to intelligently do what is right and to know that you are doing so.

There has been some increase in the cost of producing pipe since that time. Pig iron, out of which it is made, has gone up some in price. The labor cost has been increased somewhat. The pipe can now be produced at about \$16 a ton. One of the dealers told me that he could produce it for \$14 a ton.

Mr. SMITH of South Carolina. And furnish it at that price? Mr. CLARKE of Arkansas. He said that they could produce it for that sum. It is sold for whatever they demand for it. Really there is some difficulty about the distribution of it. This is a feature of the industry that can not be justly disposed of by generalizing too broadly. It is more of a railroad or transportation proposition than a manufacturing one in some of its aspects. In transporting it upon the railroads the shippers are charged carload rates; that is, according to the theoretical capacity of the car; but in view of the large spaces required in the larger shapes of pipes, you can not get a carload on a car; that is to say, if the theoretical capacity of a car is 60.000, you can probably get 40,000 pounds of that kind of pipe on it. Yet they are compelled to pay for the 60,000 pounds, that being what is known in railroad phrases as a carload.

Difficulties of that kind are undoubtedly to be encountered. But they are not to be compensated at the expense of the consumer in an increased tariff large enough to make the manufacturer indifferent to the unreasonable classification and charge made by the railroads. That matter ought to be looked into by another branch of the Government with a view of determining whether or not that system of charging for the mere matter of transportation is a fair one.

Under the existing tariff foreign competition is merely negligible. It is not a serious proposition at all. There were about 200 tons of pipe imported into this country last year at an average import value of about \$30 a ton. Being the smaller size pipe, most of it was imported by the shops, as I have been informed, though I have no knowledge of it otherwise. of the dealers told me that the greater part of the importation had been made by the shops themselves because they could pay the Payne-Aldrich tariff on it of about \$5 a ton and sell it to their customers at a profit, because it requires more skill and a different sort of plant to make that particular size of pipe at a profit in this country. I have not at this time the dimensions of the pipe that was imported, but I understand it to be 2inch pipe almost entirely. I will not be responsible for that statement any further than to say that it came to me from what seemed to be a reliable source.

Mr. BRISTOW. Mr. President The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from Kansas?

Mr. CLARKE of Arkansas. Very gladiy.

Mr. BRISTOW. I was interested in the statement which the Senator has just made, that the importations were made by the manufacturers themselves.

Mr. CLARKE of Arkansas. Yes, sir.

Mr. BRISTOW. I am in hearty accord with the idea of putting a product that is controlled by a trust on the free list if we can accomplish the desired result of breaking up the trust, but is there any assurance that this combination will not import practically more pipe and continue to keep intact the organization which they now have, and simply make the difference?

Mr. CLARKE of Arkansas. I am not prepared to say that there is a combination at this time. I do not know. I can not state whether or not that is true. I only know what was found in the Addyston Pipe cases, reported in One hundred and sev-

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Mr. CLARKE of Arkansas. Yes, sir. Mr. CUMMINS. I think the Senator from Arkansas is in error, if I understood him correctly, in saying that the present duty is \$3.60.

Mr. CLARKE of Arkansas. Probably I am not correct.

Mr. CUMMINS. The present duty is \$5, one-fourth of a cent pound.

Mr. CLARKE of Arkansas. I think the Senator is right about that. I will make that correction when I come to deal with it. But that does not alter the case very materially. The price of the imported pipe was around \$30 per ton. It was exidently the most expensive kind of pipe that was made; that

is, the 2-inch pipe—the smaller sizes. But it is a fact that the pipe can be made in this country now at a cost of \$15 or \$17 a ton, and that the pipe can not be made in any European market for any less than that, unless it be the smaller sizes, for which the present shops are not equipped. They do not find it necessary to equip themselves, because operating behind this tariff wall they can import the pipe and sell it at an additional profit to the customers with whom they must deal. They do this to fill an order, for instance, to equip a city with enough pipe to install a system for the distribution of either gas or water, which requires many sizes to accomplish the purpose. It is a fact that it is exceedingly difficult to get pipe in some parts of the country. For instance, there are two Senators upon this floor who were formerly mayors of two of the large cities of the country, one of Kansas City, Mo., and the other of Portland, Oreg.

During the administration of the one as mayor of Portland, Oreg., it became necessary to have 5 or 6 miles of pipe. It could not be obtained. They had to supply their wants with steel pipe, which is very much less valuable for the particular purpose than the cast-iron pipe would be. There was some sort of arrangement in the trade by which that better form of pipe could not be obtained, and the other form was installed from necessity. Substantially the same condition was presented in Kansas City. I recall a case in my State, the town of Conway, where it became necessary recently to install water-The obstacles of transportation and sale in connection with that particular commodity was such that they absolutely had to put in wooden pipe. A firm in St. Louis makes a wooden pipe that is sometimes used as a substituted means of distribution when the better pipe can not be obtained on fair terms. This industry is one which is evidently controlled by somebody or something to such an extent that it is not a free article of commerce in the sense that anybody can buy it who is willing to pay a fair price for it.

The contention is made by those who have shops upon the watercourses of the country that because of the difficulties in transporting pipe inland on the railroads they constitute a group of independent dealers and serve a certain trade that will be disadvantageously affected by foreign importations. They state that the shops located in the interior of the country do not need any tariff because the railroad freight charges for carrying pipe gives them all the protection they want, and that they thus fear competition from no one.

I am inclined to dispute that statement somewhat, because on looking over some of the bids made in some of the interior localities, I found that bids were presented by all the shops indifferently, regardless of location, whether upon the seacoast or in the interior.

The profit they have received under present conditions is such that there is not any justification for adding another imposition in the form of a tariff tax. It is a commodity that ought to be freely brought into this country, if it can be. I am not prepared to say that it can. The only instance where we have an opportunity to test it is from the actual importations. The price of the particular pipe introduced in this country in 1912 was between \$30 and \$31 a ton, whereas the domestic pipe is sold at about \$27 in the case of many of the bids that I have examined.

Of course, the smaller pipe is sometimes used in connection with supplying the full equipment of pipe for a particular job. All the pipe required in any complete installation is not of the same size. Therefore when the shops make a bid on the whole lot required they may answer their own financial purposes by supplying a part of the order from pipe imported by themselves.

The fact struck the committee, it strikes many of us on this side, that this is one of the articles that is so buttressed by trade or transportation conditions that whatever competition can be invited from any source is legitimately invited by putting it upon the free list. We do not feel that injustice has been done to anybody and we believe that it is going to be more completely justified the more thoroughly it is investigated.

The hearings in connection with legislation with reference to it show that the labor cost is variously stated. One of the gentle-men most particularly interested in it, or at least most energetically interested in resisting the action now proposed, said to me recently that the labor cost is from \$4 to \$6 a ton, an average of about \$5 a ton. The cost of conversion—overhead charges, and everything else outside of the pig iron out of which it is made—is about \$8, and the price of pig iron is about \$10 a ton. The average probably in some localities is less than that, and in other localities something more. The course of legislation on the subject has been to constantly reduce the tariff because actual experience demonstrates the fact that such an imposition was doing nothing more than increasing the price |

to the local consumer; that the local plants are amply able to take care of the market if they will do it; and that it is an unfair exercise of the taxing power to put an imposition upon that particular commodity which is so absolutely necessary to the health and welfare of the different communities.

These, in a general way, are some of the reasons which induced the committee to take the position which it did in putting this commodity on the free list.

Mr. OLIVER. Mr. President, if the Senator from Arkansas thinks that by placing this east-iron pipe upon the free list, the people of the municipalities in Arkansas, or of any other State in the interior of the country, will obtain it one cent cheaper than they will by allowing a small duty to stand upon it, he is very much mistaken. The Addyston litigation, to which the Senator referred, was quite a good many years ago; I think certainly about 10 years ago.

Mr. CLARKE of Arkansas. Twelve years ago.
Mr. OLIVER. Twelve years ago; that is my recollection.
The result of that litigation dissolved anything in the shape of a pool or an agreement in that business, but it was followed by a combination or a trust. That trust exists to-day in the shape of the United States Cast Iron Pipe Co., which operates throughout the country 12 plants. All of those plants, with one exception, are located west of the Allegheny Mountains. They have one plant, I believe, in the State of New Jersey, at Burlington. All of the others are located in the interior.

As the Senator from Arkansas says, the freight is a very important item in this commodity because of the great difficulty The pieces are very heavy; they have to be handled on cranes or by machinery, and but a small tonnage can be placed in a car. Consequently that commodity has to pay a very high rate of freight. In consequence of this the foundries near the point of consumption have a decided ad-

The United States Cast Iron Pipe Co., with its foundries in the interior of the country, will be protected by the fact that shipments from abroad can not penetrate the interior of the country, and that company will still continue to maintain its trade. On the other hand, the independent manufacturers are, to a very great extent, located near the seaboard. There is one manufactory at Detroit, Mich.; one at Birmingham, Ala.; one at New Comerstown, Ohio; one at New Philadelphia, Ohio; one at Pueblo, Colo.; one at Emaus, Pa.—that is in the eastern part of Pennsylvania; two at Lynchburg, Va.; one at Radford, Va.; one at Massilon, Ohio; one at Bristol, Tenn.; one at Utica, N. Y.; one at Phillipsburg, N. J.; another at Florence, N. J.; and another at Camden, N. J.

It is these independent manufacturers who will be hurt by the removal of the duty upon this article. So by legislating in this way Congress will simply be legislating in favor of the trust and against the independent manufacturers.

Mr. JONES. Mr. President-The VICE PRESIDENT. Does the Senator from Pennsylvania yield to the Senator from Washington?

Mr. OLIVER. I do. Mr. JONES. I want to ask the Senator from Pennsylvania if all those manufacturers he has just named are independent of the trust?

Mr. OLIVER. As I understand, Mr. President, they are absolutely independent; they have no understanding with each other or with the trust in any way; they are working in open competition; and I really think that—

Mr. CLARKE of Arkansas. Mr. President—

The VICE PRESIDENT. Does the Senator from Pennsyl-

vania yield to the Senator from Arkansas?

Mr. OLIVER, I do.

Mr. CLARKE of Arkansas. The Senator from Pennsylvania gave us a list of the independents. Has the Senator a list of the cast-iron pipe makers that are in the trust?
Mr. OLIVER. I read that list first.

Mr. CLARKE of Arkansas. Those which are identified with the trust?

Mr. OLIVER. That are in the trust; yes.
Mr. CLARKE of Arkansas. The Senator from Pennsylvania read another list which shows those not identified with the trust?

Mr. OLIVER. The last list shows these not identified with the trust.

Now, I will read, Mr. President, the proportionate tonnage of these two classes of manufacturers. The Pipe Trust in the these two classes of manufacturers. The Pipe Trust in the interior tonnage has a capacity of 440,000 tons; the coast tonnage has a capacity of 60,000 tons. On the other hand, the independents have an interior tonnage of 180,000 tons, while they have a coast tonnage of 390,000 tons.

Mr. President, I really think that Congress will be defeating the very object at which they aim by adopting the amendment proposed by the committee.

Mr. CLARKE of Arkansas. Let me ask the Senator from Pennsylvania a question before he takes his seat. these so-called independents independent of, and in what way do they manifest their independence?

Mr. OLIVER. By openly bidding in the open market on con-

Mr. President, I have not an acquaintance with a single one of these manufacturers, but this is what is represented to me by one of them, a citizen of my State, who came to my office the other day to present his claims to me.

Mr. CLARKE of Arkansas. Do the independents sell pipe

any cheaper than do the so-called trusts?

Mr. OLIVER. I think that they sell it in open competition with them. The market for this product, as I understand, is generally let out in contracts in big jobs. I am assured by Mr. Wood, of the firm of R. D. Wood & Co., who have their factory in New Jersey and their office in Pennsylvania, that there is no sort of understanding amongst them in any way, and that they are all competing for business. That is all I know about the matter.

Mr. CLARKE of Arkansas. Mr. President, whenever a tariff bill or an antitrust bill is under discussion we hear a great deal about the "independents." I have been trying to find out what they are independent of; who they are independent of; how they manifest their independence; and how the public get the benefit of their independence, but I have never yet been able to find anybody who could point out a tangible distinction between a trust and an independent.

Mr. OLIVER. Mr. President, I rather think it is up to the Senator from Arkansas to point out the contrary.

Mr. CLARKE of Arkansas. I think not. Mr. OLIVER. I rather think the burden is on him.

Mr. CLARKE of Arkansas. It is not the mere relation of parties to one another, but the effect upon the consumer, the effect upon the market, with which we have a right to deal. If the effect is the same, it is of no consequence whether it is produced by a so-called independent or a so-called trust; if the territory is divided up by natural causes, for instance, with railroad transportation to one point and water transportation to another, and those in the field served by water transportation have that set aside to them, and it is not invaded by those who can ship their pipe over railroads to a distant market, it is just as complete a trust by the division of territory, which is one of the established methods of mulcting the consumer, as any other recognized by law. Then why should we not give heed to that when the effect is the same as if they were in combination and were made so by stipulation instead of having it the result of natural conditions?

Mr. OLIVER. Mr. President, the Senator from Arkansas is talking about combinations, and yet he has not given us a single instance of an agreement or of a combination among these men to maintain prices or anything of the kind. I submit that it is not fair to make such a charge against a set of business men, simply because of an assumption of wrongdoing, without giving some one instance of such act, and the Senator has not even intimated that such is the case, except that he assumes it.

Mr. CLARKE of Arkansas. I complimented the Senator from Pennsylvania by assuming that the information he gave to the Senate to the effect that 12 of those companies were in a com-

bination was reliable.

Mr. OLIVER. I beg pardon, Mr. President. If the Senator thought I said that, he misunderstood me. I said that the 12 plants were owned by one concern, and that the others that I mentioned were independent of that concern and of each othernot that 12 of the companies were in a combination, but that 12 of the plants were owned by one corporation. I think that is quite a different thing from the way the Senator from Arkansas puts it.

Mr. BORAH. Mr. President-

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from Idaho?

Mr. CLARKE of Arkansas. I shall be glad to do so.

I understand that the Senator from Arkansas Mr. BORAH. contends that this commodity is controlled by a combination, although that combination may be composed of what are called independent parties, and that they control the situation by an agreement among themselves with reference to bidding.

Mr. CLARKE of Arkansas. I would not say that, because I have not any evidence of it. I say that, according to their present contention, the country is divided up between them-that is to say, the interior plants do not compete with the waterpresent contention, the country is divided up between them—that is to say, the interior plants do not compete with the waterfront plants, and the water-front plants do not compete for parties had been heretofore defined.

the interior business. The result is that the country is practically divided between them because of this transportation

Mr. BORAH. The result of it all is that the purchasers of this pipe are in the same position as if there were a complete

trust?

Mr. CLARKE of Arkansas. They are, according to my under-

Mr. BORAH. And the Senator from Arkansas is in favor of putting the article on the free list because of that condition of

Mr. CLARKE of Arkansas. Not altogether. I think the prices at which they are selling the article are excessive; that the commodity can be made here as cheaply as it can be made anywhere in the world; that it is an article of prime necessity in modern municipal life; and that there is no reason why these should be made to bear a burden in the way of a tariff tax. It takes its place among the necessities of the day.

Mr. BORAH. That is the reason why the Senator believes in

placing it upon the free list?

Mr. CLARKE of Arkansas. Yes, sir. I stated a moment ago that there were 200 tons imported into this country last year. I should have said there were 130 tons imported during 1912, and that the revenue collected at \$5 a ton amounted to \$650. The discussion has not in the slightest degree convinced me that what was done by the committee was not highly commendable.

Mr. OLIVER. Mr. President, I wish simply to say that I did

not expect it to have any such effect.

Mr. CLARKE of Arkansas. The Senator from Pennsylvania can have as much effect as anybody else when the facts that he brings to the attention of the Senate deserve recognition. I do not believe there is any intention on the part of any Senator on this side to do anything but what, according to the light before him, is proper. We pursued this course of putting necessities upon the free list where there was justification for it, and we selected this one because, upon investigation, it turned out that it was a product that could be manufactured cheaper here than it could be manufactured anywhere else. That was demonstrated by the fact that the import price was fixed at \$30 a ton, while the same product can be manufactured here from \$15 to \$18 a ton.

Mr. GALLINGER. Will the Senator from Arkansas permit

me to interrupt him?

The VICE PRESIDENT. Does the Senator from Arkansas yield to the Senator from New Hampshire?

Mr. CLARKE of Arkansas. Certainly; I shall be glad to

do so.

Mr. GALLINGER. Mr. President, I am interested in this plan to punish trusts by putting their products on the free list. I have very grave doubt as to the success of it; but I want to ask the Senator from Arkansas whether he or other Senators on the other side of the Chamber have taken into consideration the propriety of putting a higher duty upon the products of trusts in foreign countries?

England has great manufacturing trusts as well as we have, and yet, unless some counter legislation is adopted, the product of the trusts of Great Britain and other European countries come in here without any punishment being inflicted. If we punish our people by putting their product on the free list, why should we not punish the foreigner by putting an increased duty

on his product?

Mr. CLARKE of Arkansas. There is a great deal of plausi-bility in the question the Senator asks, but I do not think that the implications correctly state our position. This particular commodity is not being put upon the free list to punish anybody, but to afford our own people, our own consumers, an opportunity to buy an article which can be furnished to them by American manufacturers at fair prices, if they will do it, and, if they will not do it, then we have a right to invite the foreign manufacturers to trade in our market.

I have never absolutely committed myself to the project of using a tariff law, or the absence of a tariff law, to punish trusts. I believe there is a more direct and effective way of accomplishing the result. I am not altogether willing to be classed among the free traders of this country, and I am never likely to be until the conditions of this country, which must hereafter arise, seem to warrant it. I have not entirely committed myself to the proposition that the doctrine of a tariff for revenue only confines investigation to that point. I will look beyond and see what the effect of the legislation is to be upon the interests of this country. I take each item in each schedule and dispose of it according to my judgment of what is proper and right, with-

I used to think that I was in a moderate way a protectionist; but when I came to see what other people regarded as a tariff for revenue only, I found that I was gravitating very decidedly in the direction of free trade. My own notion is that there are very few interests, if any, in this country that can not survive with 25 per cent as a revenue tariff, or a 25 per cent differential, considered as a tariff for any other purpose; and whenever you get beyond that point, you have, in my opinion, invaded the territory of the high protectionist. Still I would deal with each article according to its merits, with reference to the demands and rights of the public, and I have dealt with this

article in that way.

Mr. CUMMINS. Mr. President, inasmuch as the amendment which I shall presently offer attaches a duty of \$3 a ton to the commodity under discussion, I feel that I ought not to allow a vote to be taken upon the pending question without saying enough, at any rate, to outline my position respecting the sub-

I feel that no one can justly accuse me of being unfriendly to the trusts, so called, or to monopoly. What I have said here in days gone by and what I have attempted to do in a committee that is especially commissioned to deal with the subject ought to relieve me of any such suspicion. We are in danger of becoming too impulsive upon this particular question; we are in danger of accepting mere assertions for proof.

I do not believe that there is a monopoly in the business of manufacturing cast-iron pipe. I am quite familiar with the decision to which the Senator from Arkansas [Mr. Clarke] has referred; and it is only necessary to say that out of that trust or combination there grew what is now known as the United States Cast Iron Pipe Co. That company became the absolute owner of a large number of plants "hat were involved in that litigation. The United States Cast Iron Pipe Co. undoubtedly attempts to exercise the power of monopoly so far as it can do so; but there are many independent plants making cast-iron pipe in the United States; and, as the Senator from Arkansas has said, many of them are small plants, for it does not require a large capital to enter this business.

There is no word of testimony before the Senate, and, so far as I know, the charge has never been made before, that the smaller plants throughout the country have any relation whatever to the Cast Iron Pipe Co., or any relation to each other except one of competition. We ought not to assume that 10, 15, or 20-I do not remember just how many there are-of these smaller industries have entered into any combination with each other, or have sustained or now sustain any relation to what is ordinarily known as the Cast Iron Pipe Trust. I do not know what their business practices may be; I do not know the details of their rivalry with each other, but there is no proof anywhere, and I never before heard the charge made, that there exists between them any concert of action whatever. believe the truth to be that they are in competition with each other; each one, of course, securing the highest price it can secure for the commodity it sells, but transacting business in entire obedience to the laws of the United States, which prohibit agreements or arrangements in restraint of trade or commerce. We will do a very great wrong if we pass a tariff law upon the assumption that the companies which make cast-iron pipe in the United States are in conspiracy with each other, or that there is any monopoly in the business.

I know something about it; I have maintained a certain familiarity with the iron and steel business, inasmuch as I have given a good deal of study to it, and I do not believe that there is any monopoly at all. The records show that these companies which appear to be independent of each other do a larger business, on the whole, throughout the United States than does the Cast Iron Pipe Co., which undoubtedly attempted at one time to do in this business just exactly what the United States Steel Corporation did in its business.

There are certain natural obstacles in the way of the independents, if I may call them so, doing business in a large part of the territory controlled by the United States Cast Iron Pipe The Cast Iron Pipe Co. has its home and principal scene of its operations in the interior. I have no doubt that it does control prices in the interior, and there are but few independents in the interior. The reason I assume that there are not more of them lies in the fact that they can not compete with the Cast Iron Pipe Co. in that region in which it has established itself.

The smaller enterprises do their business mainly along the coast, and, whatever may be the policy of the Senate with regard to putting commodities that may be controlled by a single corporation upon the free list, that policy can not be adopted in this instance, because the facts upon which it is

based do not exist. Therefore it seems to me that we ought to determine this question entirely apart from the just feeling that we all have against monopoly. The standard that we ought to apply in this instance is the standard that every protectionist will apply to every commodity, namely, the difference in the cost of production here and abroad, together with whatever modification the precaution against dumping may introduce into that policy.

It is obvious to anyone who knows anything about the business, or to one who does not if he will reflect a moment, that the matter of a duty on cast-iron pipe in any territory more than a hundred miles from the seacoast is entirely immaterial. Even if we had free cast-iron pipe, it would be utterly impossible for the manufacturers of England or any other country to bring a single pound of such pipe into any part of the interior of the United States, because the cost of transportation furnishes more than an adequate protection to the manufacturers of the interior. The only thing that we need to concern ourselves about, as it seems to me, is the strip of territory lying along the seashore which can be invaded by the foreign manufacturer, if it costs more to produce the article here than it costs abroad.

My only reason for suggesting a duty of \$3 a ton-which is a reduction of 60 per cent as compared with the existing law-is this, that, in the first place, the manufacturer along the seacoast is handicapped because he must pay more for pig iron than his competitor in the interior; and, second, because it costs something more for the manufacturer in this country to turn his pig iron into cast-iron pipe than it costs abroad.

In the last census report giving the statistics of manufactures, iron and steel pipe are embraced in the same classification, and therefore I must deal with them both in what I am about to say. The entire product in this country in 1909, that being the last year covered by the census report, was of the value of \$30,-886,000. Of that the amount paid in wages was \$3,963,000; the amount paid in salaries \$657,000. It appears from these figures, excluding salaries, that the labor cost of converting pig iron into cast-iron pipe was between 11 and 12 per cent of the entire value of the product.

No one doubts that the wages paid abroad are much less than the wages paid here. Without entering at this moment into the efficiency of the laborer abroad as compared with the laborer here, it is true, as every man who has examined the subject knows, that the men who take the pig iron and turn it into castiron pipe are paid in this country twice as much-and, if you compare it with Germany, a little more than twice as much-as the men engaged in the same occupation abroad.

Mr. BRISTOW. Mr. President-

The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from Kansas?

Mr. CUMMINS. I do. Mr. BRISTOW. The Senator has given us the percentage of labor in the cost of production of this product here. Has the Senator the percentage of labor in the cost of production of this product in countries which compete with us?

Mr. CUMMINS. I have not. That investigation, unfor-

tunately, never has been made, so far as I know, with relation to this particular product. We have to deal with our general information upon it; at least, I have so to deal with it. I have assumed, and I think I may do so with a good deal of certainty, that the proportion of labor cost abroad is substantially the same as the proportion of labor cost here.

Mr. BRISTOW. The reason I asked the question was that the Senator from Arkansas [Mr. CLARKE] said positively that this article did not cost any more to produce here than abroad.

Mr. CUMMINS. I do not believe the Senator from Arkansas

said that upon an investigation of the particular facts. I think he said it upon the general idea that we can produce any article of iron or steel here as cheaply as it can be produced abroad.

Mr. CLARKE of Arkansas. The testimony given before the Ways and Means Committee by Mr. Warren gave the labor cost of producing a ton of cast-iron pipe at from \$5 to \$5.50. He told me that the cost was from \$4 to \$6, according to the size of the particular pipe. The entire labor cost, therefore, of producing a ton of pipe sold in this country at about \$27 is in the neighborhood of \$5. I have no data as to the cost abroad.

Mr. CUMMINS. But, Mr. President, as the Senator from

Arkansas said, cast-iron pipe is of various kinds, and undoubt-edly there are kinds of cast-iron pipe that cost \$27 per ton to make; but the larger cast-iron pipe does not cost anything like that sum. It is selling in this country now at about \$20 or \$21 or \$22 a ton. I am sure that it is not selling at to exceed \$22

Mr. CLARKE of Arkansas. Mr. President, I have not any price list. That is regulated by public lettings, and each particular sale governs in each particular case.

Mr. CUMMINS. Oh. yes.
Mr. CLARKE of Arkansas. I have not been able to find any where any considerable quantity was furnished recently for less than \$27

Mr. CUMMINS. I think that is entirely true, if the Senator from Arkansas confines his examination to the interior part of the country, where prices are really controlled by the Cast Iron But, if he will go into the territory in which the independents, the smaller enterprises, actually do business and sell their pipe, he will find that there have been a good many sales in recent times for a price not to exceed \$22 a ton.

Mr. OLIVER. Mr. President, will the Senator allow me for a

moment?

Mr. CUMMINS. Certainly.
Mr. OLIVER. I think, also, that in mentioning the price of \$27 the Senator from Arkansas is talking of the price delivered at the point where the pipe is to be used, and it includes a very large amount of freight charges.

Mr. CUMMINS. That may be. I think you can buy cast-iron pipe at all prices from \$20 to \$40 a ton. I do not know but that there may be some that will command even more than

\$40 a ton.

To come back to my proposition, however, assuming that the labor cost abroad is substantially the same proportion of the entire value that the domestic labor cost is of the entire value in this country, I believe that in the absence of any other and more specific knowledge we ought to put a duty upon an article of this sort that is based upon the assumption that the labor cost abroad is substantially one-half the labor cost here. There are a great many things of which we know that is not true. There are a great many things of which we know it is less than the truth. But as to this commodity, the best information I can get, and the best conclusion I can reach is that the difference in the labor cost is substantially two or two and a half dollars per ton.

I have added to my amendment a very small amount for other differences in the cost of production. I am not willing to assume that it costs substantially more here for the basic material, the pig iron, than it costs abroad. But there are other costs of production that are unquestionably more in our country than in our competing countries. It has therefore seemed to me that a duty of \$3 per ton, which is only three-fifths of the present duty, is a reasonable, fair, protective duty upon cast-

iron pipe

Mr. REED. Mr. President-

The VICE PRESIDENT. Does the Senator from Jowa yield to the Senator from Missouri?

Mr. CUMMINS. I do.

Mr. REED. Has the Senator from Iowa examined into the question of ocean freight rates upon cast-iron pipe?

Mr. CUMMINS. I know about what the ocean freight rate is. Mr. REED. Does not the ocean freight rate practically make up any difference there is in the labor cost in this country and in England?

Mr. CUMMINS. The ocean freight rate on this commodity varies from \$1.50 to \$2.50 per ton, depending entirely upon the

business that the steamships are doing.

Mr. REED. If the Senator will pardon me, I do not claim an intimate knowledge regarding this item; but the statement has been made to me, by a man who is largely engaged in the production of cast-iron pipe, that the ocean freight rate will practically make up the difference between the labor cost in this country and the labor cost in England. The Senator from Iowa rather confirms me in that view, because he states that the freight rate runs from \$1.50 to \$2.50 a ton. that that in itself would offer a pretty good protection.

But I want to proceed to another matter. I understand there is some competition between what we call the Pipe Trust, which is located largely in the interior of the country, and independent concerns operating near the Atlantic seaboard. But does the Senator know of any company competing with the trust in the great West, or, speaking broadly, nearly all of the country lying west of the Missouri River?

Mr. CUMMINS. Practically none.

Mr. REED. The point of interest to me is this, and I want to state it fairly: It is claimed that the competition from abroad would injure the independent factories because they are located along the Atlantic seaboard and in a territory which they now have practically to themselves, because the trust is barred to some extent by freight rates from that part of the country, they in turn being barred by freight rates from the territory where the trust has its plants. It is claimed by these

gentlemen that if we were to have free trade in cast-iron pipe the competition would affect only the independent factories upon the Atlantic coast.

Conceding that to be true, for the moment, what has the Senator to say upon this question? I really should like to get his views upon it. Here is a trust that is said to control all of the interior parts of the country where its factories are now located, and it alone is able to serve the great West. If we put a tariff on cast-iron pipe, would it not simply enable the trust to maintain its grip upon the great West and to charge extortionate prices there? How can we escape from that?

Mr. CUMMINS. The Senator from Missouri probably was not in the Chamber when I spoke on that subject.

Mr. REED. I was not here, I will not ask the Senator to go over it.

Mr. CUMMINS. I will do so very gladly.

I do not think a duty will affect the interior of this country at all. I do not think free trade in cast-iron pipe would affect the interior of this country. If the Government were to offer a bounty of \$2 per ton on cast-iron pipe, I think the foreigner still could not get into a large part of this country—the part to which the Senator from Missouri refers. When you remember that the manufacturer in England, in order to reach Chicago or Cincinnati or St. Louis, would be compelled to pay a rate of transportation that just from memory, I think, is not less than \$7 a ton, or possibly \$6 a ton, it is obvious that that part of the country can not be affected by a duty upon pipe.

Mr. LANE. Mr. President, will the Senator from Iowa par-

don an interruption?

Mr. CUMMINS. Certainly.

Mr. LANE. As a matter of fact, the factories making castiron pipe of large sizes, located in Birmingham, Ala., do ship trainloads of cast-iron pipe to the Pacific coast and have been so doing for many years.

Mr. CUMMINS. I have no doubt of that. The Pacific coast

has no other place to get it.

Mr. LANE. It seems to me that it could be shipped as easily

one way as the other, the distance being no greater.

Mr. CUMMINS. That depends entirely on the accessibility of the Pacific coast to the foreign manufacturer. There is now a duty of only \$5 a ton upon east-iron pipe. I do not know the freight rate from Birmingham to the western coast, but probably it is not less than \$12 or possibly \$14 a ton. I might very well ask the Senator from Oregon why, under a duty of \$5 a ton, the foreign manufacturer does not supply Portland and Seattle and other ports upon the western coast?

Mr. LANE. If it were free now, ships going out of the Pacific coast ports laden with wheat could return with large sizes of cast-iron pipe instead of ballast, which many of them carry

Mr. CUMMINS. If a foreign manufacturer could reach the western coast without any duty and could not reach it upon a duty of \$3 a ton, then undoubtedly it would give the domestic manufacturer the benefit of \$3 per ton; but I do not believe there is any such case.

I merely wish to call the attention of the Senator Mr. LANE. to the fact that the product does undergo long-distance transportation, which I understood him to say it would not bear.

Mr. CUMMINS. I am speaking, and have been speaking, of the interior of the country. I know it could not affect the business in the great interior of the United States, on account of the cost of transportation. If we put cast-iron pipe upon the free list, then we ought to put every product of iron and steel on the There is no more reason for putting this commodity on the free list than for putting on the free list every other commodity of iron and steel, at least of the larger forms, costing up to \$40 per ton.

Mr. REED. Does the Senator base that statement on the ground that all steel products are now controlled by a trust?

Mr. CUMMINS. I have attempted to say that this product is not controlled by the trust. The territory that this duty is designed to assist is not controlled by the trust, if by "the trust" the Senator means the United States Cast Iron Pipe Co. There are a great many of the smaller enterprises that are doing business, as I think, under conditions of severe competition. If the business of the whole country were controlled by the Cast Iron Pipe Co., then there would arise the question suggested by the Senator from Missouri, namely, whether we ought to put upon the free list every article that is manufactured by a socalled trust

Mr. REED. I do not believe I made myself plain to the Senator a little while ago. I do not want to interrupt his speech, but I really want to get his views on this question.

My information is that there is competition between the in-

dependent companies and the Cast Iron Pipe Trust, as it is com-

monly termed, on the eastern coast and for some distance into the interior from the East; but I am asking the Senator, What about the West? The central part of the country is now absolutely in the grip of this one concern. There is no competition there. The Senator and I agree upon that. Neither is there any competition with the trust in all the country that lies west of its factories, which, generally speaking, are located in the Central States. There can be no competition there from the independent companies along the Atlantic coast, because they have to ship through the territory of the trust. The trust can beat them on every contract and make a large profit in addition. But there lies that great body of land, embracing one-half of the territory of the United States, all of it west of the factories of the trust, all of it now the trust's territory because the trust controls the nearest productive plant.

If you keep a tariff on pipe, you deny to all the great West any pipe which otherwise might come in from the Pacific coast

ports. How do we get past that difficulty?

Mr. CUMMINS. Mr. President, we can not adjust all the difficulties that arise out of combinations in this country through the tariff law. I believe that to put cast-iron pipe upon the free list would not help in the least degree the vast majority of the people of the United States in the interior, and I believe that to put it upon the free list would be to deny to a certain territory the protection which at least the Republican doctrine requires.

Of course, if I were making up a tariff law without regard to the doctrine of protection, I would not put anything on the dutiable list. I would have everything free. As I said the other day, the very moment I abandon the doctrine of protection my political philosophy leads me into absolute free trade. But if we adhere at all to the principle to which my party heretofore has been devoted, I think a duty of 10 per cent or 8 per cent upon this commodity is necessary as a protective duty. think that is the duty which the House put upon it. The House was just as intent on carrying out the Democratic principle as the Senate can be, and it believed there should be a duty of 8 or 10 per cent, I have forgotten which, upon cast-iron pipe. I think that is a protective duty; and affecting only a strip of territory contiguous to the Atlantic coast, I believe it ought to be retained. I think the present duty is altogether too high and much more than covers the difference in the cost of production here and abroad. But I think a duty of \$3 a ton will not more than measure the difference in the cost of making cast-iron pipe in England and in Philadelphia.

In the first place, the manufacturer in Philadelphia pays a little more for his pig iron than does the manufacturer in England. While pig iron can be made in this country as cheaply as it can be made abroad, it can not be brought to Philadelphia and delivered there as cheaply as it can be bought and used in You must remember that the great seat for the manu-England. facture of pig iron is not the Atlantic coast, but is west of the Allegheny Mountains, and the cheap pig iron of the country is manufactured west of the Allegheny Mountains. The man who takes pig iron in Philadelphia will pay more for it than the man who takes it in Cincinnati or in Chicago. Therefore I believe this very moderate duty, which, indeed, represents one of those cases in which a revenue duty becomes synonymous with a protective duty, should be retained.

The Senator from Arkansas [Mr. CLARKE] has the right theory about this matter. If you adhere to the revenue doctrine there will be a great number of instances, and they will be constantly increasing as time goes on, in which the revenue demand will be quite as great as the protective demand. In some cases, I have no doubt, it will be necessary in order to get an adequate revenue to put on a higher duty than would be necessary to measure the difference between the cost of production here and abroad.

Mr. President, I have said so much about the merits of the matter. I have an opinion with regard to the general proposition that has been announced here of putting upon the free list the products of a monopoly. I intend to defer a discussion of that proposition until I reach my own amendment. But lest I be misunderstood by being silent at this moment, I desire to say that I believe the consumer has a better right to competition than the producer has to protection. I had the honor to use those words in a speech that I made upon the tariff in Boston in 1903 or 1904, and they have been made the text for many an I adhere to the assault upon my soundness as a protectionist. proposition. If I must choose between competition for the consumer and protection for the producer, I unhesitatingly choose the former.

ing or reaching that result. I do not believe in putting upon the free list in a tariff bill every product which it is asserted here is the subject of a monopoly. I do not believe that that is the way to deal with it, because when it is so established in a tariff law it becomes permanent until Congress again intervenes, and it destroys the opportunity for that very competition which

we all so much desire.

When the tariff bill of 1909 was before Congress I offered an amendment upon this subject, the substance of which was that if at any time any citizen of the United States believed that competition—substantial competition—had ceased to exist with regard to the sale of any product, he might file in a court of competent jurisdiction a petition or application declaring the fact, and that thereupon the producer of the commodity should be summoned into court and a trial should ensue; and if the court found that substantial competition had ceased to exist it should then certify the decree to the Secretary of the Treasury, and thereafter the commodity should be placed upon the free list. But if thereafter conditions should change, and if competition appeared, then upon similar application the former decree might be set aside or modified and the article should take its place upon the dutiable list as theretofore. That presents a plan in which the principle can be carried out and through which the principle is not made to destroy itself.

I intend to offer the same amendment to this bill. I long ago presented it, and it is now printed, and when the time comes I intend to urge it upon the Senate. I am not solicitous about that particular method, but I want some method adopted that will enable competition to come into existence, and when it does come, then I want the ordinary rule of protection to apply.

That is the reason why, even if cast-iron pipe were manufactured by only a single concern, if it had accomplished a monopoly, I would still be opposed to putting it upon the free That is the reason why I am opposed to putting aluminum on the free list, for however complete the monopoly may be at this time I have great hope that competition may appear in the United States. I confidently believe that it will appear if those who might interest themselves in such an enterprise knew that when they came to offer their product in the markets of America in competition with the former monopoly they would receive the advantage of the Republican doctrine of protection. Any other plan, as it seems to me, involves perpetual monopoly.

I, however, will enlarge upon that and give my ideas fully with regard to it when I come to my amendment. At this time I have said what I have said simply because I believe that castiron pipe is not monopolized in this country in that sense, and because I believe that it ought to bear the small duty I have

proposed in my amendment.

Mr. CLARKE of Arkansas. Before the Senator from Iowa takes his seat I desire to ask him a question. How far into the interior does the Senator think the foreign pipe would be introduced in the event it was put upon the free list?

Mr. CUMMINS. There may be exceptions to every rule. can imagine a condition in which it might go clear across the continent, but ordinarily it could not get 100 miles from the

seacoast.

Mr. CLARKE of Arkansas. Then we would have 100 miles

of competition that does not now exist.

Mr. President, I desire to put into the Record quotations made from The Iron Age, a recognized publication in the iron trade, of July 3, 1913, giving prices on cast-iron pipe under various conditions and at various points. I read from page 39 of the trade report of Chicago:

Cast-iron pipe.—The award of 2,000 tons of pipe at Circinnati, Ohio, has not yet been made, but it is expected that the United States Cast Iron Pipe & Foundry Co., the low bidder, will furnish the pipe. The contract for 2,500 tons of pipe at Springfield, Ohio, is still unplaced. We quote as follows, per net ton, Chicago: Water pipe, 4 inch, \$28,50; 6 to 12 inch, \$26,50; 16 inch and up, \$25,50, with \$1 extra for gas

I read again from the trade report from Birmingham, on page 41:

Cast-iron pipe.—Manufacturers continue to receive a fair consignment of orders for extensions and repairs, and the Bessemer plant of the United States Cast Iron Pipe & Foundry Co. booked an order of 800 tons for San Diego. The southern producers are expecting to land some of the Buenos Aires and West Indies business, but no contracts are reported. Production is still at a lower ebb than usual and prices are \$22 for 4 inch and \$20 for 6 inch and upward f. o. b. pipe yards, with \$1 added for gas pipe.

We thus see that the same character of pipe is quoted in the same conditions of trade, because in both instances the plants that furnish the pipe belong to the United States Cast Iron & Foundry Co., at \$28.50 in Chicago, as against \$22 in Birmingham, Ala., for the same identical pipe.

I read again on page 45 of the report from New York:

The only difference between myself and those who have discussed the question here relates to the method of accomplish- to \$24 per net ton, tidewater, New York.

The same pipe that sells in Birmingham for shipments to San Diego and South American towns at \$22 is sold at tidewater in New York at \$23 and \$24. The same grade of pipe in Chicago is sold for \$28.50, and at a lower price for larger sizes.

Mr. CUMMINS. I am very glad my friend from Arkansas has referred to that. It confirms exactly what I said. I looked at the prices quoted a week ago in Philadelphia. They were \$22 In the West, in the region of the cast-iron pipe company, they charge anything they please.

Mr. CLARKE of Arkansas. The Birmingham, Ala., is in the West, and it belongs to the so-called trust. The United States Cast Iron Pipe & Foundry Co. furnish pipe for San Diego, Cal., and Buenos Aires and the West Indies at \$22 for 4-inch pipe and \$20 for 6-inch pipe, showing that the prices are absolutely arbitrarily fixed without reference to cost of production.

Mr. CUMMINS. Of course, they are arbitrary within certain limits. If they were \$100 a ton, I fancy they would not find many purchasers. There is a certain limit within which they can operate and do operate, and I have no doubt the prices are arbitrarily fixed.

Mr. REED. Mr. President, I intend to take but a moment on this question.

It seems to be admitted that the great interior of this country, so far as cast-iron pipe is concerned, is in the grip of one cor poration which controls a number of plants, and that within that territory it charges almost arbitrary prices; that lying west of that immediate territory there is a vast stretch of country extending to the Pacific Ocean, and the trade within that vast territory is completely in the control of the same combination. So this combination or trust, as we term it, has for its trade territory all the interior of the country and all that lies west of the interior. It seems to be conceded that along the Atlantic seaboard there are a few independent cast-iron pipe factories, and that within that particular territory there is sharp competition between the trust and the independent com-

Mr. President, whenever I find a trust in this country that can control in two-thirds of the United States or in seveneighths of the United States, as has been suggested by the Senator from Mississippi, then I think that trust is big enough, powerful enough, and dangerous enough so that we can afford to curtail its power and field of operation by every means within our ability

It must be manifest that a duty of five dollars and a half a ton or three dollars and a half a ton curtails competition with that trust in two places at least, namely, at the southern ports of our country and the western ports, because every dollar you add by way of a tariff to the price of pipe shipped into the western or southern ports of necessity curtails the amount which will be shipped in, and those desiring to purchase pipe must to that extent be limited to the one concern that can furnish it, namely, the Cast Iron Trust, that now has complete control in the central portion of the United States.

Mr. President, it seems to me perfectly patent under these conditions that there is no competition in the western parts of the country and the extreme South; that just as long as we maintain a tariff we assist the trust to hold that great portion of our country in its grasp and to exercise a complete and dominant control in that vast part of our country; and that a tariff levied. so far as the part of the country I am now referring to is concerned, is only a tariff for the benefit of the trust. that one institution, and it injures every consumer in that vast

Mr. BRISTOW. Mr. President-

With such a condition, it would seem to be our duty, as there is no competition in this country, to give to those people the benefit of some competition from abroad.

The VICE PRESIDENT. Does the Senator from Missouri yield to the Senator from Kansas?

Mr. REED. Certainly.

Mr. BRISTOW. I understood the Senator from Missouri to say that there was competition on the Atlantic coast.

Mr. REED. That is to say, I am informed there is. I think it is a fact that there is.

Mr. BRISTOW. It seems to me to be conceded that, duty or no duty, the same monopoly which controls the interior of the country will continue to control it. I do not want to vote for any duty that will aid in perpetuating a trust anywhere. It seems to me that free trade in cast-iron pipe is not reaching the real trust, but it is reaching the weak competitors it now has.

I am coming to a discussion of the New England Mr. REED. or the Atlantic side in a moment. I am speaking now of the interior and the West.

Mr. BRISTOW. I shall be glad to listen to the Senator on that point.

Mr. CUMMINS. Mr. President-

The VICE PRESIDENT. Does the Senator from Missouri yield to the Senator from Iowa?

Mr. REED. Certainly.

Mr. CUMMINS. I do not want to be misunderstood. While devoted my argument to the Atlantic seaboard largely, because there is the seat of operation of most of the smaller enterprises, of course the Senator knows that there is an independent plant in the interior farther west than any plant owned by the United States Cast Iron Pipe Co., namely, the one at Pueblo,

Mr. REED. That is knowledge I did not have. I will say very frankly the principal knowledge I have in regard to the places of manufacture of pipe came to me from a gentleman who claims to be an independent manufacturer. He did not indicate to me any such institution, but it may nevertheless be true.

Mr. CUMMINS. I may be wrong about it, Mr. President.

Mr. REED. I am not disputing it.

Mr. CUMMINS. But the little examination I have made of the general subject left the impression upon my memory that there is a plant in Pueblo, Colo., manufacturing cast-iron pipe, and that it does not belong to the United States Cast Iron

Mr. MARTINE of New Jersey. Mr. President, let me say that there are a few individual plants on the Delaware River in Pennsylvania, and some in New Jersey. I think there are three plants independent from the trust.

Mr. SMOOT. Mr. President-

The VICE PRESIDENT. Does the Senator from Missouri yield to the Senator from Utah?

Mr. REED. Certainly.

Mr. SMOOT. The independents have a plant at Pueblo, They also have a plant at Detroit, Mich., and they have three plants in the State of Ohio. The trusts have also three plants in the State of Ohio and one at Duluth, Minn. They have one at Buffalo, N. Y.; one at Scottdale, Pa.; and one at Burlington, N. J.

Mr. REED. There may be a plant at Pueblo; but if there be an independent plant at Pueblo it is perfectly manifest that it is not able to supply the country of the great West, a fact which seems to me to be conclusively shown by the statement here that pipe is shipped from Birmingham to the extreme West.

Now, I want just for a moment to adhere to what I was saying with reference to the western portion of the country. If there is a trust in the interior portion practically dominating that territory and extending its control clear to the western coast, then if the tariff were taken off, so that pipe came in free, it would seem that pipe could be brought in ballast in ships to the western coast, and that it could supply the western coast and invade the interior until freight rates became prohibitive. If you put some tariff upon pipe, it still might possibly come in to the western coast, but its ability to proceed into the interior and invade that country would be limited just as the tariff was raised to higher points and limited by the tariff.

If it is true that that vast portion of our country is practically in the grip of this great organization, every consideration demands that we should give to those people a competition from

abroad strong enough to relieve them.

Now I come to the plea that is made on behalf of the few concerns near the Atlantic seaboard. There are only a few, some six or seven, I believe, all told. Those concerns are not infant manufactories; many of them have existed a great many years; they are thoroughly established; but the claim is made that if you subject them to competition from abroad, they will be destroyed between the competition of the trust upon the one hand and the competition from abroad on the other; and that, therefore, by the destruction of the independents you will, in fact, strengthen the trust. That is the argument advanced.

It seems to me that you can not claim you are strengthening the trusts-and I deal with that for a moment-because if the competition from abroad becomes keen enough to destroy the independent factories of the eastern coast, then it must be that the pipe from abroad can be furnished cheaper than those factories can possibly make it. If it can be furnished from abroad cheaper than those factories can possibly make it, then that must increase the competition with the trust and cut down the trust's power to dominate the market and control prices.

That brings us to the question of whether these concerns along the coast-and it seems to me to be the only remaining question-would be destroyed by foreign competition. I do not believe they would be; and I might say that if they would be, if it be true that after 100 years of establishment they yet can not make pipe as cheaply as it can be made abroad, it to me that they have about reached a condition of infantile paralysis that no longer calls for medicine or wet-nurse coddling by the people of the United States; but I do not believe they will be destroyed.

To begin with, it is only claimed that there is a difference of \$3 between the cost production in England and in this country-not quite that, about \$2.50. A part of that will be taken away by the fact that pig iron is put upon the free list, and a number of other articles, perhaps small, but yet cutting some figure, will have the tariff reduced upon them.

The next proposition I make is this: The Senator from Iowa [Mr. Cummins] furnishes me with corroboration of that which I had already been told, namely, that it costs on the average about \$2 a ton to haul English pipe across the ocean. That freight rate substantially represents the total difference that is claimed to exist between the labor cost in England and the labor cost in this country, so that the Atlantic Ocean lies there to afford a protection, which, if it does not quite come up to the rule which the Senator from Iowa has invoked so often and so elequently and so forcibly in this Chamber, it comes so near reaching that rule that it seems to me no one need worry very much about those concerns.

On top of that comes the advantage that every concern must have of being located in this country, of being acquainted with our trade conditions, of being able constantly to push its business better than can the foreigner.

Now, I want to say a word about my old friend, the Cast Iron Pipe Trust. I have had some experience with it. I happened at one time to have the misfortune-or, rather, the city in which I lived had the misfortune to have me for its mayor. During that period we were substantially rebuilding, to a large extent, our waterworks plant. I found then that there was but one bidder for cast-iron pipe; that all other bids that were offered were bids that were so high that they could not be considered; and that we had one concern to buy from, and only one. I found, in addition to that, that this concern had grown so arrogant, so monstrous in its methods, so bold and so barefaced in its buccaneering, that it did not hesitate to serve notice upon the city authorities that they must buy pipe by a certain day, and if they did not buy it by that day the price would be advanced 10, 15, or 20 per cent to them; that this happened repeatedly; and that, although every kind of effort was made to find some other place where pipe could be bought, that great city found itself absolutely in a helpless condition; and if it did not buy at the demand of this concern, it was compelled to pay the additional price.

Mr. President, what was true of my city, with its 250,000 people, with its ample credit, with its splendid advancement and vigor and courage, was true to a greater or less extent of other cities in the great Central West; and I say that when a thing of that kind exists it is time to quit talking about affording it any protection. If there is a competition in this country that is so weak, so senile, and so useless that it can not afford protection against a concern of that kind through four-fifths of the entire United States, it is time Congress should withdraw its protection from an institution that has thus outraged all law, all decency, and all morals.

Mr. BRISTOW. Mr. President, suppose that we put this castiron pipe on the free list; how much will it affect the control of this corporation which the Senator from Missouri denounces with such commendable vigor; that is, how much is it going to hurt this trust to put this pipe on the free list? Does it help Kansas City? Does it help the interior? Will not that trust, with this article on the free list, be just as potent within that territory as it is to-day?

Mr. REED. I do not say that competiton will benefit every part of the United States, but I do say that if you can benefit one-third of the United States you ought to do so; if you can benefit four-fifths you ought to do it; and just as you bring competition in from either side of this concern's special territory you circumscribe that territory. It would seem to me to follow that if you reduce the prices of these necessities upon both sides necessarily it would have to drop its prices in that interior territory or there would be some competition flow in: and yet its natural advantage may continue to give it a special power within a special territory.

Mr. WILLIAMS. But probably at a less price.

Mr. REED. But probably at a less price.
Mr. BRISTOW. The situation that seems to confront us, Mr. BRISTOW. The situation that seems to confront us, judging from the discussion, is that on the border, on the Atlantic coast, there has existed, or does exist, some competition. After we get into the interior that competition ceases. move the duty will put the competition which the trust now has in competition with the foreign manufacturer. In that struggle he may survive or he may not; time will have to determine; but if he does not survive, if he should go out of business, the foreign competitor will take his place, and then there will come a

division point between the foreign competitor and the trust. The interior, however—our part of the country—will remain in the grip of the same combination it is to-day.

It seems to me this situation illustrates the futility of undertaking to control the trust question by a tariff duty. You may affect it slightly here and there; and wherever it can be affected I am disposed to take off the duty, even though it should hurt the independent manufacturer, although it seems to me that it is a cruel thing to do, because the great evil against which the Senator from Missouri, as well as myself, have been complaining will remain practically unhurt.

Mr. STONE. Mr. President, we have spent about two hours and a half on this item, and unless some other Senator desires

to be heard. I should like to have a vote.

Mr. BURTON. Mr. President, I desire to say a few words on this subject. The point which impresses me in this proposal is the glaring inconsistency between paragraphs 127 and 129. The amendment in paragraph 127 proposes to place cast-iron pipe on the free list, while paragraph 129, which covers wroughtfrom pipe and steel pipe, provides for those commodities a duty of 20 per cent. If there should be any distinction between the two, if either should have a larger duty, it is cast-iron pipe. Cast-iron pipe is made by a foundry process; wrought-iron pipe by a rolling-mill process. The amount of labor involved in the foundry work in the making of cast-iron pipe is greater than in the making of wrought-iron pipe. Predominantly cast-iron pipe is used below ground, it is thicker, it is larger; while the wrought-iron pipe is more expensive, is lighter, and is used where there is less danger of corrosion. It is more used above ground.

There are half a dozen establishments in my State engaged in the manufacture of cast-iron pipe. Three of them are branches of the so-called United States Cast Iron Pipe & Foundry Co., as I believe it is called. They are located at the three leading cities in Ohio-Cleveland, Columbus, and Cincinnati—while there are three independent concerns located in the smaller cities of New Comerstown, New Philadelphia, and Massillon. I do not believe the question of duty or no duty is of importance to any of them. I have heard from none of them, and I certainly can speak without any bias because of local interest; but it is not merely incongruous, it is unjust to place cast-iron pipe on the free list while wrought iron and steel pipe are made subject to a duty.

It is hardly correct to say that there is no competition west of the Alleghenys or in the interior. The total amount made by the united companies in the interior is about 440,000 tons, while the independent companies manufacture 180,000 tons. There are not only the independent establishments in Ohio which I have mentioned, there is one in Michigan, I think one in Alabama, and certainly one in Colorado. They at least have a restraining influence upon the so-called trust, and I do not see in what possible way you could relieve this business from monopolistic tendencies by taking off the duty so far as regards

that portion west of the Allegheny Mountains.

In the portion east of the Allegheny Mountains it would be a very serious matter. There the total quantity made by the independents is, I believe, about 390,000 tons, and by the combined organization, or trust, 60,000 tons. The price of pig iron, as has already been stated, is higher there, and if you throw open that market without duty, you diminish their opportunities; you may put them out of business.

There has been some discussion here to the effect that there is a difference of only \$2.50 or \$3 between the price in England or in Germany and that in the United States, and then account is made of the freight of \$2, and it is said that the establishments on the Atlantic seaboard have the protection of the That, Mr. President, only takes in a part of Atlantic Ocean. the problem. The prices are not uniform from year to year; sales are not always made abroad according to quoted figures. The cartels of Germany, as well as the organization of English iron founders, could temporarily lower the price and could maintain that lowered price until the time when the independents on the Atlantic seaboard found it unprofitable to continue the business. Then the foreign manufacturers could raise their prices so as to recoup themselves for the losses sustained by cutting below the market price.

I at one time saw a statement made by the harbor board of the city of Manchester. They were utilizing the canal and dock facilities, and it was bluntly stated in the circular that rates for export were adjusted on a lower basis-that is, made to conform to the conditions in any foreign country-so that they

could obtain the market.

The German cartels also combine all branches of this business and most other branches of the iron trade, and, taking into account that, with larger production, they can sell at somewhat cheaper prices, they could unload on our market cast-iron pipe until the time when the domestic production in the easterly portion of the country would be rendered entirely unprofitable. It was to guard against anything of that kind that the House committee put in a so-called antidumping clause, which was adopted by the House.

In view of all these circumstances, Mr. President, it seems to me there should be uniformity, and that the article into which enters the largest labor cost should not be free from the duty while the other article is made dutiable at 20 per cent.

Mr. STONE. Let us have a vote now, Mr. President.

Mr. CUMMINS. Mr. President, just one word in reply to the Senator from Missouri [Mr. Reed]. I think I would reach precisely the conclusion he does if I were making up a tariff bill ignoring the doctrine of protection, but I can not understand why he finds it necessary to put cast-iron pipe on the free list, because a large part of the business is controlled by one concern, when he allows other products of iron and steel to be placed upon the dutiable list, although the United States Steel Corporation controls a larger part of the business in which it is engaged than does the United States Cast Iron Co. of the business in which it is engaged. The latter company controls, we will say, about 45 per cent of the business. The former company controls quite 50 per cent of the business. It seems to me the same argument that would lead to free castiron pipe must necessarily lead to free iron and steel, at least in the field occupied by the United States Steel Corporation.

Mr. REED. Is not the Senator wrong? Does not the Cast Iron Pipe Trust of this country control about 75 per cent?
Mr. CUMMINS. It does not if the figures I have are correct. It does not sell more than 45 per cent of the entire product.

Mr. REED. I can answer the Senator by saying that I have been voting to take the tariff off all trust-made articles just as fast as I could do it; and I intend to keep on voting that way.

The VICE PRESIDENT. The question is on agreeing to the amendment proposed by the committee.

Mr. BURTON. On that I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. KERN (when his name was called). I transfer my general pair with the senior Senator from Kentucky [Mr. Bradley] to the senior Senator from Nebraska [Mr. Hitchcock] and will vote. I vote "yea."

Mr. McLEAN (when his name was called). I wish to announce that the senior Senator from North Dakota [Mr. Mc-CUMBER] is necessarily absent on account of sickness in his family. He is paired with the senior Senator from Nevada [Mr. Newlands]. I wish this announcement to stand for the remainder of the day.

Mr. SMITH of Georgia (when his name was called). I transfer my pair with the senior Senator from Massachusetts [Mr. LODGE] to the senior Senator from Maryland [Mr. SMITH] and

will vote. I vote "yea."

Mr. THOMAS (when his name was called). I have a general pair with the senior Senator from New York [Mr. Root.] I transfer that pair to the junior Senator from Oklahoma [Mr. Gore] and will vote. I vote "yea."

Mr. WILLIAMS (when his name was called). general pair with the senior Senator from Pennsylvania [Mr. Penrosel. He is absent, and I therefore withhold my vote. Were he present, I should vote "yea."

The roll call was concluded.

Mr. JAMES (after having voted in the affirmative). to announce that the senior Senator from Kentucky [Mr. Brad-LEY] is absent by reason of illness. He has a general pair with the junior Senator from Indiana [Mr. Kern].

I should like to know if the junior Senator from Massachusetts [Mr. Weeks] has voted.

The VICE PRESIDENT. He has not.

Mr. JAMES. I desire to withdraw my vote. I have a general pair with that Senator. If he were present, I should vote yea.'

Mr. LEWIS. I desire to announce the absence of the junior Senator from Louisiana [Mr. Ransdell] because of illness.

Mr. STONE. I have a general pair with the senior Senator from Wyoming [Mr. CLARK]. The Senator being absent, I transfer my pair to the junior Senator from Louisiana [Mr. RANSDELL] and will vote. I vote "yea."

Mr. BRYAN (after having voted in the affirmative). Inasmuch as the junior Senator from Michigan [Mr. Townsend] has not voted, I withdraw my vote. I have a pair with that Senator.

Mr. JONES. I desire to announce that the junior Senator from Michigan [Mr. Townsend] is absent on important busi-

Mr. GALLINGER. I have been requested to announce that the junior Senator from Idaho [Mr. Brady] is paired with the junior Senator from Mississippi [Mr. VARDAMAN]; the junior Senator from Maine [Mr. Burleigh] is paired with the junior Senator from Tennessee [Mr. Shields]; the junior Senator from New Mexico [Mr. Catron] is paired with the senior Senator from Maine [Mr. Johnson]; the junior Senator from Rhode Island [Mr. Colt] is paired with the junior Senator from Delaware [Mr. Saulsbury]; the senior Senator from Delaware [Mr. DU PONT] is paired with the senior Senator from Texas [Mr. Culberson]; the junior Senator from West Virginia [Mr. Goff] is paired with the Senator from Alabama [Mr. Bankhead]; the junior Senator from Wisconsin [Mr. Stephenson] is paired with the senior Senator from Louisiana [Mr. Thornton]; and the junior Senator from Wyoming [Mr. Warren] is paired with the senior Senator from Florida [Mr. Fletcher].

The result was announced—yeas 41, nays 17, as follows:

YEAS-41.

Owen Pittman Poindexter Pomerene Smith, Ga. Smith, S. C. Stone Kenvon Bacon Borah Bristow Chamberlain Chilton Kern La Follette Lane Swanson Lea Lewis Martin, Va. Martine, N. J. Reed Rebinson Shafroth Sheppard Shively Simmons Smith, Ariz. Thomas Thompson Tillman Walsh Clapp Clarke, Ark. Crawford Hollis Myers O'Gorman Overman Hughes NAYS-17. Oliver Page Perkins Gronna Jackson Brandegee Sterling Sutherland Burton Cummins Dillingham Jones Sherman Smoot McLean Gallinger Nelson NOT VOTING-37. Bankhead Fall Newlands Norris Penrose Ransdell Thornton Townsend Vardaman Warren Bradley Fletcher Bradley Brady Bryan Burleigh Catron Clark, Wyo. Colt Culberson du Pont Goff Gore Hitchcock Root Saulsbury Shields Smith, Md. Smith, Mich. Stephenson James Johnson Lippitt Williams Works Lodge McCumber du Pont

So the amendment of the committee was agreed to. Mr. SIMMONS. Mr. President, I desire to move that the hour of daily meeting of the Senate be 11 o'clock a. m. until otherwise ordered by the Senate.

Mr. STONE. Mr. President, before the vote is taken I de-

sire to say just a word.

Schedule C, which we are now considering, was practically concluded on Saturday. Several paragraphs were passed over upon the request of Senators, to be taken up to-day. The committee confidently hoped, and with good reason expected, that the paragraphs as reported by the committee would be considered and their consideration ended to-day. early to-day, about half past twelve. Now it is practically 6 o'clock, and we have made little progress.

The committee has felt every disposition to accommodate the wishes of Senators. Paragraphs have been passed over from time to time, and a time fixed for their consideration. We have

now been a week on this one schedule.

I think Senators ought to display some reciprocal regard for the committee in charge of the bill. It is intolerable, as I view it, that a whole day should be taken up in the discussion of about two paragraphs of the bill. This criticism applies to one side of the Chamber as well as the other. The appeal 1 am making applies to one side as well as the other, that Senators will be a little more considerate of the situation and of the necessity of more rapid progress in the consideration of this measure.

I make this appeal, and I hope it will find favorable lodgment in the minds of Senators on both sides of the Chamber.

Mr. GALLINGER. Mr. President, as I suggested at an earlier hour to-day, I do not wonder that the Senator from Missouri is somewhat impatient. We are making very slow I am warmly in favor of commencing our meetings progress. at 11 o'clock.

I will ask the Senator from North Carolina, however, if he will not change his motion to a request for unanimous consent. think it will appear better.

Mr. SIMMONS. Yes; I shall be glad to do that.
Mr. GALLINGER. Of course, if unanimous consent is denied, the Senator can make the motion,

Mr. SIMMONS. Then I will withdraw the motion, and request unanimous consent that until otherwise ordered the daily meetings of the Senate shall be at 11 c'clock a m

meetings of the Senate shall be at 11 o'clock a. m.

The VICE PRESIDENT. The Senator from North Carolina asks unanimous consent that until otherwise ordered the daily sessions of the Senate shall begin at 11 o'clock a. m. The Chair hears no objection, and it is unanimously agreed to.

EXECUTIVE SESSION.

Mr. BACON. I move that the Senate proceed to the con-

sideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After 10 minutes spent in executive session the doors were reopened, and (at 6 o'clock and 5 minutes p. m.) the Senate adjourned until to-morrow, Tuesday, August 12, 1913, at 11 o'clock a. m.

NOMINATIONS.

Executive nominations received by the Senate August 11, 1913.

SECRETARY OF LEGATION.

William P. Cresson, of Nevada, now second secretary of the embassy at London, to be secretary of the legation of the United States of America at Quito, Ecuador, vice Rutherfurd Bingham.

SPECIAL EXAMINER OF DRUGS, MEDICINES, AND CHEMICALS.

Joseph L. Murray, of Pennsylvania, to be special examiner of drugs, medicines, and chemicals in the district of Philadelphia, in the State of Pennsylvania, in place of Frederick W. Heyl, resigned.

COLLECTOR OF INTERNAL REVENUE.

James J. Walsh, of Connecticut, to be collector of internal revenue for the district of Connecticut, in place of Robert O. Eaton, superseded.

ASSISTANT APPRAISER OF MERCHANDISE.

Campbell Whitthorne, of California, to be assistant appraiser of merchandise in the district of San Francisco, in the State of California, in place of Jacob Shaen, resigned.

APPOINTMENTS IN THE ARMY.

MEDICAL RESERVE CORPS.

To be first lieutenants with rank from August 8, 1913.

Frederic Victor Beitler, of Maryland.
John Jordan Boaz, of Indiana.
Paul Eugene Bowers, of I diana.
Carl Raimund Hiller, of Ohio.
Peter McCall Keating, of Pennsylvania.
Harvey Adams Moore, of Indiana.
Firmadge King Nichols, of Maryland.
Blanchard Beecher Pettijohn, of Indiana.
Palmer Augustus Potter, of New Jersey.
Llewellyn Powell, of Virginia.
James Albert Robertson, of Kentucky.
Edward Percy Simpson, of Maryland.
Frederick Albert Tucker, of Indiana.

APPOINTMENTS AND PROMOTIONS IN THE NAVY.

The following-named citizens to be assistant surgeons in the Medical Reserve Corps of the Navy from the 4th day of August, 1913:

Frederick Ceres, a citizen of New Jersey, and Robert L. Crawford, a citizen of Florida.

Civil Engineer Adolfo J. Menocal, with rank of commander, to be a civil engineer in the Navy with rank of captain from the 8th day of August, 1913.

Civil Engineer Charles W. Parks, with rank of lieutenant commander, to be a civil engineer in the Navy with rank of commander from the 8th day of August, 1913.

CONFIRMATIONS.

Executive nominations confirmed by the Senate August 11, 1913.

APPOINTMENT IN THE ARMY.

CORPS OF ENGINEERS.

Col. William T. Rossell to be Chief of Engineers, with the rank of brigadier general.

PROMOTIONS AND APPOINTMENT IN THE NAVY.

Lieut. Raymond S. Keyes to be a lieutenant commander.

Asst. Surg. Walter A. Bloedorn to be a passed assistant surgeon.

Robert H. Foster to be an assistant surgeon in the Medical Reserve Corps.

REGISTER OF THE TREASURY.

Gabe E. Parker to be Register of the Treasury.

ASSAYER OF THE MINT.

Frank E. Wheeler to be assayer of the mint at Denver, Colo.

SUPERINTENDENT OF THE MINT.

Thomas Annear to be superintendent of the mint at Denver.

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ASSISTANT APPRAISERS OF MERCHANDISE.

Harry Nichols to be assistant appraiser of merchandise in the district of Philadelphia, Pa.

Frederick Kuenzli to be assistant appraiser of merchandise in the district of New York, N. Y.

COMMISSIONER OF LABOR STATISTICS.

Royal Meeker to be commissioner of labor statistics, Department of Labor.

POSTMASTERS.

CALIFORNIA.

Francis F. Wrenn, Newcastle.

PENNSYLVANIA.

John Adams, Vandergrift.

WITHDRAWAL.

Executive nomination withdrawn August 11, 1913.

POSTMASTER.

August E. Harken to be postmaster at Peotone, Ill.

SENATE.

Tuesday, August 12, 1913.

The Senate met at 11 o'clock a. m.

Rev. C. A. Thomas, of the city of Washington, offered the

following prayer:

Almighty God, Father of all, giver of all good gifts, grant Thy blessing upon this Senate here assembled, and grant that their deliberations may be to Thy honor, to Thy glory, to the extension of Thy kingdom, to the peace and welfare of all peoples. And grant them in their deliberations such calm judgment and right spirit that all things may tend to Thy glory, to the blessing of this Nation, and to the unity of all peoples through Christ our Lord, who taught us in His words to pray: Our Father, who art in heaven, hallowed be Thy name. Thy kingdom come. Thy will be done on earth as it is in heaven. Give us this day our daily bread; and forgive us our trespasses as we forgive those who trespass against us. And lead us not into temptation; but deliver us from evil. For thine is the kingdom, the power, and the glory, for ever and ever. Amen.

The Journal of yesterday's proceedings was read and approved.

MESSAGE FROM THE HOUSE.

A message from the House, by J. C. South, its Chief Clerk, announced that the Speaker of the House had signed the enrolled joint resolution (H. J. Res. 118) making appropriations for certain expenses incident to the first session of the Sixty-third Congress, and it was thereupon signed by the Vice President.

PETITIONS.

Mr. McLEAN presented a petition of Central Pomona Grange, No. 1, Patrons of Husbandry, of Plainville, Conn., praying for the retention of the administrative features of the parcel-post law, which was referred to the Committee on Post Offices and Post Roads.

Mr. GRONNA presented a petition of the Commercial Club of Larimore, N. Dak., praying for the adoption of a 1-cent letter postage, which was referred to the Committee on Post Offices and

Post Roads.

Mr. HUGHES presented a petition of the Cedar Grove Democratic Club, of New Jersey, praying for the enactment of currency legislation at the present session of Congress, which was referred to the Committee on Banking and Currency.

DWIGHT MISSION SCHOOL, OKLAHOMA.

Mr. OWEN, from the Committee on Indian Affairs, to which was referred the bill (S. 2725) authorizing the sale of certain land to the Dwight Mission School, on Sallisaw Creek, Okla., reported it with an amendment and submitted a report (No. 100) thereon.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. McLEAN:

A bill (S. 2919) to provide for the establishment of a reserve association, furnishing an elastic currency, affording means

of rediscounting commercial paper, and to establish a more effective supervision of banking in the United States, and for

Mr. McLEAN. I wish to state that the Hon. E. J. ex-Congressman from Connecticut, is the author of this bill. introduce it at his request. I move that the bill be referred to the Committee on Banking and Currency.

The motion was agreed to.

By Mr. HUGHES:

A bill (S. 2920) granting a pension to Laura M. Clayton; to the Committee on Pensions.

By Mr. ROBINSON: A bill (S. 2921) for the relief of Thomas J. Estes; to the Committee on Military Affairs.

A bill (S. 2922) for the relief of H. C. Chase; to the Committee on Post Offices and Post Roads.

A bill (S. 2923) for the relief of the heirs of H. S. Young; A bill (S. 2924) for the relief of William M. West

A bill (S. 2925) for the relief of the heirs of Wesley W. Wallace:

A bill (S. 2926) for the relief of the heirs of the late Hugh Rowen:

A bill (S. 2927) for the relief of the heirs of J. A. Patillo; A bill (S. 2928) for the relief of the heirs of Dr. J. S. Morton, deceased:

A bill (S. 2929) for the relief of W. J. Massey;

A bill (S. 2930) for the relief of the heirs of Azraih Mitchell; A bill (S. 2931) for the relief of Lizzie E. McCord, administratrix of Moses S. McCord, deceased;

A bill (S. 2932) for the relief of the heirs of Eliza Ann Ash-

A bill (S. 2933) for the relief of the heirs of John H. Austin, deceased:

A bill (S. 2934) for the relief of the heirs of George Sink;

A bill (S. 2935) for the relief of the estate of Amanda E. Buck, deceased:

A bill (S. 2936) for the relief of the trustees of the Methodist Episcopal Church South, of Pine Bluff, Ark.;
A bill (S. 2937) for the relief of the estate of Moses S. Mc-

A bill (S. 2938) for the relief of Annie H. Rainey and heirs of William S. Rainey;

A bill (S. 2939) for the relief of the widow and the heirs of William S. Rainey, deceased;
A bill (S. 2940) for the relief of the heirs of Thomas E.

Roberson, deceased;

A bill (S. 2941) for the relief of the estate of James Scull:

A bill (S. 2942) for the relief of the heirs of Miles Knowlton; A bill (S. 2943) for the relief of the heirs of John Kirk;

A bill (S. 2944) for the relief of the heirs of Levander Jenkins, deceased;

A bill (S. 2945) for the relief of the heirs of John J. Johnson, deceased;

A bill (S. 2946) for the relief of the heirs of Samuel J. Jones, deceased:

A bill (S. 2947) to carry into effect the findings of the Court of Claims in the case of Virginia A. Jones, administratrix of Samuel J. Jones, deceased;

A bill (S. 2948) for the relief of the heirs of John W. Graves

A bill (S. 2949) for the relief of the heirs of John G. Freeman, deceased:

A bill (S. 2950) to carry into effect the findings of the Court of Claims in the case of heirs of Thaddeus N. Ferrell, deceased;

A bill (S. 2951) to carry into effect the findings of the Court of Claims in case of William E. Floyd, administrator of Asa Crow, deceased;

A bill (S. 2952) for the relief of legal representatives of Dr. W. D. Barnett, deceased, late of Cleveland County, Ark.;

A bill (S. 2953) for the relief of the heirs of G. W. Morris; A bill (S. 2954) for the relief of the heirs of Susan McCurley, deceased:

A bill (S. 2955) for the relief of the estate of J. H. Moseby, deceased

A bill (S. 2956) for the relief of the heirs of David R. Lamb;

A bill (S. 2957) for the relief of heirs or estate of Jesse E. Lacey, deceased; to the Committee on Claims.

A bill (S. 2958) granting an increase of pension to B. E. Benton:

A bill (S. 2959) granting an increase of pension to Albert Mc-Connell;

A bill (S. 2960) granting an increase of pension to J. B. Megehan:

A bill (S. 2961) granting a pension to Rhoda L. Hendricks: A bill (S. 2962) granting an increase of pension to Oliver Ayers

A bill (S. 2963) granting a pension to Albert I. Merrill;

A bill (S. 2964) granting a pension to A. G. Hamilton, alias Garland Hammond;

A bill (S. 2965) granting a pension to Minnie Bryant:

A bill (S. 2966) granting a pension to Phoebe A. Montgomery :

A bill (S. 2967) granting an increase of pension to Samuel P.

A bill (S. 2968) granting an increase of pension to Henry E. Everts:

A bill (S. 2969) granting a pension to Albert Moore;

A bill (S. 2970) granting a pension to John B. Clarke;

A bill (S. 2971) granting a pension to Thomas H. Hicks; A bill (S. 2972) granting a pension to Nancy E. Williams; A bill (S. 2973) granting a pension to Charles Woolston;

A bill (S. 2974) granting a pension to the Misses M. E. and

S. J. Gladney:

A bill (S. 2975) granting a pension to Julius C. Parrott; A bill (S. 2976) granting a pension to Anne E. Preddy;

A bill (S. 2977) granting a pension to Sarah L. Peters; and A bill (S. 2978) granting a pension to Rosina Freer; to the Committee on Pensions.

By Mr. SMITH of Michigan:

A bill (S. 2979) providing for the deportation of aliens temporarily or permanently residing in the United States; to the Committee on Foreign Relations.

AMENDMENT TO THE TARIFF BILL.

Mr. BRANDEGEE submitted an amendment intended to be proposed by him to the bill (H. R. 3321) to reduce tariff duties and to provide revenue for the Government, and for other purposes, which was referred to the Committee on Finance and ordered to be printed.

FUNERAL EXPENSES OF THE LATE SENATOR JOHNSTON.

Mr. WILLIAMS submitted the following resolution (S. Res. 160), which was read and referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Secretary of the Senate be, and he hereby is, authorized and directed to pay from the miscellaneous items of the contingent fund of the Senate the actual and necessary expenses incurred by the committee appointed by the President of the Senate in arranging for and attending the funeral of the late Senator JOSEPH F. JOHNSTON, from the State of Alabama, vouchers for the same to be approved by the Committee to Audit and Control the Contingent Expenses of the Senate.

Mr. WILLIAMS, subsequently, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which was referred the foregoing resolution, reported it favorably without amendment, and it was considered by unanimous consent and agreed to.

THE TARIFF.

The VICE PRESIDENT. The morning business is closed. Mr. STONE. I ask unanimous consent that House bill 3321 be proceeded with.

Will the Senator permit me to offer an Mr. PENROSE. amendment to the tariff bill before that is done?

Mr. STONE. Before the bill is laid before the Senate?

Mr. PENROSE. Either afterwards or before. Let the bill be laid before the Senate, and then I will offer my amendment and have it lie on the table.

Mr. STONE. I ask unanimous consent that the bill be laid before the Senate.

There being no objection, the Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 3321) to reduce tariff duties and to provide revenue for the Government, and for other purposes.

Mr. PENROSE. At the request of the Civil Service Reform Association of Pennsylvania, a communication from which association I have in my hand and which I ask to have printed in the RECORD, I submit an amendment to be printed and lie on the table applying the civil-service rules and regulations to the very large number of Treasury Department employees that will be created in connection with the income tax

Mr. STONE. May I ask what is the paper the Senator asks to have printed in the RECORD?

Mr. PENROSE. I ask to have it read. It is a short communication.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Secretary will read as requested.

The Secretary read as follows:

CIVIL SERVICE REFORM ASSOCIATION OF PENNSYLVANIA, Philadelphia, July 31, 1913.

Hon. Boies Penrose,

United States Senate, Washington, D. C.

Dear Sir: On behalf of the Pennsylvania Civil Service Reform Association, I wish to enter a protest against the provisions in the Simmons-Underwood tariff bill, H. R. No. 3321, which provides for the employment for a period of two years of a large force of agents, inspectors, deputy collectors, etc., without complying with the provisions of the civil-service law. This is amendment O, pages 207, 208, and 209. There appears to be no reason why this large force should not be taken from the eligible lists provided under the civil-service law.

The character of the position to be filled is properly one that should be in the classified service and under the regulations covering that service, and the commission is amply provided with lists from which certifications could be made to fill the positions created under the new law. We believe that the argument of emergency can not properly be advanced, and that certainly the result of the amendment in its present form will seriously affect the efficiency of the force appointed and will act prejudicially upon the whole civil service.

Yours, very truly,

T. Henry Walnut.

T HENRY WALNUT.

The VICE PRESIDENT. The amendment submitted by the Senator from Pennsylvania will lie on the table and be printed. Mr. McLEAN. Mr. President, on Monday of last week the senior Senator from Missouri [Mr. Stone] had read to the Senate a letter from Mr. R. K. Bogan, of Scitico, Conn., for the purpose, as stated by the Senator, of counteracting some statements which I had made in regard to the condition of the woolen industry in Connecticut. This letter purported to speak for Mr. George E. Keeney, president of the Somersville Manufacturing Co. I have here a letter signed by Mr. Keeney, and facturing Co. I have here a letter signed by Mr. Keeney, and I ask unanimous consent to have it read, that it may indicate to the senior Senator from Missouri the danger of relying upon statements from unknown sources.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Secretary will read as requested.

The Secretary read as follows:

Somersville Manufacturing Co., Somersville, Conn., August 7, 1913.

Hop. George P. McLean, United States Senate, Washington, D. C.

My Dear Senator. I have received your letter and also the Congressional Record of August 4, which you sent me, containing a letter from Richard K. Bogan, of Scitico, Conn., to Senator Stone. The statement made in Mr. Bogan's letter, as published in the Congressional Record, is absolutely false in so far as the statement that I have in the past been opposed to any change in Schedule K or that I threatened the night before election to close down the mills of this company if our employees helped in any way to bring about Democratic victory. The Somersville Manufacturing Co. has been operated by its present officers and managers for more than 40 years, and in no instance has any officer of this company threatened our employees; neither have we attempted to influence their action in regard to voting, or on any other matters, except by fair and public argument.

As you will remember, I wrote you a letter soon after you became a Member of the Senate, and stated in that letter that I believed a mistake had been made by the Republicans in Congress in connection with the Payne-Aldrich tariff bill, in that they did not make a reduction of at least 25 per cent in that bill on all articles that have previously carried a duty.

In a meeting held in this town the night before election I made a

the Payne-Aldrich tariff bill, in that they did not make a reduction of at least 25 per cent in that bill on all articles that have previously carried a duty.

In a meeting held in this town the night before election I made a statement showing the conditions that the Somersville Manufacturing Co. passed through during the time of the Wilson tariff bill. This statement showed that the machinery of this company was operated not to exceed 50 per cent of its capacity during the time that that bill was in existence, and the pay roll of the company was correspondingly decreased. In 1896 the company began running its machinery in full, and from that time down to the present time there has never been a loom stopped in our works because of a lack of work. With the exception mentioned herein, our mills have for the last 30 years always run full, and, as I distinctly stated at the meeting referred to in Bogan's letter, they will continue to do so, regardless of what the tariff situation may be, so long as any customers will buy our goods and pay us a reasonable profit for making them. I have repeatedly made the latter statement in public during the agitation of the present tariff bill. We believe the bill will do great injury to our industry, and our belief is based largely on the conditions which have existed in Canada during the past 10 years, which is the best comparative condition that we can find. The manufacture of woolens there has been reduced at least 50 per cent from what it was in 1898, and it is entirely due to the reduction of the tariff on goods imported into that country. As the present Canadian tariff is practically the same as the proposed Underwood bill, we can only hope that we are better prepared to meet this radical reduction in the tariff on wool and woolens than our neighbors across the line have proved to be.

We had hoped that a less radical reduction would be made in the tariff on Schedule K than is made in the proposed bill and were justified in this position by the statements which President Wi

company whose seasons begin and end as they do in our business. The mills of this company and of others who are on this quality of goods are running full and are plentifully supplied with orders.

The mills on higher grades of goods, as, for instance, those in Rockville, which make fine worsteds or fine woolens, are extremely dull, and only a part of the machinery in that city is in operation, and that part which is in operation is running 40 hours per week, or two-thirds of their regular time. Not more than 50 per cent of the entire machinery on this class of goods is at present in operation. This is true not only of our own State, but it is true of nearly all the mills on this character of goods in this country. We who are manufacturing the medium class of goods are better situated, and we most sincerely hope and trust that the favorable conditions which have existed in our business for the last two years will continue in the future, and so far as the Somersville Manufacturing Co. is concerned it will run its mills and make and produce every yard of cloth that it can sell at cost with a reasonable profit added.

The statement Mr. Bogan made in regard to the Hartford Carpet Corporation, of Thompsonville, is, to say the least, misleading. The present season with the Hartford Carpet Co. closes in September of this year, and the superintendent of that company has stated that he preferred to have the tariff settled at once in some manner, as if he had to enter another season with the present uncertainty in connection with the tariff it would be very disastrous for them. He takes the same position that all other live manufacturers are taking in this matter, and that is that he will make every effort to run his mills in a profitable manner, believing that if the present tariff bill does not give us conditions that will allow the continuance of our present prosperity in manufacturing and other business that a change will be made in the near future that will allow the continuance of our present prosperity in manufactu

GEO. E. KEENEY.

Mr. STONE. Mr. President, I hope we will not at this time get into any general discussion, but proceed with the bill. ask now

Mr. CUMMINS. Mr. President, I feel that at this time I ought to say to the Senator from Missouri that I appreciate the very great courtesy he has extended to me with respect to the parliamentary situation of yesterday, and that upon reflection I have determined to relieve him, so far as I am concerned, by saying that I will not offer the substitute which I have in mind for the metal schedule until the bill passes from the Committee of the Whole into the Senate. Therefore the Senator from Missouri can proceed in the way that he thinks best, and without any regard to that subject at the present time. expect to offer it when we reach the consideration of the bill in the Senate.

Mr. STONE. Very well, Mr. President; that, of course, is a matter within the discretion of the Senator. I ask now that the amendment to paragraph 138 may be disposed of.

Mr. SUTHERLAND. Before that is done I should like to inquire what is the status of the amendment which I offered

on yesterday to paragraph 154?

Mr. STONE. If it is just as satisfactory to the Senator from Utah, I should like to proceed in regular order with these

amendments and now take them up.

Mr. SUTHERLAND. There is no objection to that, so long as my amendment is not lost sight of in any way.

Mr. STONE. The amendment will not be lost sight of; it

will be pending.
The VICE PRESIDENT. The Secretary will state the next amendment.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in paragraph 138, page 40, line 20, after the words "ad valorem," to insert the following proviso:

Provided, That no article of fishing tackle herein named shall be imported having attached thereto any of the feathers the importation of which is prohibited by this act.

Mr. SMOOT. Mr. President, I asked that that paragraph go over, but I have no objection whatever to action upon it at this time, with the understanding, of course, that if the feather paragraph, so called-

Mr. STONE. Which is paragraph 357.

Mr. SMOOT. Paragraph 357-is amended in conformity with the provisions agreed to by the House, then we will return to this paragraph.

Mr. STONE. I think that will be necessary.

The VICE PRESIDENT. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

Mr. STONE. Mr. President, that having been disposed of, the next paragraph to be considered is paragraph 145, relating to aluminum, and I ask that that may now be disposed of. to aluminum, and I ask that that may now be disposed of. I understand there is an amendment offered by the junior Senator from Iowa [Mr. Kenyon], which, I suppose, is pending. If not, and he desires to offer the amendment, I should like to have him do so, in order that the matter may be disposed of.

Mr. KENYON. Is the Senator referring to paragraph 145?

My attention was diverted for a moment.

Mr. STONE. I am referring to paragraph 145.

Mr. KENYON. Mr. President, I am perfectly willing to proceed with it at any time; but the only difficulty I have is that the Senator from Pennsylvania [Mr. OLIVER] wanted it to come up when he was here, and I said on yesterday I would not bring it up until he was present. Later in the day, however, when he was present, I asked for a vote. I do not want to do anything that would prevent his being heard. I leave it en-

tirely to the Senator from Missouri.

Mr. STONE. Mr. President, I have not been requested by the Senator from Pennsylvania to allow this paragraph to go over. All I know about the matter is that he said yesterday that he should want to be present when it was considered, but that he was going to be away, and that he would be absent for a week, and possibly longer. I think we might dispose of it now; and if the Senator from Pennsylvania desires to take some action with reference to it, he will have ample opportunity to offer any amendment he chooses or take such other action as he may desire, the purpose I have being to get along with the

as he may desire, the purpose I have something about this matter, though I am not directly authorsomething about this matter, though I am not directly authorsomething about this matter. He did not ask me to say it, and what I am about to say is

purely voluntary on my part.

As the Senator from Pennsylvania left the Chamber yester day afternoon to leave the country-he has to be in Canada for a week or 10 days-he told me that he did not expect this paragraph to be brought up. When I remarked to him that there was no definite arrangement that it would not be brought up, he replied he had no doubt that the Senator from Missouri would leave it unacted upon in his absence, inasmuch as he had given notice that he was obliged to be away for a week or 10 I simply infer from that statement that he does not expect the paragraph to be acted upon. That is all I have to say.

Mr. JAMES. Mr. President, it was agreed on Saturday, however, that this paragraph was to be taken up on Monday and be voted on. That was the agreement made with the Senator from Iowa at the time the matter was considered.

Mr. BRANDEGEE. I am not aware of that agreement, if such a one was made, and evidently the Senator from Pennsylvania was not aware of it or he would not have expressed the hope to me that he did.

Mr. JAMES. That was the agreement, I will state to the Senator, which was entered into by reason of the statement of the Senator from Iowa that he desired a larger attendance when

his amendment was voted upon.

Mr. BRANDEGEE. I remember the Senator from Iowa said something of that kind.

The VICE PRESIDENT. The Secretary will read from the RECORD a statement made concerning this matter. The Chair thinks that will clear the situation.

The Secretary read as follows:

Mr. Kenyon. I would prefer, I think, to have my amendment voted on when the bill is being considered as in Committee of the Whole.

Mr. Oliver. I am extremely anxious to be here when it is acted upon; but if the Senator from Iowa desires the paragraph to go over, I do not like to interfere in the matter. I am ready to act now, but I want to be here when it is passed upon.

Mr. STONE. Of course, the Senator from Iowa can offer his amendment now or offer it when he pleases, but if the amendment is pending I should like to have it disposed of. later the Senator from Pennsylvania wishes to offer some other amendment, he will have the same opportunity that the Senator from Iowa would have if he did not offer his amendment now. If the Senator from Pennsylvania favors the amendment proposed by the Senator from Iowa, I think he can have no particular objection to having it disposed of; if he is against it, then I assume he is paired on the vote.

I am very anxious to be accommodating in every way, and I have shown every disposition, I think, to that end; but if Senators go away summering for 10 days or 2 weeks I can not think they have a right to expect that paragraphs and schedules will be held up for their accommodation. It is hardly fair to the committee charged with pressing this legislation to a

Mr. KENYON. Mr. President-

The VICE PRESIDENT. Does the Senator from Missouri yield to the Senator from Iowa?

Mr. STONE. Certainly, I yield.

Mr. KENYON. Mr. President, the exact situation is just this: There was some parliamentary embarrassment yesterday, as the Senator from Missouri knows. I asked that this paragraph go over. The Senator from Pennsylvania, as the Record shows, said he expected it to come up on yesterday, and he was then prepared to go ahead; but he said if the Senator from Iowa desired it to go over that he would make no objection.

Later in the day, when the parliamentary embarrassment arose, I suggested, in order to relieve the parliamentary embarrassment, that we go ahead and vote on my amendment at that time, and the Senator from Pennsylvania was then present; but I do think that he has it in his mind that this amendment will not be taken up until he is present. I shall not ask to take it up, but I do feel relieved from the apparent understanding with the Senator-

Mr. STONE. The Senator's colleague, the senior Senator from Iowa [Mr. Cummins], asked that this vote might be postponed until his substitute had been offered and he had had an opportunity to present his views on this paragraph. Now the senior Senator from Iowa informs the Senate that he will not offer his substitute until the bill reaches the Senate proper; so that situation is relieved. Of course the junior Senator from Iowa can offer his amendment if he wishes.

Mr. KENYON. I offered it yesterday and asked for a vote

on it.

Mr. STONE. All the committee amendments to the paragraph have been agreed to, and the only thing pending or that can be pending would be the amendment of the Senator from Iowa or

some other outside amendment.

Mr. KENYON. The only thing, Mr. President, that I care about is that the Senator from Pennsylvania may not be misled by any suggestion that I made on yesterday.

Mr. STONE. I do not think he has any right to be misled

by anything that I said.

Mr. BRANDEGEE. Mr. President, the situation as to this matter, as I remember it, is this: The Senator from Pennsylvania was here all day Saturday and, as the Senator from Iowa has said, was willing to have this paragraph acted upon at that time. The debate was so protracted that the Senate did not get to the point of taking a vote upon the amendment proposed until nearly 6 o'clock, when the attendance was very slim; whereupon the Senator from Iowa suggested that the matter go over until this week, because he wanted a fuller attendance when his amendment was acted upon.

Mr. SIMMONS. Mr. President-

Mr. BRANDEGEE. Just a moment, and I will yield. understand, the pending amendment of the Senator from Iowa provides that this product shall be put on the free list. The Senator from Pennsylvania stated to the Senate that his constituents were so much interested in this particular product that he had appeared before the Ways and Means Committee of the House in their behalf. He has some remarks, as I understand, that he wishes to make to the Senate upon the very amendment proposed by the Senator from Iowa.

I apprehend that if the amendment proposed by the Senator from Iowa should be voted upon and should prevail, the posttion of the Senator from Pennsylvania and the remarks he proposes to make to the Senate thereon would be foreclosed. so to speak, and he would have to move to reconsider in order to furnish to the Senate the information which ought to be in their possession, if it is of any use at all, before the vote is taken.

Mr. SIMMONS. Mr. President, I interrupted the Senator to see if there is anything before the Senate. I want to inquire of the junior Senator from Iowa whether he now offers his amendment?

Mr. BRANDEGEE. The amendment was offered yesterday, and is now pending.

Mr. SIMMONS. The amendment has been introduced; but

I am asking the junior Senator from Iowa if he now offers his amendment.

Mr. KENYON. The amendment was offered yesterday.

Mr. SIMMONS. Does the Senator withdraw it?

Mr. KENYON. I do not withdraw it. I do not urge it in the absence of the Senator from Pennsylvania.

Mr. BRANDEGEE. Mr. President, the amendment is now pending. That is the regular order, and that is what a vote will be taken upon if debate upon it is closed.

Before the vote is taken, in view of what the Senator from Pennsylvania previously stated to the Senate upon two occasions, that he was obliged to be away for a week, and has left the country, and in view of his statement to me that he had no doubt the matter would be deferred until his return, I am appealing to the other side of the Senate that it may be deferred.

It is not a question of wasting any time. I would not ask the Senate to waste a minute. We can just as well go on to something else and use the time, recurring to this as we are to recur to other amendments which have been passed over

There are amendments in other schedules which have been passed over at the request of various Senators, and the Senate has not seen fit to go back to them, and has not thought it has lost any time as long as we keep working on some schedule.

Of course, it is within the power of the Senator from Missouri to demand a vote and to force a vote if the Senators who are present do not care to discuss the matter any further. I have said all I can say. I have no request to make, and I know that whatever the Senator from Missouri decides upon will be done.

Mr. KENYON. Mr. President, I only desire to have the

RECORD absolutely correct—
Mr. STONE. Mr. President, I can end all this. After conference with my colleagues, we consent to let the matter be passed over until the Senator from Pennsylvania returns.

I now ask that paragraph 153 be taken up. There is a Senate committee amendment pending. That paragraph was passed over at the instance of the Senator from Massachusetts.

Mr. LODGE. Mr. President, I suppose that paragraph was passed over at the request of my colleague. At all events, I am perfectly willing to go on with it now. I shall take only a very

few moments in speaking about it.

The industry about which I wish to speak, which is included in this paragraph, is that of the manufacture of snap fasteners and clasps by whatever name known. Those were formerly included in sundries, in paragraph 427 of the act of 1909, and carried a duty of 50 per cent. At that rate of duty there has been a very strong competition from abroad, and the industry has been only slowly built up. It has become quite a large industry, and there are factories in my own State and in the State of Connecticut.

I merely wish to call attention to the enormous reduction that has been made on the product of this industry, from 50 to 15 per cent. It is very much heavier than most of the reductions, and it is made in an industry in which, while I have not the figures before me at this moment, there is a large foreign competition.

It seems to me that snap fasteners or clasps or parts thereof ought to be replaced in the classification of sundries, as they were before. While I do not hope to secure the duty which they now have, and which I think is no more than sufficient, they certainly ought to be given a better duty than 15 per cent. They are put here in a paragraph where they never have been before, and are subjected to this enormous reduction. I shall ask leave to file with my remarks a brief, only a page in length, giving some facts in regard to the industry, and the comparative rates

I move to strike out "snap fasteners and clasps by whatever name known." If that motion should prevail, I should then, of course, move to insert them in Schedule N, "Sundries." The first motion, however, will be to strike them from this paragraph.

I do not wish to take the time of the Senate by going into any great detail in regard to this matter.

great detail in regard to this matter. I do wish to emphasize the enormous reduction that is made on these particular articles by changing their classification, taking them from a schedule where they always have been and putting them under this paragraph.

I move to strike out the words "snap fasteners and clasps by

whatever name known."

The VICE PRESIDENT. The amendment offered by the

Senator from Massachusetts will be stated.

The Secretary. In paragraph 153, page 44, lines 18 and 19, it is proposed to strike out "snap fasteners and clasps by whatever name known."

The VICE PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from Massachusetts.

The amendment was rejected.

Mr. LODGE. I ask leave to add to what I have said the brief which I send to the desk.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

Brief submitted on behalf of United States Fastener Co., 95 Milk Street, Boston, Mass.

To the honorable members of the Ways and Means Committee of the House of Representatives:

As manufacturers of snap fasteners, clasps, and parts thereof, we respectfully submit that—
"Snap fasteners or clasps or parts of" are now provided for in Schedule N, sundries, paragraph 427, act of 1909, which reads as fol-

Schedule N, sundries, paragraph 427, act of 1309, which reads as forlows:

"Snap fasteners or clasps or parts of, 50 per cent." And we respectfully ask this committee that this item be not changed and that
the rate of duty be allowed to stand as it now is on this class of manufacture.

The use of snap fasteners, clasps, and parts thereof is constantly inreasing in this country, and their manufacture in the United States is
fast becoming an industry of no mean proportion; the present rate of
duty affords the manufacturers of these articles scarcely any protection,
and the competition with articles of a like nature made abroad and
imported into this country is most keen. "Snap fasteners or clasps or
parts of" are to-day manufactured in Germany and are being shipped

to this country in larger and larger quantities, and after payment of the present duty, which is 50 per cent ad valorem, together with all charges for ocean carriage or otherwise, are sold at a price less than that at which we can possibly compete if we are to continue to pay the same rate of wage as now paid by us. This, of course, means death to the above industry, which now employs thousands of operatives and in which a large amount of capital is invested.

For the information of the committee we append hereto a schedule of the wages paid in Germany and those paid by ourselves in like branches of manufacture for comparison.

Respectfully submitted.

United States Fasterer Co.

United States Fastener Co. W. S. RICHARDSON, Treasurer.

SCHEDULE N, SUNDRIES—SNAP FASTENERS, OR CLASPS, OR PARTS OF, PARAGRAPH 427, ACT OF 1909.

Comparison of prices paid per hour for labor in Germany and the United States.

	Germany.	United States.
Working foreman on presses. Machinists, die makers, etc., average. Lathe hand for presses. Helpers on presses, average. Carpenters Platers Platers Fireman, porter, etc. Packing girls.	14 10 61 121 16	Cents. 55] 39] 28 19 18 55] 25

The Secretary proceeded to read paragraph 153.

The next amendment of the Committee on Finance was, in paragraph 153, page 44, line 19, after the word "known," to insert "belt buckles," so as to make the paragraph read:

153. Hooks and eyes, metallic, snap fasteners and clasps by whatever name known, belt buckles, trousers buckles, and waistcoat buckles made wholly or partly of iron or steel, steel trousers buttons and metal buttons not specially provided for in this section, all the foregoing and parts thereof, 15 per cent ad valorem.

Mr. BRANDEGEE. The question being on the amendment, I assume, I wish to state that one of my constituents is in the business of making these belt buckles-the American Buckle Co., of West Haven, Conn. I read from a letter from that company:

There are in this country three concerns making wire buckles for overalls whose business will be severely injured and possibly ruined if the proposed reduction of tariff is enacted by Congress.

Those three concerns have invested in this line about \$150,000, on which their combined earnings are less than \$15,000 per annum.

They employ about 125 hands at wages from three to five times greater than paid for the same work in foreign countries.

The present tariff on these buckles is 5 cents per 100 and 15 per cent ad valorem, which it is proposed to reduce to 15 per cent ad valorem only.

cent ad valorem, which it is proposed to reduce to 15 per cent ad valorem only.

This reduction would no doubt allow foreign buckles to be sold in this country for less than they could be made here and force us to close our shops, as our special machinery for making these goods could not be used for any other purpose.

The concerns I have reference to are entirely independent of each other, and there exists between them the strongest competition for trade that is possible.

We wish to inquire of you if there is any possible way of having the proposed tariff increased; and if so, what steps it will be necessary to take?

This, of course, is another instance where, without any special complaint by anybody of the price of the goods, with no combination, with no large capitalization, a little industry that is able to employ 125 men in this country is to be put out of business and the business turned over to the foreigners.

I trust the amendment proposed by the committee will not prevail. There must be some kind of business in this country which it is desirable to preserve. There must be some type of business which is legitimate. I do not understand how it is expected that these businesses will survive if they can not produce their products as cheaply as foreign countries can produce them and put them in competition with them here without reducing the wages of their employees.

I trust the committee amendment will not prevail.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.
Mr. BRANDEGEE. Mr. President, the American Pin Co., of Waterbury, Conn., make hooks and eyes, both brass and steel. They say

Although we have endeavored to honestly represent, through briefs filed with the Ways and Means Committee of the House and Finance Committee of the Senate, conditions relating to the hook-and-eye business in this country, we seemed to have falled to receive the recognition which the subject deserves, judging from our viewpoint as manufacturers. The following is a condensation of briefs filed, and we take this last opportunity of placing before you the facts, in hope that in the final consideration of the measure we may receive some consideration

Under the McKinley bill, in the saving clause, the duty on hooks and eyes was 45 per cent, equal to 49 cents per great gross. We can not give the amount of importations, as they were covered by the saving clause and no record kept, but very large quantities came in, due to undervaluations.

The Wilson bill gave us a duty of 20 per cent, equal to 20 cents per great gross, and, remaining still in the saving clause of the tariff, no statistics were kept as to importations. Undervaluations continued and our machinery for this class of goods was practically closed down. Under the Dingley bill hooks and eyes were removed from the saving clause and given a duty of 5½ cents per pound, plus 15 per cent ad valorem, equal to 37 cents per great gross. The year previous importations amounted to 237,860 pounds, valued at \$43,666.

During the year 1901 importations amounted to 63,572 pounds, valued at \$15,033.

During the year 1909 they amounted to 11,486 pounds, valued at \$2,507.

During the year 1909 they amounted to 11,100 points, \$2.507.

The Payne bill reduced the duty to 4½ cents per pound and 15 per cent ad valorem, equal to 32 cents per great gross.

Importations during 1910 amounted to 19,318 pounds, valued at \$5,741; 1911, 54,463 pounds, valued at \$15,583; 1912, estimated, 60,000 pounds.

The Underwood bill and the Finance Committee bill abolishes the specific duty and leaves only an ad valorem duty of 15 per cent, equal to 11 cents per great gross, which will undoubtedly force us to stop our machines if the experience under the Wilson bill is repeated.

COMPARISON OF WAGES.

For operators of automatic machinery: PEngland pays.
Germany pays
United States pays
For women employed in packing goods, or "bench work," so called: Per week. - \$10.00 - 7.50 20, 00 called: England pays.

United States pays.

England pays.

England pays.

States pays.

The number of people employed in the hook-and-eye business in the United States is approximately 3,500, mostly women, engaged in sewing hooks and eyes upon cards, and to this latter operation we wish to call your particular attention. In foreign countries this work is done for from 4½ to 6 cents per great gross, while we actually pay in this country, not less than 30 cents and as high as 53 cents per great gross.

That the subject of carding has received the attention of the English Parliament is proven by the inclosed pamphlet, and as many paper boxes are used in connection with this product we inclose a copy of a law in England, and in comparison with the minimum wage in England our women who are engaged in the paper-box industry in our own plant are receiving from \$9 to \$12 per week, and no children employed.

It has been said to me in a letter from a Senator that under date of May 15, 1913, it was published that the percentage of wage cost of our product in this line is estimated to be 30.8 cents of the total and that the statistics were taken from the latest census. This statement is not true, as is obvious from the fact that hooks and eyes are made from both brass and steel wire, and while the labor cost per great gross is the same the material cost differs widely, which is shown as follows:

Hooks and eyes, made of brass wire, the percentages are: Material, 22 per cent of the whole; labor, 5

Mr. President, the President of the United States came before the Congress on the 8th day of April, 1913, at the opening of this special session of Congress, and made an address calling the attention of Congress to the purpose for which he had summoned us in extraordinary session. Here is what he said:

summoned us in extraordinary session. Here is what he said:

Aside from the duties laid upon articles which we do not, and probably can not, produce, therefore, and the duties laid upon luxuries and merely for the sake of the revenues they yield, the object of the tariff duties henceforth laid must be effective competition, the whetting of American wits by contest with the wits of the rest of the world.

It would be unwise to move toward this end headlong, with reckless haste, or with strokes that cut at the very roots of what has grown up amongst us by long process and at our own invitation. It does not alter a thing to upset it and break it and deprive it of a chance to change. It destroys it. We must make changes in our fiscal laws, in our fiscal system, whose object is development, a more free and wholesome development, not revolution or upset or confusion. We must build up trade, especially foreign trade. We need the outlet and the enlarged field of energy more than we ever did before. We must build up industry as well, and must adopt freedom in the place of artificial stimulation only so far as it will build, not pull down. In dealing with the tariff the method by which this may be done will be a matter of judgment exercised item by item. To some not accustomed to the excitements and responsibilities of greater freedom our methods may in some respects and at some points seem herole, but remedies may be herole and yet be remedies. It is our business to make sure that they are genuine remedies. Our object is clear. If our motive

is above just challenge and only an occasional error of judgment is chargeable against us, we shall be fortunate.

Now, his object is not to destroy, not to upset, not to produce confusion, not to produce revolution.

Mr. President, if that is his object and if that is the policy of the Democratic Party in revising the whole tariff fiscal system under which this country has flourished and grown so great, why do they not proceed to reduce duties slightly where they find them too high instead of cutting off such a percentage of the duty as that, according to the incontestable facts presented here by the responsible people engaged in the production of these articles, absolutely makes it impossible for them to compete with the foreigners?

I do not think anyone will claim that, in the long run, it is going to be beneficial to this country to turn over one by one the different industries of the country to the foreigners. Many of these items seem small in themselves but each manufactory is engaged in producing its part of the total product of this country.

Can anyone explain how it is that our manufacturers are to be able to compete with the foreign competitors except under equal conditions at least? Can anyone claim that we can continue to pay the men who are working in these mills in this country two or three times the wages which are paid by those producing competing products on the other side of the ocean unless we reduce the cost of wages? How are we to compete? What is going to be the situation of our manufacturers when this bill in clauses like this is put into actual operation? They are to say to their men, "You, men, know the cost of the production of this article. Here are our books. Here are our costs." costs. You know what our competitors are paying in the way of wages. We can not continue this factory; in spite of threats to investigate us or in spite of accusations that we are conspiring to produce panic for the purpose of discrediting the efficiency of the Democratic Party to govern this country we do not propose to continue this business at a loss, and we put it right up to you, men, Do you want to reduce your wages voluntarily and have us continue in this business or do you want us to go out of the business?" What are the men going to say?

Mr. President, the men are powerless. In many instances they are practically tied to the locality in which they live and work. Their children are there in school; their houses are there; their friends are there. They know this one occupationhow to run this special machine-and they are all experts in that line of business. Those men have got to agree, if they are to continue those positions, to a reduction of wages if the Democratic Party insists upon its program of reducing the protective tariff.

The President says these matters ought to be considered item by item, and he says we are not to destroy. What ought to be done, it seems to me, if the Democratic Party is in good faith about this matter, is to try to equalize the conditions under which these people compete. Everyone should want the highest standard of living in this country for the greatest number of its citizens, and no one ought to want to reduce our standard of living to the low level that admittedly exists abroad among our competitors.

Now, what is pursuing the Democratic Party to compel them to this line of action, to violate the advice of their President and to destroy these concerns? Would it not be enough reduction to place them upon an even basis? Would it not, as the President said, be a sufficient competition if every industry in America, the cost of production having been equalized, is competing upon an even plane, upon equal conditions, except as to the standard of living of its employees with its foreign competi-

Would not that satisfy whatever justice there may have been in the accusation that capital was getting too much of its share of the joint product of the efforts of labor and capital? Would not that cut down any exorbitant dividends that may be paid? Is not the Democratic Party satisfied to have this question shaved right down to a competition based absolutely upon the cost of production and leave the manufacturers and producers of the country, in the language of the President, to survive by the superiority of their wits and their inventive genius and their capacity for business? Is not that a hard enough test and, a great enough change to spring upon them suddenly, in view of the assurances that were given by the Democratic cam-paigners and promisers that no legitimate industry should be harmed and that anybody who attributed to the Democratic Party either the folly or the unpatriotic frame of mind which would be involved in a deliberate attempt to put them out of business was a fool and ought to have no attention paid to him?

Many of the people who are producing the commodities which we are glad to see the American people get, and which con-

tribute to the prosperity of this country, took the word of the Democratic orators that no legitimate industry was to be injured. They were assured and told not to get panicky; that it was simply Republican misrepresentation that their business was liable to be injured. Yet here what do we see. Of course I know more about it in my own State, because I am acquainted with many of its mills and with a great many of the men who own them and manage them. They are in large measure local industries, and a great many of them small industries, each one involving not only the prosperity but the entire life of the small community in which they have grown up for generations.

What purpose is to be subserved by turning these prosperous

little New England hamlets into deserted villages, with closed mills and abandoned houses? Even if it was right to do it, even if loyalty to some cold theory which had been put in some platform in the past demanded it, will it be good policy from the Democratic standpoint itself? Will it be a good illustration of the conservative capacity of the Democratic Party to preside over and adjust properly the wonderfully intricate mechanism that maintains productive activity in this country? I say, would it be a good demonstration of Democratic capacity to produce prosperity in this country and a good demonstration of the

sincerity of their preelection promises?

I will go further and say, Is it a good demonstration? What is the effect being produced right now upon the producers of this country at home? My colleague [Mr. McLean] put into the RECORD a letter this morning from one of the producers of woolen goods in my State absolutely denying and repudiating a statement made by somebody in a letter which the Senator from Missouri [Mr. STONE] put into the RECORD the other day. He says his mill is running well now because it is running on orders heretofore received; that his business is a seasonal one. After the passage of this bill he hopes, of course-I will not say he hopes against hope, but he hopes to be able to continue to run his mill, and he will run it so long as he can do it at a profit; but he can not be expected to imperil all that he has produced in his whole life work by attempting to run it at a loss in order to prove a Democratic theory at his expense or in order to reduce the pains of privation to those to whom he has heretofore been able to give employment at profitable

The cumulative effect of this, going on in every town and hamlet of this country, has already impaired confidence in the Democratic Party, both in the sincerity of its promises and in the expectancy of its capacity to accomplish any readjustment of the fiscal policies of this country without injury to business.

I say, as the President said, treating this revision of the tariff as a matter to be done item by item, this tremendous reduction put upon this product of my State should not prevail, and the

rates of duty as heretofore existing should be maintained.

Mr. STONE. Mr. President, there is nothing pending.

The VICE PRESIDENT. The Secretary will state the amend-

ment to paragraph 154.

The Secretary. On page 44, line 25, before the word "cent," the committee report to strike out "1" and insert "2," so as to

Lead-bearing ores of all kinds containing more than 3 per cent of lead, $\frac{\pi}{2}$ cent per pound on the lead contained therein.

Mr. STONE. That paragraph and the succeeding one were passed over to accommodate the junior Senator from Idaho [Mr. Brady]. We were told that he desires to submit some remarks on both paragraphs.

Mr. BRADY. I am not prepared to address the Senate this morning, and I will defer my remarks until the bill has been

reported to the Senate.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Utah [Mr. SUTHERLAND] to strike out "4 cent" and insert "12 cents."

Mr. STONE. I will ask whether the committee amendment

has been agreed to?

The VICE PRESIDENT. The committee amendment has not been passed upon yet.

Mr. STONE. I ask that it be submitted. Mr. LODGE. Is not the amendment of the Senator from Utah an amendment to the committee amendment?

Mr. STONE. That may be so. Then I ask for a vote upon it. The VICE PRESIDENT. The question is on the amendment proposed by the Senator from Utah to the amendment of the committee.

The amendment to the amendment was rejected.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee.

Mr. SMOOT. Mr. President, I desire to offer an amendment

to the committee amendment. I move to strike out "a" and

insert "1," so as to read "1 cent per pound." I hope the Senator from Missouri will accept that amendment.

Mr. STONE. No; I can not.

Mr. SMOOT. I expected that answer. I am not disappointed, Mr. STONE. I will say to the Senator I have no authority to accept it.

Mr. SMOOT. I think if the Senator would just indicate that it is a proper amendment we can get votes enough to secure its adoption

Mr. STONE. Let the Senator proceed in his own way. Mr. SMOOT. I am not going to take much time to discuss the amendment, because it was pretty thoroughly discussed yesterday. I have submitted some remarks upon this item before. I have no desire whatever to detain the Senate, but it is a vital question to the great mining interests of the intermountain country.

It is true that the Senate committee has increased the rate from one-half cent provided in the bill as it passed the House to three-fourths of a cent, and I want to thank the committee for so doing. Lead is the only one of the great products of my State that there has been an increase in the rates provided by the House. Sugar is placed on the free list; wool goes on the free list; nearly everything that we produce in the State is placed on the free list. I am very, very thankful that the State of Utah produces one product produced in Missouri and other States of the Union and thus receives at least a partial protection. I would not ask for a further increase if I did not feel it was absolutely necessary for that industry.

Mr. President, I move to strike out "4" and insert "1." That will help a little toward what the rate ought to be; and

upon that question I shall ask for the yeas and nays.

Mr. CLARK of Wyoming. When the Senator from Utah speaks of an increase, he means an increase over the rate in the House bill, and not over that contained in the present law? Mr. SMOOT. Not an increase over the present law. present law is 1½ cents a pound.

Mr. CLARK of Wyoming. I wanted to make that plain. Mr. SMOOT. I am now simply trying to see if Senators on the other side will not yield that one-fourth of a cent increase, because it may mean death or it may mean life to hundreds of mining properties, and particularly to those that are struggling for existence to-day. Therefore I offer the amendstruggling for existence to-day. Therefore I offer the amendment and ask for the yeas and nays upon it.

The VICE PRESIDENT. The question is on the amendment

proposed by the Senator from Utah to the amendment of the committee, on which he demands the yeas and nays.

The yeas and nays were ordered, and the Secretary pro-

ceeded to call the roll.

Mr. CHILTON (when his name was called). I have a pair with the junior Senator from Maryland [Mr. Jackson], and therefore I withhold my vote.

Mr. SHEPPARD (when Mr. Culberson's name was called). My colleague [Mr. Culberson] is unavoidably absent. He has a pair with the Senator from Delaware [Mr. Du Pont]. I will let this announcement stand for the day.

Mr. JAMES (when his name was called). I have a general pair with the Senator from Massachusetts [Mr. Weeks]. transfer that pair to the junior Senator from Louisiana [Mr. RANSDELL] and will vote. I vote "nay."

I desire also to state that my colleague [Mr. Bradley] is

detained from attendance here by reason of illness, but that he has a general pair with the Senator from Indiana [Mr. Kern].

Mr. KERN (when his name was called). I have a general pair with the senior Senator from Kentucky [Mr. Bradley]. T transfer that pair to the senior Senator from Maryland [Mr. SMITH] and vote. I vote "nay."

Mr. LA FOLLETTE. Mr. President, because I am interested

in property which would in some measure be affected by the increased duty proposed in the amendment, I ask to be excused from voting on this question.

The VICE PRESIDENT. Is there objection to the Senator from Wisconsin being excused from voting? The Chair hears none, and the Senator is excused.

Mr. THORNTON (when Mr. RANSDELL's name was called). I announce the necessary absence of my colleague [Mr. Rans-DELL] on account of illness. I ask that this announcement stand

for the day.

Mr. SAULSBURY (when his name was called). I have a general pair with the junior Senator from Rhode Island [Mr. Colf]. I transfer that pair to the Senator from Oklahoma [Mr. Gore] and vote. I vote "nay."

Mr. SUTHERLAND (when his name was called). I inquire

whether the Senator from Arkansas [Mr. Clarke] has voted.

The VICE PRESIDENT. The Chair is informed that that Senator has not voted.

Then I withhold my vote, as I have a Mr. SUTHERLAND.

pair with that Senator.

Mr. THOMAS (when his name was called). I have a general pair with the senior Senator from New York [Mr. Root], and therefore withhold my vote. I want to say, however, that if the Senator from New York were present, I should ask unanimous consent to be excused from voting because I am interested to a small extent in the subject matter to which this paragraph relates.

The roll call was concluded.

Mr. SUTHERLAND. I will transfer my pair with the Senator from Arkansas [Mr. CLARKE] to the Senator from Maine [Mr. Burleigh] and vote. I vote "yea."

Mr. GRONNA. I wish to announce that my colleague [Mr.

McCumber] is absent on account of sickness in his family. He is paired with the senior Senator from Nevada [Mr. Newlands]. I wish this announcement to stand for the remainder of the day.

Mr. CHILTON. I will transfer my pair with the junior Senator from Maryland [Mr. Jackson] to the junior Senator from South Carolina [Mr. SMITH] and vote. I vote "nay."

Mr. CHAMBERIAIN. I have a general pair with the junior Senator from Pennsylvania [Mr. Oliver]. I transfer that pair to the Senator from Illinois [Mr. LEWIS] and vote. I vote

Mr. THORNTON. I announce the necessary absence of the Senator from Alabama [Mr. BANKHEAD] and also the fact that he is paired with the junior Senator from West Virginia [Mr. GOFF]. I ask that this announcement stand for the day.

Mr. KERN. I desire to announce that the junior Senator from Missouri [Mr. Reed] is detained from the Senate on business of the Senate. He is paired with the senior Senator from Michigan [Mr. SMITH]. I ask that this announcement stand

for the day

Mr. GALLINGER. I have been requested to announce that the junior Senator from West Virginia [Mr. Goff] is paired with the Senator from Alabama [Mr. BANKHEAD]. I also announce that the Senator from Wisconsin [Mr. Stephenson], the Senator from California [Mr. Works], and the Senator from New Mexico [Mr. Fall] are necessarily absent, and that they are unpaired.

Mr. CHILTON (after having voted in the negative). The junior Senator from South Carolina [Mr. SMITH] having come into the Chamber, I will transfer my pair with the Senator from Maryland [Mr. Jackson] to the junior Senator from New

Jersey [Mr. Hughes], and let my vote stand.

The result was announced—yeas 24, nays 40, as follows:

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Borah Brady Brandegee Bristow Burton Catron	Clark, Wyo. Gallinger Gronna Jones Lippitt Lodge	McLean Nelson Page Penrose Perkins Poindexter	Sherman Smoot Sterling Sutherland Townsend Warren
atton	Louge	t omitteater	TY CLAUCE

Catron	Lodge	Poindexter	Warren
	NA	YS-40.	
Ashurst Bacon Bryan Chamberlain Chilton Clapp Fletcher Hitchcock James Johnson	Kenyon Kern Lane Lea Martin, Va. Martine, N. J. Myers Norris O'Gorman Overman	Owen Pomerene Robinson Saulsbury Shafroth Sheppard Shields Shively Simmons Smith, Ariz.	Smith, Ga. Smith, S. C. Stone Swanson Thompson Thornton Tillman Vardaman Waish Williams
	NOT V	OTING-31.	
Bankhead Bradley Burleigh Clarke, Ark. Colt	Dillingham du Pont Fall Goff Gore	La Follette Lewis McCumber Newlands Oliver	Root Smith, Md. Smith, Mich Stephenson Thomas

Colt Crawford Hollis Hughes Jackson Pittman Ransdell Reed Cummins So Mr. Smoot's amendment to the amendment of the commit-

Smith, Md. Smith, Mich.

tee was rejected. The VICE PRESIDENT. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The Secretary concluded the reading of paragraph 154 and read paragraph 155.

Mr. STONE. There is no amendment pending to that para-

graph.

The VICE PRESIDENT. There is no amendment pending. Mr. STONE. Mr. President, on the suggestion of the Senator from Colorado [Mr. Thomas], I find that we have not considered paragraph 126, which was passed over for the accommodation of the junior Senator from Massachusetts [Mr. Weeks].

Mr. LODGE. Mr. President, that paragraph was passed over at the request of my colleague, and, as he is not here to-day. I hope the paragraph may be passed over for another day. I think he will be here in a day or two.

Mr. STONE. We have passed over the paragraph several times, but if the Senator so desires we will pass it over again.

The next paragraph passed over is paragraph 163.

Mr. LODGE. Mr. President, that is the paragraph that was passed over at my request. I am entirely ready to go on with it now.

Mr. STONE. Let me inquire of the Chair whether the

committee amendments have been acted upon?

The VICE PRESIDENT. The committee amendments have

not been acted upon.

Mr. STONE. Will it interfere with the purpose of the Senator from Massachusetts if we should act on the committee amendments?

Mr. LODGE. There is only one committee amendment striking out the word "or" and inserting the words "or meters." I have no objection to that being acted upon.

Mr. STONE. I think that is the only committee amendment,

and I ask that it be disposed of.

The VICE PRESIDENT. The Secretary will state the amend-

The Secretary. In paragraph 163, page 47, line 18, before the word "clocks," it is proposed to strike out "or," and in the same line, after the word "clocks," to insert "or meters," so as to read:

163. Watch movements, including time detectors, whether imported in cases or not, watchcases and parts of watches, chronometers, box or ship, and parts thereof, lever clock movements having jewels in the escapement, and clocks containing such movements, all other clocks and parts thereof, not otherwise provided for in this section, whether separately packed or otherwise, rot composed wholly or in chief value of china, porcelain, parian, bisque, or earthenware, 30 per cent ad valorem; all jewels for use in the manufacture of watches, clocks, or meters, 10 per cent ad valorem; enameled dials and dial plates for watches or other instruments, 30 per cent ad valorem.

The amendment was agreed to.

Mr. LODGE. Mr. President, this paragraph, known as the watch paragraph, in past years and at the time of the passage of the act of 1900 was made an object of particular attack. do not think there was any great popular movement in regard to watches and the duties thereon. The demand came, so far as I can make out, from one of those disinterested philanthropists who carry on business entirely for the benefit of the American public-a New York importer. I think the longdrawn howls in which he indulged made so much noise as to cause it to be believed that there was a real popular clamor about watches. It always reminded me of that little anecdote which Gen. Grant tells in his autobiography. He says that when he was a young officer at the time of the Mexican War and was returning late to camp with a friend they heard a tremendous howling of coyotes ahead of them. His friend asked him how many he thought there were. He said he did not want to seem green, and therefore he replied that there might be 50, although it seemed to him there must be 5,000. As they topped the next hill and caught sight of the coyotes just across a little gulch he saw that there were two, with their heads close together. [Laughter.] I think the clamor and agitation about watches is very much like that.

The fact is the consumer does not suffer from the high price of watches, when a watch serviceable for ordinary purposes may be bought for a dollar. We are all familiar with that most ingenious and humorous of advertisements—"The watch which made the dollar famous"—and we are told by the same high authority that some 32,000,000 of them have been sold. There is no doubt that in this country watches are very cheap.

Mr. President, I am not going to waste my time or strength

in going into the question of labor costs, which are totally disregarded by those who are manufacturing this bill; nor am I going into the question of competition or anything of that sort. want to call the attention of the committee to the way in which the substitution of ad valorem for specific duties in this paragraph works out. I think the cut has been too severe, but I am not going to argue that part of it at all.

In the last bill we added what are known as the marking provisions. Those, I am glad to see, have been retained in this bill. But those marking provisions are of but little value when you shift from specifics to ad valorems. The duties on watches under the Dingley Act were mixed duties; they were specifics and ad valorems. When that paragraph came up in 1909 it was referred to the Senator from Utah [Mr. Smoot] and myself as a subcommittee, and we reframed it. As we drafted it it now stands in the law. We drafted the marking provisions which

have been retained, and we substituted for the mixed duties straight specifics.

Watch movements, which are the important thing, are graded according to the number of jewels in the works, which is the only real test of the value of a movement that there is. In putting on these specifics we did not increase the Dingley rates; we lowered them slightly throughout. The rates of 1900 were less than the rates of 1897. I want to call the attention of the committee to the result.

In 1909, the last year under the Dingley Act—not a complete year, but the last year—the unit of value of watches containing not over 7 jewels was 80 cents. In 1911, after the Payne bill yas in full operation, the unit of value was \$1.07. In 1912 the unit of value of the lowest grade was \$1.20. We had not increased the duties. Bear that in mind. We had slightly lowered them. The value of the importations of watch movements containing not over 7 jewels fell off from \$425,000 in 1909 to \$369,000 in 1911, and \$329,000 in 1912. That was not done by an increase of duties; it was done by making the duties specific, and adding the marking provisions. In other words, we stopped the undervaluations. The fraudulent watches that were brought in here were the cause of all the difficulty, and the specific duties, coupled with the marking provisions, ended the frauds and thereby reduced the importations.

You have now restored the ad valorems and abolished the specifics. The result will be that your market will be flooded by undervalued watches of the worst kind and frauds on the purchasers. You will not get the revenue to which you are

Let me call attention, also, to the way the ad valorem duty works out that you have imposed on all watches, without reference to their grade. I am taking now the equivalent ad valorems. You have reduced the rate on the cheapest watches, taking the figures for 1912, from 58.54 to 30 per cent. You have increased the rate on the 11-jewel watch from 23 per cent to 30 per cent. You have diminished the rate on the 15-jewel watch from 45 per cent to 30 per cent; on the 15 to 17 jewel watch from 46 to 30 per cent; on watches containing over 17 jewels from 36 to 30 per cent. You observe the enormous difference in the decrease in the different grades of watches, and also that in one case you have raised the duty 7 per cent.

Take another and even more striking instance. You include in that list watch movements and time detectors. Everybody knows, I assume, what a time detector is. It is a species of watch or clock in which a spring has to be pressed at certain periods through the night to show that the watchman is on duty. These detectors contain either 7 or 11 jewels. They came in under the old specifics at 75 cents for the 7-jewel time detector and at \$1.35 for those containing 7 to 11 jewels. The average value of the time detector imported is \$10. They now pay a duty of either 75 cents or \$1.35. You have put on them a 30 per cent ad valorem duty. You have thus increased the duty on time detectors to \$3 apiece. You have put on a prohibitive duty, a thing that never existed before. That is merely a forcible illustration of the absolute necessity of putting on specifics in the case of an article of this kind.

If you will take specifics equivalent to your 30 per cent, taking your unit of value, and taking 30 per cent of that, making it equivalent to what you propose, and put on specifics for each grade of watches according to the number of jewels in the works, you will get a duty that will yield the highest revenue possible for that grade. You will prevent frauds on the revenue, taking the specific in conjunction with the marking provisions. You will get the revenue to which you are entitled; you will stop the undervaluation importation and the frauds, which perhaps were greater in this article than almost any in the tariff. You will avoid, also, the utter inequality which the sweeping ad valorem for every grade of watch inevitably causes.

Mr. President, I can not conceive that any framers of a tariff bill should desire to open the door to undervaluations. That is not sound from the revenue point of view. You impose a duty of 30 per cent ad valorem. We assume that you mean to collect that duty on the proper value of the watch. But you can not do it, as these figures show plainly, because the moment we put on specifics, together with the marking provisions, the unit of value rose and the importations fell off.

As I said at the beginning, I am not entering at all on any vain attempt to give to the watch industry the protection which I think it ought to have. I am merely discussing this duty from the point of view of intelligent revenue legislation. I say it is not intelligent revenue legislation to impose a duty which, on the item of time detectors alone, increases the rate from 75 cents or \$1.35 to \$3, and makes a prohibitory rate under which

nothing can come in, which reduces the duty on the lowest grade of watches 28 per cent and on the next grade increases it 7 per cent.

I think this is one of the schedules in which the rates, as experience has shown, in the interest of the honest collection of the revenue, ought to be made specific rates throughout. I submit that for the consideration of the committee. It seems to me that it is desirable that we should have an honest collection of revenue no matter what the economic policy of the tariff may be. The necessity of a revision of this paragraph is demonstrated by those figures, if I may call attention to them once more, because I wish to emphasize the point that when we changed the rates, without increasing them, to pure specifics, adding the marking provisions, the unit of value rose and the importations decreased, showing beyond a peradventure that we had been suffering from enormous undervaluation. As I say, the one instance of the time detector shows the falsity of this system where, by putting on the ad valorem of 30 per cent, you increase the duty from 75 cents or \$1.35 to \$3, making it prohibitory.

It seems to me, if I may venture to say so, that this paragraph would profit by revision.

I also wish to say a single word in regard to lever clock movements, which are also included under this paragraph. Under the former act they had a specific duty of \$1 and an ad valorem of 40 per cent. The specific duty has been removed entirely and the ad valorem reduced from 40 to 30 per cent.

That is an industry which has been recently developed in this country. The company with which I am familiar in my own State has not yet paid a dividend. It meets very severe foreign competition, but the business is growing. The clocks with the lever escapement are luxuries. They are not the clocks in common use. They are the little traveling clocks with which you are familiar, with glass sides for the most part. They have met very severe competition from abroad.

I have a letter from the treasurer of the Chelsea Clock Co., in which he says:

Over 95 per cent of our product is of "lever clocks and lever-clock movements having jewels in the escapements," every one of which is a luxury, as you can see by referring to the prices of same in our catalogue, a copy of which is being sent to you under separate cover.

That industry is a comparatively new one. It has been making its way and gradually establishing itself under great difficulty. Its product is sold principally by jewelers, almost entirely, in fact, in the shops of large jewelers. I do not suppose it is worth while for me to go into the question of costs, but I think the clock movement having jewels in the escapement ought to have a specific duty of \$1. There can be no good purpose served in annihilating this new and valuable industry, as would come to pass under the committee rate.

come to pass under the committee rate.

It is almost impossible to undertake to amend this paragraph; for, in my opinion, it ought to be redrafted, and, in the interest of the revenue, keeping the rate of 30 per cent proposed specific duties, ought to be restored.

I shall ask to print with what I have been saying some statements in regard to these lever clocks. I do not know precisely what amendment to propose, for the whole paragraph ought to be redrawn; but I will move to recommit paragraph 163 to the committee.

I ask that this table which I have prepared, showing the comparative ad valorems and specifics, may be printed as part of my remarks, and also some matter in regard to clocks which I send up.

The PRESIDING OFFICER (Mr. O'Gorman in the chair). If there be no objection, the matter will be printed as requested. The matter referred to is as follows:

	Not over 7 jewels.	7-11 jewels.	11-15 jewels.	15-17 jewels.	Over 17 jewels.	Total.
Number: 1909	532, 482 347, 061	11, 242 8, 188	54, 684 38, 924	15, 426 17, 182	3, 812 5, 400	617, 646 416, 758
Value:	275, 948 \$425, 737	7, 431 \$42, 010	42,558 \$182,219	20, 244 \$100, 520	5, 859 \$95, 094	\$845, 580
1911	\$369, 615 \$329, 969	\$46,065 \$42,019	\$149, 170 \$172, 486	\$108,448	\$155, 347	\$826, 645 \$810, 570
Unit of value:	\$0.80	\$3.74	\$3.33	\$6.52	\$24.95	
1911	\$1.07 \$1.20	\$5.63 \$5.65	\$3.83 \$4.05	\$6.31 \$5.74	\$28.77 \$25.59	
Equivalent ad valorem:	68.78	38.39	47.51 48.27	44.18 44.81	37.02 35.43	
1911	65. 73 58. 54	24.00 23.87	45.65	46.78	36.72	

Total ad valorem for each year.	Porcent 56.4
1911	51.9
1908. Exports.	\$1,386,736
1909	1, 251, 537 1, 228, 713
1911. 1912.	1,560,870 1,880,667

BOSTON, August 9, 1913.

Hon. Henry Cabot Lodge,

United States Senate, Washington, D. C.

My Dear Senators: I have received a copy of the proposed new tariff bill and feel considerably airmed over the proposition of reducing the rate on "lever clocks and lever-clock movements having jewels in the escapement" from the present (none too great) rate of 40 per cent and \$1 per such clock or such clock movement to 30 per cent without any specific duty. The country has been led to believe that the policy of the framers of the present proposed new tariff bill would be to increase the duty on luxuries and decrease them on necessities.

Over 95 per cent of our product is of "lever clocks and lever-clock movements having jewels in the escapements," every one of which is a luxury, as you can see by referring to the prices of same in our catalogue, a copy of which is being sent to you under separate cover. I believe that we have never sold more than two clocks to go to Japan, and I have no doubt that they are being duplicated, as the Japa are notorious for great skill in copying goods. Labor costs there, so I am informed, range from 16 to 30 cents per day, and the mills run long hours and employ thousands of children of tender age. I am sending a clipping from the Boston Transcript, dated July 31, 1913, referring to a recent report from our consul in Japan. The original of that report you no doubt can readily obtain, but the mere fact of such an exhibit of American-made goods (and I notice clocks and watches are in that list) with duplicates of same made in Japan shown side by side should be a warning to our Representatives in Congress not to subject the industries of America to any such competition. Look that list over and see how many of the goods are made right here in Massa-chusetts. All the Representatives from the Pacific coast and far West section ought to help in keeping out goods made with cheap labor in Japan.

On Monday, August 4, 1913 (this week), the works manager of one

Section ought to help in keeping out goods made with cheap laboration and paper.

Japan.

On Monday, August 4, 1913 (this week), the works manager of one of the largest factories in Switzerland was in our office seeking business in certain material, large quantities of which we have bought in this country, and he informed me that for "matchers" and "finishers" (the most skillful men in our employ and in watch factories, doing the finnal timing, adjusting, and escapement work) his factory paid the equivalent of \$10 to \$12 per week. We pay such men all the way from \$4 to \$7.50 per day.

All these foreign countries obtain their raw material (chiefly brass and steel) as cheap or cheaper than we do. In size and shape of movements and general finish our goods are being copied by foreign makers. The duty on these luxuries should certainly not be reduced from the present rate of 40 per cent and \$1 per clock or per clock movement.

Yours, truly,

CHELSEA CLOCK Co.,
By CHAS, H. PEARSON, Treasurer.

CHELSEA CLOCK CO., By CHAS. H. PEARSON, Treasurer.

Cigarette. Drawing. Ivory. Printing, etc.

[Clipping from Boston Transcript, July 31, 1913.] JAPAN'S HOME MANUFACTURES—TOKYO COMMERCIAL MUSEUM HAS EX-HIBIT OF ARTICLES WHICH MAY NO LONGER BE IMPORTED.

(From Consul General Sammons, Yokohama.)

(From Consul General Sammons, Yokohama.)

One of the most interesting exhibits at the Commercial Museum at Tokyo as recently arranged consists of Japanese manufactured products which those interested believe may become suitable substitutes for manufactured products of various parts of the world.

The Japanese-made articles are exhibited side by side with similar products from other countries. This unique exhibit comprises the following articles, herewith alphabetically arranged:

Bookbinders' cloth.
Caplets and window curtains.
Clothing and accessories:

Blankets.

Buttons.

Cutlery.

Cutlery.

ally arranged:
Leather and manufactures:
Leather, sole.
Fittings for machinery.
Metal manufactures:
Clips for hairdressing.
Cutlery.
Enameled ware.
Lead tubes for gas and water works.
Locks.
Nails.
Scissors. Buttons. Hats. Laces. Ribbons. Neckties

Neckties.
Stockings.
Underwear.
Waterproof, etc.
Cotton manufactures:
Shirtings. Scissors Modeling composition. Paints. Paper:
Art.
Blotting.

Shirtings.
Sheetings.
Threads and yarns.
Electric lamps.
Flax and hemp manufactures:
Ropes and threads.
Food and drinks:
Biscults.
Brandy.
Canned beef.
Champagne.
Sauce.

Printing, etc.
Phosphorus.
Porcelain ware.
Printing inks.
Shoe polish.
Tollet soaps and water.
Stationery: Pencils and pens.
Watches and clocks.
Toys. Glassware, India-rubber manufactures.

India-rubber manufactures. Toys.

The Chelsea Clock Co. was established in 1897 and is and always has been engaged in making high-grade clocks, almost exclusively of the lever type, having jewels in the escapement. Previous to 1897 there had been repeated attempts to start an industry of this kind in the United States, but did not succeed. One concern, the Boston Clock Co., with ample financial backing, started in or about 1880, and while producing a good, high-grade lever clock, the handicap of higher costs was too much and it threw up its hands and went out of business a loser of about \$750,000. That concern was followed by about one-half dozen corporations every one of which failed or went out of business, and the Chelsea Clock Co. bought the plant of the last of these nonsuccessful

companies and with ample financial backing and the best of machinery has succeeded in holding its own and gradually building a business, and thus far has never paid a dividend nor, until the present year, has its chief owner and manager even had a salary, and now only at a modest rate. It is in the line of being moderately successful and its business, if unassaled, should constantly increase. It has never had any strike or labor trouble at its factory. Voluntarily and of its own accord and not compelled to by any law it established in 1906 a weekly schedule of 54 hours per week without any reduction in pay; but, on the contrary, it has voluntarily made several advances in rates of wages, so that to-day its operatives are well paid, and the nature of the work in making "lever clocks with jewels in the escapement" is in most respects practically the same as making the highest grade of watches, but being a clock is of a much larger type and material and requires specially trained workmen, who receive higher wages than ordinary watchfactory help, some as high as \$7.50 per day. In what is known as finishing and timing. About 85 per cent of the cost is labor, and comparing with rate of wages paid in like industries in England, Germany, and especially Switzerland, a protective tariff not less than the present is needed. Keep in mind that the goods (lever clocks with jewels in the escapement) are luxuries. The present duty of 40 per cent and \$1 per clock is hardly enough; in fact, some foreign makers—aside from the about 30,000 annually imported, the trade in which they have held for years on account of low labor costs and artistic designs of the French cases, a skill acquired by over a hundred years' experience—are now attempting to take over a new industry for them by copying our high-grade auto-clock movements and other clocks, "all lever clocks with jewels in the escapement," and, by copying exactly our designs and models, with their exceedingly low labor cost, have been and now are selling this (to them, new) clas

Mr. BRANDEGEE. Mr. President, the President of the United States says:

We are called upon to render the country a great service in more matters than one. Our responsibility should be met and our methods should be thorough, as thorough as moderate and well considered, based upon the facts as they are, and not worked out as if we were beginners. We are to deal with the facts of our own day, with the facts of no other, and to make laws which square with those facts. It is best—indeed, it is necessary—to begin with the tariff.

What are the facts about the clock industry? This is one of the paragraphs in the bill which deal with the clock industry. This is an exceedingly important industry in the State of Connecticut. It is a very old industry. It has existed there since the year 1800, beginning with small beginnings in the days of the old wooden grandfather's clocks. At present this New Haven Clock Co., of New Haven, Conn., employs over 2,000 skilled mechanics. The president of that company, in his distress at what he believes to be the havoc which threatens that industry, writes to me, saying:

There must be some type of manufacturing industry that the present administration in power believes should exist, and if you can get them to describe that ideal type you will find it corresponds with ours.

Things that happen here from day to day lead me to think that perhaps the industry which will be allowed to proceed upon its legitimate way unhampered is an ideal industry at present.

The Wm. L. Gilbert Clock Co., of Winsted, Conn., write:

We are sending you copies of the brief of the clock manufacturers of the United States sent to the Ways and Means Committee, conreming our business.

Please place them where they will do us some good, if possible, and

Mr. President, I have not as yet been able to find the place which they are in search of as one which will do them any good, but I think at least they are entitled to have the facts which the President has advised Congress to ascertain before it proceeds, for it would be unwise, in his own language, "to move toward this end headlong, with reckless haste, or with strokes that cut at the very roots of what has grown up among us by long process and at our own invitation." He says: "It does not alter a thing to upset it and break it and deprive it of a chance to change. It destroys it." And he says that we ought to be in favor of "a more free and wholesome development, not recognition for upset or confusion. We must build me that. revolution or upset or confusion. We must build up trade, especially foreign trade."

Mr. President, what is being done in this paragraph as in others is not only not to build up foreign trade, but to allow the foreigners to build up their trade by surrendering our own market to them and abandoning our own productive activities.

The Sessions Clock Co., of Forestville, Conn., write:

Permit us to call your attention to the fact that a lowering of the duties on the ordinary low-priced clocks would be a great hardship to the employees as well as to the employers in the clock industry in America. The net profit on clock manufacturing is a very moderate one. The wages paid are moderate and only such as are necessary to support the workmen and their families in comfortable circumstances, and any reduction in the tariff would certainly require a reduction in wages, which would be most unfortunate, and would also bring to America a large amount of German and other foreign clocks, causing lack of employment here. lack of employment here.

There is no watered stock in any of the leading companies in this line of business.

Mr. Walter Camp, who in his day was the most celebrated football player in this country

Mr. SIMMONS. Mr. President-

The PRESIDING OFFICER. Does the Senator from Connecticut yield to the Senator from North Carolina?

Mr. BRANDEGEE. I yield.

Mr. SIMMONS. After conferring with members of the subcommittee

Mr. BRANDEGEE. I can not hear the Senator.

Mr. SIMMONS. I say after some conference with members of the subcommittee, we are willing that this paragraph shall be passed over for further consideration by the committee.

Mr. BRANDEGEE. But there is a motion pending to recommit the paragraph, made by the Senator from Massachusetts

[Mr. LODGE]

Mr. SIMMONS. I said that we are willing that it shall be passed over and go back to the committee. That is agreed upon after conference with the Senator from Massachusetts a few

Mr. BRANDEGEE. I did not hear the latter part of the Senator's sentence. To resume, Mr. Walter Camp, the president of the New Haven Clock Co., writes as follows:

As nearly as I can make out, the reasons for reduction of our tariff were that the clock companies do an export business amounting to some 8 or 9 per cent, and that the importation of clocks into this country is only about the same proportion of the total volume of business.

country is only about the same proportion of the total volume of business done.

It is assumed, in view of the above, that in these foreign markets we compete on a parity with the Germans and other foreign manufacturers, and that without the benefit of the duty, hence the question arises, Why should we not compete here without a duty? That is vitiated by the fact that in the countries where we do the best export business we are protected by a preferential. For instance, if you will examine into the facts relating to our business in Brazil, you will find that we have a preferential there over the Germans of 20 per cent in all the figures that have been collected.

Mr. President, I do not intend to read the whole of this communication, but in view of the suggestion made by the chairman of the committee that he will consent that the paragraph be recommitted, I will ask that the rest of the letter may be printed in the Record and that the brief of the American Clock Manufacturers, which I have here, may be printed in the RECORD.

The PRESIDING OFFICER. Without objection, that will be done. The Chair hears no objection, and by consent, if there be no objection, paragraph 163 will be recommitted.

The matter referred to is as follows:

The matter referred to is as follows:

Furthermore, even with this, our export business is gradually dwindling in its proportion, and the clocks we are now exporting we are permitted to export merely from the fact that the foreign competitors have not yet dared to copy those particular patterns, and, as you probably know, the fashions in clocks of some of those far eastern countries do not change as they do with us. Hence, until the Germans desire to copy these patterns, which undoubtedly they will do eventually, we hold this trade by their sufferance. They can take it at any moment they desire, because they have copied every machine we have made to reduce the cost of our clocks, and there is nothing now in the way of efficiency that is left to us. This you can easily judge from the fact that we sell a nickel alarm clock—263 operations besides the other cost—for 42½ cents. Now, the foreigners, with machinery just as up to date as ours and with help that on an average is paid 8 cents an hour, where we pay 20, can supplant us in any market. Were we a big monopoly or combination that had accumulated large profits or had paid on watered capitalization, we might have something to go upon, but as we have steadily reduced the cost of clocks to the consumer through our perfecting of machinery and competition, one with another, until we sell a clock to-day at the lowest price it was ever sold for in the history of the world, we can not be charged with having increased the cost of living or our product having in any way furnished profits for us at the expense of the consumer, and we have no pile of profits made in this way to draw upon.

Hence I hope you will excuse me for referring to us as the "forgotten man" in this case and asking that your committee consider our brief, already filed, together with the above-mentioned facts in addition.

There is one other thing I mentioned to you and which you asked me to put in writing, and that is this: I understand that because the imports are only about one-eleventh or one-twelf

are as much a matter of fashion as are ladies' frocks. No manufacturer, therefore, could stock up during dull periods with clocks which in another year may be unsalable. The staple clock in which fashion does not change is the nickel alarm clock, and hence in dull periods the American clock manufacturers have no fear in stocking up heavily in these goods, thus enabling them to run their factories in dull periods. Under the proposed reduction in duty the German clock of this character will come in so much cheaper than ours that even our best efforts will not enable us to make up the difference and we shall not be able to stock on these staples, as a type of clock—the one that we sell—as mentioned above, for 42½ cents—can be landed in here to sell something under 35 cents.

I would also call attention to the point that many of these foreign

we sell—as mentioned above, for 42½ cents—can be landed in here to sell something under 35 cents.

I would also call attention to the point that many of these foreign clocks have been made up, but are held back pending the proposed reduction, and last year's imports were less considerably than they would have been had there been no prospect of this reduction coming. The importers were not averse to having the volume of imports during the last year lessened as far as possible, for this was their argument.

I appreciate very much the opportunity of putting this before you and your committee, and I hope that they will find the time to go over my original brief, together with this additional matter, for even those who feel most strongly that the tariff should be revised have gone over this brief and have stated that the case of the clock industry was absolutely unique, and from every standpoint having reduced the cost to the consumer to the lowest limit, having perfected to the highest degree the manufacture by the use of ingenious machines, having not averaged in the last 25 years a profit above legal interest on the money invested, having a capitalization—on which its dividends have been paid—not water, but actually less than the amount of money put in, being in no combination or trust, in active competition with each other, who do not sell their goods cheaper abroad than at home—an industry, in fact, which answers every criticism that has been brought against the so-called vested and protected interests.

WALTER CAMP.

PARAGRAPH 163 .- CLOCKS.

THE NEW HAVEN CLOCK Co., New Haven, Conn., April 25, 1913.

The New Haven Clock Co., New Haven, Conn., April 25, 1913.

Hon. Furnifold McL. Simmons.
Chairman Finance Committee.
United States Senate, Washington, D. C.

Dear Mr. Simmons: We have asked your consideration of clocks on their merits in the tariff matter. There is just one point we wish to call to your attention showing that they should have this consideration. A clock is not an article of daily consumption. The life of an eight-day striking mantel clock is at least 10 years, and such a clock-can be bought anywhere in this country to-day at retail for \$2 or less, making it represent an annual outlay of 20 cents. These prices have been made possible by the introduction of special machinery, and we have reduced the cost of clocks to the consumer 50 per cent in the last 25 years. We have practically reached the limit of human ingenuity in the matter of machine work on clocks, and we haven't room to go further. Our brief, which we have presented, shows how the foreigners have gradually initated our machinery until they are as well equipped as we are and paying their labor only about one-third or one-half. The increase of these foreign clocks from 1908 to 1912 was 70 per cent. Somewhere between two and three million of them came in last year.

A skilled clock worker's budget shows that he and his wife and three children—all of them working—earn 1,540 marks a year, approximately \$365. Our people earn two and one-half times that.

We are already informed that there are large shipments awaiting the reduction in duty, and, of course, we realize that any of the patterns that are brought below a margin of profit must be abandoned, and we do not see why the Germans will not then increase their prices. The saving in any event to the consumer, when he is only paying 20 cents a year for his clock, is of course infinitesimal.

Apologizing for troubling you further on this matter, but wishing to have you note wherein the clock industry should be heard on its merits, I beg to remain,

WALTER CAMP.

THE ANSONIA CLOCK Co., 99 JOHN STREET, New York, N. Y., May 6, 1913.

The Ansonia Clock Co., 99 John Street, New York, N. Y., May 6, 1913.

Hon. Furnifold M. Simmons.

Chairman Committee on Finance.

United States Senate, Washington, D. C.

Dear Sie: I take the liberty to write to you as briefly as I can in regard to the duties on clocks, being fully aware that any letter, however short, is a tax on your most valuable time.

I understand that it was proposed to reduce the duty on clocks from 40 per cent ad valorem to 30 per cent ad valorem, and I understand that after the brief of the clock manufacturers was filed it was proposed to reduce this duty from 40 to 35 per cent; then, at the last moment, before the bill went in, this was again reduced to 30 per cent. The wages which we pay and which have gradually and steadily increased within the last 10 years and the reduction in the number of hours which we are allowed to operate our factories have gradually increased the cost of our production, while the competition here and abroad is such that the prices at which we sell our goods have been reduced to such an extent that to-day we receive for our product fully 40 per cent less than we obtained five years ago. We have been adopting new methods and purchasing at very great expense the most improved machinery, and yet we have been compelled to reduce our prices on account of the German competition.

I hope you will permit me to submit to you respectfully my personal investigation in regard to this matter:

1. The wages paid for similar work in Germany are 60 per cent less than the wages we pay here.

2. They have imitated all our machinery, and they have imitated the patterns of every clock we make.

3. They have sent their product to this country at less prices than they sell the same in their own country.

They have imitated not only the shapes and styles of our clocks, but they have even copied the names which we use.

In exporting their goods to other countries they have the assistance of the Government in that they only pay a small percentage of freight on goods thus exported. I

ular charge; and while our tariff has nothing to do with our business abroad, yet it is well to mention that we are crowded out by these people from all foreign countries, and we are compelled to rely on home consumption. We therefore consider that the small duty of 35 per cent is not even equal to the difference in wages existing between German manufacturers and American manufacturers.

The wage question in the manufacture of clocks is one of the most important features of our business. The wages we pay amount to a greater percentage than the amount we have to pay for raw material. Therefore in the manufacture of our product we are not assisted by any reduction that may take place in the tariff for the importation of raw material. Our principal outlay in the manufacture of our ware is for wages, and any further reduction in the price of our goods to meet foreign competition will only eventually result in a compelled reduction in wages in our factorless.

I submit this most respectfully, and I hope that I have not given undue extension to this letter.

BRIEF OF CLOCK MANUFACTURERS OF THE UNITED STATES.

BRIEF OF CLOCK MANUFACTURERS OF THE UNITED STATES.

The American was the ploneer in introducing to the world the manufacture of serviceable clocks at low prices to the consumer. Unlike almost all other articles, clocks are sold to-day lower than ever before, and the cost to the consumer has been reduced 50 per cent in the last 25 years. The cost now for an eight-day striking mantel clock for the living room and a nickel alarm clock for the bedroom does not exceed a rate of 45 cents a year for both.

In the United States there are 15,000 hands employed in the clock industry. They are paid on an average of two and a half times what their competitors receive in foreign countries. Here are the budgets of such help, from which may be gathered an idea of the value of the wages. For instance, the budget of a skilled clock maker in Germany, with family of 5 persons, during one year (these people had as a dwelling place three rooms and kitchen):

The wages of the husband alone were only 864 marks, but his wife

with infully of 5 persons, during one year (these people had as a dwelling place three rooms and kitchen):

The wages of the husband alone were only 864 marks, but his wife worked also and earned 432 marks. As this did not come up to their expenses, they both worked overtime, the pay for this overtime reaching the total sum during the year of 280 marks. In this way they overcovered by 70 marks their total expenses of the year, but it will be noted in looking over those expenses that the only allowance for all five of them for amusement was 20 marks for the year.

A woodworker in the same factory shows similar conditions, being obliged to work overtime to make both ends meet, and, in addition, in this case both the son and daughter worked.

In taking these various budgets all through they show both overtime and the working of children as well, in some cases revenue from field work, and also that the cost of living ate up all the receipts and forced this overtime and work upon them. For instance, Budget No. 7, clock-case maker, family of 6 persons, for one year, gives the total of the wages of father, son, and daughter, together with revenue from boarders, as 1,598 marks, and the cost of living 1,597 marks.

A savyer, skilled worker, during one year shows 950 marks receipts and 953 marks expenses.

Lathe hand in millwork, with a family of 5, taking a period of fear and person the state of the same period of fear and person the same period of fear and period of fear and person the same person the same period of fear and person the same person to a

and 953 marks expenses.

Lathe hand in millwork, with a family of 5, taking a period of four and one-half months, shows receipts of 371 marks and expenses of 388 marks, while a pivot turner, in the same period, shows receipts of 393 marks and expenses of 445 marks. Milling-machine hand in clock shop shows in three months receipts of 272 marks and cost of living 251 marks, while a brass turner, in a six months' period, shows wages of 638 marks and expenses of 620 marks.

Budget No. 1 .- Skilled clock maker.

(Period, 1 year; 5 persons; dwelling place, 3 rooms and a kitchen.) RECEIPTS.

	Marks.
Wages of husband	864 432
Wages of wifeOvertime work of both husband and wife	280
Overtime work of both husband and wife	280
	1, 576
	2,010
HOUSEHOLD EXPENSES.	. N
Bread	273
Bread	
Fiour	14.75
ard	
Arter	
Potetoes	. 24
'egetables	_ 20
(III)k	. 146
Gogs	. 36
Beer	. 13
Coffee	. 36
Sugar	. 48
Salt, spices, etc	50
	932
	902
GENERAL EXPENSES.	
	000
Iousehold expenses as above	932
Rent	132
Heat and light	140
Nothes	
Shoes	50
aundry and house furnishings	21
Amusements	
Sick benefit and insurance	
Books	
	1, 500
Budget No. 2 Woodworker in clock factory.	
(Period, 3 months.)	
RECEIPTS.	The street
teceipts	200. 73
Contributions from son and daughter	18.00
Overtime	28. 38
	247, 11
	221.11

HOCSEHOLD EXPENSES.	Marks.
Rent	128. 90 36. 00 23. 60 11. 50 6. 73 13. 40 3. 30 10. 10 3. 70 5. 80
Budget No. 3.—Clock-case cabinetmaker, (Period, 1 year; family of 6 persons.) Wages of father, son, and daughter, and revenue from boarders	246. 81
Budget No. 4.—Sawyer, skilled worker. (Period, 1 year; married.) Expenses	950
Budget No. 5.—General workman in clock shop. (Period, 1 year.)	900

Consul Harris, of Mannheim, in reporting on factory inspection in the Grand Duchy of Baden in 1906, states that the earnings of many of those employed in factory labor in their homes exceed those of like employees in factories, adding: "But these earnings are often the result of labor extended far into the night. In the Black Forest clock industry a working day of from 14 to 16 hours is common; also in many other industries. In the city of Pforzheim, which is a center of an enormous jewelry manufacture, the average daily wages for adult females is said to be 38 cents, and in the surrounding villages 31 cents, while the average daily wages of female chain makers is 45 cents, and in other branches of jewelry manufacture is 45 cents. The average daily wages of burnishers of silverware at Carlsruhe is 70 cents, while that of other female employees in factories in that city is 36 cents, and in the surrounding villages 31 cents. Adult females, working at their homes for a metal-ware factory at Bohrenbach, earn an average of 45 cents per day, while the average paid for female labor in that locality is 33 cents per day. Females of the doil department of a large celluloid factory near Mannheim are said to carn from 45 cents to 53 cents per day in home labor, while the average wage paid female labor in the suburb is 41 cents."

There are between twelve and fifteen thousand people in this country engaged in the clock industry. There is no combination or trust, the capital employed is not watered, and the profits have never been large enough to tempt larger investment, while two or three of the clock companies have failed, owing to the small margin between cost and senially price. Improvement in machinery is the only thing that has enabled the manufacturers to thus steadily reduce the cost to the consumer. The clock manufacturers were at one time protected by a duty of 50 per cent. This has been reduced to 40 per cent, and at this duty the foreign clocks have been coming in in steadily increasing numbers, thus threatening

Imports of clocks from Germany.

Year ended June 30-	
1898	\$276, 766, 00
1908	471, 133, 00
1911	803, 368. 04

Illustrations of this kind of competition tell the difficulties under which the clock makers have been working:

Some years ago we had a fairly flourishing export trade. Certain foreign manufacturers sent experts, posing as ordinary laborers, into our factories, where they remained, in some cases as long as two years, making drawings of our machinery, and finally returning and copying that machinery. Not content with this, they further copied the exact shape of our clocks, and, finally, that not being sufficiently effective, they used our very names; going into Australia and other markets and making a clock of inferior model, they cut our prices and succeeded in practically rulning our trade, not only by this inferior article but by creating the impression, through the use of our clock names, that our clocks had become inferior. Such export trade as is now left goes to countries giving us a preferential duty against the Germans or in patterns not yet copied.

The New Haven Clock Co. had a recent experience in Canada which is even more illustrative. They produced a clock called the "Tattoo Intermittent." This clock is a special alarm clock designed to awaken heavy sleepers and has its name in red on the dial. They had built up a very considerable trade in it, when some foreign makers copied it out of cheaper material and sent it into Canada, deliberately printing the words "Tattoo Intermittent" in red on the dial with the intention of deceiving the trade. The New Haven Clock Co. protested, and the Canadian Government were good enough to tell the foreign makers that they must stop. They sent in an importation of the same clock and obeyed the Government's orders by leaving the words "Tattoo Intermittent" off the dial, but instead they placed the following inscription in red on the dial. "Identical New Haven."

This is the kind of competition to which we refer, but there is still another side to the question of considering us separately.

We are constantly being classed in with groups where there are trusts, no com

A striking example of this was in the case of a New York body last fall. The following was sent by the tariff reform committee of the Reform Club to widely distributed papers and printed in large capital

letters: "Made in New Haven; for export, 55 cents: in America, 68 cents. (Picture of clock.) Discrimination against American purchaser, 25 per cent, protected by duty of 40 per cent."

Now, as already repeatedly stated, the New Haven Clock Co. does not sell its product at lower prices abroad than it does in this country, and at the very time the above article was published was selling the clock mentioned in New York City to the trade at the same price as quoted in the foreign market, and this clock was then being sold to several domestic concerns in New York at 55 cents.

The New Haven Clock Co. promptly took this up with Mr. Holt, chairman of the tariff reform committee, asking him to come to New Haven, offering him access to their books, but this he said he was unable to do.

He, however, called at their New York office, where he was shown

He, however, called at their New York office, where he was shown their sales books, and he was thoroughly convinced that the statement was an error and agreed to make a correction.

The following letter was received from him:

TARIFF REFORM COMMITTEE, September 10, 1912.

Mr. Walter Camp,
President and Treasurer the New Haven Clock Co.

DEAR MR. CAMP: I am sorry to have delayed so long the preparation and publication of the correction inclosed herewith, which I hope will be satisfactory to you and to the New Haven Clock Co. This correction is being sent this week to all the newspapers to which the export and domestic price articles were sent. Very truly, yours,

BYRON W. HOLT. Chairman.

Extract from inclosure:

"The tariff-reform committee has investigated and is convinced that these companies do not discriminate against the American consumer."

To sum up, the clock industry would like to be judged upon the merits of their own case and believe that the present duty should remain. The proposed new duty is a cut of 25 per cent, which would only reduce the cost to the consumer about the amount of a postage stamp a year, while it would jeopardize the continuance in the industry of some 15,000 people. Naturally, if the manufacture of clocks were stopped in the United States, the price to the consumer of the imported article would be raised at once, so that the net result would be higher prices for clocks.

The facts upon which this is based are that—

First. The clock makers have steadily reduced the price of clocks to the consumer of the United States, who now pays only a little more than half what he paid for similar clocks 25 years ago, and in spite of the increased cost of labor and material and the rising tendency in other lines this is still downward.

Second. That foreign importations under the present duty have steadily increased and are now threatening the industry.

Third. That the wages paid in foreign countries are so low in comparison with the American clock makers' pay that a man receives over here in approximately two and one-half days what he would receive over there in a week, and that even a lower rate prevails in the case of women.

case of women.

case of women.

Fourth. That the clock manufacturers of the United States do not sell their product abroad at lower prices than for home consumption.

Fifth. That they are in no trust, and competition prevails at all times among them to such an extent as to enforce the strictest economy and greatest efficiency upon these plants.

Sixth. That the amount of dividends on the invested capital has been hardly commensurate to the amount of risk involved. This is particularly emphasized by the fact that, while two or three of the companies have failed, there has, with one exception, been no new concern tempted to go into the business by the probability of profitable returns.

able returns.

Seventh. That there is no water or capitalization of good will in the clock companies of the United States.

Eighth. That their stocks have never been subjects of stock-market manipulation.

manipulation.

Ninth. That approximately 50 per cent of the cost of the ordinary clock is labor.

Tenth. That the horological schools established by the Government in the clock-making districts of foreign countries save the manufacturers the cost of experts and experimental work, all of which the American manufacturer is obliged to bear himself.

Eleventh. That the methods employed in this competition by the foreign makers are what would be classed in this country as unfair, if not illegitimate, making use even of the very names of our clocks on their products.

Twelfth. That the clock makers are paying more and more for materials and help, while furnishing clocks for lower and lower prices.

prices.

Thirteenth. That, as far as an element in the high cost of living is concerned, the actual consumer can buy a mantel clock for \$2 and an alarm clock for 75 cents. The life of the former is at least 10 years and the latter 3, so that less than 1 cent a week covers clocks at their

present prices.

Representatives of the present party in power have repeatedly asserted that the individual or the small business, in contradistinction to the overcapitalized trust or monopoly, would be given a fair show, and that such legitimate industry would have nothing to fear from tariff legislation. Hence it seems reasonable that the clock industry should be considered upon its own merits and should not be made to suffer for the sins of others.

The reading of the bill was resumed.

The next amendment of the committee was, in paragraph 169, page 50, line 8, before the words "per centum," to strike out "25" and insert "20," so as to make the paragraph read:

169. Articles or wares not specially provided for in this section; if composed wholly or in part of platinum, gold, or silver, and articles or wares plated with gold or silver, and whether partly or wholly manufactured. 50 per cent ad valorem; if composed wholly or in chief value of iron, steel, lead, copper, nickel, pewter, zinc, aluminum, or other metal, but not plated with gold or silver, and whether partly or wholly manufactured, 20 per cent ad valorem.

Mr. SIMMONS. Mr. President, before paragraph 169 is disposed of I desire to submit some general observations upon this schedule. I shall be very brief and shall content myself with printing the tables and documents to which I may refer instead of reading them.

The census figures of 1904 place the value of products of iron and steel manufactured in the United States at about \$2,200,-000,000 and the value of products of metals other than iron and steel at about \$920,000,000, or a total of about \$3,100,000,000.

The census of 1910, covering the census year of 1909 and relating to the same manufactures, shows a total of nearly \$4,400,000,000, or an increase of more than 40 per cent in five

Against this enormous domestic production there were imported into the United States in 1912 products dutiable under the metal schedule to the value of only about \$50,000,000, being practically little more than 1 per cent of the domestic production. The significance of these small imports is emphasized by the fact that during the same year our exports of these products amounted to \$306,000,000, or six times as much as we imported.

These official figures would seem to show two things:

First. That the duties in the present law upon many of the products embraced in this schedule are prohibitive.

Second. That this industry needs no tariff protection, even from the Republican standpoint, and that but for the necessity of revenue these products could in the main be transferred to the free list without any injury to the domestic producers.

In confirmation of the prima facie case made out by these general figures I have here a table showing the production, exportation, and importation of about 30 of the leading products covered by this schedule, which, without reading, I will

ask to have embodied in my remarks.

Mr. President, these 30 leading products contained in these tables carry duties which the imports show to be practically prohibitive. It shows, first, that the domestic production of these products last year amounted to \$2,059,000,000, the imports amounted to \$10,420,000, and the exports to \$107,000,000, and revenue actually collected by the Government only \$3,314,000.

It will be noted from this table, first, that upon these 30 articles, covering one-fifteenth of our entire domestic production of all things, products of the mines and of the forests and of the factories and fields, the imports amounted to \$10,000,000, while the exports amounted to \$107,000,000; or, that we exported last year more than ten times as much of these 30 leading

products as we imported.

It shows, secondly, that from this domestic production of over \$2,000,000,000, representing, as I said, one-fifteenth of the entire domestic production of this country, the revenue received by the Government under these prohibitive duties amounted to only \$3,300,000; that is to say, the imports of these products amounted to only fifty-six one-hundredths of 1 per cent of the domestic production, and the revenues derived from these items amounted to only 1 per cent of the total revenues collected by the Government in that year. In other words, one-fifteenth of the production of this country, on account of these prohibitive duties, paid only 1 per cent of the revenues of the Government, while the other fourteen-fifteenths of our production paid 99 per cent of the customs revenues of the Government.

These facts, Mr. President, would seem to demonstrate conclusively that the duties upon these 30 leading products in the

metal schedule are prohibitive.

I ask permission, without reading, to insert the table as a part of my remarks. The PRESIDING OFFICER (Mr. O'GORMAN in the chair).

There being no objection, it will be so ordered. The table referred to is as follows:

> Prohibitive rates of Schedule C. [Exports and imports for 1912, production for 1909.]

Article.	Production.	Export.	Import.	Duties.
Iron in pigs	\$387,830,000	\$2,658,428	\$538,328	\$82,389
Scrap iron	72, 723, 000	1, 196, 409	150,502	14,094
Bar iron, etc	4,986,000	577,898	245, 464	29,308
Round iron in rods or coils	1 121, 488, 423		27, 155	7,380
Structural iron and steel	65, 565, 000	11,082,133	160,504	37,244
Boiler or other plate of iron or	THE PROPERTY OF	Sur Contract		2000
steel	133, 272, 000	23, 648, 390	5,371	2,035
Sheets of iron or steel	30, 956, 000	(3)	33, 622	9,244
Railway bars	81, 128, 000	12, 134, 436	103,523	15, 446
Forgings, antifriction balls, etc.	31, 234, 000		1,644,470	719, 711
Railway fishplates	14, 488, 000		10,949	2,047
Tin or terne plate	46, 734, 000	6, 269, 325	260, 399	69,627
Steel ingots	3 439, 874, 540	5, 154, 221	2, 448, 991	538, 342
Sheets and plates and steel n. s.				
p. f	(2)	(2)	152,142	30,286
Rods for wire, etc	61, 948, 000	6,811,923	681, 721	94,844
Wire and manufactures of	133, 624, 000	11,980,889	1, 416, 865	561,431
Axles and parts	3, 831, 000		27,503	4,098
Cast-iron pipe	15,000,000		3,690	650
¹ Page 489, Census Report. ² Included above.			e 490, Census imated.	Report.

24, 943 42, 112

Prohibitive rates of Schedule C-Continued.

Article.	Production.	Export.	Import.	Duties.
Tubes, flues, pipes, etc	\$97,259,000 5,696,000 8,634,000 12,122,000 18,740,000	\$1,471,384 327,285	\$638, 732 62, 094 77, 486 37, 041 34, 725	\$191, 283 37, 548 16, 949 8, 720 16, 767
(Covers other forgings, included elsewhere in the import statistics.) Lead. New type. Zinc	10,062,000 2,806,000 24,864,300	267, 629 1, 215, 075	584, 544 5, 092 698, 203	549,592 1,273 162,032
Steam engines. Machine tools. Printing presses. Carriages.	1 20,000,000 1 50,000,000 1 15,000,000 159,892,547	1,782,980 12,151,819 3,050,372 5,271,823	183,539 154,786 31,399 1,649	55, 062 46, 436 9, 420 742
Total	2,059,757,810	107,052,418	2 10,420,489	3,314,005

1 Estimated.
2 Fifty-six one-hundredths of 1 per cent of production.

Average ad valorem duty on above, 31.80 per cent.

Note.—This average may be claimed to be a low rate of duty, but in the case of some of the above articles, in fact in the case of most of them, the industry is so strong in this country that the only effect of this duty is to enhance the price to the consumer. In many cases no more goods would be imported, even if the entire duty were removed.

Mr. GRONNA. May I ask the Senator from North Carolina if all the 30 leading products to which he has referred are now placed on the free list in this bill?

Mr. SIMMONS. I am not speaking of the free list under this bill. I am speaking with reference to the present law and not the bill. I have stated that they were all under high duties, which were prohibitive.

Mr. President, I offer another table here in confirmation— Mr. NORRIS. Before the Senator reaches that subject, I should like to inquire if the list he prints in the RECORD gives the names of the particular products.

Mr. SIMMONS. Yes, of each one of them. It specifies the production, the exports, the imports, and the revenues received from them.

Mr. President, in confirmation of the statement that most of these things require no protection, even from the Republican standpoint, I have here a statement of exports for the year 1912 of a large number of the more important commodities embraced in this schedule. It will appear from this table that there is hardly a country in the world to which we are not exporting these commodities, and in many instances in competition, upon equal terms, with the very countries the opponents of this bill have contended, in the arguments we have had here, that we can not compete with in our own market places, where we have a tariff advantage under this bill of about 19 per cent.

Mr. President, I shall read but briefly from this table, because it is very long; but taking the subject of wire rods and all other bars or rods embraced in the schedule, I find that last year we exported \$4,250,000 worth of these products to Europe and to Canada, exporting to England, a country which the op-\$257,000 worth of these commodities.

Billets, ingots, and blooms of steel. We will all recall the fact that when these subjects were up for discussion during the consideration of that paragraph, Senators on the other side of the Chamber declared we would be able to compete in this market with England and with Germany in the manufacture of even these products, if duties in the present law were reduced. I find, Mr. President, that of these products we exported last year to England \$3,839,000 worth; to Scotland \$100,000 worth; and to Canada \$1,200,000 worth.

Steel rails we exported all over the world-to England, to Scotland, to Canada, to Brazil, to Chile, to Japan, and to a number of other countries. Of steel we exported to Italy \$300,000 worth; to the Netherlands \$100,000 worth; to England and Scotland \$427,000 worth; to Canada, where England has, I believe, a preferential tariff against us of 30 per cent, in competition with England we exported of this product about \$1,500,000 worth.

Of barbed wire I find that we exported last year to 15 different countries, some of them European countries. Builders' hardware is another item that we were told, when we had that subject under consideration, we would be unable to compete in our own markets with England and Germany and France if the duties were reduced to any considerable extent; and yet I find that last year we exported to Europe nearly \$2,000,000 worth of hardware—locks, hinges, and so on—to France \$136,000 worth, Germany \$169,000 worth, Russia \$171,000 worth,

England \$517,000 worth, and to other European countries \$594,000 worth, in addition to exportations to many other coun-

Now, as to tools, I recall how insistent Senators on the other side were in their contention that we could not compete upon tools. Yet, Mr. President, last year we imported to Belgium, where it is said that iron and steel and their products were manufactured cheaper than in any other country in Europe, \$207,000 worth, to France \$390,000 worth, to Germany \$588,000 worth, to the Netherlands \$115,000 worth, to Norway \$111,000 worth, to Russia \$269,000 worth, to Sweden \$111,000 worth, to England \$1,062,000 worth, to Scotland \$106,000 worth, and to Canada \$1,686,000 worth.

Of cash registers we exported last year \$3,500,000 worth, and of this over \$2,000,000 worth were exported to European coun-

Of metal-working machinery we exported last year to Europe alone over \$10,000,000 worth.

Of typewriting machinery we exported to Europe last year about \$10,000,000 worth.

Of all other machinery we exported to Europe last year about 4,000,000 worth.

Of pipes and fittings, which have been the subject of discussion here, we exported to Europe last year about \$6,000,000 worth.

If we could sell all these products abroad after paying the tariff duties of the country of exportation in competition with the local producer who paid no tariff tax, why do we need protection against the foreign producers in our own market, where they pay in many a tariff tax and our producers none?

will not detain the Senate to read the long table, but I ask unanimous consent that it may be incorporated as a part of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

The table referred to is as follows:

Articles covered by Schedule C exported from the United States in 1912,

Iron ore: Total value	\$2, 806, 636
Contract to the contract to th	0 000 000
Canada	2, 806, 238
Pig iron: Total value	2, 658, 428
Austria-Hungary	136, 203
England	290, 850
Other Europe	146, 490
Canada	1, 979, 350
Scrap and old iron:	
Total value	1, 196, 409
Italy	417, 633
Canada	737, 167
Bar fron:	
Total value	577, 898
Canada	308, 745
South America	112, 988 52, 794
Cuba	52, 794
Mexico	38, 654
Wire rods, steel: Total value	
Canada=	1, 412, 910
England	1, 809
All other bars or rods, steel:	
Total value	5, 395, 652
Germany	73, 470
England	73, 470 257, 309
Scotland	88, 563
Canada	
Chila	351, 967 185, 877
Chile	449, 335
Australia	116, 982
Billets, ingots, and blooms of steel:	
Total value	5, 154, 221
England	3 839 031
Scotland	3, 839, 031 100, 068
Canada	1, 200, 710
Hoop, band, and scroll iron or steel:	
Total value	365, 524
England	1, 000
Canada	1, 000 281, 946 24 943
South America	94 049

tails, steel, for railways:		BUILDERS' HARDWARE AND TOOLS.	
Total value England Scotland	\$12, 134, 446	Builders' hardware—locks, hinges, etc.:	
England Scotland	42, 765	Total value	\$5, 708, 223
Canada	88, 097 3, 369, 894	France	136, 27
Mexico	893, 758	Germany	169, 51
Cuba Haiti	1, 094, 364 113, 871	Russia in Europe England	171, 056 517, 36
Argentina	862, 511	Other Europe	594, 550
Brazil	1, 187, 462 1, 369, 525	Argentina	203 969
ChileJapan	1, 118, 942	Brazil	247, 55, 107, 86; 111, 43
Australia	744, 822	British India	111, 43
		Japan	109, 46
SHEETS AND PLATES.		Australia	238, 85
ron:	44 800 000	British South Africa	109, 46 238, 85 102, 77 1, 762, 06
Total value	11, 320, 829	Sows:	21 102, 00
Finland	104, 594	Total value	1, 471, 38
Norway	104, 474	England	100 11
Other Europe	2 030 648	Other Europe	182, 14 282, 54 267, 81 154, 66
Mexico	608, 372		267, 81
Cuba	419, 748	South America	154, 66
Argentina Brazil	2, 030, 648 608, 372 419, 748 1, 778, 283 317, 776	Australia	278, 50
Chile	259, 951	Tools, n. s. p. f.;	10 490 49
Other South America	259, 951 537, 975	- Total value	10, 430, 43
British East Indies	1, 009, 938 1, 475, 609	Belgium	207, 55
Australia	544, 589	France	207, 55 390, 78
British South Africa	297, 890	Germany Netherlands	588, 52 115, 11
		Norway	111 73
eel: Total value	12, 327, 561	Norway_ Russia in Europe	111, 73 269, 94
]		Sweden	111, 11
Italy	301, 657	EnglandScotland	1, 062, 51 106, 47
NetherlandsEngland and Scotland	101, 436 427, 041	Canada	1 686 9
Canada	7, 457, 232	Mexico	559, 90
Mexico	7, 457, 232 151, 356	CubaArgentina	351, 79 703, 13
Cuba	153 888	Brazil	590, 7
Chile	1, 044, 814	Chile	186, 68
Australia	1, 044, 814 1, 519, 123 342, 285	Asia	349, 74
British South Africa	105, 458	AustraliaNew Zealand	1, 025, 73 260, 07
n plates termonlates and tengen's tine		British South Africa	275, 48
n plates, terneplates, and tagger's tin: Total value	6, 269, 325	Car wheels:	
	00.010	Total value	327, 28
EnglandCanada	22, 646 .2, 985, 065		021, 20
Mexico	169, 425	United Kingdom	12, 35
Cuba	133, 860	Canada Mexico	36, 62 113, 93
Argentina	255, 972	Cuba	60, 16
BrazilChile	198, 931 103, 043	Panama	44, 49
China	756, 609	South America	21, 04
British India	626, 974	Asia	12, 57
Hongkong	343, 777 330, 645	Castings, n. s. p. f.:	1000
	200, 210	Castings, n. s. p. f.: 'Total value	2, 964, 47
ructural iron and steel:	11, 082, 133	France	29, 44
EnglandOther Europe		Germany	29, 05
England	6, 437	, Italy	35, 15 179, 44
Canada	21, 072 5, 150, 353	EnglandOther Europe	61 76
Panama	2, 416, 388	Canada	1, 312, 72
Mexico	358, 716	Panama	1, 312, 72 941, 51
CubaArgentina	548, 566	MexicoOther North America	137, 61
Brazil	326, 304 246, 763	South America	69, 31 76, 58
Chile	246, 763 125, 993	Oceania	68, 80
Korea	352, 130		
Japan	807, 806	Cutlery, table:	
AustraliaBritish South Africa	352, 130 807, 806 184, 237 40, 855	Cutlery, table : Total value	163, 68
		Europe (about one-half to Great Britain)	12.90
ire, barbed: Total value	5, 469, 398	North America	12, 90 60, 60
	0, 400, 508	South America	70, 54
United Kingdom	76, 126	Oceania	11, 69
Other Europe	63, 485	Charles all about	No.
Canada	63, 485 895, 725 415, 179	Cutlery, all other:	998, 51
MexicoCuba	328, 472		
Argentina	328, 472 501, 636 743, 136 205, 283 226, 619	France	29, 94
Brazil	743, 136	Germany	33, 80
Chile	205, 283	England	256, 41
Venezuela	150, 550	Other North America	123, 84
Asia	150, 550 132, 252 153, 376	Argentina	29, 94 33, 80 256, 41 175, 66 123, 84 68, 27 48, 65
Australia	153, 376	Brazil Other South America	48, 65 51, 16
New ZealandBritish South Africa	175, 006 618, 837	British India	44, 62
Portuguese Africa	102, 567	Australia	49, 01
re, all other:	6 511 400	Firearms:	9 950 41
Total value	6, 511, 490	Total value	3, 358, 41
	191 090	Germany	187, 44
England	101, 000	I Ishgiand	194, 76
England. Other Europe.	108, 349	Other Europe	184 40
Other Europe Canade Mexico	1, 750, 586 241, 408	England Other Europe Canada	184, 46 503, 71
Other Europe Canade Mexico Cuba	131, 838 108, 349 1, 750, 586 241, 408 181, 519	Canada Mexico	184, 46 503, 71 354, 53
Other Europe Canade Mexico Cuba Argentina	1, 750, 586 241, 408 181, 519 1, 105, 866	Mexico Cuba	184, 46 503, 71 354, 58 272, 21
Other Europe Canade Mexico Cuba Argentina Chile	105, 349 1, 750, 586 241, 408 181, 519 1, 105, 866 377, 554 228, 889	Canada Mexico Cuba Argentina	184, 46 503, 71 354, 53 272, 22 245, 70 515, 20
Other Europe Canade Mexico Cuba Argentina	151, 535 168, 349 1, 750, 586 241, 408 181, 519 1, 105, 866 377, 554 228, 889 1, 259, 810 361, 763	Mexico Cuba	194, 76 184, 46 503, 71 354, 53 272, 22 245, 70 515, 32 134, 33 230, 69

MACHINES, MACHINERY, AND PARTS OF, Adding machines:	\$928, 878	Pumps and pumping machinery—Continued. Cuba Argentina	\$415, 07 429, 08
Total value		Other South America	291, 47 213, 64
Germany	180, 996 123, 104	AsiaAustralia	185, 47 123, 92
EnglandOther Europe	183, 800	Africa	123, 92
Canada	288, 617	Refrigerating and ice-making machinery: Total value	836, 67
rewers' machinery: Total value	321, 955	Europe	39, 63
Hurope	30, 012	Canada	170, 56 187, 78
CanadaArgentina	112, 627 148, 636	Other North America	187, 78 194, 15
	110, 000	Japan	116, 40
Total value	3, 585, 192	Sewing machines:	9, 947, 31
Austria-Hungary	406, 856 1, 073, 303 224, 041 351, 544 681, 721 211, 708 421, 084	=	
Russia in Europe	224, 041	- Germany Netherlands	858, 40 256, 11 776, 80 450, 39 1, 791, 34 484, 68
England Other Europe	351, 544	Russia in Europe	776, 80
North America	211, 708	EnglandScotland	1, 791, 34
South America	421, 084 143, 971	Canada Mexico	484, 68
	170, 011	Cuba	484, 68 533, 15 382, 92 724, 13 1, 011, 26 204, 80 453, 37 187, 69 192, 27 511, 14 115, 53 315, 62
Electrical machinery: Total value	8, 446, 863	ArgentinaBrazil	724, 13
		Chile	204, 80
France Germany	196, 105	Other South America	453, 37
Italy England	107, 666	Other Asia	192, 27
EnglandOther Europe	861, 605 263, 444	Australia New Zealand	511, 14
Canada	196, 105 123, 395 107, 666 861, 605 263, 444 1, 869, 761 950, 312 346, 087	Philippine Islands	315, 62
Mexico Cuba	950, 312 346, 087		
Other North America		Shoe machinery: Total value	1, 911, 85
ArgentinaBrazil	153, 271 996, 158		
Chile	120 720	France	132, 84 161, 32
British India	147, 492 941, 413 534, 301	Netherlands	260, 69
JapanAustralia	534, 301	England	405, 46 274, 38
British South Africa	133, 790	South America	239, 99
aundry machinery: Total value	1, 132, 782	Oceania	87, 40
		Locomotives, electric:	88, 96
GermanyEngland	117, 632 355, 248 231, 868 167, 735	Canada	46, 74
Other Europe	231, 868	South America	27, 30
Canada Oceania Oceania	138, 844		
Metal-working machinery, including metal-working ma-		Locomotives, steam:	3, 298, 18
chine tools: Total value	19 151 910	Canada	472, 64
10 B		Mexico	472, 64 115, 22 280, 78 1, 251, 82 138, 51 248, 10
Austria-HungaryBelgium	398, 804	Cuba Brazil	1, 251, 82
France	1, 267, 831	- Japan	138, 51
Germany	2, 953, 361 547, 752	Other Asia	N. Z. L . A. 4
Spain England	2, 581, 682	British South Africa	130, 57
Other Europe	398, 804 646, 541 1, 267, 831 2, 953, 361 547, 752 2, 581, 682 960, 328 1, 362, 326 117, 061 331, 422 133, 546	Gas engines:	
CanadaArgentina	117, 061	Total value	393, 68
Brazil Japan	331, 422 133, 546	Europe ====================================	57, 51
Australia	349, 638	Canada	130, 71 86, 17
dining machinery:		South America	59, 00
Total value	6, 869, 591		
France	312, 635 213, 739 340, 521 659, 960	Gasoline automobile engines:	778, 0
Russia in Europe England	340, 521		
Other Europe	659, 960	Europe	3, 54 769, 19
Canada Mexico	1, 224, 011		
Brazil	236, 128	Gasoline marine engines: Total value	1, 347, 19
PeruBritish India	156, 479 163, 578	[20 March 19 March	
Japan	189, 793 292, 206	EuropeCanada	472, 15 305, 84
AustraliaBritish South Africa	292, 206 640, 139	South America	171, 77
Printing process:		Australia and New Zealand	196, 25
Total value	3, 050, 372	Gasoline stationary engines: Total value	2, 462, 83
France	115, 698		121, 00
Germany England	126, 428	FranceGermany	146, 95
Other Europe	126, 428 411, 978 250, 439	England	146, 95 96, 24 372, 89
Canada Mexico	1, 265, 657	Cther Europe	754.57
Cuba	1, 265, 657 172, 063 129, 969 146, 475	Argentina	396, 55 306, 76
Argentina Australia	146, 475 188, 657		500, 10
s = 2umps and numning machinery:	2001001	Gasoline traction engines:	4, 426, 5
Total value	4, 031, 933	Austria-Hungary	113, 36
France	125.885	Germany	186, 47
Germany England	125, 885 124, 262 396, 124 432, 992 701, 144 388, 347	Germany Russia in Europe	118, 10 117, 38
Other Europe	499 999	England Canada	3, 166, 50
Canada Mexico	20,000 07,07.44	Argentina	437, 9-

Stea	m marine engines:	\$125, 517	Cut: NAILS AND SPIKES.	
	ItalyCanada	18, 000 11, 870	Total value	\$472, 217
	Brazil Japan	41, 419 45, 760	Brazil	159, 215 120, 533
	m stationary engines: Total value	770 F01	Wire: Total value	2, 865, 980
	England	51, 968	England	231, 029 286, 223 1, 308, 987 184, 194 175, 569 258, 894
	Other Europe	83, 039 247, 729	North America	1, 308, 987
	Canada Mexico Mexico	61,045	China British India	184, 194 175, 569
	Cuba South America	90, 332 100, 732 34, 578	Oceania = All other, including tacks:	258, 894
	Oceania m traction eagines:		Total value	811, 751
	Total value	906, 882	Europe Canada	63, 878 176, 371 103, 254 115, 267 112, 931
	England	28, 100 68, 026	Cuba	103, 254 115, 267
	CapadaArgentina	478, 526 244, 402 34, 368	South America	112, 931
	Oceania	34, 368	Pipes and fittings: Total value	
An v	Total value	4, 256, 371	Belgium	1, 298, 939 233, 922 250, 426 284, 285 513, 268 3, 578, 892 1, 016, 423 1, 590, 381 367, 010 243, 374 218, 079
	Europe	210, 294 1, 910, 440	Netherlands	250, 426 284 285
	Mexico	210, 294 1, 910, 440 348, 273 461, 944 114, 372 274, 340 192, 716	Other EuropeCanada	513, 268
	Santo Dominge	114, 372	Cuba Mexico	1, 016, 423
	Oceania	192, 716	Argentina	367, 010
Suga	ar-mill machinery:	- A S - C - C - C - C - C - C - C - C - C -	Brazil British India	243, 374 218, 079 554, 475
	r-mill machinery: Total value	1, 782, 504	Dutch India Japan Australia	1, 065, 911
	Europe	2, 689 1, 075, 991	Australia	1, 065, 911 408, 173 185, 672
	Other North America	386, 224 182, 332 117, 110	Radiators and cast-iron heating boilers:	306, 885
Гур	ewriting machinery:	11 423 691	Europe	14, 586 250, 552
	Austria-Hungary ====================================		Asia	32, 538
	BelgiumFrance	557, 096 315, 932 1, 369, 828 1, 310, 481 349, 554 745, 731	Safes: Total value	481, 531
	Germany	1, 310, 481 349, 554	Europe	
	Russia in EuropeSwitzerland	745, 731 166, 191	CanadaSouth America	11, 728 217, 860 38, 198 31, 622
4	EnglandOther Europe	2, 427, 770 676, 030 944, 600	Oceania	31, 622
	Canada Argentina	944, 600 387, 121	Scales and balances: Total value	1, 074, 630
	BrazilBritish India	312, 638 184, 586	England ==	
	Australia	357, 966	Other Europe	62, 082 102, 101
Win	dmilis:	1, 876, 164	Canada	159, 851 112,504
		121, 572	Other South America	184, 515 92, 585
	North America	132, 494 1, 072, 489 123, 100	Oceania	97, 522
	ArgentinaAustralia		Stoves and ranges: Total value	1, 862, 732
	British South America	270, 605	Europe (nearly one-half to Great Britain)	123, 297
Saw	mill machinery: Total value	927, 121	Canada Mexico	1, 041, 935 121, 948
	Europe	28, 653	South America British South Africa	178, 556 110, 897
	CanadaChile	328, 752 125, 711		440,001
	AsiaOceania	328, 752 125, 711 102, 867 109, 641	All other manufactures of iron and steel: Total value	24, 506, 663
AII	other woodworking machinery:		France	320, 097
	other woodworking machinery: Total value	1, 441, 457	Germany Italy	268, 333 558, 451
	Germany Great Britain	144, 555 108, 887	Italy England Other Europe	1, 063, 672 640, 942
	Other Europe	285 132	CanadaMexico	10, 100, 055
	CanadaSouth America	375, 446 181, 505	CubaArgentina	2, 633, 176 1, 840, 200 841, 537
	Oceania	139, 503	Brazil Chile	1, 919, 516
All	other machinery: Total value	25, 913, 213	Japan	458, 428 410, 750
	Austria-Hungary	289, 501	Australia Philippine Islands British South Africa	533, 201 863, 898
	France Germany	289, 501 771, 039 775, 281 350, 412 209, 522 283, 766 2, 669, 680 10, 627, 184 1, 541, 855 817, 474 1, 162, 115 340, 090 217, 272 542, 076 1, 037, 890 235, 880	Brissh South Africa	231, 896
	ItalyNetherlands	350, 412	Mowers and reapers:	
	Russia in Europe	283, 766	Total value	16, 99 4 , 386
	England Canada	10, 627, 184	Austria-Hungary	581, 443 498, 068 2, 413, 199 1, 792, 274 429, 838 279, 448 4, 323, 554 225, 959 945, 453 626, 137
N.	MexicoCuba	817, 474	Denmark France	2, 413, 199
	ArgentinaBrazil	1, 162, 115 852, 842	Germany	1, 792, 274 429, 838
	Chile	340, 090 217, 272	Netherlands	4, 323, 554
-	JapanAustralia	542, 076 1, 037, 890	Sweden England	225, 959 945, 453
	Africa	235, 880	Canada	

Iowers and reapers—Continued. Russia in Asia	\$508, 602	Automobiles, parts of: Total value	\$4, 107, 15
ArgentinaAustralia	381, 278	England	931, 90
British South Africa	290, 143	Other EuropeCanada	215, 99
French Africa	16, 994, 386	South America Oceania	215, 996 2, 392, 593 142, 93 192, 613
lanters and seeders:	1, 606, 120	Cars for steam railways:	The work of
Russia in Europe	120, 421 94, 300 291, 859 773, 774 53, 918 110, 812 57, 317	Total value	7, 393, 78
Russia in EuropeOther EuropeCanada	94, 300 991 859	EuropeCanada	9 613 37
Argentina	773, 774	Mexico	651, 76
Russia in AsiaAustralia	110, 812	CubaArgentina	1 758 98
British South Africa	57, 317	Brazil	102, 93 2, 613, 37 651, 76 801, 75 1, 758, 98 826, 45 147, 15
Plows and cultivators:		Chile	93, 51
France	150.572	Cars for other railways:	0.450.04
Germany	143, 454 632, 453 489, 862	Total value	2, 476, 64
Russia in EuropeOther Europe	489, 862	EuropeCanada	112, 776 364, 42- 125, 00
Canada Mexico	1, 760, 045	Mexico	125, 00
Cuba	179, 032 161, 358	Cuba Brazil	590, 42 416 84
ArgentinaBrazil	1, 722, 095 158, 770	Japan	590, 42 416, 84 345, 57
Chile	149, 931	Australia	101, 31
UruguayAustralia	283, 438 227, 396	Cycles and motor cycles:	1, 126, 72
British South Africa	784, 933	Denmark	121, 02
hrashers:	4 959 417	England	165, 10 139, 86
Total value	4, 253, 417	Other EuropeCanada	274, 81
Europe	348, 317	Other North America	124, 09
Canada	2, 493, 636 984, 312 251, 040	South America Oceania	75, 18 178, 83
Other South America	5, 573, 964	Wheelbarrows, pushcarts, and hand trucks: Total value	601, 22
	133, 907		
FranceGermany	171, 071	EuropeCanada	48, 51 136, 59
Russia in Europe	707, 537 124, 484	Argentina	127, 91
England Other Europe	378, 683	All other carriages:	
Canada	1, 175, 405 384, 931	Total value	5, 271, 82
MexicoArgentina	1, 173, 537 231, 038	England	371, 21
ChileOther South America	231, 038	Canada	1, 682, 40
Australia	328, 295 197, 144	Mexico	1, 682, 40 263, 22 979, 25
British South Africa	163, 287	Uruguay	185, 38
luminum, and manufactures of : Total value	1, 144, 353	Australia British South Africa	558, 01 267, 04
England		Clocks and parts of:	1 001 10
Other Europe Canada British India	114, 427 459, 944	Total value	1, 601, 40
British India	105, 675	EnglandOther, Europe	301, 94 111, 62
abbitt metal:	Tayle was	Canada	374, 70
Total value	240, 432	ArgentinaBrazil	92, 18 107, 05
Europe	65, 072	British India	110, 20
North America	100, 102 32, 331	Australia	267, 68
rass, and manufactures of: Total value	8, 880, 942	Watches, and parts of: Total value	1, 880, 67
Belgium	143, 653	Germany	177, 04
France	476, 510	EnglandCanada	556, 94 906, 75 73, 79 72, 16
Germany England	854, 170 2, 723, 231	South America	73, 79
Canada	2, 723, 231 3, 419, 036	AsiaBritish Oceania	44, 14
MexicoCuba	230, 242 203, 295		
South America	203, 295 123, 034 128, 296	Copper, and manufactures of: Total value	5, 683, 80
eroplanes:		England	270, 52
Total value	105, 805	Canada	3, 521, 00
Europe	23.500	Cuba	270, 52 3, 521, 00 282, 04 125, 47 404, 84
North America	23, 500 56, 060	Brazil Oceania	404, 84 111, 38
Oceania	12, 245		2.2,00
Total value	21, 550, 139	Ferrovanadium: Total value	310, 71
France	469, 721 226, 227	England	135, 90
Germany	193, 037	Other Europe	174, 80
Russia in Europe England	254, 047 4, 403, 361	Furniture of metal:	
Other Europe	828, 474	Total value	664, 44
Canada Mexico	7, 560, 665 418, 599	England North America	36, 20
Cuba	094 200	North America South America	491, 73
Argentina	860, 350 662, 883 235, 097 203, 740 433, 127 2, 200, 320 557, 368	Asia	36, 20 491, 73 73, 13 28, 08
Uruguay	235, 097		
British IndiaOther Asia	203, 740 433, 127	German silver: Total value	56, 31
Australia	2, 200, 320		
Philippine Islands	EET 000	Europe	22, 05

Manufactures of gold and silver: Total value	\$453, 77
Bingland Canada	100, 28 247, 97 30, 82
Oceania	68, 10
Molenhone instruments:	
Total value	974, 45
Europe Canada Cuba	582, 92 107, 40
South America Oceania	68, 66 582, 92 107, 40 70, 19 61, 17
Other electrical appliances: Total value	10, 681, 94
England	
Other Europe	3, 102, 13
Mexico	503, 85
ĀrgentinaBrāzil	2, 295, 55
Russia in AsiaAustralia	508, 72 183, 56
Philippine Islands	812, 77 476, 41 3, 102, 13 926, 35 503, 85 413, 90 2, 295, 55 508, 72 183, 56 348, 89 76, 11
All other instruments, etc.:	1, 802, 30
Bingland	437, 73
CanadaSouth America,	437, 73 589, 39 255, 28
Oceania	108, 44
Total value	626, 37
Europe , , = Canada , , , , , , , , , , , , , , , , , ,	55, 55 156, 18
China Oceania	95, 02 36, 21
Nickel: Total value	8, 749, 67
France	2, 099, 80
Germany	480, 00 500, 10
NetherlandsEngland	2, 337, 58 873, 38
Scotland	2, 238, 10
Nickel manufactures: Total value	42, 19
Europe	31, 08
Plated ware: Total value	1, 038, 13
England	50, 75 25, 46
Other Europe Canada South America	25, 46 389, 77 174, 35
Austrelia	182, 07
Plates—electrotype and stereotype: Total value	74, 68
Great Britain	41, 39
Platinum, manufactures of: Total value	108, 10
Canada	107, 54
Mercury or quicksilver:	***
Total value	6, 11
	0, 41
Total value	1, 234, 02
England	60, 33 77, 53
Mexico	77, 53 587, 88 135, 91
Cuba South America	180, 29 79, 59
Oceania	53, 11
Type: Total value	267, 62
England	10, 87
Mexico	84, 55 41, 95
South America	10, 87 84, 55 41, 95 44, 99 37, 00
Zinc ore: Total value	787, 01
Netherlands	785, 60

Zinc dross:	\$168, 381
England ====================================	128, 433
Zinc—pigs, bars, plates, and sheets:	1, 215, 075
England	700, 402 390, 067 60, 430
Zinc, all other manufactures of:	135, 042
England Canada Mexico	24, 204 42, 652 32, 407

Mr. SIMMONS. Mr. President, the metal industry is next to

agriculture, our largest single industry.

As before shown, the annual production of the commodities embraced in the metal schedule constitute about one-sixth of our total annual production of mine, forest, field, and factory; but the revenue derived from this schedule last year amounted to only about \$17,000,000.

In view of the fact that the metal industry is an international industry, in which there is keen competition in both production and selling, why has our income from tariff duties in this schedule been so small?

In the answer to this question will be found the philosophy of the protective system as interpreted by the men who controlled the Republican Party when the Payne-Aldrich bill was enacted into law. These men regarded the Government's interest in the tariff as only incidental and as subsidiary to the interest of those engaged in the industry. They considered it entirely proper to so adjust these tariff duties that they would yield to the Government a minimum and to those engaged in the industry a maximum of revenue.

From the arguments daily made here against many of the reductions in these demonstrated prohibitive duties of the Payne-Aldrich bill it is evident that that is the interpretation which many of the present leaders on the other side of this Chamber still give to the protective system. These arguments make it clear that that wing of the Republican Party still want these duties maintained at so high a level that there will be no revenue to the Government, but big revenue to those engaged in

I am glad to see from the various roll calls we have had on this schedule that this view of protection is not maintained by a considerable number of Senators on the other side, and that the reductions made in this schedule meet the approval of many Republican Senators. With the view of showing the weakness of the standpat cause in the Senate and the repudiation by many Republican Senators of their attitude toward the reductions this bill makes in the excessive duties of the Payne-Aldrich bill. I wish to publish as a part of my remarks the result of the roll calls upon this schedule.

These roll calls have not been numerous, but they show that there are on the other side of this Chamber as well as on this side of the Chamber those who approve the duties imposed in this bill upon some of the very items that have been singled out for assault and who have by their votes signified their disagreement with their standpat colleagues on the other side of the Chamber and their approval of the reductions that we have made in the bill.

Mr. President, on the first roll call that he had, upon a committee amendment, the yeas were 51 and the nays 22; on the second roll call we had, the proposition being to change a committee amendment in the paragraph as amended by the committee, the yeas were 21, the nays 47; in the next roll call, on a motion to strike out a paragraph, the yeas were 17 and the nays 45; on the next, it being an amendment to the bill, proposed by an opposition Senator, the yeas were 31, the nays 40; on the next, also an opposition amendment to the bill, the year were 18 and the mays 50; on the next, being an amendment from the opposition, the yeas were 25, the nays 45; on the next, still an opposition amendment, the yeas were 27, the nays were 42; on the next, being on a committee amendment, the yeas were 39, the nays were 28; on the next, on an amendment offered by the Senator from Ohio [Mr. BURTON], the yeas were 11 and the nays were 38; on the last vote taken on yesterday, on the proposition to put cast-iron pipe upon the free list, brought in by the Committee on Finance, the yeas were 41 and the nays were only 17.

I will insert the votes as given in the RECORD without reading

On August 5—page 3107 of the Record—Mr. Brandegre offered an amendment to paragraph 121, to insert the words "and chassis," after the word "automobiles," in lines 1, 3, and 4;

and in lines 5 and 6 to strike out the words "automobile chassis and." This proposition was to increase the duty on automobile chassis from 30 to 45 per cent. On page 3112-of the RECORD the vote was taken, with the following result-yeas 21, nays 47, not voting 28:

not voting 28	VE	AS-21.	
Brandegee Burton Catron Clapp Clark, Wyo. Colt	Gallinger Kenyon La Follette McLean Nelson Norris	Oliver Page Penrose Perkins Smith, Mich. Smoot	Sutherland Townsend Weeks
	NA	YS-47.	
Ashurst Bacon Bankhead Bristow Bryan Chamberlain Chilton Crawford Cummins Gronna Hollis Hughes *	James Johnson, Me. Jones Kern Lane Lewis Martin, Va. Martine, N. J. Myers O'Gorman	Owen Pomerene Ransdell Reed Robinson Saulsbury Shafroth Sheppard Sherman Shively Simmons Smith, Ariz.	Smith, Ga. Smith, S. C. Sterling Stone Thomas Thompson Thornton Tillman Vardaman Walsh Williams
	NOT V	OTING-28.	

	MOT	VULING-20.	
Borah Bradley Brady Burleigh Clarke, Ark, Culberson Dillingham	du Pont Fall Fletcher Goff Gore Hitchcock Jackson	Johnston, Ala. Lippitt Lodge McCumber Newlands Pittman Poindexter	Root Shields Smith, Md. Stephenson Swanson Warren Works
		The same of the same of the same of the same of	

So Mr. Brandegee's amendment to the amendment of the committee was rejected.

August 5-page 3097 of the Record-Mr. Oliver moved to amend by increasing the duty proposed by the Finance Committee to paragraph 105—Muck bars, and so forth—from 5 to 10 cents, and on page 3101 he withdrew his amendment; and the amendment proposed by the committee putting iron bars, and so forth, on the free list was adopted by a vote of 51 yeas to 22 nays, 23 not voting.

51 nave 99 as follows

	YE	AS-51.	
Ashurst Bacon Bankhead Borah Bryan Chamberlain Chilton Clarke, Ark. Crawford Fletcher Gronna Hitchcock Hollis	Hughes James Johnson, Me. Jones Kenyon Kern La Follette Lane Lea Lewis Martine, N. J. Myers Norris	O'Gorman Overman Owen Pittman Pomerene Ransdell Reed Saulsbury Shafroth Sheppard Sherman Shields Shively	Simmons Smith, Ariz. Smith, Ga. Smith, S. C. Stone Thomas Thompson Thornton Tillman Vardaman Walsh Williams
	NA	YS-22.	
Brandegee Bristow Burton Catron Clark, Wyo. Cummins	Dillingham Gallinger Jackson Lippitt McLean Nelson	Oliver Page Penrose Perkins Smith, Mich. Smoot	Sutherland Townsend Warren Weeks
	NOT V	OTING-23.	
Bradley Brady Burleigh Clapp Colt	du Pont Fall Goff Gore Johnston, Ala.	McCumber Martin, Va. Newlands Poindexter Robinson	Smith, Md. Stephenson Sterling Swanson Works

Root So the amendment of the committee was agreed to.

On August 5 Mr. Gallinger offered a substitute-page 3114 of the Record—for paragraph 132 of the bill, increasing the rate of duty from 25 per cent and 30 per cent to 40 per cent on table, butchers' knives, and so forth.

The result of the vote was announced—yeas 17, nays 45, not voting 34:

	YE	AS-17.	
Brandegee Burton Catron Clarke, Wyo. Colt	Gallinger Jones McLean Nelson Oliver	Page Penrose- Sherman Smith, Mich. Smoot	Townsend Weeks
	NA	YS-45.	
Ashurst Bacon Bankbead Bristow Bryan Chamberlain Chilton Cummins Gronna Hollis Hughes James	Johnson, Me. Kenyon Kern La Follette Lane Lea Lewis Martin, Va. Myers Norris O'Gorman Owen	Pomerene Ransdell Reed Robinson Saulsbury Shafroth Sheppard Shively Simmons Smith, Ariz. Smith, S. C.	Sterling Stone Thomas Thompson Thornton Tillman Vardaman Walsh Williams

	NOT VO	OTING-34.		
Borah Bradley Brady Burleigh Clapp Clarke, Ark. Crawford Culberson Dillingham	du Pont Fall Fletcher Goff Gore Hitchcock Jackson Johnston, Ala. Lippitt	Lodge McCumber Martine, N. J. Newlands Overman Perkins Pittman Poindexter Root	Shields Smith, Md. Stephenson Sutherland Swanson Warren Works	

On August 6 Mr. Smoot offered an amendment to paragraph . 135—page 3154 of the Record—after the word "shotguns," strike out "and rifles"; and in line 25 of the bill, after the words "ad valorem" and before the period, insert a semicolon and the words "breech-loading rifles, 25 per cent ad valorem," reducing the duty under the bill on breech-loading rifles from 35 per cent to 25 per cent.

The Tesuit W	as announced—year	AS-31.	is lollows:
Borah Brady Brandegee Bristow Burton Catron Clark, Wyo.	Crawford Cummins Dillingham Gallinger Gronna Jones Kenyon La Follette	Lippitt McLean Norris Oliver Page Penrose Perkins Sherman	Smith, Mich. Smoot Sterling Sutherland Townsend Weeks Works
	NA	YS-40.	
Ashurst Bryan Chamberlain Chilton Clarke, Ark. Hitchcock Hollis Hughes James Johnson, Me.	Kern Lane Lea Lewis Martin, Va. Martine, N. J. Myers O'Gorman Owen Pittman	Pomerene Ransdell Reed Robinson Saulsbury Sheppard Shields Shively Simmons Smith, Ariz.	Smith, Ga. Smith, S. C. Stone Thomas Thompson Thornton Tillman Vardaman Walsh Williams
	NOT V	OTING-25.	
Bacon Bankhead Bradley Burleigh Clapp Culberson du Pont	Fall Fletcher Goff Gore Jackson Johnston, Ala. Lodge T's amendment ws	Shafroth	Smith, Md. Stephenson Swanson Warren

On August 6 Mr. McLean offered an amendment-page 3156 of the RECORD—to paragraph 137 of the tariff bill, in line 8, between the words, "needles" and "and" to insert the following: "the hook part of which is made of metal, 40 per cent ad valorem. Crochet needles, the hook part of which is made of other material than metal," increasing the committee's proposed duty from 20 per cent to 40 per cent.

The result was announced-year 18, nays 50, as follows:

	YE	AS-18.	
Brandegee Catron Colt Dillingham Gallinger	Lippitt McLean Nelson Oliver Page	Penrose Perkins Sherman Smith, Mich. Smoot	Sterling Warren Weeks
	NA	YS-50.	
Ashurst Bacon Brady Bristow Bryan Chamberlain Chilton Clapp Fletcher Gronna Hollis Hughes James	Johnson, Me. Jones Kenyon Kern La Follette Lane Lea Lewis Martin, Va. Martine, N. J. Myers Norris O'Gorman	Overman Owen Pomerene Ransdell Reed Robinson Saulsbury Shafroth Sheppard Shields Shively Simmons Smith, Arlz.	Smith, Ga. Smith, S. C. Stone Thomas Thompson Thornton Tillman Vardaman Walsh Williams Works
	NOT V	OTING-28.	
Bankhead Borah Bradley Burleigh Burton Clark, Wyo. Clarke, Ark.	Crawford Culberson Cummins du Pont Fall Goff Gore	Hitchcock Jackson Johnston, Ala. Lodge McCumber Newlands Pittman	Poindexter Root Smith, Md. Stephenson Sutherland Swanson Townsend

On August 6 Mr. Gallinger moved to strike out paragraph 137 as printed in the bill and insert in lieu thereof a new paragraph, as follows:

graph, as follows:

137. Needles for knitting or sewing machines, 75 cents per thousand and 20 per cent ad valorem; latch needles, 90 cents per thousand and 25 per cent ad valorem; crochet needles and tape needles, knitting and all other needles, not specially provided for in this section, and bodkins of metal, 20 per cent ad valorem, but no articles other than the needles which are specifically named in this section shall be dutiable as needles unless having an eye and fitted and used for carrying a thread. Needlecases or needlebooks furnished with assortments of needles or combinations of needles and other articles shall pay duty as entireties according to the component material of chief value therein.

Mr. Gallinger said that his impression was that it would place the ad valorem a little below 40 per cent. The committee's proposed amendment was 20 per cent.

The result was announced-yeas 25, nays 45, as follows:

	Y			
Brandegee Burton Catron Clapp Clark, Wyo. Colt Dillingham	Gallinger Gronna Jones La Follette Lippitt McLean Nelson	Oliver Page Penrose Perkins Sherman Smith, Mich. Smoot	Sterling Warren Weeks Works	
	N	AYS-45.		
4 - C	Towns	Owner	Coults C C	

	DA.	15-15.	
Ashurst Racon Brady Bristow Bryan Chamberlain Chilton Crawford Fletcher Hitchcock Hollis Hughes	James Johnson, Me. Kenyon Kern Lane Lea Lewis Martine, Va. Mattine, N. J. Myers Norris Overman	Owen Pomerene Ransdell Reed Robinson Saulsbury Shafroth Sheppard Shields Shively Simmons Smith, Ariz.	Smith, S. C. Stone Thomas Thompson Thornton Tillman Vardaman Walsh Williams

NOT VOTING-26. du Pont Fall Goff Gore Smith, Md. Stephenson Sutherland Bankhead Borah Bradley Burleigh McCumber Newlands O'Gorman Pittman Swanson Clarke, Ark. Culberson Cummins Townsend Jackson Poindexter Johnston, Ala. Lodge Smith, Ga.

So Mr. Gallinger's amendment to the amendment of the committee was rejected.

On August 6 Mr. Gallinger said (p. 3162 of the Record) :

Mr. President, the size of the affirmative vote encourages me, and I ow move to amend the amendment of the committee, in line 12, before ne words "per cent," by striking out "20" and inserting "35." The result was announced—yeas 27, nays 42, as follows:

Brady Brandegee Burton Catron Clark, Wyo. Colt Crawford	Dillingham Gallinger Gronna Jones Kenyon La Follette Lippitt	McLean Nelson Oliver Page Penrose Perkins Sherman	Smith, Mich, Smoot Sterling Warren Weeks Works
	NA	YS-42.	
Ashurst Bacon Bristow Bryan Chamberlain Chilton Fletcher Hitcheock Hollis Hughes James	Johnson, Me. Kern Lane Lea Lewis Martine, N. J. Myers Norris Overman Owen	Pomerene Ransdell Reed Robinson Saulsbury Shafroth Sheppard Shields Shively Simmons Smith, Ariz.	Smith, S. C. Stone Thomas Thompson Thornton Tillman Vardaman Walsh Williams
	NOT V	OTING-27.	
Bankhead Borah Bradley Burleigh Clapp Clarke, Ark. Culberson	Cummins du Pont Fali Goff Gore Jackson' Johnston, Ala.	Lodge McCumber Newlands O'Gorman Pittman Poindexter Root	Smith, Ga. Smith, Md. Stephenson Sutherland Swanson Townsend

Johnston, Ala. So Mr. Gallinger's amendment to the amendment of the committee was rejected.

On August 6-page 3163 of the Record—the committee amendment fixing a duty of 20 per cent, paragraph 137, was adopted. The result was announced-yeas 39, nays 28, as follows:

YEAS-39. Ashurst Johnson, Me. Pomerene Smith, Ariz.

Lane Lea Lewis Martin, Va. Martine, N. J. Myers Overman Owen	Reed Robinson Saulsbury Shafroth Sheppard Shields Shively Simmons	Smith, Ga. Smith, S. C. Stone Thomas Thompson Thornton Walsh Williams
NA	YS-28.	
Dillingham Gallinger Gronna Jones Kenyon La Follette Lippitt	McLean Nelson Norris Oliver Page Penrose Perkins	Sherman Smith, Mich. Smoot Sterling Warren Weeks Works
NOT V	OTING-29.	
Cummins du Pont Fall Goff Gore Jackson Johnston, Ala. Lodge	McCumber Newlands O'Gorman Pittman Poindexter Root Smith, Md. Stephenson	Sutherland Swanson Tillman Townsend Vardaman
	Lea Lewis Martine, Va. Martine, N. J. Myers Overman Owen NA Dillingham Gallinger Gronna Jones Kenyon La Foliette Lippitt NOT Vo Cummins du Pont Fall Goff Gore Jackson Johnston, Ala.	Lane Reed Lea Robinson Lewis Saulsbury Martin, Va. Shafroth Martine, N. J. Sheppard Myers Shields Overman Shively Owen Simmons NAYS—28. Dillingham McLean Gallinger Nelson Gronna Norris Jones Oliver Kenyon La Folictte Penrose Lippitt Perkins NOT VOTING—29. Cummins McCumber du Pont Newlands Fall O'Gorman Goff Pittman Goff Pondexter Jackson Johnston, Ala. Smith, Md.

So the amendment reported by the committee was agreed to.

On August 9-page 3230 of the Record-Mr. Burton offered his amendment, originally offered on May 26, to impose the same duty on scissors and shears as upon penknives and razors, so as to make paragraph 130 read as follows:

so as to make paragraph 130 read as follows:

130. Penknives, pocketknives, clasp knives, pruning knives, budding knives erasers, manicure knives, and all knives by whatever name known, including such as are denominatively mentioned in this section, which have folding or other than fixed blades or attachments, and razors, scissors and shears, and blades for the same; all the foregoing, whether assembled but not fully finished or finished; valued at not more than \$1 per dozen, 35 per cent ad valorem; valued at more than \$1 per dozen, 55 per cent ad valorem; Provided, That blades, handles, or other parts of any of the foregoing knives, razors, shears, scissors, or erasers shall be dutiable at not less than the rate herein imposed upon the knives, razors, shears, scissors, and erasers, of which they are parts: Provided further—

And so forth.

In the bill, scissors and shears carried a 30 per cent duty, and this amendment increased that duty.

The result was announced-yeas 11, nays 38, as follows:

	, YE	AS-11.	
Brandegee Burton Dillingham	Gallinger McLean Nelson	Oliver Page Sherman	Smoot Sutherland
1000		YS—38,	
Ashurst Bacon Bristow Chamberlain Chilton Clispp Gronna Hollis James Jones	Kenyon Kern La Follette Lane Lewis Martin, Va. Martine, N. J. Myers O'Gorman Owen	Pittman Poindexter Pomerene Reed Robinson Shafroth Sheppard Shively Simmons Smith, Ariz.	Smith, Ga. Smith, S. C. Sterling Swanson Thomas Thompson Tillman Walsh
	NOT V	OTING-46.	
Bankhead Borah Bradley Brady Bryan Burleigh Catron Clark, Wyo. Clarke, Ark. Colt Crawford Culberson	Cummins du Pont Fall Feltcher Goff Gore Hitchcock Hughes Jackson Johnson Lea Lippitt con's amendment	Lodge McCumber Newlands Norris Overman Penrose Perkins Ransdell Root Saulsbury Shields Smith, Md.	Smith, Mich. Stephenson Stone Thornton Townsend Vardaman Warren Weeks Williams Works

On August 11 the committee's amendment to paragraph 127 to put cast-iron pipe of every description on the free list was

agreed to-ye	eas 41, nays 17, r	not voting 37:	
Ashurst Bacon Baroah Bristow Chamberlain Chilton Clarke, Ark, Crawford Hollis Hughes	Kenyon Kern La Follette Lane Lea Lewis Martin, Va. Martine, N. J. Myers O'Gorman Overman	Owen Pittman Poindexter Pomerene Reed Robinson Shafroth Sheppard Shively Simmons Smith, Ariz.	Smith, Ga. Smith, S. C. Stone Swanson Thomas Thompson Tillman Walsh
	NA	YS-17.	
Brandegee Burton Cummins Dillingham Gailinger	Gronna Jackson Jones McLean Nelson	Oliver Page Perkins Sherman Smoot	Sterling Sutherland
	NOT V	OTING-37.	
Bankhead Bradley Brady Bryan Burleigh Catron Clark, Wyo. Colt	Fall Fletcher Goff Gore Hitchcock James Johnson Lippitt	Newlands Norris Penrose Ransdell Root Saulsbury Shields Smith, Md.	Thornton Townsend Vardamar Warren Weeks Williams Works

Smith, Md. Smith, Mich. Stephenson Lodge McCumber du Pont So the amendment of the committee was agreed to.

Mr. GALLINGER. Mr. President—
The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from New Hampshire?

Mr. SIMMONS. Yes.

Culberson

Mr. GALLINGER. I have not been privileged to hear all of the speech which the Senator from North Carolina is deliver-

Mr. SIMMONS. I am not delivering exactly a speech; I am simply making a statement.

Mr. GALLINGER. But as I came into the Senate Chamber I wondered why, in view of the fact that the Senator is anxious to have the consideration of the bill go on—

Mr. SIMMONS. Oh, Mr. President, I do not care to go into nat. The Senator knows I have taken very little time in discussion. I am simply making a few remarks on the schedule as a whole.

Mr. GALLINGER. What I rose to ask the Senator was whether he is complaining because the majority for the bill is

so large?

Mr. SIMMONS. The Senator from New Hampshire did not hear what I said before he came into the Chamber. I was stating what I regarded as the significance of these votes as indicating that many of the Senator's colleagues on the other side of the Chamber are against many of the amendments which are being proposed from that side, and in many of these votes have sustained the provisions in the bill.

Mr. GALLINGER. Then why does the Senator complain? Mr. SIMMONS. I am not complaining of that; I am rejoicing that that is so.

Mr. GALLINGER. We have noticed it on this side of the

Chamber.

Mr. SIMMONS. I supposed the Senator had.

Mr. GALLINGER. But I notice that the Senator used the "standpat" quite a number of times. I do not think the standpat" element has given the Senator much concern.

Mr. SIMMONS. If that designation or that description of one element of the party on the other side of the Chamber does not suit the Senator and he will give me a more acceptable and an equally comprehensive term, I shall be glad to substitute it.

Mr. GALLINGER. When we come to vote upon the passage of the bill the Senator will then see how the lining up is.

Mr. SIMMONS. I hope that the lining up on the other side may continue as the lining up has been upon the amendments which have been proposed.

Mr. SMOOT. Mr. President, I simply wish to say to the Senator from North Carolina that some of the amendments which have been defeated have been amendments to decrease the

rates rather than to increase them.

Mr. SIMMONS. I now recall but one such amendment to this schedule, and that was to reduce the rate on shotguns, though there may have been one or two; but that has not been the character of the amendments. Though I do not now recall exactly the character of each of the amendments, they have The Senator from Utah, been to increase not to reduce rates. however, knows that has not been their character.

I do not want to enter, Mr. President, into any general discussion of the profits of the steel industry. It is a matter of common knowledge that those profits have been large, both the profits of the Steel Corporation, which is probably the biggest single combination or trust in the country, and also the profits of the independent producers. I think I could easily show that the articles placed on the free list in this schedule can be produced as cheaply here as anywhere in the world; and, in my opinion, I could also show, and easily show, that the duties retained upon the articles in this schedule, even from the Republican standpoint, represent more than the difference between the cost of production here and abroad, and certainly they more than cover the difference in the selling price of these products here and abroad.

Instead of entering upon a discussion of these questions, I shall content myself-and that was my chief object in risingwith putting into the RECORD certain data, tables, and statements with reference to the steel industry. First, I present a statement showing the profits, and so forth, of the United States Steel Corporation. It is a marvelous story, Mr. President, of big dividends upon stock, one-half of which is nothing but water. I ask, without reading, to put into the RECORD as a part of my remarks this statement with reference to the operation of the Steel Corporation.

The PRESIDING OFFICER. If there be no objection, permission to do so is granted.

The statement referred to is as follows:

ORGANIZATION OF THE STEEL CORPORATION.

"When the United States Steel Corporation was organized, in 1901, it took over 10 iron and steel producing concerns, each of which was itself a combination. Three of the 10 were making chiefly crude and semifinished steel or the heavier finished products, and 7 of them were making the more highly finished products. It also took over a mining concern that was a consolidation of several iron mines and a steamship company operating a large fleet of ore vessels on the Great Lakes. The 10 consolidations taken over by the Steel Corporation owned and controlled more than 225 concerns, nearly all of which were manufacturing steel or steel products. Some of them, however, were coal or coke companies, and there were one or two railroad companies. The various consolidations purchased by the Steel Corporation were undoubtedly vastly overcapitalized, but the new corporation swelled the already-inflated securities more than \$440,000,000. In taking over the various corpora-

tions the United States Steel Corporation acquired securities and cash valued at more than \$881,000,000, for which it issued securities with a face value of over \$1,321,000,000. But, as I have just stated, it added 'water,' which it valued at more

than \$440,000,000.

"There might have been some excuse for this addition to capital if the properties had been bought cheap, but they were not. It has been estimated by the Commissioner of Corporations that the total tangible assets above underlying indebtedness of the various concerns taken over by the Steel Corporation were worth \$570,000,000. Adding to this purchase money obligations and cash provided for the organization of the Steel Corporation, the total assets on April 1, 1901, were \$676,000,000. The tangible property of the constituent concerns at the time were organized was approximately \$452,000,000. Adding to this the underlying indebtedness of \$60,000,000 gives a total of \$512,000,000 as the value of the properties of the constituent concerns at the time of their organization. In other words, the property of the constituent concerns between the time of their organization and the organization of the steel companies increased from \$512,000,000 to \$676,000,000. In every case except one the amount of stock issued by the Steel Corporation was in excess of the market value of the stock acquired. Usually it was very largely in excess. As before stated, the stocks acquired by the Steel Corporation had a face value of more than \$881,000,000. Taking these stocks at their market values in 1900, they were worth \$687,000,000.

"This enormous inflation of capital was based on the theory that the consolidation of these big steel concerns would eliminate competition and that the consequent increased profits in the steel business would be sufficient to pay dividends on all this watered stock. The tangible property, including manufacturing plants, transportation companies, coal, coke, and natural gas and limestone properties, and necessary working capital, amounted to \$582,000,000. The ore properties at the time of acquisition were worth about \$79,000,000. The Commissioner of Corporations, after making due allowances for all possible errors in estimate, fixed the value of property acquired by the Steel Corporation, as before stated, at \$676,000,000. The corporation itself one year later fixed the value of its properties at \$1,457,000,000. This value was fixed by the corporation in its defense in what is known as the 'Hodge suit.' This was a suit brought to prevent the company issuing bonds amounting to \$200,000,000 for the purpose of retiring a like amount of preferred stock. The company thus valued its property high enough to make its assets equal to its capitalization. As a matter of fact, however, the securities of the corporation in July, 1902,

represented over \$700,000,000 of fictitions value.

"The estimates of the value of the investments of the United States Steel Corporation were arrived at in three different ways by the Commissioner of Corporations. First, he entered into a historical analysis of the tangible property; second, he computed the value of all property upon the basis of the market prices of the securities of the constituent concerns; and, third, he estimated the value of the tangible property by departments of the business as indicated by the character of products made. "A brief summary comparison of assets acquired and capital

issued is shown below:

EARNINGS.

"I have already intimated that the capitalization of the Steel Corporation was, in a measure at least, based upon the earning power of the monopoly. It is therefore important to discuss briefly the earnings of the corporation as compared with the real investment as above outlined. It should be stated in this connection that the statement of the Steel Corporation issued from time to time to the public did not show the real earnings of the corporation. Of course the primary purpose of this statement is to furnish the investing public and stockholders with information as to the amount of earnings that is available for interest and dividends or surplus. An analysis of the earnings of the corporation reveals a considerable excess over that shown by the annual reports of the company. It is interesting at the outset to note the fact that gross sales and gross earnings have risen very rapidly. The total income, however, has not increased in the same proportion. While sales and earnings from 1902 to 1910 increased 25 per cent, the total income increased only

Si per cent.
"The total net earnings, as shown by the annual reports of the corporation, increased from \$108,534,374 in 1902 to \$116,738,158. A revision of these figures, as made by the Commissioner of Corporations, adds several million dollars to these earnings, so that the total as adjusted for the two years above named were \$121,502,344 for 1902 and \$127,216,084

for 1910.

"The actual earnings of the Steel Corporation on these investments and a comparison of investments with earnings as adjusted by the Commissioner of Corporations are shown in the statements below:

Table 47.—Actual earnings of Steel Corporation on its total investment as computed by bureau, 1901-1910.

Year.	Net earnings, as shown by annual reports.	Adjustments by corporation in sundry accounts.
1901 1 1902 1 1903 1 1904 1 1905 1 1907 1 1908 1 1909 1 1910 1	\$75,006,230.89 109,534,374.25 83,675,786.51 257,791,196.80 96,432,595.93 125,966,938.13 133,244,929.28 74,882,529.11 107,773,099.96 116,738,157.80	-\$1, 207, 886, 84 - 5, 427, 540, 33 + 2 13, 108, 34 - 99, 501, 19 - 681, 515, 52 + 394, 034, 59 + 548, 445, 08 - 818, 182, 64
Total	980, 045, 838. 65	- 7, 369, 292. 2

	Amounts restored to earnings by bureau.				
Year.	Interest on bonds, mort- gages, and purchase- money obli- gations of subsidiary companies.	Locked-up intercompany profits in inventories.	Excessive depreciation allowances.	Total adjusted earnings.	
1901 ¹	* \$4,500,000.00 6,113,584.34 6,553,861.06 6,573,146.54 6,710,214.73 6,561,478.70 6,492,195.42 7,401,205.18 7,887,178.18 7,263,453.66	(4) (4) (4) (5) (6) (6) (7) (8) (7) (7) (7) (7) (7) (7) (8) (8) (8) (8) (8) (8) (8) (8) (8) (8	-\$1,765,000.00 8,062,272.00 9,354,851.00 - 631,165.00 8,216,388.00 6,616,572.00 1,688,543.00 1,981,460.00 1,281,348.00	\$77, 741, 230. 89 121, 502, 343. 75 94, 156, 958. 24 62, 491, 950. 20 112, 830, 834. 71 143, 393, 707. 38 155, 416, 873. 69 84, 793, 295. 73 120, 807, 78. 76 127, 216, 683. 90	
Total	66, 056, 317. 81	23, 332, 636. 07	38, 285, 357.00	1, 100, 350, 857. 25	

Table 48.—Comparison of investment of Steel Corporation, with total carnings thereon, as adjusted by bureau, yearly, 1901-1910.

Year ended Dec. 31—	Total invest- ment in tan- gible property	Earnings as adjusted by bureau.	
	as computed by bureau.	Amount.	Per cent.
1901 1 1902 1 1903 1 1904 1 1905 1 1906 1 1907 1 1908 1 1909 1	\$698, 869, 756 763, 574, 919 806, 615, 979 818, 228, 143 874, 840, 920 947, 397, 884 1, 078, 763, 602 1, 090, 425, 487 1, 146, 875, 993 1, 186, 982, 038	1 \$77, 741, 231 121, 502, 344 94, 156, 958 62, 491, 950 112, 830, 835 143, 393, 707 155, 416, 873 84, 793, 296 120, 807, 579 127, 216, 084	2 14.8 15.9 11.7 7.6 12.9 15.1 14.4 7.8 10.5
TotalAverage	941, 258, 472	1, 100, 350, 857 * 112, 856, 498	12.0

⁹ months, April to December; investment includes additions during this period.

1901-1910, which the stockholders	TABLE 49.—Amount of earnings of Steel Corporation, directly or indirectly have increased the equity of in the property.	
\$1, 100, 350, 857	Total earnings, as revised by the bureau	9.
	Interest on bonds, etc., of subsidiary companies	00000
	(less interest on bonds in sinking funds)————————————————————————————————————	
	conversion plan 6, 800, 000	
283, 920, 003	Total	
816, 430, 854	Balance accruing to benefit of stockholders Amount actually paid out in dividends: Preferred stock (including \$24,902 paid out on stocks of subsidiary companies in 1901)	
393, 951, 787	Common stock	
422, 479, 067	Amount reinvested in fixed property and other assets, or applied to sinking funds on United States Steel bonds, and accruing to benefit of stockholders	SALES AND

"The above statement shows that \$422,279,067 was reinvested in the property and applied to sinking funds. were various reserve funds that included more than \$8,000,000 representing insurance funds. Adding the insurance funds to the amount reinvested would give an equity of more than \$430,000,000 which can be considered as benefiting stockholders. In other words, the capital stock of the corporation which in the beginning contained over \$720,000,000 that was mere 'water,' received during the period from April 1, 1901, to December 31, 1910, nearly \$400,000,000 in cash dividends, and in addition thereto \$422,479,000 of earnings went to increase the equity accrued to stockholders."

Mr. SIMMONS. Not only has the Steel Corporation been wonderfully prosperous, and paid big dividends, but the independent companies have been likewise prosperous-so pros-perous that year by year they have been increasing the per-centage of their total production in this country as compared with that of the Steel Corporation, their competitor. It is true that the independent producer's cost of production is a little higher but in the matter of selling prices there is no competition between the independents and the trusts. For the purpose of fixing prices every steel manufacturer in this country is a part of the trust and benefits equally in the extortion of artificial prices that that company has imposed upon the domestic products of this country. In the prices of these products there is a monopoly in which the independent producers participate with the Steel Corporation. That the independent producers are prosperous will be shown by a statement which I ask to incorporate in my remarks, showing the profits made by various mills during the last two or three years.

The statement is as follows:

THE IRON AND STEEL INDUSTRY.

"The iron and steel industry is another conspicuous beneficiary of the protective system, and there can be little doubt that at the present time the many branches of the industry are in so prosperous a state and able to produce their goods at a cost that enables them to enter the world's markets successfully.

"While it is true that many of the corporate concerns engaged in these branches of industry are probably capitalized in excess of their actual value, it will nevertheless be generally admitted that they have been earning at least reasonable returns upon the invested capital.

"Taking a few typical establishments by way of illustration. I find that

"The Belfont Iron Works, at Ironton, Ohio, making wire nails and cut nails, and capitalized at \$625,000, has paid the following dividends: 1901, 15 per cent; 1902; 35 per cent; 1903, 30 per cent; 1904, 15 per cent; 1905, 10 per cent; 1906, 20 per cent; 1907, 40 per cent; 1908, 10 per cent; 1909, 15 per cent; later dividends not made public.

The Berger Manufacturing Co., of Canton, Ohio, makes sheet steel and sheet-steel specialties. It is capitalized at \$2,500,000 of 7 per cent preferred stock and \$2,500,000 common stock, and pays 12 per cent annually on the common stock.

"The Continental Bolt & Iron Works, of Chicago, Ill., has paid an average of over 20 per cent dividend per annum during

the last 12 years.
"The Devlin Manufacturing Co., of Philadelphia, making malleable iron and hardware, capitalized at \$1,000,000, paid average dividends of 7 per cent from 1907 to 1912 and a stock dividend of 331 per cent in 1910.

"The Eagle Lock Co., of Terryville, Conn., increased its capital stock in 1912 from \$400,000 to \$1,000,000 by a stock divi-

After deducting employees' bonus fund, which in this year was taken out after stating net earnings, but which in other years is deducted before determining the net

Approximated; this amount never computed by the corporation.
 In these years the intercompany profits and inventories were not deducted by the corporation and hence need not be restored.

[&]quot;The result of these revisions, it will be seen, is an addition of \$120,305,019 to the net earnings as given in the published reports, making a total of \$1,100,350,857.

Indicated rate per annum based on actual earnings for 9 months.
Average yearly profits for 93 years.

[&]quot;The above comparison of earnings clearly brings out the earning power of the corporation as indicated by the per cent of profits. An analysis of these statements reveals the earnings that went to the stockholders for the period from 1901 to 1910 to have been \$\$16,430,854. Of this amount \$393,951,787 was actually paid out in dividends. The distribution of earnings is shown in the following statement,

dend of 150 per cent, having previously paid 10 per cent per

"The Nicholson File Co., of Providence, R. I., has issued five millions of capital stock, paying 16 per cent per annum since 1908 and an extra cash dividend of 50 per cent out of sur-

"The Scranton Bolt & Nut Co. paid a stock dividend of 100

per cent in 1907.

"The Sharon Steel Hoop Co., of Pennsylvania, capitalized at \$2,500,000, pays 7 per cent, and issued a stock dividend of 33½ per cent in 1912. This company makes steel billets and

"These figures would seem to indicate that the iron and steel industry in the United States is still safely removed from the danger of having to operate at a loss, not to say from the danger of extinction. Let me not be misunderstood as challenging the right of those industries to earn liberal profits upon the invested capital, whenever and wherever these profits are due to productive ingenuity, business skill, and efficient management. The purpose of the proposed modifications in the tariff is to stimulate and emphasize these very qualities, which in many lines of production have already been manifested by American producers to such an extent that their goods command not only the envious admiration of our foreign competitors, but a considerable and increasing share of the foreign markets."

Mr. President, in the interest of time, I do not wish to pursue

this subject any further.

I have here also a statement of the wages paid in the steel industry. An examination of these statements will show that whatever may be the wages in other parts of the world in this industry, the wages here compared with what ought to be paid to American labor are pitiably inadequate. It will show, furthermore, the character of labor employed in these factories; but I do not wish to detain the Senate with reading it. My only purpose, as I said, was to present this data to the Senate, and I have taken only such time as was necessary to explain the character of the data. I ask unanimous consent that this statement may be printed in the Record as a part of my remarks.

The PRESIDING OFFICER. If there be no objection, it

will be so ordered.

The statement referred to is as follows:

WAGES PAID IN IRON AND STEEL INDUSTRY.

"In most branches of the iron and steel industry the American producer has little or nothing to fear from a material reduction of import duties. When, however, it is contended that the high wages and high standard of living of the American worker necessitate a continuance of the present high duties upon manufactures of iron and steel, it is legitimate to make some inquiry into the wages and conditions of employment of those who furnish the labor employed in these industries.

"With regard to these matters, we are fortunate in having a the Commissioner of Labor. This report relates to conditions existing at the end of the year 1911. The data presented in this report cover approximately 82 per cent of the employees engaged in the industry—that is to say, nearly 200,000 employees in the blast furnaces, steel works, rolling mills, and steel foundries of the United States.

ries of the United States.

"The most striking fact brought out by the report is the unusually long schedule of working hours to which the larger number of the employees in this industry are subject. Twentynine per cent of the employees of blast furnaces, steel works, and rolling mills worked customarily 7 days per week, and 20 per cent of them worked 84 hours or more per week, which, in effect, means a 12-hour working day every day in the week, including Sunday. The 7-day work was not confined to the blast-furnace department, where there appears to be a metallurgical necessity for continuous operation, but it was also found in other departments.

"The conditions of labor characteristic of the iron and steel industry are more significant when we consider that the general tendency in other industries has been toward a shorter working day. In the iron and steel industry, however, only 14 per cent of the employees work less than 60 hours per week, and almost

43 per cent work 72 hours or more per week.

"Of course, a large proportion of the employees in this industry are unskilled workmen who are very largely recruited from the ranks of recent immigrants. Nearly 60 per cent of the employees are foreign born, and of these nearly two-thirds are of Slavic races. The increasing use of mechanical appliances is constantly diminishing the proportion of skilled laborers required by the industry.

"As for annual earnings of iron and steel workers, the recent report of the Immigration Commission indicates the following | now come in.

general conclusions: Adult males average \$346 per annum, varying from \$330 in the Birmingham, Ala., district to \$390 in a typical iron and steel community in New York State. But the proportion of adult males earning less than \$400 a year is 68.4 per cent for all districts comprised in the investigation.

"It is customary to supplement the family income by having the women of the family look after boarders and lodgers. In families in which the income of the husband is under \$400 per annum, 45 per cent of the wives either have employment or keep boarders and lodgers; in the cases of 15.1 per cent of the

families the children furnish part of the family income. "It is scarcely necessary to point out the dangers and in many respects the unhealthful character of the iron and steel industry. But it is noteworthy that in an industry where there is so much pressure for Sunday and overtime work there should also be such irregularity of employment. The iron and steel industry, however, shows greater fluctuations in its labor force during the course of the year than any of the large manufacturing industries where the demand is not seasonal. seems to be to run the department at top speed and under the heaviest pressure while there is an active demand for its products, and then shut it down as soon as the market becomes weak. Only 63 per cent of the employees worked as long as 44 weeks during the year. The average, therefore, would probably not reach 40 weeks, even in prosperous years in the industry. in 1910, 44 per cent of the employees in departments that were operated more than 6 months during the year could not earn as

much as \$600.

"As for the general increase in wages from year to year, the Commissioner of Labor reports that from 1901 to 1910 the retail prices of food increased 32.8 per cent, while the wages of unskilled laborers, which predominate in this industry, increased

only 17.5 per cent."

The PRESIDING OFFICER. The question is on the amendment of the committee in paragraph 169, page 50, line 8, to strike out "25" and to insert "20." Mr. GALLINGER. Mr. President, the senior Senator from

Massachusetts [Mr. Lodge] has been called out of the Chamber and will return in a few moments. He wishes that that paragraph might not be considered until his return. I presume there will be no objection to postponing the matter for a few moments.

Mr. STONE. The Senator from Massachusetts did speak to me about it, and said he would be obliged to be absent for a few moments and would then return. This is the last paragraph in the schedule.

Mr. SIMMONS. We might during the absence of the Senator

from Massachusetts take up Schedule E.

Mr. SMOOT. Mr. President, the other day I offered an amendment to one of the paragraphs of the bill providing a 40 per cent ad valorem rate upon surgical and dental instruments or parts thereof. I offered that in the paragraph relating to scissors, penknives, and so forth. I do not exactly remember whether or not the Senator from Colorado [Mr. Thomas] stated that the committee would take this question under ad-

Mr. THOMAS. My recollection is that that was voted upon after some remarks by the Senator from Mississippi [Mr.

WILLIAMS]

Mr. SMOOT. That was voted upon as to the 40 per cent rate, but after that the question arose, and I understood the Senator from Colorado to say that the committee would take the matter under consideration with other items. If not, Mr. President, I will say that I think there should be an amendment to paragraph 168, which provides:

Nippers and pilers of all kinds, wholly or partly manufactured, 30 per cent ad valorem.

Mr. THOMAS. I recall that the Senator from Utah called my attention to that, and I think I said to him privately that we would consider it.

Mr. SMOOT. It was either privately or else on the floor of

the Senate; I have forgotten which.

Mr. THOMAS. I think I made that statement.

Mr. SMOOT. I simply call the Senator's attention to it and express the hope that the committee will take the matter into consideration with other unsettled matters.

Mr. THOMAS. We will consider it with the other matters.

The next schedule is Schedule E.

Mr. SIMMONS. Mr. President, on account of the illness of the Senator from Louisiana [Mr. RANSDELL], I think it has been understood that the sugar schedule might go over. would bring us to Schedule F, and we might take that up now.

Mr. LODGE entered the Chamber.

Mr. SIMMONS. I see the Senator from Massachusetts has

Mr. STONE. Paragraph 169 has been passed over during the

temporary absence of the Senator from Massachusetts.

Mr. LODGE. Mr. President, I desire merely in connection with paragraph 169, which is known as the basket paragraph, to say a word in regard to one particular article which is in-cluded in the second part of the basket clause. Of course, that clause covers a multitude of articles, but I am particularly interested in one article, because the only people I have heard from in regard to it are the men employed in the industry.

Mr. STONE. Does the Senator refer to that part of the paragraph which reads, "if composed wholly or in part of platinum," and so forth, "50 per cent ad valorem"?

Mr. LODGE No.: I refer to the portion which reads "if

Mr. LODGE. No; I refer to the portion which reads, "if composed wholly or in chief value of iron, steel, lead, copper,"

and so forth.

The article I have in mind is one composed in chief value of steel. The duties on the articles included in the second half of the paragraph were brought down by the House from 45 to 25 per cent, and the Senate has lowered them still further. The particular article that I desire to speak about is wire cloth which is used in paper making. It is manufactured at Springfield in my State.

Mr. THOMAS. Mr. President—
The VICE PRESIDENT. Does the Sen. tor from Massachusetts yield to the Senator from Colorado?

Mr. LODGE. Certainly.
Mr. THOMAS. I think, if the Senator will turn back to paragraph 116, he will find that wire cloth has been provided for in that paragraph.

Mr. LODGE. I think not the kind of wire cloth which I have in mind, unless there has been some change of which I have

not been advised.

Mr. BURTON. Just at the end of paragraph 116 an amendment has been reported by the committee and agreed to, as I understand, reading:

Steel, copper, brass, and bronze woven-wire cloth, 30 mesh and above, 30 per cent ad valorem.

Brass or bronze woven-wire cloth is especially used in paper

I have an amendment pending

making. I have an amendment pending——
Mr. LODGE. I had not noticed that amendment. I see woven-wire cloth has been taken out of the basket clause. The Senator from Colorado is right. I had not observed the amendment, which involves a reduction on the article mentioned from 45 per cent to 30 per cent. Mr. BURTON. Yes.

Mr. STONE. But the Senator from Ohio, as I understand, has offered an amendment in reference to another class of wire cloth. Mr. BURTON. To include wire cloth made of iron and also

of nickel and other metals.

Mr. STONE. Yes, Mr. BURTON. This paragraph as it stands now only refers to certain kinds of wire cloth. I am inclined to believe that it

was an oversight. Mr. STONE, I think I understand the view of the Senator

Mr. THOMAS. That is one of the paragraphs the committee

will take under further consideration.

Mr. BURTON. I will say to the Senator from Massachusetts that wire used in paper making is practically provided for in

paragraph 116.

Mr. LODGE. Oh, yes; that is provided for in the amendment. It applies to bronze and woven wire cloth. The amendment had escaped me; I had not noticed it. I think the duty is too low, even with the amendment; but I am very glad the article has been classified. I ask leave to print, in connection with what I have said, the statements which I have here from men who are engaged in the industry-not the manufacturers, but the workingmen.

The VICE PRESIDENT. Is there objection? The Chair hears none, and permission is granted.

The matter referred to is as follows:

EASTERN DIVISION OF THE AMERICAN
WIRE WEAVERS' PROTECTIVE ASSOCIATION,
Springfield, Mass., May, 13, 1913.

Senator H. C. Lodge, Washington, D. C.

Washington, D. C.

Dear Sir.: I wish to protest against any reduction in the tariff on wire cloth when imported for use in the manufacture of paper and pulp. Wire cloth is in the Underwood bill (H. R. 3321), Schedule C, section 169. I feel that a reduction from 45 per cent to 25 per cent, as proposed in this bill, will compel my fellow workmen and myself to accept a reduction in wages. During the past few years quite a large amount of foreign-made Fourdrinier wires have been imported to the detriment of my trade. The Mount Holyoke Tissue Mill, of South Hadley Falls, Mass., have imported French wires and secured them \$15 cheaper than they pald for American-made wires. If the duty is reduced I can see where we get off at. The American manufacturers of Fourdrinier wires are independent concerns. I have worked in shops located at Appleton,

Wis., Belleville, N. J., Harrison, N. J., and Springfield, Mass., and know that competition is keen, and that they are not in a combination. The wages paid in this country in my trade will average \$24 per week, and this standard has been paid for the past 25 years. Our week consists of 50 hours, while the foreign weavers work 60 hours, and in Germany they receive about \$7 per week; in Great Britain from \$10 to \$12. It think the men in my trade are getting the benefit of the protection the present tariff law gives and that a great injustice will be done us if it is reduced; and I ask of you, who, I am sure, have the best interest of the American workman at heart, to use your best efforts to retain the present rate of duty on wire cloth. A brief will be presented to the Finance Committee by our national secretary and such information that our association can give will be given. Trusting you will favor me by protecting the interests of my trade, I remain,

JOHN L. KRULL, 23 Cleveland Street, Springfield, Mass.

EASTERN DIVISION OF THE AMERICAN
WIRE WEAVERS' PROTECTIVE ASSOCIATION,
Springfield, Mass., May 18, 1913.

Dear Sir: As there is a bill now before the United States Senate known as the Underwood bill (H. R. 10), the nature of said measure being, in the event of its passage, to reduce the tariff on all foreign-made products and which will, I might state, be very detrimental to the Interests of home industries, I would respectfully call your attention to Schedule C, paragraph 169, of the same, as it deals with the most vital interests of the American wire weavers, whose art and craft is the weaving of Fourdrinier wire cloth, one of the most essential factors used in the art of paper making, of which said measure proposes to reduce the tariff from 45 to 25 per cent, which will mean the annihilation of our industry. Even at the present time, with the rate of fareign-made wire cloth.

In the interest of a home industry I would most respectfully request that you give this matter your most earnest consideration when it comes before the Senate for its final action, using your best effort to retain the present rate of tariff on this product, as with the same once reduced it will be utterly impossible for the American workman to compete against foreign labor, working as they do for such low wages, making it possible for this article, viz, wire cloth, to be shipped into the country and sold far below that of American manufacture.

I would beg to inform you that our organization is not asking for intervention because of possible results from the reduction of the tariff, but from actual facts, as during the last few years we have had an agent looking up the matter of the importation of foreign-made wires and found that in such short time there have been from 800 to 1,000 of the same imported, and the number is still increasing each year, so it may be easily seen that with the reduction of the tariff it would be but a short time before the American market would be flooded with this foreign-made product.

To conclude, will say

Recording Secretary, 194 Grover Street, Springfield, Mass.

EASTERN DIVISION OF THE AMERICAN
WIRE WEAVERS' PROTECTIVE ASSOCIATION,
Springfield, Mass., May 4, 1913.

Hon. HENRY CABOT LODGE, Washington, D. C.

Washington, D. C.

Dear Sir: As I have had the pleasure of the interchange of correspondence with you in the past in reference to the reduction of the tariff on wire cloth, and which has been greatly reduced under the measure now before Congress, and in the event of the same becoming a law will mean almost the annihilation of a home industry. I would most respectfully introduce one of our members, Mr. Frederick Childs, who is in Washington in the interests of our association, which, I might state, is now in the midst of a fight for their existence against the reduction of the tariff on wire cloth.

To explain more explicitly why we as a body are so bitterly opposed to the proposed reduction will say that at the present time, with the duty on said product as it is, our business has been retarded to a great extent by the importation of foreign-made goods, selling as they do at a price far below that of American manufacture. With the tariff once reduced on this article it will be utterly impossible for the American made goods to enter into competition.

Trusting that you may be of great assistance to us in this our fight for the existence of a home industry, and respectfully requesting that you cooperate with Senator Weeks, with whom I am now communicating, I beg to remain,

Very respectfully,

Freed. C. Blair,

Recording Eceretary, 194 Grover Street.

FRED. C. BLAIR, Recording Secretary, 194 Grover Street.

To the Ways and Means Committee of the Congress of the United States.

HONORABLE SIRS: We submit the following statement of facts concerning the manufacture of wire cloth and the nature of the materials used therein; also suggestions as to method of classifying for the purposes of assessing duty thereon:

COMPOSITION.

Wire cloth and wire screen are metal fabrics woven of wire of various gauges and of different metals, namely, iron, steel, brass, copper, bronze, phosphor bronze, nickel, aluminum, and German silver.

METHOD OF MANUFACTURE.

The above-mentioned wire fabrics are manufactured by being woven on looms specially built for that purpose. The method of weaving is similar to that used in weaving cotton and woolen and other textile fabrics. The nature of the metal is such that very expensive machinery is necessary to weave wire of various gauges, so that a large investment is required for plants manufacturing these goods.

PLACE OF FOREIGN MANUFACTURE.

The wire fabrics which are imported into this country are manufactured principally in Germany, Austria, France, England, and Scotland, the largest amount being from Germany.

METHOD OF CLASSIFICATION.

The classification of this article is determined by the mesh, or, rather, the number of wires to the linear inch, just as it is in determining the value of cotton, woolen; and other woven fabrics. The percentage of labor per square foot in the fine meshes is very much greater than in the coarser meshes. For example, the length of time, and, consequently, the cost of labor, is just twice as much for 40 mesh as it is for 20 mesh. PRESENT BASIS OF ASSESSING DUTY ON WIRE CLOTH UNDER THE PRESENT

Iron and steel wire cloth is assessed for duty, under paragraph 135, at 40 per cent ad valorem. Wire cloth woven from wire composed of brass, bronze, copper, phosphor bronze, nickel, or metals other than iron or steel is assessed at 45 per cent ad valorem plus 1 cent per pound under paragraph 199 and paragraph 135. There is no classification for wire cloth under the present act. Iron and steel wire cloth is assessed at a rate just 5 per cent more than on the wire from which it is composed, while on brass, copper, bronze, and other metals the duty is approximately 2 per cent more on the woven fabric than on the wire used in the manufacture of same.

As shown by the foregoing, it appears that in steel and iron wire fabrics the duty is the same on all meshes, whether coarse or fine, and the duty upon the manufactured article is only 5 per cent greater than the duty upon unmanufactured material, whereas in the wire fabrics manufactured from brass, bronze, and other metals there is only a difference of approximately 2 per cent in the duty as between wire cloth and on wire before it is woven, notwithstanding the great difference in the cost of manufacture between wire cloth and wire. Furthermore, there is no distinction whatever made between the coarse and the finer and on wire before it is woven, notwithstanding the great difference in cost of weaving. Under the operation of the present rates the coarser meshes are practically excluded—that is, the duty is almost prohibitive—whereas on the finer meshes, in which the largest frem of cost is labor, the duty on the above basis is very low, resulting in very large importations. It also results in a discrimination in favor of one branch of an industry as against another branch of the same industry. It therefore appears to be not only desirable but fair to establish a uniform percentage method based upon the number of meshes per inch which would comply with the method of classification already adopted for the assessing of duty upon other textiles.

We suggest the followin

Wire cloth and wire screen, all metals. Per cent. warp _____ Finer than 30 and not finer than 40 wires to the linear inch in the 40 50 warp_____All meshes finer than 60 wires in the warp___

We respectfully submit the foregoing to your consideration and request that a classification providing especially for wire cloth be adopted as above.

Mr. LODGE. Also, in connection with paragraph 169, wish to have printed with what I have said a statement in regard to brass and other metal screen fenders for fireplaces, which are really articles of luxury, the duties upon which have been heavily reduced in this basket clause. There are many other articles on which the duty has been carried down by this sweeping reduction, but it would take a long time to go into the subject in detail, and I do not desire to occupy the attention of the Senate to so great an extent as that would involve. I ask that the paper I send to the desk relating to brass and other metal screens and fenders for fireplaces be printed in the RECORD as a part of my remarks.

The VICE PRESIDENT. In the absence of objection, per-

mission is granted.

The matter referred to is as follows:

BRASS AND OTHER METAL SCREENS AND FENDERS FOR FIREPLACES.

Present duty, 45 per cent ad valorem, under tariff act of 1909, Schedule C, No. 199, as decided by Treasury Decision 8684. Proposed duty, 25 per cent ad valorem, H. R. 10, page 45, lines 14 to 17, inclusive.

We submit the following reasons why present duty should be retained:
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We submit the following reasons why present duty should be retained:

These articles are luxuries, and are used by more wealthy people who are able to afford the pleasure of an open wood or coal fire. They are bought in the higher-priced finishes so as to conform with the interior decorations of the house, club, camp, etc.

Fireplace screens are principally manufactured in France, and it has been slow and difficult work to make goods equal to the imported in design and finish. Among the best trade there is a strong preference for foreign-made goods. In manufacturing our goods it has been necessary to follow largely the foreign makers as to design, finish, etc., also to educate our labor, both of which have been slow and expensive. A large portion of the cost of the completed article, viz, about 65 per cent, is made up of labor. We have to take raw labor and educate it. Our mechanics' wages average about \$3 to \$3.25 per man per day. We believe—but of this we have not definite knowledge—that our labor cost is about 100 per cent more than foreign labor; and as their labor is thoroughly educated, we believe it is more efficient as to the quality of goods manufactured.

The amount of these goods made yearly in this country we estimate at about \$300,000. There are two other concerns in the United States besides ourselves making these goods. We estimate sales as above, as we do not know the amount of our competitors' business. There is not now, nor ever has been, between our competitors and ourselves

any pool agreement or collusion as to production or selling prices. The selling prices are made in open competition, based on quality of production, finish, etc.

We ask for the retention of the 45 per cent ad valorem duties, and contend that as these articles are luxuries it works no hardship to the consumer, as it affects only those who are able and willing to pay higher prices for the best made and most attractive goods.

THE S. M. HOWES Co., JOHN E. FRENNING, President.

Mr. STONE. Has paragraph 169 been read, Mr. President? The VICE PRESIDENT. It has been read. Mr. STONE. Has the amendment been passed upon? The VICE PRESIDENT. It has not. The amendment will

be stated.

The Secretary. In paragraph 169, page 50, line 8, after the word "manufactured," the committee report an amendment to strike out "25" and insert "20," so as to make the paragraph read:

169. Articles or wares not specially provided for in this section, if composed wholly or in part of platinum, gold, or silver, and articles or wares plated with gold or silver, and whether partly or wholly manufactured, 50 per cent ad valorem; if composed wholly or in chief value of iron, steel, lead, copper, nickel, pewter, zinc, aluminum, or other metal, but not plated with gold or silver, and whether partly or wholly manufactured, 20 per cent ad valorem.

The amendment was agreed to.

Mr. STONE. Mr. President, I ask the attention of my colleague on the committee, the Senator from Colorado [Mr. THOMAS], to see if I am correct in the statement I am about to make. Paragraph 106, paragraph 116, and paragraph 163 have been passed over for further consideration by the Committee on Finance.

Mr. SMOOT. And paragraph 136.

Mr. STONE. That is correct. Paragraphs 106, 116, 136, and

163 have been passed over.

Mr. THOMAS. Also paragraph 146, with a view of determining whether "matte" is not synonymous with "regulus" and should not be made dutiable. I think the suggestion of the Senator from Utah [Mr. Smoot] in that respect is undoubtedly correct.

Mr. STONE. Then paragraphs 106, 116, 136, 146, and 163

have been passed over.

Mr. THOMAS. And paragraph 168.

Mr. SMOOT. Paragraph 168 relating to nippers, pliers, and so forth.

Mr. STONE. And paragraph 168 has also been passed over for further consideration. Paragraph 145 has been passed over for the accommodation of the junior Senator from Pennsylvania [Mr. Oliver], to be taken up when he returns in a few days.

I think, Mr. President, except as I have stated, the para-

graphs in Schedule C have been agreed to.

Mr. SMOOT. There is just one other, and that is paragraph 126, covering card clothing, and so forth, which was to go over until to-morrow or until the junior Senator from Massachusetts [Mr. Weeks] can be present.

Mr. STONE. That is correct; paragraph 126 goes over until to-morrow, or until the junior Senator from Massachusetts can be present, when it is to be disposed of; and paragraph 145, as I have said, goes over until the Senator from Pennsylvania [Mr. OLIVER] returns. Those are the only two paragraphs remaining for consideration as in Committee of the Whole. The others I have mentioned have been passed over for the consideration of the Finance Committee.

Mr. SIMMONS. I ask that Schedule F, tobacco and manu-

Mr. SIAMONS. I ask that schedule r, tobacco and manufactures of, be taken up.

Mr. BURTON. Mr. President, I should like to understand exactly what paragraphs have been passed over. As I understand, the following is the list? Paragraphs 106, 116, 126, 136, 140, 145, 146, 163, and 168, all but two of which have been passed over for further consideration by the committee, and two have been passed over to suit the convenience of Senators. That is correct, is it not?

Mr. THOMAS. Mr. BURTON. That is correct.

May I ask which are the two which have been passed over until Senators can be present?

Mr. THOMAS. Paragraph 126 and paragraph 145, the latter being the aluminum paragraph.

Mr. BURTON. Paragraphs 126 and 145 have been passed over to await the presence of Senators.

Mr. STONE. Paragraphs 126 and 145 have been passed over, the first until the junior Senator from Massachusetts [Mr. Weeks] can be present, and the second until the junior Senator from Pennsylvania [Mr. Oliver] can be present. I have already stated the paragraphs which I understand have been passed over for the consideration of the committee.

The VICE PRESIDENT. The Secretary will resume the

reading of the bill.

The reading of the bill was resumed at Schedule F, tobacco and manufactures of, and the Secretary read paragraph 183,

183. Wrapper tobacco, and filler tobacco when mixed or packed with more than 15 per cent of wrapper tobacco, and all leaf tobacco the product of two or more countries or dependencies when mixed or packed together, if unstemmed, \$1.85 per pound; if stemmed, \$2.50 per pound; filler tobacco not specially provided for in this section, if unstemmed, 35 cents per pound; if stemmed, 50 cents per pound.

Mr. SMOOT. Mr. President, I notice that the only change in this paragraph is the reduction of the duty on scrap tobacco from 55 cents a pound to 35 cents a pound.

Mr. SIMMONS. What paragraph is that?
Mr. SMOOT. Paragraph 185. The only change from the present law is the reduction of the duty on scrap tobacco from 55 cents a pound to 35 cents a pound. I should like to ask the Senator why that change is made?

Mr. SIMMONS. If the Senator will let that go until we finish this schedule, I will see if I can find what he asks for.
Mr. BRISTOW. Mr. President, I have a complaint from a

constituent in regard to the duty on wrappers. He claims that the excessive duty on wrapper tobacco is in the interest of the Tobacco Trust.

Mr. SIMMONS. I will state to the Senator that that is exactly the duty that is found in the present law. There has been no change made in the duty under the present law. The policy with reference to this product has always been to impose very high duties upon it. I can not see how the high duty imposed on wrappers is any more in the interest of the Tobacco Trust than in the interest of any other manufacturer of tobacco. However, if the Senator can demonstrate that it is, I shall be very glad to have him do so.

Mr. BRISTOW. This constituent complains that the excessive duty on wrappers gave the Tobacco Trust an advantage because it made them so expensive. It seems to me that if it is desired to levy a very high tax upon tobacco for revenue purposes, it would be just as easy to levy it as an internal-

revenue tax as it is to levy it as a customs tax.

Mr. SIMMONS. The Senator recognizes the fact that we are levying very high internal-revenue taxes upon tobacco.

Mr. BRISTOW. They could be increased.

Mr. SIMMONS. So that we are getting revenue from it, not only through the internal-revenue system of taxation, but through the customs system of taxation. I have not, up to this time, heard any complaint of these duties.

Mr. BRISTOW. I remember that four years ago I had the same complaint from cigar makers in my own State. I wanted to call the attention of the Senator to this complaint at this time, because I believe we ought to have legislation that will give the independent cigar manufacturer an opportunity in his efforts to compete with the great monopoly that prevails in

the tobacco manufacturing business.

Mr. SMOOT. Mr. President, I remember that four years ago, when the tobacco schedule was under consideration, I happened to be chairman of the subcommittee that had this matter in charge. I do not remember that the independent manufacturers requested a reduction upon wrappers of tobacco because of the fact that it would assist them as against the Tobacco Trust, and I can not see how it would. Where an independent company imports but a very few pounds the Tobacco Trust imports millions of pounds; and whatever advantage there might be in a decrease, it seems to me, would be an advantage to the trust even to a greater extent than to the independent.

Mr. BRISTOW. The complaint is that the high duty on the imported wrapper enables the trust which controls the domestic production to increase very greatly the price of the domestic product to the manufacturers of the cheaper grades of cigars.

Mr. SIMMONS. I will state to the Senator that no complaint whatsoever of that character or of any character was made before the Finance Committee with reference to these duties. do not think any was made before the Ways and Means Committee. I am having the matter looked up now. I can not for the life of me see how the effect would be such as the Senator's correspondent indicates. I think he is simply mistaken.

Mr. BRISTOW. I present the matter because, while I am not familiar with the details of the manufacturing business, I

have had this letter from a very estimable gentleman in my State, and I wanted to make this inquiry.

I might say, in passing, that it is exceedingly unfortunate that all of the farmers in the United States can not engage in the tobacco business. If they could, they would be very amply protected in their business. The producer of this luxury, which is regarded as a desirable article for taxation, is very fortunate, because under the guise of raising revenue the farmers that grow tobacco have the highest protection, by all odds, of any of those who engage in agricultural pursuits, and, indeed,

a higher degree of protection than anyone in any other kind of

Mr. SIMMONS. The Senator does not hold that when these duties were imposed by the Republican Party in the Payne-Aldrich bill they were imposed for purposes of protection, does he? I had always understood that these duties were imposed by both parties for the purpose of raising revenue. There is produced in this country very little of the character of tobacco that is imported, although there is some.

Mr. BRISTOW. But the local producer of tobacco must certainly benefit very largely by the excessive customs tax imposed on imported tobacco. The Senator well knows that when a certain number of cigars were put on the free list-cigars from the Philippine Islands-there was very vigorous protest from the American manufacturers because of that action. The

manufacturers of cigars objected.

I think free tobacco would certainly be very greatly against the financial interest of the American farmer that grows tobacco; but since the American farmer sees fit to grow tobacco instead of wheat or cattle or any of the other staple farm products, he is selected as the recipient of very great favor in the making of our customs laws.

Mr. SIMMONS. If the Senator views these duties in that light, I want to ask him what he thinks about the internalrevenue duties. If this duty is a benefit to the tobacco producer, and is imposed for that purpose, what does the Senator think about the burden which the Government, through its internal system of taxation, imposes upon this industry and not upon any other industry in the country except that of the manufacture of distilled spirits?

Mr. BRISTOW. That is explained upon the theory that tobacco is regarded as a proper subject of taxation. For myself, I think it is taxed at a pretty high rate. While I am not a user of tobacco, and I am sorry so many of my countrymen use it as I think they frequently use it to their detriment, at the same time it is to many men a good deal of a necessity, because of the habit they have formed in early life. It is unfortunate, but it does rest upon them as a great burden. I am not complaining about the internal-revenue taxation on tobacco, but if we are to make it a subject of taxation the tariff should not be used in order to give any particular individuals a monopoly or to encourage a monopoly in its manufacture.

The Senator from Utah has handed me volume 3 of the tariff hearings before the Committee on Ways and Means. I find here a letter from C. H. Brenaman & Co., directed to Mr. UNDERWOOD, dated at Baltimore, in which complaint is made of the excessive tax of \$1.85 per pound on Sumatra wrappers. That complaint, made by them to Mr. Underwood, the chairman of the Committee on Ways and Means of the House, is, in substance, the complaint that was made to me by my constituent. I am inclined to think there is a good deal in it, and I commend it to the attention of the chairman of the committee for his

consideration.

Mr. NELSON. Mr. President, I think this duty on tobacco is beyond all reason. It is the highest protective duty in the whole schedule. The farmers who raise tobacco in the Northwest and the Middle West hardly realize more than from 10 to 12 cents a pound for their tobacco when it is cured, stripped, and sorted. Yet this bill imposes on that kind of tobacco a duty of 35 cents a pound, more than 300 per cent upon what the farmers actually get for their tobacco.

Most of the tobacco raised in the Northwest is what is called binder tobacco; that is, it is the part of the cigar that is put around the filler and underneath the wrapper. Under the definition given in section 184, that kind of tobacco—binder tobacco—would come under the head of fillers.

In two respects this high duty on tobacco impresses me unfavorably. First, I look upon tobacco, no matter how moralists look upon it, as in a measure one of the necessities of life, for this reason: You can go all over this country, among all classes of laboring and working men, or you can go among the men of our Army and Navy, and you will find that from 75 to 80 per cent of them smoke smoking tobacco and chew plug tobacco. In old times there was a kind of tobacco that we used to call "dude tobacco," but the technical name of which was "fine-cut tobacco," that was much in use and regarded as more fashionable than plug; but that has gone out of fashion long ago and but a trifle of it is now sold. We now have various kinds of plug tobacco in common use among men in general. Gentlemen here may smile and moralists elsewhere may smile, but, as a matter of fact, the laboring man wants his plug tobacco and his old corncob or clay pipe with tobacco in it just as much as he wants his tea or coffee. He needs it just as much. It is a species of comfort and stimulant, and when you tax that

ou tax one of the articles that is to him, in a measure, one of the necessaries of life.

If you take a narrow view of the matter, you may say coffee and tea are not necessaries of life. Coffee and tea are drunk because they are stimulating and comforting, and it is on the same principle that men take tobacco. I have always felt that in the case of smoking and chewing tobacco a great injustice was done to laboring men, both in imposing such excessive tariff faxes and also in imposing excessive internal-revenue taxes. I believe it is just and proper to put a high tax on cigars, because they are a luxury not consumed by the ordinary working man; and as to cigarettes, I believe their use is deleterious, and for that reason the higher the tax the better. It would be well if they could be taxed out of use. But when it comes to plain, old-fashioned smoking tobaccos, and good, old-fashioned plug tobaccos, to tax them is a burden upon the laboring man.

Look at our United States Navy, in which we all have a pride; go among the sailors there and you will find that they have the very best kind of plug tobacco. The Government appoints a committee of sailors to pass upon the different brands and to select the best quality of tobacco. The result is that our sailors get a species of high-grade plug tobacco that they smoke and chew, and it is a great comfort to them. It is a means of maintaining discipline on our men-of-war. If you deprived the sailors of tobacco and shore leave, you would soon dismantle our Navy. But the sailors have to buy this tobacco. Why should there be such a high double tax on it?

The other point I want to make in reference to this matter is that this tariff bill is a discrimination against one class of our farmers in favor of another. Aside from cotton, in which there is no competition and no necessity for a duty, the main crops of the South are rice and tobacco. Both are protected by tariff taxes, rice moderately and tobacco highly protected in this tariff bill, while the farmers of the Northwest who raise wheat and

oats and barley and flax are left to shift for themselves. You talk about the necessaries of life and say you want to cheapen them. Is it not of as much importance to the poor fellow working on the street or working in the harvest field to have cheap rice, cheap tobacco, and a cheap pair of cotton pants as it is to have a cheap loaf of bread? You have had no scruples about putting a fair protective duty on cotton goods. If you want to cheapen things for the poor man, if you want to give him cheap bread and cheap meat, as you say, why not give him cheap trousers, cheap coats, cheap jackets, cheap everything except cheap whisky? Why do you practice this discrimination in favor of the manufacturers and in favor of the farmers of one part of the country? I am not objecting to the tariff on cotton goods or on rice, per se; I am only calling attention to the discrimination.

Mr. JAMES. Mr. President, the Senator speaks of tobacco being a southern product. I will state to the Senator, as perhaps he is not familiar with the fact, that the southern tobacco is almost entirely an export tobacco, which has to be and is sold in open competition with the world.

Mr. NELSON. That may be true of the burley or dark tobacco in Kentucky, but it is not true of the North Carolina

tobacco.

Mr. JAMES. It is true. Mr. NELSON. A large share of the North Carolina tobacco is a kiln-dried smoking tobacco.

Mr. JAMES. It is also true of the dark tobacco that is made in my part of Kentucky. Practically all of that tobacco is shipped abroad and has to be sold in competition with the world.

Mr. NELSON. Who is there to compete with that? Mr. JAMES. The other countries of the earth that produce

Mr. NELSON. The only other country that produces much tobacco is Sumatra, and that tobacco is of a quality entirely unfit for chewing tobacco. It is of such a bitter and mean quality that if you had a cigar made entirely of Sumatra tobacco there is no man in this Chamber who would smoke it. It is used simply for the finest kind of wrappers; that is all.

Mr. JAMES. Of course if there is no tobacco produced any-

where else to compete with the Kentucky tobacco, then a protective duty, to which the Senator has referred and so severely inveighed against, is of no benefit. It strikes me that the

Senator refutes his own argument.

Mr. NELSON. As I have said, this tariff bill-take it in the matter of tobacco and rice, take it in the matter of cotton fabrics-is simply an illustration of how the welfare of one part of the country is taken care of while another part of the country is neglected. I do not say that it is unjustly taken care of except by way of discrimination. I do not find fault

with you gentlemen on that side of the Chamber for trying to have a protective tariff for your cotton factories in the South, or for your rice in Louisiana, or for your tobacco in North Carolina and in Kentucky. I am not finding fault with that. the same measure that you measure to yourselves you ought to measure to the products of the North and the West. Our cattle, our sheep, our horses, our wheat, our barley, our oats, and our flax are as dear to us as your rice and your tobacco and your cotton factories are to you in the South. Why do you

Mr. JAMES. If the Senator will permit me, I should like to state right there that the reason there is a tariff placed upon tobacco is because there is an internal-revenue tax placed upon If you will take the internal-revenue tax off the tobacco of Kentucky, we are willing to have you let down the bars to all the rest of the world, and we will compete with them. But as long as you burden our product with a tax that hinders and depresses the sale of it to the consumer because it increases its price, of course you have to have a tariff equal to our internal tax upon the tobacco imported here. If you did not, you would be giving other countries a very great advantage over the American producer.

Mr. NELSON. What is to hinder you from taking off your

internal-revenue tax on tobacco any more than taking off the

tariff taxes on our wheat in the North?

Mr. JAMES. There is no internal-revenue tax upon wheat, is

Mr. NELSON. No; I said the tariff taxes. What is to hinder that side of the Chamber from removing the internal-revenue taxes on tobacco any more than there is to hinder them from taking the tariff taxes off from our wheat?

Mr. JAMES. Because this side of the Chamber takes the position that tobacco is a luxury and not a necessity, and wheat is a food and therefore a necessity. We want to cheapen those things that men have to eat rather than those things that they have to chew

Mr. NELSON. What about rice, and what about cotton cloth, cotton pants, cotton shirts, cotton jackets, and all that? Tariff reform is very good if you keep it a good way from your own door.

Mr. WILLIAMS rose.

The VICE PRESIDENT. Does the Senator from Minnesota yield to the Senator from Mississippi?

Mr. NELSON. I was watching for the Senator from Missis-

sippi, for the purpose of yielding to him.

Mr. WILLIAMS. I did not ask the Senator to yield. I was merely waiting for him to get through.

Mr. NELSON. I was expecting the Senator from Mississippi

to sympathize with me.

I want to say a few words further. I have no disposition to delay this bill. If I had my way—but I can not get my friends to agree with me—I would like to see the American people take this unadulterated Democratic tariff bill just as it is, without any change or amendment, just as it came from the I would like to see the experiment tried in all its House. originality. If it proves a blessing to our country, I shall be more than gratified; but if it proves an injury to the country, the sooner we find it out the better, for then the people will be swift to seek relief and academic free-trade doctrines will not stop them.

Ever since I have been a Member of Congress I have been in favor of a moderate protective tariff. I have always been opposed to a high protective tariff. I have always felt that wherever an industry of this country needed protection to maintain it, it ought to have reasonable protection; but whenever a reasonable amount is exceeded it is apt to lead to excessive prices and to monopoly. Hence, I have always been opposed to what I term an unduly high protection. The tariff protection where needed ought never to exceed the difference in the cost of production at home and abroad.

In the Republican convention that nominated Mr. Taft for the first time for the Presidency, in Chicago, I was a member of the subcommittee that formulated the platform, and was instrumental as a member of the committee in injecting into the platform the words that "the proper measure of protection was the difference in the cost of production at home and abroad." Unfortunately, however, as I recall, a rider was attached to my phraseology, and they added to it, I think, the words "and a reasonable profit," contrary to my wishes and my faith and

There are a great many good features in this Democratic tariff bill. There are a great many matters in it of which I highly approve. I had hoped that I could see my way clear to support it. But taking the bill in its entirety there is, as it

seems to me and to my mind, gross discrimination against the farmers of the West and the Northwest and all along our northern border.

It will not do to say that you have atoned for this by putting agricultural implements on the free list. I want to call your attention to the fact that in the matter of agricultural implements there is no country on the face of the earth that can compete with us. We have the best and most efficient agricultural implements of any people in the world. When you go over to Europe you find that the farmers are proud of the fact that they can show you that they have an American harvester or an American mower or an American plow. Our agricultural implements are better than anything they have in those countries. You could have had the doors wide open for years, and there would have been no competition. By putting agricultural implements on the free list you do not add one iota to the welfare of our northern and western farmer. He would not buy and would not use the clumsy implements of the Old World, even if he could get them cheaper. In the matter of agricultural implements, the Old World is but a feeble and clumsy imitator of ours.

You have put, I believe, leather and certain leather goods, harness, and so forth, I believe, on the free list. I am afraid the experiment will prove the same that we had with free hides. When the Payne-Aldrich bill was pending the question of free hides was under consideration. Our New England friends intimated to us that if they could only get free hides up in that part of the country we would have cheaper boots and shoes. What was the result? They got free hides, but all our leather goods, boots, shoes, harness, and everything else in that line became higher than before.

You need not think that you will cheapen the cost to the consumer by denying all protection to the northern and northwestern farmers. Whatever profits you may take away from the farmers will be absorbed by the middlemen and retail dealers in the large cities and industrial centers. The laborer who buys a sack of flour, a loaf of bread, a pound of pork, a pound of beef, a pound of mutton, or a peck of potatoes will pay just as big a price after you pass this bill as before—perhaps higher.

The men who will suffer by this tariff change will be our northwestern farmers. Some years ago, up to about 10 years ago, the tariff on wheat was a good deal as a tariff on cotton would be to-day. There was nothing that could compete with the wheat farmer. Up to 10 years ago the nearest points from where they could get competitive wheat into this country were from Argentina, from the Black Sea country around Odessa, and the Danubian Provinces. But within the last 10 years three great Provinces north of our country, lying between the west end of Lake Superior and the Rocky Mountains—three great Provinces six times larger than the great State of Minnesota, with its 80,000 square miles of fertile land-have been opened to settlers under more liberal land laws than we have in this That great northern country of fertile land has settled up within the last 10 years, and has become in the way of agricultural products our greatest and fiercest competitor. have lost within the last 10 years upward of a million of our farmers in the Northwestern States, who have sold out their small or encumbered holdings, or who were tenant farmers, and have gone to that country and cettled in those three great Provinces of Canada. Some of them have taken land under Many of them have bought land from their homestead laws. the Hudson Bay Co. and from railroad companies, and they have opened up great farms there, and they are in those Canadian Provinces to-day. There has, besides, been a great influx from Great Britain and other parts of Europe. Those Canadian Provinces this year will probably produce upward of 200,000,000 bushels of spring wheat of the very best quality, what is known as No. 1 hard wheat. That is an avalanche of competition we knew nothing about some years ago. Until comparatively recent times all that country was a game preserve of the Hudson Bay Co. It was only after the seventies, after the Riel rebellion had been suppressed, that that country was opened to settlers. When the British Government had bought out the Hudson Bay Co. and opened the country to settlement the Canadians began building railroads and securing transportation facilities.

Now, what are they doing and what have they been doing in the way of railroad building? They built years ago, and have for years had one great transcontinental railroad, the Canadian Pacific, extending from eastern Canada along the north shore of Lake Superior through the three great Provinces, Manitoba, Saskatchewan, and Alberta, through British Columbia to Vancouver at the upper end of Puget Sound, and they are now constructing and soon will have completed two other transcontinental lines—the Grand Trunk Pacific and the Canadian Northern Railroad.

The Grand Trunk Pacific will have a complete line within the boundaries of Canada from the Province of New Brunswick on the east to Prince Rupert on the Pacific coast. The Canadian Northern is building in the same direction. They are building another route northward toward Hudson Bay up to Port Churchill, expecting to transport their grain by water through Hudson Bay, which I look at as somewhat chimerical.

Now, the competition between the Canadian farmers and our farmers in the matter of raising oats, barley, wheat, and flax has been and is intense. That has been the case more especially in the matter of flax. The Senator from Montana [Mr. Walsh] the other day dwelt a great deal upon the duty of 15 cents a bushel upon flax, and he went on to state how much profit can be made by raising flax, and how one crop would pay for the land. But he forgot to state what we farmers of the Northwest know, that we can only raise flax on land and get a fair crop once in six or seven years. It is the most soil-exhausting crop of all the cereals we raise in the Northwest. Flax is mainly raised on new land—land that is just broken up. They raise it on that because they can break up the land and sow the flax the first season, which they can not do with wheat; but no farmer who knows anything about it will undertake to sow another crop of flax upon that same land within the next six years, for if he does his crop will prove a failure and the land will be in bad shape for other crops.

Now, in the northwest Provinces of Canada they are continually breaking up new land year by year, and as they break it up they immediately sow flax the first season, and the crop of flax raised in those Provinces is an immense one, and it entails the fiercest competition upon our northwest farmers.

To show what the flax industry is, while Minnesota is a fertile and good State and has probably more fertile land than North Dakota, yet of all States in the Union North Dakota is the greatest flax-producing State. Why is that so? Because North Dakota is a new country. They have been continually taking new homesteads, extending westward to the Red River Valley into the Missouri River bottom and beyond, and as they break up that land the first season they raise a crop of flax on it.

But after they have broken up their new land they will find the same uphill work that we do in Minnesota. We know by experience, I know and so do many farmers, that you can not raise flax successfully on land oftener than once in six or seven years. It is a soil-exhausting crop. We usually raise it on new land—the first crop—or on timothy and other grass and pasture land plowed and broken up again for cereals. If you raise one crop of flax, you need not try another in a less time than six or seven years. That is why that crop needs greater protection than other cereals.

What are our crops in the Northwest? Wheat, oats, barley, flax, potatoes, cattle, hogs, and dairy products. All are put on the free list or cut deep down, different from your tobacco duty, from your rice duty, and from your duty on the cotton goods of the southern factories.

Do you gentlemen on the other side of the Chamber think this is according to equity and fair play to the farmers of the Northwest who built up that great country, who built up the great cities of Chicago, Minneapolis, St. Paul, Omaha, Kansas City, and St. Louis? Are those farmers to be put on the blacklist and to be made the tariff goat for cheapening products to the consumers? Is there nothing else that you can cheapen under your gospel of cheapening except the products of the northwestern farmers?

It is this tariff discrimination that I am opposed to. You have not treated the northwestern farmers as you have treated the farmers in the other sections of the country—as the farmers of the South. You have not treated them as you have done the manufacturers. You have left a considerable duty on woolen manufactures, but the sheep and the wool you have scuttled; you have left it on the cotton manufactures; you have left it on steel manufactures. You have given them all some protective duty, but the northwestern farmer is left out in the cold, and that is why I can not favor this bill, although I have been a low-tariff protectionist all the days of my life.

I am sorry that I have to criticize the bill in this way. As I said a moment ago, there are many good things in the bill, many schedules in it that if they stood by themselves I would most heartily support and approve, but you have not only cut the farmer to the quick by putting his products on the free list and cutting the duty down, but what you have professed to give him in lieu of it is of little or no value whatsoever.

The Senator from Wyoming [Mr. WARREN] the other day called attention to the fact that even in one little thing you discriminate. The goods that you use for wrapping your cotton bale with are put on the free list, but the wheat sacks that the northern farmer has to use to put his oats and wheat in or his flax in you have put a duty on. But cotton bagging is sacred in this bill. It is a small matter, to be sure, but it shows a discrimination between the cotton and the wheat

Mr. SIMMONS. The Senator does not mean to say that we have put a duty on the material out of which wheat sacks

are made

Mr. NELSON. Not on cotton bags or sacks.
Mr. SIMMONS. Oh, no; not on the material out of which these bags are made.

Mr. NELSON. Yes; on the bags or sacks.
Mr. SIMMONS. The Senator is mistaken; they are on the
materials free list. There is a duty on the bags but not on the cloth.

Mr. NELSON. I mean the bags.
Mr. SIMMONS. Oh, the bags, but not on the material.
Mr. NELSON. That is what I mean, on the bags or sacks.

Mr. SIMMONS. The material for bagging cotton does not have to be made into bags. It is a material with which the cotton ginner covers the cotton bale. It simply has to be cut into shape. We have put the material with which we wrap cotton exactly upon a tariff parity with the material out of which the grain sacks are made. The materials for both purposes are placed on the free list in this bill.

Mr. NELSON. But the Senator knows that sacks are made for wheat and they are made out of cotton, at the cotton factories, and there is a duty, I think, of 10 per cent ad valorem. It is this discrimination which runs all through the bill that strikes me as being unfair and unjust, and that is the reason why I can not support the bill as I otherwise would have been glad

I am sorry to say that the Democratic Party have seen fit to frame a bili that in its outlines and in its scheme and effect will be the greatest discrimination that has ever been made against the northwestern part of the country, against the farmers of the North and Northwest. If at any time our northwestern farmers needed protection it is in these days when the cost of labor is higher and scarcer than ever and when we have such intense competition from the great Canadian northwest.

Now, there is another thing I will refer to in this connection. People who live in cities and work in factories and who practice their professions imagine that the farmer's profession is one of the most profitable in the world. My friends, I know whereof I speak. The only farmers in this country whose occupation you can in any sense call profitable are the small farmers, where the farmer happens to have the fortune to have a family of children big enough to help him, and where he and his children can do the work on the farm and are not obliged to hire any labor. In those cases they have a fair home, a comfortable home, and a good living. But if you look at their bank account you will find that they are unable to lay up any money from year to year. They have a fair living, ample food and clothing, and that is all.

Take the larger farmers who have to hire their labor. One year with another they make nothing at all. The only profit they realize out of their farms is in the rise in the value of the land. Think of it. My tenant wrote to me two weeks ago that it took \$50 a month and board and washing to get hands in the harvest field. Compare that with the wages you gentlemen pay down South for raising your corn and your cotton and your rice. Compare the wages we have to pay in our part of the country to raise our cereals and our crops with the wages that you have to pay. You have down South one advantage over us in that you have cheap labor, immensely cheaper than ours, and you have a labor, too, that is not subject to strikes. You do not have the vicissitudes to contend with that our people of the North have on the labor question.

You are entitled to it in a measure. I have no fault to find with it. With that labor there is a great burden entailed upon you. I realize it and I sympathize with you. But you must take into account that the labor you have in raising your cotton and your corn down South costs you about 25 to 30 per cent of what we have to pay in the North. And yet in the face of such labor conditions how can you find it in your heart—

Mr. SMITH of Georgia. Mr. President-

Mr. NELSON. How can you find it in your heart to make the northern farmer the object the sole burden of this gospel of the cheap cost of living? The VICE PRESIDENT. Does the Senator from Minnesota yield to the Senator from Georgia?

Mr. NELSON. Certainly.

Mr. SMITH of Georgia. I only wish to say to the Senator that by far the best, therefore the cheapest, labor we have in Georgia is the intelligent white farm labor of the State.

Mr. NELSON. But that works in your factories.
Mr. SMITH of Georgia. No; I mean on the farms. The best

and the most profitable farming is done by white men.

Mr. NELSON. Most of your labor is done by colored help. A large share of your white labor works in your cotton factories. Mr. SMITH of Georgia. No; the work of our white farmer is

most effective.

Mr. NELSON. I should like to see that in connection with free flour, free beef, free mutton, free pork, you had given men free cotton pants, free shirts, and free jackets. Surely the one goes as much to the cost of cheap living as the other. There would then be some consistency.

But I owe an apology for taking up so much time. It was not my purpose to take up any time in discussion on this bill. But after listening to the remarks of the Senator from Kansas [Mr. Bristow] upon the tobacco schedule the spirit came upon me and I could not refrain from saying what little I have said

upon this occasion. Mr. WILLIAMS. Mr. President, a great many so-called low-tariff Republicans in this body will have the same difficulty in explaining their conduct here which the Senator from Minnesota will have. They pretend that they want a reduction or a revision downward of the tariff, but they come here and they will vote to retain the Payne-Aldrich law, with all its iniquities, upon the statute books rather than vote for a reduction of the tariff which is not radical. And then they make all sorts of attacks upon the present bill without any very luminous meas-

ure of information concerning it.

For example, the Senator from Minnesota a moment ago said we had placed cotton bagging upon the free list, but we had not given the cloth for the western farmers' grain sacks or for the western farmers' wool sacks free to him. All he had to do was to look at the bill and see that he was mistaken. We have put the burlaps that are used for the western farmers' grain and for the western farmers' wool upon the free list, together with the trashy jute which is used for the southern farmers' cotton. Then when the Senator's attention was called to it he attempted to get out of it by saying that they did not take the material and sew it up into bags. No; and we do not take the southern cotton farmers' bagging and sew it around the cotton either. But we give the material out of which to make cotton bagging and the material out of which to make grain sacks and wool sacks free to both. That is one mistake.

The next mistake is the Senator says that the South has an advantage in its labor. I dare say there is not an intelligent man here who does not know that if we had down South in the cotton belt and all over a white man's country we would be to-day the paradise of the world, and that the greatest hindrance we have, the greatest handicap we have, is inefficient, uninitiated, ignorant labor, incapable of being trained as independent farmers. The negro does make a tolerably good plantation hand when driven and held up to his work. He has never thus far made a farmer. Prosperity in this world goes from the bottom up, not from the top down, and unless you have a thrifty, provident, intelligent, initiative labor you can never

hope to compare in prosperity with any country which has it.

The Senator said we have a cheaper labor down South. The Senator surely did not mean that. In proportion to the amount of labor actually performed I will hazard the remark that our labor cost is 50 per cent more than his, although his labor costs him 100 per cent more per diem per man. So much for that.

Then a little later on the Senator states how much cheaper we can raise corn, and yet the actual fact is that we buy corn from his part of the country, and from Illinois, Ohio, and Indiana, every year. Why? Because we can buy it cheaper than

we can raise it with our labor and our climate.

What is the next mistake? The Senator started off by saying that everybody knew that rice and tobacco were the great crops of the South. I might have expected that sort of an error from somebody else, but not from the Senator from Minnesota, who soldlered in the South, was captured in the South, and saw a great deal of it and its people. Of course the Senator knew that rice and tobacco are not the chief crops of the South, just as well as he knows anything in the world. He knows that cotton, corn, cattle, hides, hemp, and sugar are the chief agricultural products of the South, and he knows, or ought to know, that this bill puts every one of them on the free list—hemp in Kentucky, sugar in Louisiana. Cotton has been

on the free list all the time. Here we place cattle upon the free list, and some time ago we aided in placing hides there. We leave cotton there and we place these other products there, and that is not all. When you come to the other side of the South—its industrial life—its chief products for the factories are cotton and, in the mines, iron. We put iron ore and pig iron upon the free list, and we reduce the duties upon cotton goods very much.

Then the Senator makes a speech on the line of an assumption that the South is peculiarly interested in the manufacture of cotton goods. There is no intelligent Senator within the sound of my voice-and the Senator from Minnesota is one of the most intelligent of them all-who does not know that New England is just as much interested in cotton manufactures as the South, and in the number of dollars' worth of cotton fabrics turned out is very much more interested. Let us go on. Then the Senator asks us why it is when we are reducing the duty on barley that we do not reduce the duty on rice. then he complains about flax. There is not a bit of flax raised in this country that they make cloth out of that I know of. It is raised for the seed, and we have reduced the duty on flaxseed from 25 cents to 15 cents—that is, about 35 per cent. That is a rough calculation in my head. You can calculate it for yourselves later. Whereas we reduce the duty upon rice 50 per cent in this same bill. Rice is a negligible factor in the agricultural production of the South.

You complain of hogs being on the free list. Bless your heart, we raise hogs. You complain of cattle being there.

raise cattle.

Then he comes to talk about tobacco, and positively my reverend and gracious and good friend from Minnesota shoets across the aisle at the Senator from Kentucky the question: "Why do you not take the internal-revenue duty off tobacco?" And he would not vote for it for our lives if we offered to do it right now

Mr. NELSON. I would vote for it cheerfully on plug and smoking tobacco. In my part of the country it is a part of the

poor man's diet.

Mr. WILLIAMS. Then, if the Senator goes that far, I dare say he will find nobody else on that side of the Chamber to join him. He seems to be sui generis in that particular and in many other particulars. His sympathy with the common, plain people, who want to chew cheap tobacco, does not go so far as to give them cheap food.

Now, when you come to tobacco, it is not distinctively a southern product at all. It is grown in Pennsylvania, Maryland, Connecticut, Ohio, and Indiana. I do not know how much tobacco the North raises, and they raise the sort of tobacco that bears the highest duty and the highest internal-

revenue duty.

Mr. JAMES. It is raised in Ohio.

Mr. WILLIAMS. It is raised in nearly the whole country of the North, whereas the cotton States do not raise a bale of tobacco, all put together, I suppose.

Mr. SIMMONS. Will the Senator permit me to read him

the States in which tobacco is grown in the United States?

Mr. WILLIAMS. I do not care particularly, but I would just as soon the Senator would. However, everybody knows them except the Senator from Minnesota. [Laughter.] Put them in right now.

Mr. SIMMONS. The States are North Carolina, Virginia, Ohio, Tennessee, Wisconsin, Pennsylvania, Maryland, South Carolina, Connecticut, New York, Massachusetts—

Mr. LIPPITT. While the Senator is reading the list of States, will be read the amount which each State raises.

Mr. SIMMONS. I am having that figured up right now. I have not finished. The States are New York, Indiana, Massachusetts, West Virginia, Missouri, Illinois, Florida, Georgia, and Louisiana. I am having the figures made up. I have been running over them. I think that tobacco is about the best distributed product we raise in this country, Pennsylvania being one of the very largest tobacco-growing States of the Union.

Mr. WILLIAMS. And Connecticut raises tobacco, some of which is now selling, I believe, at seventy-odd cents a pound, the finest that is made anywhere, raising it under cheesecloth,

and all that, or did a few years ago.

Now, the Senator will admit-all Senators will admit-that as long as we have an internal-revenue duty upon an article it is necessary to have a countervailing import duty upon the same article at least to the same level, because if you do not do that you have a fiscal system which absolutely discriminates by law against your own producers of the article upon which the internal-revenue duty is laid.

The Senator might just as well talk about whisky being the internal-revenue tax that peculiarly a southern product because the best whisky is made bacco in the different States.

in Kentucky, but when you come down to the quantity that is made, without any regard to its quality, I expect Peoria, Ill., can show a good hand, and a good deal of the balance of the

There is not a line or page, properly considered, fairly condered, in this bill that is sectional. Nobody can make the sidered, in this bill that is sectional. people of the United States believe that when they go out to argue it after awhile. Take one other among the congeries of mistakes made by the Senator, if he meant it. I suppose he did from what he said. I understood him to say substantially that putting hides on the free list made the price of shoes go up. Now, if reducing the duty on hides could possibly make the price of shoes go up, it would be something like de-stroying the law of gravitation. When you take the raw material for a manufacture and take taxes off it the tendency is to make it cheaper. It may go up in spite of that fact, but you may be certain that it has not gone up as high as it would have gone up if that tax had continued to exist. When you cheapen the price of the raw material you necessarily cheapen the price of the finished product, unless some other factor entering into the equation makes the price of the finished product go up in spite of what you have done.

You could not get a 14-year-old boy to believe, outside of politics, that putting hides on the free list made shoes go up; and yet this is not the first time that I have heard that state-

ment.

Mr. President, I did not intend of all men to-day-I have been out in the cloak room quarreling all morning because we have been taking up so much time in the consideration of this bill—to take up any time, but the character of the Senator from Minnesota [Mr. Nelson] stands so high in this country with everybody who knows him, that these bare assertions of his had to be replied to, and I thought it was best to reply to them now.

One other word before I sit down to correct one other mis-ike. The Senator from Minnesota said that, though we put agricultural implements upon the free list, we made better and cheaper agricultural implements than the balance of the world, anyway, and that if they had always been upon the free list

there never would have been any competition.

A Daniel come to judgment!

I thank thee, Jew, for teaching me that word.

The Senator is exactly right; but notwithstanding that fact, the tariff wall enabled the manufacturers of agricultural implements to sell to the American consumer all the way from 10 to 50 per cent higher than they sold the same product in the Argentine Republic; and, passing right by the south shore of Great Britain, they sold them to her colonies in South Africa. So the Senator can not deny that putting them upon the free list will be a benefit to the American farmer.

Mr. HITCHCOCK. Mr. President, this is not the proper point

in the bill for me-

Mr. BRISTOW. Mr. President-

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Kansas?

Mr. HITCHCOCK, I do.

Mr. BRISTOW. I should like to ask the Senator from North Carolina when he gives in the RECORD the names of the States where tobacco is produced also to give the amount produced in each State

Mr. SIMMONS. I could put it in right new, as I have the data here.

Mr. WILLIAMS. And put the value in.
Mr. BRISTOW. And also the value.
Mr. JAMES. And also, if the Senator—
The VICE PRESIDENT. In the interest of the reporters the Chair will observe that there should be some little order and method of procedure here. As the Chair once before remarked the reporters can not report a chorus.

Mr. JAMES. Mr. President

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Kentucky?

Mr. HITCHCOCK. I do.

I want to suggest to the Senator from North Carolina that while he is placing in the RECORD the amount of tobacco produced in each State, it would be well if he would show the amount of internal-revenue taxes that are paid by this product of the farmer in the South.

Mr. BRISTOW. Mr. President—
The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Kansas?

Mr. HITCHCOCK. I do.

Mr. BRISTOW. I would also like to have the RECORD show the internal-revenue tax that is paid on manufactures of to-

Mr. SIMMONS. I have not that data here; but I will state to the Senator that the tax is 8 cents a pound on plug tobacco. We raised the tax to that amount a few years ago at the in-stance of the former Senator from Indiana, Mr. Beveridge.

Mr. President, I have here-and I shall now put into the RECORD, as I might as well do it now as at any other time if the Senator from Nebraska will permit-the amount and value of

tobacco made in 1911 in each of the States

In Connecticut there were produced 27,625,000 pounds, valued at \$5,000,663; in Massachusetts, 9,224,000 pounds, valued at \$1,848,000; in Pennsylvania the product was 65,320,000 pounds, valued at \$6,205,000; in West Virginia, 11,250,000 pounds, valued at \$900,000; in Illinois, 750,000 pounds, valued at \$58,500; in Missouri, 4,800,000 pounds, valued at \$576,000; in South Carolina, 11,000,166 pounds, valued at \$1,388,000; in Wisconsin, 51,250,000 pounds, valued at \$5,125,000; in Indiana, 20,020,000 pounds, valued at \$1,561,000; in New York, 5,054,000 pounds, valued at \$525,000; in Tennessee, 62,370,000 pounds, valued at \$5,301,000; in Kentucky, 203,600,000 pounds, valued at \$23,377,000; in North Carolina, 99,400,000 pounds, valued at \$11,530,000; in Maryland, 19,101,000 pounds, valued at \$1,433,000; in Ohio, \$1,400,000 pounds, valued at \$6,186,000.

Mr. BRISTOW. The Senator has not read Virginia, I believe. Mr. SIMMONS. Virginia is the next. I had omitted that. Mr. SIMMONS. Virginia is the next. I had omitted that. Virginia produced 128,000,000 pounds of tobacco, valued at

Mr. HITCHCOCK. Mr. President, the discussion has developed the fact that there is a wide distribution in the production of tobacco. On a future occasion I propose to show that there is not a wide distribution in the manufacture of tobacco, but rather a tendency to monopoly. I shall not take time to-day to elaborate what I propose to show later on in the session when I urge my amendment for a graduated, progressive tax on the manufacture of tobacco, at which time I propose to discuss the matter that I had before the Democratic caucus.

I propose to discuss also the action of the Democratic caucus in putting restraint upon its members against voting according to their convictions upon my amendment upon the floor of the

I only desire now to call the attention of the Senate to the extent to which this widely diversified industry of tobacco growing is restrained and monopolized by a few great manufacturing concerns. For instance, four of the concerns into which the courts divided the great Tobacco Trust, now owned by the same stockholders, dominated by the same intellect, operating in close cooperation—those four concerns, as shown by the figures recently furnished the Senate by the Secretary of the Treasury, last year manufactured 713 per cent of all the tobacco in the United States, a monopoly greater even than it was at the time the decree of the Supreme Court purported to dissolve the trust.

Mr. BRISTOW. Mr. President-

Mr. HITCHCOCK. If the Senator will wait a minute I will

yield to him.

In the matter of small cigars, those figures show that the three trust concerns now manufacture 90 per cent of all the small cigars in the country; the same figures show that in the matter of cigarettes three concerns manufacture 85% per cent of all the cigarettes manufactured in this country; in short, the figures show that the monopoly, instead of being dissolved by the court, has been permitted to continue in four concerns, whose business has actually grown and whose profits have enormously increased.

A few days ago we all noticed in the press the death of Mr. Anthony N. Brady, and the world was surprised to learn that he was worth something like a hundred million dollars-a man so obscure in the world at large that his name was hardly known among men, and yet he died leaving a vast estate of a

hundred million dollars, as it is now estimated.

What are the facts? The facts are that a large portion of his wealth has been made in recent years in the manufacture of tobacco, by participating in the enormous profits of the trust.

Mr. BRISTOW. Mr. President—

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Kansas?

Mr. HITCHCOCK. I do.

Mr. BRISTOW. I want to inquire of the Senator if there has not been a dispute as to whether or not Mr. Brady was a

richer man than J. P. Morgan?
Mr. HITCHCOCK. It has been stated—and I am inclined to think that it has been conceded—that he died even richer than Mr. J. Pierpont Morgan; but the fact to which I desire at this moment to call attention of the Senate is that Mr. Brady was one of the defendants named in the court proceedings when the

that time his stock was found to have a certain value, and in less than two years, which since that time have elapsed, his fortune has been increased more than \$10,000,000 by the advance in the value of the stock, which has occurred since the decree of dissolution, thus showing that the dissolution was not genuine; thus showing that the monopoly still continues; thus showing that the profits instead of having been limited by competition have been multiplied by collusion.

The New York Times, from which I have a clipping upon my desk, shows that at the time of the dissolution ordered by the court Mr. Brady held 33,344 shares of the common stock of the American Tobacco Co. Those shares were worth \$400

each.

Under the decree of dissolution he was permitted to take shares in some 14 subsidiary companies, now controlled by the Lorillards or by Liggett & Myers or by the American Tobacco Co. The shares which he received in place of the shares of the American Tobacco Co., then worth \$400 each, are now worth \$700 each, an increase of \$10,000,000 in the market value of his holdings since the dissolution of the so-called trust. This does not represent all of his profit since the trust was dissolved into

four closely allied concerns.

I recite these facts at this time as a preamble to what I shall say on a future occasion in the Senate before debate on this bill is concluded. If the American people are in earnest in outlawing trusts-and I believe they are-and if the Senate is in earnest-and it ought to be in earnest-no rule of a caucus should restrain Senators from voting for a measure which will put a stop to this defiance of a judicial decree. My amendment, levying a progressive tax on the products of the Tobacco Trusts, will restore a condition of competition once more to the tobacco manufacturers who use the tobacco which the Senator from North Carolina says is raised in so many different States.

Mr. SIMMONS. Mr. President, I only want to say one further word about the tobacco tax. The highest tax imposed upon to-bacco is the tax upon wrapper tobacco. The average ad valorem rate in the present law and in this bill upon wrapper tobacco is 169.16 per cent. I want to say to the Senator from Kansas that outside of Florida and a little in Georgia—so little in Georgia that it is not mentioned in the list of States in the official document from which I read a little while ago-there is no wrapper tobacco, I believe, made in the South. There may possibly be a little made in South Carolina, but I think there is not. The high-priced wrapper tobacco upon which this duty of 169.16 per cent is placed is raised in other parts of the country, not in the South.

Filler tobacco bears an average ad valorem duty under the present law and in this bill of only 59.14 per cent, less than one-third of that imposed upon wrapper tobacco. Filler tobacco is the tobacco which we raise in North Carolina and in other parts of the South. We do not, as I have said, raise any wrapper tobacco in North Carolina and none in the South,

except as I have indicated.

Mr. BACON. Mr. President, I desire to say that by reference to the document from which the Senator from North Carolina has read, it will be observed that the amount produced in Florida is about twice that produced in Georgia, and I am told by the clerk who examined the figures that it is valued at some \$2,000,000 and that most of it is cultivated under canvas.

Mr. BRISTOW. Mr. President, the innocent remark I made that seems to have led to this discussion was that the farmer was very fortunate who could produce on his farm a luxury such as tobacco, for by so doing he was enabled to enjoy a protective duty of something like 200 per cent, while if he had to grow wheat and corn, as the great mass of farmers do, he

would have his products put upon the free list.

I do not think that this bill is a fair bill; I do - believe that it distributes its favors with equity. I think that an alleged tarff for revenue is not an honest tariff system. To my mind, there are but two systems that can stand proper analysis. One is free trade and the other is protection. You can not mix the two without discrimination. When you impose a tariff, whether it is alleged to be for revenue or for protection, if it is imposed upon the importation of an article which is produced in this country it serves as a protective duty, I do not care for what purpose it is alleged to be levied, and when you discriminate between articles that are produced in this country, put upon one a duty and leave the duty off of another, then you are discriminating in the protective favor which you are extending to the home producer of the article upon which the duty is levied. It makes no difference whatever for what purpose it is

alleged that the duty is levied, the result is just the same.

If you want a tariff for revenue, then impose it on articles that are not produced in the United States. You thus distribute trust was dissolved, when the court decreed it an outlaw. At the burden, according to the theory that is advocated here,

equally upon those who use it. That is an ideal revenue duty: but when you impose a duty for revenue and select an article from those that are produced in this country to be the recipient of such a duty, you are discriminating against some and favor-

ing others.

Mr. SIMMONS. Mr. President, one more word. It is very manifest that the character of tobacco imported into this country does not come much in competition with the like grade in this country, because it is not made here to any extent. The unit value of the wrapper tobacco imported into this country last year was \$1.11 a pound; the unit value of the filler tobacco imported into this country last year was 54 cents per pound. We do not raise any filler tobacco in this country of that price.

Mr. SMOOT. I have called the Senator's attention to paragraph 185 and asked him why the change on scrap tobacco was made, that being the only change in the whole schedule from the

present law

Mr. SIMMONS. I stated frankly to the Senator that I would make some inquiries as to that. I did not have my attention called to the fact that there was any change made in the House bill from the Payne-Aldrich law; but I see that a change has been made on scrap tobacco. I can not now tell the Senator why that change was made, but I have some idea as to the reason for it. I am not stating it as a fact, however, but only as a conjecture. It is a different quality altogether from the quality of tobacco that is taxed 55 cents a pound. Under the present law both scrap and tobacco which is in the whole leaf is taxed at 55 cents per pound. In this bill we continue the 55 cents upon the whole leaf and impose a duty of 35 cents a pound upon that which is scrap. I will also call the Senator's atten-

Mr. SMOOT. Paragraph 185 does not say "whole leaf to-

bacco," but "all other tobacco, manufactured or unmanufac-tured, not specially provided for in this section."

Mr. SIMMONS. Yes; but one is a scrap, though of the whole I call the Senator's attention to the fact that in all probability that was done because it was found there were practically no importations of scrap tobacco. The Senator will see from the bracket on page 161 that the importations of all tobacco unmanufactured-and that includes paragraph 185-last year into this country were only \$89,000 in value, while our production of that tobacco in 1910 was 984,000,000 pounds. I am not sure that I am right about it, but I am advised from some inquiries which I had made of a gentleman connected with the Ways and Means Committee that that was probably the reason why it was done. The duty was regarded as absolutely prohibitive; though that may not be the reason. If the Senator desires the paragraph to go over, I will look into it a little further.

Mr. SMOOT. Mr. President, I was cognizant of the figures Mr. SMOOI. Mr. President, I was cognizant of the figures which the Senator has quoted, but the whole schedule being the same as the present law, with this exception, and it not being a competitive schedule in any sense of the word, and so acknowledged, I did not see why that little change was made.

Mr. SIMMONS. I will state frankly to the Senator that I did not notice that it was made. I supposed in that respect the

present bill was identical in all particulars with the old law.

Mr. SMOOT. I call the Senator's attention to the hearings before the Ways and Means Committee of the House when he comes to consider this question. Mr. Young, in testifying before the House committee on these paragraphs 220 and 222—and, by the way, paragraph 185 of the present law is paragraph 222 of this bill—recommends certain changes in paragraph 220; he recommends certain changes in paragraph 221, but he recommends no change in paragraphs 222, 223, and 224. So I thought perhaps there was some mistake about it; and I ask the Senator to look into it. Mr. SIMMONS.

I ask that the Secretary proceed with the

reading of the bill.

The reading of the bill was resumed, and the Secretary read

paragraphs 186 and 187.

The next amendment of the Committee on Finance was, under the heading "Schedule G-Agricultural products and provisions," on page 55, to strike out paragraph 188, as follows:

188. Cattle, 10 per cent ad valorem.

Mr. GRONNA. Mr. President, before that amendment is adopted, I ask the attention of the Senate for a few moments. I realize that any amendment I may offer to this bill will not be accepted, but I am going to give the Senate the opportunity of voting upon some of the items in the agricultural schedule.

Mr. SMOOT. Mr. President, will the Senator yield to me for

The VICE PRESIDENT. Does the Senator from North Dakota yield to the Senator from Utah?

Mr. GRONNA. Certainly. Mr. SMOOT. There are a number of Senators who are interested in this schedule who are not now in the Chamber and therefore do not know that it is under consideration. For that reason I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators an-

swered to their names:

Ashurst	Hughes	O'German	Simmons
Borah	Jackson	Overman	Smith, Ariz.
Brady	James	Owen	Smith, Ga.
Bristow	Jones	Page	Smith, Mich.
Bryan	Kenyon	Penrose	Smith, S. C.
Burton	Kern	Perkins	Smoot Smoot
Chamberlain	La Follette	Pittman	
Chilton	Lane	Poindexter	Sterling
Clark, Wyo.	Lea		Stone
Crawford	Lewis	Pomerene	Sutherland
Cummins		Reed	Swanson
	Lodge	Robinson	Thomas
Dillingham	McLean	Shafroth	Thompson
Gallinger	Martin, Va.	Sheppard	Townsend
Gronna	Martine, N. J.	Sherman	Walsh
Hitchcock	Nelson	Shields	Warren
Hollis	Norris	Shively	Williams

The VICE PRESIDENT. Sixty-four Senators have answered

to the roll call. A quorum of the Senate is present.

Mr. GRONNA. Mr. President, the Senator from North Carolina [Mr. SIMMONS] read the roll call to show that many of the Senators on this side had voted with the Senators on that side. I agree with the Senator from North Carolina. Many of the Senators on this side who are in favor of reasonable protection have voted with that side on certain paragraphs where the tariff has been reduced. But it is also true that amendments have been offered by Senators on this side of the Chamber proposing to reduce the tariff and the Senators on that side have voted against them. I do not want to take up the time of the Senate with naming the specific items. I could do so if I wished. But the RECORD shows for itself that when amendments have been offered by Senators on this side to place certain articles on the free list the Democratic Senators in solid phalanx have voted against them.

Let us be fair about showing the RECORD. The people of this country possess enough intelligence to know for themselves what has happened in this Chamber. They do not have to be told, either by me or by anyone else, what has transpired here.

It is with diffidence and with some fear that I enter upon the discussion of this schedule, knowing as I do, that I shall meet the opposition of many illustrious minds of the Senate. But I shall not attempt to make any statements which I can not prove to be facts.

I disagree with the policy that has been adopted in making this bill. Ever since I came to Congress, as is well known, I have favored a low tariff. When my own party was in power I voted for lower rates on certain items in certain schedules. I want to say emphatically that I am ready now to vote, as to articles that are controlled by a monopoly or trust, if not to place them upon the free list, at least, to place upon them a duty that will not enable the monopoly or trust to be unduly I mean by that to allow a duty only where it will benefit labor.

I do not intend to assume the responsibility of speaking for anyone but myself. There are in this bill items for which I could vote, and for which I have voted, but there are many items in the bill which I believe unfairly discriminate against

the agricultural class.

Are we to adopt a policy that will discriminate against those who produce what are called basic necessities? Must we protect only those who are engaged in producing luxuries? Are we to say to those who are engaged in producing what are known as basic necessities that they lack sufficient knowledge to go into the business of producing articles which are luxuries? what logic can you contend that you are going to produce revenue by simply levying a duty upon articles that are known to be mere luxuries? Is it not reasonable to suppose that the American people possess enough intelligence to engage in industries that produce luxuries, and thereby get protection? Is it not reasonable to suppose that no one is foolish enough to engage in the industries that are going to be discriminated against?

I have always believed, and I have so stated, in the policy of protection, but I have never believed it was necessary to give protection to an industry that is controlled by a trust or

monopoly.

I could enumerate a number of trusts in this country that I do not believe are entitled to any protection. They do not need any protection. They control the products, not only of this country but of foreign countries. As was well said by the dis-tinguished Senator from Minnesota [Mr. Nelson] when he re-

ferred to the monopoly which is manufacturing farm implements, is there a Senator on that side who will say to me or who will say to the Senate that he believes farm implements are going to be any cheaper by placing them on the free list?

Take the production of binders, controlled absolutely by one Eighty-seven per cent of the binders sold in the United States are manufactured by the International Harvester Trust; 87 per cent of the binders are being supplied by one I do not think anyone really believes that taking off the tariff of 15 per cent will in any way affect a monopoly of that kind. As I said a few days ago, a binder that was shown to cost at the factory fifty-six dollars and some cents carries a duty of 15 per cent, which would amount to about \$8, which would make the gross factory cost about \$64. That very article is sold in my part of the country at \$150. So I ask you, How are you going to remedy that by a tariff bill?

Mr. President, I am not going into a general discussion of the tariff. I am going to offer certain amendments to the bill, and with each one of the amendments I am going to give some facts.

The rates in the amendments which I propose to offer are not as high as the rates in the present law. Most of the rates in the amendments I propose to offer are about the same as those now imposed by the Canadian Government. The amendment which I offer to this paragraph provides for a duty of \$1.50 per head on cattle less than 1 year old; on all other cattle that are valued at more than \$14 per head, \$3 per head; if valued at more than \$14 per head, 20 per cent ad valorem.

That is lower than the Canadian rate. The Canadian rate is 25 per cent ad valorem. The Payne rate was \$2 in the first instance and \$3.75 in the second instance, with an ad valorem duty of 27½ per cent. The Dingley rate was the same as the Payne rate, and the Wilson rate was the same rate that I propose to offer to this paragraph, namely, 20 per cent.

I assume that I shall be met with the argument that this is a basic necessity. I admit that, Mr. President. I admit that beef is a basic necessity. But we have not only been able to supply our own markets, but we have exported to a considerable extent.

I suppose I will be asked, "Why, then, is it necessary to have protection if we export cattle?" During 1912 we imported

318,372 head of cattle, and their value amounted to \$4,805,574, which shows that they were cheap cattle. They were young cattle or stockers. We exported only 105,506 head, and yet they were worth 100 per cent more than the 318,000 which we imported. They were worth \$8,870,075.

There are in all countries for which statistics are available about 450,000,000 head of cattle. The United States, excluding Alaska and our island possessions, has about 60,000,000, or, to be accurate, 58,395,752. No one has a monopoly of this business in the United States, as I am going to show. Canada has 7,108,702 head of cattle; Mexico, 5,142,457; Cuba a little more than 3,000,000; Argentina more than 28,000,000; Brazil about Austria-Hungary more than 17,000,000; France nearly 15,000,000; Germany over 20,000,000; Italy more than 6,000,000; Russia, in Europe, 35,781,000; Russia, in Asia, a little more than 15,000,000. The United Kingdom has only about 12,000,000 head of cattle, British India has 114,000,000that includes buffalo calves-and Australia has more than

In the United States the 60,000,000 head of cattle are distributed as I shall state. I am going to name only the States where the raising of cattle is an important industry. I quote the figures from the Agricultural Yearbook for 1912, assuming that they are correct:

New York has 2,341,000; Pennsylvania, 1,557,000; Georgia, 1,069,000; Ohio, 1,683,000; Indiana, 1,320,000; Illinois, 2,235,000; Michigan, 1,471,000; Wisconsin, 2,639,000; Minnesota, 2,268,000; Iowa, 3,344,000; Missouri has a great number of cattle, 2,233,000; North Dakota, 714,000; South Dakota, 1,278,000; Nebraska, 2,509,000; Kansas, 2,476,000; Texas, 6,056,000; Oklahoma, 1,639,000; Montana has only 812,000; Wyoming, 539,000; Colorado, 1,093,000; New Mexico, 947,000; Arizona, 812,000; California, 1,955,000.

Mr. WARREN. Has the Senator the number of milch cows separate from the other cattle? If he has, I hope he will include it in his statement.

No. I will say I did not want to take up Mr. GRONNA. too much of the time of the Senate. I simply wanted to present, in round figures, the number of cattle as they are distributed all over the United States.

If the cattle industry were controlled by a monopoly,' I should be in favor of placing cattle on the free list. But the figures show that instead of the cattle being owned by a few men. the older States are more and more going into the business of raising cattle on a small scale. Since the public lands have been tle industry in that part of the country has decreased, and it is increasing in the Eastern States, and especially in the States of Iowa, Ohio, and New York. When I speak of men who raise cattle I mean farmers, because among the 10,000,000 farmers there are at least 7,000,000 farmers who raise a few head of cattle.

I admit that the price of beef is high at the present time. I admit that for the last few years the industry has been a paying one. But you are proposing now by this bill to deny any protection to the farmers who have engaged in this business and who have profited by it. You are throwing wide open the doors and permitting the country on the north, which has a tariff of 25 per cent ad valorem, to send her cattle in free, as well as permitting the country on the south, which has no tariff, to send her cattle in free. Not only that, but you are permitting every country in the world to come into our markets on the same basis as our own farmers.

Perhaps some of you who have not been engaged in the cattle industry believe that there is no labor connected with it. suppose there are on this floor men who know more about the industry than I do; but I believe I can say that there is as much labor connected with the industry of raising cattle as there is with the industry of manufacturing. Why, then, is not the farmer who raises cattle as much entitled to protection as the manufacturer? The farmer must employ labor as well as the manufacturer.

We hear a great deal said about "going back to the farm." You must do one of two things: You must either make it possible for the farmer to get for his products a price sufficient to pay him a profit or you must give him an opportunity to buy everything in the free market. Not only that, but you must not discriminate against him in the way of rates of interest. which is being done at the present time, and for which I do not altogether blame the Democratic Party,

The farmer must be placed on a basis where he can secure

cheaper money, secure his implements, and secure his labor at a lower price or you must permit him to get a price that will enable him to make a profit. If you do not, the enlightened American people are not going to engage in the industry of

It is true that farming is different from manufacturing. The farm is a home, and whether it is on a paying basis or not the farmer does not close down, as does the manufacturer. He stays on the farm until he is sold out by the sheriff. But the young men that are growing up, the young men who are receiving an education, are not going to be satisfied to live on the farm and receive pauper wages for their labor. They are entitled to as much consideration as any other class engaged in any other industry.

Mr. President, I do not wish to take up any more time on this particular paragraph. I offer the following amendment, and upon it I call for the yeas and nays.

The VICE PRESIDENT. The amendment submitted by the

Senator from North Dakota will be read.

The Secretary. Amend paragraph 188, page 55, so as to read: 188. Cattle, if less than 1 year old, \$1.50 per head; all other cattle if valued at not more than \$14 per head, \$3 per head; if valued at more than \$14 per head, 20 per cent ad valorem.

Mr. LANE. Mr. President, I wish to state that I do not know the conditions in the Senator's State, but out on the coast the cattle are gone from the range. There is bunch grass growing on the range as we have not had it before in 25 years.

I traveled with a buyer for a large firm who were buying cattle all over the Pacific coast last year. I traveled with him from the Rocky Mountains down to the coast through the State of Oregon and eastern Oregon, and he had been through Idaho. He was going over all that country buying cattle to drive to the Saskatchewan country. He was paying the ruling price that was asked of him by stockmen. He told me confidentially that the people in our part of the country were not alive to the situation; that the cattle were gone from off the ranges. I checked the statement up afterwards, and I found that they were gone. They are gone from off the ranges in Oregon, Idaho, Montana, in Wyoming, I'presume, and in Cali-We have used them up. They have been consumed. The increase of the herds has not kept pace with the population of the country. Good, fat steers are selling for nearly \$100 a head at this time in some sections of the country. The people can not afford longer to eat meat unless we obtain a source of cheaper supply for them. The poor man in a short time will be entirely unable to eat it or to have it on his table more than once a week. The Senator knows this to be true from his own experience; and if not, can prove it if he will go out into the markets of the city; the extravagant price he will have to pay taken up in the West, and free range has been denied, the cat- for meat will prove it. I found alfalfa hay in some sectionslast year's crop and the crop of the year before and a portion of that of the year even before that-piled up in the field, and it was not worth over \$3 or \$4 a ton, for the reason that there were no cattle to eat it.

We have got to go somewhere for our supply of meat. We will get no cattle from Canada. We must go, perhaps, to the Argentine Republic or to Mexico. I doubt if we can get them from Mexico at this time. But there are not enough cattle in this country now to meet the demands of the people.

Mr. BRISTOW. Mr. President-

Mr. LANE. That is my opinion.

The VICE PRESIDENT. Does the Senator from Oregon yield to the Senator from Kansas?

Mr. LANE. With a great deal of pleasure.

Mr. BRISTOW. Is it not a fact that there is a decline in the number of cattle not only in our own country but in other cattle-producing countries?

Mr. LANE. I presume so.

Mr. BRISTOW. And is not that because the cattlemen and the farmers have found that it does not pay to keep a cow for the calf; that when they go into the dairy business they find it does not pay to keep the calves, because the calves will consume more milk than they are worth? The result is that the range man can not profit by carrying cattle as he formerly did, receiving merely the increase as the profit for maintaining the herd. This is not the condition in our own country alone.

Then, if the Senator will permit me, if I am not taking too much of his time, the trouble is that when the herd is depleted it takes a long time to replenish a herd of cattle. The cattlebutchering business has been absorbed by a combination of They squeeze down the price for years until they drive the independent cattle grower out of business. He sells

I have in mind a gentleman in my own State who disposed very largely of his herd that he was keeping for the increase, because it did not pay. He, in fact, some years lost money, and he had to dispose of them. Knowing the power of the combination that controls the meat business of the world, he hesitates to go into a business which is domniated by a combination. So while probably if he had the cows now he could maintain them for the increase, he does not think that it is good business judgment to undertake to go out and buy cows at the price they command and undertake to raise a herd of cows, because of his experiences in the past.

For that reason it seems to me that we must in this country of ours devise some means by which we can encourage the pro-

duction of the calf for the sake of growing the steer.

Mr. LANE. Mr. President, I wish to say that the shortage has been due in a measure to the fact that the milk productbutter fat-has increased in value, and creameries have been established throughout farming communities, and the farmer has been able to make more by producing milk than by raising

The result is that in many sections the farmers have killed the calves as soon as they were born, knocking them in the head, rather than lose the milk they would consume if he raised them, and they have good reason for it. In some States I understand they have passed laws trying to prevent that, but the fact exists, and I am informed on good authority that unless some means of relief is obtained in this country, steers will be selling for \$100 a head all down the line for good average fat steers. There is an enormous profit at that price.

How much does the Senator want the people to pay for the

necessities of life? Does he want them to become vegetarians? If he does not he must open some way they can procure meat to eat. It will take years to overcome the condition which now

Mr. WARREN. May I ask the Senator, Is he going to increase the meat products if he lowers the price and makes farming unprofitable so that the farmer will not raise the cattle?

Mr. LANE. I think the farmer would make a good profit if he received from seventy-five to a hundred dollars a head for his steers. Meat is becoming a luxury now.

Mr. WARREN. If you reduce them to a price of \$30 and

Mr. LANE. My idea was that such a price would not pre-

vail again, not for many years to come.

Mr. WARREN. The situation is that the cattle in the world

are not increasing nearly as fast as the population.

Mr. LANE. That is the idea I intended to convey.

Mr. WARREN. The sheep in the world are not increasing nearly as fast as the population; and you can by admitting wool free, and so forth, render sheep raising so unprofitable in this country that we will produce only a small amount of the mutton for consumption. You can perhaps for a few years have an influx of cattle from other countries, rendering the farmer's price here so low that he goes out of business, and it will be a long, long time before he will be able to reorganize so as to raise enough to supply the American demand, and we would be utterly dependent, very soon, upon foreign countries.

I do not imagine that there is a surplus in this country or in the world all together of cattle large enough so that when we come to a point where we are dependent for our meat production entirely, or almost so, on foreign countries that we are

going to be well taken care of.

There is truth in what the Senator says about the increased use of cows for the milk product and destroying the calves, not so much by knocking them in the head, which, I think, occurs but seldom, but they are turned out at four to six weeks old for veal. The price of veal has been high enough, and the same with the price of lambs, too, of late years; so that the young of both cattle and sheep have been sold for meat much earlier in their existence, and consequently each has been of smaller weight than of the old times, and this has helped the decrease in numbers

Mr. CRAWFORD. Will the Senator permit me? Mr. WARREN. I am talking in the time of the Senator from Oregon.

Mr. CRAWFORD. If I may be permitted I should like to ask the Senator from Wyoming if it is not a fact that during the last 10 or 12 years, where labor has been employed and wages have been good, the consumption of beef per capita has increased very much throughout the country?

Mr. WARREN. Just in proportion, I think, as the wages for workmen and the compensation for energy all through the country has enabled all hands to freely buy meat, as, of course,

it is a favorite article of food.

Mr. CRAWFORD. If we should have a long period of depression in the country, so that people could not afford to eat so much meat, does not the Senator think that might enable us to increase the supply to be consumed?

Mr. WARREN. It would not. It would be a case of one sorrow feeding upon another. I remember at one time cattle were considered high and we had hard times. Most of the cattle raisers were called upon to pay their debts. They commenced shipping their cattle to market, and prices went down from \$40 to \$30 and from \$30 to \$20 and \$10 per head. It took just that many more cattle to pay the debts, and later followed a shortage and then finally higher prices again.

Mr. CRAWFORD. The answer of the Senator is discourag-I thought that possibly we might have some hope of increasing the supply by following the method of causing depression and reducing the consumption per capita, but if the Senator can give no hope in that direction it means that the question of the supply of the beef product is a very serious one, for which it is hard to find a solution.

Mr. WARREN. It is a serious one. The argument or assumption of the Senator that the Democrats or some few desire lower prices in order to bring prosperity is, I know, in a light vein on his part. If the price of beef is high and wages are also high, people can afford to eat beef and plenty of it. It is because the supply is not only good but general business is good. If we have prosperity in one line, we have prosperity in other lines. If we have adversity in several lines, it is liable to spread to all. But the meat product, especially beef, is a problem that we have to meet and solve as best we can because, as I said before, the people increase in numbers much faster than meat animals. And, furthermore, certainly when the people are prosperous and good returns are made from business, the consumption of meat increases rather than decreases.

Now, in the matter of dairy products, of our 60,000,000 cattle about 22,000,000 are milch cows. Of course a milch cow contributes but little to the beef product, because she is usually retained as a milker until advanced in age, and then she produces not a large amount or a first quality of beef.

We are to-day receiving beef from the Argentine Republic and elsewhere. We have right before us every day a sample of the workings of the market, because we are protected in some degree, but, nevertheless, the market here is open to these

foreign products that are coming in.

Mr. LANE. I wish to state in closing the conditions that exist under the present law. The man who sells butter fat to the creamery realizes a profit in some portions of our country of nearly \$100 a year per head for his cows, and he prefers that method of making money as being quicker than it would be to raise calves. To restock the ranges it will be necessary, I am informed by dealers in cattle, to import even the long-horn cattle stock from the South American countries.

Mr. WARREN. The Senator surely does not wish us to understand that there is \$100 net profit per annum to a cow.

Mr. LANE. I wish to make a statement that in certain sections of the country, out on the coast, the dairymen do claim to make that much profit—\$100 a head, net—if you please, for each dairy cow. They are high-grade, good cows, but they do

Mr. GRONNA. Mr. President-

The VICE PRESIDENT. Does the Senator from Oregon yield to the Senator from North Dakota?

Mr. LANE. I yield. I am through, in fact. Mr. GRONNA. I wanted to ask the Senator from Oregon a question. It seems to me that the problem can be easily solved if the conditions are as the Senator from Oregon has stated them to be. If I understood him correctly, he stated that alfalfa hay sold for three or four dollars a ton in his State. Did I understand the Senator correctly?

Mr. LANE. I said in certain sections alfalfa hay was stacked up and could not be sold for a price to exceed three to four dol-

Mr. GRONNA. Then, Mr. President, I think anyone can easily solve that question, if that is true, because we can buy young cattle from Mexico and from other countries and produce our own beef. But certainly if alfalfa hay is worth only three or four dollars a ton, it seems to me that ought to solve the problem, if nothing else. If the Senator will permit me to say

Mr. LANE. Right in answer to that, if the Senator will allow me, I will say that was partly our object. The gentlemen up in that part of the country having the hay and no cattle to feed it to, we are trying to give them the opportunity to get some cattle,

to feed the hay to them, and get them on the market.

In reply to the Senator from Wyoming, I will say that per-haps the reason why the people out on the coast make more money out of the dairy cow than they do in Wyoming is due to the fact that the climate is better for that purpose, and it is a great deal better country in many ways.

Mr. WARREN. Will the Senator allow me a moment?

Mr. GRONNA. I want to ask just one question.
Mr. WARREN. I wish to make a reply to the proposition that somebody has made \$100 net off a cow, and that that is the price. I am willing to let that stand as the statement of the Senator from Oregon. But I think he will find that in most cases it takes a very great number of cows to get an average of that, or even a goodly proportion of that amount.

Now, alfalfa may be, as the Senator states, in some places in his State \$3 a ton. The last time I was in that State they were getting \$12 a ton for it and shipping it to Texas. It is a matter of transportation largely. Of course, where there are alfalfa fields far from railroads, and there is an overstock of alfalfa, I presume it may be two or three dollars a ton, but the price of

hay has been, generally speaking, very far above that.

Mr. LANE. In explanation of my statement I will say that it is a certain section of the John Day country which I was referring to, when I was speaking about alfalfa hay. All through that country it was piled up, with no cattle to feed it to. Of course, if they had had cattle it would have been worth more, but the ranges were bare of cattle.

In respect to the statement as to the dairy cows, it was near creameries, in certain favored sections. I wish it understood the entire community assured me that that was about the profit they made, from \$80 to \$100 a head on their cattle, using them for creamery purposes. I speak of that country, and it might be worth while to go down there and take a look at it yourselves. It is so much better than the country you live in. It is down in the Coquille Valley, away down on the coast. It is a beautiful country.

Mr. GRONNA. I wish to call the Senator's attention to the

fact that according to the handbook the unit of value of cattle imported in the year 1896 was \$6.89; for the year 1905, \$14.19; for the year 1910, \$13.94; and for the year 1912, \$14.20.

Mr. LANE. What was that? I did not hear the Senator. Mr. GRONNA. I am quoting the unit of value of cattle. Mr. LANE. A head?

Mr. GRONNA. A head. Of course that is the importation

Mr. LANE. They must have been very small cattle.

Mr. GRONNA. That is according to the figures of the tariff

Mr. LANE. \$13 a head?

Mr. GRONNA. \$14.20.

Mr. LANE. For a beef steer?

Mr. GRONNA. It does not say beef steer or anything else. It is per unit.

Mr. LANE. They could not buy many of them, I think, at

that price anywhere in the world.

Mr. SHIVELY. Mr. President, I think the Senator from North Dakota is entirely right about that. The import price for 1912 was \$14.20 and the export price for the same year was \$84.07.

Mr. GRONNA. Yes, Mr. President; I think I showed a few moments ago that we imported during 1912, 318,372 head of cattle, worth \$4,805,000, and exported 105,000 head, worth nearly \$9,000,000, showing that we imported young cattle, and we exported corn-fed cattle.

Mr. SHIVELY. Which was an exceedingly profitable busi-

Mr. GRONNA. Certainly; I do not deny that. That is the very reason that I am offering this amendment. farmers of this country to have the profit which they have enjoyed during the last few years.

Mr. SHIVELY. But you would subtract from that whatever your amendment calls for in the way of an import duty.

Mr. GRONNA. Mr. President, my amendment does not provide for a tariff as high as the present tariff.

Mr. SHIVELY. That is true. Mr. GRONNA. It is a great reduction. It is 5 per cent lower than the Canadian tariff.

Mr. SHIVELY. But, if the Senator please, his quarrel seems to be with this provision which puts cattle on the free list.

Mr. GRONNA. Yes; that is true.
Mr. WALSH. Mr. President, before the Senator takes his seat, permit me to remark that the figures quoted obviously disclose that the importations are of young feeding stock-

Mr. GRONNA. Yes; I so stated. Mr. WALSH. Brought into this country, fattened here, and then sent to the market.

Now I desire to ask the Senator, or inquire of anybody else, why we should burden that business with a tax? Why should the man in New Mexico, in Arizona, or in Montana who desires to go to Mexico for the purpose of buying feeders to bring them into this country to fatten for the market be burdened with a tax?

Mr. WILLIAMS. And make the cattle worth eight times as much as they were before.

Mr. WARREN. If the Senator will yield to me a moment right there, I will say that the cattle that are imported are not subsequently exported. The man who brings cattle in from Mexico has nothing that he can export. He exports only the prime top, the finished-fed steers, natives of Montana and of other States in the Union. The cattle brought in which are so much lower in value are, as the Senator from Indiana [Mr. SHIVELY] has said, young cattle, and, as a general thing, they are of very inferior quality.

Mr. WALSH. That is exactly in accordance with what I have suggested to the Senate, that a very inferior grade of cattle, a low-grade cattle, are brought in from Mexico to the cattle, are brought in from Mexico to the cattle, are brought in from the months. feeding States, and they are there fed and put upon the market. The probabilities are that very few of those cattle are exported; but they take the place of cattle that are exported and thus

supply the market.

Mr. President, before the Senate votes upon the amendment of the distinguished Senator from North Dakota [Mr. Gronna] think its attention might very preperly be called to some illuminating figures in relation to the cattle industry contained in the last report of the Secretary of Agriculture. that in 1907 there were in this country, outside of milch cattle, 51,506,000 head; in 1908, 50,073,000 head; in 1909, 49,379,000 head; in 1910, 47,279,000 head; in 1911, 39,679,000 head; in 1912, 37,260,000; and in 1913, 36,030,000 head, a decrease of 15,000,000 head in six years, or about 30 per cent.

In view of the fact that there has been this tremendous diminution in the number of cattle in this country, reflected in the enormous advance in the price of beef, I desire to inquire of the distinguished Senator from North Dakota, in view of those conditions and the further condition to which he has adverted, that the market is practically controlled by a trust which fixes prices, how he can think of imposing a duty upon cattle?

Mr. GRONNA. Mr. President, the Senator from Montana is correct in his statement that there has been a decrease in certain kinds of cattle, but he forgets to tell the Senate that we are now producing more milch cows.

Mr. WALSH. I have the figures.

Mr. GRONNA. The figures that I quoted, I want to say to the Senator from Montana, are taken from the same book he has in his hand, and I quoted them correctly. If the Senator

will permit me, the figures I quoted for the year 1912 were all -58,395,752. I say those figures are correct.

Mr. WALSH. I am able to give the figures as to milch cows as well as for beef cattle. In 1907 the number of milch cows was 20,908,000, and in 1913 we had lost 400,000, there remains ing 20,497,000 milch cows

Mr. GRONNA. No; the figures do not show anything of the kind; they do not show that we have lost so many cattle; they simply show that we have more milch cows and less of other kinds of cattle. They do not show that we have that many less, because we did have, according to the Secretary's figures, more than 58,000,000 head of cattle in 1912.

The VICE PRESIDENT. The question is on the amendment

reported by the committee.

Mr. GRONNA. Mr. President, I offered an amendment to

the amendment of the committee.

The VICE PRESIDENT. The Chair knows the Senator did, but the Chair has been ruling that the committee has the right first to perfect the text.

Mr. GRONNA. Very well; I ask for the yeas and nays on

the amendment.

The yeas and nays were ordered.

Mr. GALLINGER. Mr. President, as I understand, the question is on the committee amendment.

The VICE PRESIDENT. The question is on agreeing to the committee amendment.

Mr. GRONNA. I will withdraw my demand for the yeas and nays on the committee amendment.

SEVERAL SENATORS. Oh, no. Mr. WILLIAMS. Why not have a yea-and-nay vote on the Senator's amendment?

Mr. CLARK of Wyoming. Let us have the yeas and nays on

the committee amendment also.

Mr. GALLINGER. I suggest to the Senator from North Dakota that we have a yea-and-nay vote on the committee amendment.

Mr. GRONNA. Very well.

The Secretary proceeded to call the roll.

Mr. KERN (when his name was called). I transfer my pair with the Senator from Kentucky [Mr. Bradley] to the Senator

from Maryland [Mr. SMITH] and will vote. I vote "yea."
Mr. THOMAS (when his name was called). I have a general pair with the senior Senator from New York [Mr. Root]. I transfer that pair to the junior Senator from Oklahoma [Mr. Gore] and vote. I vote "yea."
The roll call was concluded.

Mr. JAMES. I have a general pair with the junior Senator from Massachusetts [Mr. Weeks]. I transfer that pair to the junior Senator from Louisiana [Mr. Ransdell] and vote "yea."

I also desire to announce that my colleague [Mr. Bradley] is detained from the Senate by reason of illness. He has a general pair with the junior Senator from Indiana [Mr. Kern].

I will let this announcement stand for the day.

Mr. CHAMBERLAIN. I have a general pair with the junior
Senator from Pennsylvania [Mr. OLIVER]. I transfer that pair to the Senator from Arizona [Mr. ASHURST] and will vote. vea.

Mr. CLARKE of Arkansas (after having voted in the affirmative). I desire to inquire whether or not the junior Senator from Utah [Mr. SUTHERLAND] has voted?

The VICE PRESIDENT. The Chair is informed that that Senator has not voted.

Mr. CLARKE of Arkansas. Then I withdraw my vote, as I have a general pair with that Senator.

Mr. LODGE. I ask if the junior Senator from Georgia [Mr.

SMITH] has voted? The VICE PRESIDENT. The Chair is informed that he has

Mr. LODGE. I have a general pair with that Senator, which I transfer to the Senator from Maine [Mr. Burleigh], and will

vote "nav.

Mr. SMITH of Georgia entered the Chamber and voted.

Mr. LODGE. I see the junior Senator from Georgia [Mr. SMITH] has returned to the Chamber and voted. I therefore withdraw the announcement I made of the transfer of my pair with him, and will allow my vote to stand, which leaves the Senator from Maine [Mr. Burleigh] unpaired.

Mr. SAULSBURY. I have a pair with the junior Senator from Rhode Island [Mr. Colt]. I transfer that pair to the Senator from Arizona [Mr. SMITH] and will vote. I vote "yea." The result was announced-yeas 38, nays 31, as follows:

YEAS-38.

Chilton Hitchcock Hollis Hughes Bacon Lane Bryan Chamberlain

s s	Martin, Va. Martine, N. J. Myers O'Gorman Overman Owen Pittman	Pomerene Reed Robinson Saulsbury Shafroth Sheppard Shields	Shively Simmons Smith, Ga. Smith, S. C. Stone Swanson Thomas	Thompson Tillman Vardaman Walsh Williams
f		N	AYS-31.	
;ft s	Borah Brady Brandegee Bristow Catron Clapp Clark, Wyo. Crawford	Cummins Dillingham Gallinger Gronna Jackson Jones Kenyon La Follette	Lippitt Lodge McLean Nelson Norris Page Penrose Perkins	Poindexter Sherman Smoot Sterling Thornton Townsend Warren
		NOT	VOTING-26.	
o t	Ashurst Bankhead Bradley Burleigh Burton Clarke, Ark.	Culberson du Pont Fall Fletcher Goff Gore Johnson	McCumber Newlands Oliver Ransdell Root Smith, Ariz. Smith, Md.	Smith, Mich. Stephenson Sutherland Weeks Works

So the amendment of the committee was agreed to.

The VICE PRESIDENT. The question recurs on the amendment offered by the Senator from North Dakota [Mr. GRONNA].

Mr. GRONNA. Mr. President, I want to state briefly that the bill, when it passed the House, provided for a duty of 10 per cent ad valorem on cattle. The Senate committee has placed cattle on the free list. My amendment provides for a duty of 20 per cent, a large reduction in the present rate. Canada has a tariff of 25 per cent on cattle; so that the amendment which I submit is less than the tariff levied by Canada.

Mr. SHIVELY. Let us have a vote, Mr. President. The VICE PRESIDENT. The question is on the amendment offered by the Senator from North Dakota [Mr. Gronna]. [Putting the question.] By the sound, the "noes" appear to have it.

Mr. GRONNA. I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CHAMBERLAIN (when his name was called). I have general pair with the junior Senator from Pennsylvania [Mr. OLIVER], which I transfer to the Senator from Arizona [Mr. Ashurst] and will vote. I vote "nay."

Mr. JAMES (when his name was called). I transfer my pair with the Senator from Massachusetts [Mr. Weeks] to the Senator from Louisiana [Mr. RANSDELL], and vote "nay."

Mr. KERN (when his name was called). I transfer my pair with the Senator from Kentucky [Mr. Bradley] to the Senator from Maryland [Mr. SMITH] and will vote. I vote "nay."

Mr. SAULSBURY (when his name was called). I transfer my pair with the junior Senator from Rhode Island [Mr. Colt]

to the Senator from Arizona [Mr. SMITH] and will vote. I vote "nav.

Mr. THOMAS (when his name was called). I transfer my pair with the Senator from New York [Mr. Root] to the junior Senator from Oklahoma [Mr. Gore] and will vote. I vote "nay."

The roll call was concluded.

Mr. CHAMBERLAIN (after having voted in the negative). The Senator from Arizona [Mr. Ashurst] having returned to the Chamber, I transfer my pair to the Senator from Maine [Mr. Johnson], and will allow my vote to stand.

Mr. REED. I desire to inquire whether the Senator from

Michigan [Mr. SMITH] is absent from the city?

Mr. TOWNSEND. I do not think he is, although I have not

seen him to-day.

Mr. REED. Under those conditions I will be at liberty to vote. I therefore vote "nay.

The result was announced-yeas 31, nays 39, as follows:

	YE	AS-31.	
Borah Brady Brandegee Bristow Catron Clapp Clark, Wyo. Crawford	Cummins Dillingham Gallinger Gronna Jackson Jones Kenyon La Follette	Lippitt Lodge McLean Nelson Norris Page Penrose Perkins	Poindexter Sherman Smoot Sterling Thornton Townsend Warren
	NA	YS-39.	
Ashurst Bacon - Bryan Chamberlain Chilton Fletcher Hitchcock Hollis Hughes James	Kern Lane Lea Lewis Martin, Va. Martine, N. J. Myers O'Gorman Overman Owen	Pittman Pomerene Reed Robinson Saulsbury Shafroth Sheppard Shields Shively Simmons	Smith, Ga. Smith, S. C. Stone Swanson Thomas Thompson Vardaman Walsh Williams

Bankhead Bradley Burleigh

Burton Clarke, Ark. Colt Culberson

Sutherland Tillman Weeks

Works

Nebraska___ Kansas____

Wisconsin [Mr. Stephenson], the junior Senator from Cania [Mr. Works], and the senior Senator from New M [Mr. Fall]. Those four Senators are not paired.	lifor- exico
The reading of the bill was resumed. The next amendment of the Committee on Finance wa paragraph 189, page 55, line 20, after the word "mules strike out "valued at \$200 or less per head, \$15 per hea valued at over \$200 per head," so as to make the paragrend:	d; if
189. Horses and mules, 10 per cent ad valorem. Mr. GRONNA. I wish to offer an amendment to that	1
graph, which I send to the desk. The VICE PRESIDENT. The amendment will be state The Secretary. It is proposed to amend paragraph 189, 55, to read as follows:	d. page
Horses and mules, valued at \$150 or less per head, \$20 per if valued at over \$150, 20 per cent ad valorem. The VICE PRESIDENT. The Chair makes the same r as before, that the committee amendment is first in order. The question is on agreeing to the committee amendment. The amendment was agreed to. The VICE PRESIDENT. The question now is on agreeing the amendment proposed by the Senator from North Date of the proposed by the Senator from North	uling int.
[Mr. Gronna]. Mr. Gronna. I shall take up only a very few minut the time of the Senate on this amendment. I simply wa call attention to the fact that the Canadian rates on horse	es of h
as follows: Horses more than 1 year old and valued at \$50 per her less, \$12.50 per head. Other horses, 25 per cent ad valorer. The rate in the present law is as follows: Horses valued at \$150 or less per head, \$30 per head; valued at more than \$150, 25 per cent ad valorem. The rate of the Dingley bill was the same as the rate of	alued
present law. The rate of the Wilson bill was 20 per cent ad valorem same rate proposed in the amendment I have offered. I do not desire to take up the time of the Senate, but I ask unanimous consent to print in connection with my ren a table which I send to the desk. The VICE PRESIDENT. Is there any objection? The O	will marks
hears none. The matter referred to is as follows:	y s
Canadian rates: More than 1 year old and valued at \$50 per hess, \$12.50 per head; other horses, 25 per cent ad valorem. Payne rates: Valued at \$150 or less per head, \$30 per head; valued nore than \$150, 25 per cent ad valorem. Dingley rate: Same as Payne rate. Wilson rate: Twenty per cent ad valorem. Imports, 1912: Number, 6,667; value, \$1,923,025. Revenue, \$68,323. Exports, 1912: Number, 4,901; value, \$732,095.	ead or I need at I t
Number of horses.	2 -00 1
	6, 520 9, 789 4, 125 9, 217
Cuba 55 Argentina 8, 89 Paraguay 55 Austria-Hungary 4, 37 France 3, 23 Germany 4, 51 Italy 95 Russia in Europe 23, 54	5, 423 4, 031 6, 307 8, 225 6, 110 6, 297 5, 878 8, 000
Russa in Asia	0, 000 8, 314 5, 473 7, 130
New York 600 Pennsylvania 57 Virginia 34 Ohio 89 Indiana 84 Illinois 1,48 Michigan 64	9, 000 8, 000 10, 0
	5, 000 B 2, 000 B 8, 000 B 4, 000 C 2, 000 C

NOT VOTING-25.

Mr. GALLINGER. I desire to announce the unavoidable absence of the junior Senator from Maine [Mr. Burleigh] on account of sickness; also the absence of the junior Senator from Wisconsin [Mr. Stephenson], the junior Senator from Califor-

Oliver Ransdell Root Smith, Ariz. Smith, Md. Smith, Mich. Stephenson

du Pont Fall Goff Gore Johnson McCumber Newlands

So Mr. GRONNA's amendment was rejected.

Kentucky	1.	000.	
Relitucky		443,	
Tennessee	-	350,	000
Texas	1,	181.	000
Oklahoma		758.	
Montana		354,	
Colorado		324,	
California		503.	000
MULES.		1531115	
Canadian rate: Twenty-five per cent ad valorem.			
Payne rate: Same as on horses.			
Dingley rate: Same as on horses.			
Wilson rate: Same as on horses-20 per cent.			
Imports, 1912: Number, 1,153; value, \$53,093.			
Revenue, \$34,590.			
Exports, 1912: Number, 4,901; value, \$732,095.			
Number of mules.			
In countries for which the difference of matter.	-	2002	2220
In countries for which statistics are available	8,	215,	564
United States, excluding Alaska and island possessions	4,	656,	371
Mexico		334,	
Argentina		534,	813
Colombia		257.	000
Brance		194.	
Germany		1.	746
		388,	
United Kingdom			911
STATES HAVING 100,000 OR MORE MULES.		00,	
STATES HAVING 100,000 OR MORE MULES.			
North Carolina		186,	000
South Carolina		168.	000
Georgia		310.	000
111111018		149.	000
MISSOUFI		326.	
Kansas		222.	
ACHCUCKY		229,	000
Tennessee		276,	000
Alabama		270,	000
MISSISSIDDI		280.	
Louisiana		133.	
Texas		724.	
Oklahoma		269,	000
Arkansas		233.	
The VICE PRESIDENT. The question is on the a	me	ndm	ent
proposed by the Senator from North Dakota [Mr. GR	ON	NYA T	
Mr. CDONNIA	014	MAJ.	
Mr. GRONNA. On that I ask for the yeas and	na	ys,	MIT.
President.	70		
The yeas and nays were ordered.			
M. TITODAMON To be officied.			-
Mr. THORNTON. I should like to have the amend	me	nt r	ead
by the Secretary.			1000
The Secretary again read the proposed amendment.			
The VICE PRESIDENT. The Secretary will call the	he	roll	
mit or		7000	

The Secretary proceeded to call the roll.

Mr. CHAMBERLAIN (when his name was called). I again announce my pair with the junior Senator from Pennsylvania [Mr. OLIVER], which I transfer to the senior Senator from Maine Mr. James, which I transfer to the senior Senator from Maine [Mr. Johnson] and will vote. I vote "nay."

Mr. James (when his name was called). I again announce my pair with the junior Senator from Massachusetts [Mr. Weeks]. I transfer that pair to the junior Senator from Louisi-

MERKY. I transfer that pair to the junior senator from Louisina [Mr. Ransdell] and will vote. I vote "nay."

Mr. KERN (when his name was called). I transfer my pair with the senior Senator from Kentucky [Mr. Beadley] to the senior Senator from Maryland [Mr. SMITH] and will vote. I ote "nay."

Mr. SAULSBURY (when his name was called). I transfer ny pair with the junior Senator from Rhode Island [Mr. Colt] to the junior Senator from Arizona [Mr. SMITH] and will vote. I vote "nay."

Mr. THOMAS (when his name was called). I again anounce the transfer of my pair with the senior Senator from New York [Mr. Root] to the junior Senator from Oklahoma [Mr. Gore] and will vote. I vote "nay."

The result was announced—yeas 32, nays 39, as follows:

	YE	AS-32.	
Borah Brady Brandegee Bristow Burton Catron Clapp Clark, Wyo.	Crawford Cummins Dillingham Gallinger Gronna Jackson Jones Kenyon	La Follette Lippitt Lodge McLean Nelson Norris Page Penrose	Perkins Poindexter Sherman Smoot Sterling Thornton Townsend Warren
	NA	YS-39.	
Ashurst Bacon Bryan Chamberlain Chilton Fletcher Hitchcock Hollis Hughes James	Kern Lane Lewis Martin, Va. Martine, N. J. Myers O'Gorman Overman Owen	Pittman Pomerene Reed Robinson Saulsbury Shafroth Sheppard Shields Shively Simmons	Smith, Ga. Smith, S. C. Stone Swanson Thomas Thompson Vardaman Walsh Williams
	NOT V	OTING-24.	
Bankhead Bradley Burleigh Clarke, Ark. Colt Culberson	du Pont Fall Goff Gore Johnson McCumber	Newlands Oliver Ransdell Root Smith, Ariz, Smith, Md.	Smith, Mich. Stephenson Sutherland Tillman Weeks Works

So Mr. Gronna's amendment was rejected.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 55, line 23, to strike out all of paragraph 190, in the following words:

190. Sheep, 10 per cent ad valorem.

Mr. CATRON. I offer an amendment which I send to the

SHIVELY. The question is first on the committee amendment.

Mr. CATRON. I ask that my amendment be read.

The VICE PRESIDENT. The amendment will be stated. The Secretary. After the numerals "190," in lieu of the words proposed to be stricken out, the Senator from New Mexico proposes to insert:

Sheep under 1 year old, 50 cents per head; 1 year old or over, \$1

The VICE PRESIDENT. It seems to the Chair that this is an amendment to the committee amendment.

The question is on the amendment proposed by the Senator

from New Mexico to the amendment of the committee.

Mr. CATRON. On that I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CHAMBERLAIN (when his name was called). announcing my pair with the junior Senator from Pennsylvania [Mr. OLIVER], I transfer that pair to the senior Senator from South Carolina [Mr. TILLMAN] and will vote. I vote nav.

Mr. KERN (when his name was called). I transfer my pair

with the Senator from Kentucky [Mr. Bradlex] to the Senator from Maryland [Mr. SMITH] and vote "nay."

Mr. SAULSBURY (when his name was called). I transfer my pair with the junior Senator from Rhode Island [Mr. Colt] to the Senator from Arizona [Mr. SMITH] and vote. I vote "nay.

Mr. THOMAS (when his name was called). I again transfer my pair with the Senator from New York [Mr. Root] to the Senator from Oklahoma [Mr. Gore] and vote "nay."

Mr. WARREN (when his name was called). I have a pair with the Senator from Florida [Mr. Fletcher]. I transfer that pair to the Senator from Maine [Mr. BURLEIGH] and vote

Crawford

Borah

Culberson

yea."
The roll call was concluded.
Mr. JAMES. I have a pair with the Senator from Massachusetts [Mr. Weeks], which I transfer to the Senator from Louisiana [Mr. RANSDELL] and vote. I vote "nay." Mr. CHAMBERLAIN (after having voted in the negative).

The senior Senator from South Carolina [Mr. TILLMAN] having returned to the Chamber, I transfer my pair to the Senator from Illinois [Mr. Lewis], and let my vote stand.

The result was announced-yeas 32, nays 37, as follows:

YEAS-32. La Follette

Perkins

Brady Brandegee	Cummins Dillingham	Lippitt	Poindexter Sherman	
Bristow	Gallinger	McLean	Smoot	
Burton	Gronna	Nelson	Sterling	
Catron	Jackson	Norris	Thornton	
Clapp	Jones	Page	Townsend	
Clark, Wyo.	Kenyon	Penrose	Warren	
	NA	YS-37.		
Ashurst Bacon Bryan Chamberlain Chilton Hitchcock Hollis Hughes James	Kern Lane Lea Martin, Va. Martine, N. J. Myers O'Gorman Overman Owen	Pomerene Robinson Saulsbury Shafroth Sheppard Shields Shively Simmons Smith, Ga.	Stone Swanson Thomas Thompson Tillman Walsh Williams	
Johnson	Pittman	Smith, S. C.		
		OTING-26.	Page 1 - September 1 - Septemb	
Bankhead Bradley Burleigh Clarke, Ark. Colt	Fall Fletcher Goff Gore Lewis	Oliver Ransdell Reed Root Smith, Ariz.	Stephenson Sutherland Vardaman Weeks Works	

Gore Lewis McCumber Newlands Root Smith, Ariz. Smith, Md. Smith, Mich. du Pont So Mr. Catron's amendment to the amendment of the committee was rejected.

The VICE PRESIDENT. The question recurs on the amendment of the committee to strike out the paragraph.

Mr. CATRON. On that I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. GRONNA. Mr. President, I do not offer any amendment.

I had an amendment identically the same as the one presented by the Senator from New Mexico [Mr. CATRON]. But I wish to

call the attention of the Members of the Senate to the fact that we are not treating our sheep raisers as well as our neighbor to the north, Canada. Canada has a rate of 25 per cent ad valorem on her sheep. The present law, as we all know, is \$1.50 for sheep 1 year old and 75 cents per head for sheep less than a year old. The Wilson rate was 20 per cent. We have heard a great deal of complaint about the Wilson law, but that law did give the sheep raisers the benefit of a duty of 20 per cent ad valorem.

Mr. President, I shall not take up any more time of the Senate, but I ask to have printed a table showing the number of sheep in the different countries and in the different States. I ask unanimous consent to have it printed.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it will be printed.

The table referred to is as follows:

SHEEP.

Canadian rate, 25 per cent ad valorem.
Payne rate, 1 year old or over, \$1.50 per head; less than 1 year, of cents per head.
Dingley rate, same as Payne rate.
Wilson rate, 20 per cent ad valorem.
Imports 1912: Number, 23,588; value, \$157,257.
Revenue, \$20,356.50.

Exports 1912: Number, 157,263; value, \$628,985.

Number of sheep.

United States for which statistics are available	627, 814, 847
United States, excluding Alaska and island possessions	K1 070 007
Canada	2, 393, 950
Argentina	60 401 400
Uruguay	26, 286, 296
Uruguay Austria-Hungary	13, 475, 159
	8, 130, 997
France	16, 425, 330
Germany	5 707 040
Italy	5, 787, 848
Roumania	11, 162, 926
Russia in Europe	5, 104, 000
Russia in Asia	46, 989, 000
Spain	38, 017, 000
Spain United Kingdom	15, 725, 882
Pritich India	28, 951, 469
British India	27, 116, 336
Turkey, European	6, 912, 568
Turkey, Asiatic Union of South Africa	45, 000, 000
Union of South Africa	30, 656, 659
	92, 897, 368
New Zealand	99 000 100
STATES HAVING 750,000 OR MORE SMEEP ON FARMS JAN.	1, 1913.
New York	875, 000
l'ennsylvania	865, 000
Virginia	750, 000
West Virginia	821, 000
Ohio	3, 435, 000
Indiana	1, 317, 000
Illinois	1, 036, 000
Michigan	2, 139, 000
Wisconsin	
Iowa	822, 000
Missouri	1, 249, 000
Vantueler	1, 650, 000
Kentucky	1, 320, 000
Texas	2, 073, 000
Montana	5, 111, 000
Wyoming	4, 472, 000
Colorado	1, 737, 000
New Mexico	3, 300, 000
Arizona	1, 570, 000
Utah	1, 990, 000
Nevada	1, 487, 000
Idaho	
Oregon	2, 951, 000

Mr. WALSH. Mr. President, I desire to invite the attention of the Senate to the fact that we are trying to treat our sheep raisers better than they treat their sheep raisers in Canada. Over there, when they want to come here to buy sheep of us to stock their farms, they are obliged to pay a heavy duty. One hundred and fifty thousand head of sheep went from the State of Montana into the Canadian Provinces to the north last year. They find it profitable there now to go into the sheep business,

but their Government levies a heavy burden or tax upon the people who desire to engage in that industry in that country.

We are endeavoring to lift that burden from those who desire to engage in the sheep industry in this country. If they can buy their sheep for the purpose of stocking their farms and ranges from abroad, we invite them to go there and got them. ranges from abroad, we invite them to go there and get them

and bring them here without any tax.

The VICE PRESIDENT. The Secretary will call the roll on

agreeing to the amendment of the committee.

The Secretary proceeded to call the roll.

Mr. CHAMBERLAIN (when his name was called). I again announce my pair with the junior Senator from Pennsylvania [Mr. OLIVER] and withhold my vote.

Mr. JAMES (when his name was called). I transfer the pair I have with the Senator from Massachusetts [Mr. Weeks] to the Senator from Louisiana [Mr. RANSDELL] and vote "yea.

Mr. KERN (when his name was called). I transfer my pair

with the Senator from Kentucky [Mr. Bradley] to the Senator from Maryland [Mr. SMITH] and vote "yea."

Mr. SAULSBURY (when his name was called). I transfer my pair with the junior Senator from Rhode Island [Mr. Colt] to the senior Senator from Arizona [Mr. SMITH] and vote. I

vote "yea."

Mr. THOMAS (when his name was called). I transfer my pair with the senior Senator from New York [Mr. Root] to the Senator from Oklahoma [Mr. Gore] and vote "yea."

Mr. WARREN (when his name was called). Again transferring my pair with the Senator from Florida [Mr. Fletcher] to the Senator from Maine [Mr. Burleigh], I vote "nay."

The roll call was concluded.

Mr. CLAPP. The junior Senator from California [Mr. Works] is necessarily absent from the Chamber. I will let this statement stand for the remainder of the day.

The result was announced-yeas 38, nays 32, as follows:

YEAS-38.

Ashurst Bacon Bryan Chilton Hitchcock Hollis Hughes James Johnson Kern	Lane Lea Lewis Martin, Va. Martine, N. J. Myers O'Gorman Overman Owen Pittman	Pomerene Reed Robinson Saulsbury Shafroth Sheppard Shields Shively Simmons Smith, Ga.	Smith, S. C. Stone Swanson Thomas Thompson Vardaman Walsh Williams
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NAVS-32.

Borah	Crawford	La Follette	Perkins
Brady	Cummins	Lippitt	Poindexter
Brandegee	Dillingham	Lodge	Sherman
Bristow	Gallinger	McLean	Smoot
Burton	Gronna	Nelson	Sterling
Catron	Jackson	Norris	Thornton
Clapp	Jones	Page	Townsend
Clark, Wyo.	Kenyon	Penrose	Warren

NOT VOTING-25

1101 1011110 20.				
Bankhead Bradley Burleigh Chamberlain Clarke, Ark. Colt Culberson	du Pont Fall Fletcher Goff Gore McCumber Newlands	Oliver Ransdell Root Smith, Ariz. Smith, Md. Smith, Mich. Stephenson	Sutherland Tillman Weeks Works	

So the amendment of the committee was agreed to.

The reading of the bill was resumed.

The next amendment was, in paragraph 191, on page 55, line 24, to strike out the word "other" before "live animals," so as to read:

191. All live animals not specially provided for in this section, 10 per cent ad valorem.

The amendment was agreed to.

The next amendment was, in paragraph 191, line 24, before the word "specially," to insert the word "otherwise," so as to read:

191. All live animals not otherwise specially provided for in this section, 10 per cent ad valorem.

Mr. CUMMINS. Mr. President, I rise to ask a question. should like to know what other live animals are ordinarily imported into the United States and that will be covered by this paragraph. I ask this simply that I may vote intelligently

upon the amendment.

Mr. WILLIAMS. This was intended to cover such animals as are imported into the United States that are not edible-

not fit for human food.

Mr. CUMMINS. There was some confusion in this part of

the Chamber, and I could not hear the Senator.

Mr. WILLIAMS. I said that generally speaking it covers such animals as are not fit for human food.

Mr. CUMMINS. I should like to know the names of some of them, because I do not know whether I want to admit them into the United States at this low duty or not.

Mr. WILLIAMS. It does tax some animals that are fit for human food in the way of game-bull moose, for example.

Mr. NELSON. Mr. President—

Mr. CUMMINS. I yield to the Senator from Minnesota.

Mr. NELSON. I presume, as I do not see it referred to elsewhere in the bill, that it must refer to swine.

Mr. WILLIAMS. Not specifying just what animals were

Mr. WILLIAMS. Not specifying just what animals were imported under the similar clause of the existing law, there were imported from Austra-Hungary \$8,000 worth in round numbers; from Belgium, \$7,000 worth in round numbers; from France, \$6,000 worth in round numbers. That is not including fowls. The language of the law of 1909 is "all other live animals not specially provided for in this section," the same as here.

Mr. CUMMINS. There is so much confusion I can not hear what the Senator from Mississippi is reading. It is not his fault at all, but there are so many talking in the neighborhood.

Mr. WILLIAMS. No; certainly it is not my fault.
Mr. CUMMINS. I want the names, not the amount or value. I have really no idea what animals are embraced in this paragraph that will probably come in at a duty of 10 per cent.

Mr. WILLIAMS. I can not tell the Senator, as I told him a moment ago, specifically what animals did come in, but under the same clause in the existing law there were imported of other animals, including fowls, from Austria-Hungary in 1912, \$8,000 worth in round numbers; from Belgium, \$7,000; France, \$6,000; Netherlands, \$180; Norway, \$198, and so on down the list. I suppose if somebody wanted to import a monkey he might have to pay 10 per cent on it, and also in order to import a bull moose or an English rabbit, or animals for circuses, although I believe circus animals are specially provided for in the way of being allowed to come in free.

Mr. WARREN. Will the Senator permit me? I presume this means such animals as farmers do not raise. I shall be sorry to find that they would be intended for the use of

farmers.

Mr. WILLIAMS. It does not mean that, because horses and mules are taxed under the same section.

Mr. WARREN. Where are horses and mules taxed? Mr. WILLIAMS. It does mean in general terms game animals and animals that are not fit for human food. It seems that as a rule farmers do not raise animals that are not fit for human food. I think there is a skunk farm in Illinois and a rattlesnake farm out in Colorado, but as a rule farmers do not raise animals that are not fit for human food.

Mr. CUMMINS. I put the specific question, then. I take it an imported dog would come under this paragraph.

Mr. WILLIAMS. I think so.

Mr. CUMMINS. And such other things as that, but is there any animal really valuable to humanity that will come in under this paragraph?

Mr. WILLIAMS. The Senator means valuable to humanity

Mr. WILLIAMS. The Senator means valuable to humanity in the sense of being valuable for food?

Mr. CUMMINS. Yes; for food. I will put it that way.

Mr. WILLIAMS. I do not think of any valuable for food at this moment. A dog might be very valuable to a man if he lives where he needed him.

Mr. CRAWFORD. Mr. President, I think there has been

meat of the Angora goat imported.

Mr. MARTINE of New Jersey. I think it was the bull

Mr. CRAWFORD. I am saying this seriously. I do not find the Angora goat in the free list. I do not find it specifically mentioned anywhere in the bill. Would that come in under this paragraph?

Mr. WILLIAMS. I do not know whether the Angora goat is fit to eat or not. I have never eaten any. If the gentleman will say that he is fit for human food, I would be willing to put him on the free list. I have tried to eat the common goat, but from my standpoint he is not fit to eat. I do not know about the Angora one.

Mr. CUMMINS. Mr. President, I have some familiarity with the bill, and I do not think that goats of any kind are specifically mentioned in the bill or in this section. Therefore I assume that any kind of goat would come in at 10 per cent.

Mr. WALSH. Mr. President—
The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from Montana?

Mr. CUMMINS. I yield.
Mr. WALSH. I think the Senator must be in error about that. I think goats are covered by section 621 as well as swine, referred to by the distinguished Senator from Minnesota [Mr. Nelson].

Swine, cattle, sheep, and all other domestic live animals suitable for human food not otherwise provided for in this section.

Goats are unquestionably suited for human food.

If, however, you turn back to the paragraph in question, paragraph 191, it will be quite obvious that asses would fall under that section, if no other animals would.

Mr. CUMMINS. Then, Mr. President, it is hard for me to conceive what the animal is that would come in under this paragraph.

Mr. WALSH. I suggest to the Senator that asses would come in under that.

Mr. SMOOT. Mr. President, the two paragraphs taken together I think are perfectly plain. Paragraph 191 reads:

All live animals not otherwise specially provided for in this section, 10 per cent ad valorem.

Then, in the free list, paragraph 621 provides:

Swine, cattle, sheep, and all other domestic live animals suitable for human food not otherwise provided for in this section.

That applies to every domestic animal that is suitable for food. I suppose the makers of this bill intended that wild animals such as deer should be subject to a duty of 10 per cent under paragraph 191.

Mr. WILLIAMS. Mr. President, there is nothing peculiar to this provision, if the Senator will pardon me. It is in the Payne-Aldrich law, and there is no mystery about it, unless it is there.

Mr. SMOOT. I have not said that there was any mystery about it.

Mr. WILLIAMS. The rate is the only thing changed.

Now, if the Senator will pardon me one moment more-because I have the information—the value of these animals for the year ending June 30 was \$79,380, and the duties collected and covered into the Treasury amounted to \$15,876.15. Generally speaking, as I said in the beginning, they are such animals as are not domestic animals suitable for human food.

The VICE PRESIDENT. The question is on the amendment

proposed by the committee.

The amendment was agreed to.

Mr. SMOOT. On line 24, page 55, paragraph 191, there is an amendment to insert the word "otherwise."

The VICE PRESIDENT. That is the amendment which has

just been agreed to.

Mr. SMOOT. Mr. President, I simply want to call attention to that amendment before the matter is passed, and to say to the Senator having the schedule in charge, that the word "otherwise" is not needed in the law at all. If you simply say "all live animals not specially provided for in this section, you would be following the exact wording of the other provision, and there is no need of having the word "otherwise" in this paragraph.

Mr. WILLIAMS. We will not quarrel about that. thought that sounded a little better, and the Senator thinks it

does not; but I suppose it makes no difference.

The reading of the bill was resumed, and the Secretary read paragraph 192, as follows:

192. Barley, 15 cents per bushel of 48 pounds.

Mr. GRONNA. Mr. President, I shall not offer any amendment to this paragraph. I will say that the Committee on Finance has treated the farmer better in this paragraph and on this particular item than on other farm products. I believe, however, that the duty is too low. The present rate on barley is 30 cents per bushel; the Dingley rate was 30 cents per bushel; and the Wilson rate was 30 per cent ad valorem. This bill cuts the rate of duty in two, which means a loss of more than \$400,000 to the United States Government and a saving of the same amount to the Brewery Trust.

We imported in 1912, 2,768,471 bushels of barley of the value of \$1,929,214.50. It brought a revenue to the United States Government of \$830,542. We exported in 1912, 1,585,242 bushels,

worth \$1,267,999.

There are only a few States which the duty on this product ill affect. Those States are Wisconsin, which produced last will affect. year 24,843,000 bushels; Minnesota, which produced 42,018,000 bushels; Iowa, which produced 14,570,000 bushels; North Dakota, which produced 35,162,000 bushels; South Dakota, which produced 23,062,000 bushels; and California, which produced 41.670,000 bushels.

Barley is produced-this is from the data I have been able to obtain-in the following countries:

	Bushels.
United States	223, 824, 000
Canada	
Austria-Hungary	149, 120, 000
Denmark	22, 900, 000
France	50, 646, 000
Germany	159, 924, 000
Roumania	21, 295, 000
Russia in Europe	451, 861, 000
Russia in Asia	12, 263, 000
Spain	59, 994, 000
United Kingdom	60, 164, 000
Japanese Empire	90, 609, 000
Algeria	32, 887, 000

While I think the proposed rate of duty is low, Mr. President, I shall not offer any amendment to increase it. I fully realize that any amendment offered will be voted down.

Mr. BRISTOW. Mr. President, I should like to inquire of the Senator in charge of this schedule if he does not think that barley is a pretty good item for taxation for purposes of revenue? The brewers pay the revenue which is collected from the importation of barley; and if a tax of 175 per cent is maintained on tobacco as revenue taxation, why would it not be very good to maintain a high duty on barley for the purpose of col-

lecting revenue? Why cut it in two and relieve the brewers of that much of the burden of helping to maintain the Govern-

Mr. CLARK of Wyoming. There is no answer. Mr. BRISTOW. There is no answer. Well, I myself do not think there is any answer that can be made to it.

The reading of the bill was resumed, and the Secretary read

paragraphs 192, 193, and 194.

Mr. GRONNA. Mr. President, before we go to paragraph 195 I wish to move to insert a new paragraph. On page 56, after the word "pound," in line 5, I offer the amendment which I send to the desk.

The VICE PRESIDENT. The amendment proposed by the Senator from North Dakota will be stated.

The Secretary. On page 56, after the word "pound," in line 5, it is proposed to insert a new paragraph, as follows:

 $194\frac{1}{2}.$ Buckwheat, 15 cents per bushel of 48 pounds; buckwheat flour, 50 cents per hundred pounds.

Mr. GRONNA. Mr. President, while we in the West do not produce any buckwheat, it is produced in the Eastern States. I find that in the State of Maine in 1912 they produced 412,000 bushels; in Vermont they produced 240,000 bushels; in the great State of New York they produced 6,593,000 bushels; in New Jersey, 264,000 bushels; in Pennsylvania, 7,405,000 bushels; in Maryland, 210,000 bushels; in Virginia, 516,000 bushels; in West Virginia, 888,000 bushels; in North Carolina, 175,000 bushels; in Ohio, 410,000 bushels; in Michigan, 88,000 bushels; in Wisconsin, 289,000 bushels; in Minnesota, 126,000 bushels; and in Jone, 129,000 bushels; in Minnesota, 126,000 bushels; and in Iowa, 133,000 bushels.

Mr. President, the Canadian rate on buckwheat is 15 cents a bushel and on buckwheat flour 50 cents per hundred pounds. This bill places both buckwheat and buckwheat flour on the free list. The rates in the present law are 15 cents per bushel on buckwheat and on buckwheat flour 25 per cent ad The Dingley law provided for a duty of 15 cents per valorem. bushel on buckwheat and 20 per cent ad valorem on buckwheat The Wilson rates were 20 per cent ad valorem on both

buckwheat and buckwheat flour.

I offer this amendment, Mr. President, because I believe it will be for the benefit of the Eastern States. As I have said, buckwheat is not produced in the West to any great extent, but it is largely produced in the Eastern States, such as I have just named, Pennsylvania alone producing more than 7,000,000 bushels. I take it that the farmers of the great State of Pennsylvania would prefer to have a duty of 15 cents per bushel on their buckwheat rather than to have it placed on the

ree list. For that reason I have offered the amendment.
The VICE PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from North Dakota [Mr.

GRONNA].

Mr. CATRON. I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CHAMBERLAIN (when his name was called). a general pair with the junior Senator from Pennsylvania [Mr. OLIVER]. In his absence, I withhold my vote. If permitted to vote, I should vote "nay."

Mr. JAMES (when his name was called). I transfer my pair with the Senator from Massachusetts [Mr. Weeks] to the Senator from Louisiana [Mr. RANSDELL] and will vote. I vote " nay."

Mr. KERN (when his name was called). I transfer my pair with the Senator from Kentucky [Mr. Bradley] to the Senator from Maryland [Mr. SMITH] and will vote. I vote "nay."

Mr. SAULSBURY (when his name was called). I transfer my pair with the junior Senator from Rhode Island [Mr. Colt] to the junior Senator from Arizona [Mr. SMITH] and vote. I vote "nav."

Mr. THOMAS (when his name was called). I transfer my pair with the Senator from New York [Mr. Root] to the Senator from Oklahoma [Mr. Gore] and will vote. I vote " nay.

Mr. WARREN (when his name was called). Transferring my pair with the Senator from Florida [Mr. Fletcher] to the Senator from Maine [Mr. Burleigh], I vote "yea."

The roll call having been concluded, the result was announced—yeas 31, nays 39, as follows:

YEAS-31.

Brady Brandegee Bristow Burton Catron Clapp Lodge McLean Nelson Norris Page Penrose Cummins Dillingham Gallinger Gronna Jackson Jones Clapp Clark, Wyo. Perkins Kenyon

La Follette Poindexter Sherman Smoot Sterling Thornton Townsend Warren

	NA	YS-39.	
Ashurst Bacon Bryan Chilton Hitchcock Hollis Hughes James Johnson Kern	Lane Lewis Martin, Va. Martine, N. J. Myers O'Gorman Overman Owen Pittman	Pomerene Reed Robinson Saulsbury Shafroth Sheppard Shields Shively Simmons Smith, Ga.	Smith, S. C. Stone Swanson Thomas Thompson Tillman Vardaman Walsh Williams
	NOT V	OTING-25.	
Bankhead Bradley Burleigh Chamberlain Clarke, Ark. Colt Culberson	du Pont Fall Fletcher Goff Gore Lippitt McCumber	Newlands Oliver Ransdell Root Smith, Ariz. Smith, Md. Smith, Mich.	Stephenson Sutherland Weeks Works

So Mr. Gronna's amendment was rejected.

Mr. GRONNA. Mr. President, before we proceed to paragraph 195 I wish to offer another amendment.

The VICE PRESIDENT. The Senator from North Dakota offers an amendment, which will be stated.

The Secretary. On page 56, after line 5, it is proposed to insert a new paragraph, as follows:

1941. Broom corn, \$3 per ton.

Mr. GRONNA. Mr. President, Canada, I am free to admit, has no tariff on broom corn. The rate under the present law is \$3 a ton. Under the Dingley law there was no duty on broom corn. The imports for 1912 were 1,341 tons, valued at \$157,969; and we collected from it a revenue of \$4,024. exported in 1912 3,320 tons, valued at \$461,110.

These figures show, Mr. President, that broom corn is a growing industry in this country. The production in 1909 was 78,959,958 pounds, valued at \$5,134,434. The States producing broom corn are California, which produced, in 1909, 614,250 pounds; Colorado, which produced 1,187,791 pounds; Illinois, which produced 19,309,425 pounds; Kansas, 8,768,853 pounds; Missouri, 1,774,536 pounds; New Mexico, 644,892 pounds; Oklabora, 42,741,795 pounds; and Toyas, 2,368,490 pounds homa, 42,741,725 pounds; and Texas, 2,368,490 pounds.

Mr. President, I believe there should be a duty on broom corn. It is not a basic necessity, and I can see no reason why there should not be a duty on it, because, I take it that it is only

basic necessities that must suffer in this bill.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from North Dakota [Mr.

The amendment was rejected.

The reading of the bill was resumed, and the Secretary read paragraph 195, on page 56, as follows:

195. Macaroni, vermicelli, and all similar preparations, 1 cent per

Mr. GRONNA. I offer an amendment, which I send to the

The VICE PRESIDENT. The amendment will be stated.

The Secretary. On page 56, after line 7, it is proposed to

 $195 \frac{1}{6}.$ Corn or maize, 5 cents per bushel of 56 pounds; corn meal, 30 cents per 100 pounds.

Mr. GRONNA. Mr. President, I do not wish to take up the time of the Senate to give it the figures on this subject.

Mr. STONE. Can the Senator tell us how much corn meal is produced in the United States now?

Mr. GRONNA. I can tell the Senator how much corn was produced in the State of Missouri and other States. I ask unanimous consent to have printed in the RECORD, to save time, the tables relating to corn, which I send to the desk.

The VICE PRESIDENT. Is there any objection? The Chair

hears none.

The matter referred to is as follows:

CORN AND CORN MEAL,

Canadian rates: Corn for distillation, 7½ cents per bushel; corn not for distillation, free; corn meal, 25 cents per barrel.

Payne rates: Corn, 15 cents per bushel; corn meal, 40 cents per 100

pounds.
Dingley rates: Corn, 15 cents per bushel of 56 pounds; corn meal, 20 cents per bushel of 48 pounds.
Wilson rates: Twenty per cent ad valorem on both corn and corn

meal.

Imports, 1912: Corn, 53,390 bushels; value, \$47,858; revenue, \$8,008.38. Corn meal, 6,718 pounds; value, \$216.67; revenue, \$24.91.

Exports, 1912: Corn, 40,038.795 bushels; value, \$28,957,450. Corn meal, 439,624 barrels; value, \$1,519.792.

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Production of corn in 1912.	Bushels.
United States	3, 124, 746, 000
Canada	16, 570, 000
Mexico (1911)	190, 000, 000
Argentina	295, 849, 000
Austria-Hungary	229, 600, 000
Bulgaria (1911)	30, 500, 000
France (1911)	16, 860, 000
Italy	98, 668, 000

	Bushels.
Pertugal (1911)	15, 000, 000
Roumania	104, 612, 000
Russia	
Spain	
Egypt	69, 913, 000
Production of corn in 1912 in States producing 10,000,00	
	Bushels.
New York	19, 763, 000
New Jersey	10, 374, 000
Pennsylvania	61, 582, 000
Maryland	24, 455, 000
Virginia	47, 520, 000
West Virginia	24, 505, 000
North Carolina	51, 106, 000
South Carolina	34, 278, 000
Georgia	53, 958, 000
Ohio	174, 410, 000
Indiana	199, 364, 000
Illinois	426, 320, 000
Michigan	55, 250, 000
Wisconsin	58, 262, 000
Minnesota	78, 177, 000
Iowa	
Missouri	243, 904, 000
South Dakota	76, 347, 000
Nebraska	182, 616, 000
Kansas	
Kentucky	109, 440, 000
Tennessee	88, 298, 000
Alabama	
Mississippi	
Louisiana	32, 490, 000
Texas	
Oklahoma	101, 878, 000
Arkansas	

International trade in corn, including corn meal, in 1911.

Country.	Experts.	Imports.
	Bushels.	Bushels.
Argentina	4,928,265	
Austria-Hungary	156, 216	7, 885, 811
Belgium	8,846,390	24, 814, 483
British South Africa	3, 892, 164	29, 450
Bulgaria		25, 400
	10, 900, 102	10 440 071
Canada		16, 440, 351
Cuba		3,002,432
Denmark		11,085,021
Egypt		227,730
France		19,742,322
Germany		
Italy		15, 117, 655
Mexico		8,907,181
Netherlands.		25,743,031
Norway		1,019,181
Portugal		518,042
Russia	52, 759, 472	338, 870
Servia	4,627,040	
Spain		5,684,772
Sweden		459, 755
Switzerland		4,059,590
United Kingdom		77, 449, 105
	69 599 409	11, 310, 100
United States		
Uruguay	192,359	
Other countries	5, 465, 000	2, 162, 000
Total	187, 738, 981	253, 953, 274

Mr. WALSH. Mr. President, before a vote is taken upon the imposition of a duty upon corn, the exportation of which is greater than that of any other cereal produced in this country, will the distinguished Senator from North Dakota give us in brief the reasons why he thinks a duty ought to be put upon it?

Mr. GRONNA. The same reasons apply to corn that I have given for these other products. I know that we are raising a great deal of corn. The figures I have presented show that.

Mr. STONE. Will the Senator speak louder.

Mr. GRONNA. I show in this table the production in all the commercial countries of the world, and I show the production of corn in the different States of the United States. is a reason for a duty on corn and corn meal.

Mr. WALSH. I should like to inquire of the Senator whether he thinks the duty on corn increases the price of that cereal?

Mr. GRONNA. Mr. President, I have not so stated, because

we have produced more corn than we have consumed. We do not know that those conditions are going to continue. There are other countries that produce a great deal of corn. I suppose the Democrats hope this bill will be on the statute books for a long time, and I thought it was only fair to treat this product the same as other agricultural products.

Mr. SHIVELY. Before the vote is taken I only want to observe that according to the returns of the Government our ratio of exports of corn to the imports of corn for the fiscal year ending June 30, 1913, was as 54.33 bushels to 1 bushel, and in value as \$58.37 to \$1.

Mr. WILLIAMS. And the total is twenty-eight million six

hundred and some odd thousand dollars.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from North Dakota.

The amendment was rejected.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in paragraph 196, page 56, line 8, after the word "Oats," to strike out "10" and insert "6"; and, in line 9, after the word pounds," to insert "and 33 cents per hundredweight on oatmeal and rolled oats, and 9 cents per hundredweight on oat ' so as to make the paragraph read:

196. Oats, 6 cents per bushel of 32 pounds, and 33 cents per hundredweight on oatmeal and rolled oats, and 9 cents per hundredweight on oat feed.

Mr. SMOOT. Mr. President, I should like to ask the Senator having this schedule of the bill in charge whether it is the intention to have a duty of 33 cents per hundred pounds on oatmeal and rolled oats, and 9 cents per hundred pounds on oat feed? Is that the intention of the committee?

Mr. SHIVELY. Precisely what the bill says

Mr. SMOOT. I asked the Senator having this schedule of the bill in charge.

Mr. WILLIAMS. Does the Senator ask why it was that we

worded the bill as we did?

Mr. SMOOT. No; whether it was the intention of the committee to provide a rate of duty of 33 cents per hundred pounds on oatmeal and rolled oats?

Mr. WILLIAMS. Per hundredweight, 112 pounds. Mr. SMOOT. That is what I wanted to find out. The Senator from Indiana says that it means exactly what it says, but it does not say that.

Mr. WILLIAMS. It does say per hundredweight. Mr. SMOOT. Yes; and a hundredweight, Mr. President,

Mr. WILLIAMS. A hundredweight is 112 pounds.

Mr. SMOOT (continuing). One hundred and twelve pounds instead of 100 pounds. It is introducing into the bill the term "hundredweight" instead of "pounds," as used in all the other paragraphs. So we are not placing a duty of 33 cents per hundred pounds on oatmeal and rolled oats.

The VICE PRESIDENT. The question is on agreeing to the

committee amendment.

The amendment was agreed to.

Mr. BRISTOW. I should like to inquire whether it was the intention to place upon oats a duty of 6 cents per bushel weighing 32 pounds, being equivalent to something over 18 cents per hundred pounds, while the duty on the feed is 9 cents per hundredweight? That is, the duty on the oats is twice as much as on the oat feed. Was that the intention, or is it a mistake? Was it intended to have the duty on oat feed 9 cents per bushel, an increase of 3 cents per bushel over the 6 cents for the oats in the unmanufactured state?

As it is now, the fault that was in the original bill is apparent here. The duty on oats is 6 cents per bushel of 32 pounds, which is more than 18 cents a hundred, while it is 9 cents per hundredweight on oat feed, which would be half of the duty on the oats before they are ground. Is not that an error?

Mr. WILLIAMS. Mr. President, when we put a duty upon oats our idea was to impose a duty which would be in keeping with it upon oatmeal and rolled oats and oat feed. The people who are in the milling business thought this was the corresponding figure to 6 cents per bushel on oats, to wit: 33 cents per hundredweight on oatmeal and rolled oats, and 9 cents per hundredweight on oat feed. It proceeded from the calculation of how much oatmeal or relled oats could be made out of a bushel of oats, and how much oat feed would be left. It may not be strictly correct, but that was the purpose of the amend-Three or four of the men who ought to possess technical knowledge, being engaged in the business, suggested that the figures were approximately correct.

Mr. BRISTOW. That may be true so far as oatmeal and rolled oats are concerned. That is 33 cents per hundred.

Mr. WILLIAMS. Per hundredweight.
Mr. BRISTOW. Per hundredweight; while on the oats it is a little over 18 cents per hundredweight. But when you get to oat feed, which I suppose is the ground oats for animal food, it is only 9 cents per hundredweight, while if the oats were not ground it would be over 18 cents per hundredweight.

Mr. WILLIAMS. Is the Senator asking me why we stated the duty at so much per bushel on the one and so much per

hundredweight on the other?

Mr. BRISTOW. The duty on the raw material would be over 18 cents under this language, while the corresponding duty on the manufactured product would be only 9 cents.

Mr. WILLIAMS. That is not a manufactured product. Mr. BRISTOW. Oat feed?

Mr. WILLIAMS. No; it is a by-product. Mr. BRISTOW. What is it? Mr. WILLIAMS. It is the stuff that was called "hulls" in the old law. It was suggested to me that if instead of using that language we used the words "oat feed" that would include the hulls and broken oats and anything else that was a by-product as we went along. What is the point sought to be made by the Senator?

Mr. BRISTOW. That may explain it. I wondered why you were putting so much less duty on oat feed, which I supposed was the ground oats that is fed to horses and live stock.

Mr. WILLIAMS. Oh, no; the Senator is mistaken about that. I did not understand him at first.

Mr. GRONNA. I offer an amendment to this paragraph, which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The Secretary. It is proposed to amend paragraph 196, page 56, by striking out all after the numerals and inserting:

Oats, 10 cents per bushel of 32 pounds, and 45 cents per hundred-eight on oatmeal and rolled oats, and 15 cents per hundredweight on

Mr. GRONNA. The duty of 6 cents per bushel on oats is, I believe, too low. I believe we should have at least as high a duty on American oats as there is on Canadian oats. The Canadian rate is 10 cents per bushel on oats, and 60 cents per hundred pounds on oatmeal and rolled oats. The present American rate is 15 cents per bushel, 1 cent per pound on oatmeal and rolled oats, and 10 cents per hundred pounds on oat hulls.

I wish to state to the Senator from Mississippi [Mr. WILLIAMS], with all due respect to him, that oat feed and oat hulls are two separate and distinct articles. Oat feed is an article that may be the by-product of oats, it may be the rough screenings from oats, but it is oats, just the same, or it is grain. The article known as oat hulls is composed of the outside hull of the kernel of the oats. I can state as a matter of fact that oat hulls is not the same as oat feed.

Mr. WILLIAMS. Very well. Does the Senator offer an

amendment?

Mr. GRONNA. I will certainly offer another amendment, when we get through with this one, providing that the language used shall be "oat hulls," because if the Senator wishes to protect oat hulls the phraseology should be changed. If, however, the Senator wishes to protect oat feed, the rate ought to be increased, as the Senator from Kansas [Mr. Bristow] has stated. A bushel of oats is 32 pounds, and 3 bushels of oats is 96 pounds. The rate proposed in the bill, 6 cents per bushel, will amount to more than 19 cents per hundred pounds.

So I say to the Senator that he is mistaken in assuming that oat feed is the same as oat hulls; and in order to make the duty a compensatory one it ought to be at least three times as

much as the rate on oats.

Mr. WILLIAMS. Has the Senator offered an amendment? Mr. GRONNA. My amendment is for a duty of 10 cents per bushel on oats, and I take it the Senator will not approve of that. The Wilson rate was 20 per cent ad valorem on oats, and 15 per cent ad valorem on oatmeal, and 10 per cent on oat hulls.

Why anybody wants a duty on oat hulls, I do not know. cording to the statements of oatmeal manufacturers, 1 bushel of oats will make about 18 pounds of oatmeal. We imported in 1912, 2,721,038 bushels of oats, of the value of \$1,053,609, which brought us a revenue of \$408,155.75. We imported oatmeal and rolled oats to the amount of 676,773 pounds, of the value of \$40,400, and we received from that source a revenue of bushels, of the value of \$1,135,635.

Mr. SHIVELY. Will the Senator restate his amendment?

The VICE PRESIDENT. The Secretary will again state the

The Secretary. It is proposed to strike out all of paragraph 196 as amended by the committee, and in lieu thereof to in-

196. Oats, 10 cents per bushel of 32 pounds, and 45 cents per hundredweight on oatmeal and rolled oats, and 15 cents per hundredweight on oat feed.

Mr. THORNTON. Mr. President, I should like to ask the Senator from North Dakota if he would not be willing to divide his amendment, so that we could vote separately on the proposition to make the duty on oats 10 cents per bushel without voting for the other duties which he proposes?

Mr. GRONNA. Yes; I shall be very glad to divide it. Mr. THORNTON. I say that because I wish to vote fcr a duty of 10 cents a bushel on oats, but I do not want to vote for

increasing the duty on the other articles named.

Mr. GRONNA. I will say to the Senater from Louisiana that I shall be very glad to agree to that division.

I do not wish to delay the Senate any longer on this paragraph; but I ask unanimous consent to have printed in connection with my remarks a table showing the production of oats in all the countries of the world for which statistics are available, which shows it to be about 4,500,000,000 bushels, and also gives the production of the different States in the United States.

The VICE PRESIDENT. Is there any objection? The Chair hears none, and permission is granted.

The matter referred to is as follows:

Canadian rates: 10 cents per bushel on oats; 60 cents per hundred pounds on oatmeal and rolled oats.

Payne rates: 15 cents per bushel on oats; 1 cent per pound on oatmeal and rolled oats; 10 cents per hundred pounds on oat hulls.

Dingley rates, same as Payne rates.

Wilson rates: 20 per cent ad valorem on oats; 15 per cent ad valorem on oatmeal; 10 per cent on oat hulls.

According to statements of oatmeal manufacturers, 1 bushel of oats will make about 18 pounds of oatmeal.

Imports, 1912: Oats, 2,721.038 bushels; value, \$1,053,609; revenue, \$408,155.75. Oatmeal and rolled oats, 676,773 pounds; value, \$40,400; revenue, \$6.767.73. Oat hulls, 47,457,700 pounds; value, \$343,834; revenue, \$47,457.57.

Exports, 1912: 2,171,503 bushels; value, \$1,135,635.

Production of oats in 1912. Bushels.

Production of oats in 1912.	Bushels.
In all countries for which statistics are available	4, 585, 231, 000
United States	1, 418, 337, 000
Canada	361, 733, 000
Argentina	69, 169, 000
Austria-Hungary	231, 217, 000
France	328, 601, 000
Germany	586, 987, 000
Russia in Europe	972, 111, 000
Russia in Asia	95, 473, 000
Sweden	75, 900, 000
United Kingdom	180, 215, 000

Production of principal oat-raising States in 1912.

	Bushels.
New York	36, 714, 000
Pennsylvania	31, 724, 000
Ohio	93, 280, 000
Indiana	79, 799, 000
Illinois	182, 726, 000
Michigan	51, 826, 000
Wisconsin	84, 726, 000
Minnesota	122, 932, 000
Iowa	217, 818, 000
Missouri	37, 125, 000
North Dakota	95, 220, 000
South Dakota	52, 390, 000
Nebraska	55, 510, 000
Kansas	55, 040, 000
Texas	31, 140, 000
Oklahoma	23, 494, 000
Montana	22, 848, 000

Mr. WALSH. Before the Senator from North Dakota takes his seat I wish he would have the kindness to inform the Senate upon what basis he arrives at the conclusion that there should be a duty of 10 cents a bushel upon oats, and whether in his judgment that marks the difference in the cost of production in this country and abroad, and if it is greater than that, whether he establishes one rule applicable to agricultural products and another in regard to manufactured products.

Mr. JAMES and others. Let us vote.
The VICE PRESIDENT. The question is on the amendment offered by the Senator from North Dakota.

The amendment was rejected.

Mr. NORRIS. I should like to make an inquiry of the Senator from North Dakota. He promised the Senator from Louisiana that he would ask for a division.

Mr. GRONNA. I understood that the Senator from Louisiana would ask for a division on the question.

The VICE PRESIDENT. The Chair rules that the proposi-tion has once been voted upon by the Senate and a negative vote would have carried the proposition suggested by the Senator from North Dakota. It has been voted on once, and the Chair insists that the Senate can not keep on voting upon the same proposition. The reading will proceed.

Paragraph 197. Rice-The SECRETARY.

Mr. GALLINGER. Mr. President, I will call the attention of Senators on the other side to the fact that we have been sitting here for seven long and very tedious hours to-day.

Mr. SIMMONS. The bill can be laid aside.

EXECUTIVE SESSION.

Mr. BACON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After eight minutes spent in executive session the doors were reopened, and (at 6 o'clock and 10 minutes p. m.) the Senate adjourned until to-morrow, Wednesday, August 13, 1913, at 11 o'clock a. m.

NOMINATIONS.

Executive nominations received by the Senate August 12, 1913. POSTMASTERS.

ALABAMA.

W. P. Tartt to be postmaster at Livingston, Ala., in place of Emily R. Lawrence. Incumbent's commission expired February 27, 1912.

ARIZONA.

J. S. Campbell to be postmaster at Williams, Ariz., in place of F. W. Smith, removed.

W. O. Bartlett to be postmaster at Hamburg, Ark., in place of Benjamin W. Allen. Incumbent's commission expired Jan-

uary 28, 1913.

W. B. Kyle to be postmaster at McCrory, Ark., in place of C. B. Fakes. Incumbent's commission expired August 5, 1913.

T. O. Poole to be postmaster at De Queen, Ark., in place of Frank L. Mallory, resigned.

CALIFORNIA.

J. B. Laufman to be postmaster at Santa Paula, Cal., in place of Clarence Beckley. Incumbent's commission expired April 23, 1913

Frank Zimmerman to be postmaster at Monrovia, Cal., in place of C. H. Anson. Incumbent's commission expired January 20, 1913.

COLORADO.

Joseph W. Beery to be postmaster at Saguache, Colo., in place of John H. Williams, resigned.

A. J. Horan to be postmaster at Crested Butte, Colo., in place of David Sloan, resigned.

Henry Clay Monson, jr., to be postmaster at Steamboat Springs, Colo., in place of C. E. Baer. Incumbent's commission expired August 4, 1913.

Michael F. O'Day to be postmaster at Lafayette, Colo., in place of J. E. Simpson. Incumbent's commission expired August

CONNECTICUT.

Thomas J. Sullivan to be postmaster at Baltic, Conn., in place of Louis J. Fontaine, removed.

Sanford P. Darby to be postmaster at Vidalia, Ga., in place of Julius Peacock. Incumbent's commission expired February. 27, 1912.

Vivian L. Stanley to be postmaster at Dublin, Ga., in place of George B. Grier. Incumbent's commission expired February 1, 1913.

IDAHO.

P. C. O'Malley to be postmaster at Pocatello, Idaho, in place of Francis Ball, removed.

ILLINOIS.

James E. Brady to be postmaster at Cullom, Ill., in place of John .W. White, resigned.

M. D. Brubaker to be postmaster at Iuka, Ill., in place of N. S. Songer. Incumbent's commission expired May 13, 1913. James Carr to be postmaster at Scales Mound, Ill. Office

became presidential January 1, 1913.

B. R. Croxen to be postmaster at Peotone, Ill., in place of C. Adams. Incumbent's commission expired February 9,

Virgil J. Swarm to be postmaster at St. Elmo, Ill., in place of I. W. Arnold. Incumbent's commission expired January 11, 1913.

William M. Dooley to be postmaster at Highland Park, Ill., in place of A. W. Fletcher, resigned.

B. F. Moberley to be postmaster at Windsor, Ill., in place of M. M. Rodenberger, resigned.

Frank Stone to be postmaster at Shelbyville, Ill., in place of Harry M. Martin, resigned.

John W. Troy to be postmaster at Arthur, Ill., in place of C. H. Dehart. Incumbent's commission expired July 31, 1913.

INDIANA.

Lloyd W. Dunlap to be postmaster at Mentone, Ind. Office became presidential July 1, 1913.

John E. Dargan to be postmaster at Riceville, Iowa, in place of P. M. Mosher. Incumbent's commission expired January 26, 1913.

Owen Hourihan to be postmaster at Salem, Iowa. Office became presidential January 1, 1913.

J. G. Winter to be postmaster at Sloux Center, Iowa, in place of I. G. Winter, to correct name.

KANSAS.

Harvey C. Peterson to be postmaster at Eskridge, Kans., in place of Mark Palmer, resigned.

KENTUCKY.

P. C. Mayhugh to be postmaster at Eddyville, Ky., in place of Terry T. Hanberry, resigned.

E. T. Schmitt to be postmaster at Louisville, Ky., in place of Robert E. Woods, resigned.

MASSACHUSETTS.

Joseph E. Barnett to be postmaster at Easthampton, Mass., in place of L. W. Dower. Incumbent's commission expired February 11, 1913.

MICHIGAN.

E. T. Belding to be postmaster at Mancelona, Mich., in place

of C. L. Bailey, resigned.

Cornelius Cronin to be postmaster at Kalkaska, Mich., in place of E. B. Babcock, removed.

Michael W. Gibbons to be postmaster at Roscommon, Mich.,

in place of J. Burt Kiely, resigned.

George W. Parker to be postmaster at Le Roy, Mich. Office became presidential January 1, 1912.

MINNESOTA.

Milton L. Fredine to be postmaster at Maynard, Minn. Office

became presidential January 1, 1912. W. L. McGonagle to be postmaster at Royalton, Minn., in place of A. E. Joslin. Incumbent's commission expired Febru-

ary 23, 1911. MISSISSIPPI.

J. H. Robb to be postmaster at Greenville, Miss., in place of Louis Waldauer, removed.

MISSOURI.

C. B. Ellis to be postmaster at Vandalia, Mo., in place of Melissa Conway, resigned.

J. S. Walker to be postmaster at Marceline, Mo., in place of F. M. Wolfe. Incumbent's commission expired August 5, 1913.

NEBRASKA.

Andrew B. Andersen to be postmaster at Florence, Nebr. Office became presidential January 1, 1913.

J. E. Scott to be postmaster at Osmond, Nebr., in place of Roy

E. Thomas, resigned.

Orren Slote to be postmaster at Litchfield, Nebr., in place of W. Gibson. Incumbent's commission expired January 12,

Rainard B. Wahlquist to be postmaster at Hastings, Nebr., in place of Jacob Fisher. Incumbent's commission expired May 22, 1910.

NEW JERSEY.

Thomas C. Birtwhistle to be postmaster at Englewood, N. J., in place of C. D. Stainton. Incumbent's commission expired March 11, 1912.

Walter F. Clayton to be postmaster at Ocean Grove, N. J. in place of G. F. Rainear. Incumbent's commission expired July 23, 1913.

Lemuel H. Mathews to be postmaster at Barnegat, N. J., in place of R. G. Collins. Incumbent's commission expired July 23, 1913.

NEW MEXICO.

Walter P. Wilkinson to be postmaster at Santa Rita, N. Mex., in place of L. H. Bartlett, declined.

NEW YORK.

Anthony J. Beck to be postmaster at St. James, N. Y. Office became presidential July 1, 1913.

Clarence Fox to be postmaster at Cobleskill, N. Y., in place

of Le Roy Becker, removed.

Charles H. Huntting to be postmaster at Smithtown Branch, N. Y., in place of H. M. Brush. Incumbent's commission expired August 4, 1913.

Cornelius T. Seaman to be postmaster at Hewlett, N. Y. Office became presidential July 1, 1913.

NORTH CAROLINA.

R. P. Gardner to be postmaster at Mount Holly, N. C. Office became presidential January 1, 1912.

George W. Waters to be postmaster at Plymouth, N. C., in place of Ida A. Phelps. Incumbent's commission expired February 12, 1912.

NORTH DAKOTA.

J. W. Stambaugh to be postmaster at Carrington, N. Dak., in place of E. T. Halaas, removed.

OHIO.

Edwin E. Curran to be postmaster at New Straitsville, Ohio, in place of W. C. Hughes, resigned.

O. D. Kemper to be postmaster at Jefferson, Ohio, in place of H. J. Warner. Incumbent's commission expired August 4, 1913. James P. Stewart to be postmaster at Niles, Ohio, in place of W. R. Thomas. Incumbent's commission expired July 23, 1913.

OKLAHOMA.

J. L. Avey to be postmaster at Lindsay, Okla., in place of Robert A. Diggs. Incumbent's commission expired January 14,

PENNSYLVANIA.

James H. Alcorn to be postmaster at Waterford, Pa., in place of Frank A. Howe. Incumbent's commission expired January 13, 1913,

Harry W. Fee to be postmaster at Indiana, Pa., in place of James C. McGregor. Incumbent's commission expired March 29, 1913.

Albert H. Fritz to be postmaster at Quarryville, Pa., in place of Hugh W. Gilbert. Incumbent's commission expired February 9, 1913.

William H. Gruber to be postmaster at Palmerton, Pa., place of Walter M. Bray. Incumbent's commission expired February 20, 1913.

C. Steck Hill to be postmaster at Hughesville, Pa., in place of Cameron Boak. Incumbent's commission expired July 23,

Rush B. Miller to be postmaster at North Girard, Pa., in

place of Clayton F. Miller, resigned.

John Orth to be postmaster at Marietta, Pa., in place of C. Penrose Hipple. Incumbent's commission expired June 22,

Clayland M. Touchstone to be postmaster at Moores, Pa., in place of John C. Tullock. Incumbent's commission expired April 19, 1913.

Robert E. Urell to be postmaster at Mansfield, Pa., in place of Thomas H. Bailey, removed.

SOUTH DAKOTA.

John Debilzan to be postmaster at Andover, S. Dak., in place of Charles L. Smith, resigned.

Anton Fergen to be postmaster at Parkston, S. Dak., in place of Amos H. Davis. Incumbent's commission expired August 4, 1913.

Bert T. Reeve to be postmaster at Howard, S. Dak., in place of Boyd Wales. Incumbent's commission expired January 26, 1913.

G. L. Kirk to be postmaster at Platte, S. Dak., in place of L. T. Hoahlin, removed.

TENNESSEE.

W. F. Holland to be postmaster at Kingston, Tenn., in place of W. F. Littleton. Incumbent's commission expired July 3,

Emily Taylor St. John to be postmaster at Harriman, Tenn. in place of E. T. McKinney. Incumbent's commission expired July 3, 1913.

L. V. Holbert to be postmaster at Bremond, Tex., in place of H. Schmidt. - Incumbent's commission expired August 4, 1913. Edwin Hall Homan to be postmaster at Fort Bliss, Tex. Office became presidential January 1, 1913.

John W. Robbins to be postmaster at Clyde, Tex., in place of

Dave P. Rowland, resigned.

Charles M. Wallace to be postmaster at Llano, Tex., in place of Charles F. Darnall. Incumbent's commission expired January 14, 1913. VIRGINIA.

W. R. Rogers to be postmaster at Crewe, Va., in place of Richard B. Wilson. Incumbent's commission expired March 2, 1913.

WEST VIRGINIA.

S. M. Lambert to be postmaster at Berwind, W. Va., in place of C. A. Bailey, resigned.

Jacob L. Price to be postmaster at Smithfield, W. Va., in place of Lancey W. Dragoo. Incumbent's commission expired June 9, 1913.

WISCONSIN.

Henry W. Graser to be postmaster at Menomonee Falls, Wis., in place of C. F. Henrizi. Incumbent's commission expired February 22, 1910.

Franz Markus to be postmaster at Medford, Wis., in place of John W. Benn. Incumbent's commission expired January 26, 1913.

Frank Samson to be postmaster at Cameron, Wis., in place of C. E. Bartlett. Incumbent's commission expired January 12,

CONFIRMATIONS.

Executive nominations confirmed by the Scnate August 12, 1913. MINISTER.

James M. Sullivan to be envoy extraordinary and minister plenipotentiary to the Dominican Republic.

SECRETARIES OF LEGATIONS.

H. F. Arthur Schoenfeld to be secretary of the legation to Paraguay and Uruguay.

Richard E. Pennoyer to be secretary of the legation at Lima,

COLLECTOR OF CUSTOMS.

David C. Barrow, jr., to be collector of customs for the district of Georgia.

POSTMASTERS. MASSACHUSETTS.

Eben T. Hall, West Upton.

OHIO.

Louis C. Brown, Warren. George D. Dunathan, Findlay.

OREGON.

W. A. Richardson, Heppner.

HOUSE OF REPRESENTATIVES.

Tuesday, August 12, 1913.

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the fol-

lowing prayer:

O Thou great Spirit, whose infinity touches us through the senses and thrills the heart with admiration and praise, bring us, we beseech Thee, into harmony with the eternal verities through a supreme love for Thee and our fellow men, for life is love and love is life. What shall I do to inherit eternal life? "Thou shalt love the Lord thy God with all thy heart and with all thy soul and with all thy strength and with all thy mind and thy neighbor as thyself."

In the beauty of the illies Christ was born across the sea, With a glory in His bosom that transfigures you and me.

Make us conscious of that transfiguration, O God our Father,

by living the Christ Spirit. Amen.

The Journal of the proceedings of Friday, August 8, was read and approved.

ELECTION OF COMMITTEE MEMBERS.

Mr. UNDERWOOD. Mr. Speaker, I move the election of the following gentlemen, whose names I send to the Clerk's desk,

to fill vacancies on committees.

The SPEAKER. The gentleman from Alabama moves the election of Members to fill vacancies on committees, and the Clerk will read.

The Clerk read as follows:

PERL D. DECKER, of Missouri, to be a member of the Committee on Interstate and Foreign Commerce, vice CLEMENT C. DICKINSON, of Missouri, resigned.

PETER G. TEN EYCK, of New York, to be a member of the Committee on Accounts, to fill vacancy now existing.

ALLAN B. WALSH, of New Jersey, to be a member of the Committee on Expenditures in the Department of Commerce, vice Edward W. Pou, of North Carolina, resigned.

Mr. UNDERWOOD. Mr. Speaker, I make these nominations at the instance of the Democratic caucus, and I now move the previous question.

The gentleman from Alabama moves the The SPEAKER. previous question.

The previous question was ordered.

The Members so nominated were elected.

SWEARING IN OF A MEMBER.

Mr. KINKEAD of New Jersey. Mr. Speaker, Mr. Archibald C. HART, a newly elected Member from the sixth district of New Jersey, is present, and would like to take the oath of office. [Applause.]

Mr. MANN. Mr. Speaker, the credentials have not been presented before the House.

The SPEAKER. The Chair is informed that there are no credentials here.

Mr. KINKEAD of New Jersey. Mr. Speaker, I would like to say to the gentleman from Illinois that there is no question about the election.

Mr. MANN. The gentleman from New Jersey can ask unanimous consent

Mr. KINKEAD of New Jersey. Mr. Speaker, I ask unanimous consent that Mr. Harr may be sworn in, notwithstanding his

credentials are not present.

The SPEAKER. The gentleman from New Jersey asks unanimous consent that Mr. HART may be sworn in, notwithstanding the credentials have not arrived. Is there objection?

There was no objection.

The oath of office was then administered to Mr. HART by the Speaker.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Tulley, one of its clerks, announced that the Senate had passed joint resolution of the following title, in which the concurrence of the House of Representatives was requested:

S. J. Res. 64. Joint resolution authorizing the President of the United States to accept, in the name of the United States,

a bust of William Pitt, Lord Chatham.

ENROLLED JOINT RESOLUTION SIGNED.

Mr. ASHBROOK, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled joint resolution of the following title, when the Speaker signed the

H. J. Res. 118. Joint resolution making appropriations for certain expenses incident to the first session of the Sixty-third Congress.

SENATE RESOLUTIONS REFERRED.

Under clause 2, Rule XXIV, Senate resolutions of the following titles were taken from the Speaker's table and referred to the appropriate committees as indicated below:

S. J. Res. 64. Joint resolution authorizing the President of the United States to accept, in the name of the United States, a bust of William Pitt, Lord Chatham; to the Committee on the Li-

brary.
S. Con. Res. 4. Concurrent resolution providing for the acceptance by the United States of the statue of Zachariah Chandler; to the Committee on the Library.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES.

A message, in writing, from the President of the United States was communicated to the House of Representatives by Mr. Latta, one of his secretaries, who also informed the House of Representatives that the President had approved and signed bill of the following title:

On August 11, 1913:

H. R. 6383. An act to amend section 19 of an act entitled "An act to increase the limit of cost of certain public buildings; to authorize the enlargement, extension, remodeling, or improvement of certain public buildings; to authorize the erection and completion of public buildings; to authorize the purchase of sites for public buildings, and for other purposes," approved March 4, 1913.

ENROLLED BILL PRESENTED TO THE PRESIDENT FOR HIS APPROVAL.

Mr. ASHBROOK, from the Committee on Enrolled Bills, reported that this day they had presented to the President of the United States, for his approval, the following bill:

H. R. 6383. An act to amend section 19 of an act entitled "An act to increase the limit of cost of certain public buildings; to authorize the enlargement, extension, remodeling, or improvement of certain public buildings; to authorize the erection and completion of public buildings; to authorize the purchase of sites for public buildings, and for other purposes," approved March 4, 1913.

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted as follows: To Mr. Edwards of Georgia, for 10 days, on account of illness

in his family.

To Mr. McCox, indefinitely, for the purpose of attending the conference of the Interparliamentary Union at The Hague.

To Mr. SMITH of Maryland, for four days, beginning August 12, on account of important business.

To Mr. Stevens of Minnesota, for four weeks, on account of important business.

LEAVE TO PRINT.

Mr. TAGGART. Mr. Speaker, I ask unanimous consent to

have inserted in the Record a communication.

The SPEAKER. The gentleman from Kansas asks unanimous consent to extend his remarks in the Record by inserting

a communication. Is there objection?

Mr. FOSTER. Reserving the right to object, I would like to ask the gentleman if he intends to place it in the back part of the RECORD?

Mr. TAGGART. I can not say that I have any authority to select one part of the RECORD in place of another.

Mr. FOSTER. I think unless the gentleman agrees to that I shall object.

Mr. TAGGART. I am perfectly willing to have it placed in any part of the RECORD.

Mr. FOSTER. What is the nature of the communication?
Mr. TAGGART. I was about to state it. It is a communication from J. O. Flagg, a citizen of Kansas, who is thoroughly familiar with the Mexican situation, both from observation and experience in that country, and seems to be thoroughly in sympathy with the common people in Mexico. He is not a jingo and is not calling for war, but is presenting many facts that I think are of great value and which are very instructive.

Mr. ELDER. Mr. Speaker, I object.

The SPEAKER. The gentleman from Louisiana objects.

ADJOURNMENT UNTIL NEXT FRIDAY.

Mr. UNDERWOOD. Mr. Speaker, I ask unanimous consent that when the House adjourns to-day it adjourn to meet on Fri-

The SPEAKER. The gentleman from Alabama asks unanimous consent that when the House adjourns to-day it adjourn to meet next Friday. Is there objection?

There was no objection.

Mr. UNDERWOOD. Mr. Speaker, I wish to say to the House that there is a Democratic caucus that will meet in this Hall this afternoon at 2 o'clock. I understand some gentlemen wish to make speeches this morning. I ask unanimous consent that when the hour of 1 o'clock and 45 minutes is reached the House shall stand adjourned.

The SPEAKER. The gentleman from Alabama asks unanimous consent that at 1 o'clock and 45 minutes p. m. the House

shall stand adjourned. Is there objection?

Mr. MANN. Mr. Speaker, reserving the right to object, may ask the gentleman whether it looks as if the currency bill is

likely to be reported to the House on Friday?

Mr. UNDERWOOD. Well, that is difficult to say. It is impossible to say how much debate there is likely to be in the caucus and I understand the gentleman from Virginia, who has the matter in charge, has no desire to cut off consideration of the bill in caucus. I do not think it is possible it could be reported before-certainly not before-Friday, and I think it is doubtful whether it can be reported by then.

Mr. MANN. Of course it could not be reported before Friday. If it should be reported Friday is the gentleman able to say when the House is likely to take it up for consideration?

Well, I have not consulted the gentle-Mr. UNDERWOOD. man from Virginia, but I presume if reported Friday or Saturday he will want to take it up Monday or Tuesday next, but I have not consulted with him and I do not know his wishes in

The SPEAKER. Is there objection to the request of the gentleman from Alabama? [After a pause.] The Chair hears

EXTENSION OF REMARKS.

Mr. J. I. NOLAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a circular letter signed by the 11 Members of the California delegation bearing upon the Hetch Hetchy bill now pending before the House. It is a very short letter.

The SPEAKER. The gentleman from California asks unanimous consent to extend his remarks in the RECORD by having printed a communication from the California delegation on the subject of the Hetch Hetchy bill. Is there objection?

Mr. FOSTER. Mr. Speaker, reserving the right to object, is it the intention of the gentleman to print it in the body of the proceedings or in the back of the RECORD, where these commu-Mr. J. I. NOLAN. I would like to have it in the RECORD.

Mr. FOSTER. Then I would have to object—

Mr. J. I. NOLAN. Let it go in the back of the RECORD; I will be satisfied.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

Mr. Speaker-Mr. MANN.

The SPEAKER. For what purpose does the gentleman rise? Mr. MANN. I desire to prefer a request for unanimous consent. On Friday my colleague, Mr. McKenzie, asked unanimous consent to extend his remarks in the Record by the insertion of a communication from Mr. Forgan in reference to bank-The gentleman from Arkansas [Mr. WINGO], ing and currency. under a misapprehension as to the contents of the article, objected, as I should have done had I been in his place with the have permission to extend his remarks in the Record in accordance with his request on Friday.

The SPEAKER. The gentleman from Illinois asks unanimous consent that his colleague have the privilege of extending his remarks in the RECORD according to the statement made by Mr. McKenzie at the previous meeting.

Mr. MURDOCK. Mr. Speaker, since the request was preferred by the gentleman from Illinois [Mr. McKenzie] I have

been given to understand that Mr. Forgan has issued a great many communications. Now, does the gentleman know whether that is true or not-communications dealing with this currency bill?

Mr. MANN. I do not know whether that is true or not. He issued one communication taking up the bill and giving consideration to it. That is the one the gentleman from Illinois now desires to have put in the RECORD. It will be inserted in the back of the Record, of course.

Mr. FOSTER. Mr. Speaker, reserving the right to object, I

would like to inquire if the Chair the other day, in referring to these insertions, intended that all these communications should go in the back of the RECORD? I desire to ask if that is the intention, so far as these papers to be printed are concerned?

Mr. BORLAND. Mr. Speaker—
The SPEAKER. For what purpose does the gentleman rise?
Mr. BORLAND. I rise for the purpose to reserve the right to object.

Mr. FOSTER. Mr. Speaker, just a moment, if the gentleman will indulge me. I desire to ask if it was the intention the other day when the Speaker said these communications, addresses, and so forth, would go into the back of the RECORD, if that is the future intention, so far as all these matters are concerned?

The SPEAKER. The Chair was informed at the close of the talk about that matter the other day that that was the way the

Public Printer arranged for now.

Mr. FOSTER. And that they would go through without any

Mr. MURDOCK. Now, Mr. Speaker, will the gentleman yield? If in the course of a man's remarks here on the floor he includes certain documents, of course in that event the documents are included in the speech proper, and they ought not to go to the rear of the RECORD.

Mr. FOSTER. And I think that is in line with what was

before the House at that particular time.

Mr. MURDOCK. Now, the inquiry of the gentleman from Illinois [Mr. Foster] is that where a request is made for an extension of remarks which are no part of a speech made here on the floor those remarks should go to the end of the RECORD. Mr. FOSTER. At the end of the RECORD.

Mr. MURDOCK. I have no objection to that.
Mr. BORLAND. Mr. Speaker, there is no doubt that this address of Mr. Forgan is by a man who knows something about financial matters, but if it contains anything of value there is no reason why the gentleman from Illinois [Mr. McKenzie], when he comes to the general debate on the currency bill, might not include it in his debate, or so much of it as is of value. There is no reason why the argument of Mr. Forgan on this subject should be printed in the Record any more than that of any other citizen of the United States who is not a Member of this House. I do not see any reason at all for making a request for unanimous consent to print an address of Mr. Forgan or any other citizen upon this public question to the exclusion of any other citizen whose ideas may be of equal value. I am going to object to this inclusion and to others without any particular personal bias against the man.

Mr. MANN. The gentleman did not object to other requests

already made this morning.

Mr. BORLAND. Which requests already made? Mr. MANN. Several of them.

Mr. BORLAND. The only request I have heard this morning was made by the gentleman from California [Mr. J. I. Nolan] for the insertion of a letter signed by every Member of the California delegation.

Mr. MANN. It was sent to every Member of the House. Mr. BORLAND. And a product of Members of this House.

Mr. MANN. That was not the only request, however.

The SPEAKER. Is there objection?

Mr. BORLAND. I object, Mr. Speaker.
Mr. WINGO. I hope the gentleman from Missouri [Mr. Borland] will withhold his objection for a moment, and I trust that he will not force it. The other day when I made the objection it was under a misapprehension of what the communication was. As I understand now, the article proposed to be put in the RECORD is a review of the pending currency bill same information. I now prefer the request that my colleague | by a man who knows something about the question. It is not lengthy. He confines himself to a discussion of principles and not, as I thought, to members of the committee. I trust the

gentleman will not object.

Mr. BORLAND. The gentleman from Arkansas [Mr. Wingo] misunderstands the object of my position. I know Mr. Forgan and of his importance in the financial world, and there is no question of the value of the article. The question is whether the Congressional Record should be filled at this time or at any other time by articles written by men who are not Members of this House and which are of no more value than the views of

As a general proposition, I think the gentleman is correct, and if he will agree to that general proposition, I

will be willing to do it.

Mr. BORLAND. It seems that this is a very good time at which to begin it.

Mr. WINGO. I do not think we should discriminate, however. Mr. BUCHANAN of Illinois. Will the gentleman yield?

Mr. FINLEY. Mr. Speaker—
The SPEAKER. For what purpose does the gentleman from South Carolina [Mr. FINLEY] rise?

Mr. FINLEY. I wish to ask the gentleman from Missouri

[Mr. Borland] to permit an interruption.

Mr. BORLAND. I yield. Mr. FINLEY. As I have understood the remarks pertaining to this address which it is proposed to insert, it occurs to me that it is a matter solely within the jurisdiction of the Joint Committee on Printing. I believe that it has been within the last few years that action was taken requiring speeches that were delayed—not handed to the printer the night of the day of delivery—to be printed in the back of the Record, and I take it that in a matter of this character, where the body of the article to be printed is no part of the speech, so to speak, it also falls within the jurisdiction of the Committee on Printing. I am not now a member of that committee, but I wish to give that as my opinion.

Mr. BORLAND. Now, Mr. Speaker, that question is exactly answered by what the gentleman from South Carolina [Mr. Finley] says. If this article is of sufficient value to be printed at public expense as a public document there is a way provided to make it a House document, printed at the public expense, with the consent of the Committee on Printing, and that is the way that these pamphlets, if they are of any value, ought to be printed. But they are not properly a part of the proceedings of this House which should be represented by the Congression

SIONAL RECORD.

Mr. FINLEY. Mr. Speaker, will the gentleman yield?
Mr. RAKER. Mr. Speaker—
The SPEAKER. To whom does the gentleman yield?
Mr. BORLAND. I yield to the gentleman from South Carolina [Mr. FINLEY]

Mr. FINLEY. I did not allude to the printing of public documents, but to the form of the RECORD.

Mr. BORLAND. Yes. Mr. FINLEY. Now, it will require action by the Joint Committee on Printing before the Public Printer would be com-

pelled to do this.

Mr. BORLAND. Mr. Speaker, I am pointing out the fact that the gentleman's remarks show that there is a way of preserving these documents in the form of public documents, if they are deemed by the committee and by the House to be of sufficient value to warrant that being done; but they are not properly a part of the Congressional Record.

Mr. MANN. Mr. Speaker, if the gentleman will yield, I would like to inquire what is that way?

Mr. BORLAND. By making it a document of the House, Mr. MANN. The Committee on Printing can not make it a document of the House. The gentleman is mistaken. There is no way of doing it except by the action of the House.

Mr. BORLAND. Yes; by the action of the House. Mr. MANN. Here is a proposition coming from the Committee on Banking and Currency, now before the House for consideration, and the gentleman referred to, Mr. Forgan, has views which we on our side desire to have printed, but because they do not happen to meet the views of the gentleman from Missouri [Mr. Borland] he objects.

Mr. BORLAND. No; I am not at all sure that they do not meet the views of "the gentleman from Missouri."

Mr. MANN. I am sure the gentleman would not agree with the views of the president of the First National Bank of Chi-

cago on any subject relating to banking and currency.

The SPEAKER. Is there objection?

Mr. BORLAND. Mr. Speaker, I object.

The SPEAKER. The gentleman from Missouri [Mr. Bor-LAND] objects

BUCHANAN of Illinois. Mr. Speaker, I would like to ask if the gentleman referred to has not already appeared before the Committee on Banking and Currency and there reviewed the question?

The SPEAKER. The gentleman from Missouri [Mr. Box-

LAND] has already objected.

THE GRAPE INDUSTRY OF CALIFORNIA.

Mr. RAKER. Mr. Speaker, I ask unanimous consent to have printed as a House document a brief and statement on the grape industry in California, which is vital to the interests of California. It was not considered in the tariff bill when it passed the House, and it is now upon the Senate bill, and involves an interest to the extent of over \$200,000,000 to our farmers and others interested in California; and to the end that each Member may fully understand the situation, I ask that this be printed as a House document. It will cover about 6 pages of the ordinary print of the RECORD.

The SPEAKER. The gentleman from California [Mr. RAKER]

asks unanimous consent to have printed as a House document a certain paper on the subject of the grape industry.

Mr. BORLAND. Mr. Speaker, reserving the right to object, has this matter been laid before the Joint Committee on Printing?

Mr. RAKER. It has not been. We could not get it before the Joint Committee on Printing. This relates to the tariff bill, which is up at this time. Mr. BORLAND. I object.

The SPEAKER. The gentleman from Missouri [Mr. Bor-LAND] objects.

PRICE OF UNITED STATES 2 PER CENT BONDS.

Mr. MONDELL. Mr. Speaker, I call up a privileged resolution, House resolution 219.

The SPEAKER. The Clerk will report it.

The Clerk read as follows:

House resolution 219.

Resolved, That the Secretary of the Treasury bc, and he is hereby, directed to transmit to the House of Representatives the facts in his possession on which he based the charge recently made by him that the recent decline in the price of United States 2 per cent bonds is due "almost wholly to what appears to be a campaign waged with every indication of concerted action on the part of a number of influential New York City banks to cause apprehension and uneasiness about these bonds in order to help them in their efforts to defeat the currency bill."

That the Secretary of the Treasury is also hereby directed to inform the House as to the facts on which he based his statement, as follows: "That nothing has occurred to impair the value of the 2 per cent bonds, but the amendment already adopted by the Banking and Currency Committee of the House enhances their intrinsic value," together with a copy of the amendment thus referred to by him.

Mr. UNDERWOOD. Mr. Speaker, I make the point of order that the gentleman can not call up this resolution for the reason that it is in the Committee on Ways and Means; and I make the second point of order that it is not a privileged resolution. It calls for an opinion and is not within the rule. But primarily the gentleman can not call it up, because it is not before the

House to be called up.

Mr. MONDELL. Mr. Speaker, this is a privileged resolution, and I made the usual request that the resolution be called I desire to make the motion that the Committee on Ways and Means be discharged from the further consideration of the

resolution and that it be considered at this time. Mr. UNDERWOOD. Mr. Speaker, I make the point of order against the motion that this is not a privileged resolution and not subject to the discharge of the committee.

The SPEAKER. What does the gentleman from Alabama

rest his point of order upon?

Mr. UNDERWOOD. Mr. Speaker, the resolution is based on a newspaper article printed by the Secretary of the Treasury. It does not purport to be an official action of the Secretary of the Treasury. It does not purport to relate to facts within the control of the Treasury Department. As a matter of fact, the basis of this investigation is the statement of an individual. It is true that individual happens to be the Secretary of the Treasury; but he has not made the statement as Secretary of the Treasury, and he has not made the statement that he has the facts as Secretary of the Treasury. It was entirely outside of his official duties that the statement was made, and this resolution calls practically for his opinion as an individual and not a statement of facts contained in the records of the Treasury Department.

Mr. MONDELL. Mr. Speaker, the rule on this subject is very clear, and the resolution clearly comes within the rule. I

call the attention of the Speaker to page 409 of the Rules of the House, paragraph 5:

All resolutions of inquiry addressed to the heads of executive de-

The SPEAKER. What is the gentleman reading from? Mr. MONDELL. I am reading from Rule XXII, paragraph 5 section 834, of the Manual:

All resolutions of inquiry addressed to the heads of executive de-ertments shall be reported to the House within one week after presen-

This resolution was introduced on the 1st day of August. More than a week has therefore elapsed since the resolution was presented. That it is privileged is beyond all question, in my opinion. It calls for facts. The rule says that resolutions of inquiry—that is, resolutions calling for facts—are privileged. It in no wise calls for an opinion. It is true that an opinion has been expressed. The gentleman from Alabama [Mr. Underwood] says it has been expressed by an individual, not in his official capacity. I do not care to discuss that question because I feel it is immaterial in any event. There has been a statement made. It happens that it has been made by the Secretary of the Treasury. No one denies the fact that the Secretary did issue a statement, some portions of which are set forth verbatim in the resolution. We now call for the facts on which the Secretary bases the statement. In other words, the Secretary has said that a certain condition exists and that a certain state of facts exists. What is that state of facts? What are the facts to which the Secretary refers?

Mr. BARTLETT. May I interrupt the gentleman to ask him a question?

Mr. MONDELL. I am glad to yield to the gentleman. Mr. BARTLETT. This statement to which the gentleman refers is supposed to have been made by the Secretary of the Treasury in some newspaper, not an official act of his com-municated to the House or to Congress?

Mr. MONDELL. I will say to my friend that it is not denied that the Secretary, as the Secretary, gave out the statement.

Mr. BARTLETT. An interview.

Mr. MONDELL. Well, it is called a statement. I assume that it was given out by the Secretary in typewritten form. No one has denied or questioned that it was given out.

Mr. BARTLETT. It is not a statement to Congress in his

official capacity, conveying information to the House or to the

Mr. MONDELL. The gentleman can not raise the question as to whether the facts are of any interest.

Mr. BARTLETT. I am not raising that question. Mr. MONDELL. That question might be raised with regard to a great variety of facts which we have the right to call for. I assume that the facts are of interest, else I should not have called for them in the resolution. I think the gentleman from Georgia will scarcely deny that the facts are of interest at any time-facts relating to the bonds and credit of the Government, facts relating to propositions of legislation. They are impor-tant at any time. They are peculiarly important at this time, when the House, on the recommendation of the President of the United States, acting in accordance with his official duty, is proceeding to the consideration of the very questions here involved.

The gentleman can not properly raise the question as to the value or relevancy of the facts, but if he does raise that question, it is easily met by the statement that no one will attempt to controvert that these facts are of importance at any time to the Congress, and they are of peculiar and paramount and commanding importance at this stage of the legislative proceedings.

Mr. MURDOCK. Will the gentleman yield? Does not the

gentleman think that if, in his resolution of inquiry to the Secretary of the Treasury, he had asked whether the Secretary had given out such an interview, that that would have been a privileged matter?

Mr. MONDELL. I think beyond question it would. Mr. MURDOCK. If the gentleman had asked the Secretary of the Treasury the simple question whether 2 percents had declined, that would have been privileged, and it seems to me that when the gentleman merely asks for the facts upon which the utterance is made, that is privileged.

Mr. MONDELL. There is no question about it, and I thank the gentleman for illuminating the matter in that way.

Mr. TOWNER. Will the gentleman yield?

Mr. MONDELL. Certainly.

Mr. TOWNER. Would it make any difference whether, if this account was what occurred, if it was the statement of the Secretary of the Treasury himself, or was the statement of another and third person with regard to facts which were within the knowledge of the Secretary of the Treasury as to your right to have this inquiry prosecuted?

Mr. MONDELL. It would have made no difference at all; that is clear and patent to everybody. No matter if some one else had made the statement of facts within the knowledge of the Secretary. There can be no question, however, as to these facts being in the knowledge of the Secretary, at least, that they should have been within the knowledge of the Secretary before he made the statement.

Mr. Speaker, Speakers have been inclined to rule liberally in regard to the privilege of the House in asking for information. A narrow construction of the rule is certain to place the House in a position where it will be denied facts of importance, facts necessary in its consideration of public questions, and I feel confident that the present Speaker will not give such a narrow construction to the rule as is suggested by the gentleman from Alabama.

Mr. MANN. Mr. Speaker, a resolution, in order to be privileged, must be a resolution of inquiry asking for facts. It has been frequently held, as the Speaker well knows, that any resolution asking for information, is a privileged resolu-A resolution asking for an opinion is not a privileged resolution, although it is quite common for department officials to give their opinion when a resolution asking for facts is addressed to them.

Now, what does this resolution do? Does it ask for an opinion or does it ask for facts? The resolution expressly states that the Secretary of the Treasury is directed to transmit to the House the facts in his possession on which he based the charge recently made by him; and again, that the Secretary is directed to inform the House as to facts on which he based his statement as follows. If the Secretary of the Treasury did not make this statement he can easily reply to the resolution by so stating.

The gentleman from Alabama says that if he made the statement he did not make it officially. The Secretary of the Treasury is an official, and can make no statement relating to the conduct of his department of the finances of the country that is not official. [Applause on the Republican side.] He can not separate himself from his office, and if he has information, it makes no difference how it came to him, the Congress is entitled to the information and the House is entitled to ask him for the facts.

The Secretary of the Treasury a few days ago made a statement, as recited in this resolution, that there was a concerted action on the part of the members of the influential New York City banks to cause apprehension and uneasiness about the 2 per cent bonds in order to help them in their efforts to defeat the currency bill. That is an exceedingly important statement. It charges a conspiracy on the part of banks who owe their foundation and existence to the laws of the country. charge be true, we ought to have the information before we pass a currency bill, and if the Secretary of the Treasury did not have facts on which he based his charge he ought to refire from office. [Applause on the Republican side.]

This is not the only resolution on this subject which has been introduced. The gentleman from Kansas introduced a resolution asking for investigation of this subject, which was referred to the Committee on Rules. Under the rules of the House you can not move to discharge the Committee on Rules from the consideration of a resolution, and I understand that the Secretary of the Treasury has sent for and talked with the members of the Committee on Rules on the majority side of the House, with the exception of the chairman, and urged that that resolution for an inquiry be not agreed to or reported favorably. If the Secretary of the Treasury can to-day make a statement involving collusion on the part of national banks of the country without giving the Congress the information upon which he bases his facts, we have come to a pretty pass. I am somewhat surprised that the gentleman from Alabama should be afraid to have these facts come before the House. If the Secretary of the Treasury has information upon which he based the charge, the majority side of the House ought to be the one to insist upon the information being made public, and not leave it to the minority to introduce a resolution. [Applause on the Republican side.] The resolution is privileged; it calls for information; it desires facts, if facts be in the possession of the Secretary of the Treasury, facts which ought to be made public if they exist; and there ought to be an apology if the charge was baseless, as I suspect.

Mr. FITZGERALD. Mr. Speaker, the remarks of the gentle-man from Illinois [Mr. Mann] on behalf of the minority discloses that it is not seeking facts; it is simply trying to muddy up the waters. This resolution has been drawn in such a way that it is quite apparent that the minority is not after information, but is after something as is characterized as "facts." resolution is ingeniously drawn-

Mr. MANN. Well drawn.

Mr. FITZGERALD (continuing). It does not ask for information, but it uses the word "facts" in the hope that some one might be deluded into the belief that the resolution is privileged under the rules. Those who are familiar with the capacity of the gentleman from Illinois to build up a case that has the appearance of being good, but when analyzed is quite faulty, are aware of the reason that the resolution is in this Mr. Speaker, it is not necessary to answer the suggestion of the gentleman from Illinois that the Secretary of the Treasury should retire from office. Every one knows how anxious that side of the House is that every one in this administration shall retire from office. [Applause on the Democratic side. I Many of us on this side would be quite happy if many of the hold-over incompetent Republicans should more speedily retire from office. [Applause on the Democratic side.] It would improve in many respects the efficiency of the adminis-tration. This resolution purports to call on the Secretary of the Treasury "for facts in his possession on which to base the charge recently made by him that the recent decline in the price of United States 2 per cent bonds is due almost wholly to what appears to be a campaign waged with every indication of concerted action on the part of a number of influential New York City banks to cause apprehension and uneasiness about these bonds in order to help them in their efforts to defeat the currency bill." I might say that on the face of it is appears to be an expression of opinion and not to be based upon any substantial information that might be characterized by the gentleman from Illinois as "facts." Mr. Speaker, in volume—

Mr. MANN. Will the gentleman yield?

Mr. FITZGERALD. I do.

Mr. MANN. I did not quite catch what the gentleman said, but I understood him to say that statement was not based upon facts and hence facts could not be furnished.

Mr. FITZGERALD. I did not say that, because, as I did not make the statement, I do not know enough of the underlying reasons for the statement-enough to speak in behalf of anyone who made it, if it ever were made, but it appears to have been couched very carefully so as not to mislead innocent gentlemen like the gentleman from Illinois into the belief that a conclusive case existed at some place against some one as to the situation indicated in the quoted language.

Mr. MANN. The gentleman is very close to the Secretary of the Treasury, and again intimates that the language of the Secretary of the Treasury shows on its face that it was not

based upon facts.

Mr. FITZGERALD. I do not refer to the language of the Secretary of the Treasury; I have no information that any such language was ever uttered by the Secretary of the Treasury Mr. MANN. Well, the language which is purported to have

Mr. FITZGERALD. But the language is "almost wholly to what appears to be a campaign waged with every indication of concerted action," and it is sufficiently cautious in its construction not to alarm even the timid gentleman from Illinois. But, Mr. Speaker, in paragraph 1873, volume 3, Hinds' Precedents, appears the following authority:

dents, appears the following authority:

On January 18, 1906, Mr. Oscar W. Gillespie, of Texas, claimed the floor for a privileged motion in order to move to discharge the Committee on Interstate and Foreign Commerce from the further consideration of the following resolution, which had been referred to that committee more than a week previously:

"Resolved, That the Attorney General of the United States be, and he is hereby, requested to forthwith report to the House of Representatives, for its information, whether there exists at this time, or heretofore within the last 12 months there has existed, a combination or arrangement between the Pennsylvania Railroad Co., the Pennsylvania Co., the Norfolk & Western Railway Co., the Baltimore & Ohio Railroad Co., the Philadelphia, Baltimore & Washingfon Railroad Co., and the Northern Central Railway Co., and the Chesapeake & Ohio Railway Co., or any two or more of said railroad companies, in violation of the act passed July 2, 1890, and entitled 'An act to protect trade and commerce against unlawful restraints and monopolies,' or acts amendatory thereof; and the said Attorney General is also requested to report to this House all the facts upon which he bases his conclusion."

Which is the same as asking for all the facts upon which is based the statements purporting to have been made by the Sec-

retary of the Treasury.

Mr. PAYNE, of New York, made the point of order that the resolution was not privileged because it called for an opinion of the Attorney General as well as for the facts, and after debate, Mr. Speaker Cannon, in a decision of which I shall quote only the last sentence or two, said:

While it is in the power, the Chair apprehends, for the House by resolution to ask an opinion of the head of a department, it occurs to the Chair that such a resolution would not be privileged and would not

come within the rule that is now in vogue. But whatever the ruling of the Chair might be, were it not for the concluding line or lines of the resolution, it is perfectly patent to the Chair that what is desired by the resolution is not the facts alone, if at all, but the conclusion or opinion of the Attorney General. Therefore, the Chair sustains the opinion of the Attorney General.

It is very clear that the gentleman is not seeking the facts alone in this case, but the opinion or the conclusion of the Secretary of the Treasury upon which the statement purporting to have been made by him might have been based. Under this decision it seems to be quite clear that, calling for the con-clusion or the opinion of the Secretary of the Treasury in addition to any facts that may be requested, the resolution is not

privileged within the rules.

Mr. MONDELL. Mr. Speaker, I have examined the precedent that the gentleman from New York [Mr. Fitzgerald] refers to, with a good deal of care. The resolution referred to is essentially dissimilar from the resolution now before the House, and the Chair sustained the point of order in that case on the proposition that in his opinion it "is not the facts alone, if at all, but the conclusion or opinion of the Attorney General that is sought." If the Chair was justified in that case to hold as he did, and I am rather inclined to think he was, that opinion does not apply to this case.

Mr. FITZGERALD. Has the gentleman any doubts about

Mr. MONDELL. I have some little doubt about it. It was rather close then.

Mr. FITZGERALD. Did not the gentleman at the time vote to lay on the table the appeal from the decision of the Chair?

Mr. MONDELL. However that may be, the question then raised is not involved in the resolution before the House at all, In that case the Chair said that, in his opinion, it was the opinion and the judgment of the officer that was sought and not the facts, and he was probably justified in so holding.

Mr. FITZGERALD. But if the gentleman will read the reso-

lution he will find that it provided:

And also to report to the House all the facts upon which he bases his decision.

The Chair held it was not the facts, but that it was his opinion that was required.

Mr. MONDELL. Calling for facts and an opinion at the same time, of course, under the rule, took the resolution out of the privileged class, no matter how many facts were called for.

Mr. MANN. Will the gentleman yield?

Mr. MONDELL. Yes.

Mr. MANN. The gentleman will note that the resolution which the gentleman from New York [Mr. Fitzgerald] has cited does not call for the facts at all. It calls for the facts upon which the Attorney General bases his conclusion, an entirely different proposition. And the conclusion was one asked for in the resolution.

Mr. MONDELL. That is what I desire to emphasize, namely, that what the resolution asked for, in the first instance, was a

conclusion, not a fact or set of facts.

Mr. FITZGERALD. It was not. It was the facts. Mr. MONDELL. The word "facts" was used in o was used in one place, but what was asked for was a conclusion, an opinion, of the Attorney General as to whether a certain condition existed. And then, in addition to that, which took the resolution out of the privileged class, there was a call for facts on which the opinion was founded. But that portion of the resolution in no wise saved the resolution from the fact that it called for an opinion in the first instance.

Mr. FITZGERALD. Yes; but if the gentleman had examined this opinion he would find that the Speaker based his decision not upon the part of the resolution where it calls for a conclusion, but upon that clause which asks for the facts; not upon

the early part.

Mr. MONDELL. I have read a portion of the decision of the Chair upon which he founded his judgment that, in his opinion, what was asked for was an opinion and conclusion. And clearly that was what was sought, because the resolution starts out by calling upon the Attorney General to inform the House whether a certain railway combination existed. That is altogether a question of opinion.

Now, Mr. Speaker, this resolution asks for no expression of opinion. There has been an expression of opinion; there has been a statement. Certain people have been charged with a crime, the crime of conspiracy, punishable by fine and imprisonment—the crime of conspiring against the credit of the United

States.

The SPEAKER. The gentleman from Wyoming is not con-

fining himself to the point of order.

Mr. MONDELL. And it is to be assumed—at least I have assumed, and I hope not violently—that the Secretary of the Treasury had the facts upon which he based that grave charge.

Further than that the Secretary informed an anxious and expectant country, which had long been listening to the somewhat conflicting and noisy echoes emanating from the secret chamber of the Committee on Banking and Currency, that he had information that amid that turmoil and confusion and conflicting in the secret characteristic forms. flict of views there had come an agreement relative to an amendment that was certain to fix and to maintain the value of Federal 2 per cent bonds. We ought to have that informa-

The Democratic side goes into secret caucus this afternoon for the purpose of considering these questions. I do not know that they are seeking information, but they at least ought to have it. All the resolution calls for is a statement of fact of the information upon which the Secretary of the Treasury has charged certain individuals with conspiring against the national credit; information upon which the Secretary of the Treasury has notified the country that a certain amendment has been adopted by the committee, an amendment relative to which we have no information at all. Such information would be no doubt gladly received by those who own Government bonds.

The resolution is clearly within the rule. It is clearly a resolution of inquiry for facts. It does not ask for an opinion. The opinion has already been given.

Mr. UNDERWOOD rose.

The SPEAKER. The gentleman from Alabama [Mr. Under-

wood] is recognized.

Mr. UNDERWOOD. Mr. Speaker, I think the resolution itself clearly demonstrates, though it purports to call for facts, that it is not the intention to call for facts but for an opinion.

Now, it goes without saying, and I suppose there is no con-troversy about it, that if any portion of a resolution is subject to a point of order the whole resolution is so subject. The concluding paragraph reads as follows:

That the Secretary of the Treasury is also hereby directed to inform the House as to the facts on which he based his statement, as follows:

Now, here is the statement:

That nothing had occurred to impair the value of the 2 per cent bonds, but the amendment already adopted by the Banking and Cur-rency Committee of the House enhances their intrinsic value.

Now, he is asked to state the facts on which he bases an opinion. He states it as an opinion. He evidently can have no facts on which to base it, because he says:

Nothing has occurred to impair the value of the 2 per cent bonds.

Now, that shows evidently that he has no facts, because he says "nothing has occurred." Therefore there is nothing in the way of facts in the Treasury Department on which to make that statement.

The conclusion of the statement is that an amendment to a bill pending in this House has enhanced the value of those bonds. Now, has he got the facts in reference to that amendment in the Treasury? Not at all. The facts in reference to that amendment are in a committee of this House. They are reported, they are contained in a bill that has already been introduced into the House, and they are not facts in his possession.

He does not contend that there are any facts there. He made his statement as a matter of opinion on two questions. One is that there is nothing that has occurred to reduce the value of these bonds, and the second is that a bill introduced into this House, or an amendment to a bill introduced in this House, has enhanced the value of those bonds.

Now, if both of these propositions are not opinions expressed by the Secretary of the Treasury, or by Mr. McAdoo-and I can not see how they can be construed otherwise-then, if you are inquiring, what difference does it make whether the gentleman says that he wants facts in reference to an opinion or that he wants an argument in reference to an opinion? There can be no facts because there is nothing but an opinion stated in this section of the resolution.

Mr. MANN. Mr. Speaker, will the gentleman yield?

Mr. UNDERWOOD. I will.

Mr. MANN. Does not his statement, credited to the Secretary of the Treasury, say that an amendment has already been adopted by the Banking and Currency Committee of the House?

That is a positive statement, credited to the Secretary.

Mr. UNDERWOOD. But that is not a fact—if it is a fact which is in the possession of the Secretary of the Treasury.

Mr. MANN. How could he make the statement if it is not

in his possession? He states it as a fact. It may be a round-about way for us on the minority side to ascertain what has been adopted, but the statement is there made that an amendment has been adopted.

Mr. UNDERWOOD. If the gentleman will examine the records of the House he will find the bill. He does not have to go outside of this House to find the bill.

Mr. MANN. That is not in the House. Here is the statement that an amendment to a bill has been agreed to.

Mr. UNDERWOOD. But that bill as amended has been cinted since that time. The amendment is contained in a printed since that time. The amendment is cont printed bill that is within the custody of this House.

Mr. MANN. I do not know whether that amendment has been printed or not. I never have seen any amendment printed that covers the case; but he makes a statement of fact, that a certain amendment has been agreed to, and gives it to the

Mr. FITZGERALD. That only expresses an opinion.
Mr. UNDERWOOD. I will say to the gentleman that the question involved is not whether the House or the committee have agreed to an amendment, but the question involved is a statement of the Secretary of the Treasury as to what effect it will have on these bonds if they have agreed to it. Now, the facts are not disputed.

Mr. MANN. This resolution does not ask for his opinion as to what effect it will have on the bonds, but for the facts on

which he bases his statement.

Mr. UNDERWOOD. His statement was an opinion.

Mr. MANN. I do not know. It is not put in the form of an opinion. It is the statement of a positive fact.

Mr. UNDERWOOD. Why, no; it is not. It is absolutely in the form of an opinion. He says nothing has occurred to impair the value of these 2 per cent bonds. Now, can he have any facts with reference to "nothing"?

Mr. MANN. Why, certainly.

Mr. UNDERWOOD. On the other hand he says:

But the amendment already adopted by the Banking and Currency Committee of the House enhances their intrinsic value.

Now, the only fact in the case

Mr. MANN. Is the question of the amendment.

Mr. UNDERWOOD. Is a fact in possession of the House. Mr. MANN. Oh, it is not in the possession of the House.

That is what we are trying to get into the possession of the House. The only fact is the fact of the amendment.

Mr. UNDERWOOD. If it will relieve the gentleman I will

furnish him with a copy of the bill containing the amendment, if he can not find it himself in the records of the House.

Mr. MANN. The gentleman can not find it in the records of

the House, because it does not exist in the records of the House.

Mr. UNDERWOOD. The gentleman from Virginia introduced a bill containing this amendment, and that is in the records of the House.

Mr. MANN. Oh, but the gentleman is mistaken. This amendment was not in the bill introduced by the gentleman from Virginia, and this is a statement that an amendment to that bill had been agreed to by the Committee on Banking and

Currency Mr. UNDERWOOD. If it has been done, it has been done in the Banking and Currency Committee, and that side of the House is represented on that Banking and Currency Committee-

SEVERAL MEMBERS (on the Republican side). Oh, no. Mr. MANN. If the gentleman will permit, the Secretary of the Treasury says he has certain information in his hands. Have we not the right to ask for that information? We say that he has not the information. The Committee on Banking and Currency up to that time had not had a meeting.

Mr. STAFFORD. They have not yet.
Mr. FITZGERALD. If you say he has not got the informa-

tion, what do you mean by asking him to furnish it?

Mr. MANN. We mean to make him backwater on it. says he has the information. When the department says it has information, we have a right to ask for it.

Mr. FITZGERALD. You have not the right to make anybody

backwater. [Laughter.]

Mr. UNDERWOOD. I say this resolution clearly, although it says it calls for facts, really calls for an opinion about an opinion that has already been expressed, and nothing more.

But I want to say this further, Mr. Speaker, the gentleman from Illinois [Mr. Mann] says that it is the duty of this side of the House to disclose these facts in reference to this charge. I want to say as to the first provision of this resolution, if there has been any conspiracy on the part of the banks of this country, we ought not to interfere with the ends of justice by calling on the Government to disclose the Government case at this time. Now, it is customary for a resolution of this kind to contain the words that the information is called for "if not incompatible with the public interest."

I have no doubt the gentleman from Illinois has objected, and his side of the House have repeatedly objected, to resolutions coming from this side of the House, when the gentleman's side were in control, on the ground that those resolutions did not contain the words that the information should be furnished "if not incompatible with the public interest.

Mr. MANN. If the gentleman will yield, I will state that I never made that objection to any resolution at any time during my service in this House.

Mr. UNDERWOOD. That objection has frequently been

made on the gentleman's side of the House.

Mr. MANN. I think it never came from our side of the

House, because it is not customary to insert the words.

Mr. UNDERWOOD. I know it is. I recall one occasion when the gentleman from New York [Mr. PAYNE] made that objection, and I can show by the RECORD that the gentleman's side of the House have repeatedly, while they were in control, objected to passing resolutions that would call for facts from the Government when those resolutions did not contain the words "if not incompatible with the public interest."

I refer the gentleman to Hinds' Precedents, in which he cites Those precedents were prepared by a gentleman those cases. who is now a distinguished Member of this House and who was at that time a distinguished parliamentary clerk, appointed by the Republican administration. These precedents show that it is customary and usual and proper to insert the words "if not incompatible with the public interest," and that is right.

Is it proper for this House, if a serious charge has been made, to call on the administration of the Government directly and demand of the administration that it shall disclose the facts in reference to a serious proposition, whether it is incompatible

with public interest or not?

Mr. MONDELL. Will the gentleman yield?

Mr. UNDERWOOD. Yes.

Mr. MONDELL. Will the gentleman withdraw his point of order if the resolution is amended by making it a request in-stead of a direction and adding the words "not incompatible with the public interest"?

Mr. UNDERWOOD. I think the words ought to have been

Mr. MONDELL. Will the gentleman agree to the resolution if that is done?

Mr. UNDERWOOD. No.

Mr. MONDELL. Then why discuss it?

Mr. UNDERWOOD. I think this resolution, even if the Speaker rules against me, ought not to be adopted. object to the resolution because it is not a matter of privilege, because I say you are inquiring about opinions and you are not inquiring as to statements of facts made by Mr. McAdoo that has any relation to conditions in the Treasury Department. They are outside of the Treasury Department. They lie within the demain of this House, and we can not go into inquiry in this House as to matters that are not of concern to the Government. This proposition in reference to the value of these bonds relates to an amendment offered in the Banking and Currency Committee in this House. Mr. McAdoo's statement in reference to it is a statement of an individual and is not the statement of the Secretary of the Treasury.

The SPEAKER. The Chair is ready to rule.

Mr. MONDELL. The Chair has been very patient, but will

the Speaker hear me for two minutes more?

The SPEAKER. If the gentleman will confine himself to the point of order the Chair will hear him for two minutes.

Mr. MONDELL. Mr. Speaker, I will endeavor to do so. Replying first to the last suggestion of the gentleman from Alabama that it might be incompatible with the public interest for the Secretary of the Treasury to furnish this information. I am confident that if the Secretary made a reply of that kind to the House no one would be inclined to carry the matter further. I suggested to the gentleman I was willing to depart from the usual practice of the House in order to please him, and provide that this be made a request instead of a direction, and still the gentleman is not satisfied.

Now, the only argument, Mr. Speaker—and this is the last statement I care to make in regard to the matter—the only argument made by the gentleman from New York and the gentleman from Alabama is in the nature of confession and avoid-The gentlemen confess on behalf of the Secretary

Mr. FITZGERALD. Oh, no.

Mr. MONDELL. That his statement carries with it the idea that the Secretary had no facts upon which to base his charge against American citizens of the commission of a crime.

Mr. FITZGERALD. Mr. Speaker-

Mr. MONDELL (continuing). That he had no facts upon which to base his statement, that he was simply talking for effect and from hearsay, that he, the Secretary of the Treasury, representing the administration, was libeling American citizens, accusing them of crime without facts upon which to base his

statements. And the gentleman from Alabama emphasized the fact that the language of the Secretary conveyed the idea that the Secretary really had no information, no facts upon which to base his charge, that he was just giving a curbstone opinion, charging people with crime and in regard to the action of a great committee in this House, and therefore it was not fair to the Secretary to ask him if he had the facts, which all honest men and all believers in good government assume that he should have before, from his high and lofty position of influence, he charges American citizens with a conspiracy which is a [Applause on the Republican side.]

Mr. FITZGERALD. Will the gentleman yield?

Mr. MONDELL. Yes.

Mr. FITZGERALD. I want to disclaim any intention to speak on behalf of the Secretary of the Treasury. The gentleman from Wyoming, however, has made a statement, and for my own information I desire to ask the gentleman if he will explain to the House what crime has been charged in this alleged statement by the Secretary of the Treasury. I am not sufficiently acquainted with the penal statutes of the United States, and I will be glad to have the gentleman point it out.

Mr. MONDELL. If I had a little time, I could point to the particular section of the statute which provides for the punishment of conspiracy. There is no question about this being a charge of conspiracy. There is a provision in the penal stat-

utes punishing conspiracy.

Mr. FITZGERALD. But conspiracy to be a crime must be conspiracy to do an act that is unlawful.

Mr. MONDELL. It is the crime of conspiracy against the credit of the United States that is charged.

Mr. FITZGERALD. That has never been defined as a crime,

Mr. MONDELL. That is what is charged.

Mr. FITZGERALD. But that is not a crime. It is not contained in the revision of the Penal Code made by the Repub-

lican Congress three years ago.

Mr. MONDELL. Well, Mr. Speaker, if it pleases the gentleman from New York to argue that conspiracy against the Government and its credit is not a crime, I have no disposition to argue that matter with him. That does not in any way affect the matter before us. The Secretary has stated that a certain condition exists, and we have asked for the facts on which he bases that statement-

Mr. FITZGERALD. The gentleman's leader says he knows

that he has not any such facts.

Mr. MONDELL. I have not said that I do not know.

Mr. FITZGERALD. He does not want the facts. He wants him to withdraw the statement.

Mr. MONDELL. I want the facts. I know nothing about the matter. I want information.

Mr. MANN. I based my statement on the statement of the gentleman from New York that the Secretary of the Treasury did not have any facts upon which to base his statement. [Applause.] The gentleman ought to know, as he is pretty close

to the Secretary of the Treasury.

Mr. MONDELL. The gentleman from New York and the gentleman from Alabama-and particularly the gentleman from Alabama—have based their entire argument practically on the

proposition that the Secretary has no facts-

Mr. FITZGERALD. Oh, no-

Mr. MONDELL. But is going around the country charging people with crime.

Mr. KINKEAD of New Jersey. Mr. Speaker-

The SPEAKER. For what purpose does the gentleman from ew Jersey rise?

Mr. KINKEAD of New Jersey. To ask the Speaker how much of the two minutes allowed to the gentleman from Wyo-

ming remains? [Laughter,]
Mr. MONDELL. Mr. Speaker, I feel that I am trespassing
upon the good nature of the Speaker and the House, but I want
to suggest just this, a statement which I should have made if I had not been interrupted by the gentleman from New York: That I am confident the Speaker will not split hairs when this House asks for information—calls for facts touching questions important in their bearing on legislation now before the country. Mr. MANN. Mr. Speaker, just one word, if the Speaker will

allow me.

The SPEAKER. The gentleman from Illinois. Mr. MANN. As to the form of this resolution, the statement was made in the House the other day in reference to a resolu-tion that the usual form was to insert "if not incompatible with the public interest." That statement has been reiterated by the gentleman from Alabama [Mr. Underwood] this morning. That is not my understanding of the practice of the House. In a resolution of inquiry addressed to the President of the United States it was customary, where the resolution was a request, to

insert "if not incompatible with the public interest." That is the form of inquiry due to the chief officer of the Government, but heads of departments are often officials created by Congress, and it has been held that Congress has the right to ask a head of a department to transmit information in his possession to either branch of the Congress, and the general rule has been to make it a matter of direction and leave out the words "if not incompatible with the public interest"; and in the Senate, where resolutions have been prepared in the form of a request "if not incompatible with the public interest" to a head of a department, those resolutions have been frequently amended by striking out the word "request" and inserting the word "direct" and striking out the words "if not incompatible with the public interest." My recollection is that in matters dealing with the Secretary of State relating to foreign affairs it is still quite customary and proper to insert the language "if not incompatible with the public interest," but that is not the usual form of resolution, nor will the gentleman from Alabama find that that is either in the text of the resolution in Hinds' Precedents or in the resolutions themselves which are quoted in Hinds' Precedents, and not in the resolution referred to this morning by the gentleman from New York [Mr. Fitz-GERALD] in his argument.

Mr. NORTON. Mr. Speaker, the point of order raised in this

case is that the resolution is not privileged, and the gentleman from New York [Mr. FITZGERALD] cites a precedent that I believe, instead of being a precedent that would warrant the Speaker in holding this not to be a privileged resolution, would, on the other hand, clearly require the Speaker to hold that this is a privileged resolution. The case cited by the gentleman from New York [Mr. FITZGERALD] is that of the point of order raised in the House on January 18, 1906, against the consideration of the following resolution, introduced by Mr. Gillespie, of Texas:

Resolved, That the Attorney General of the United States be, and he is hereby, requested to forthwith report to the House of Representatives for its information whether there exists at this time, or heretofore within the last 12 months there has existed, a combination or arrangement between the Pennsylvania Railroad Co., the Pennsylvania Co., the Norfolk & Western Railway Co., the Baltimore & Ohio Railroad Co., the Philadelphia, Baltimore & Washington Railroad Co., and the Northern Central Railway Co., and the Chesapeake & Ohio Railway Co., or any two or more of said railroad companies, in violation of the act passed July 2, 1890, and entitled "An act to protect trade and commerce against unlawful restraints and monopolies," or acts amendatory thereof; and the said Attorney General is also requested to report to this House all the facts upon which he bases his conclusion.

Now, clearly, in that resolution the main thing called for is an opinion from the Attorney General, and Speaker Cannon at that time, in ruling on the resolution, said as follows:

that time, in ruling on the resolution, said as follows:

The House undoubtedly has power to call for facts. And under the rule, where a resolution privileged within the meaning of the rule is referred to a committee and is not reported within a certain time, it is in order to move to discharge the committee and bring the resolution before the House for consideration. But that rule applies to a rosolution calling for facts and information. Now, the query the Chair puts to the gentleman is, Does the concluding lines in these words, "and the facts upon which he bases his conclusion," show that what is practically asked for is the conclusion or opinion of the Attorney General or the head of the Department of Justice, and does not that destroy, under the rule, the privileged character of the resolution?

* * In reading the resolution without the last line the Chair might, perhaps, have a doubt as to whether it were a resolution of inquiry asking for facts or one asking for an opinion. Now, the Chair is perfectly clear that, under the precedents, if the resolution is to be made privileged, it must be a resolution of inquiry as to facts existing—something in esse. It seems to the Chair that a resolution asking an opinion from the head of a department would not be privileged. While it is in the power, the Chair apprehends, for the House by resolution to ask an opinion of the head of a department, it occurs to the Chair that such a resolution would not be privileged and would not come within the rule that is now invoked. But whatever the ruling of the Chair might be, were it not for the concluding line or lines of the resolution is not the facts alone, if at all, but the conclusion or opinion of the Attorney General. Therefore the Chair sustains the point of order. opinion of the point of order.

From this resolution now before the House it seems to me it can not be patent to the Speaker or to any reasonable person that the resolution calls for any opinion from the Secretary of the Treasury. There is nothing on the face of the resolution to show that it is anything but the facts which are demanded in this case, and there should have been facts in esse before any charge should have been made by the Secretary of the Treasury, as is alleged to have been made in this case, and as is generally understood by the whole country to have been made. No one denies that these charges have been made, and, such being the case, this House has a right to have the honorable Secretary of the Treasury present to the House the facts, if there were any facts, on which he made his grave, serious, and far-reaching

indictment against the New York City banks.

Mr. SAUNDERS: Mr. Speaker, a resolution of inquiry addressed to the head of an executive department is privileged, Hinds' Precedents.

provided it calls for facts, but this does not mean that every demand for facts, without regard to the character or quality of the facts, falls within this privileged class. The same distinction must be made in this connection, as exists in the case of papers which may be called for when they are public and official. Inasmuch as the facts in the possession of departments are chiefly in the form of papers the rule relating to the papers that may be required of a department would seem to be decisive as to the character of the facts that may be directed to be furnished on the demand of the House. Everything that the head of a department may say or do is not of an official character. Every paper in his possession is not of necessity a public paper. It is the right of the House at all times to know all that officially takes place in any of the departments of Government, subject to certain well-established exceptions. Hence as a general proposition the head of a department may be required to communicate official facts and information as distinguished from private and unofficial papers, motions, views, reasons, and pinions. (3 Hinds, sec. 1894.)
In refusing the request of the Senate for the transmission of

certain papers, President Cleveland very strongly repelled the claim that these papers were official and therefore proper to These papers might with perfect propriety be be demanded. styled facts.

In another connection it has been stated that Congress has the right to know the contents of the public papers and records in the public offices of the country. (3 Hinds, sec. 1894.) But the right to know the contents of the public papers in the public offices, is the limit of our power, and the very terms in which this right is stated clearly negatives the contention that facts may be required of a department without regard to the character or quality of those facts.

In 1837 a committee of the House discussing the power of the House to call for papers, and the kind of papers subject to its demand, concluded that the call for papers ought to be limited to such as are already made, and on file in the departments. They further held that a call for papers not constituting a part of the public documents was unreasonable, and should not be sustained. As a necessary part of this holding the committee was agreed that all papers real or supposed, private in their character, and not coming within the denomination of public papers on file, could not be required of a department. 1738.)

If a department, or the head of a department has any dealings of an official character with an individual, or body of individuals, or if in the discharge of the duties fixed by law, it collects information, or is made the repository of information, it is clear that this body can call for the facts. The House may even investigate a controversy between the head of a department and another public official, provided this controversy is over a public matter. In 1824 the House investigated such a controversy between the minister to Mexico and the Secretary of the Treasury. But if this controversy had related to private concerns the House would have been without jurisdiction. These precedents and distinctions, establish the dividing line between the facts that may and may not be demanded, and if the facts are not the subject of demand, the resolution calling for them is not privileged. It is perfectly clear therefore upon principle and in conformity with the precedents, that in order for the pending resolution to be privileged it must not only be a reso-lution of inquiry as to existing facts, but these facts must be of a character to entitle the House to demand them. If the facts, or the papers, and no distinction can be made between facts, and papers in this connection, are private, then they may not be demanded. In other words the mere fact that the things called for, are denominated facts, is not sufficient to support the demand.

Like the papers that may be the subject of demand, these facts must be of a public character, and in the official possession of a public functionary. He must hold them, and control them in that capacity. They must be secured by him, or lodged with him, or in his department in an official way, and by reason of their public character or quality. If it is apparent on the face of the resolution that the facts called for do not respond to these tests, that if they exist at all, they are of necessity private in their character, then the right to demand them does not exist, and a resolution calling for them is not privileged. Looking to the precedents it will be noted that none of them call for

private papers, or facts.

I will call the attention of the Chair to the resolution on page 174 of volume 3 of Hinds' Precedents.

Section 1872, page 174, volume 3, of

This resolution is as follows:

Resolved, That the Secretary of the Interior be, and he is hereby, requested to furnish to Congress a report on the progress of the investigation of the black sands of the Pacific slope, authority for which was included in that section of the sundry civil act approved March 3, 1905, which provided for the preparation of the report on the mineral resources of the United States, and for his opinion as to whether or not this investigation should be continued.

It will be noted that the facts called for are in no sense private. The investigation referred to was authorized by law and any facts secured by the head of the department in the course of the investigation were acquired in the discharge of official duty and as a public functionary. In short the facts were collected pursuant to the authority of an act of Congress, and the House was plainly entitled to demand them.

For the present I will skip section 1873 and call the attention

of the Chair to section 1874.

The SPEAKER. The Chair would like to ask the gentleman a question. Subdivision 5 of Rule XXII reads as follows:

All resolutions of inquiry addressed to the heads of executive departments shall be reported to the House within one week after presenta-

It says "All resolutions of inquiry." How does the gentleman

get rid of that?

Mr. SAUNDERS. I was not aware that the week had expired. But that is immaterial. The resolutions referred to are as a matter of course such resolutions of inquiry as call for facts or papers that the House is entitled to demand. I have endeavored to show that if the House is not entitled to these facts, or papers, the right to make the motion to discharge does This right exists only when the committee refuses, not exist. or declines to report a resolution calling for facts, proper to be demanded.

The SPEAKER. The gentleman will proceed.

Mr. SAUNDERS. Section 1874 gives a resolution that was offered by Mr. Oscar W. Gillespie, of Texas. By this resolution the Postmaster General was directed to furnish to the House at his earliest convenience a comparative statement showing the cost to the Government of the transportation of the mails per ton per mile. The facts called for were of a public character, and proper to be furnished by a department which had jurisdiction of the subject matter.

Looking to the resolution discussed by the gentleman from North Dakota [Mr. Norren], and which is found in Hinds section 1873, it will be noted that the information called for, is

also of a public character.

The Attorney General was asked to give the facts, if any in his possession, relating to a combination between certain railreads in violation of an act of Congress against unlawful restraints and monopolies. If such a combination existed, it was an unlawful combination. If it was perfectly competent for the Attorney General to make inquiry in his official capacity into the existence of such a combination and all the facts that he collected in the course of that inquiry were of a public character, and clearly proper to be given up on the demand of the House. The Speaker ruled that the resolution so far as it called for The Speaker ruled that the resolution so far as it called for these facts was in order, but was out of order on other grounds. He was clearly right. I maintain Mr. Speaker that the pending resolution shows on its face that the statement of the Secretary of the Treasury relating to the activities of certain parties in New York touching the 2 per cent bonds, was purely a private declaration, the expression of his opinion, or belief that with sinister purpose, they were seeking to depress certain securities of the United States.

If this judgment or opinion so given out was a private opinion relating to the action of individuals who had not come into any official relations with the department, then the House is not entitled to demand any private information on which that individual opinion, or conclusion is based. The Secretary in his capacity as an individual may have the most ample information to justify his conclusion, or opinion, but we are not in a position to demand that information, or the papers and letters which afford it, unless they are of a public character, and part of a public file. I freely concede that if there are any public docu-ments relating to the alleged activities of these New York parties in the matter of the 2 per cent bonds now on file, or proper to be filed in the Secretary's office, we have the right to demand them. But I deny our right to call for facts when it so clearly appears from the recitals of the resolution that the declaration of the Secretary was the expression of a personal opinion founded on private information, and not an official statement proceeding from facts of record of a public character. Should a resolution be introduced calling for any public facts of record in the Secretary's office relating to the alleged movement in New York City to depress the 2 per cent bonds of the United States, then such a resolution would be privileged. But

I submit, for the reasons given, that the point of order to the

pending resolution should be sustained.

Mr. POU. Mr. Speaker, there is just one statement that has been made by the leader of the minority [Mr. Mann] which I am not willing to let go unchallenged. The gentleman from Illinois made the statement that the Secretary of the Treasury had sent for the majority members of the Committee on Rules, except one, the chairman, and had protested against the passage of this resolution.

Mr. MANN. I beg the gentleman's pardon; I did not men-

tion this resolution.

Mr. POU. Then I have misunderstood the gentleman.

Mr. MANN. I said he protested against the passage of the Neeley resolution. Is not my statement true?

Mr. POU. It is not. Mr. MANN. Has not the Secretary of the Treasury discussed that matter with the Democratic members of the Committee on Rules?

I think perhaps he may have.

Mr. MANN. Does not the gentleman know? Mr. POU. The statement which the gentleman made was that the Secretary of the Treasury had sent for the majority members of the Committee on Rules and protested against the passage of the Neeley resolution.

Mr. MANN. Yes, sir. Mr. POU. That statement is absolutely incorrect so far as I am concerned, and I am informed is incorrect as to other gentlemen also.

Mr. MANN. Has not the gentleman discussed the matter with the Secretary of the Treasury himself?

Mr. POU. I have.

Mr. MANN. And has not the Secretary of the Treasury ex-

pressed the desire that the resolution be not passed?

Mr. POU. I do not know. He has made no such statement to me. I will state that so far as the Secretary is concerned, he expressed no fear whatever of having this resolution passed. His attitude was exactly the contrary. The contrary opinion was expressed. But there are reasons why members of the Committee on Rules did not see fit to report this resolution. The Secretary of the Treasury has merely expressed an opinion about a matter, and you are now asking for another expression of opinion, and you state on your own side that all you are expecting to do in this matter is to make the Secretary "back water."

Mr. MANN. But did not the Secretary of the Treasury discuss the Neeley resolution with the Democratic members of the Committee on Rules, except Mr. HENRY, the chairman?

Mr. POU. I do not know whether he discussed it with other

I can only speak for myself. gentlemen.

Mr. FOSTER. Mr. Speaker, I desire to state for my colleague from Illinois [Mr. MANN] that I have not seen the Secretary of the Treasury or had any talk with him in reference to the resolution of inquiry.

Mr. REILLY of Connecticut. Mr. Speaker, I make a point of order that the gentleman from North Carolina, [Mr. Pou] and the gentleman from Illinois [Mr. MANN] are not discussing

the pending point of order.

The SPEAKER. The gentleman from Connecticut [Mr. Reilly] makes a point of order, and his point of order is sus-The Chair is ready to rule on the point of order sub-

mitted by the gentleman from Alabama [Mr. Underwood].

The practice in regard to a resolution of this kind is this, that it is in order if it calls for facts only or information only. It does not make any difference which one of the two words is used. But it is out of order if it calls for an opinion or an investigation. If part of the resolution is bad, it is all bad.

Now, let us see where we are. This resolution has two propositions in it. The first reads:

Resolved, That the Secretary of the Treasury be, and he is hereby, directed to transmit to the House of Representatives the facts in his possession on which he based the charge recently made by him that the recent decline in the price of United States 2 per cent bonds is due "almost wholly to what appears to be a campaign waged with every indication of concerted action on the part of a number of influential New York City banks to cause apprehension and uneasiness about these bonds in order to help them in their efforts to defeat the currency bill."

That is proposition No. 1. Proposition No. 2 is as follows:

That the Secretary of the Treasury is also hereby directed to inform the House as to the facts on which he based his statement, as follows: "That nothing has occurred to impair the value of the 2 per cent bonds, but the amendment already adopted by the Banking and Currency Committee of the House enhances their intrinsic value," together with a copy of the amendment thus referred to by him.

as asking for facts and not asking for an opinion? It may be true that the gentleman from Wyoming [Mr. MONDELL] was doing exactly what sundry gentlemen have charged him with doing, namely, fishing for an opinion under the guise of asking for facts. That may be true. It probably is. [Laughter.] But the Chair has nothing to do with that. Whoever drew that resolution, if he had that idea in mind, was a very skillful

The precedent which has been called to the attention of the Chair (Hinds' Precedents, vol. 3, sec. 1873) that on January 18, 1906, Mr. Oscar W. Gillespie, of Texas, claimed the floor for a privileged motion in order to move to discharge the Committee on Interstate and Foreign Commerce from the further consideration of the following resolution, which had been referred to that committee more than a week previously:

referred to that committee more than a week previously:

Resolved, That the Attorney General of the United States be, and he is hereby, requested to forthwith report to the House of Representatives, for its information, whether there exists at this time, or heretofore within the last 12 months there has existed, a combination or arrangement between the Pennsylvavnia Railroad Co., the Pennsylvavnia Co., the Norfolk & Western Railway Co., the Baltimore & Ohio Railroad Co., the Philadelphia, Baltimore & Washington Railroad Co., and the Northern Central Railway Co., and the Chesapeake & Ohio Railway Co., or any two or more of said railroad companies, in violation of the act passed July 2, 1890, and entitled "An act to protect trade and commerce against unlawful restraints and monopolies," or acts amendatory thereof, and the said Attorney General is also requested to report to this House all the facts upon which he bases his conclusion.

That resolution divided itself into two parts, the first and The latter and longer part asking expressly for an opinion. shorter part of it was:

And the said Attorney General is also requested to report to this House all the facts upon which he bases his conclusion.

Now, Speaker Cannon held, practically, that the latter and shorter clause would have been in order if it had been presented by itself, but that the first and longer proposition was not in order, because it called for an opinion, and he was clearly right in so ruling; and because that part of the resolution was not in order it vitlated the whole thing.

The text of Mr. Speaker Cannon's ruling is as follows:

The text of Mr. Speaker Cannon's ruling is as follows:

The House undoubtedly has power to call for facts. And under the rule, where a resolution privileged within the meaning of the rule is referred to a committee and is not reported within a certain time, it is in order to move to discharge the committee and bring the resolution before the House for consideration. But that rule applies to a resolution calling for facts and information. Now, the query the Chair put to the gentleman is, Does not the concluding lines in these words, "and the facts upen which he bases his conclusions," show that what is practically asked for is the conclusion or opinion of the Attorney General or the head of the Department of Justice, and does not that destroy, under the rule, the privileged character of the resolution?

* * In reading the resolution without the last line the Chair might perhaps have a doubt as to whether it were a resolution of inquiry asking for facts or one asking for an opinion. Now, the Chair is perfectly clear that, under the precedents, if the resolution is to be made privileged, it must be a resolution of inquiry as to facts existing—something in esse. It seems to the Chair that a resolution asking an opinion from the head of a department would not be privileged. While it is in the power, the Chair apprehends, for the House by resolution to ask an opinion of the head of a department, it occurs to the Chair that such a resolution would not be privileged and would not come within the rule that is now invoked. But whatever the ruling of the Chair that such a resolution would not be privileged and would not come within the rule that is now invoked. But whatever the ruling of the Chair that such a resolution would not be forced the Chair that what is desired by the resolution is not the facts alone, if at all, but the conclusion or opinion of the Attorney General. Therefore the Chair sustains the point of order.

It may be that the Secretary of the Treasury used the lan. opinion of the point of order.

It may be that the Secretary of the Treasury used the lan-guage quoted here. The Chair does not know, and it is none of his business to inquire. The Secretary may not have had any facts whatever as to the second proposition. The Chair does not pronounce an opinion whether he had or had not any facts on which to base the statement-

That nothing has occurred to impair the value of the 2 per cent bonds, but the amendment already adopted by the Banking and Cur-rency Committee of the House enhances their intrinsic value.

The Chair does not agree with the gentleman from Illinois [Mr. Mann] that the Secretary of the Treasury always speaks as Secretary of the Treasury, or that the President can not speak in any other way except as President of the United States, or that none of us can express a private opinion. But if the Chair undertook to make up his own mind about the question whether the Secretary of the Treasury had facts on which to base an opinion, on every occasion, he would have to go on an exploring expedition to find out what the Secretary or anybody else was talking about.

On its face this resolution simply inquires for facts and nothing else, and the Chair is constrained to overrule the point of

order made by the gentleman from Alabama.

All that the Chair is required to pass on is this: Is this resolution in proper form and language in the light of the rules, practices, and precedents of the House? The Chair thinks it is, because on its face it simply calls for facts—merely that and nothing more. Therefore the Chair is constrained to overrule

the point of order made by the gentleman from Alabama [Mr. UNDERWOOD].

Mr. UNDERWOOD. Mr. Speaker, I understand the first motion before the House is to discharge the committee.

The SPEAKER. Yes.

Mr. UNDERWOOD. And that is not debatable.

The SPEAKER. That is not debatable. The hour fixed by the unanimous-consent agreement for adjournment is about to

Mr. UNDERWOOD. I understand that the motion to discharge the committee is not debatable.

Mr. MANN. Does the gentleman desire to have that motion put before we adjourn?

Mr. UNDERWOOD. Yes; I do. We might as well dispose of this proposition.

Mr. MANN. I shall ask for the yeas and nays.

Mr. UNDERWOOD. I think we had better take the vote to-day, and dispose of this resolution. I ask unanimous consent to set aside the order that the House adjourn at a quarter

before 2 o'clock.

The SPEAKER. The gentleman from Alabama [Mr. UNDERwood] asks unanimous consent to set aside the order previously made by unanimous consent that the House adjourn at 1 o'clock and 45 minutes p. m. Is there objection?

There was no objection.

The SPEAKER. The question is, Shall the Committee on Ways and Means be discharged from the further consideration of this resolution?

The question being taken, the Speaker announced that the noes appeared to have it.

Mr. MANN. I ask for the yeas and nays.

The year and nays were ordered, 41 Members seconding the demand, and 131 Members opposing the demand.

The SPEAKER. More than one-fifth—a sufficient number—and the yeas and nays are ordered.

The question was taken; and there were—yeas 55, nays 212, answered "present" 3, not voting 160, as follows:

YEAS-55.

derson	Green, Iowa	Lindbergh	Sinnott
rton	Haugen	McGuire, Okla.	Sloan
l. Cal.	Helgesen	Mann	Smith, Idaho
itten	Hinds	Maries	Smith, Minn.
pper	Hinebaugh	Mondell	Stafford
oley	Humphrey, Wash.		Stephens, Cal.
	Johnson, Utah		The Price III
rry		Moss, W. Va.	Thomson, Ill.
vis, Minn.	Johnson, Wash.	Murdock	Towner
lon	Kahn	Nolan, J. I.	Treadway
er	Kelley, Mich.	Norton	Willis
monds	Kennedy, Iowa	Platt	Woodruff
lconer	Kindel	Roberts, Nev.	Woods
ear	Knowland, J. R.	Rupley	Young, N. Dak.
meh	La Follotta	Soott	and the same of

French	La Follette	Scott	Aoung, 14. Dan.
	. NAY	S—212.	
Abercrombie	Cox	Hardwick	Murray, Mass.
Adair	Crisp	Hardy	Murray, Okla.
Adamson	Crosser	Harrison, Miss.	Neeley
Aiken	Cullop	Harrison, N. Y.	O'Brien
Alexander	Decker	Hay	Oglesby
Allen	Deitrick	Hayden	O'Hair
	Dent	Heflin	Oldfield
Ashbrook	Dershem	Helm	Oldheid
Aswell	Dickinson		O'Leary
Austin		Helvering	O'Shaunessy
Baker	Dies	Henry	Padgett
Baltz	Difenderfer	Hensley	Page
Barkley	Dixon	Holland	Palmer
Barnhart	Donovan	Hughes, Ga.	Pepper
Bartlett	Doolittle	Hull	Peters
Bathrick	Doremus	Humphreys, Miss.	Peterson
Beakes	Dupré	Igoe	Phelan
Booher	Eagan	Jacoway	Post
Borchers	Eagle	Johnson, S. C.	Pou
Borland	Elder	Jones	Quin
Bowdle	Fergussen	Keating	Ragsdale
Brockson	Ferris	Kennedy, Conn.	Rainey
Brodbeck	Finley	Kettner	Raker
Brown, W. Va.	Fitzgerald	Kinkead, N. J.	Rayburn
Brumbaugh	FitzHenry	Kirkpatrick	Reed
Bryan	Floyd, Ark.	Kitchin	Reilly, Conn.
Buchanan, Ill.	Foster	Korhly	Reilly, Wis.
Buchanan, Tex.	Francis	Lazaro	Riordan
Bulkley	Gard	Lee, Ga.	Rothermel
Burgess	Garner	Lee, Pa.	Rouse
Burke, Wis.	Garrett, Tenn.	Lesher	Rubey
Burnett	Garrett, Tex.	Linthieum	Rucker
Durner S C	George	Lloyd	Russell
Byrnes, S. C.		Lobeck	Sabath
Callaway	Gerry	Lobeck	
Caraway	Gilmore	Logue	Saunders
Carlin	Gittins	Lonergan	Seldomridge
Carr	Glass	McAndrews	Sharp
Carter	Godwin, N. C.	McDermott	Sherley
Church	Goeke	McGillicuddy	Sims
Clark, Fla.	Goodwin, Ark.	McKellar	Sisson
Claypool	Gordon	Maguire, Nebr.	Smith, Tex.
Cline	Gorman	Mahan	Stanley
Collier	Graham, Ill.	Maher	Stedman
Connelly, Kans.	Gray	Mitchell	Stephens, Miss.
Connolly, Iowa	Gregg	Morgan, La.	Stephens. Nebr.
Conry	Hamlin	Morrison	Stephens, Tex.
Covington	Hammond	Moss, Ind.	Stevens, N. H.

1919.		CONGR	TYDIGGE
Stone	Taylor, N. Y.	Tuttle	Weaver
Stout	Ten Eyck	Underhill	Whaley
Stringer	Thacher	Underwood	White
Sumners	Thomas	Vaughan	Wilson, Fla.
Taggart Talcott, N. Y.	Thompson, Okla. Townsend	Walker Walsh	Wingo Witherspoon
Taylor, Ark.	Tribble	Watkins	Young, Tex.
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Burke, S. Dak	Fields	Hill	
		TING-160.	
Ansberry	Edwards Esch	Kennedy, R. I. Kent	Powers Prouty
Anthony	Estopinal	Key, Ohio	Rauch
Avis	Evans	Kiess, Pa.	Richardson
Bailey	Fairehild	Kinkaid, Nebr.	Roberts, Mass Roddenbery
Barchfeld Bartholdt	Faison Farr	Kenop Kreider	Rogers
Beall, Tex.	Page	Lafforty	Scully
Bell, Ga.	Flood, Va.	Langham	Sells
Blackmon	Fordney	Langley	Shackleford
Bremner Broussard	Fowler	L'Engle Lenroot	Sherwood Shreve
Brown, N. Y.	Gallagher Gardner	Lever	Slayden
Browne, Wis.	Gillett	Lovv	Slemp
Browning	Goldfogle	Lewis, Md.	Small T M
Bruckner Burke, Pa.	Good Goulden	Lewis, Pa. Lieb	Smith Md
Butler	Graham, Pa.	Lindonist	Smith, N. Y.
Byrns, Tenn.	Graham, Pa. Greene, Mass. Greene, Vt.	McClellan	Smith, J. M. (Smith, Md. Smith, N. Y. Smith, Saml.
Calder	Greene, Vt.	MCCOY	Sparaman
Campbell	Griest	McKenzle	Steenerson Stevens, Mini
Candler, Miss. Cantrill	Griffin Gudger	McLaughlin Madden	Sutherland
Carew			Switzer
Cary	Hamill	Martin .	Talbott, Md.
Casey	Hamilton, Mich. Hamilton, N. Y. Hart	Merritt	Tavenner
Chandler, N. Y. Clancy	Hart	Miller	Taylor, Ala. Taylor, Colo.
Clayton	Hawley	Montague	Temple
Cramton	Hayes	Moon	Vare
Curley Dale	Hobson	Moore	Volstead
Danforth	Houston Howard	Morin Mott	Wallin Walters
	Howall	Noleon	Watson
Davis, W. Va.	Hoxworth	Parker	Webb
Donohoe	Hughes, W. Va.	Parker Patten, N. Y.	Whitacre
Dooling Doughton	Hulings Johnson, Ky.	Patton, Pa. Payne	Wilder Williams
Driscoll	Keister	Plumley	Wilson, N. Y.
Dunn	Kelly, Pa.	Porter .	Winslow
	n to discharge tl		as lost.
	g pairs were an	nounced:	
For the sess			
Mr. SLAYDEN	with Mr. BART	HOLDT.	
	with Mr. Brown		
Mr. Hobson	with Hr. FAIRCE	HLD.	
Mr. METZ WI	th Mr. WALLIN.		
Mr. FIELDS V	with Mr. LANGLE	Y.	
Until furthe	r notice:		
	with Mr. STEVEN	s of Minnesota.	
	th Mr. Avis.		
	th Mr. Fess.		
	NESSY with Mr. 1	KENNEDY of Rh	nde Island
	son with Mr. Es		oue inanu.
	f Texas with Mr		
Mr. CAREW	with Mr. CRAMT	ON.	
Mr. Dought	on with Mr. Goo	D.	
	L with Mr. GRAH	IAM of Pennsylv	vania.
Mr. Evans v	vith Mr. FARR.		and the same of th
	AL with Mr. GRE		usetts.
	with Mr. GREENI		The second
Mr. FLOOD O	f Virginia with l	Mr. Griest.	
Mr. FOWLER	with Mr. GUER	NSEY.	
Mr. GALLAGI	HER with Mr. HA	MILTON of Mich	igan.
Mr. GOLDFOG	LE with Mr. HA	WLEY.	
	with Mr. HAYES		
	with Mr. Hown		
	th Mr. Keister.	TWO I SHITTEN	
Mr Houston	with Mr. KINI	KAID of Nebrasi	ca.
Mr Howard	with Mr. Kiess	of Pennsylvan	in.
	with Mr. KREIDER		
Mr. L'ENGLE	with Mr. LANG	McVerer	
Mr. SHACKL	EFORD with Mr.	MCKENZIE.	
Mr. SHERWO	on with Mr. LEV	vis of Pennsylv	ama.

Mr. SMALL with Mr. LINDQUIST.

Mr. Watson with Mr. Mott. Mr. Webb with Mr. Nelson. Mr. WHITACRE with Mr. PARKER.

Mr. Ansberry with Mr. Miller.

Mr. Dooling with Mr. PAYNE.

Mr. Hoxworth with Mr. Madden.

Mr. SMITH of Maryland with Mr. McLaughlin.

Mr. SMITH of New York with Mr. MARTIN.

Mr. TAYLOR of Alabama with Mr. Moore,

Mr. TAYLOR of Colorado with Mr. MORIN.

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Mr. Bremner with Mr. Porter.
Mr. Clancy with Mr. Prouty.
          Mr. Goulden with Mr. Roberts of Massachusetts.
Mr. Griffin with Mr. Rogers.
          Mr. Lewis of Maryland with Mr. Sells.
          Mr. McClellan with Mr. Slemp.
Mr. Lieb with Mr. Samuel W. Smith.
Mr. Moon with Mr. Fordney.
          Mr. RAUCH with Mr. WINSLOW.
Mr. PATTEN of New York with Mr. VARE.
          Mr. Montague with Mr. Sutherland.
          Mr. DAVENPORT with Mr. CAMPBELL.
          Mr. Curley with Mr. Gillett.
          Mr. Casey with Mr. Dunn.
Mr. Cantrill with Mr. Danforth.
          Mr. TALBOTT of Maryland with Mr. MERRITT.
          Mr. Ebwards with Mr. Hamilton of New York.
          Mr. SPARKMAN with Mr. WILDER.
          Mr. LEVY with Mr. Powers.
          Mr. Johnson of Kentucky with Mr. Plumley.
          Mr. Donohoe with Mr. SWITZER.
          Mr. Key of Ohio with Mr. Hughes of West Virginia.
W.
          Mr. Bailey with Mr. Ainey.
Mr. Blackmon with Mr. Anthony.
Mr. Broussard with Mr. Barchfeld.
          Mr. Brown of New York with Mr. CALDER,
Mr. Byrns of Tennessee with Mr. Butler,
          Mr. Candler of Mississippi with Mr. Browne of Wisconsin.
          Mr. BRUCKNER with Mr. HAWLEY
       Mr. Bruckner with Mr. J. M. C. Smith.

Mr. Bell of Georgia with Mr. Burke of South Dakota.

Mr. FIELD. Mr. Speaker, I voted "no," but I am paired with my colleague, Mr. Langley, and I desire to withdraw my vote and answer "present."

Mr. HILL. Mr. Speaker, I am paired with the gentleman from Ohio, Mr. Fess. I voted "no." I wish to withdraw that vote and answer "present."

The result of the vote was then appeared as show recorded.
          The result of the vote was then announced as above recorded.
                          RESIGNATIONS FROM COMMITTEES.
          The SPEAKER laid before the House the resignation of
       PERL D. DECKER from the Committee on the Public Lands, the
       Committee on Mines and Mining, and the Committee on Expenditures in the Department of Agriculture, which was accepted.
          The SPEAKER also laid before the House the resignation of
        PETER G. TEN EYCK from the Committee on Expenditures in the
       Department of Justice, which was accepted.
          SECOND INTERNATIONAL OPIUM CONFERENCE (S. DOC. NO. 157).
         The SPEAKER laid before the House the following message
       from the President of the United States, which was ordered
       printed and referred to the Committee on Foreign Affairs.
          The Clerk read as follows:
       To the Senate and House of Representatives:
          I transmit herewith a communication from the Secretary of
       State, accompanied with a report prepared by Mr. Hamilton
        Wright on behalf of the American delegates to the Second In-
       ternational Opium Conference, which met at The Hague on the
       1st of July last and adjourned on the 9th of the same month.
         The first opium conference assembled at The Hague on
       December 1, 1911, and adjourned on January 23, 1912. The
       convention formulated by this conference has since been signed
       by all of the Latin-American States and by a great majority of
       those of Europe, and all but three of the States that have
       signed have already agreed to proceed to the deposit of ratifi-
          The results of the conferences should be regarded by the
       Government and people of the United States with great satis-
                  An international convention imposing the obligation
       to enact legislation strictly to confine the trade in opium and
       allied narcotics to medical purposes has been signed by all but
       10 nations of the world, and there is reason to believe that by the
       end of the present year, through the action of the recent con-
       ference, all the nations of the world will have become signa-
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to carry out the stipulations of the convention on the part of the United States. Such legislation has recently passed the House of Representatives without a dissenting vote, and I car-nestly urge that this measure, to the adoption of which this Government is now pledged, be enacted as soon as possible dur-

It remains for the Congress to pass the necessary legislation

WOODROW WILSON.

ing the present session of the Congress.

tories of the agreement.

THE WHITE HOUSE, August 9, 1913.

ADJOURNMENT.

Mr. UNDERWOOD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 20 minutes p. m.) the House, under its previous order, adjourned to meet on Friday, August 15, 1913, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS.

Under clause 2 of Rule XXIV, a letter from the Secretary of the Treasury, transmitting a letter from the Postmaster General in reference to obtaining permission of Congress for the use of the bequest made by Dr. C. F. McDonald for the improvement of the postal money-order system (H. Doc. No. 189), was taken from the Speaker's table, referred to the Committee on Appropriations, and ordered to be printed.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, the Committee on Invalid Pensions was discharged from the consideration of the bill (H. R. 4670) granting a pension to Lewis A. Coffman, and the same was referred to the Committee on Pensions.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials

were introduced and severally referred as follows:

By Mr. MURRAY of Massachusetts: A bill (H. R. 7373) to provide for admission of volunteer soldiers and sailors who served in the United States Army or Navy in the War with Spain or the Philippine insurrection, and who are afflicted with tuberculosis, to the United States Public Health Service Sanatorium at Fort Stanton N. Mex.: to the Committee on Intertorium at Fort Stanton, N. Mex.; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H. R. 7374) to pension widow and minor chil-

dren of any officer or enlisted man who served in the War with Spain or the Philippine insurrection; to the Committee on Pen-

sions.

Also, a bill (H. R. 7375) to prevent the desecration of the flag

Also, a bill (H. R. 7376) to provide for preference relating to appointments in the civil service by giving preference to certain ex soldiers, sailors, and marines; to the Committee on Reform in the Civil Service.

By Mr. SCULLY: A bill (H. R. 7377) extending to the port of Perth Amboy, N. J., the privileges of section 7 of the act approved June 10, 1880, governing the immediate transportation of dutiable merchandise without appraisement; to the Committee on Ways and Means.

By Mr. ALEXANDER: A bill (H. R. 7378) granting pensions to the teamsters who served the Government of the United States in the War with Mexico, and for other purposes; to the

Committee on Pensions.

Also, a bill (H. R. 7379) to extend the provisions of the pension acts of June 27, 1890, and of February 6, 1907, to the Enrolled Missouri Militia and other militia organizations of the State of Missouri that cooperated with the military or naval forces of the United States in suppressing the War of the Rebellion; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7380) to amend sections 4400 and 4488 of the Revised Statutes of the United States, relating to the inspection of steam vessels; to the Committee on the Merchant

Marine and Fisheries.

Also, a bill (H. R. 7381) authorizing the Secretary of War to furnish two condemned bronze or brass cannon or fieldpieces and cannon balls to the city of Princeton, in the State of Missouri; to the Committee on Military Affairs.

Also, a bill (H. R. 7382) authorizing the Secretary of War to furnish two condemned brass or bronze cannon or fieldpieces and cannon balls to the city of Hamilton, in the State of Mis-

souri; to the Committee on Military Affairs.

Also, a bill (H. R. 7383) to correct the military record of the officers and enlisted men of the Enrolled Missouri Militia and all other militia organizations of the State of Missouri that cooperated with the military forces of the United States in suppressing the War of the Rebellion; to the Committee on Military Affairs.

By Mr. SHARP: A bill (H. R. 7384) to authorize the payment of an indemnity to the Italian Government for the killing of Angelo Albano, an Italian subject; to the Committee on Foreign

By Mr. MURRAY of Massachusetts: A bill (H. R. 7385) authorizing the admission of ex-soldiers and ex-sallors of the War with Spain to the temporary Home for ex-Union Soldiers and

Sailors in the District of Columbia; to the Committee on Military Affairs

By Mr. WALLIN (by request): A bill (H. R. 7386) to provide for the national reserve association of the United States; to the Committee on Banking and Currency.

By Mr. HOBSON: A bill (H. R. 7387) to encourage and systematize good-road development in and between the several States and to equalize the burdens thereof; to the Committee on Roads.

By Mr. SINNOTT: A bill (H. R. 7388) to increase the limit of cost for the erection and completion of the United States post-office building at Pendleton, Oreg.; to the Committee on

Public Buildings and Grounds.

By Mr. CARLIN: A bill (H. R. 7389) to increase the compensation of certain employees of the Government Hospital for the Insane, Department of the Interior; to the Committee on the District of Columbia.

Also (by request), a bill (H. R. 7390) to reimburse E. E. Court for moneys expended in the prosecution of charges before the Navy Department against certain officials therein; to the

Committee on Appropriations.

By Mr. SPARKMAN: A bill (H. R. 7391) to provide for a site and public building at Fort Meade, Fla.; to the Committee on Public Buildings and Grounds.

By Mr. HARDY: Resolution (H. Res. 226) placing clerks to certain committees on the annual roll; to the Committee on

Accounts.

By Mr. LEWIS of Maryland: Resolution (H. Res. 227) requesting the Postmaster General to extend the parcel-post classification so as to include books; to the Committee on the Post Office and Post Roads.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ADAIR: A bill (H. R. 7392) granting an increase of pension to Elam M. Odell; to the Committee on Invalid Pen-

Also, a bill (H. R. 7393) granting an increase of pension to Edmund P. Miller; to the Committee on Invalid Pensions.

By Mr. ALEXANDER: A bill (H. R. 7394) granting an in-

crease of pension to Levi M. Sims; to the Committee on Invalid

Also, a bill (H. R. 7395) granting an increase of pension to John Q. Hickman; to the Committee on Invalid Pensions.

John Q. Hickman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7396) granting an increase of pension to Thomas C. De Witt; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7397) granting an increase of pension to Arthur D. Graham; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7398) granting an increase of pension to James Hopper; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7399) granting an increase of pension to Levi Slinger; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7400) granting an increase of pension to Archibald Miller; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7401) granting an increase of pension to David N. Foster; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7402) granting an increase of pension to

Henry M. White; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7403) granting an increase of pension to

William Bayne; to the Committee on Invalid Pensions

Also, a bill (H. R. 7404) granting an increase of pension to Thomas Brewer; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7405) granting a pension to Miles Fuller; to the Committee on Invalid Pensions.

Also, a bill $(H.\ R.\ 7406)$ granting a pension to Jonas Cook; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7407) granting a pension to William Wilson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7408) granting a pension to Evander Agee; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7409) granting a pension to Wilburn

Munkers; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7410) granting a pension to Ambrose Giseburt; to the Committee on Invalid Pensions. Also, a bill (H. R. 7411) granting a pension to James A.

Sloan; to the Committee on Invalid Pensions. Also, a bill (H. R. 7412) granting a pension to Jeremiah R.

Whitsell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7413) granting a pension to John N. Smith; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7414) granting a pension to Thomas T. Pratt; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7415) granting a pension to C. H. Roberts; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7416) granting a pension to James R. Thornton; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7417) granting a pension to John W. Hart; to the Committee on Pensions.

Also, a bill (H. R. 7418) granting a pension to Rebecca Schofield; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7419) granting a pension to Elizabeth Morrison and her heirs; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7420) granting a pension to Elizabeth Morrison; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7421) granting a pension to Catharine J. Thomas; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7422) granting a pension to Sabina Pierce; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7423) granting a pension to Martha J. Jackson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7424) granting a pension to Elizabeth Ballew; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7425) granting a pension to Lucy R. Woodward; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7426) granting a pension to Mary A. Hooper; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7427) granting a pension to Phillip Gentry;

to the Committee on Invalid Pensions.

Also, a bill (H. R. 7428) granting a pension to John E. Smith; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7429) for the relief of the trustees of the Christian Church at Missouri City, Clay County, Mo.; to the Committee on War Claims.

Also, a bill (H. R. 7430) for the relief of the heirs of John G. W. Brooks; to the Committee on War Claims

Also, a bill (H. R. 7431) for the relief of William Roney; to the Committee on War Claims.

Also, a bill (H. R. 7432) for the relief of Henry Benson; to the Committee on Military Affairs.

Also, a bill (H. R. 7433) for the relief of Jesse Lee; to the

Committee on Military Affairs.

Also, a bill (H. R. 7434) for the relief of William M. Critten;

to the Committee on Military Affairs.

Also, a bill (H. R. 7435) for the relief of Robert Griffin; to the Committee on Military Affairs.

Also, a bill (H. R. 7436) for the relief of Christopher L.

Smith; to the Committee on Military Affairs.

Also, a bill (H. R. 7437) for the relief of John Benson; to the

Committee on Military Affairs.

Also, a bill (H. R. 7438) for the relief of James B. Norman;

to the Committee on Military Affairs.

Also, a bill (H. R. 7439) for the relief of Vincent Rust; to the

Committee on Military Affairs. Also, a bill (H. R. 7440) to correct the military record of

Harrison R. Crecelius; to the Committee on Military Affairs.

Also, a bill (H. R. 7441) to correct the military record of

Anderson Creason; to the Committee on Military Affairs. Also, a bill (H. R. 7442) to correct the military record of John B. Hutchings; to the Committee on Military Affairs.

By Mr. ALLEN: A bill (H. R. 7443) granting a pension to Peter D. Smith; to the Committee on Pensions.

By Mr. AUSTIN: A bill (H. R. 7444) granting an increase of pension to John W. Cates; to the Committee on Invalid Pensions.

By Mr. FESS: A bill (H. R. 7445) granting an increase of pension to John Black; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7446) granting an increase of pension to

Simon Beachler; to the Committee on Invalid Pensions, By Mr. FORDNEY: A bill (H. R. 7447) granting a pension

to Bert D. Kilburn; to the Committee on Pensions.

By Mr. GORMAN: A bill (H. R. 7448) granting a pension to

Patrick Dunleavy; to the Committee on Invalid Pensions. By Mr. HAMLIN: A bill (H. R. 7449) for the relief of Harriett A. Randle, John W. Randle, and James C. Randle, heirs at law of Spencer C. Randle, deceased; to the Committee on War

By Mr. KONOP: A bill (H. R. 7450) granting a pension to Charles Arpin; to the Committee on Pensions.

Also, a bill (H. R. 7451) granting a pension to Kathryn

Reed; to the Committee on Pensions. Also, a bill (H. R. 7452) granting a pension to William L.

Lehman; to the Committee on Invalid Pensions. Also, a bill (H, R. 7453) granting an increase of pension to August Krause; to the Committee on Invalid Pensions.

By Mr. MORRISON: A bill (H. R. 7454) granting an increase of pension to Mary K. Dunn; to the Committee on Invalid Pen-

By Mr. MOSS of West Virginia: A bill (H. R. 7455) granting an increase of pension to William T. Marshall; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7456) granting an increase of pension to Francis Mosena; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7457) granting an increase of pension to Nathan Wright; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7458) granting an increase of pension to Samuel L. Somerville; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7459) granting an increase of pension to Daniel Wiley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7460) granting an increase of pension to William Hall; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7461) granting a pension to Mary M. Duffy; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7462) granting a pension to Theophilus Nuzum; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7463) granting a pension to Hillary B. Griggs; to the Committee on Invalid Pensions.

By Mr. PALMER: A bill (H. R. 7464) granting an increase of pension to Mrs. George H. Young; to the Committee on Invalid Pensions.

By Mr. SINNOTT: A bill (H. R. 7465) granting a pension to William H. Townsend; to the Committee on Pensions.

By Mr. TAGGART: A bill (H. R. 7466) granting an increase of pension to George E. Hatfield; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7467) to place the name of Charles L. Mc-Clung upon the unlimited retired list of officers of the United States Navy; to the Committee on Naval Affairs.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER (by request): Petition of the Carriage Builders' National Association, protesting against any change in the ownership or management of the national forests; to the Committee on Agriculture.

By Mr. DALE: Petition of the Lightning Letter Opening Co., Rochester, N. Y., favoring the passage of a 1-cent letter-postage rate; to the Committee on the Post Office and Post Roads.

By Mr. DYER: Petition of the Shapleigh Hardware Co., St. Louis, Mo., protesting against the change in the parcel-post rules; to the Committee on the Post Office and Post Roads.

Also, petition of the Sealzo-Fiorita Fruit Co., the Milligan Fruit Co., and 11 others, protesting against the proposed taxation on bananas; to the Committee on Ways and Means.

By Mr. FITZGERALD: Petition of the Brotherhood of Locomotive Firemen and Enginemen, favoring the present locomotive boiler inspection law; to the Committee on Interstate and Foreign Commerce.

Also, petition of the New York Zoological Society, New York, favoring the passage of legislation preventing the importation of plumes, skins, feathers, etc., of wild birds for commercial use; to the Committee on Ways and Means.

Also, petition of the Interstate Cotton Seed Crushers' Association, Chicago, Ill., protesting against the present tax on colored oleomargarine; to the Committee on Ways and Means.

Also, petition of the Brotherhood of Locomotive Firemen and Enginemen, Peoria, Ill., favoring the passage of Senate bill 4, for improving the living condition of the seamen of the merchant marine; to the Committee on the Merchant Marine and Fisheries.

Also, petition of the Brotherhood of Locomotive Firemen and Enginemen, Peoria, Ill., favoring the passage of legislation for the restriction of immigration; to the Committee on Immigration and Naturalization.

Also, petition of the Interstate Cotton Seed Crushers' Association, protesting against a duty on cottonseed oil; to the Committee on Ways and Means.

By Mr. FRANCIS: Petition of the employees of the Phillips Sheet & Tin Plate Co., of Steubenville, Ohio, and Clarksburg, W. Va., urging law and order in the town of Weirton, W. Va.;

to the Committee on Labor.

By Mr. LEVY: Petition of the Order of Railway Conductors of America at Cedar Rapids, Iowa, protesting against a workmen's compensation law; to the Committee or the Judiciary

Also, petition of the Lightning Letter Opener Co., of Rochester, N. Y., favoring 1-cent letter postage; to the Committee on the Post Office and Post Roads.

Also, petition of the city and county of San Francisco, Cal., protesting against the diversion of waters from lands requiring irrigation; to the Committee on Irrigation of Arid Lands.

Also, petition of the San Francisco Life Insurance Co., of San Francisco, Cal., protesting against any tax upon mutual life insurance funds in the income-tax bill; to the Committee on Ways and Means.

Also, petition of the Allied Printing Trades Council of the

State of New York, protesting against any reduction of the duty on printed matter; to the Committee on Ways and Means.

By Mr. LONERGAN: Petition of the German-American Alliance, Hartford, Conn., protesting against a customs duty on books printed in the German language; to the Committee on Ways and Means.

By Mr. REHLLY of Connecticut: Petition of Mrs. C. Louise White, of Greenwich, Conn., favoring an amendment giving the franchise to women; to the Committee on the Judiciary.

Also, petition of the German-American Alliance, of Hartford, Conn., protesting against a duty on books printed in the German language; to the Committee on Ways and Means.

Also, petition of the General Pomona Grange, No. 1, Patrons of Husbandry, of Connecticut, urging retention of the administrative features of the parcel-post law; to the Committee on the Post Office and Post Roads.

SENATE.

WEDNESDAY, August 13, 1913.

The Senate met at 11 o'clock a. m.

Prayer by the Chaplain, Rev. Forrest J. Prettyman, D. D. The Vice President being absent, the President pro tempore took the chair.

The Journal of yesterday's proceedings was read and approved. PETITIONS.

Mr. PERKINS presented petitions signed by sundry citizens of Anaheim, Buena Park, Artesia, and Los Alamitos, all in the State of California, praying for the adoption of the proposed tariff referendum, which were referred to the Committee on Finance.

He also presented petitions signed by sundry citizens of California, praying for the adoption of an amendment to the Constitution granting the right of suffrage to women, which were referred to the Committee on Woman Suffrage.

Mr. NORRIS presented a petition of sundry soldiers, residents of Stratton, Nebr., praying for the adoption of an amendment to the pension laws providing for the monthly payment of pensions, which was referred to the Committee on Pensions.

He also presented a petition of the Platte Valley Official Trans-Continental Route Association at Fremont, Nebr., praying that an appropriation be made for the construction of a transcontinental highway, which was referred to the Committee on Agriculture and Forestry.

Mr. O'GORMAN presented petitions signed by sundry citizens of the State of New York, praying for the adoption of an amendment to the Constitution granting the right of suffrage to women, which were referred to the Committee on Woman Suf-

Mr. HUGHES presented a petition signed by sundry citizens of the State of New Jersey, praying for the adoption of an amendment to the Constitution granting the right of suffrage to women, which was referred to the Committee on Woman

HEIRS OF ANGELO ALBANO.

Mr. LODGE. I am directed by the Committee on Foreign Relations, to which was referred the amendment submitted by myself on July 22, proposing to appropriate \$6,000 to pay the heirs of Angelo Albano, in accordance with the recommendations of the President contained in his message of June 26, 1913, to report it favorably with the recommendation of the committee. I move that the amendment be referred to the Committee on Appropriations and printed.

The motion was agreed to.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. PENROSE (by request):
A bill (S. 2980) for the relief of Amy M. Sorsby; to the Committee on Foreign Relations.

By Mr. BRANDEGEE:

A bill (S. 2981) for the relief of Edward W. Whitaker; to the Committee on Military Affairs.

By Mr. JONES:

A bill (S. 2982) granting a pension to Delia E. Wall; to the Committee on Pensions.

By Mr. BURTON: A bill (S. 2983) granting an increase of pension to Daniel Peyton; to the Committee on Pensions.

By Mr. SMITH of Maryland:

A bill (S. 2984) to authorize the Secretary of the Treasury to sell part of the Federal building site in Annapolis, Md.; and A bill (S. 2985) for the purchase of a site and erection of a Federal building at Crisfield, Md.; to the Committee on Public Buildings and Grounds.

A bill (S. 2986) to regulate the licensing, registration, and operation of motor vehicles in the District of Columbia, and for other purposes;

A bill (S. 2987) to amend section 932 of the Code of Law for the District of Columbia;

A bill (S. 2988) relating to insurance companies in the District of Columbia;

A bill (S. 2989) to provide for the regulation and incorporation of insurance companies and to regulate the transaction of insurance business in the District of Columbia; and

A bill (S. 2990) for the regulation and control of fraternal benefit societies in the District of Columbia; to the Committee on the District of Columbia.

By Mr. JACKSON:

A bill (S. 2991) granting a pension to James Bell; to the Committee on Pensions.

By Mr. SAULSBURY: A bill (S. 2992) to increase the salary of the Vice President of the United States; to the Committee on Privileges and Elections.

By Mr. SHERMAN: A bill (S. 2003) for the relief of Jacob Barger; to the Committee on Military Affairs.

AMENDMENT TO THE TARIFF BILL.

Mr. BORAH. I submit an amendment to be proposed to the tariff bill, and ask that it be referred to the Committee on Finance.

Mr. PENROSE. The amendment should lie on the table. Mr. BORAH. Well, let it be printed and lie on the table.

The PRESIDENT pro tempore. To be printed and lie on the table is the usual order.

Mr. BORAH. Very well.
The PRESIDENT pro tempore. The proposed amendment will be printed and lie on the table.

AGRICULTURAL AND VOCATIONAL SCHOOLS AND AGRICULTURAL CREDITS (S. DOC. NO. 164).

Mr. JONES. Mr. President, I desire to say that our State is taking a great deal of interest in the agricultural and industrial movement in connection with public schools. At Waterville, a small town in a farming locality, they are not waiting for Government aid, but are following out a plan of their own under which they are consolidating their districts and providing for the building of a school, and arrangements are being made by which they will get control of land that they may use in their school work.

I have here a letter from one of the men who is very much interested in this matter to one of the officials connected with the office of public education in our State giving an account of what they are doing there and their plans. The letter contains many very valuable and practical suggestions. I know the gentleman who wrote the letter, and he is a very practical man, and I know that the suggestions contained in this letter if considered and followed will be of very great service in connection with this work.

I also have a letter from the same gentleman addressed to one of the professors of our agricultural college at Pullman with reference to the matter of agricultural credits, and telling how these conditions are taken care of and have been taken care of in that part of the community for a great many years. It also contains some extremely valuable suggestions along the lines of this important matter.

I ask that the letter of Prof. Thomason, connected with our State department of education, addressed to Mr. Rogers and his reply thereto, and also a letter from Mr. Rogers to the professor of the department of economics, Pullman College, Washington, may be printed in the RECORD and also as a public document.

The PRESIDENT pro tempore. The Senator from Washington asks unanimous consent that the document referred to by him may be printed in the RECORD and also as a public docu-ment. Is there objection? The Chair hears none, and it is so ordered.

The matter referred to is as follows:

STATE OF WASHINGTON,
DEPARTMENT OF EDUCATION,
OFFICE OF THE SUPERINTENDENT OF PUBLIC INSTRUCTION.

Hon. A. L. Rogers, Waterville, Wash. MY DEAR MR. ROGERS: In my report to the State bankers' associa-tion in Bellingham August 7 I would like to refer to your great work in Waterville by way of illustration of the ultimate end and aim of the agricultural and industrial movement in the public schools. Would you, therefore, dictate me a letter outlining the Rogers-Wiley Waterville vision as you showed it to me last month? I should feel honored to receive such a letter from you in the near future.

Very truly, yours,

CALVIN C. THOMASON, Field Contest Organizer.

WATERVILLE, WASH., July 18, 1913.

Mr. Calvin C. Thomason, State Field Contest Organizer, Olympia, Wash.

Mr. Calvin C. Thomason, "Brite Contest Organizer, Olympia, Wash.

Dean Siz: Your letter of the 12th Instant received. Regarding the Dean Siz: Your letter of the 12th Instant received. Regarding the westing are endeavoring to introduce into the community the best and most up-to-date information of a helpful kind which there is the strength of the community of the strength of the third of the strength of the stre

wheat land, with a \$10,000 outilt of machinery and horses, to imp mmoditately into diversified farming. His evolution into changed conditions must be slow. He must feel his way or he will go broke. We propose that our consolidated community school shall solve these problems and prove what is the best practice before he is forced to go the state of the propose of t

FARM CREDITS.

WATERVILLE, WASH., April 19, 1913.

Prof. L. I. Brislawn, Department of Economics, Pullman College, Pullman, Wash.

Pullman College, Pullman, Wash.

Dear Professor: Your letter of recent date received. I have been dead dog-tired every night for the past week, having planted some 200 trees; hence delay in answering your letter. I have filled out the inclosed questions to the best of my ability, and according to the manner in which agricultural credits have been handled in this section. The system has been changing year by year since the pioneer days of 25 years ago; land values are becoming more settled; the possibilities of safe farming are becoming more definite, and therefore interest rates are gradually getting lower as the speculative conditions disappear. This is, at present, a one-crop wheat-producing country; one-half the land is summer fallowed each year; consequently there is but one pay day each year, and the farmer gets his credits on that basis. The whole system is inefficient and uneconomic. Very few of them have made much money outside of the raise in values of their land. They are all farming on too big a scale. Under the present system they are destructive as hell in their methods. They are going into debt, buying more land, gas traction engines, and 10-bottom plows. No

rotation or diversification of crops—just wheat, wheat, wheat; simply mining the soils and selling the surface of their farms. The greatest trouble with the average farmer—he is getting too much credit, and the bankers and merchants are due some consideration and also some condemnation in taking long chances in their desire to help the farmer and develop the country—even though they do it with the idea of making a profit. One great trouble is the American farmer is not an agriculturist but a speculator in lands; he values the soil to exploit it, and not for its true producing qualities. I need no better proof of this assertion than statistics from the Middle and New England States, where you can buy farms for less than the cost of improvements on them. I know plenty of men of wealth who would be glad to make farm loans at 6 per cent on 25 or 50 years' time under the amortization plan of retiring the principal and interest, but men with capital hesitate in taking chances on the ignorant, shiftless, and speculative methods of the average American farmer; the land would be worn out before the mortgage became due.

There is an immutable law in loaning money—the greater the risk the ligher the rate—and whenever the American farmer qualifies himself and his conditions the same as the German and the French farmer has done, he will get just as good accommodations, but not until then. Under the laws of compensation most everyone gets what is coming to him. The rich man gets his ice in the summer and the poor man gets his ice in the winter, but they all get ice. A bunch of farmers came into my office the other day kicking on the rates of interest. I informed them that not one of them was a genuine farmer; they were simply speculators; they demanded loans up to almost the actual value of the land, based on their earning capacity; they expected to scratch around on the surface of the ground to make expenses and no improvements, hoping and expecting that some sucker would come along in a year or two and give them twice what

town to buy his supplies. The silo will make a dairy country out of eastern Washington and double the values and producing qualities of the land. Some of the farmers are waking up to this fact and more will follow later on.

Long-time loans secured by mortgages on land should not be made except for the purchase price or permanent improvements on same. The farmers of this section can at all times get any reasonable amount on their lands on three or five years' time at 8 per cent, with a privilege of paying \$100 or any multiple thereof on the principal at any interest-payment period, and all papers generally come due in the fail, after harvest, for their convenience. So much for long-time credits.

Our bankers have always handled the farmers' short-time loans, and every deserving man has had all he required, and the rates have always been in keeping with the risk; for example, if Bill Jones wanted \$200 June 1 to pay for his spring work, he gave his note, due December 1, at 12 per cent. On September 1 if he wanted \$400 to carry him through harvest, he gave his note, due December 1, at 12 per cent. He got what he wanted when he wanted it—all he needed—and he virtually only pays 4 per cent per annum for his accommodations.

Since the first of the year our banks have reduced the interest rate to 10 per cent on short-time loans.

I have been in the general merchandisc business for over a quarter of a century and I know the eastern Washington farmer just as though I had been through him with a candle. I have let him get into debt and furnished the brains to get him out of debt, and for the past three years we have gone into practically a cash business. We did this as much for the sake of the farmer as for our own. If you would sit down with the average farmer in the spring and figure out the actual amount necessary to carry him development of the amount would be invested in things he never intended to spend it for, and he would be just as inconsiderate in paying it back promptly when due as he was in spending it, and t

money, and no changes in the laws will ever help him to get it otherwise. It is true that the farmer's paper is slow, awfully slow, sometimes. He can find more foolish excuses for not paying when due, such as the bottom fell out of the well, the chimney fell off the roof, or the bull jumped over the moon. In the meantime you have intermittent periods of night sweats through the fear that the bank examiner will slip around and catch you with an overstock of musty papers (a large part of which possibly he has already hinted you had better place in the morgue, in other words, charge off to profit and loss account), but by gathering an increased stock of patience, much solicitation and prayer, you drift along until you strike a bumper crop, and in the end you generally get your money. One of the best and most prominent responsible farmers in this section bought an automobile and stood me off two years on a \$450 grocery bill, and so it goes. But, take it all in all, the farmer is as good a risk as the merchant, artisan, and other classes, and is entitled to as good a rate as anyone. There is a new day coming for the agriculturist, his sons and daughters are awakening to the call of the efficient and scientific side of his work. The whole system is being made over. He will in time have a better appreciation of credits and will make better use of them when he gets them, but it is up to him as an individual to make good, and thereby establish a community standard for general lower rates and wider extended credits, and I would further remark that the farming classes should pick the mote out of their own eyes and study the scientific and efficient side of their geat calling before they criticize too deeply the business and professions of other classes.

Please excuse this hurried jumble of facts. The question of rural credits is worthy of much serious consideration.

A. L. Rocens.

CALLING OF THE ROLL.

The PRESIDENT pro tempore. The morning business is closed.

Mr. SMOOT. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Sanator from Utah suggests the absence of a quorum. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Fletcher	Myers	Smith, Md.
Bacon	Gallinger	Nelson	Smith, Mich.
Borah	Gronna	Norris	Smith, S. C.
Brady	Hollis	O'Gorman	Smoot
Brandegee	Hughes	Page	Sterling
Bristow	Jackson	Penrose	Stone
Bryan	James	Perkins	Sutherland
Burton	Jones	Pittman	Thomas
Catron	Kenyon	Robinson	Thompson
Chamberlain	Kern	Saulsbury	Thornton
Chilton	La Follette	Shafroth	Tillman
Clapp	Lane	Sheppard	Townsend
Clarke, Ark.	Lea	Sherman	Vardaman
Crawford	Lodge	Simmons	Williams
Dillingham	McLean	Smith, Ariz.	
Fall	Martine, N. J.	Smith, Ga.	14 ha leden
m. 10-10			

Mr. O'GORMAN. I desire to announce that the junior Senator from Ohio [Mr. Pomerene] is temporarily absent on official business

Mr. GRONNA. I wish to announce that my colleague [Mr. McCumber] is necessarily absent, due to illness in his family, and that he is paired with the Senator from Nevada [Mr. NEW-LANDS]

Mr. CLAPP. I wish to state that the junior Senator from California [Mr. Works] is necessarily absent. I will let this statement stand for the various roll calls to-day.

Mr. SHEPPARD. My colleague [Mr. Culberson] is neces-

sarily absent. He is paired with the Senator from Delaware [Mr. Du Pont]. I will let this announcement stand for the day.

Mr. THORNTON. I desire to announce the necessary absence of the Senator from Alabama [Mr. Bankhead], and also that he is paired with the junior Senator from West Virginia [Mr. Goff]. I ask that this announcement may stand for the day.

Mr. GALLINGER. I desire to state that the junior Senator from Maine [Mr. Burleigh] is absent on account of sickness.

Mr. SMOOT. I desire to announce that the junior Senator from Wisconsin [Mr. Stephenson] and the senior Senator from Delaware [Mr. DU PONT] are detained from the Senate on account of illness.

Mr. JONES. I desire to announce that my colleague [Mr. POINDEXTER] is necessarily detained from the Chamber.

The PRESIDENT pro tempore. Sixty-two Senators have answered to their names. A quorum of the Senate is present.

GOVERNMENT PROPERTY IN FOREIGN CAPITALS (S. DOC. NO. 163).

The PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which was read and, with the accompanying papers, ordered to lie on the table and to be printed.

To the Scnate:

I transmit herewith a report from the Secretary of State, submitting copies of the dispatches received from the diplomatic officers of the United States, to whom were addressed instructions prepared with a view to carry out the resolution of the Senate of the United States dated February 18 last, requesting the Secretary of State, "through the diplomatic and consular officers of the Government, to ascertain the system of

taxing Government property in the several capitals of the leading countries of the world, a full and complete report on the subject to be transmitted to the Senate at the earliest practicable day."

WOODROW WILSON.

THE WHITE HOUSE, August 13, 1913.

INTERNATIONAL CONGRESS ON BILLS OF EXCHANGE (S. DOC. NO. 162).

The PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which was read and, with the accompanying papers, ordered to lie on the table and to be printed:

To the Senate and the House of Representatives:

I transmit herewith a report by the Secretary of State covering the report of the American delegate to the International Congress on Bills of Exchange, which was held at The Hague in the summer of 1912, and at which the United States was represented by the authority of Congress.

WOODROW WILSON.

THE WHITE HOUSE, August 13, 1913.

THE TARIFF.

Mr. SIMMONS. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of House bill 3321.

There being no objection, the Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 3321) to reduce tariff duties and to provide revenue for the Government, and for other purposes.

The PRESIDENT pro tempore. The Secretary will proceed

with the reading of the next paragraph.

The Secretary resumed the reading of the bill at paragraph

197, page 56, line 11.

The next amendment of the Committee on Finance was, in paragraph 197, page 56, line 15, before the word "cent," to strike out "\{\frac{1}{3}\" and Insert "\{\frac{1}{4}\" so as to make the paragraph

197. Rice, cleaned, 1 cent per pound; uncleaned rice, or rice free of the outer hull and still having the inner cuticle on, § of 1 cent per pound; rice flour, and rice meal, and rice broken which will pass through a No. 12 sleve of a kind prescribed by the Secretary of the Treasury, ½ cent per pound; paddy, or rice having the outer hull on, § of 1 cent per pound.

Mr. BRISTOW. I should like to inquire upon what theory the reduction in the duty on rice is made from 2 cents a pound to 1 cent a pound.

The PRESIDENT pro tempore. To whom does the Senator

address his inquiry?

Mr. BRISTOW. The Senator in charge of the bill or anyone

who has that information.

Mr. WILLIAMS. Mr. President, that is rather a queer question accompanied by no motion of any sort. But the duty on rice was reduced 50 per cent. It was the hothouse cultivation of the Republican tariff, and we concluded that we could get a revenue from it by a reduction of 50 per cent and at the same time that that reduction would not destroy the industry. This cut of 50 per cent was made by the House, and the Senate committee coincided with the House's action, except in one respect. The Senator will notice that the House put broken rice and rice flour and rice meal passing through a No. 12 sieve at one-eighth of a cent per pound and the Senate committee raised that rate to one-fourth of a cent a pound. The reason of that was that rice meal or rice flour or broken rice is used only for brewing purposes. It is used in making beer. It is not a finished product, as some Senators might imagine from the name of it. It is a by-product of the rice.

It is used for this purpose, and the evidence convinced us that the great German rice mills had an immense amount of it on hand all the time. In Germany that Government, more careful of the health of the people than ours has been, forbids the brewers to use rice in beer at all. They are compelled, therefore, to export this by-product, and these people said that it would be brought here and absolutely destroy the home market for broken rice or rice flour or rice meal, and that, so far as our natural objection to that as Democrats was concerned, to wit, that the increase of the duty would make the price of the product higher to the consumer, it did not operate in this particular case, because neither a barrel of beer nor a glass of beer would sell for any more or any less; and we thought it quite a convenient way of collecting revenue from the brewers of the country by advancing it from one-eighth to one-fourth.

In the balance of our provision, as regards rice as used for human food, we reduced it to the very lowest possible point that we could. We did not put it upon the free list because, although a food product, we did not regard it as a basic food product for the American people with their habits of life.

Mr. BRISTOW. I see, as the Senator has explained, that the duty of one-fourth of a cent a pound on that quality of the product of rice or that product which is used by brewers is maintained at the same rate that it was in the Payne-Aldrich law, at one-fourth of a cent a pound.

Mr. WILLIAMS. You mean the broken rice?
Mr. BRISTOW. Yes.
Mr. WILLIAMS. Yes; it is maintained at the same rate, because it is entirely paid by the brewers and will not fall upon the consumer.

Mr. BRISTOW. I asked the question yesterday why the same rate should not be maintained on barley that the Payne-

Aldrich law maintained on barley used by the brewers.

Mr. WILLIAMS. We did not maintain the Payne rate on barley for the same reason that we did not maintain the Payne rate upon rice. We thought it would stand the reduction, in the first place, and we did not regard it as a basic article of human food, and therefore did not put it upon the free list.

Mr. PENROSE. Mr. President, it may be that one reason was that barley is raised in the North and rice in the South.

Mr. WILLIAMS. I do not believe that the Senator from Pennsylvania believes that that was the reason.

Mr. PENROSE. Mr. President, I was very much shocked to hear the Senator from Mississippi just now make a protection

argument. Mr. WILLIAMS. The Senator from Mississippi did not make

any protection argument. Mr. PENROSE. He said it would be disastrous to this product if unlimited foreign competition were permitted. He is the last Senator on this floor I would expect to hear such an argument from. I was astounded. The stenographer's notes will recite what the Senator said, that while he admitted that it was un-Democratic doctrine yet the fact that the tax was imposed upon the brewers made a kind of spotted protection in this instance legitimate. The Senator's language is there.

Mr. WILLIAMS. The Senator from Pennsylvania now and

then becomes facetious. He does not mean that.

Mr. PENROSE. I mean— Mr. WILLIAMS. Does the Senator from Pennsylvania mean

that this committee was guided by the fact-

Mr. PENROSE. I mean that the Senator from Mississippi deliberately informed the Senate that this by-product, as he called it, if admitted without any restraint or restriction into the United States would seriously curtail the market for the home product, and that therefore, although the doctrine was un-Democratic, yet as the tax happened to fall upon the brewers, he thought that perhaps a little incidental protection for the product of Louisiana, Texas, Georgia, and the two Carolinas might perhaps be legitimate in this instance.

Mr. WILLIAMS. Mr. President, if the Senator wishes to take that as his construction of what I said, of course, I can not help it; but what I said is there to be read by all men with intelligence enough to read, and I stand by just precisely what I did say, which was this: That we thought that we could get a splendid revenue from this article-an increased revenuewithout taxing the consumer. I said that; I did not say that that violated Democratic doctrine. I said, as against the argument which might be made that it would violate Democratic

doctrine, that that was the answer.

Mr. PENROSE. I hope the notes will be allowed to stand as they were taken down, and the Senator will be greatly sur-

mr. BRISTOW. Mr. President, I inquired yesterday, as the Senator from Mississippi will remember, why it was that the duty on barley was reduced from 30 cents a bushel to 15 cents a bushel, and I made the statement that barley was used by the brewers.

me brewers. The brewers are the purchasers of barley.
Mr. WILLIAMS. The difference, Mr. President, is that broken rice meal is used by the brewers alone, and barley is

used for very many other purposes besides brewing.

Mr. BRISTOW. The amount used for other purposes is prac-

tically negligible.

Mr. WILLIAMS. Barley is used a good deal for human food, and it is used a good deal for stock food as well, but we reduced the duty because we thought that it was a fair reduction in comparison with the reductions made in the balance of the

bill, and it removed that much tax.

Besides that, the Senator from Pennsylvania [Mr. Penrose] seems to think that when I say that an industry can stand a reduction I am making an admission or a concession to protectionism. I am not doing that; but there are a great many industries in this country which have been highly hothoused and as to which everybody knows that if we reduce the duty as low

as we would want to do we would put some of them out of The President of the United States in the campaign and the Democratic Party in its platform have said that they did not want to destroy legitimate industries. We reduced the duty on barley as low as we thought we ought to and left it at

the point where we thought it ought to be left.

Mr. BRISTOW. If the Senator from Mississippi will examine carefully the uses to which barley is put, he will find that practically all of it is used in brewing. There is some that is used, of course, but a negligible quantity, for other purposes than brewing. The duties, according to the handbook, that will be collected on barley as a result of this reduction will be \$300,000 per annum. I do not see just how the handbook author gets at that amount, because we collected last year \$830,000 of revenue from imported barley. That, of course, was paid largely by the brewers along the Canadian border; and according to the handbook we are to take off \$530,000 of revenue which has been paid. I do not think that it would make a glass of beer or a bottle of beer to those who desire to use it-and too many of our countrymen use it-cost any more, and the Government would be more than a half million dollars out, according to the figures here.

It seems to me that the same principle ought to have been applied to barley as is applied to the products of rice that are used by the brewers. I do not object to increasing the duty over the House rate from one-eighth to one-fourth. I think it is all right to do that. I think the reasons assigned by the Senator from Mississippi [Mr. WILLIAMS] entirely justify that

change in the bill.

If the Senator, as I understood him to say that he had, had examined carefully the rice industry in our country-and I think it is a very important one; I can not agree with him that it is a hothouse industry—he would find the handbook here shows that we produced of rice for 1910—the 1912 figures not being given-626,000,000 pounds.

Mr. WILLIAMS. I have all that before me.

Mr. BRISTOW. And that we imported 25,000,000 pounds for the same year. Now, where we produce 626,000,000 pounds

Mr. SIMMONS. Mr. President, the Senator from Kansas is wrong about that.

The PRESIDENT pro tempore. Does the Senator from Kansas yield to the Senator from North Carolina?

Mr. BRISTOW. I do. If I am wrong, I should be glad to be

corrected.

Mr. SIMMONS. The total importations last year, as shown in the last bracket of the handbook, were 216,000,000 pounds; while the total exportation was what the Senator gave, 626,-000,000 pounds.

Mr. BRISTOW. My attention was diverted for a moment. From what bracket does the Senator from North Carolina

Mr. SIMMONS. The last bracket. That is the total of the paragraph.

Mr. BRISTOW. That includes the importations of all of

Mr. SIMMONS. But the Senator from Kansas gave the total production, which is the same as that in the last bracket.

Mr. BRISTOW. Yes. Mr. SIMMONS. And the 626,000,000 pounds in the last bracket include everything. So the Senator from Kansas ought

to include the total importations in that bracket.

Mr. BRISTOW. If I am wrong in this, the Senator will correct me. I inferred that the production of rice and the different articles that are made from rice was from our own rice, but from what the Senator now says, I infer that rice is imported and then transformed into some of these other products. Is that correct?

Mr. SIMMONS. I am not able to answer that, but the total production, including rice flour and rice, is as the Senator gave it, 626,000,000 pounds. The total importations, including all articles in these brackets, amount to 216,000,000 pounds.

Mr. BRISTOW. If we have imported rice and then it has been manufactured into these other products, that, of course, would make the comparison which I made not an accurate one, but the handbook does not give the production of rice cleaned; it only gives the total production of the articles named in the

Mr. WILLIAMS. Mr. President, if the Senator will pardon me a moment, if he will turn to the fourth bracket he will find that there were importations of rice flour, rice meal, and broken rice which will pass through a No. 12 wire sieve, of 116,500,000 pounds in round numbers. Then, if he will turn to the total paragraph, summing up, he will find that the total importations of rice were 181,775,000 pounds, in round numbers, from which I do not think that an industry which is producing, in round

he will ascertain, by deducting one from the other, that the importations of cleaned rice, free rice, and paddy rice with the hull on, all put together, amounted to 64,500,000 pounds, in round numbers. The Senator can ascertain that by the simple process of subtracting one from the other. From that the Senator will learn that most of the rice imported into this country

was rice flour, rice meal, and broken rice for brewing purposes.

Mr. BRISTOW. But still—

Mr. WILLIAMS. And upon that we have kept the duty for the purpose of getting as large a revenue as possible with as

little burden as possible to the general consumer.

Mr. BRISTOW. As I said before, I approve that increase from one-eighth of a cent to one-fourth of a cent per pound for the purpose the Senator has stated. I think it is all right; I have no controversy on that point, but I think the Senator from North Carolina must be in error when he questions the accuracy of the figures here and my interpretation of what they mean. It seems to be that the production of 626,000,000 pounds given in Table 5 is the total production of rice in the United States.

Mr. WILLIAMS. Mr. President, if the Senator will stop and think for a moment he will see that there is no domestic production of broken rice or rice flour or rice meal in the proper sense. Our production is of the rice, and, then, as we render the rice edible in the mill these other things are by-products; so that the report refers to the amount of rice raised in the United States-in other words, rice in the hull.

Mr. BRISTOW. That is exactly my interpretation of the

figures.

Mr. WILLIAMS. Precisely.

Mr. BRISTOW. It was questioned by the Senator from North Carolina. My friend here the Senator from North Dakota [Mr. Gronna] has handed me a statement of the production of rice in the year 1911. It shows a production of 662,000,-000 pounds, which practically confirms the figures given in the handbook, being a few million pounds less; so that I think the Senator from North Carolina [Mr. SIMMONS] must conclude that the interpretation placed upon the importations as indicated in the table here by the Senator from Mississippi [Mr. WILLIAMS] and myself is correct.

Mr. SIMMONS. Mr. President, if the Senator will pardon me, I have here the official statement for the year 1911, which shows that the domestic production of cleaned rice-and it does not give the figures except for cleaned rice-amounted in that year to 637,000,000 pounds. It shows in the same year that the importations of cleaned rice amounted to 76,655,000 pounds, and of broken rice to 132,000,000 pounds, or a total of 208,000,000

Mr. BRISTOW. The junior Senator from North Dakota [Mr. GRONNA] informs me that the figures handed to me by were taken from the Agricultural Yearbook for the year 1911, and they give the total production at 662,000,000 pounds.

Mr. WILLIAMS. To what year is the Senator referring? Mr. BRISTOW. I was reading from a statement handed me

by the Senator from North Dakota, which says

Mr. WILLIAMS. I asked for what year. Mr. BRISTOW. For 1911. Mr. WILLIAMS. Well, the Senator from North Carolina was quoting from the figures for 1910.

Mr. BRISTOW. Yes. Mr. WILLIAMS. That accounts for the variation, without

further discussion.

Mr. SIMMONS. The handbook gives the figures for 1910, and I quoted a little while ago the figures for 1911.

Mr. BRISTOW. Well, there is no material difference in the figures-

Mr. SIMMONS. No; there is not.
Mr. BRISTOW. Which indicates that the production of rice for 1911 was more than for 1910 and more than for 1905, thus showing that it has been a growing and developing industry.

Mr. WILLIAMS. If the Senator will pardon me, the statistical record of the progress of the United States, the so-called Statistical Abstract, gives the production for 1911, which was what the Senator from North Carolina quoted. Now, from what is the Senator from Kansas quoting?

Mr. BRISTOW. I am quoting from a statement prepared by the Senator from North Dakota [Mr. GRONNA], taken from the

Agricultural Yearbook.

Mr. WILLIAMS. Ah, that merely demonstrates that the Census Bureau and the Agricultural Department differ.

Mr. BRISTOW. They differ; yes.

Mr. WILLIAMS. That is all. Nobody can tell which is right or wrong. Suppose we go on to the next paragraph.

Mr. BRISTOW. It is not a very material difference, of course.

numbers, 650,000,000 pounds of food a year, when our importations are from 17,000,000 pounds to 25,000,000 pounds, less than one twenty-sixth of the amount of our domestic production, can be properly described as "a hothouse industry." I think it is a legitimate industry. I believe that a duty which protects the development of an industry like that is justified. I believe that reductions in such a duty ought to be made when they can be made safely without impairing the prosperity or the proper development of the industry.

Mr. WILLIAMS. We thought so, too, and reduced the rate 50 per cent for that reason. We seem not to be differing with

one another at all; we are just arguing.

Mr. BRISTOW. I am very glad to know that; but I rose for the purpose of ascertaining, if I could, the reason for such reduction. As I was going to say awhile ago, if the authors of the bill from a careful investigation of the industry have concluded that a duty of 2 cents a pound can be reduced to 1 cent a pound with safety and without impairing the success of the industry or its prosperity or its proper development, I think it is a very proper reduction to make. I have not looked into it with a view of determining whether or not 1 cent a pound is sufficient and whether a reduction of 50 per cent is too much or whether it is not enough.

Mr. WILLIAMS. The Senator will find, if he will look at the figures, that we exported nearly a million dollars worth of

rice in 1912.

Mr. BRISTOW. Yes. Mr. BORAH. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Kansas yield to the Senator from Idaho?

Mr. BRISTOW. Certainly.
Mr. BORAH. The Senator from Kansas stated that he rose to find out why this reduction was made. Has the Senator

ascertained the reason?

Mr. BRISTOW. Well, yes; I think so. As I understand, the Senator from Mississippi says the reduction was made because the committee concluded that it could be made with safety to the industry

Mr. BORAH. But that the industry would still be protected by this duty.

Mr. WILLIAMS. And also by the reduction we would collect a very good revenue, and perhaps an increased revenue by in-creasing the importations.

Mr. BORAH. In other words, it is what is called a "revenue producer," but is in fact protection.

Mr. SMOOT. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Kansas yield to the Senator from Utah?

Mr. BRISTOW, 1-26.

Mr. BRISTOW. I do.

Mr. SMOOT. I want to say, in answer to the statement made by the Senator from Mississippi that this is a hothouse cultivation under a Republican tariff or system, that he must remember that under the Wilson bill, when the Democrats had the making of the tariff, they put a rate on cleaned rice of 11 cents a pound.

Mr. BRISTOW. I have no objection to the duty or to the paragraph as it is framed. As I said in the beginning, I rose for the purpose of finding the basis upon which the reduction was made; and if the committee, from its examination, is right in assuming that such a reduction can be made with safety, I think it is a proper one to make. So I accept the statement

of the Senator from Mississippi upon that subject.

I desire to say further that I believe that the Government has been thoroughly justified in imposing a duty upon imported rice for the purpose of developing the production of rice in our own country. I think the results which have come from such duties in developing the rice fields in Texas, in Louisiana, and in other portions of the southern section of the country have justified such a policy. I believe that such a policy should be maintained at a point as high as is necessary to preserve what we have and further encourage the growth of the industry;

but if the duty of 1 cent a pound is sufficient, I am satisfied.

Mr. WILLIAMS. Has the Senate amendment been voted

upon? The PRESIDENT pro tempore. It has not. The Senator

from Kansas has the floor. Mr. BRISTOW. Before taking my seat I ask that there may be printed in the RECORD a statement prepared by the Senator from North Dakota [Mr. GRONNA] in regard to the production of rice in the various countries. It contains a great deal of valuable statistical information.

The PRESIDENT pro tempore. Unless there is objection, that order will be made.

The matter referred to is as follows:

RICE.

Canadian rates: Rice, uncleaned and unhulled or paddy, free; rice, cleaned, 75 cents per 100 pounds; rice flour, 1 cent per pound.

Imports 1912.	Pounds.	Value.	Revenue.
Cleaned rice. Rice, uncleaned. Rice, paddy. Rice flour and meal.	17, 146, 551	\$634,446	\$342, 930, 52
	47, 546, 974	1,568,906	594, 337, 18
	490, 519	14,558	3, 678, 89
	116, 556, 683	1,967,276	291, 391, 82

Exports, 1912: Rice, 26,797,535 pounds, value \$851,402; rice bran, meal, and polish, 12,649,036 pounds, value \$118,985; rice hulls, value \$181,229.

Production of rice in 1911.

Brazil (1910)
Peru (1910)
Peru (1910)
Italy
Spain (1910)
British India
Ceylon (1909)
China (1910)
Chosen (Korea)
Formosa (1910)
French Indo-China
Japan
Java and Madura (1909)
Philippine Islands
Russia, Aslatic (1910)
Siam 1, 329, 009, 000 5, 000, 009, 000 16, 240, 000, 000 7, 566, 000, 000 1, 201, 003, 000 363, 000, 000 6, 824, 000, 000 137, 230, 000 523, 438, 000 953, 000, 000 Turkey, Asiatic (1909) Egypt _____ Madagascar (1908)_____

Production in principal rice-growing States in 1912.

Bushels.

200, 000 11, 812, 000 9, 429, 000 3, 405, 000

Mr. SIMMONS. I wish to state that in 1909 there were only 610,125 acres in rice in this country. The Louisiana and Texas plantations had 555,104 acres of this, while the South Atlantic States of Virginia, North Carolina, South Carolina, Georgia, and Florida had an acreage in 1909 of only 27,000.

Mr. THORNTON. I wish to say that in Louisiana-and I understand the same is true all through Arkansas—the increase is becoming very marked. I know that in Louisiana there has been completed, just this year, a canal for irrigation purposes, without which we can not raise rice, at a cost of \$1,000,000. the capital for which, by the way, has been furnished entirely in the State of Pennsylvania. They have put in this year about 10,000 acres more; but when that canal is finished, which will be within a year or two, it will add at least 100,000 acres to the production of rice in Louisiana.

The PRESIDENT pro tempore. The question is on agreeing

to the amendment of the committee to paragraph 197.

The amendment was agreed to.

The next amendment of the Committee on Finance was, on page 56, line 18, to strike out all of paragraph 198, in the following words:

198. Wheat, 10 cents per bushel.

Mr. GRONNA. Mr. President, on July 23 I offered an amendment to this paragraph. The product with which the paragraph deals is one upon which there has been a great deal of dis-

I realize that there is a difference of opinion as to whether or not the duty on wheat is of any benefit to the producer. I want to call attention to the fact, however, that when the reciprocity treaty was pending before this body we found almost unanimous opposition to it in the State which in part I have the honor to represent. The opposition was so strong, so pronounced, that the legislature of the State passed resolutions condemning that agreement, which provided for the placing of agricultural products on the free list. Not only that, but there has been testimony on the subject given to the Finance Committee of the Senate by delegations from North Dakota, South Dakota, and Minnesota. The delegation from my State was selected at a mass meeting where everybody interested participated. It was not a partisan meeting. Men from the different political parties were selected to go to Washington and enter their protest against that agreement. They were selected for their fitness, and not because of their affiliations with any political party. There were selected men who were known as Progressives and men who were known as "standpat" Republicans.

The members of the Finance Committee will remember that Mr. N. G. Larimore, one of the most honored citizens of my State, always a Democrat, appeared before the committee and entered his protest. Senators who were members of the Finance Committee at that time will remember the splendid arguments made by Hon. Treadwell Twitchell, Joseph M. Devine, and R. T. Kingman. Those three men are all farmers. The testimony of those men stands uncontradicted before the Senate. It was to the effect that on an average for at least four or five years the American farmer had been benefited to the extent of about 11 cents a bushel by the imposition of a tariff duty on wheat.

I have not heard anyone make the argument that when we produce more wheat than we can consume we expect to be greatly benefited by the tariff duty, because then, to a certain extent, the price of our product will be fixed by the world's price. But I make the statement-and I have made it on former occasions—that during the years when consumption has equaled or nearly equaled production the farmer has benefited by the

tariff duty on wheat.

I have been criticized for a statement which I was supposed to have made on the floor of the Senate only a few days ago, that the farmers of my State would have lost \$15,000,000 on wheat during the last year if this bill had been in effect. Mr. President, I have made no such statement. The Record speaks for itself; and to be sure that I do not misquote the RECORD, I will read what I stated. I read from page 2977 of the Con-GRESSIONAL RECORD under date of August 1:

Perhaps Senators on that side will deny that they have any grievance against the farmer, but I call your attention to the fact that in my State alone, where in 1912 we raised more than 143,000,000 bushels of wheat, with short crops in foreign countries, under the provisions of this bill our farmers would lose in a single year more than \$15,000,

My attention has been called to a quotation of the price of wheat at Winnipeg, based upon a given grade and the prices at Minneapolis and Duluth for the same-named grade, but the facts are that the Winnipeg grade is a higher standard grade, as I shall show later on.

When I made some observations on the agricultural schedule a few days ago, I said I did not wish to go into that phase of the matter and discuss it at length. I had some new matters that I wished to present to the Senate to show that, with one or two exceptions, every commercial country in the world which produces within her own borders a sufficient amount of foodstuffs for her own consumption protects that industry as well as she protects her manufacturing industries.

I deny that the American farmer has received less for his wheat during the year 1912 or 1913 than the Canadian farmer. and when I make that statement I propose to follow it with

proof.

I wish to call the attention of the Senate first to what was said in a speech made by a distinguished Member of the House from the State of Minnesota on Thursday, April 24, 1913. He

Gentlemen, we may disagree upon tariff rates; we may disagree upon tariff theories—you may be for protection, you may be for free trade, you may be for a tariff for revenue—but there ought to be no disagreement among us upon the proposition that, whatever rates are adopted, there should be no discrimination against any class of our people or against any section of our country. [Applause.]

I read further on from the same gentleman's speech, and I believe he is an authority on this question:

There were imported 2,684,381 bushels in 1912-

That is, of wheat-

and the Treasury of this country was enriched by tariff duties assessed thereon to the amount of \$352,245.46, more than a third of a million. During the same period from flour imported into this country we received in duties \$166,444.52.

I still quote:

I still quote:

Mr. Chairman, in view of this situation we did not care to deprive the Treasury of revenue. We purposed to make a deep cut anyhow. Wheat was not put upon the free list, but retained upon the dutiable list with a duty of 10 cents a bushel, a cut of 60 per cent in the rate. We believed that if flour were placed upon the free list he miliers, who are now able to sell \$50,000,000 worth of their products in other countries, would be able to protect themselves here at home from foreign competition; but in order, as we thought, to silence any charge that we were indifferent to the welfare of the flour makers, we introduced in this bill two provisions favorable to the miliers of the United States; first, the provision that wheat flour coming into this country from any country that imposed a duty upon American flour; so the reduction on wheat is from the age upon American flour; Germany has a duty upon American flour; Germany has a duty upon American flour; Germany has a duty upon American flour, Rearly all of the European countries save England have duties on American flour, and wheat flour coming from any of those countries into the United States will pay a tariff rate of 10 per cent. But certain gentlemen say: "Do not you know that just the moment this bill becomes a law Canada, through her Governor General or some other official who has the power, with one stroke of the pen will strike out the duty now

imposed on American flour, so that Canadian flour may come into the United States?" No, Mr. Chairman, we do not know it, nor does anyone else know it, but those acquainted with the history of recent tariff enactments have good reason to believe that Canada will do nothing of

Mr. President, I have quoted from a speech made by a distinguished Member of the House and a member of the Committee on Ways and Means of the House, the Hon. WINFIELD S. HAMMOND, from the State of Minnesota. I indorse most of what Mr. Hammond has said. I disagree with him as to the so-called countervailing duty.

Wheat, which was in paragraph 198, has been transferred to pages 155 and 156, and it is now paragraph 646. It has been placed on the free list with a proviso for a countervailing duty.

If it so happens that Canada does not take advantage of the American market for her wheat, it will not be because the Canadian farmer does not want it. We know that the Cana-dian farmer has for years looked with hungry eyes upon the American market. So I say if Canada does not accept the invitation that we have extended to her, and which you extend in this bill, it will simply be because Canada believes in a protective system and wants to protect her manufacturing industries and fears the competition of the American miller.

Before I leave the provision for a countervailing duty I wish to ask the Senator from Mississippi [Mr. Williams] for infor-mation as to the proviso in paragraph 646, on page 155 of the bill. The paragraph places wheat, wheat flour, semolina, and other products of wheat on the free list, with a proviso which

reads as follows:

Provided, That wheat shall be subject to a duty of 10 cents per bushel, that wheat flour shall be subject to a duty of 45 cents per barrel of 196 pounds, and semolina and other products of wheat 10 per cent ad valorem when imported directly or indirectly from a country, dependency, or other subdivision of government which imposes a duty on wheat or wheat flour or semolina, or any other product of wheat, imported from the United States.

What I would like to know from the Senator from Mississippi is this. I am sure he has given it a great deal of attention. My opinion is that Canada can permit the admission of wheat free and still retain a duty on flour.

Mr. WILLIAMS. If so, that was not our intention, and I will explain to the Senator why I think that his construction is

wrong.

Mr. GRONNA. I should like to hear the Senator on that

Mr. WILLIAMS. These are the words:

Mr. Williams. These are the words:
646. Wheat, wheat flour, semolina, and other wheat products: Provided, That wheat shall be subject to a duty of 10 cents per bushel, that wheat flour shall be subject to a duty of 45 cents per barrel of 196 pounds, and semolina and other products of wheat 10 per cent ad valorem when imported directly or indirectly from a country, dependency, or other subdivision of government which imposes a duty on wheat or wheat flour or semolina or any other product of wheat imported from the United States.

So if they impose a duty on either one of them they can not take advantage of the countervailing duty. It is a disjunctive

and not a conjunctive clear through.

Mr. GRONNA. I thank the Senator for the information. I am glad to know that if wheat is to be admitted free the products of wheat will also have to be admitted free; that one can not be admitted free without the other.

Mr. WILLIAMS. In other words, as long as they charge a duty upon our flour or on our wheat, either one, this proviso applies, or it applies if they charge a duty upon any product of

wheat at all.

Mr. GRONNA. It has been my belief that Canada would take advantage of this provision and place her wheat and products

of wheat on the free list.

I hope that I am mistaken in that belief, but at any rate it seems to me that it is not a wise policy for a great Government like ours to leave it to any foreign country to decide what the tariff rates or what the policy shall be in our country.

Agriculture; Bulletin 73 of the United States Department of Agriculture, entitled "The Cost of Producing Minnesota Farm Products"; the Census and Statistics Monthly, of Ottawa, Canada, for March 12, 1912; and Bulletin 27 of the United States Department of Agriculture, on Wheat Production in Argentina.

In addition to this, I had the benefit of all the data which the Tariff Board gathered upon this subject when it was in existence, and my conclusions are based upon the computations made by an expert formerly in the employ of the Tariff Board and recommended to me by the chairman of the Tariff Board

as especially proficient and reliable in every way.

It should be stated, Mr. President, in this connection that the cost of production can not be ascertained with as great accuracy for agricultural products as it can be ascertained for manufactured products, because, as is well known, the bookkeeping methods of the farm are not always accurate, and in some cases estimates have to be relied upon.

Mr. WILLIAMS. And the weather conditions change from time to time.

Mr. LA FOLLETTE. That is true. The cost of production will vary with different years; but the data which I have cover a period that ought to give approximately reliable results.

For my own part I want to advocate the same measure of protection for agriculture, where it will protect all, that I advocate for manufactures. I do not want to go much beyond that, Mr. President, although I would feel justified in not urging the logic of the difference in the cost of production between this and competing countries for agricultural products to the same degree as I would for manufactured products. In maintaining the protective tariff system, through all the years that have passed upon the broad grounds of public policy, the farmer has been compelled to bear a disproportionate share of the burden of protection. He is now coming to a period when there is some prospect that he will secure a direct benefit from protection on his staple Now that there is this prospect, it is not just to him that these direct benefits should be taken away; and in making computations of the effect of the tariff upon the farmer's produce I feel justified in being, as I say, somewhat more liberal in his case than in the case of other lines of production that have long enjoyed direct tariff benefits.

To make this as brief as I can, Mr. President, I will simply give the summaries of my tables and, perhaps, later, if I pursue my present intention, I may discuss the whole agricultural schedule and go more fully into the cost of production, not only as to wheat but as to other products.

An examination into the costs of wheat production reveals a higher cost per bushel in one section of this country than in the competing section in Canada. The north central section west of the Mississippi River produces wheat at a cost per bushel of a little over 60 cents. That wheat competes directly with the wheat produced particularly in the Manitoba region. The cost of production of wheat in the Manitoba region is a fraction over 54 cents per bushel, so that there is a difference in the cost of production in those two sections that lie almost side by side of approximately 6 cents per bushel.

Mr. SIMMONS. Mr. President, will the Senator permit me to make an inquiry for information?

Mr. LA FOLLETTE Certainly.

Mr. SIMMONS. I desire to inquire if in the Senator's estimate of cost in this country and in the Manitoba region of Canada account is taken of the difference in the value of the land in the two sections? Does that enter as an element at all in this calculation?

Mr. LA FOLLETTE. It does, Mr. President. I will give the items which have been noted in the table which I have before me. Commercial fertilizer is not taken into considera-tion except in the North Atlantic States of this country and in Nova Scotia. The preparation of the land, seed, seeding and planting, cultivation, harvesting, thrashing, the wear and tear of the implements, and land rental or interest are all taken into consideration. Land rental or interest would cover the question raised by the Senator from North Carolina.

Mr. President, according to the result of this investigation there is no wheat-producing section of this country that needs to be apprehensive of competition from Canada if a duty of 6 cents a bushel is levied on wheat. Indeed, as shown by this investigation, the cost of wheat production generally in this country is practically upon a level with the cost of wheat production generally in Canada. Competition with Argentina must, of course, be considered. The average cost of production there is approximately 52 cents per bushel. I have not at my command the transportation charge, which would afford some protection against Argentina wheat, but it is perfectly clear that if you are to give the farmer a fair competitive market, according to the interpretation of that term as I understand it to have been used here. you would allow a protection of substantially 6 cents a bushel. In the interests of all that great producing section which is given over almost entirely to wheat production, and which is brought directly into competition with the wheat production of the part of Canada to which I have referred, a duty of 6 cents

per bushel should be provided in this bill.

Mr. BORAH. Mr. President, I did not catch the cost of production in Argentina which the Senator gave.

Mr. LA FOLLETTE. Fifty-one and a fraction cents per bushel—nearly 52 cents. They produce wheat for nearly 10 cents a bushel less they are preduced in this country.

while I am on my feet, Mr. President, I am going to say just a word on the duties fixed on oats and on barley. The results of the investigation which I have caused to be made, based upon the same data and worked out by the same competent expert, show that the duty fixed on oats in the Senate bill measures almost exactly the difference in the cost of production between this country and Canada. The duty placed upon barley is relatively higher than the duty placed upon oats. A duty of 10 cents a bushel on barley would measure the difference in the cost of production to the farmers of that section of our country which requires a protection upon barley production; that is, the old Northwest section, taking in the Dakotas, Minnesota, and Wisconsin. That large area of barley production, according to the investigations which I have made, requires a protection of about 10 cents a bushel to measure the difference in the cost of production; so that the duty imposed on barley by this bill is, I believe, amply protective to the farmers of that section.

The duty imposed upon oats measures exactly the difference in the cost of production; and in like manner I sincerely hope that those who are responsible for the framing of this tariff bill will feel that they can in the case of wheat impose a duty of, say, 6 cents per bushel. When it comes to the consumer of bread, I do not think that by any process of reasoning or calculation such a duty will be found to have added a fraction to the cost of the loaf or of the sack of flour, and I do think that such changes will make the agricultural schedule on cereals harmonize. You will then have adjusted the duties on those three great products so that they will be on a competitive basis, and you will have removed a just cause for complaint as to this

Mr. STERLING. Mr. President, before the Senator from Wisconsin takes his seat, I should like to ask him if his estimate necessarily takes into consideration the greater production per acre on the new great wheat-growing lands in Canada?

Mr. LA FOLLETTE. Yes, sir; that is all taken into consideration. I can give the figures of the average production for those different countries, if it would be interesting to the Sen-

ator to have them.

Mr. STERLING. I would like to ask the Senator the further question: Does his estimate take into consideration the different conditions in regard to the acquisition of land in Canada in the great wheat-growing region and the conditions in the Dakotas, for example, and in Montana?

Mr. LA FOLLETTE. That is all covered under the item of land rentals and interest, and, if I understand the question of

the Senator, is a substantial part of the calculation.

Mr. STERLING. The Senator from Wisconsin will understand, I think, that lands which are devoted to wheat growing are more cheaply acquired in Canada than they can be in this country at the present time.

Mr. LA FOLLETTE. I understand that; and that would be included. I think, in the allowance made for investments.

Mr. STERLING. Further, may I ask the Senator if in his estimate the same course was pursued in regard to the production of barley, oats, and flax, as was applied in regard to the production of wheat, and were the varying conditions between the two sections, this country and Canada, taken into consideration?

Mr. LA FOLLETTE. The statistics relating to the cost of production that I have referred to in what I have said have been worked out in the same way, and I should be perfectly willing to submit the tables and have them printed; and I expect to do so later.

Mr. STERLING. Yes; I hope the Senator may.

Mr. LA FOLLETTE. I will say, however, that I have not referred to the difference in the cost of producing flax, and I have not before me at this moment the data covering that

Mr. BRISTOW. Let me inquire how many years this calculation covers?

Mr. LA FOLLETTE. It varies some. In some cases, for instance, in Lyon County, Minn., it covers the period of from 1902 to 1907. In the case of Canada they are for 1911; but some data which had been accumulated by the Tariff Board that

are not noted here were consulted. I should say that the calculations probably cover a period of several years.

Mr. BRISTOW. That would be very important, as the Sena-

tor will understand, because the weather and the conditions that obtain during the cropping season have a very great influ-

ence on the cost of producing a crop. Mr. LA FOLLETTE. That would have a very great influence in localities, but when you cover the production of a great group of States, when you take in the production of Canada, especially in the great Manitoba section, the variable weather conditions in localities balance and offset each other and are not so

Mr. BRISTOW. Take the cost of producing corn. year, for instance, in the States of Kansas, Missouri, Nebraska, and Oklahoma, because of weather conditions, it will be very much greater than it was last year.

Mr. LA FOLLETTE. Oh, yes; there is a section there which is at present suffering from a severe drought.

Mr. STERLING. From the investigation made by the Senator, is he able to state the average yield per acre in Canada as

compared with the average yield in the Dakotas?
Mr. LA FOLLETTE. Yes, sir. The average yield of wheat per acre for 1909 on the farms in the United States covered by the investigation of the Department of Agriculture was 17.2 bushels; for the North Atlantic States, 20.7 bushels; for the North Central west of the Mississippi River, 15.8 bushels; 12.59 bushels for Lyon County, Minn., where statistics seem to have been ascertained for a period of years and reported in one of the bulletins of the Agricultural Department; 22 bushels per acre for the whole country of Canada as against 17.2 bushels for wheat production on the farms covered by the Agricultural Department's investigation. For the Nova Scotia wheat-producing district the yield was 21 bushels per acre; for the Manitoba wheatproducing district it was 21 bushels per acre; for Argentina in 1902 and 1903 it was 15.98 bushels per acre.

Mr. BORAH. Mr. President—
The PRESIDENT pro tempore. Does the Senator from Wisconsin yield to the Senator from Idaho?

Mr. LA FOLLETTE. I do.

Mr. BORAH. Do I understand that the statistics of the Senator from Wisconsin show the average production of wheat throughout the United States to be 17 bushels per acre?

Mr. LA FOLLETTE. Yes, sir; they do.

Mr. BORAH. May I ask from what source those statistics

Mr. LA FOLLETTE. From the Crop Reporter of the United States Department of Agriculture and is the yield per acre reported by the same agents who gathered the cost figures I

Mr. BORAH. The reason why I asked the question was that I have seen it repeatedly stated—I remember one statement in particular—that the average yield of wheat throughout the United States now is a little over 14 bushels per acre.

Mr. LA FOLLETTE. Yes; but this is in fact the average yield for the particular farms covered by the special investiga-

tion of the Department of Agriculture.

Mr. BORAH. May I ask if the Senator has the average yield per acre of European countries in the production of wheat?

Mr. LA FOLLETTE. No. This investigation covers only

Canada, Argentina, and the United States.

Mr. CRAWFORD. Mr. President, if the Senator will permit me there, did the Senator use the figures that were reported by the Tariff Board in regard to the production per acre? Mr. LA FOLLETTE. Those figures were in the possession

of the experts who were doing this work for me, and were taken

into account.

Mr. CRAWFORD. I find from some figures which I used in investigating this question once before, and in which I quoted from page 94 of the Tariff Board report, that according to that report the average yield of spring wheat per acre in 1910 in the United States was 11.7 bushels. That was spring wheat, as I say. In Canada, for spring wheat, it was 15.53 bushels. In the case of winter wheat, in the United States the average yield per acre was 15.8 bushels, and in Canada 23.49 bushels. That is found on page 94 of the Tariff Board's report.

Mr. LA FOLLETTE. I have not the winter wheat and the

spring wheat separated here; nor have I the report for the same year that the Senator produces.

Mr. CRAWFORD. This is 1910. Mr. BRANDEGEE. Do the figures that the Senator from Wisconsin has just given, stating that they come from the Crop Reporter, come from the Crop Reporter of 1912, or what is the latest number?
Mr. LA FOLLETTE. Nineteen hundred and eleven.

Mr. SMOOT. Mr. President-

The PRESIDENT pro tempore. Does the Senator from Wisconsin yield to the Senator from Utah?

Mr. LA FOLLETTE. I do.

Mr. LA FOLLETTE. I do.

Mr. SMOOT. In looking at the Statistical Abstract of the United States as to the yield per acre of wheat in the United States, I find that in 1908 it was 14 bushels; in 1909, 15.8 bushels; in 1910, 13.9 bushels; in 1911, 12.5 bushels; and in 1912, 15.9 bushels. That is as the abstract gives the figures.

Mr. GRONNA. Mr. President, I shall occupy the time of the Senate for only a few minutes further. I wish to thank the Senator from Wisconsin for the valuable information he has furnished the Senate. As I said a few moments are I shall.

furnished the Senate. As I said a few moments ago, I shall modify my amendment in accordance with the figures which the Senator from Wisconsin has stated to represent the difference between the cost of production in foreign countries and in the United States.

I said a few moments ago that I would furnish the Senate with some information in regard to the present prices of wheat in the United States and in Canada, but I have drifted away from that. I feel that I ought to present the information I

have for the benefit of the Senate.

I thought I knew, or was reasonably sure, that the Canadian farmer received no more for his wheat, quality against quality, than the American farmer. Of course we know that Canada had a surplus of wheat, for she raised about 200,000,000 bushels in 1912, and having only about 8,000,000 population she can not possibly consume over 50,000,000 bushels, or one-quarter of the crop. So it is obvious that three-fourths of the crop must be exported. It is true that with a crop of 730,000,000 bushels in the United States we are this year exporting wheat, more wheat than we have exported for a number of years.

Referring again to the price, I want to read a letter from a gentleman who deals in bonded wheat, Canadian wheat. He has a small elevator near the boundary line at a place called Sarles, N. Dak. The name of this man is George McLean. He says:

N. Dak. The name of this man is George McLean. He says:

I suppose they will refer to the Canadian markets, which will show, if anything, a higher price than ours during the last year; but it is not true that the Canadian farmer gets a higher price for his wheat than the American farmer. Last season I handled a lot of Canadian wheat in bond. It was graded at Duluth by a Canadian inspector. Without looking my books over, I would judge that 10 per cent of it graded No. 3, none higher; 40 per cent No. 4, and the balance a lower grade, which I feel sure would average from 15 to 18 cents lower than the same wheat sold for on this side.

This letter is from a gentleman who lives in an American town where American wheat is sold, but, of course, he buys

exclusively Canadian wheat.

I wrote a letter to a firm in Duluth on this subject. I do not like to give the names of concerns engaged in the business, I feel that perhaps I should do so, because otherwise it might be thought that the letter was anonymous. I wrote a letter to McCabe Bros., grain merchants, Duluth, Minn., and I have their reply under date of August 6, 1913. The letter savs:

I have their reply under date of August 6, 1913. The letter says:

We have your favor of August 4, which reached us to-day, and note your inquiry in regard to the Winnipeg quoted prices on wheat being higher than Minneapolis and Duluth for almost a year. We note what you say about Canada not having produced sufficient 1 and 2 northern wheat last year to meet their home requirements.

In reply would state we handled last season quite a large percentage of 2 northern wheat and some 1 northern, but our receipts were largely 2 and 3 northern wheat, with a fair amount of No. 4. We sold quite a large amount of this wheat during the months of March and April to be delivered in Duluth or Superior with the opening of navigation. We sold the 2 northern wheat on the basis of about 2½ cents under the quoted price of Winnipeg May wheat. The 3 northern we sold largely at 6 cents under the quoted price of Winnipeg May wheat.

We give you this information so as to help you to understand the situation. The contract grade in Winnipeg is 1 northern wheat; 2 northern applies on contract at 3 cents discount and 3 northern at 8 cents discount. No other of the lower grades apply on contract except so specified, but the rules of the Winnipeg exchange make the difference that 2 and 3 northern apply on future contracts. You can see by the differences than what the contract prices were calling for, especially on the 3 northern.

The real cause of the Winnipeg prices being above the American prices—that is, above the Minneapolis and Duluth prices—is that the Canadian grades are a higher standard than the Minnesota grades. The Canadian 2 northern would largely pass without any question as the Minnesota 1 northern, and quite a percentage of the Canadian 3 northern would pass as the Minnesota 1 northern. The foreign buyers take the Canadian 3 northern in preference, but not at very much of a premium; so this largely explains why the Winnipeg prices are above Minneapolis and Duluth prices, their standard of grades being considerably higher th

largely the cause of manipulation, only the higher grades applying on open contracts. The present prices for spot wheat in Winnipeg, we consider, is largely a question of manipulation, as we believe it is above an export basis; but, as stated, throughout the shipping season the Canadian wheat would sell at fair premiums over the Minnesota

the Canadian wheat would sell at lair premiums over the animal grades for export.

We hope we have made the matter quite plain to you, and if you desire any further information please write us, and we will be glad to go further into the question, as the situation does change from year to year and shows different conditions to confront.

I knew that Canada produced a sufficient amount of No. 1 wheat to supply at least her own market, but I wrote my letter in order to bring the answer which I received.

That shows, quality considered, that the Winnipeg or Canadian farmer has not received a higher price for his wheat than the American farmer. The Minnesota grade is made by a board of inspectors appointed by the governor of that State.

The grades are not made or fixed arbitrarily by any board of trade, as is being done in Winnipeg.

Referring again to the reciprocity treaty, I want to say that the men who appeared here before the Finance Committee presented what I think were facts which showed conclusively that in certain years, when consumption equaled or nearly equaled production, the American farmer had received some benefit from the duty on wheat. The Senator from Mississippi [Mr. WII.-LIAMS] was then a member of that committee, as he is now, and I think he will bear me out in my statement. As I said, we had a delegation from our State consisting of Joseph M. Devine, Treadwell Twitchell, R. T. Kingman, ex-Gov. Searles, and Mr. N. G. Larimore. Minnesota sent a delegation here, one of whom was Mr. P. V. Collins, who, while he is the publisher of a newspaper, is also a farmer, and is, I believe, well qualified to speak for the farmers. He testified to practically the same thing that the North Dakota farmers testified to. Col. Wilkinson, a man of excellent ability, who for many years was chief counsel for the Great Northern Road and who is now a farmer, appeared before the committee, and his testimony was, in substance, that if that agreement should go into effect the farmers of the two Dakotas and Minnesota would lose in a single year \$40,000,000. Those who know Col. Wilkinson will not say he is apt to make any rash statements.

I make these observations simply to show that what I have stated in the Senate has been based upon an honest belief, and not for the purpose of manufacturing anything either for home consumption or to mislead anybody in this country. I may be mistaken in my conclusions, but I am sincere in my belief that it will be a mistake to adopt an industrial policy that will place the basic necessities of life, the articles of food, upon the free

list.

I have said on this floor on former occasions-and I think perhaps the Senator from Mississippi and I agree on that more so than many of the other Senators in this body—that I do not so than many of the other Senators in this body—that I do not believe we can maintain a half-hearted policy. If we are going to have free trade in certain industries, I believe the ultimate result will be that we must extend free trade to all the industries of this country. The duty which has been levied upon barley in the pending bill, I am free to admit, is a protective duty. It gives the farmer a protection to the extent of 15 cents per bushel. The same is true with regard to flax, but most of the articles produced on the farm are placed on the free list.

The industrial conditions are such that this country can not hope to succeed on the half-hearted policy of half free trade

and half protection.

Mr. President, I have taken more of the time of the Senate than I expected to do, but before I take my seat I wish to ask unanimous consent to have published in the RECORD in connection with my remarks a table which treats on the question of

The PRESIDING OFFICER (Mr. ASHURST in the chair). The Senator from North Dakota asks unanimous consent to print as a part of his remarks a certain table on wheat. Is there objection? There being no objection, it is so ordered.

The matter referred to is as follows:

WHEAT.

Canadian rates: Wheat, 12 cents per bushel; wheat flour, 60 cents change rates: Wheat, 12 cents per bushel; wheat flour, 60 cents per barrel.

Payne rates: Wheat, 25 cents per bushel; wheat flour and semolina,
Dingley rates: Same as Payne rates.

Wilson rates: Wheat, 20 per cent ad valorem; flour, 20 per cent

Imports, 1912.	Quantity.	Value.	Revenue.
Wheat bushels. Wheat flour barrels. Semolina pounds. Wheat screenings	1,408,982 160,197 54,868	\$988,014 665,778 1,725 231,083	\$352, 245, 46 166, 444, 52 431, 25 23, 108, 28

Exports, 1912: Wheat, 30,160,212 bushels; value, \$28,477,584. Wheat flour, 11,006,487 barrels; value, \$50,999,797.

wheat production in 1912.	Dusneis.
In all countries for which statistics are available	_ 3, 759, 533, 900
United States	730, 267, 000
Canada	199 238 000
Argentina	166 190 000
Austria-Hungary	_ 257, 347, 000
Buigaria	45, 000, 000
brance	_ 334, 871, 000
Germany	_ 160, 224, 000
Italy	165 720 000
Roumania	88 924 000
Russia in Europe	_ 623, 728, 000
Russia in Asja	_ 103, 283, 000
Spain	109 788 000
United Kingdom	_ 59, 409, 000
British India	366, 370, 000
Australia	
Production of principal wheat-growing States	
Pennsylvania	_ 22, 320, 000
Ohio	9, 760, 000
Indiana	_ 10, 080, 000
Illinois	9, 819, 000
Michigan	7, 000, 000
Minnesota	
Iowa	_ 12, 850, 000
Missouri	_ 23, 750, 000
North Dakota	143, 820, 000 52, 185, 000
South Dakota	_ 52, 185, 000
Nebraska	55, 052, 000
Kansas	92, 290, 000
Texas	11, 025, 000
Oklahoma	_ 20, 096, 000
Montana	_ 19, 346, 000
Colorado	
Idaho	
Washington	
Owners	01 010 000

Wheat production in 1912.

	Wheat.		Wheat flour.	
	Exports.	Imports.	Exports.	Imports.
Argentina Australia Australia Austria-Hungary Belgium Brazil British India Bulgaria Canada China Crina France Germany Italy Netherlands Roumania Russia Spain Switzerland United Kingdom United Kingdom United Kates	11, 390, 400 46, 170, 743 67, 658, 882 144, 795, 697	Bushels. 4, 901, 024 82, 191, 689 16, 933, 027 78, 755, 778 91, 429, 680 43, 300, 144 58, 569, 927 6, 764, 525 16, 142, 122 182, 352, 177	Barrels. 1, 332, 726 1, 794, 805 122, 422 750, 100 581, 064 755, 907 3, 542, 124 192, 539 1, 820, 238 190, 584 455, 452 1, 354, 580	### Barrels. 47, 406 1, 645, 630 1, 485, 063 135, 406 172, 035 2, 241, 574 515, 082 5, 681, 535

Mr. WALSH. Mr. President, in the course of some remarks which I had the honor to address to the Senate a few days since I was interrogated by my esteemed friend the senior Senator from South Dakota [Mr. Crawford] in relation to the significance of certain figures which he quoted, said to have come from the report of the Tariff Board, showing a disparity during the year 1910 between the prices of wheat and barley in the Province of Saskatchewan and in the State of Montana, the advantage being in favor of the Canadian Province.

The inquiry was quite aside from the line of argument which I was then pursuing. I have not since had an opportunity to examine the figures. I made inquiry at the document room, and was informed that no report had been made by the Tariff Board upon the agricultural schedule. The Senator, however, has been kind enough this morning to call my attention to the source of his figures. I shall probably address myself to them a little later on.

I take this opportunity, however, Mr. President, of saying that no just deduction, as a matter of course, can be drawn from any disparity that may exist between prices in this country and a Canadian Province in any one single year, because in every famine year—that is to say, in every year in which the production in our country falls below the normal—there will obviously be an advantage in favor of our producers. So it signifies nothing, even though in price the disparity did exist on the occasion referred to.

Much of error follows from arguments based upon statistics applicable to a single year. Thus you will observe, if you go back a year or two, that there was a deficiency in our production of oats, and there was consequently a very large importaiton from the Canadian Provinces. Every year in which you find the importation to have been great, on turning to the record of production you will find that it was low here.

This matter received some consideration in the course of the debate upon the reciprocity question from the junior Senator from the State of Michigan [Mr. Townsend]. I shall take the liberty, with the permission of the Senate, to read in this connection from a speech delivered by him in the Senate on the 27th day of June, 1911. He was combating the idea that the farmer would lose anything whatever by the free introduction of wheat from Canada to this country, and he was meeting just such figures as have been offered by the esteemed Senator from South Dakota [Mr. Crawford] and the distinguished Senator from North Dakota [Mr. GRONNA], to whom the Senate has been listening. He said:

During the last 19 years wheat has fluctuated in price in Canada and in the United States. In 1890, 1891, 1897, 1899, 1902, 1903, 1904, 1905, 1906, 1907, and 1909 wheat was higher in the United States than it was in Winnipeg. In some of those years the difference was negligible. During the years 1892, 1893, 1894, 1895, 1896, 1900, 1901, and 1908 wheat was higher in Winnipeg than it was in Chicago. This shows that during 11 of the last 19 years wheat averaged higher in the United States than it did in Canada, and during 8 of those 19 years it averaged lower in the United States than in Canada. Now, if we apply the standard heretofore mentioned and say that the United States farmer would have lost on his wheat during the designated 11 years when wheat was higher in the United States than it was in Canada, if the United States tariff had been removed, shall we not be obliged to apply the same doctrine, per contra, and assert with equal certainty that he would have gained during the 8 years when wheat was higher in Canada than it was in the United States if the Canadian tariff had been removed?

The senior Senator from North Dakota [Mr. McCumerel] in-

The senior Senator from North Dakota [Mr. McCumber] invited the attention of the Senate some time since to the fact that for the last year or two wheat has ruled higher in this country than in Winnipeg. I, on my part, invited attention to the fact that for the last three or four months the ruling prices have been very considerably higher in Winnipeg than they have been in Minneapolis, Duluth, or Chicago.

But, Mr. President, there is another consideration in connec-

tion with this matter to which we may very properly devote our attention. It is asserted quite confidently by gentlemen now and then that whenever the tariff is removed, the price being assumed to be lower in Canada than in this country, our prices must necessarily fall to the Canadian level. That, as a matter of course, no one will care to assert who gives serious consideration to the question at all.

If you take two vessels, the one of very great capacity and the other of very inferior capacity, the level in the latter being the higher, and allow the water to flow freely from the one into the other through a pipe connecting them, who will assert that the level in the vessel of greater capacity will ascend to the original level of the one of lesser capacity? As a matter of course, the ascent in the one case and the descent in the other will be proportioned generally inversely to the relative capacity of the two vessels.

So, Mr. President, the production in this country being vastly greater in all cereals than that of Canada, even though a reduction would ensue, it would not by any means reach the level of the lower Canadian price, assuming it to be lower generally.

That idea was very forcibly and trenchantly expressed in the course of some debate by the senior Senator from the State of Ohio [Mr. Burrow], whose words I take the liberty to quote as they are found in the report of the debate on the 5th day of July, 1911. He said:

July, 1911. He said:

One fallacy which has received strong support in the debates upon this proposition is the claim that when prices are lower in a contiguous country free interchange will result in a fall to the same level of prices in the larger country across the boundary line. But quite to the contrary, in such cases there is an inevitable tendency toward an average of prices determined by the relative supply in the two countries. Take, for example, the case of wheat. The production in Canada for the year 1910 was 150,000,000 bushels; the United States produced 737,000,000 bushels, or very nearly five times as much. The aggregate production of the two countries is an essential part of the world's supply, nearly one-third of the world's entire production. The removal of the barriers between the two countries must mean a like scale of prices in the two countries. If the Canadian price is lower, it will rise very nearly in the inverse proportion which it bears to the total product of the two countries—five-sixths in the United States and one-sixth in Canada. That is, if wheat is 12 cents higher in the United States than in Canada, her price will be lowered only one-sixth, or 2 cents.

Evectly the same idea Mr. President was likewise expressed.

Exactly the same idea, Mr. President, was likewise expressed by the distinguished Senator from Michigan [Mr. Townsend], whose words I had the honor a while ago to quote, in the following language:

But, Mr. President, the opponents of this measure base their prophecies of disaster to the farmers upon the proposition that Canadian prices are lower than United States prices, and wheat is the overworked item of illustration. Now, I can see no good reason for arguing that because prices are higher in one country than they are in another therefore the country of higher prices will be injured by a removal of dutles. Some have also contended as though it was the business of the Government to insure selling prices. When before did the advocates of protection ever publicly announce that a tariff was inaugurated to increase prices? When infant industries which ought to have been established in this country were seeking to establish themselves it was the policy of the Republican Party to afford protection against the stronger and

better organized institutions abroad, and under those circumstances the Government was properly generous, but when such industries here have become established, then no one has intelligently urged that a duty should be retained for protection except in cases where, by reason of higher wages paid and other greater legitimate expenses incurred, the cost of production to our producers was materially greater than the cost to our competitors, and I at least have always had in mind that this system would induce competition among our producers which would eventually cheapen products to the consumer. And it has done so.

In other words, I have believed, and I still believe, that we should protect those, and only those, of our home industries which should exist here in which the legitimate cost of production is materially greater than it is with their competitors, and then only to the extent of the difference in such cost, and this means that cost and not selling price is the basis for fixing tariffs.

Likewise, Mr. President, the very distinguished and able

Likewise, Mr. President, the very distinguished and able senior Senator from the State of Iowa [Mr. Cummins], whose discussion of these matters is always illuminating, said in the course of the same debate that there was something about the breadstuffs of a country which forbade that the prices of such should be raised by the imposition of any duty. For accuracy I quote his language. On the 28th of June, 1911, he said:

Mr. President, I differentiate very sharply between what will probably happen and what ought to happen, but I think it is probably true that there is something that clusters around the foodstuffs of a country which precludes raising their price materially by means of a tariff.

Although I was unfortunate in not hearing all the remarks made this morning by the distinguished Senator from the State of Wisconsin [Mr. La Follette], I gathered from him that he entertains exactly the same idea, and that although he is in favor of the imposition of a duty of 6 cents a bushel upon wheat, it is not in the hope or expectation that it will elevate the price to the farmer, but rather that it is in the nature of what has been sometimes called a sentimental tariff, which would disarm opposition which might otherwise be engendered against the bill.

Therefore, Mr. President, it does not seem to me to follow at all, because there should be some disparity between the prices of cereals in this country and in Canada, that a tariff is necessary or that it will do the farmer one iota of good.

Mr. CLAPP. Mr. President, the remarks of the Senator from Montana [Mr. Walsh], who has just resumed his seat, will form the text for some remarks that I desire to make upon the subject of tariff revision.

I shall not at this time discuss the pending bill at any length. The situation in which we find ourselves with reference to the subject of wheat suggests to my mind that it may be proper to say something on this floor which may go to the country at large and possibly have some effect, because it is one of the striking peculiarities of this situation that almost every Senator who has addressed the Senate upon this tariff bill has practically admitted that nothing he could say would have any effect upon the bill itself. That is either an admission of the inability of the Senators to frame an argument which will command respect or it is an admission of a condition that makes a farce of debate, no matter how thoroughly equipped the debaters may be upon the subject under consideration. It is about that in connection with this very wheat schedule that I propose to say something this afternoon.

First, it is important to consider the character of legislation which is the subject of the discussion. There was a time in this country when there were three views upon the tariff. One was of a protective tariff, the other was free trade, and the other was the theory of a tariff for revenue. Primarily and early in the history of the controversy in this country the expression "a tariff for revenue" was used with reference to a duty upon those things which the country did not produce and consequently the tariff could afford no protection to it. A duty upon tea or coffee would be a strict revenue tariff.

Sir, in view of all that has been said as to a protective duty being a burden, there perhaps was some justification for the original idea of a revenue tariff, because under a strict revenue tariff placed upon those articles which were not produced here no one derived a benefit from that duty save the Government, and while it brought in by indirection revenues more likely to be squandered with a lavish hand than those revenues brought directly from the pockets of the taxpayers, it perhaps was justifiable.

In the course of time that great body of our people who denounced protection discovered that the protective policy in some form had got to be recognized in this country, and so there was a shifting from the original theory of a tariff for revenue upon noncompetitive articles to the placing of a revenue tariff upon competitive articles with incidental protection.

Sir, I have no hesitation in saying that that is a system absolutely indefensible, absolutely vicious, and for this reason: Every man, whether he be Republican, Progressive, or Democrat, must admit that to-day under the trust condition of this country, differing from what it was when there was competition in the country, a duty placed upon competitive articles is carried into the articles produced behind the protective wall. That being true, then, under that theory, a revenue tax is a tax where the Government gets \$1 and some private individual under the protection of the tax itself gets somewhere from \$5 to \$10. The estimates upon that subject, of course, differ.

Mr. SHIVELY. Mr. President—
The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from Indiana?

Mr. CLAPP. Certainly, Mr. SHIVELY. Does not that characterize only in an ex-

aggerated degree any purely protective duty?

Mr. CLAPP. It does, sir; and that is the very point I am coming to, that either you must justify protection as a separate, direct, economic proposition or you must reject it in toto.

Mr. President, I will illustrate what I am saying of the

iniquity of a revenue tariff covering articles of competition, and from now on, that I may not have to repeat, where I speak of a revenue tariff I shall speak of the modern idea of a revenue

tariff placed upon competitive articles.

Last summer, I think it was, the gentleman who was conducting Mr. Taft's campaign issued a statement to the people of the country in which he showed the total amount of tariff revenue received at the customhouses of the Nation. I do not just recall the figures. It seems to me it was about \$500,000,000, which, divided by the accepted population of the country, left something like \$7 or \$8 to each individual; and he closed that statement with the suggestion, "Is there any patriotic citizen who would object to contributing seven or eight dollars a year toward the unparalleled prosperity of the United States?

Every Republican, every Progressive, and every Democrat ridiculed the idea that a man in this day and age could force upon the American people a belief that the only tax they bore by reason of a protective tariff was the tax paid at the customhouses. His statement was attacked from one end of this country to the other, and especially by our Democratic friends, and justly attacked. It was, sir, almost an insult to the intelligence of the American people to try to make an American citizen to-day believe that his only contribution under the protective tariff upon competitive articles, and they must be competitive if they are protected, is the little paltry sum that is collected at the customhouses.

Four years ago, I think it was, sitting here in my seat, I listened to an argument from the lips of the senior Senator from Georgia [Mr. Bacon], in which he went on and gave the figures to show the vast sum that private individuals and corporations collected from the people through a protective tariff as against the small sum that the Government received from the

protective tariff at the customhouse.

Now, that being true, Mr. President, it does seem to me that unless you recognize protection as a basic principle it is absolutely indefensible to tax the American people under a system where the Government gets only about one dollar from every six or seven dollars; and I commend the sentiment of the Senator from North Dakota [Mr. GRONNA] that sooner or later we have got to accept one horn or the other of this dilemma.

Mr. WILLIAMS. Mr. President—
The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from Mississippi?

Mr. CLAPP. With pleasure.

Mr. WILLIAMS. Does not the Senator from Minnesota recognize the fact that it must be later, and materially later? In other words, does not the Senator from Minnesota recognize, as a man of common sense, that although every line of what he has said is right, and although it is absolutely indefensible to have a tax system under which a part of the profits of the tax goes into the private pockets of individuals, nevertheless, having found a false and artificial condition to be amended and to be cured, no man of common sense would undertake to cure and amend it over night? In other words, if a man lived in an old house, a bad one, and wanted a new house, he would not blow up the old house with dynamite regardless of the inhabitants in it, but would, little by little, build a new house in place of the old one.

Mr. CLAPP. Yes; but while he is doing that-Mr. WILLIAMS. Now, one word more.

Mr. CLAPP. I will wait.

Mr. WILLIAMS. Does not the Senator recognize that even if the fight must ultimately come between free trade and protection, or protectionalism as I prefer to call it, that fight can not come right now, and that it is absolutely impossible to have a logical principle running through a bill which is an amendment of the present existing heterogeneous fiscal laws of the United States.

There is one more thought to be added to that. The Senator is very right in saying that a purely free-trade bill is a bill to lay import duties only upon noncompetitive articles; that a purely protectionist bill is a bill that puts duties only upon competitive articles, and that everything between those two is neither the one nor the other, whatever else it may be; and he is perfectly right in saying that in the early history of this country when we were a few little undeveloped States on the Atlantic coast there was a possibility of raising revenue by putting duties entirely upon noncompetitive articles, but to-day, stretching, as we do, from the Arctic nearly down to the Tropics, with California added, and Florida and all the balance of this great country from the Atlantic to the Pacific coast, we could not, to save our lives, find enough articles that were noncompetitive upon which to raise the amount of money that the Government needed. There is nothing that is noncompetitive with something we grow or make except the products of the Tropics, not even of the semi-Tropics, and perhaps a few furs from the far

Mr. CLAPP. The Senator has saved me considerable time, because the next step in my argument was to demonstrate that everyone to-day recognizes the necessity under one guise or another for a protective tariff. But before reaching that I want to take up the Senator's illustration of the house. the man ought to remain until he has another, but he ought not to take the old house as something that he can put before his neighbors as a necessity for help from them to build a new house when he is abundantly able to build a new house.

My objection to cloaking yourself behind the revenue-tariff proposition is that the man who stands out boldly for a protective tariff stands in the open, and if he goes too high, he can justly be condemned as sustaining a monopoly, while the man who is in the twilight zone of tariff for revenue may consciously or unconsciously—and I do not charge that it is all consciously done—but he may, he is prone, to insist upon duties that he otherwise would not insist upon if it were not that he is behind the shield of tariff for revenue.

There is something in the whole system of tariff itself that makes men cowards and which tends to dishonesty; and there is no phase, in my judgment, of the tariff situation that is so apt to produce that condition of mentality as for a man to shelter himself behind the shield of tariff for revenue. The man who stands for tariff protection stands out where you can attack him and attack his motive if he goes too high, but the man who stands for tariff for revenue, whether his motive be good or bad, his motive is beyond the reach of attack.

Mr. President, returning to what I said of the remarks of the Senator from Mississippi to-day, whether you call it tariff for revenue, protection, or whatever you call it, I think every man concedes that, for the time being at least, tariff bills must be framed with reference to their effect as protection, as de-clared in the Democratic national platform, "so framed as not to disturb business." There could be but one conclusion drawn from that declaration, and that was, call it what you may, the tariff would be so framed that it would not strike down an industry that could not stand without it.

It goes without saying-and certainly no Democrat will controvert the statement-that without any declaration whatever they stood against raising a duty where it was unnecessary to raise it. If that statement is correct, and I believe it is, it can be shown from the declarations of Democratic Senators; it can be shown by the very question which the Senator from Mississippi asked me; it can be shown by the Democratic If that statement is correct, then I submit, Mr. President, that it follows by the sledge-hammer logic of sequence that a tariff bill should be framed in a spirit of justice to all sections of this country. We have become so large, our interests are so numerous, our climatic productive conditions are so varied, that any bill framed in a spirit of justice and fairness must be framed with reference to the interests of the entire I do not believe any man will dispute that proposition.

The next proposition I make goes directly to the fundamentals of democracy, not only as a principle, but also as voiced by the party which has that name. Mr. President, no matter how good I may be, no matter how kindly disposed I may be, in that association called government the only way that you can get your just recognition is to have a voice in that equation.

That is fundamental, and no man can get away from it; it is democracy as a principle, and it is democracy as a political declaration.

This being true, I undertake to say, sir, that the system which has prevailed in the past-and surely no man can charge me with partisanship to-day, for I stood by this same desk and denounced this same system four years ago-the system which has prevailed and does prevail to-day is undemocratic considered from the standpoint of the principle of government or the attitude and declarations of a political party.

Mr. President, no matter how good or how pure the motives of the Senator from Maine [Mr. Johnson] may be, in order that the State of Wyoming shall have her fair distribution in the benefits of the association of government it must be admitted that Wyoming must have representation in that distribution. It is no reflection upon the Senator from Maine; it is based upon the eternal principle that, in the inherent weakness of human nature, the only way that men can have their rights is to be clothed with power in the distribution of the benefits of the association from which the rights are derived.

If that be true-and I do not believe any Senator here will gainsay it-let us take and analyze the genesis of a tariff bill, whether it be the Payne-Aldrich bill or the pending bill. party makes a declaration. The Republican Party in 1908 declared in favor of a tariff that should measure the difference in the cost of production between this country and abroad.

WILLIAMS. Plus a profit.

Mr. CLAPP. Plus a reasonable profit, which meant absolutely nothing, because both men, if they remain in business, must somewhere secure a reasonable profit. Why that was put there the Lord in his infinite wisdom only knows, for if there ever was an absolutely meaningless expression it would be in an economic discussion to say that each person must be entitled to a reasonable profit. Men will not continue long in business without it

Mr. SHIVELY. Mr. President, was not that declaration in favor of a reasonable profit plus all the costs of the difference between production at home and abroad the real substance of

that plank of the Republican platform?

Mr. CLAPP. Well, that is just what I am going to discuss, that the American people never clothed former Senator Aldrich nor any two or three Senators with the authority to say what that plank was. They sent a number of men to this Chamber to interpret that plank. That plank was adopted; it was the voice of a great political party. We come into the Senate Chamvoice of a great political party. We come into the Senate Clber here with a proposed tariff bill, and what do we find? find the chairman of the appropriate committee-who in that instance was a Republican chairman and in this instance a Democratic chairman—gathers a few of "the faithful" about him, who finally agree practically on a tariff bill. Then he must have a majority of the majority side of the committee, and he must give something here and there to get that.

Mr. SHIVELY. Mr. President—

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from Indiana?

Mr. CLAPP. Certainly.
Mr. SHIVELY. Who does the Senator from Minnesota mean when he says "a few of the faithful"? That is a very vital point in the discussion.

Mr. WILLIAMS. We submitted this bill to all the faithful in

caucus.

Mr. CLAPP. Oh, I will get to the submission, and I will describe the bloody encounter there the night their own caucus was held, when I looked in vain for an ambulance corps. I mean a faithful few" one of two conditions, either those who are bound so closely to the chairman as to be coordinated with him in sympathy, or those who in their environment may be forced to a coordination of sympathy and purpose with the chairman. The chairman gets this handful, with here and there a sacrifice of something to some individual; he finally gets a majority of the majority, consisting, perhaps, of six or seven Senators, and, lo and behold, the party has spoken! The party pledge as interpreted by five or six men must be kept at every hazard. Of course, getting this majority of the majority brings the majority side into line, and from that time on there is no more question; to cross a "t" or to dot an "i" is party

Then a caucus is sometimes held. Four years ago the grip of Senator Aldrich upon this organization was such that he did not even tender us the compliment and farce of a caucus, having sufficient power in the committee to make that dominating as a party measure; but sometimes caucuses are held.
Mr. SMOOT. We never held caucuses.

Mr. CLAPP. Well, there has not been a caucus, I think, among the Republicans for-some time. I would not attend a cut-and-dried caucus of any party. Much as I prize my seat in this body, I will never consent to sacrifice the convictions, the purposes, and the interests of my constituents by putting my neck into the yoke of a cut-and-dried caucus; and I am not going to discuss other kinds of caucuses, because there are no other kinds of caucuses.

A caucus is held, and then the caucus must stand by the committee. The committee started with just a bare majority of made and grow. The trouble is that we ought not to regard

a majority, declaring a party policy, carrying the caucus with them until the bill comes into the Senate, and from that time

on no man must raise his voice against it.

I have heard a great deal about the awful, sanguinary struggles that take place in some of these caucuses. I have seen no evidences in canes, crutches, or other implements used by disabled individuals in getting about; I have seen no signs of disfigurement that would seem to follow in the wake of such a

fight as I have sometimes heard detailed.

Mr. President, the fight that two or three men make against a cut-and-dried party caucus reminds me of an incident that occurred when I was a boy. We had a man in our town, one of the last of that type of giants who in the days of the keelboats were so plentiful in the Middle West, a great, powerful man, so powerful that when one day a man tried to shoot him with a rifle he took the rifle away from him, naturally grabbed it by the muzzle, and actually swung it about a live oak that stood near and bent the rifle barrel. The old man had a boy about 12 years old. The boy's name was Dan. One morning Dan came to school, and I noticed that he had evidently put in a sort of hard night. I asked him what the matter was. He said, "You ought to have been down to the house last night. The old man and I had the goldarndest fight you ever saw in your life"—a 12-year-old boy fighting a giant who could whip a rifle barrel about an oak tree! I am reminded of that when I hear of these fights that are made in caucuses.

Mr. President, here is what I am coming to, that it is undemocratic in principle and politically. By this process you not only absolutely eliminate from all consideration in this bill the representatives of those States who are not of your own party, but you practically disfranchise the representatives of your own party. In framing a bill affecting the interests of 90,000,000 people, under a theory of government, coordinated and worshiped by the Democratic Party, which gives to each State its two Senators, the Senators from these States are

disfranchised.

Four years ago the great State of Iowa, a Republican State, had no more voice in framing the Payne-Aldrich tariff bill than had the State of Alabama, and less than had the State of North Carolina, because under a condition of disinclination to wear yokes which then existed among certain gentlemen on this side it was necessary sometimes for the Republican leader to get some votes outside the camp to sustain the party measure. The Democratic Party has not found itself put to that stress as yet;

but I want at this point to refer to another matter.

During the consideration of the Payne-Aldrich bill certain Senators who were in the Republican Party made up their minds that neither Mr. Aldrich nor the President nor any other coterie of men were the party; that the party was that mass of the electorate stretching from one ocean to the other, and that they should be heard through their representatives in the equation out of which a tariff bill for 90,000,000 people should come. They labeled us by various designations; but what I was going to remark was that at that time there was a tendency on the part of some of our good Democratic friends to eulogize that character of heroism which would warrant and sustain men in running counter to the dictates of a few political party leaders. It occurred to me then that that would be something that would come home to roost some day, because, in the passage of that bill, in the iniquities of that bill, which while we were fighting the trusts of this country, contained a proposition to tax, corporations for the privilege of being corpora-tions, and then exempted the worst form of corporations, the trusts and holding companies, anyone could see then that, unless that body of men of which the then chairman of the Finance Committee was a type, could be presented to the American people as disassociated from the Republican Party, the Democratic Party in four years would revise the tariff. That was the logical sequence, and those to-day who regret and deplore the fact that the interests of this country are menaced by a Democratic revision have only to thank the men who, with ruthless hands, drove a bill through the Senate and through Congress which caused the American people to revolt.

As I anticipated al! that four years ago, it was easy to see then that, if there came a Democratic majority, some of our Democratic friends who had so applauded this particular phase of heroism that results in defying party leadership, might be very seriously embarrassed in their own situation; and I am afraid before the completion of this bill, when we get to a provision which I am yet to discuss, we are likely to meet that

embarrassment.

Mr. President, of course we have parties; we are bound to have parties. Men who believe along a general broad line of opinion coordinate themselves together, and thus parties are

party as a master nor as a fetish; parties should be one of the instrumentalities of free government and not one of the weapons with which every fundamental principle of free government may

be defeated in defeating representation.

I speak of representation; and we hear a great deal said today about representative government. There never was and there never will be such a thing in this country as representative government per se; that is, it always comes second; it comes as a sequence. Representative government did not give birth to democracy, so far as our people have progressed along the lines of democracy, but in their moving along the line of democracy representation came as an incident; in other words, 90,000,000 of people can not meet in this or any other assembly and frame or pass a tariff bill; they must send representatives, not that representation is at the basis of the theory of government, for it is a mere incident to the theory of free government and democracy. So, when I use the terms "deprived of representation" and "defeating representative government" I employ them in that sense.

Recognizing, then, that the tariff must under any phase that you may choose to name it, for the present at least, recognize the principle of protection-

Mr. WILLIAMS. Oh, no.
Mr. CLAPP. Well, "involve protection," if the Senator quarrels with the use of the term "recognize."
Mr. WILLIAMS. That is a great deal better.

Mr. CLAPP. The Senator will agree with me, however, that in the involved protection there ought to be an effort to make it just and fair to all sections and to all the people.

Mr. WILLIAMS. Mr. President-

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from Mississippi?

Certainly.

Mr. WILLIAMS. I think the Senator has used the right word. Any tariff bill must necessarily, confronted with the conditions with which we are now confronted, involve a certain degree of protection, and whether you call it protection for itself or protection incidentally makes no difference. But I do not like to talk about distributing benefits; I would prefer to say burdens.

Mr. CLAPP. The benefits and the burdens should be fairly distributed.

Mr. WILLIAMS. One moment. Our duty, from our standpoint, is to make it involve just as little protection as we can. The Senator a moment ago exposed, with a power of analysis that is admirable, the viciousness of protectionism, in that for every dollar that it gives to the people in the aggregate in their Treasury by taxing the people individually it gives another dollar, or, perhaps, many more dollars, to some other individual by taxing the rest of the people individually for a special benefit

Mr. CLAPP. Somewhere between five and ten dollars. Mr. WILLIAMS. Whatever it is depends upon the particular

rate and the particular product.

Mr. CLAPP. Yes; on the rate and the article.

Mr. WILLIAMS. The Senator has exposed that which is the cardinal, fundamental vice of the whole system; and yet it seems to me that he is about to draw the inference that, when there is less of the vice of protectionism in one bill as compared with another, the bill with the least vice in it is the most vicious because it is the least logical. That, I confess, I do not understand.

Mr. CLAPP. I have not reached that point, have I?

Mr. WILLIAMS. No; but the reason I said that was this: The Senator has said that a bill that was drawn up upon purely protective ideas could be defended and that a bill which involved items of protection without being drawn on the protective principle could not be defended, or, so I understood him to say, in substance

Mr. CLAPP. I did not say so. I did not say that a bill drawn up on purely protective lines could be defended, although for the present it would have to be borne with. What I said was that when a man stood for protection, if he would not be fair, you could attack his motives, while you could not get at the motives of the man who shields himself behind a tariff for revenue.

Mr. WILLIAMS. What led me to that conclusion was this: I understood the Senator to say that the only two kinds of tariff bills that could be defended were a bill drawn upon free-trade lines taxing noncompetitive articles and a bill drawn upon protective lines for the purpose of protection.

Mr. CLAPP. Yes; dealing with the fundamentals. Mr. WILLIAMS. The Senator says that a bill drawn upon protective lines for the purposes of protection can be defended, whereas a bill drawn for the purpose of getting as far as pos-

sible away from protective lines, whose protection, as nearly as you can make it, confronted with the actual conditions, is purely incidental, can not be defended.

Oh, Mr. President, I did not say it could not be defended; I said the vice of it is that if you plant yourself upon the proposition that it is for revenue, ignoring protection, you are taxing the people millions for the thousands the Government receives, and that there is a temptation all the time to shield oneself behind the claim of tariff for revenue.

Mr. WILLIAMS. If that is all the Senator means, I agree with him about that. I, for one, have never said, and will not say, that this bill or any bill that we could draw up now-and everybody knows that I could not help saying that in ordinary frankness—that neither this bill nor any bill that we could draw up now should übernacht, as the Germans say, overnight, undertake to rush down a waterfall from one level to another; no bill could possibly be drawn up so as not to involve any protection at all. Therefore, I have never said, and do not propose to say, that this bill is clear through, from beginning to end, a tariff for revenue only. All I have said is that it goes as far in that direction as we dare to go without-being confronted as we are with actual conditions-destroying men who have been put by the Government in a position where they must be ruined or else gradually permitted to come down. If a man is a hundred feet high, you can go up and let him down gradually, but if you go up and thereby pitch him down you will kill him

Mr. CLAPP. Nobody is contending for pitching him down. Mr. BORAH. Mr. President—

The PRESIDING OFFICER. Does the Senator from Minnesota yield to the Senator from Idaho?

Mr. CLAPP. I yield to the Senator from Idaho.

Mr. BORAH. If the Senator from Mississippi is entirely logical in his statement, it was the deliberate design, as I understand, of the framers of this bill to kill the wool industry.

Mr. WILLIAMS. Now, Mr. President, I think the Senator from Minnesota [Mr. CLAPP] and I have been having a rather candid heart-to-heart talk. I do not think the Senator from Idaho [Mr. Borah] has contributed any light to it in that sense.

Mr. BORAH. Perhaps not. Mr. WILLIAMS. The Senator from Idaho assumes in that statement that we believe that this bill will kill the wool producer. We do not believe that. One of the very first things that we have to do when we begin to lower a tariff which is upon a highly artificial level is to put the raw materials of industry, which are the necessities of industry, like the necessities of life, at the lowest possible rate not to destroy industrially the people engaged in it. We have thought, and I think and sincerely believe, that we will not destroy any industry in this country by putting wool upon the free list, although I frankly confess that we will reduce to a considerable extent the profits of the woolgrower, because, if we did not reduce those profits, we would not lower the price of wool.

Mr. CLAPP. Mr. President-

Mr. WILLIAMS. I beg the Senator's pardon-just one more second, because I must answer this.

Mr. CLAPP. Then the Senator must answer you. That is

the trouble.

Mr. WILLIAMS. So that the Senator's assumption, as far as wool is concerned, is not an assumption that is accepted by It may be that putting some product upon the free list in this bill will destroy the industry. If that be true, then as to that particular product we have simply traveled too fast and too quickly. I do not say every paragraph in the bill is perfect.

Mr. BORAH. Mr. President-

Mr. CLAPP. Mr. President, I have no objection at all to being interrupted by inquiries or even by an incidental suggestion that may throw light upon the matter I am discuss-I believe in debate instead of these high-school graduating exercises in the Senate. At the same time I do not care to have all the other matters discussed. If the Senator simply wishes to ask a question or to make a suggestion, I will yield.

Mr. BORAH. No; I simply thought I would direct the attention of the Senator from Mississippi to the sugar schedule, upon which he expressed himself a year or two ago, and see if that was a candid presentation of the principles of this bill.

Mr. CLAPP. I know one Senator who, I fear, is perhaps overloaded on sugar. We will reach him in a little while, and that will relieve the Senator from Mississippi.

Mr. WARREN. Mr. President, will the Senator from Minnesota allow me to ask the Senator from Mississippi one question?

The PRESIDENT pro tempore. Does the Senator from Minnesota yield to the Senator from Wyoming?

Mr. CLAPP. Is it in harmony with the subject of this argu-

Mr. WARREN, Entirely so?

Very well.

Mr. WARREN. A moment ago the Senator referred to the wool industry. I ask the Senator in all fairness, along the line of his argument about not pitching a man from the top to the bottom, if it would not be far safer and far more friendly to a deserving industry not to take a highly protected industry and throw it to the bottom, as has been done in the case of wool? Why not leave it, as the House started to leave it, at some point between the present tariff and free wool?

I want to say just one word further. The Democratic Party would have been entirely within its platform and its indorse-ment of bills of which it has heretofore approved had its members here fixed the rates of this bill at some point between the

present tariff and free wool.

The Senator says he does not believe the passage of this bill will destroy the industry. There are a great many people who believe it will, and perhaps among them are those who have had as much experience in the business as the Senator has had. But surely it would be safer, it would be less sectional, and, if I may say so, less partisan and less occupational, if the Senator had treated the industry of woolgrowing like the others. He wishes to have the wearer of clothes procure cheaper clothing. Why not divide it, and let the farmer have a little of the protection incidental to a revenue tariff, instead of the manufacturer having it all?

Mr. WILLIAMS. The Senator is asking a question which it

will require a speech of half an hour to answer, and the Senator knows it. Of course I can not take that out of the time of

the Senator from Minnesota.

Mr. CLAPP. Mr. President, I will answer it. Mr. WARREN. I will ask the Senator from Mississippi to answer it at some other time, then.

Mr. WILLIAMS. Yes; I will, in the course of time.

Mr. CLAPP. I will answer the question for the Senator from Wyoming. If a tariff bill should come into the Senate and the party lash on each side were withheld, we could get a bill with a fair equation that would represent all sections of the country. It is the system that gave us the Payne-Aldrich bill, with all its abominations. It is the system that is giving us this bill, with whatever abominations it may have. It is the system I am discussing. Abolish the system and you will have fair leg-

The Senator from Montana stood in his place the other day and proclaimed that this bill had been framed in the interest of all the country. Did all the country commission the Senator from Montana to frame a bill in the interest of all the country? No. Under our form of government-and we will stand up to the last man in defense of it-this country was divided into sections, in order that Senators from other States might enter into the benign purposes of any one Senator who wanted to give

the country a tariff bill fair to all.

In saying this to the Senator from Montana, believe me, my remarks are not personal. The people of the country no more commissioned you than they commissioned the Senator from Rhode Island, Mr. Aldrich, four years ago to say to 90,000,000 people what they should have and to say to millions of voters what their party pledge meant. That is the system I am attacking here. It is unrepublican, undemocratic, and violates the cardinal system upon which free government is founded, as I have said before, namely, that if you are to have your rights in an equation with me the only way you can be sure of your rights is to have a voice in the making of the equation.

But Senators say, "Oh, we never would get anywhere." have been now years and years in getting somewhere, and where are we to-day? It would take longer, of course, to frame a tariff bill if it should come in here, and Senators, free from the tyranny of party and the tyranny of caucus, were at liberty to vote as they saw fit. But when you got such a bill no man could stand on the floor and say that you had overridden the desire and the representation of a State. It would be an equation, and that kind of a bill would last a few years. I am very fearful that this one will not. There is not wisdom enough in any little handful of men—I care not who the men are—to frame a tariff bill to adjust the relations of 90,000,000 people and avoid those unconscious and unintentional conditions that will result in a revolt against it. That was the trouble with the Payne-Aldrich tariff bill four years ago; it was this arbitrary, dictatorial spirit that undertook to ride down and ignore the rights of the people in this broad equation.

It has been said that the men who fought that bill fought it in order that they might be before the American footlights. Did Jonathan P. Dolliver, known from one ocean to the other, have to incur the risk and the political danger of facing the opposition of an administration to gain a view from the American northern border have stood shoulder to shoulder in the years

people? Did his colleague have to do it? Did that man from Kansas, who years ago earned the encomiums of the Nation in unearthing fraud in the Post Office Department, have to fight a President and a coterie of political leaders in order that the public might know of him? Did that man from Wisconsin, battling through the years in his own State until he built there a condition that makes Wisconsin the Mecca for students from all over the world who want to study government, who has raised his voice from ocean to ocean in the great fight for civic righteousness, have to defy a President and a handful of now discredited political leaders in order that he, too, might occupy and get his share of the public vision?

No, Mr. President; it was a fight not for party supremacy, but a fight for service-service for the few on the one hand and service for the many on the other. It discredits the intelli-gence of the man who forced that bill through the Senate four years ago to say that he did not know what he was doing and why he was doing it. He knew well his purpose; and it was not a mere fight for party leadership. It was a fight for service, and that phase of the service won in that contest; and the American people rebuked it at the polls, as every man who knew anything of the American people knew they would do

when the opportunity came.

My Democratic friends, do not flatter yourselves that you are the choice in your administration here of the American people. I do not say it to detract from the great credit that is due your leader in the White House—a man whom I honor and respect; a man whom I was glad to see your party nominate under conditions that for four years had insured to the American people a victory for the Democratic Party unless those who fought this battle four years ago could discredit the false leadership of the Republican Party. I speak, then, in no spirit of reflection when I say that he is not the choice of the American people as expressed by their ballots. I believe to-day he has the love and confidence of the great rank and file of the American people. I want to take this occasion to say that I do not share in any effort, here or elsewhere, to embarrass him in his present delicate situation. While I would put a stop to Presidents dictating to Senators as to what shall go into bills, I would leave the President alone to deal with the delicate situation in which he finds himself to-day. I believe he will deal with it satisfactorily. I believe he will find a solution for the problem, for he has shown wisdom and circumspection in his high office. So when I say he is not the choice at the ballot box of the American people I mean no reflection upon him.

What did the American people say at the ballot box last They said they did not want and would not stand for a tariff measure framed in the spirit of service to interests, a tariff measure which, while it would place a tax upon corporations for the privilege of being corporations, would exempt the most vicious form of corporation, namely, a trust or holding company. It was a protest against that bill. It was a protest

against the method in which that bill was passed.

I think there is a great deal of force in the story I once heard of the man who was to employ a coachman, and as the applicants came one after another he told them that in going from his office to his house he had to go by a steep precipice; and he asked one after the other: "How near do you think you could go to that precipice and not go over?" Finally one of the applicants said, "I don't know, but I will try to keep as far from the precipice as I can."

The tariff condition to-day is the product of a hundred or more years. You say there is not time to give it such consideration as I have suggested, and yet you go into certain schedules here without knowing whether or not your action will bring disaster upon those who are interested in those schedules.

I think it would have been infinitely wiser and safer to have gone moderately in this bill and to have bided your time. Just as surely as this bill goes too far, just as surely as disaster comes, whether it is logically and fairly attributable to the bill or not, the Democratic Party will be charged with it, and the pendulum will swing back again, and those of us who believe in a decent, fair, moderate tariff will have gained nothing by all this work. It would have been safer, I think, to have gone moderately, step by step; to have taken one moderate step and then another. Instead of seeing how near one could drive to the precipice, it would have been better to see how far he could keep from the precipice and yet serve the employment that he was entering into.

That brings me to the subject of wheat. I regret that the Democratic Party has seen fit to treat this subject as it has. shall not quote any figures. Any man who lives upon the northern border knows that the Canadian farmer can raise wheat cheaper than the American farmer. Those farmers along the gone by; they have borne their share of the burden, and now it seems to me unfair and unjust to treat them in the manner in which this bill treats them. If they were given a reduction, and experience showed that they could stand that or perhaps stand more, there would be time enough to make further reductions. The work of the American Nation is not going to be completed by you and me. There are others that will come here and take our places. It is the problem of the years. Unless we get away from this vicious system and get to another system that I want to discuss in a moment, the tariff will be the problem of the years. We are always too prone to think that now and our relation to now is the ultima Thule of human achievement.

I remember an incident that once occurred in this Chamber that will illustrate that thought. When Charles Sumner entered this Chamber, 11 years before the Civil War broke out, it is said that he was met by Thomas Benton with the patronizing remark: "Young man, you have come too late. The great questions are settled. The great men are passing away." To one who had been a central figure in that long and terrible struggle it may have seemed, as it did to Benton, as though the questions were settled, as though the great men were passing away. But 11 years from that day this country was buried in civil strife, and in the din of that awful war Thomas Benton was almost forgotten; but Charles Sumner will live, because he stood by a fundamental.

So we need not worry ourselves with the thought that what has not been done now can never be done, and I do hope yet, notwithstanding this ironclad rule of caucus domination, that the men in charge of this bill will see their way clear to let into this equation the representation and the views of hee who come from the section of the country affected and know something more of its needs. You were not commissioned to speak for them any more than I was commissioned to come here and speak for Mississippi. The theory upon which we proceed is that, no matter how good either of us may be, whatever there is to flow from this association of government, to be fairly distributed, must be the result of consideration from both Mississippi and Minnesota.

Now I am going to take up another phase of this subject. Some years ago in this country there grew up a feeling that railroad companies were charging too high rates. As the country became more densely populated and traffic became more dense and profitable, the people thought there should be a reduction of rates, and so the agitation went on. You can not imagine a more complex question than the adjustment of the thousands of railroad rates in this country. Why, this tariff bill, with all its items and all the relations which one item bears to another, is a plain proposition by the side of that interminable mass of transportation rates and the relations which they bear to one another. Yet the American people found a very wise and safe and practical way of solving that problem.

Of course under the Constitution Congress can not delegate any authority, so Congress could not delegate to a commission the power to fix rates. To avoid that objection growing out of the Constitution Congress passed a law creating a commission and declaring a rule for the rate, and saying in advance to the commission, "What you find to be the rate we declare to be the legal rate," subject, of course, to judicial restraint.

Under that system this complicated, intricate matter of

Under that system this complicated, intricate matter of regulating railroad rates, making due allowance for the imperfections and inherent weakness of human nature, has worked out very well. To-day if there is a difference of opinion as to what the rate from Spokane to St. Paul should be upon an article, instead of the whole country being torn up and thrown into a hysteria from a general revision of rates, the Interstate Commerce Commission takes that rate and deals with it.

The question of tariff rates is very analogous to that of railroad rates in two or three particulars. In the first place, neither of them ought to be a political question. I admit that if you draw a line of demarcation between free trade and protection, you then make a line of demarcation between political parties. But so long as you plant yourself upon a position where you have to admit to-day that in framing this bill it is just a question of fairness and justice to all, I say there is no political question left. Republicans of high standing and recognized leadership during the pendency of this bill have moved time and again to put things on the free list. No man to-day would want to be called a free trader with reference to the immediate application of free trade; and yet men charge one another across the aisle with being free traders.

Mr. President, my idea of the difference between a free trader and a protectionist is that it is about the same as the difference between a statesman and a demagogue. If you have ever noticed, the man who is doing the talking is always the

statesman. So, too, the man who for the time being is making the charge is always the protectionist. Under these conditions it is absurd to try to make the tariff

Under these conditions it is absurd to try to make the tariff a political issue where there is no great line of demarcation; where all agree that whether you call it an incident, whether you call it involved, or whether you call it a recognition, there must be protection. Protection—call it a burden if you will—should be equally and fairly distributed. I repeat, under these conditions it is absurd to try to make the tariff to-day a political issue. Think of political parties facing one another, like gladiators in the arena, over the question of whether the duty on a given amount of oxalic acid shall be 1 cent or 1½ cents.

So I say that the tariff, like the matter of railroad rates, is not fairly, and ought not to be, a political question. It is like the matter of railroad rates in another respect, and that is in the intricate, delicate character of the work not only of adjusting a rate with reference to the value of that rate, but with reference to its relation to other rates. So if there was any reason on earth for turning that matter over to a railroad commission, the same reason exists to-day for turning over the tariff to a tariff commission. I do not mean, by a tariff commission, a politically emasculated body authorized to act as the body servant of a President. I mean a commission clothed with power, under the direction of Congress; Congress prescribing the rule; the commission authorized, like the Interstate Commerce Commission, to find the rate. I undertake to say that there is not a single legal proposition involved in that kind of a commission that has not been already involved in the Interstate Commerce Commission.

But some man says that would not do because the tariff unlike railroad rates, deals with the question of revenue. Mr. President, that objection is met in almost every tariff bill of late years. We put in these tariff bills a provision that if any other country discriminates against us, the President, upon ascertaining that fact, shall make his proclamation; and then, not by virtue of his authority, but by the voice of the law, instanter and automatically, the maximum rate goes into effect, and the question of revenue is not considered from one end to the other of that proposition. So we have passed that; we have crossed that river.

It does seem to me that sooner or later the American people are going to put a stop to the present system of revising the tariff, and have a commission clothed with power similar to that of the Interstate Commerce Commission. Then, if the man who was importing wool thought the duty was too high, or if the man who was raising wool thought the duty was too low, instead of tying up the country, and instead of its being threatened with business disaster, the commission would deal with the question as the Interstate Commerce Commission to-day deals with the question of the rate from St. Paul to Spokane without throwing the transportation of the country into a storm of hysteria.

Of course I can understand why some Republicans are opposed to it. I can understand why some Democrats are opposed to it—those who, going to the extreme of the limitations of the present time with reference to ultimate free trade, should say, "We care nothing; it is a question of revenue in the last analysis." But why those who profess to believe in protection, and who believe in protection in a fair and equitable manner, should oppose or hang back against the establishment of such a tariff commission I confess I never have been able to understand.

In a free government, of course, every little while we have to project ourselves into an unexplored zone, and I could understand that men would hesitate about traversing a zone through which no traveler had gone. But when we have before us and before the American people the example of the Interstate Commerce Commission working out so admirably, I am unable to understand why the people do not rise up in their majesty and might and force Congress to adopt the same system with reference to the tariff.

It is proposed, in connection with this bill, to leave this matter in a measure to the people. The Senator from New Hampshire [Mr. Gallinger] has offered an amendment to the effect that when this bill is perfected it shall stand until after the election of 1914, to the end that the American people may have an opportunity to adopt or reject the bill, as they see fit, through the election of men who are in favor of or hostile to the bill as they stand as candidates at that election. I am heartily in favor of that. For years I have believed that the American people should be equipped with an instrument by which they can cure the sins of omission or commission of their servants. I would go a step further than the Senator from New Hampshire. I would provide a way by which the people

could demand this referendum without asking any odds of Congress. I would not only equip them with the power to pass upon the question, but I would equip them with the power to

take up the question if they saw fit.

I do not know what will be the fate of that amendment. Of course, unless the committee shall abate its absolute and autocratic authority, no amendments can be adopted or added to the bill. But I do hope the amendment will be adopted and that the American people will have an opportunity to pass upon this bill. I am inclined to think that if that opportunity were afforded they would sustain the bill. There are some things in it that the people have been wanting to get for some years. They have been wanting the income tax. They have been wanting the exemption in the corporation tax removed from trust and holding companies. This bill gives the income tax and

removes that exemption.

In that broad equation you would then get what the people wanted and what they had intended. They voted last year, a portion of them for Mr. Wilson, a portion of them for Mr. Roosevelt, and a portion of them for Mr. Taft. It may be considered that the Taft platform was regarded by the American people as more ultraprotection than the platform upon which Mr. Roosevelt ran. But the platform upon which he ran and the declaration of the Democratic platform that these duties should be revised without disturbing the interests of this country was an assurance to the American people that it would be revised. Whether you call it in the spirit of protection or involving protection, it matters not. The verdict of the American people was in sustaining the industries of this country so far as the tariff is essential to their maintenance and their continued existence.

I do hope, Mr. President, that when that amendment is reached it will receive sufficient votes to pass it. It has been said often, you know, that you could not leave these things to the people—that they can not understand these things. It is not the understanding of all these schedules, with their relation to one another, that is involved. The question involved is whether in its broad equation this bill will be a fair revision of the tariff and a revision that, in the language of the Democratic platform, will not disturb the established business of the

In conclusion, Mr. President, I want to say simply this: I realize that these views are far in advance of the average view upon this question. I realize that for years we have been working along lines in advance of the rank and file of the thought of this country; but I say in no spirit of sarcasm, in no spirit of irony, I have lived to see the day when it is proposed that the American people shall have a voice in their legislation by leaving it, somewhat through indirection of course in the election of representatives, but still leaving it, to the American people to say whether a tariff bill shall become a law or not.

Mr. President, while I believe there are men urging that on who are not sincere, while I believe that there are men who would revolt at the very thought of a referendum urging this measure, I believe in the absolute sincerity of the Senator from New Hampshire, who proposes to present this amendment at the proper time, and I do hall it as an omen of progress if we advance that far, when it is now proposed by great, strong, genuine, sincere men to submit a measure like this to the approval or rejection of the American people.

Mr. SHIVELY. Mr. President, as wheat is one of the great staples of American agriculture, it is natural that much of the controversy over the agricultural schedule should revolve around this paragraph. The duty on wheat illustrates in a peculiar sense the futility of the rates heretofore carried in the agricultural schedules of a long series of tariffs. I rise only to place in the Record a few statistics bearing on this schedule. Before doing so I deem it pertinent to note that the senior Senator from Wisconsin [Mr. La Follette] agrees that the rate of 6 cents per bushel on oats, carried in the bill, as reported by the Finance Committee, is right; that he contends that the reduction of the duty on barley should be to 10 cents instead of to 15 cents per bushel, as carried in the bill, from that of 30 cents in the present law; that the reduction on wheat should be to 6 cents per bushel instead of the proposed 10 cents countervalling duty in the pending bill, and that in his judgment even this 6 cents per bushel is economically necessary only because of production and market conditions in four States of the Union. What the senior Senator from Wisconsin has said about what would be a suitable duty on barley recalls the question, coupled with a suggestion about brewers, asked on yesterday by the senior Senator from Kansas [Mr. Bristow], why the duty on barley is reduced from 30 to 15 cents per bushel. The reduction on barley is less than the average reduction in this schedule, and no answer was

necessary when, for the want of which, the Senator from Kansas

exclaimed, "No answer!"

Notice should also be taken of the fact that when a few days ago the junior Senator from North Dakota was making his speech lamenting what he was pleased to regard as the gloomy prospect of the northwestern wheat raiser because of Canadian competition, No. 1 Northern wheat was actually selling at Winnipeg, Canada, at 95 cents per bushel, while No. 1 Northern wheat was selling at Minneapolis at from 87 to 884 cents per bushel. This fact only suggests how little the tariff and how much other considerations enter into the price of wheat.

Mr. President, there is wide difference of view in this Chamber as to the design and effect of the duties in the present law and past tariff acts in reference to agricultural products. As to the vast majority of its staples, agriculture has been, and still is, an export industry. In confirmation of this I invite attention to the official statistics of our foreign trade in certain productions of agriculture. For the fiscal year ended June 30, 1913, our exports of wheat were 91,602,974 bushels, while our imports were only 797,528 bushels, or nearly 115 bushels of export to 1 bushel of import. In value, our export of wheat was \$89,036,428 to \$559,559 of import, or over \$159 of export to \$1 of import.

Our exports of flour for the same period were 11,394,805 barrels as against imports of 107,558 barrels, or over 106 barrels of export to 1 barrel of import. In value, our export of flour was \$53,171,537 as against an import of \$453,681, or \$117 of export to \$1 of import. In value of wheat and flour combined, our export was \$143,207,965 as against an import of \$1,013,240, or

an export of \$141 to \$1 of import.

For the same period our exports of corn were 49,064,967 bushels, while our imports were 903,062 bushels, or over 54 bushels of export to 1 of import. In value, our export of corn was \$28,800,544 as against an import of \$491,079, or over \$58

of export to \$1 of import.

Now I come to the question of barley, about which the senior Senator from Kansas [Mr. Bristow] manifests so much curiosity. For the fiscal year ended June 30, 1913, our exports of osity. For the listal year cluted some 30, 1935, our exports of barley were 17,536,703 bushels, while our imports for the same period were 6,244 bushels, or exports of a fraction over 2,824 bushels to 1 of imports. In value, our export was \$11,411,819 as against an import of \$2,913, or over \$3,927 of export to \$1 of

Of oats, our exports were 33,759,177 bushels. Our imports were 723,899 bushels. The ratio of exports to imports was over 46 to 1. In value, the export was \$13,206,247, while the import was \$289.064, or over \$45 of export to \$1 of import.

Mr. BRISTOW. Mr. President-

The PRESIDING OFFICER (Mr. HITCHCOCK in the chair). Does the Senator from Indiana yield to the Senator from

Mr. SHIVELY. Certainly. Mr. BRISTOW. I am not certain that I understood just what the Senator said in regard to the importations of barley. Would it bother him to repeat the statistics he gave us on that item? Mr. SHIVELY. The statistics of importation of barley which

I have submitted were for the fiscal year ended June 30, 1913, and the amount of the importation is 6,244 bushels.

Mr. BRISTOW. Of course the Senator must be mistaken, because in 1912 the importations were 2,768,474 bushels. There was not any such falling off as that; that is, according to these figures here.

Mr. SHIVELY. No; the Senator is not mistaken. If the Senator will review the statistics of barley for the last 10 years, he will find that no product of agriculture exhibits such a wide variation in exports and imports from year to year as barley.

Mr. BRISTOW. Not only did we import in 1912, according to this handbook, 2,768,474 bushels, but the estimate is that we

will import next year under this bill 2,000,000 bushels.

Mr. WILLIAMS. Mr. President, if the Senator from Indiana will pardon me, the Senator from Kansas has quoted the statistics at two and three-quarter millions, in round numbers, for the year 1912, and he has quoted them correctly. If he will turn to the year 1910, he will see there were not 4,000 bushels imported; there were 3,989 bushels imported. If he will turn to 1905, the number of bushels imported was 79,000. hundred and twelve was the most exceptional year in the history of barley production that the country ever saw, by all the evidence before the subcommittee. It will be noticed that the importations furnished by the Senator from Indiana are nearly twice as much as the importations for 1910.

Mr. SHIVELY. It is palpable from the statistics lying on the desk in front of the Senator from Kansas that wide variation in quantity of export and import from year to year characterizes the trade in barley. The fact is shown by the

handbook to which he has just appealed. I affirm that the figures I have given are official and correct, and that there is nothing strange or exceptional about them save as the actual

trade in this article makes them so.

Having disposed of barley, I only add to this phase of the subject under discussion that even the export of eggs was 20,409,390 dozen as against an import of 1,367,223 dozen, or a ratio of export to import of 15 to 1; that the export of butter to import was in the ratio of 3 to 1 both in pounds and value, and the export of cotton over import in the ratio of \$23.70 to \$1.

Mr. GALLINGER. Mr. President—
The PRESIDING OFFICER. Does the Senator from Indiana vield to the Senator from New Hampshire?

Mr. SHIVELY. I do.

Mr. GALLINGER. If my reading has been correct, I have noticed that our Democratic friends have been insisting for a long time that we ought to increase our foreign trade. Does not the Senator think we are doing pretty well in the exportation of those articles and that we ought not to be embarrassed?

Mr. SHIVELY. The Senator unquestionably thinks we are doing pretty well under a system where all the efforts of Government have been directed against foreign trade. We have acquired a goodly volume of foreign trade, and in spite of obstructive tariffs. It is evidence of the high determination of mankind to trade that we have any trade at all with foreign countries.

Mr. GALLINGER. We have exportations amounting to over \$2,000,000,000. We had last year \$2,300,000,000. Mr. SHIVELY. That is true.

Mr. GALLINGER. The world has never known anything

Mr. SHIVELY. And all in spite of, and not by reason of, obstructive tariffs. Certainly a tariff confessedly obstructive and prohibitive in design as to hundreds of articles can not conduce

to expansion of our foreign trade.

Mr. GALLINGER. I will ask the Senator a further question. In changing the duty on the articles that he mentions, what is the purpose? Is it to permit the product of some other country to come in more freely than it does now?

Mr. SHIVELY. Mr. President— Mr. SMITH of South Carelina. Will the Senator from Indiana allow me to state to the Senator from New Hampshire

Mr. SHIVELY. If the statement relates to the particular

question now pending, I yield.

Mr. SMITH of South Carolina. It is in relation to this direct question. He says that we had an exportation of \$2,000,000,000, which is correct; \$600,000,000 of that, or over one-quarter of it, came from one article that never has had a tariff

Mr. GALLINGER. We understand that. We know it does not need any tariff and has not needed any tariff in the history of the country; but it will possibly at some future time need a tariff, and if it does, the Senator from South Carolina will be

here insisting that a duty ought to be put on it.

Mr. SMITH of South Carolina. If the Senator from Indiana will allow me, according to the figures the Senator from Indiana has quoted, it stands no less in need of protection than wheat, because you are exporting the same proportion of wheat that you do of the article to which I refer. Therefore I do not see that it requires any more protection than does cotton.

Mr. GALLINGER. The Senator is leading me from the ques-

Mr. GALLINGER. The Senator is leading me from the question I propounded. The question was, and I asked it in good faith, inasmuch as we are exporting more of these products than we are importing. Why should we call a halt? Exporting our products is extending foreign trade, and why should we legislate so as to invite foreign countries to send more of those products into our country?

Mr. SHIVELY. When the official statistics show an over-whelming excess of exports over imports, where is the invitation and how does increase or decrease of duty on these articles call

Mr. GALLINGER. Will the Senator explain to me, then, what it does? What does changing the rate accomplish?

Mr. SHIVELY. The change of rates runs all through this bill. We propose to reduce customhouse taxation and release commerce from the burdensome duties of the present law. That the duties on agricultural products are empty and inoperative for any beneficial purpose to the farmer is no reason why they should not be reduced. They have availed the farmer nothing, and in a revision of the tariff downward duties use-less for purposes of either protection or revenue should go down with those which are effective to oppress the consumer.

Mr. GALLINGER. But the Senator has not—

Mr. SHIVELY. Now, what does the Senator propose to do? He has been voting for increases over the rates in the schedules

thus far considered. Is he voting to increase or to reduce to

the American farmer the prices on what he must buy?
Mr. GALLINGER. No, Mr. President; I have no more idea that the passage of this bill will reduce prices to anybody than I have that the sun will rise at midnight.

Mr. SHIVELY. Then, on the Senator's own theory, why does he not support these amendments?

Mr. GALLINGER. Because I think they are all wrong.
Mr. SHIVELY. But things that can work no effect can not
work a wrong. Just what is the wrong that the Senator has in mind?

Mr. GALLINGER. It is for the Senator to show the effect

they will have. He has not undertaken to do that.

Mr. SHIVELY. Oh, Mr. President, I shall do that, though I arose only for the purpose of incorporating at this point in arises only for the purpose of the control of the record the official export and import statistics of certain agricultural staples, which tell their own story and are themselves an answer to the Senator. But before submitting to the temptation to answer the Senator more at length, and because cotton has become the subject of some colloquy, I note the additional fact that the value of our exports of cotton was \$547,-357,195 as against an import of \$22,987,318.

Mr. WILLIAMS. I want to ask the Senator is not the ratio of exports to imports, so far as cotton is concerned, very much less than it is so far as wheat and a great many of the other of these articles are concerned, it being 23 to 1 for cotton?

Mr. SHIVELY. In wheat for the year ended June 30, 1913,

the ratio was \$159 of exports to \$1 of imports.

Mr. WILLIAMS. I asked that question because the Senator from New Hampshire [Mr. Gallinger] has just stated that the time would come some day when cotton would need protection, and already the figures show that the ratio of export to import is only 23 to 1 on cotton, while on wheat it is 159 to 1. So if the time has come for one it has come for both.

Mr. SHIVELY. Mr. President, I have quoted these statistics as obviously bearing on the question of the value to the farmer of the so-called protective rates on his products. To say that the farmer is protected simply because he is given a high rate of duty on a given product is to mock him with idle words. Certain industries are incapable of protection by any rates of duty devisable by the wit of man. Where the industry is export in character and there is no combination at home to absorb the duty by charging higher prices at home than are received for the surplus sent abroad the duty is worthless to the pro-ducer of the article. The situation and environment of the industry determine whether any rate of duty can be effective. The mere incorporation of a rate in the statute settles nothing. Hundreds of the rates in the present law are empty and inoperative, except to supply texts for political debate. Such precisely is the great body of the rates in the agricultural schedule of the act of 1909.

It is such rates as these that are just now the subject of so much solicitude among certain Senators on the other side of the Chamber. They protest against what they pretend is a discrimination against the farmer. It is an inherent and inseparable quality of the so-called protective principle in customhouse taxation that it can not operate equally on all industries, occupations, professions, or equally on all sections of the country. One of the early statesmen, either Jefferson or Madison, predicted that the first effect of the protective principle would be to sectionalize the country, and that the second effect would be to classify society. It did both. It engendered and pro-jected the sectional spirit on the country and has precipitated the class spirit over society. So marked is this that nearly every speech made against the pending bill appeals to the sectional spirit or class spirit or both. The sectionalism or class-ism is not in the pending bill, but in a tariff system which we propose to revise and reform. In the very nature of the system the farmer is a victim and not a beneficiary.

Mr. SMITH of South Carolina. Mr. President— The PRESIDING OFFICER (Mr. Robinson in the chair). Does the Senator from Indiana yield to the Senator from South

Mr. SHIVELY. I do.

Mr. SMITH of South Carolina. If the Senator from Indiana will allow me, I desire to call his attention to the distinction between agricultural products which, by virtue of their large surplus, are exported, wherefore the producer of the product enjoys no benefit from protection, and industries where there is a possibility of organization, such as we have in some of our trusts, which export as much as the domestic consumption and yet, by virtue of the tariff and their organization, are able to charge the American people a higher price for the domestic product than that for which they sell to the foreigner. I want to call his attention to that distinction.

Mr. SHIVELY. Yes, Mr. President; the Senator is right. The question of the effect of the tariff on the farmer is not concluded by percentages, specifics, and ad valorems scattered through the agricultural schedule. There is no potency in the statute for the production of wealth. The statute changes no natural condition of production. It does not operate on the farm or in factory or mine. Where operative at all, it operates in the spaces between production and consumption, called the market, and then only to transfer without compensation through inflated prices the property of the consumer to the protected producer.

It is not mere academic theorizing to say that the thing we call wealth is a social, not a political, product; that wealth is produced by brawn of muscle, skill of hand, and vigil of brain not by acts of Congress; that industrial prosperity is born of the energy and genius of man applied to the bounties of nature, not of the cunning and craft of man applied to the powers of government. The power to tax is the power to take, not the power to make. The power to tax is the power to transfer, not the power to produce. Government has no independent reserve fund of property out of which to insure profits. It can not assure profits to one American industry without assuring losses to other American industries. Every operative protective duty is a special privilege. Government has no reserve fund of power out of which to grant a special privilege. It can grant the special privilege only out of the body of common rights. Did so-called protection operate equally on all industries and occupations, the interests back of it would drop it as a thing of no advantage. It can create beneficiaries only as it creates vic-

Now, in this scheme of wealth by statute and prosperity by taxation where does the farmer come in? Through our whole history, and as to his principal staples, the farmer has been selling below European prices and buying above European Through all this time he has been making his sales of the great staples of the farm in competition with the agriculture of the whole world, and for two generations he has been compelled to make his purchases at inflated prices in domestic markets dominated by trusts and monopolies hatched into life, nourished into strength, and fostered into wealth, power, and influence under the shelter of high tariff walls.

Mr. BRISTOW. Mr. President—
The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from Kansas?

Mr. SHIVELY. I do. Mr. BRISTOW. May I ask the Senator why he does not put the products of such conspiracies and combinations on the free list in this bill?

Mr. SHIVELY. Mr. President, it is reassuring to observe that the Senator from Kansas is exercised with some vicarious grief in behalf of the American people because of the trade conspiracies and combinations which have been hatched and nourished under the tariff acts of 1883, 1890, 1897, and 1909. We have done the very thing about which he inquires. It is easy enough for the Senator to dip in here and there to find an item to which to attach a quibble. It is an easy rôle to be a mere objector and obstructionist. I appeal from these jimmere objector and obstructionist. I appeal from these jim-crack tactics to the free list in this bill and to the general reductions in the dutiable schedules on all things except luxuries which mark the bill from the first line to the last.

Mr. BRISTOW. So that is the reason why the Senator favors putting wool on the free list and everything made from wool on the dutiable list? That is why he puts the product of the market gardener on the free list and the products of the factories on the dutiable list?

Mr. SHIVELY. There is not a duty on any factory product, except here and there a rare luxury, the weight of which the consumer can well bear, that is not either entirely removed or substantially reduced. The Senator refers to wool. There are more farmers who do not raise wool than do raise wool. But of what service has the duty been to the wool raiser? To take the Senator and those who agree with him seriously one would conclude that if the duty is kept at its present point long enough fine long wool would grow on the rail fences of the country. With the present duty on wool the number of sheep in the country decreased nearly 10,000,000 head within the last 10 years, and in Indiana decreased 400,000 within the same period. If the tariff is to be credited as a potential factor in wool, then at this rate of decrease of sheep how long would the present rate of duty have to be maintained until there would be no sheep at all? The Senator will find nothing in the economic history of the tariff to sustain his position with reference to agricultural

Mr. BRISTOW. Mr. President—
The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from Kansas?

Mr. SHIVELY. I do. Mr. BRISTOW. The Senator from Indiana was making a very forceful argument from his point of view, alleging that the farmer has been compelled to sell his products in a free market and purchase his supplies in a protected market controlled by trusts and combinations. The remedy for that in the bill which the Senator has aided in preparing is to put the farmer's products on the free list and maintain a duty on the yery manufactured products which the farmer has been buying. I ask the Senator why he did not favor removing the duty off the trustcontrolled products as well as off the products of the farm?

Mr. SHIVELY. It may be news to the Senator, though I hardly

think so, that we are taking care of that side of the question in the only way by which it is possible for the farmer to realize any relief by a revision of the tariff. This bill takes the duty from and carries to the free list twenty times a larger number of articles purchased for use on the farm than any tariff act in the entire history of our fiscal legislation. As to the great body of these articles, a trust control has been charged. The bill removes the shelter of the tariff from these trusts. never had a shelter under the tariff, and the pretense that the reduction or removal of these empty duties on his products is prejudicial to him can only deceive the man who prefers to be deceived. The difficulty with the Senator is that he is too busy chasing phantom mischiefs through these schedules to see the real and substantial remedies which they carry.

Our total agricultural exports last year amounted in value to over \$1,000,000,000. This meant American agricultural labor and capital in competition with the whole world. There is no agricultural trust to limit production, produce scarcity, put up prices to artificial levels against the domestic consumer, or to maintain such prices at home and unload surplus at low prices abroad. Think you one bushel of wheat from the American farm would have gone abroad had it been offered a higher market at home? Was it not because of the higher price offered abroad last year that 91,000,000 bushels of American wheat went bringing wheat from high prices to low prices?

Mr. NORRIS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Indiana

yield to the Senator from Nebraska?

Mr. SHIVELY. I do.

Mr. NORRIS. I should like to inquire of the Senator if he thinks the tariff on rice helps the farmer who produces rice?

The Senator propounds his question in the

Mr. SHIVELY. The Senator propounds his question in the usual spirit of those who see in the taxing power of the Government only an agency to serve some private interest

Mr. NORRIS. I am not asking about my belief; I am asking

for information.

Mr. SHIVELY. In that case, I answer that rice is a revenue article. Its importation produces a substantial income to the Government. The revenue is needed. Even at that, we reduced the duty on rice 50 per cent. The Senator will hardly expect us to raise sufficient revenue for the Government and put all articles on the free list at the same time.

Mr. NORRIS. I will ask the Senator this question: Then _ why did he not treat the wheat farmer the same as the rice farmer and cut the tariff on wheat in two, the same as he did

Mr. SHIVELY. The bill expressly provides for a duty of 10 cents a bushel on wheat as against any country that maintains a duty against wheat or any of the products of wheat exported from this country.

Mr. WILLIAMS. If the Senator from Indiana will pardon me just a second-

Mr. SHIVELY. Certainly. Mr. WILLIAMS. As pertinent to the inquiry of the Senator from Nebraska, there was derived from rice in the year 1912 a revenue to the Government of nearly a million and a quarter dollars, in round numbers.

Mr. NORRIS. Of revenue?

Mr. WILLIAMS. In round numbers, a revenue of a million

and a quarter dollars.

Mr. NORRIS. Now, I want to repeat to the Senator from Indiana the question which I asked originally. I should like to get his judgment as to why the farmer who raises rice should not be treated the same as the farmer who raises wheat?

Mr. SHIVELY. The farmer who raises rice has the duty on his product decreased.

Mr. NORRIS. And the farmer who raises wheat has lost his

Mr. SHIVELY. The farmer who raises rice has lost 50 per cent of his duty. If the farmer who raises wheat lost all his duty on wheat he would lose practically nothing. Even the Senator from Wisconsin [Mr. La Follette], as a protectionist, concedes that a duty in excess of 6 cents is unnecessary, and that even this is desirable only because of conditions in four of the Northwestern States

Mr. NORRIS. Let me repeat my question: Does the Senator think the duty of 1 cent a pound on rice that he has retained in this bill helps at all the farmer who raises rice?

The imports of rice are far in excess of its export. With this state of the trade, the duty on rice would naturally give the domestic market the incidental advantage that attends a duty where there is actual import competition. Whether the farmer would realize on the duty depends on what

influences control in the domestic market.

Mr. NORRIS. I understand that. We are discussing now an amendment that practically puts wheat on the free list. I understand what the Senator refers to, or I think I do-the countervailing clause. I understand that is in the bill. But if it is proper to put that on wheat, why do you not put it on rice? Why make a difference between the wheat farmer and the rice

Mr. SHIVELY. That question might be asked in regard to every other paragraph in this bill. Rice is a revenue article. Wheat produces no revenue, or only a negligible quantity. This bill contemplates raising revenue to meet the fiscal necessities of government. The Senator again approaches the subject only from the standpoint of taxation for private profit, while the task was on the authors of this bill to provide for duties with reference to public revenue.

Mr. NORRIS. If I understand the Senator, his theory is that the tariff on wheat does not do any good to the farmer who

produces wheat. Is that the Senator's view?

Mr. SHIVELY. That is just what is shown by the official statistics which I have submitted, and to place which in the RECORD I expected to occupy the time of the Senate only a few

Mr. NORRIS. Then, does the taking off of the tariff on wheat

help the consumer at all?

Mr. SHIVELY. The same statistics show that as to wheat it The fact is that the great body of the duties in would not. the agricultural schedule of the present act and many of those in the same schedule of the pending bill are inconsequential.

Mr. NORRIS. The Senator is very frank.

There is no special frankness about it. The Mr. SHIVELY. facts are manifest. With rare exceptions, the duties in the present law on agricultural products are empty duties. They have been and are mere sentimental duties. They are scarcely even statistical duties. They are ineffective and inoperative. They serve no purpose of either revenue or protection. They are the barren stuff which you have been offering the farmer in exchange for his support of duties in other schedules which are used to despoil him of the natural rewards of his toil.

Mr. NORRIS. The Senator does not contend, does he, that those who favor a tariff on wheat are insincere? He does not contend that they are arguing something that they do not them-

selves believe, does he?

Mr. SHIVELY. Oh, I do not pretend to sit in judgment on the sincerity of Senators or conjecture about their mental reservations on the tariff. Sincerity is as potent to advance a bad cause as to promote a good one. My contention goes to the economic worthlessness of so-called protection as applied to American agriculture

Mr. NORRIS. If the Senator's theory is true, it has no effect one way or the other; and if that be true, if it does not hurt anybody, why not permit the men who are raising wheat and who believe it is of benefit and are sincere in their belief to

have a tariff?

Mr. SHIVELY. That a duty is worthless to the farmer does not mean that it is harmless, nor is the vice of a false system relieved by the sincerity of its advocates. There are millions of farmers in the United States who not only believe but who know that these duties are humbug duties. There are others know that these duties are humbug duties. who blindly accept these barren rates at their face value and are hoodwinked, cheated, and deceived by them into the support of rates in the other schedules which victimize the farmer on nearly everything he purchases for his farm or his household.

Mr. SMOOT. Mr. President—

The PRESIDING OFFICER. Does the Senator from Indi-

ana yield to the Senator from Utah?

Mr. SHIVELY. I do. Mr. SMOOT. I understand the Senator to say that the duty of 1 cent a pound on cleaned rice did have an effect upon the rice in this country, and that it was a benefit to the rice grower. Did I correctly understand the Senator?

Mr. SHIVELY. So we are back to rice. If there were substantial exports of rice and slight or no import, and no domestic combination to raise and maintain the domestic price above the export price, then the duty would be an empty thing. On do not pretend to say. But if the Senator says it will not, can

the other hand, if there be little or no export and conditions prevail in the domestic market by which the duty can be absorbed, the duty will affect the price.

Mr. SMOOT. I was going to call the Senator's attention to the fact that there were nearly \$1,000,000 worth of rice exported in the year 1912. I also wish to call his attention to the fact that the importation of cleaned rice in the year 1910 was a little over 25,000,000 pounds, while that year we produced in this country 624,000,000 pounds of rice. So the duty of 2 cents per pound was collected upon this 25,000,000 pounds, and the same rate of tax, of course, under the Senator's argument must apply to the 625,000,000 pounds that was produced in this country. In other words, the tax that was paid upon the importation of 25,000,000 pounds went into the Treasury of the United States, but the American people paid that same rate of tax upon the 624,000,000 pounds produced in the Southern States.

I simply wish to state that for every pound of cleaned rice imported into this country there were produced in this country 24 pounds. I am not objecting to the duty upon rice. I believe it is necessary to protect that industry in this country from the cheap labor of China and Java and the different coun-

tries which raise rice.

Mr. SHIVELY. What were the figures of exportation recited

by the Senator?

Mr. SMOOT. Nine hundred and seventy thousand three hundred and eighty-seven dollars were the figures I quoted to the Senator. At the same time I think it is necessary that there should be a duty levied upon rice. I do not see one particle of difference in principle whether it be rice or whether it be wheat; the same principle should apply to both. I believe the question that was asked by the Senator from Nebraska [Mr. Norms] was a proper one, and I think it ought to have been answered as the Senator from Mississippi answered it this manifest that it is any that the dust that has been placed upon morning-that is to say, that the duty that has been placed upon rice in the past has been sufficient to allow the growth of rice in this country, and they could not take it all off at once without injury to the industry, and therefore they decided to take off 50 per cent.

Mr. SHIVELY. Does the Senator from Utah object to that? Mr. SMOOT. Nobody has objected to it, and no one would object if you had applied the same principle to wheat. But you did not apply it to wheat. You took it all off. You did not apply it to wool; you placed it on the free list. You did not apply it to sugar, because you say that in three years sugar

must be free.

Mr. SHIVELY. The views of the Senator and myself as to the principle that should prevail in customhouse taxation are too far apart to conflict. He sees no difference between a duty on an article that is overwhelmingly export and produces no revenue and a duty on an article that is import and does produce revenue. He magnifies the taxing power as an agency for private profit and minimizes it as an agency for the only purpose for which the taxing power is conferred on government. He seems to regard industry as the child of taxation. He seems to view our farms as statutory farms, our factories as statutory factories, our mills and mines as statutory enterprises, and industries generally as produced and maintained by the yeas and nays of Congress

Mr. SMOOT. Right there I should like to ask the Senator a question, so that I may know whether or not I correctly understand him as to the word he has used—"statutory." Does the Senator believe that with free sugar-and if the bill becomes a law and is placed upon the statute books it will be a statutory law-the sugar industry in Louisiana can live? Is it possible

for that industry to live under free sugar?

Mr. SHIVELY. Mr. President, I am not in the sugar industry and am not swift to prophesy on the subject. The Senator's theory of tariff making for private purposes requires every Member of Congress to know as much about everybody's business as everybody knows about his own business. That the beet-sugar industry will not only survive but will grow in strength and magnitude I have no doubt. Whether the canesugar industry can survive the removal of the tariff, I do not know. I hope it may become self-supporting. I do know that the country has conjured with protection on cane sugar for 125 years. Alexander Hamilton made sugar one of the subjects of discussion in his report, but Hamilton had the candor and frankness to plant protection squarely on the ground of subsidy out of the natural profits of other industries. He even said that a direct bounty had an advantage over protection, as it tends less to produce scarcity. Natural conditions are favorable to beet-sugar production, and the energy that started it will carry it forward. Cane-sugar production has far greater natural obhe tell us how long would it be necessary to continue to subsidize it out of the self-sustaining enterprises of the country to place it where it would no longer be necessary to prop it up by Federal taxation?

Mr. WILLIAMS. Before the Senator goes on-

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from Mississippi?

Mr. SHIVELY. I do. Mr. WILLIAMS. Senators have been trying to draw a contrast between what we have done with wheat and what we have done with rice. I want to remind the Senate that while we have reduced the duty on wheat 25 cents per bushel we have reduced the duty on rice 56 cents per bushel. What good does it do to get up here and talk about putting one thing upon the free list and leaving another upon the dutiable list? The duty upon wheat was 25 cents per bushel, and we took it off. We could not take off but 25 cents. That is all we did take off. The duty on rice was 2 cents a pound, and we reduced it to 1 cent a pound; and it takes 56 pounds of it to make a bushel. We reduced the duty on rice more than we reduced the duty on

Mr. NORRIS. Nobody has claimed that you took off more than there was to take.

Mr. SMOOT. Mr. President-

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from Utah?

Mr. SHIVELY. I do. Mr. SMOOT. The Senator from Mississippi said that we have reduced the duty on rice 56 cents a bushel, and have reduced the duty on wheat only 25 cents a bushel. Twenty-five cents a bushel was all the duty that was on wheat. You have taken 100 per cent of the duty off and placed it on the free list, whereas there was a duty of 2 cents a pound on rice, which is \$1.12 a bushel, and you have simply reduced that 50 per cent, making it 56 cents a bushel, or a little over two and one-fifth times what the duty is on wheat under the present law.

Mr. WILLIAMS. Mr. President, this percentage argument re-

minds me of the man who once sent a telegram saying that the Republican vote in Yazoo County had increased 200 per cent. There had been only 2 Republican votes one year, and the next year, I believe, there were 6. Your percentage every now and

then is nonsense.

Mr. SMOOT. I notice that all through the bill, when our friends refer to the bill, they say what the percentages of decreases are. They want the country to understand that there is a great decrease in all the rates, and they are stated in per-

Mr. SHIVELY. I am curious to hear the question the Sena-

tor has in mind.

Mr. SMOOT. I was not going to ask a question just now. was simply going to answer the statement that the Senator made. But I shall not take the time of the Senator any fur-

ther upon that question.

I simply wanted to ask the Senator this question in the beginning in relation to sugar: If it took an act of Congress by levying a rate of duty upon sugar to maintain that industry in this country, then that would be called a "statutory industry," such as I understood the Senator was referring to. The Senator from Mississippi upon the floor of the Senate has acknowledged that in his opinion, with free sugar, the Louisiana people can not produce sugar as against the balance of the world, and therefore it will destroy that industry. What I was asking the Senator was whether he thought it proper to pass a law to protect any industry of that kind or whether it should be allowed to vanish entirely.

The Senator asked me how long I would levy tribute upon the other industries of this country to make up for what the people pay for the increased price of sugar on account of the rate of duty imposed upon it. That is too long a question for me to

go into now, Mr. President. Mr. SHIVELY. I fear so.

Mr. SMOOT. I am not going to take the Senator's time for that. But it is a fact and can be demonstrated that through the local production of sugar the American people have not lost any money, but have gained; and if that industry is destroyed in this country, I want to say to the Senator now and to the good people of America, that the American people will ultimately pay for it.

Mr. SHIVELY. To assume that to withdraw the tax is to destroy the industry is to assume that the industry lives by the tax. It is to assume that it is not an industry at all, but a public charge to be supported by the tax. We can raise figs, lemons, oranges, pineapples, and bananas right here in the District of Columbia. All that is required is that the Govern-

ment hold the consumer while the producer collects from him high enough prices to pay for the hothousing and whatever else may be necessary to create the soil and climate suitable for the production of these fruits. The venture would be operated along lines of greatest resistance and represent only unmixed waste of both capital and labor, but the Senator would still call it an industry and prophesy disaster should the Government lift its hand from the consumer. I am not contending that the sugar industry is in this category, but this is the category in which the Senator places the sugar industry.

Mr. CUMMINS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from Iowa?

Mr. SHIVELY. I do.
Mr. CUMMINS. I did not intend to interrupt the Senator until he had finished his answer to the Senator from Utah.

Mr. SHIVELY. I was not answering a question, but was noting the logical consequence of the contention of the Senator

from Utah on sugar. I yield to the Senator.

Mr. CUMMINS. To bring the matter back to wheat, the present duty on wheat is 25 cents a bushel, very much higher than the doctrine of protection requires or justifies. have been substantially no importations under it because it is prohibitive. My question is, Does the Senator believe that with wheat on the free list there will be importations of wheat into the United States:

Mr. SHIVELY. If the Senator means whether through the course of years wheat will be imported, it is manifest that that will depend on the conditions of demand and supply at home

Mr. CUMMINS. I can well understand that; but my question was, practically no importations having taken place under the general conditions of production and consumption, whether, in the opinion of the Senator, with wheat on the free list, there would be any considerable quantity coming into the United States from other countries? My doubt was whether the Senator was not depending too much upon the statistics of the trade that has risen under the present practically prohibitive duty. It can hardly be said, because under a duty of 25 cents a bushel there were no importations, that there would be no importations

if the duty were entirely removed.

Mr. SHIVELY. I submit that the Senator assigns to the present duty on wheat a force and effect that it has never exerted and, because of conditions independent of the duty, could not exert. It was not the duty on wheat, but the export character of our domestic wheat production, that excluded wheat. Wheat did not enter this country in substantial quantity for the same reason that it did not enter the other surplus wheat-producing countries of the world. These countries sent their surplus to other markets and not here, because their wheat commanded a higher price there than here, just as our surplus went to other markets for the higher price paid there. not our tariff, but the higher price paid in western Europe that prevented foreign wheat coming here. The same cause that drew our surplus there precluded foreign surplus coming here. With whole wheat and wheat in flour in the value of over \$143,000,000 going out, it is impossible to conceive of any considerable quantity coming in, tariff or no tariff. The force of the statistics of export and import is to emphasize the fact that for any purpose of value to the farmer the duty on wheat is a

nullity.

Mr. SHERMAN. Mr. President—
The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from Illinois?

Mr. SHIVELY. Yes, sir. Mr. SHERMAN. I wish I wish to ask the Senator a question. Is he able to say that free listing wheat will increase or decrease

the price of either wheat or flour in the United States?

Mr. SHIVELY. Whether wheat or flour may rise or fall I do not prophesy, but whether either does one or the other will not be because of the presence or absence of tariff on it. the present circumstances of production, consumption, and trade in these products, their prices are world prices and not Washington prices. As to wheat and flour, the tariff is having no effect in this country on the relation of supply to demand.

Mr. SHERMAN. Let me follow that, now, by another query.

Yesterday December wheat was quoted in Chicago at 85½ cents. It was quoted in New York at 93 cents. If wheat were free listed to-morrow morning, does the Senator think it would affect the price of wheat either in North Dakota or at either of the points named?

Mr. SHIVELY. Under present conditions, certainly not. Mr. SHERMAN. That answers it. I am seeking for in That answers it. I am seeking for information. If it would not affect the price, how would it affect

Mr. SHIVELY. I have not contended that the removal of the duty would under present conditions affect the cost of bread. On the contrary, I have characterized these duties as empty and inoperative. That other influences besides fariffs may op-erate in the spaces between production and consumption, I know as well as does the Senator.

Mr. SHERMAN. I have the desired information that I asked for. I am now seeking for further information. What will be

accomplished by free listing wheat?

Mr. SHIVELY. Wheat is not free listed, but is subject to a countervailing duty. But wheat on the free list would prove once for all to the last doubting farmer that the duty on wheat is one of the husk and humbug duties on his products with which it has been sought through all these years to secure his vote for other duties in the general scheme which have robbed The great body of the farmers know it now. delusion remains on the subject would be dissolved.

Mr. SHERMAN. Does the Senator regard the duty on corn

in like manner?

Mr. SHIVELY. Certainly; quite as worthless. Mr. SHERMAN. I wish to ask the Senator if he knows what the movement of corn was the six working days of last week from Argentina? If he does not, I will state that it was over 7,000,000 bushels from Argentina alone, and that the freight from Buenos Aires is about 111 cents-short of 12 cents.

Mr. SHIVELY. Our exports of corn of over 40,000,000 bushels last year to imports of 903,000 bushels in round numbers answers all that suggestion. The article is distinctly export, and the figures of Argentina export do not affect the fact.

Mr. WILLIAMS. Will the Senator pardon me while I ask

the Senator from Illinois a question?

Mr. SHIVELY. Certainly.
Mr. WILLIAMS. What were the figures given a moment ago as the amount of corn exported from the Argentina to the United States?

Mr. SHERMAN. Seven million bushels.

In one week?

Mr. WILLIAMS. Mr. SHERMAN. Yes.

Mr. WILLIAMS. There must be something very remarkable

Mr. SHERMAN. I am not saying to the Senator that it came here, I am not saying that all of it came here. I do not know the part that came here. That was the movement out of the

Mr. WILLIAMS. Oh, you mean that Argentina exported to

the world that much?

Mr. SHERMAN. Yes. Mr. WILLIAMS. Wh What in the name of common sense has that to do with this question? It has nothing to do with it.

Mr. SHERMAN. It certainly has; and I asked it with the avowed purpose of connecting it with the remark made by the Senator from Indiana-without the duty how much of it would come here under the bill? If corn is free listed, how much of that would come here; would it increase the quantity? And the Senator has not yet answered except that it might come in increased volume

Mr. WILLIAMS. I beg pardon of both Senators. I misunderstood the statement. I understood the Senator to state that 7,000,000 bushels were imported here in one week. I was marvelously astonished and wanted to get further information.

Mr. SHERMAN. I will say to the Senator from Mississippi that it was simply the movement from that part.

Mr. SHIVELY. Certainly; Argentina's exports are corn, wheat, beef, and other agricultural products. Her exports of corn go in large part to the same countries to which our export is sent. In the presence of vast exports of wheat and corn into the world's market, imports in large volume at the same time are They go abroad because of the higher price there. The stream is outward, not inward. No market is oversupplied that pays the higher price nor undersupplied that pays the lower price. It seems difficult for the Senator from Illinois to interpret the significance of our export and import trade. It is impossible to conceive of cargoes of export and import of articles of like kind and quality passing one another in opposite directions. If the price were higher here, the article would remain here. There would be no export. If the price were higher abroad, the corresponding article would not come here. There would be no import.

Mr. CLAPP. Mr. President-

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from Minnesota?

Mr. SHIVELY. Certainly.

Mr. CLAPP. When the Senator started to make his statement was engaged in writing. I ask, is the Senator speaking of wheat?

Mr. SHIVELY. I am speaking of corn now, because the Senator from Illinois became curious about the matter of corn

and called my attention to it.

Mr. CLAPP. I want to remind the Senator that while we call a subject generally wheat, there is a vast difference in its relation to home consumption and foreign exportation, between the wheat that is raised in certain sections of the country and the wheat that is raised in other sections of the country. The fact wheat that is raised in other sections of the country. The fact that a soft wheat may be exported is no evidence that the

that a soft wheat may be exported is no evidence that the hard wheat of our section can be exported. While we call all wheat, one is a subject of export, the other is a subject of import.

Mr. SHIVELY. That there are different grades of wheat is true. That there may be heavier exportation of some grades than of others is true. But the broad, plain fact that, all told, last year our imports of wheat of all kinds were only 797,528 bushels as against an exportation of 91,602,974 bushels of wheat of all kinds, or 1 bushel of import to 114 bushels of export, shows the dominating influence of the export market as the pricing agency in the domestic market.

Mr. CLAPP. I can not let that statement go unchallenged. We raise in the northern tier of States and out in the Northwest one character of wheat and they raise in Canada practically the

same kind of wheat.

Now, the fact that we export a different kind of wheat from the States farther south has no relation to the fact as to the wheat that we raise in our States. It will meet in competition without any duty the importation of similar wheat from Canada; and that is what we complain of.

Mr. SHIVELY. Why, within the last year and by to-day's quotations the price of northern No. 1 is higher at Winnipeg than at Minneapolis, higher on the Canadian side of the line than on the United States side of the line. This accounts for the trifling importations as compared to exportations. At other times the prices may be reversed; but at all times the exports from this country are vastly in excess of imports.

Mr. CLAPP. We have in fact several grades in the North-

Mr. CLAPP. We have in fact several grades in the Northwest. Canada fixes her own grades. The fact that a certain west. Canada fixes her own grades. The fact that a certain grade was higher in Winnipeg than another grade was in St. Paul, Minneapolis, or Duluth proves nothing. What we are contending for in this struggle is that we raise a particular kind of wheat, and that same kind of wheat may be differently graded in Canada; but whatever you call the grade it makes the same product as our grade.

Mr. WILLIAMS. Mr. President, if the Senator from Indiana will pardon me, does the Senator from Minnesota mean to say that none of that grade of wheat is exported from the United

States?

Mr. CLAPP. Very little; so little that in 1911, when they were trying to force free Canadian wheat upon us, we were unable to obtain the freight rates on our kind of wheat from Minneapolis and Duluth to Liverpool.

Mr. WILLIAMS. When the Senator says that none of that sort of wheat is exported, does he mean that none of it is exported in the shape of wheat and that none of it is exported in the shape of flour either?

Mr. CLAPP. I mean in wheat.

Mr. WILLIAMS. My understanding is that that is correct; that it is nearly all turned into flour and exported in that shape.

Mr. CLAPP. Exactly.

Mr. WILLIAMS. And when exported in the shape of flour it meets with competition in Argentina as well as in England and elsewhere. Now, to say that wheat is not exported just simply because it is not exported in the raw would mislead. If it is turned into the finished product, flour, and then exported it is still exported.

Mr. CLAPP. If the Senator from Indiana will pardon our somewhat incidental discussion here-

Mr. SHIVELY. I indulge the Senator, but I want myself to close in a few minutes. It was not my purpose to speak at length.

Mr. CLAPP. I will be very brief. The fact that while our wheat is not exported and can not be exported to Liverpool because of the difference in the price between our wheat and the other wheat of this country, and while in a broad generic sense all flour may be the same, nevertheless we get the benefit of the difference in the price of the wheat, so long as there is that difference in the price, between Liverpool and Duluth, which precludes shipping or exporting our wheat through Duluth to Liverpool. That is just the trouble. If we could have a voice in this matter, if this matter could be considered from the

viewpoint of our section, I believe it would result in a different ultimate condition of this tariff.

Mr. GRONNA. Mr. President-

The PRESIDING OFFICER. Does the Senator from Indiana yield to the Senator from North Dakota?

Mr. SHIVELY, Yes. Mr. GRONNA. The Senator from Indiana has referred to the quotation of the price of wheat in two places in his speech this afternoon. Will the Senator from Indiana state of his own knowledge that the Canadian wheat sold at a higher price than

the American wheat, quality considered?

Mr. SHIVELY. Mr. President, so far as my personal knowledge is concerned, the wheat on this side of the line may have been better than the wheat on the Canadian side, or the wheat on the Canadian side may have been superior to the wheat on this side. But when I see grades given precisely the same name on both sides of the line and quotations for both sides made and published on the grades so named I infer that the likeness of description in grade means substantial likeness in quality. But my contention goes to the general aspect of wheat production and trade in relation to the tariff. Wheat is sown some place on this earth every day of the year. Wheat is reaped some place on this earth every day of the year. When the farmers of our Northern States are around their firesides in midwinter the farmers of the Argentine Republic are reaping their ripened harvest. Later the farmers on the table-lands of India are gathering their harvest. At another time the farmers in the valley of the Nile are gathering their harvest, and at still another time the farmers on the plains of Russia are gathering their harvest. The surplus wheat from all these fields is poured into the great market of western Europe in open competition with the surplus wheat from the fields of the United States. From that great surplus market the price ranges on a downward incline plane back past the American farm. To the level of prices thus fixed the farmer brings his wheat. He stands between two markets, neither of which he controls. He makes his sales at prices fixed by others. He makes his purchases at prices fixed by others. As to his great staples, he makes his sales unassisted by tariffs and in open, constant competition with the whole world. He makes his purchases at combination prices written to artificial levels behind the shelter of tariffs which are potent to plunder him, but ineffective to protect him. By the exactions to which he is subjected on his purchases the natural gains of his labor and sacrifices are sponged away from him into splendid fortunes to those in whose interest the tariff was written.

Mr. GRONNA. Mr. President-

The PRESIDING OFFICER. Does the Senator from Indiana yield further to the Senator from North Dakota?

Mr. SHIVELY. Yes. Mr. GRONNA. The Senator from Indiana has stated that we are exporting wheat from the United States. from Indiana and I do not disagree on that. Now, I ask the Senator from Indiana if Canada does not also produce a surplus of wheat, and where does that surplus go? If Canada has a surplus of wheat, why does that surplus coming from Canada bring a higher price than does the surplus coming from the United States unless prices are based upon grades fixed arbitrarily, fixed in one place differently from the other?

Mr. SHIVELY. Of course, northwestern Canada is export in the matter of wheat, as is the United States.

Mr. GRONNA. They raise nearly 200,000,000 bushels. Mr. SHIVELY. Both countries export wheat. Much of the exports of both countries reach precisely the same market. The price of both is there fixed by the same competition, and the matter of grading, though material to the merchant, is not material to the tariff question.

Mr. GRONNA. Oh, it is very material. Mr. SHIVELY. Both countries being Both countries being exporters to the same market, the price descends backward to the farms of each.

Mr. GRONNA. The Senator and I agree on one proposition, namely, that the United States and Canada both export wheat. As the Senator knows-he has the figures there-Canada produced last year about 200,000,000 bushels of wheat. With a population of about 8,000,000 it must necessarily export 150,-000,000 bushels. Now, my query to the Senator from Indiana is this: Unless there is a difference in the standard of grades, will the Senator from Indiana give the Senate the information why wheat exported from Canada brings a higher price than wheat exported from the United States? That is a very important question.

Mr. SHIVELY. If grades of the same name sell at different prices in the same market it would indicate a difference in standards of grades. If the Canadian wheat is the superior in

market, though somebody should give the lower quality the same name

Mr. GRONNA. Mr. President, if the Senator will permit me, I stated to the Senate this morning—and I submitted proof in connection with that statement based upon actual business transactions by men who are engaged in the business—that the Canadian grades were of a higher standard; that all the No. 2 northern Canadian wheat would pass for Minnesota No. 1 northern, and that a great portion of the No. 3 northern Canadian wheat was as good in quality as No. 1 Minnesota wheat. The difference in price, I will say to the Senator, is, on contract, 6

cents on the No. 2 and 8 cents on No. 3.

Mr. SHIVELY. What was the Senator's question?

Mr. GRONNA. I asked the Senator a question, but it seemed the Senator did not wish to answer it, and the Senator asked me, if I understood him correctly, what my contention was. I am trying to tell the Senator what my contention is. Canadian No. 2 northern and No. 3 northern as graded arbitrarily, I will say, by a board of trade as against the grades established by the inspectors of the State of Minnesota under a State law, will come up in quality to the No. 1 northern grade of the Minnesota grain.

Mr. SHIVELY. There are surpluses in both countries. These surpluses are exported. We can not by legislation change the quality of wheat raised in North Dakota nor of that raised in Canada.

Mr. GRONNA. But the Senator from Indiana will admit, I assume, that the transactions are not done upon samples of wheat. The business is done upon certificates.

Mr. SHIVELY. I think that is true. But these differentiations and refinements on standards and grades do not meet the main question. That we exported alone in whole wheat and wheat in flour more than two-thirds as much wheat as Canada produced in the same period and over one hundred and forty times as much as we imported are the material and important facts touching the usefulness or uselessness of a tariff on wheat to the farmers of the country.

Mr. STERLING. Mr. President, I should like to ask the Senator a question before he takes his seat. He has referred to the tariff on agricultural products, and particularly on wheat, as being imposed for sentimental or political purposes. I want to call the Senator's attention to a table, for which I am indebted to the senior Senator from North Dakota [Mr. Mc-CUMBER] in his admirable speech delivered in the opening of

It appears that on the 6th day of April, 1912, the following prices were paid for wheat at different points in North Dakota and in Canada, these several points in Canada and North Dakota being from 1 to 5 miles apart, and in one instance the sales were at a town on a line running between North Dakota and Canada:

The price of wheat in Pembina was 95 cents; in Emerson, near by, 86 cents; in Neche it was 95 cents; and in Gretna, near by in Canada, it was 86 cents; and so on through a dozen points on either side of the line, the difference being about 11

cents per bushel on that day.

I turn to another table, with reference to barley. It sold on the same day, April 6, 1912, at Pembina at 90 cents, and across the line at Emerson it sold at 60 cents; at Neche the price was 90 cents, that being in the United States, while across the line in Gretna it was 50 cents, and so on down, the price running in Canada all the way from 45 to 60 cents, and in the United States all the way from 87 to 90 cents.

Mr. MARTINE of New Jersey. Were all those for the same

grades of wheat?

Mr. STERLING. Let me ask the Senator from Indiana if that difference in price is all husks to the American farmer? must be taken for granted that this wheat raised there in the same neighborhood was practically of the same grade.

Mr. MARTINE of New Jersey. That is not a safe assump-

Mr. SHIVELY. The Senator is swift to take everything for granted necessary to make a case. The senior Senator from North Dakota, after quoting those figures for 1912, admitted that wheat is ruling higher the present season on the Canadian side than on this side of the line. The tariff was not changed. There is to-day, as there is every year, an even wider range of prices in the United States than in Canada. There is a far wider difference of prices on wheat in different parts of this country than any difference shown to exist at the Canadian line. As well attribute the difference in price between Fargo and New York City to the tariff as to ascribe all the eccentricities of the wheat market in Northwestern Canada to the tariff. The tariff, like an impassable mountain range, may facilitate a buying control on one side of the line and temporarily depress quality of course it would bring the higher price in the same the price, but the surplus from both sides in form of wheat or four goes to the same market and, quality for quality, brings the same price. The difference in price, of which the Senator speaks, is not husk and humbug, but the notion that this difference is produced by the tariff or that the tariff is an enriching influence to the American farmer is husk and humbug.

Mr. President, I have consumed far more time than I intended. This has been due to interruptions, though of this I do not complain. In this time I have discussed the tariff as it affects the farmer on his selling side and indicated how little part or lot he has in the tariff as a beneficiary. In his buying markets he has been the constant victim of its exactions. the course of colloguy several Senators have inquired why we have not placed articles which the farmer must buy on the free list. I have said that in this respect the bill answers for itself. But with the indulgence of the Senate I add that, among other articles, we have taken from the dutiable schedules and placed on the free list the plow, the harrow, and the cultivator; the wagon, the thrashing machine, and the clover huller; the horserake, the baler, and the stacker; the cotton gin, the shredder, and the traction engine; the nail, the spike, and the horseshoe; the barbed wire, the harness, and the lumber; the grain drill, the mower, and the harvester; the boots, shoes, sewing ma-chines, and bagging cloth; and have reduced the duty on every other useful article that the farmer purchases for his farm or his household.

Mr. JAMES. If the Senator will permit me, I should like to put in the Record some figures in reply to the argument of the junior Senator from South Dakota [Mr. Sterling] as to the difference in the price of wheat right across the line in Canada and the United States by which he undertakes to create the impression that the tariff causes the difference in price. The report of the census shows that in 1912, on December 1, the price of wheat on the farm in Indiana was 93 cents, in Illinois 88 cents, in Michigan 96 cents, and in Wisconsin 83 cents. The Senator might take some of the time of the Senate and explain to us what caused the difference in the price of wheat from 5 to 15 cents a bushel on the same day of the same year in States lying side by side with each other and under the same tariff rate.

Mr. BORAH. Mr. President, the Senator from Wisconsin [Mr. La Follette] gave to the Senate this morning some figures showing the difference in the cost of production here and abroad of some of the products in which we are interested just now; and, with his usual accuracy, he has demonstrated that there is a difference in the cost of production here and abroad as to some of the agricultural products. So we might, if we chose, rest our argument on that principle. But to my mind there is a broader question involved in the discussion than that of the difference in the cost of production here and abroad, so far as agricultural products are concerned.

It has been argued to the American producer and the American farmer for a great many years that there should be built up here in this country a permanent home market. While at the time the discussion began it was not demonstrable that it was of any peculiar or exceptional benefit to him at that time, yet when there should have been established a home market which would be steady and near him he would in the end come to enjoy the benefit of having that home market at hand. That discussion continued through a long number of years, especially upon the part of the party to which I belong.

As was said by the Senator from Wisconsin this morning, there came a time when the American farmer began to enjoy the home market. As that time approached it was noticeable in this country that there was a disposition upon the part of all parties to turn over that home market to some one other than the American farmer, or at least to make him compete for it. As soon as it was discovered that in all probability this home market was proving of some value and of some benefit to the American farmer, our friends in the East began to say among themselves: "We should like to purchase our agricultural products from Canada. We can go over into Canada; it lies closer to some of us; the transportation is shorter in some instances. In any event, if we have the vast agricultural fields of Canada competing with the agricultural interests of the United States, it stands to reason we will get our agricultural products cheaper than we do now." So there grew up in this country within the last few years this idea of reciprocity with Canada as to farm products.

What was the basic principle upon which the proposition of reciprocity with Canada was based? How and why was it argued that we should enter into this relationship with Canada? It was argued throughout the country where it had most effect that it would inevitably give the American consumer cheaper products; that it would benefit the people in the towns and cities; and that by reason of throwing into the American mar-

ket the agricultural products from the great fields of Canada it must necessarily follow that the American consumer would get the benefit of it.

Of course the consumer could not get the benefit of a cheaper price unless the price were reduced; and a reduction of the price must necessarily affect the price which the American farmer was to receive for his product.

The argument which was made in the Senate two years ago, on both sides of the Chamber, was based upon that propositionthat free trade between these countries would give us cheaper farm products, and thereby necessarily compel the American farmer to sell in a cheaper market. Does any one contend that that was not the theory upon which reciprocity was urged? Some of us opposed the measure at that time for the reason that we believed it would have the effect of reducing the price of farm products, although we did not believe that the reduction of price to the farmer would necessarily reach the consumer, for the reason that it would be taken up by meat and flour combines, as proved literally true in the case of free hides. Everyone knows we placed hides on the free list to get cheaper leather goods, but that instead of leather goods going down they went up. The reciprocity measure nevertheless passed this body, passed the other body, and became, so far as we were concerned, a law. Fortunately, it was afterwards defeated through no efforts of ours.

This bill carries out precisely the same policy that was embodied in the reciprocity treaty, and I assume for the same purpose and for the same reason. I must say, however, that there is no inconsistency between the position which our Democratic friends assume and their former teachings, because they have advocated, whether they have been willing to put it in effect or not, free trade from the beginning. There certainly was an inconsistency so far as the party to which I belong was concerned. But if our Democratic friends had treated in this bill the farmer as they have treated others we would have no right to complain. But they are not willing to apply free trade except to the producer.

If the home market does not belong to the American farmer; if, so long as we have agricultural land in this country sufficient to feed 200,000,000 people, the home market does not belong to those who are prepared and ready to furnish it when the prices are such as to induce them to go into the business, then there is nothing in the doctrine of protection.

If protection is not a system, whole and entire, a policy universal in its effect and application, diversifying industries, giving men different avocations and walks in life, through and by means of which we develop citizenship, then it is a proposition that can not be defended on any ground at all.

So the moment the Republican Party brought into Congress the doctrine of reciprocity, or free trade for the producer of a protection for the manufacturer, that moment it presented an argument against protection which could not be answered. The first time the American people got an opportunity to deal with the subject, while it may be "sentimental," it may be "fanciful," the American farmer repudlated the doctrine that he should be compelled to sell in a free-trade market and buy in a protected market. He administered his rebuke to us, and he will administer his rebuke to you.

We have had some difficulties in our party for the last few years, and some of those difficulties have been so personal in their nature that we have overlooked some of the others which were economic and were superinduced by reason of a change in policy. But one of the reasons why the Republican Party met such disaster in the last campaign was the fact that the most loyal constituency a party ever had—the American farmer—had been betrayed, and he resented it. We will either get right on this question and stay right, or we will stay whipped—not by a party which does the same thing, but by some party big enough and broad enough and brave enough to treat all our people alike.

I have heard considerable discussion in this Chamber at this session of the disposition of the present incumbent of the White House to enforce his ideas with reference to this tariff bill, a subject which I am not about to discuss. I only want to say that I do not get very much comfort out of these criticisms, for if the Republican Senators in this Chamber had voted according to their convictions when the reciprocity bill was passed, in my judgment, there would not have been 10 votes in favor of it on this side of the Chamber. It was a disaster; it was a treacherous betrayal of as loyal a constituency as a great party ever had. I denounced then and I denounce now.

We have precisely the same thing in this bill. While it does not impeach the Democratic Party with the inconsistency with which the reciprocity bill impeached us, it will have, in our judgment, precisely the same effect. The discrimination in this

bill against the American agriculturist I think must be apparent even to the supporters of the measure. It is true that they argue that there is no discrimination because of the fact, as said by the Senator from Indiana, that the farmers are not benefited now. But if we be right, if the American farmer be right in his belief that the present law does benefit him, then I think no Senator upon that side of the Chamber would contend that this bill itself is not aggressively discriminatory against the American producer and against the American farmer.

A leading London paper said a short time ago:

The new tariff justifies the wisdom of the Canadian people in refusing to bargain away their economic independence at the instance of President Wilson's predecessor. A large portion of what was offered to the Dominion on condition of becoming an adjunct of the United States is now presented to her for nothing.

All people who have interpreted it from the outside have considered the bill as carrying within itself the same discriminatory features against the American producer that the reciprocity

My able friend from Montana said awhile ago that the duty upon these farm products was a "mental duty"—a felicitous phrase, and one which I have no doubt represents the conviction of the Senator from Montana. But let me ask this question: If it is a mere mental duty, affording the American farmer merely some sentimental pleasure if indeed it does not protect him in any way whatever, pray tell me what possible benefit will be derived by the American consumer by reason of taking the duty off of agricultural products?

We know that it has been argued, interviews have been given, speeches have been made, that one of the objects and purposes of this bill was to reduce the cost of living. I have many of them here upon my desk, and I think I may say that I have read no less than 20 articles and speeches to the effect that the cost of living would be reduced to some extent by reason of

taking the duty off these agricultural products.

Of course, if it be true that this duty is a mere mental duty, then the arguments which have been made that taking it off would reduce the cost of living are mere mental gymnastics. The one must follow the other, because if it does not injure the American farmer it must necessarily be that it will not benefit the American consumer. So I say that there is a broader question involved in this discussion than the mere question of the difference in the cost of production at home and abroad.

Mr. President, almost every civilized nation has experimented at some time or other with the building up of its purely commercial interests at the expense or through the neglect of its agricultural interests. Every nation which has done so has suffered-its social and economic conditions have become involved and weakened, its standard of citizenship has deteriorated, and distress has been the ultimate result. The agricultural interests are generally at a great disadvantage in such a contest. They have not the means nor the time generally for a close and effective organization, they have not the access to the instrumentalities through which public opinion may be formed, and they are generally, so far as numbers are concerned, inadequately represented at the council table where measures are framed or in the halls of legislation where they are enacted into laws. One has been indifferent indeed to passing events for the last 20 years who has not observed the dominancy of the purely commercial interests in legislation and administration and the setting in of the movement in this country which at certain periods has been started in other countries.

This bill before us is the most pronounced step in that direction yet taken. It is unwise, to my way of thinking, in many of its features as to all interests, but as to the agricultural interests it is not only unwise but harsh and condemnatory. That interest which is free of combines and monopoly, that interest in which competition still prevails in its fullest scope, that interest which is just now coming to its own in the realization of fair compensation and fair prices is to be made more and more the hewers of wood and drawers of water for all other

I want therefore to survey briefly some historic facts, for we are only repeating history. We are only doing, without half the reason or justification, what other people equally presumptuous and equally shortsighted, equally subservient to false theories, and coupling blind to the description of the state of the sta ries, and equally blind to the true principles of national strength have done. I do not want to torment inconstant hearts by recalling the advice of discarded deities, but I remember as I speak of it that Jefferson said:

The agricultural capacities of our country constitute its distinguishing feature, and the adapting our policy and pursuits to that is more likely to make us a numerous and happy people than the mimicry of an Amsterdam, a Hamburg or a city of London.

And again he said in 1817:
The history of the last 20 years has been a significant lesson for us all to depend for necessaries upon ourselves alone.

A nation with countless thousands of acres of agricultural lands capable of producing almost everything through its various climates which comes to the table in the way of necessaries, a nation thus equipped ought to adopt those policies which will encourage and protect, foster and build up its agricultural interests. We ought to give strength to our citizenship, breadth and wholesomeness to our civilization, health and permanency to our social order, and economic soundness to our industrial life by encouraging men to leave the centers of population and go to the farms by preparing in a distinct and settled and positive way to live off of our own acres, out of our own gardens, and from our own farms.

The American market belongs to the American farmer. Any policy which takes that market away from him or compels him to compete with others for it under such conditions as to embarrass or discourage is unwise both as a question of economics and a question of government. It is a policy which was con-demned by Washington, by Jefferson, Madison, Monroe, and Jackson, by Lincoln, McKinley, and Roosevelt. It is a policy which has been condemned not only from the lips of wise and devoted public servants, but it has been condemned by experience, and its unwisdom, its folly, are written in unmistakable terms over more than one page where we find recorded the fatuous efforts of men to adopt it.

Mr. President, as I said a moment ago, we have in this country sufficient agricultural land to feed 200,000,000 people. We have vast areas of abandoned and unoccupied farms. the great State of New York, the Empire State of the Union. There are large areas of land in that State which have become vacant and unoccupied. The people have moved into the cities. They have left agricultural pursuits, diminished the field of

production, and increased the field of consumption.

That is true with reference to a great many of the Eastern We are now engaged in every way which ingenuity has been able so far to suggest in different schemes by which to invite people to go to the farms, by which to turn the immigration from the cities back to the agricultural region. It is a matter which is engaging the attention of the best thinkers and the greatest publicists of our Nation how to take from these congested centers, where American citizenship is being degraded and broken down by a condition of affairs and environment which they can not conquer, and turn people to the American farms, to the agricultural regions.

So long as we place a discriminatory statute upon the statute books which has the effect of lessening the incentive to agriculture and of stimulating the incentive to manufacture, that condition will go on and all the theorists and party policies and organizations for country life will have pursued their work in

vain.

I am not going to take much of your time to go back in ancient history. I know that the Senate would be impatient to go into these matters, but I do want to call attention very briefly to two or three instances which, it seems to me, throw some light upon the question that we have got to take care of our agricultural interests in order to maintain and take care of our citizenship and our civilization.

Early in the Roman history Rome concluded, through her Emperors, to rely upon foreign nations for their food. Tacitus,

speaking of this matter, said:

Formerly their armies in their distant provinces were provisioned from fertile Italy, but now they had preferred to exploit Africa and Egypt, and the lives of the Roman people were given up to the chances of the winds and the waves.

In other words, at this time Rome began to purchase her agricultural products exclusively of those two nations, where they could be produced so much cheaper, upon the theory that it was best to purchase where you could purchase cheaper. The result of that is known to all the writers of Roman history. It had the effect of causing the abandonment of all-the great agricultural fields of the Roman Empire.

The historian Treitschke, writing upon that subject later,

said:

Old industries also require protection against foreign competition. In this respect Italy teaches us a valuable lesson. If protective tariffs against Asiatic and African breadstuffs had been introduced in time the old Italian peasantry would have been preserved and the social conditions would have remained healthy. But Roman traders could import cheap grain from Africa without hindrance and the rural industries decayed, the rural population disappeared, and the Campagna which surrounds the capital became a vast desert.

The landowners and workmen of Italy left the agricultural fields of Italy, crowded into the cities of Italy, and became a mob living upon the products of foreign nations, and for all time measuring the degradation and fall of that illustrious citizenship. Mixed up with and an inseparable element of the disintegrating forces of the Roman nation was the decay of her

Mr. President, in 1842 Peel presented his famous budget to Parliament. He announced that in the end it would enable him to reduce duties, and the final result was free trade for England. It was said that the English people were entitled to a free market basket, and therefore the agricultural interests were put in competition with the agriculture of the world. The producers of England were placed in open and free competition with the producers of all countries. It is interesting to note the debate which took place at this time. It was clearly demonstrated by facts and figures that there was no place from which agricultural products could come and compete with the agriculturists of England. It was said that France could not furnish any wheat and that the people of the United States had need of more than they were producing, and that in any event the freight charges were an absolute protection, and merchants and business men demonstrated with their usual accuracy that the agriculturists of England need not suffer because of the great freight charges.

The effect of this policy, however, was altogether different from that which it had been figured. The depression in agriculture was immediate, lasting, and ruinous. Business distress and business demoralization, so far as the agricultural interests were concerned, were universal. It is now a fact of which the English historians take notice that the suffering and poverty

among the farmers of England was startling.

I am not going to stop to argue to-day whether free trade for England, situated as England was, was a good thing for her or not. I only want to show from the history of the agricultural interest of England that from the day and hour that the freetrade policy was inaugurated the story of the agricultural industry in England is as sad and tragic as is anywhere to be found in the history of the world. I can give it to you better in

figures than I can in words.

In 1866 England had in cultivation in wheat 3,126,431 acres. To-day she has in cultivation in wheat 1,804,045 acres. Wales had in 1866, 113,862 acres of wheat; to-day 38,487 acres. In the vast wheat fields, under the very shadow of the great manufacturing interests of England, where freight rates and transportation and all these questions work to the benefit of the agriculturists, they have passed from the wheat field to the truck patch and from the truck patch to pasturing, and to-day the hunter and his hounds pursue the game in almost the center of the great industrial interests of England.

In 1866 of barley they had an acreage of 1,877,887 acres; to-day they have an acreage of 1,337,513 acres.

Of rye, 50,570 acres in 1866; 39,962 acres now.
Of beans, 492,586 acres; to-day 299,846 acres.
Of peas in 1866, 314,206 acres, and but 166,182 acres now.

In 1866 the acreage of potatoes was 311,151 acres; to-day it is 402,505 acres; in this instance an increase.
In cabbage in 1866, 159,539 acres; to-day 139,513 acres.

In carrots, 15,598 acres in 1866; to-day 10,441 acres Mr. LODGE. Perhaps the Senator has not the figures, but I take it there was more decline between the repeal and 1866. In 1846, the date of Sir Robert Peel's repeal of the corn law, there was more land in wheat than there was in 1866.

Mr. BORAH. I think that is true, Mr. President. I had to take some period over which to measure. I took the period and figures as I found them tabulated by English writers on the

subject.

Mr. LODGE. Certainly.

Mr. BORAH. But the entire table in regard to this matter will be found in Prof. Prothero's book on English farming, in the appendix.

But in addition to the figures, Mr. President, I want to read briefly some of the extracts which may be had from public men and impartial historians of that country, showing the decline in the agricultural interests of that country from 1846 to the present time.

February 19, 1850, Mr. Disraeli, in the House of Commons, after a petition had been presented showing the distress of the

agricultural interests of that country, said:

We have to-night to inquire what is the best course to remove, if possible, certainly to mitigate, that unprecedented depression to which the petitioners have referred. We believe that that distress has been occasioned by recent legislative enactments—

To wit, the anticorn statute-

by the recent repeal of the laws which regulated the importation of foreign agricultural products.

In the same speech he calls attention to the fact that the cultivators of the soil for the last few years had realized nothing whatever from their lands. In the same speech he again says, speaking of the agricultural interests:

Their distresses are now seyere. You can not allevlate those distresses by referring, as some of the noble lord's colleagues have done, to the otherwise rampant prosperity of universal England. It has been truly

said that it has been impossible to exaggerate the agitation which prevails out of doors with respect to this agricultural suffering.

On March 28, 1879, the same distinguished speaker said:

No one, I think, can deny that the depression of the agricultural interests is excessive. Though I can recall several periods of suffering, none of them have ever equaled the present in its intenseness. Let us consider what may be the principal causes of this distress. * * * The remarkable feature of the present agricultural depression is this—that the agricultural interest is suffering from a succession of bad harvests, and that these bad harvests are accompanied for the first time by extremely low prices.

Prior to that time, when the aricultural interests were depressed by reason of bad crops, they had at least been able to realize a fair price for their products, but at this time they were unable to realize a fair price by reason of the fact that the market had been taken away from them, or was being taken

away from them.

away from them.

That is a remarkable circumstance which has never before occurred, a circumstance which has never before been encountered. In old days, when we had a bad harvest we had also the somewhat dismal compensation of higher prices. That is not the condition of the present. On the contrary the harvests are bad and the prices are lower. That is a new feature that requires consideration, There can be no doubt that the diminution of the public wealth by the amount of £80,000,000 suffered by one class begins to affect the general wealth of the country and is one of the sources of the depression not only of agriculture, but also of commerce and trade. No candid mind could deny that this is one of the reasons for that depression. Nor is it open to doubt that foreign competition has exercised a most injurious influence on the agricultural interests of the country. The country, however, was perfectly warned that, if we made a great revolution in our industrial system and put an end to the policy of protection, such would be one of the consequences which would accrue. * * Agriculture just now is producing much less than it did before. Nearly a million acres have gone out of cereal cultivation, and it is suffering from foreign competition, which, even in its own home market, it has unsuccessfully to encounter. to encounter.

So, beginning, Mr. President, with 1851, only a short time after the repeal of the corn laws, after free trade was established, was the inception of the agricultural suffering among the agri-

cultural interests of England.

There has never been a year, so far as my investigation has permitted me to go, in which there has not been an increase and accentuating of that suffering and that depression, and to-day Lloyd-George is striving with all the ingenuity within him to work some kind of relief to the agriculturists of England.

Mr. Walpole, in his History of England, volume 4, page 378,

said:

It was calculated by a competent statistician, Mr. Giffin, that the average price of agricultural products was one-third lower in 1877-1879 than in 1867-1860. Every class connected with agriculture was suddenly confronted with severe distress.

Again, he says:

In every year from 1869 to 1879 about a hundred thousand fewer acres were sown with wheat in the United Kingdom and some 1,500,000 more acres were sown with wheat in the United States.

Again, he says:

Universal distress was again increasing the rolls of criminals in the country.

Mr. Paul in his history of England says:

There was, however, one class of workers

He had been speaking of the general prosperity of Englandwho had nothing to spare for luxuries and too little even to provide themselves with the bare necessities of life. The agricultural laborers in 1872, though not nominally slaves, were unable by their utmost exertions to obtain on an average more than 12 shillings a week.

Molesworth in his history devotes a chapter to the distress of the agricultural interests from 1850 on.

In one of the land commissioners' reports of the royal com-

mission, dated about 1804, it was said:

The acreage abandoned in despair is steadily increasing, and in a few years, unless some change takes place, whole parishes will be out of cultivation. Farmhouses, farm buildings, laborers, cottages are becoming ruins, and all this within easy distance of London. The most congested districts in Ireland afford no more alarming spectacle.

The evidence before the royal commission in 1897 disclosed an increasing spread of the disaster and distress. Farms were gradually being abandoned, drainage neglected, mortgages being

foreclosed, and that condition still continues.

Mr. President, you can not measure that condition of affairs by any question of the slight rise in the price of food, even if such were true, as to the other citizens of the country, although, in my opinion, it would not be true. It is not the price of farm products which makes the high cost of living, but the combinations which control the American market place. In this great Republic, which has such a large agricultural area, it stands to reason that we should produce that which we are to consume. If we had a limited area, if the congested centers were not overoccupied, if the healthy condition of American citizenship could be maintained, there might be some argument which would convince me in the handling of these statistics and in the questions of supposed increased prices. But anything which makes the farm idle or would leave the great agricultural fields unoccupied would be a menace to our citizenship and our institutions which

it would be difficult, in my judgment, for human language to

measure or portray.

Mr. WARREN. Mr. President, may I ask the Senator a question?

The PRESIDENT pro tempore. Does the Senator from Idaho yield to the Senator from Wyoming.

Mr. BORAH. Yes, sir. Mr. WARREN. I hold in my hand a telegram received to-day from London as to the cost of living there. I do not know whether or not the Senator has it there?

Mr. BORAH. I have not. Mr. WARREN. It is in a

It is in a few words. May I read it?

Yes, sir. Mr. BORAH.

Mr. WARREN. The item is in to-day's Washington Times, and reads:

COST OF LIVING UP IN BRITAIN 14 PER CENT.

LONDON, August 13.

Striking figures showing the increased cost of living are contained in a voluminous report issued by the British Board of Trade, according to which present prices are the highest in 25 years.

Retail prices of food have risen 14 per cent since 1900, while wages

have increased only 3 per cent.

Prices of almost all foodstuffs, except tea and sugar, have risen, the
greatest increases being in bacon, 32 per cent, and potatoes, 46 per cent.

People have been able to meet the advances only by reducing con-

This, I thought, would be apropos of the very able argument the Senator from Idaho has been advancing as to farming or the lack of farming in Great Britain.

Mr. LIPPITT. Mr. President, will the Senator from Idaho

yield to me a moment?

The PRESIDENT pro tempore. Does the Senator from Idaho yield to the Senator from Rhode Island?

Mr. BORAH. I do. Mr. LIPPITT. I desire to ask the Senator from Wyoming

to what nation those figures apply?

Mr. WARREN. The telegram is from Great Britain-London, England-and, of course, as the Senator from Rhode Island will understand, a matter of 3 per cent increase in wages upon the basis that wages rest in England would not correspond with an advance of 3 per cent in wages in this country, but would be much less in dollars and cents.

Mr. CHAMBERLAIN. Mr. President, may I interrupt the

Senator from Idaho?

The PRESIDENT pro tempore. Does the Senator from Idaho yield to the Senator from Oregon?

Mr. BORAH. I do. Mr. CHAMBERLAIN. I understand all those commodities in Great Britain are on the free list. If that be true, I can not understand how farm products could be increased in value under the theory that the Senator from Idaho is now expound-

Mr. WARREN. If the Senator from Idaho will allow me just a moment to answer that, I will say that it is perfectly plain that if you make the occupation of farming so unprofitable that farmers will leave their land uncultivated, as the Senator from Idaho has well protrayed in Great Britain, the natural result of that in time must be higher prices and a higher cost of

Mr. CHAMBERLAIN. May I interrupt the Senator from

Idaho just once more? Mr. BORAH. Yes, sir.

Mr. CHAMBERLAIN. As I understand it, the distinguished Senator from Idaho is discussing what might be the tendency of the pending bill, which places a great many agricultural products on the free list. As to the abandoned farms of which the Senator from Idaho has been speaking, that has all occurred under the highest protective tariff we have ever had.

Mr. WARREN. The Senator from Idaho was also speaking

of abandoned farms in Great Britain because of the free impor-

tation of farm products into that country.

Mr. CHAMBERLAIN. In New York and in New England also the Senator has spoken of farms being abandoned.

Mr. BORAH. Mr. President, the Senator from Oregon [Mr. CHAMBERLAIN] is correct. I did speak of that fact, and it is a fact; but what I said was and what I repeat, and as was suggested by the Senator from Wisconsin [Mr. LA FOLLETTE] this morning, the American farmer is approaching the time when it is demonstrable that he can receive some benefits from this system. From 1870 to 1890 there was thrown under cultivation in this country, by reason of the occupancy of the great Mississippi Valley, an agricultural region almost equal to that of Canada. By reason of the spread of the agricultural interests and by reason of the occupancy of so much of that land, the production of agricultural products was such that everyone knows that the prices, as we say, went to pieces. The farmer burned his corn and his hay rotted in the stack. Now the

American farmer is coming back for the first time in 30 or 40 years. During the last 10 years his prices have been going up where he could receive a reasonable compensation for his services.

Just as that condition of affairs is happening, when this system may be so distributed that he may share its benefits, the selfishness of mankind, always predominant, proposes to put him again in competition with an area equal to that of the great Mississippi Valley when it was put under agricultural dominion. Everyone knows that the agriculturist in this country has suffered; that he has not shared either in legislation or otherwise; but the sad part of it is not only that he has not shared, but there seems to be a determination now that he shall not share. As the time approaches when the great home market is to furnish him adequate compensation for his labor the long season through he is put in competition with Canada and Argentina.

If there is an industry in this bill with a duty or no duty which peculiarly threatens its destruction, it is an agricultural industry; if there is an industry here above which is suspended the Damocles sword of an experiment, it is an agricultural industry. The beet-sugar grower, the cane-sugar grower, the sheep raiser, and the general farmer, and those things which are attached to the farm, representing the great producing and agricultural interests of this county—it is their products which are put upon the free list.

But, Mr. President, before I take final leave of the subject I

want to quote a little further from English history

Mr. Prothero, in his standard work on English farming, says: Mr. Prothero, in his standard work on English farming, says: Since 1862 the tide of agricultural prosperity had ceased to flow; after 1874 it turned and rapidly ebbed. A period of depression began, which, with some fluctuations in severity, continued throughout the rest of the reign of Queen Victoria and beyond. * * * Farming suffered from the same causes as every other home industry. In addition, it had its own special difficulties. The collapse of British trade checked the growth of the consuming power at home at the same time that a series of inclement seasons followed by an overwhelming increase of foreign competition paralyzed the efforts of farmers. * * In 1875-76 the increasing volumes of imports prevented prices from rising to compensate deficiencies in the yield of corn. * * At the moment when English farmers were already enfeebled by their loss of capital they were met by a staggering blow from foreign competition. They were fighting against low prices as well as adverse seasons.

Speaking of the report of the Duke of Richmond's commission upon the subject of agriculture, the same authority says:

upon the subject of agriculture, the same authority says:

The report of the commission established beyond possibility of question the existence of severe and acute distress, and attributed its prevalence primarily to inclement seasons, secondarily to foreign competition.

* * The worst was by no means over. On the contrary, the pressure of foreign competition gradually extended to other branches of agriculture. The momentum of a great industry in any given direction can not be arrested in a day; still less can it be diverted toward another goal without a considerable expenditure of time and money.

* * But as time went on the stress told more and more heavily. Manufacturing populations seemed to seek food markets everywhere except at home. Enterprise gradually weakened; landlords lost their ability to help, farmers their recuperative power. Prolonged depression checked costly improvements. Drainage was practically discontinued. Both owners and occupiers were engaged in the task of making both ends meet on vanishing incomes. Land deteriorated in condition; less labor was employed; less stock was kept; bills for cake and fertilizers were reduced.

Again, the author says:

Again, the author says:

Again, the author says:

In September, 1897, a royal commission was appointed to inquire into the depression of agriculture. The evidence made a startling revelation of the extent to which owners and occupiers of land and the land itself had been impoverished since the report of the Duke of Richmond's commission. It showed that the value of produce had diminished by nearly one-half, while the cost of production had rather increased than diminished; that quantities of corn land had passed out of cultivation; that its restoration while the present prices prevailed was economically impossible; that its adaptation to other uses required an immediate outlay which few owners could afford to make. Scarcely one bright feature relieved the gloom of the outlook. Foreign competition had falsified all predictions. No patent was possible for the improved processes of agriculture. They could be appropriated by all the world. The skill which British farmers had acquired by a half a century of costly experiments was turned against them by foreign agriculturalists working under more favorable conditions. Even distance ceased to afford its natural protection, either of time or of cost of conveyance, for not even the perishable products of foreign countries were excluded from English markets.

The present chancellor of the exchequer of England, the

The present chancellor of the exchequer of England, the famous Lloyd George, standing in his place in Parliament, declared:

Clared:

There is no important industry in which those who are engaged in it are so miserably paid as that of the agricultural laborer. I think their wages and their housing conditions are a perfect scandal to this great country.

* * My honorable friend has called attention to the fact that there has been a great deal of emigration and, what is still more important, migration from the agricultural districts during the last few years. Those who are acquainted with the facts will not be astonished at the numbers who have left those districts and they must be surprised that many more have not left. When wages are so much better in the mining areas and other areas it is marvelous that ablebodied men should be prepared to go on laboring at all seasons for the miserable reward which labor on the soil brings to them.

* * We are losing our population in rural areas and in some respects the best part of our population.

* * You can not get a great country

built up permanently on conditions which make rural life unpopular, putting it at its lowest, and that is really the case now.

The chanceller, speaking in Parliament at an earlier date in April, 1909, said:

April, 1909, said:

Any man who has crossed and recrossed this country from north to south and east to west must have been perplexed at finding that there was so much waste and wilderness possible in such a crowded little island. There are millions of acres in this country which are more stripped and sterile than they were and providing a living for fewer people than they did even a thousand years ago—acres which abroad would either be clad in profitable trees or be brought even to a higher state of cultivation. * * * We are not getting out of the land anything like what it is capable of endowing us with of the enormous quantity of agricultural and dairy produce and fruit, and of the timber which is imported into this country a considerable portion could be raised on our own land.

Mr. President, it is not my purpose to pursue this feature of the discussion further, nor shall I enter upon an analysis of the contemporary conditions in England-although the latter would be an interesting subject and possibly more instructive than the past. Cobden said that it was his purpose to make England the workshop of the world. We may admit for the sake of the argument that that has been accomplished. Let us concede the commercial supremacy of this marvelous nation; let us concede, furthermore, that situated as England is it was statesmanship to turn her course in the direction which was taken from 1842. But I do not envy her nor covet for our country her supremacy. Her industrial record discloses nearly a hundred years of continuous, unrelieved hardship, and deadening distress and poverty among her agricultural people. Her official records are crowded with report after report revealing in reluctant language the suffering and pauperism among her You may argue that free trade was not the cause farmers. of this, and I may argue that it was, and honest men may finally separate without agreement as to who is right.

But one thing is sure, the fact can not be denied, and if free trade did not cause the distress and suffering and abandoned acres it did not relieve from them. If it was not the cause, it was not the remedy. In any event the surging, discontented mob crowding Trafalgar Square, enjoying at most but half the wage of the laborer in America, and the thousands and thousands of acres once clothed in plenty, the home of that sturdy class of yeomanry who made England great, and so long as they lived kept her great, now abandoned, given over to utter waste or to the pleasure of the huntsman with his hounds, are not things for us to imitate—the policy which brings about these conditions is not a policy for the United States, with her millions of acres, with a Government dependent upon the wholesomeness and the strength of her citizenship, to adopt. Moreover, if free trade did not cause this condition, even if it can not remedy it, as it has not, I prefer to avoid that policy. I prefer yet awhile the doctrine of Jefferson, Madison, and Jackson, of Blaine, Garfield, and McKinley; all those who believe that we should produce what we want, depend upon ourselves for what we need, diversify occupation, build up citizenship, and keep the home as an incentive and protection for those who have cleared the forests and conquered the desert and planted firmer and deeper than any other class the foundations of the Republic,

both economically and politically.

It is said, as I have stated, that this is a "mental" or a mere "fanciful tariff," or, to put it in the more elegant and poetic language of the Senator from Indiana [Mr. Shively], that it is a "humbug tariff." The Senator from Indiana has spent three hours this afternoon trying to satisfy the farmer that it is a "humbug tariff." It would have been very much easier to have just let it remain where it was if it did neither good nor harm, so that the American farmer could at least have had the felicitation of believing that he was protected. It did not hurt anybody, and it is not going to lower the price of the product for the man in the city. Bread is going to be no cheaper, he said; meat no cheaper; all the things which we eat no cheaper. Then why take away one of the mental pleasures of the agriculturist? Have we arrived at the point where we are not only going to deny him a substantial interest, but we are not even going to permit him to enjoy his mental pleasure and felicitation?

If it were possible, Mr. President, to benefit the consumers, then your argument would be strong in the places where that argument was made last fall; but when you say here upon the floor of the Senate that you can not benefit the consumer, then you give no reason under heaven or among men for removing this duty and the possible incidental protection which it may afford to the great producing interests of the country. moment you say that you are going to reduce the cost of living by taking the duty off the products of the farm, you say that you are going to reduce the price of the farmers' products, and therefore, standing here, where the light beats upon the throne and all that we say is recorded, and confronted by statistics and facts, you are compelled to admit that the argument made that you are going to reduce the cost of living is false in order that you may escape the proposition that you are reducing it at the expense of the American farmer.

A distinguished member of the Ways and Means Committee, after the bill had passed the House, had an interview in a New York paper which circulates throughout the Union, and in that interview he explained how they were going to reduce the cost of living. The interview is headed:

Effect of tariff on living cost,

This is an interview, and therefore I presume I am permitted to refer to it without a breach of the rules of the Senate. This distinguished member of the Ways and Means Committee, one of the various able men upon that committee, told the American people that they were going to reduce the cost of living in this way. He said:

Food: All duty has been taken off meats, fresh and prepared. This means that meat from Argentina can be imported to compete with the product of American packers. Under the Payne tariff the duty on bacon and hams was 20 per cent; on fresh beef, 18 per cent; on veal, 15 per cent; on pork, 8 per cent; on lamb, 16 per cent. * * Fruits: All citrous fruits—lemons, oranges, and grapefruit—are reduced from 1½ to one-half cent per pound, opening the markets of the Mediterranean to this country. The Payne tariff effectually prevented competition and limited the citrous-fruit supply to California and Florida. All fresh fruits are cut from 25 cents to 10 cents a bashel, permitting importations from Canada and the Tropics.

Poultry, live, is cut from 3 cents to 1 cent per pound; dead, from 5 to 2 cents. Cheese is cut in various grades from 35 and 42 per cent to 20 per cent. This will particularly affect the cheaper grades, used in quantities by the average consumer.

Butter, from 6 to 3 cents per pound; beans, from 45 to 25 cents a bushel; canned beans, from 2½ to 1 cent a pound; prepared vegetables of all kinds, from 40 to 25 per cent; giggs, from 40 to 25 per cent; gggs, from 5 to 2 cents a dozen; onlons, from 40 to 25 per cent; peas, from 25 to 15 cents a bushel; split peas, from 45 to 25 cents per bushel.

In this list of articles, through and by means of which the cost of living is going to be reduced, you find no articles except those which relate closely to the American producer and to his vocation and interests. Does anyone deny that the object and purpose, as it was expressed repeatedly during the last campaign, of the reduction of these duties was for the purpose of reducing the cost of living? Do not the campaign documents and the campaign arguments from one end of this country to the other show that that was the object and purpose? I think it was your belief that it would reduce the cost of living; but it could do so only by reducing the price to the producer. Do you want to do that? You may do it, but I do not believe some of you want to do it. But we must repeat, after you reduce the price to the farmer, how do you know that the present combines and trusts will let the consumer have the benefit? Instead of hazarding the interests of the farmer, why not go after these trusts?

A short time ago an enterprising rancher in my State, shipping potatoes, put a postal card in each sack of potatoes which he shipped and asked the purchaser of those potatoes if he would please write him back and tell what he paid for the potatoes. The farmer sold the potatoes at 55 cents a sack. The people who wrote him back—there were several hundred of them-paid all the way from \$1.50 to \$2.50 a sack. potato raiser, the wheat raiser, the barley raiser, the wool raiser, the sugar-beet raiser, and that class of men are the only men who are singled out, so far as this particular line of duties is concerned, upon whom to experiment with reference to reducing the price. The farmer plants his potatoes; he tills them the season through, in sunshine and in storm; he takes the chance of losing his crop; he harvests them; he hauls them to the depot; and he gets from 38 to 55 cents a bushel; the consumer pays \$1.50 to \$2.50; and yet you single out the potato raiser and the producer against whom to reduce the duty. The only man who could be affected as to price would be the farmer, who gets 55 cents. You do not reach the fellow who got \$2.50 for doing in a few days what it took the labor and effort of the farmer for a season.

Mr. President, I have said about all I desire to say. I do not propose to undertake to discuss in detail these schedules. Others are better fitted to do so, and I shall not undertake the task; but in conclusion I want to say this, and this only: That, in my opinion, anything which is calculated to discourage in any way American agriculture has its effect upon the entire country and will in the end have its depressing effect throughout the entire commercial interests of the United States. only that, but so long as our people are crowding to the cities. so long as the cities are filling up—and the congested centers are becoming more deplorable in their conditions and environment-it is the duty of the American Government not only here but in every other way possible to encourage people to go into the agricultural field.

It leads to a healthier civilization, to a broader and stronger citizenship, to a citizenship better calculated to discharge the duties of citizenship of the Republic. It diversifies industries; it leads to a wholesome national life.

Mr. WILLIAMS. Mr. President, I do not intend to keep the Senate long at this moment. I want briefly, however, to comment upon some things in connection with the arguments made upon the other side.

These duties upon cattle and meat and wheat and flour and corn either do result in benefit to the farmer or they do not. If they do result in benefit to the farmer, they can result in that benefit only in one way, and that is by raising the price of his product. If they do raise the price of his product, that increase can have only one effect or tendency, and that is to increase the price of bread and meat to all the people of the United States, the poor as well as the rich, the low as well as the high.

Mr. WARREN. Mr. President, may I ask the Senator a ques-

tion?

Mr. WILLIAMS. Certainly.

Mr. WARREN. Does the Senator mean "raise the prices" or "maintain the prices"? Does he contend that prices will still rise for the farmer's products?

Mr. WILLIAMS. I intended to use the word I did use-"raise"; and the Senator will understand, in a minute, why I used it.

If these duties are operative and raise the prices, then you are taxing the meat and bread of the poor in order to contribute to the prosperity of the farmer. If that be true, so far as I am individually concerned, I am not willing to do it. Upon the other hand, if you embrace the other alternative, that they are not operative, then the removal of the duty will serve one good purpose, and that will be to undeceive—or, if I may frame a deceived and fooled by political oratory and literature for so many years to believe that increasing prices are due to the tariff. In either event a good purpose will be moving the duty. In one event by decreasing the price of bread and meat; in the other by "unfooling" the western and northwestern farmer.

Some one might ask which one of the two things I think it will do. My individual opinion does not cut much figure, but still I will give it. I do not believe it will raise the prices, and I will give my reason for saying that. I shall not run over and repeat the argument made by the Senator from Indiana [Mr. SHIVELY], which was very exhaustive and very complete, to wit, that it will not raise the prices because these are export articles, whose prices are not dependent upon the local market, except here and there in a momentary way, owing to other things upon which I need not dwell at this time-transportation and various other things—but are dependent on world-market prices. I think there are certain other forces—world forces—that are now so strong that the prices of meat and bread or the things out of which meat and bread are made are going to go up for quite some time to come.

In the first place, the natural tendency of this age is one of industrial rather than agricultural development, a tendency which leads to the constant increase of urban populations as compared with rural populations.

In the second place, this natural tendency is increased by the fact that in every civilized country of the world except one— Great Britain-there is a more or less high system of protection which hothouses the population into the cities at the expense of

The next great reason is that whether the interchangeable value of farm products as compared with one another and with manufactured products and with the price of labor shall increase or not, the apparent price will increase, because of the decrease in value of that in which they are measured, to wit, gold. That decrease of the value of what they are measured in is brought about by the constantly growing increase of the production of gold. If that stops, that tendency will stop. As long as that goes on, it will have its influence, whatever it may be, in raising prices.

If I am right in my view of the matter, then, in the first place, this after-described effect will follow: The Senator from Idaho [Mr. Borah] is exactly right when he says that the backbone of the strength of the Republican Party and of protectionism in this country hitherto has been the western and the north-western farmer. If he finds out that notwithstanding the re-

peal of these duties the prices of his products are going up anyhow, he will cease to attribute their rise in recent years to protectionism, because he will have to attribute their rise in the years to follow to something else. Then he will say to you gentlemen across the Chamber: "You have fooled me long enough. You have made me believe a falsehood long enough. I am tired of it. Falsus in uno, falsus in omnibus. don't believe in you at all, and I am going to quit having anything to do with you politically."

So much for that. Perhaps there is another reason why I

believe it.

If 1 am wrong in my conclusion, if, upon the other hand, this free listing shall result in a reduction of the prices of meat and bread, then we shall have accomplished a much greater good than a mere political result. I do not want to see America go into the business of robbing the poor in order to enrich her landlords, as Germany is doing, and as England did up to the time of the repeal of the corn laws, and as France is doing to-day, and as Austria-Hungary is doing to-day.

While upon that subject, the Senator from Idaho said some-

thing about the comparative condition of the English farmers back in the corn-law days and now. I was surprised to hear him utter the opinion that they were better off then than now. All he has to do is to go to the agricultural part of mid-England to-day, and if he sees the farming classes there he will find the most prosperous set of men, outside of the farming classes of the United States, that are now to be found in the country anywhere in the world. And if he compares to-day's English farmer with the English farmer of corn-law days he will compare Hyperion to a satyr.

Mr. BORAH. Mr. President, I think the Senator states a fact which, as he states it, is very likely true, because there are only about a dozen left, and they are very prosperous.

WILLIAMS. Oh, well, I am awfully fond of a joke myself, and have sometimes been accused of destroying a dignified occasion by it; but whenever I indulge in a joke it possesses either the element of being harmonious with fact or else it possesses the element of being applicable to the situation or the argument.

Mr. BORAH. I hope the Senator will not suppose that I was trying to get into competition with him as to humor. I would not attempt such a thing as that.

Mr. WILLIAMS. If the Senator had supposed that I meant that, he would have held me guilty of arriving at "a lame and impotent conclusion," or competition at any rate.

The farmers in England are better off to-day than they were in corn-law days. Now, mark me, I say farmers, not landlords. The landlords were better off then than they are now. Senator says that certain tariff-reform people in England at that time persuaded the farmers of England that repealing the duty on corn and all that would not ruin them. Yes; they persuaded them. They not only persuaded them, but the farmers of England remain persuaded up to this good day. In fact, they know it now, although only persuaded at first.

Then the Senator indulged in a little imaginary history about Rome that was very amusing to a man who knows history. upshot of his statement was that the reason Italy went to pieces, as far as her agriculture was concerned, was because Rome did not "protect" her farmers against the pauper labor and the pauper agricultural products of Asia and Africa.

Every man who has been a student of Roman history knows why the peasant and farmer class and the yeomen and old sturdy legionaries who were citizens of the Roman Empire went out of agriculture in Italy. The Senator mentioned the fact that in the immediate neighborhood of Rome—the Eternal City The Senator mentioned the fact itself—the lands were lying idle, or else were devoted to great patrician estates, villas, amusements, game preserves, and one thing or another, and said, substantially, that it was owing to lack of protection for the farmer. It was not owing to that. It was owing to these two facts:

First, Rome traveled farther in the direction of socialism than protectionism in America even has thus far gone. The principle underlying American protectionism, the most respectable argument made for it, is that it is intended to increase or maintain the wages of "the laboring man"; in other words, that it is to give something to the poor and to the laboring man as such. I have always thought that if you wanted to do that you could do it at less public expense by fixing a national standard of wages, and taking out of the Treasury at the end of each week for every man that did not earn the standard wage the difference between what he did earn and what he ought to have earned if he had earned the national standard. Then it would cost the people less and give the laborer more, because

none of it would leak to his boss on the way. But Rome went a step farther. She gave to all the free citizens of the city of Rome not only free bread but free circuses—panem et circenses. Do you suppose any man in Italy was going out to work on the farm 12 months of the year to make corn, when all he has to do is to come into the town of Rome and other towns with

similar privileges plus a free circus and get it?
Socialism destroyed the agriculture of Rome, and Italy par-

Socialism destroyed the agriculture of Rome, and Italy partially; but the thing that destroyed it most was the system of slavery. The lands were farmed out to great patrician landlords. They did not want free labor upon them. They brought in and substituted for free labor slave labor. Slave labor then, as always, was inefficient, because it is an unwilling labor. White slave labor is more inefficient than negro slave labor, because the white man is not only without hope, as the negro slave was, of any betterment of his own condition by his labor, but he is rebellious instead of being docile, as the negro slave was. So that Rome had this great system of labor disadvantage to contend with.

But I shall not enter into a discussion going away back into history. I have mentioned these things merely as saliently irrelevant characteristics of the argument to which we have just listened from the Senator from Idaho [Mr. Borah].

Now, to answer something of more weight. The Senator from Idaho gave us certain comparisons between the acreage in England in 1866 and the acreage in 1911, I believe, or some recent year. The Senator from Idaho was very careful not to give us the agricultural production of the two years. Potatoes were one of the things the Senator spoke of. I find, for example, that in the year 1911 England and Ireland, which I suppose are about as big as Pennsylvania and Delaware—I have not the time to make the comparison of areas now—produced more potatoes than the entire United States, from the Canadian line to the Gulf and from the Atlantic to the Pacific.

Potatoes raised in England, Ireland, and the United States in 1911.

In 1860, or thereabouts, the production of wheat in Great Britain was about 13 bushels to the acre. It is now 32 bushels to the acre. I find from the foregoing that in 1907 the acreage in wheat in England was 1,537,200, and in 1911 it was 1,804,000, a growth of nearly 300,000 acres in a tight little bit of an island—and not all the island at that, but just the English part of it—about as large as a good big American State. I find that in Scotland the acreage in wheat in 1907 was 48,000 acres, and in 1911 63,500 acres, which is about 15,000 acres of increase. I find that in 1907 England produced 53,000,000 bushels of wheat, and in 1911 60,700,000, an increase of 7,700,000. I find that in 1907 Scotland produced 1,953,000 bushels, and in 1911 2,786,000.

There was a time during which England went out of the wheat business almost entirely. There was a period, not very remote in our history, when new lands and agricultural production were overtaking and passing agricultural demands, and when at the same time a dollar was becoming year by year more and more valuable. That led to prices of corn and wheat and all other farm products that were ruinous, as measured in dollars, to the farmer, not only in Great Britain, but on the Continent of Europe, in Australia, and in America. During this period wheat was selling at about forty-odd cents a bushel here, if I remember correctly, and corn was selling at twenty-odd cents a bushel. At that time England went out of wheat production to a large extent and put her lands more and more into intensive farming. But I know by actual contact that there is to-day not a more prosperous farming class anywhere outside of the United States than in Oxfordshire and Warwickshire and mid-England, nor is there a people that spend their time more merrily. They take the week end off every week, and they are playing bowls and cricket and going to see regatta matches and all that.

I speak of the farmers whom I met and with whom I had many pleasant hours of converse. I do not know about farm labor. I suppose farm labor there is like it is nearly everywhere else in the world and like the labor in the factory is—pretty close to the ground. I suppose it will stay there for a long time, until men learn the great truth which Jesus Christ taught—that there ought to be a sort of spiritually founded, individualistic, and voluntary communism in the world; that the highest duty of a man is to work with all of his ability and all of his strength to do that which he can best do at the greatest profit, and out of his profit to keep of what he earns only that which he and his family need. Until that time comes I see no relief from the Savior's utterance, "The poor ye have always with you"; and, of course, the poorest of the poor will be those who work for wages.

So much for that. I want to refute one other point made by the Senator and some other gentlemen, and that is what would be the effect upon exports and imports if we gave the world—and that means Canada—free wheat and free flour.

In the first place, remember, if you please, that we are not going to give free wheat or free flour either to Canadians until Canada gives to our farmers free access for their flour and wheat to the Canadian market. So when you ask what will be the effect of giving Canada free wheat and free flour, your question is exactly this: What will be the effect of both sides giving free markets to the other? What will be the effect of the removal of a tax burden levied by a tax on our consumers on Canadian wheat and flour provided that at the same time Canada removes the tax which she levies on our wheat and flour when bought by her consumers? That is the precise question.

My own opinion is that it will increase exports and imports from both countries, which seems at first blush paradoxical. But here is a great American city close to the border. Transportation reasons will make the Canadian farmer seeking the highest price send his wheat to the mill at that American city. Here is a great Canadian city close to the border. Transportation reasons will make the American farmer seeking the highest price send his wheat to the Canadian mill city. So it will result in the seeming paradox of increasing exports and imports from both countries, a seeming paradox, I say, because it is not a real paradox. All freedom of trade between all parts of the world invariably has that double result.

I am no more afraid of competition between a Canadian Province and an American State—and if I were a Canadian I would be no more afraid of it either—than I am afraid of competition between Minnesota and North Dakota, or between Mississippi and Georgia, or between Maine and Florida.

One of the most curious things in the world is that men will insist upon hampering trade by tollgate-tariff taxes when they are always bending every energy to unhamper trade by every other means known to humanity. The very man who will stand here and argue for a protective tariff for protecting home industry wants to build the Panama Canal to lessen the transportation rate, which protects the man on the Pacific slope from foreign competition. The very man who stands here and says a Canadian Province will ruin an American State if the citizens of the State can buy things from Canada would spend a great deal of energy to make the freight rate between North Dakota and the State of Washington one-half of what it is now. So much for that. Now, upon one other point and I am through.

But first I remember about the different prices of wheat in different places, which has been so much dwelt on in this debate. Without taking up the time of the Senate, but just to illustrate how foolish all that is and how it necessarily comes from local conditions, one place is an American milling center and another is a farming community in Canada across the border. Take it vice versa. Of course the price at the milling center exceeds that in the farming community. Prices vary in Canada just as prices vary in the United States. In order to illustrate that I want to insert from the Yearbook of the Department of Agriculture for 1911 the average farm price of wheat per bushel on the first of each month. Remember, this is the farm price, so that transportation rates to milling centers have nothing to do with it. I will read only one year. I will take the year 1910. For the North Atlantic States it was \$1.13, in round numbers; for the North Central States east of the Mississippi River, \$1.12, in round numbers; for the North Central States west of the Mississippi River, 98 cents, in round numbers; for the South Central States, \$1.12; and for the far Western States, an even dollar. I shall ask permission to insert the entire table.

The PRESIDENT pro tempore. Without objection, that will be the order.

The table referred to is as follows:

[From Yearbook, 1911.]

Average farm price of wheat per bushel on the 1st of each month,

Month.	United States.		North Atlantic States.		South Atlantic States.		North Central States east of Mississippi River.	
	1911	1910	1911	1910	1911	1910	1911	1910
January February March April May June July August September October November December	Cents, 88. 6 89. 8 85. 4 83. 8 84. 6 86. 3 84. 3 1 82. 7 84. 8 88. 4 91. 5 87. 4	Cents. 103. 4 105. 0 105. 1 104. 5 99. 9 97. 6 95. 3 98. 9 95. 8 93. 7 90. 5 89. 4	Cents. 91.5 91.6 89.6 88.0 87.4 90.0 88.0 88.0 86.5 88.8	Cents, 113, 1 115, 8 117, 6 117, 2 110, 4 105, 6 102, 9 102, 3 100, 6 99, 1 97, 0 93, 4	Cents. 101.1 102.8 100.5 97.5 97.8 98.9 95.3 93.4 96.0 98.1 100.7	Cents. 120. 9 121. 9 122. 8 121. 2 115. 3 113. 3 108. 8 106. 6 106. 1 105. 7 104. 3 102. 9	Cents. 89.6 91.0 85.8 83.5 83.3 85.5 82.3 78.6 82.3 87.1 91.8 89.4	Cents. 112, 8 114, 8 114, 0 110, 7 103, 4 101, 1 97, 0 98, 2 95, 1 92, 8 90, 4 83, 4

Month.	North Central States west of Mississippi Riyer.		South Central States.		Far Western States.	
	1911	1910	1911	1910	1911	1910
January February March April May June July August September October November December	Cents. 87.3 89.1 83.6 82.0 83.7 84.2 82.9 82.1 86.1 90.7 94.3 89.5	Cents. 98. 5 100. 4 100. 1 100. 3 97. 1 94. 5 94. 4 100. 5 95. 6 94. 2 89. 4 88. 2	Cents. 95.0 96.6 92.7 91.2 93.5 87.0 84.7 89.5 91.6 95.9 94.7	Cents, 112.3 112.5 113.8 113.3 109.3 107.5 97.1 100.0 96.4 96.1 94.5	Cents. 79.8 79.2 77.2 76.0 77.8 81.5 82.8 82.2 74.9 76.0 75.5	Cents. 100.0 100.2 101.2 101.1 94.4 94.0 88.9 90.1 91.9 86.0 86.0 83.6

Mr. WILLIAMS. Now, there is one other thing I want to say. I do not want the country to think that I, at any rate, am intellectually dishonest with it. I do not want any Senator to think so. If anybody thinks I indorse every paragraph or proviso in the pending bill, then I reckon that he is mistaken, of course. I differ from the Senator from Minnesota [Mr. Clapp] in one very important respect. The Senator does not seem to believe in party government. I do. I do not know any very in the world of the senator does not be seem to b way in the world of carrying on free government except in a bipartisan way. It happens always to have been and now to be a fact that countries which are despotic have no parties and countries which are free always have parties and party government. In England, first and chief of all free Governments, the principle of party goes so far that a man untrue to party must resign office. When Napoleon constructed a government he made partisanship, or "factionalism," as he called it, a crime.

Now, if you believe in party at all, you have got to believe in a majority of the party ruling the party. When I strike a paragraph that I do not believe in, it does not faze me to I have been touched up two or three times in this debate about my individual views on sugar. I do not believe in the sugar schedule of this bill, but I have got my choice between the Payne-Aldrich law and this bill as expressions of fiscal policy. I have my choice between sustaining my colleagues and my party and staying with them or deserting them and all hopes of future usefulness. No matter of principle is involved. A rate of taxation is never a matter of principle. It can not be.

I have said and I say now that the least burdensome of all taxes upon the consumer is a tax upon sugar, a reasonable tax. I was willing to have taken the English free-trade duty-40 cents a hundred-which would have put Louisiana out of business as completely as free sugar but would have given the American Government \$30,000,000 revenue in a manner least burdensomely laid upon the people—laid upon a finished product and not a raw material—and thereby enabling us to reduce I do not even believe that I owe any apology to my constituents, the country, or myself for the fact that when we reach that

schedule I shall vote for it as worded in this bill. I shall vote for it upon the general ground that I am not conceited enough and not egotistical enough to believe that I either ought to or

and not egotistical enough to believe that I either ought to or could make my opinion prevail against the opinion of the vast majority of the school of politics to which I belong.

I am a good deal of an individualist. I am a good deal of a worshiper of Thomas Jefferson, who was the high chief of individualists. I believe the world is to be saved by individualism and by the emphasis of the fact of the individual's personal right and liberty as against governmental power.

But I have never seen any way of accomplishing any important result in this world except by "team work." Politics, baseball, football, and church work are all the same in this regard. A man takes himself very seriously who thinks he can accomplish much by himself. If he forgets all the other spheres that are rolling around outside of the earth and comes down simply to the earth, and then forgets all the earth except his own country, and forgets all that except his own township, he still can not hope to accomplish much by himself. What is doable must be done by cooperation with those who come nearest to believing as he believes.

If every time he gets into power with enough of his own people they all go to pieces because A believes that paragraph B is wrong and C believes that paragraph D is wrong, and each that he must stand out and vote against the whole bill because the wrong paragraph is in it, then you would have to have nine-tenths of the population of the country and nine-tenths of the members in the legislative halls on your side before you

could ever do anything. The question with which you are faced here to-day, every one of you—and the American people are not going to let you forget it-is this: Which of these two things do you prefer, the Payne-Aldrich law or the Underwood bill? You are here, each one of you, to represent the whole American people, as the Senator from Minnesota failed to say. If you want to go back home and defend the iniquities of the Payne-Aldrich law as against the provisions of this bill, imperfect as this bill is, go and do it. I for one do not envy those of you who have led your people to believe that you are in favor of "a revision of the tariff downward." When you undertake that task of self-defense you

are going to meet some difficulties. Mr. President, I apologize for taking so much of the time of the Senate at this hour. It is customary to go into executive session at 6 o'clock. I intended to stop at 6 o'clock; it is now a

quarter after. I desist.

Mr. SHIVELY. I ask unanimous consent to incorporate as a part of my remarks made this afternoon a list of articles of the farm that the bill puts on the free list and also a table of statistics relating to the price of wheat.

The PRESIDENT pro tempore. That will be the order, un-

less there is objection. The Chair hears none.

BUREAU OF MINES, PITTSBURGH, PA.

Mr. SWANSON. Mr. President, I submit a favorable report out of order from the Committee on Public Buildings and Grounds. I report back favorably without amendment the bill (S. 2689) amending an act entitled "An act to increase the limit of cost of certain public buildings; to authorize the enlargement, extension, remodeling, or improvement of certain public buildings; to authorize the erection and completion of public buildto authorize the purchase of sites for public buildings; and for other purposes," approved March 4, 1913.

This is a very important matter, and I should like to get unanimous consent for its consideration. It will take but a few minutes. It simply proposes the erection of fireproof

laboratories for the Bureau of Mines at Pittsburgh.

The PRESIDENT pro tempore. The Senator from Virginia asks unanimous consent for the present consideration of the bill

which has been reported by him.

Mr. GALLINGER. Let the bill be read for the information of the Senate.

Mr. BRISTOW. Let it be read. Mr. SWANSON. It will take but a few minutes to read it. The PRESIDENT pro tempore. The bill will be read at

The Secretary read the bill; and there being no objection, the Senate, as in Committee of the Whole, proceeded to its con-It proposes to amend section 26 of the act approved March 4, 1913, which authorizes the Secretary of the Treasury to enter into a contract or contracts for the erection of fire-proof laboratories for the Bureau of Mines in the city of Pitts-

by contribution from the State of Pennsylvania, or from other sources, for the purpose of enlarging, by purchase, condemna-tion, or otherwise, and improving the site authorized to be acquired for said Bureau of Mines, or for other work contemplated by said legislation, provided that the acceptance of such contributions and the improvements made therewith shall involve the United States in no expenditure in excess of the limit of cost heretofore fixed.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third

time, and passed.

EXECUTIVE SESSION.

Mr. BACON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After 12 minutes spent in executive session, the doors were reopened and (at 6 o'clock and 24 minutes p. m.) the Senate adjourned until to-morrow, Thursday, August 14, 1913, at 11 o'clock a. m.

NOMINATIONS.

Executive nominations received by the Senate August 13, 1913.

MINISTER.

William J. Price, of Kentucky, to be envoy extraordinary and minister plenipotentiary of the United States of America to Panama, vice H. Percival Dodge, resigned.

CONSTRUCTOR IN THE REVENUE-CUTTER SERVICE.

Frederick Allen Hunnewell, of New York, to be constructor in the United States Revenue-Cutter Service with the rank and pay of a first lieutenant in said service, in place of William C. Besselievre, deceased.

COLLECTOR OF INTERNAL REVENUE.

Thomas Scott Mayes, of Kentucky, to be collector of internal revenue for the fifth district of Kentucky, in place of Ludlow F. Petty, superseded.

ASSISTANT SURGEONS IN THE PUBLIC HEALTH SERVICE.

Howard Franklin Smith to be assistant surgeon in the Public

Health Service. (Additional assistant surgeon.)

Lon Oliver Weldon to be assistant surgeon in the Public Health Service. (Additional assistant surgeon.)

CONFIRMATIONS.

Executive nominations confirmed by the Senate August 13, 1913. ASSISTANT APPRAISER OF MERCHANDISE.

Campbell Whitthorne to be assistant appraiser of merchandise in the district of San Francisco, Cal.

APPOINTMENTS AND PROMOTIONS IN THE NAVY.

The following-named citizens to be assistant surgeons, in the Medical Reserve Corps:

Frederick Ceres, and Robert L. Crawford

Civil Engineer Adolfo J. Menocal to be a civil engineer with rank of captain.

Civil Engineer Charles W. Parks to be a civil engineer with rank of commander.

POSTMASTERS.

ALABAMA.

W. P. Tartt, Livingston.

ARIZONA.

J. S. Campbell, Williams.

ARKANSAS.

T. O. Poole, De Queen,

KENTUCKY.

E. T. Schmitt, Louisville.

MINNESOTA.

M. F. Finnegan, Morris. H. E. Hoard, Montevideo. Oscar Johnston, Nashwauk. Edwin E. Lietz, Eyota. Louis Tillmans, Aurora.

MISSISSIPPI

J. H. Robb, Greenville.

Emily Taylor St. John, Harriman.

SENATE.

THURSDAY, August 14, 1913.

The Senate met at 11 o'clock a. m. Prayer by Rev. C. A. Thomas, of the city of Washington. The VICE PRESIDENT resumed the chair.

The Journal of yesterday's proceedings was read and approved.

AFFAIRS IN INSULAR POSSESSIONS.

The VICE PRESIDENT laid before the Senate a communication from the Secretary of War, transmitting certain information relative to a compilation prepared by the Bureau of Insular Affairs regarding the administration of the affairs of noncontiguous territory, and requesting that the printing thereof be authorized by Congress by the passage of a concurrent resolu-tion, which was referred to the Committee on Printing.

PETITIONS AND MEMORIALS.

Mr. SHEPPARD presented a petition signed by sundry citizens of the State of Texas, praying for the adoption of an amendment to the Constitution extending the right of suffrage

to women, which was ordered to lie on the table.

Mr. MYERS presented petitions signed by sundry citizens of the State of Montana, praying for the adoption of an amendment to the Constitution extending the right of suffrage to women, which were ordered to lie on the table.

Mr. TILLMAN presented a memorial of sundry wholesale and retail fruit dealers, residents of Charleston, S. C., remonstrating against the proposed duty on bananas, which was ordered to lie on the table.

THE REPUBLIC COAL CO.

Mr. MYERS, from the Committee on Public Lands, to which was referred the joint resolution (S. J. Res. 41) authorizing the Secretary of the Interior to sell or lease certain public lands to the Republic Coal Co., a corporation, reported it with an amendment and submitted a report (No. 101) thereon.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

A bill (S. 2994) for the relief of Heph Pope (with accompanying paper); to the Committee on Claims.

By Mr. BURTON:

A bill (S. 2995) granting a pension to Charles S. Allen; to the Committee on Pensions.

AMENDMENT TO THE TARIFF BILL.

Mr. JONES submitted an amendment intended to be proposed by him to the bill (H. R. 3321) to reduce tariff duties and to provide revenue for the Government, and for other purposes, which was ordered to lie on the table and be printed.

MARY COULTER EARLE.

Mr. FLETCHER submitted the following resolution (S. Res. 161), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Secretary of the Senate be, and he hereby is, authorized and directed to pay out of the miscellaneous items of the contingent fund of the Senate to Mary Coulter Earle, widow of Sherod L. Earle, deceased, late a messenger of the United States Senate, a sum equal to six months' salary at the rate he was receiving by law at the time of his death, said sum to be considered as including funeral expenses and all other allowances.

COMMITTEE SERVICE.

On motion of Mr. KERN, it was-

On motion of Mr. KERN, it was—
Ordered, That the following changes in the committees of the Senate be made, to take effect August 15, 1913:
That Senator George E. Chamberlain be appointed chairman of the Committee on Military Affairs in the place of Senator Johnston of Alabama, deceased.
That Senator Henry L. Myers be appointed chairman of the Committee on Public Lands in the place of Senator Chamberlain, resigned as chairman.
That Senator Marcus A. Smith be appointed chairman of the Committee on Irrigation and Reclamation of Arid Lands in the place of Senator Myers, resigned as chairman.
That Senator J. K. Vardaman be appointed chairman of the Committee on Conservation of National Resources in place of Senator Smith of Arizona, resigned as chairman.
That Senator Vardaman be excused from further service on the Committee on Expenditures in the Post Office Department.

THE TARIFF.

Mr. DILLINGHAM. Mr. President, I desire to give notice that on to-morrow, Friday, at the conclusion of the morning business, I shall address the Senate on the pending tariff bill.

THE TARIFF-IMPORTATION OF PLUMAGE.

Mr. McLEAN. Mr. President, I desire to give notice that on Saturday next, the 16th, I will address the Senate very briefly on the proviso in paragraph 357, which relates to the importation of plumage.

WOMAN SUFFRAGE.

Mr. TILLMAN. Mr. President, I desire to give notice that on Monday next immediately after the routine morning business I will ask permission to address the Senate on Dr. Bledsoe's article on the Mission of Woman, and incidentally I will myself discuss woman suffrage,

THE TARIFF.

Mr. SIMMONS. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of House bill 3321.

There being no objection, the Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 3321) to reduce tariff duties and to provide revenue for the Government,

and for other purposes.

Mr. THOMAS. Mr. President, the opposition to this great measure in the Senate is out of harmony with itself. But little of it is aimed at the bill as a whole. It is diffused and distributed among different paragraphs, and upon nearly all of them there is wide disparity of opinion. It is a unit upon two subjects and two only. These concern the action of the Ex-ecutive and of the Democratic caucus, both of which are anathema to the Republican conscience. Both indeed have be-come abhorrent to enemies of the bill everywhere; to some good men who, while favoring it in part at least, prefer to go without it rather than obtain it as the offspring of such obnoxious and indefensible processes. Nearly every speech upon the bill which has thus far fallen from the lips of Senators upon the other side of the Chamber has been charged with denunciation of the twin crimes of Executive aggression and caucus tyranny. tender Republican consciences both these things are detestable. They constitute in their eyes the dynamics of modern political conditions; the sinister manifestations of all that is repulsive in popular government. Senators are unable to contemplate them with patience or composure; and all deem it their duty to denounce the one and repudiate the other with declamatory indignation. Their passionate protests have thus far gone un-challenged, and if we permit them longer to remain so, the public may justly conclude that by our silence we have acquiesced in the justice of Republican criticism, or that we can not challenge the integrity of Republican argument.

Mr. President, I do not hesitate to applaud the Executive who

uses in a proper manner his great powers and influence to carry out and make effective the popular will as expressed at the polls, and the legislative majority which welds itself together as a means to the end of satisfactory and comprehensive legislation to the enactment of which it has pledged its honor. each of these weapons may be abused is beside the question, for that is true of all powers wherever lodged and however exer-

The President is the Executive of the Nation. He is by the Constitution endowed with a very comprehensive legislative authority. He must approve or veto all acts of Congress. he does the latter, his action is final unless both Senate and House override it by a two-thirds vote. He is also required from time to time to inform Congress of the state of the Union. recommend to their consideration such measures as he shall judge necessary and convenient, convene both Houses on extraordinary occasions, make treaties by and with the advice and consent of the Senate, which become a part of the supreme law of the land. Endowed with powers so great and far-reaching, why should not the Executive who "shall" recommend legislation also exert himself in a lawful and proper manner to secure its enactment? And now does he invade the legislative jurisdiction in the one instance any more than in the other?

Mr. President, Senators and Representatives are in large degree the agents of their constituencies. They are expected to look after home interests frequently to the detriment or the subordination of those which are national in their scope and character. They must sometimes at the peril of their political fortunes secure appropriations for public buildings, advocate pension bills, establish and retain military posts and navy yards within their States and districts, unmindful of the general good, and because local influences demand them. These features of congressional activity are multiplying, and with their increase the Congressman, whether of the House or the Senate, is becoming more and more a local and less and less a national State needs, State interests, and State demands are apt to outweigh national ones with them and turn the balance when antagonisms appear.

These conditions have exalted the President in the eyes and hearts of the people. He has become in very truth their national representative. They elect him, charge him with a national program, look to him to make it effective, give him the credit when it is done, and hold him responsible for its failure. They

know that he must not be swayed by any but national considerations; that he has no local constituency clamoring at his heels and insistent upon its own desires without regard to the rest of the country. And since the people have come to demand so much and to expect so much from their President, he must become a factor in the legislative program of his day if he would rise to the requirements of his position and give that return for which he has been chosen. And the people applaud and have confidence in him just in proportion as he measures up to their desires and becomes the successful exponent of their needs and purposes.

Mr. President, his worst enemies must admit that Theodore Roosevelt was the most popular of modern Presidents. made him so, unless it was that the people regarded him as devoted to their interests and as determined upon their recognition by all branches of the Government? His power and influence waxed stronger and stronger as he threw his great personality into the scale of popular legislation, thus making needed reforms effective. Further, people knew that without it the reforms they clamored for would never come and with it they would surely triumph. The Executive who with dignity and self-confidence impresses a party pledge upon the Congress and uses his legitimate authority to secure its enactment may alarm that timid conservatism which shudders at any departure from established usage, but he will surely command the approval of an intelligent public opinion. And in thus acting he need offend no constitutional limitation nor transcend any rule of Executive propriety.

The Senator from California, in disapproving President Wilson's activities in behalf of the Underwood bill, quoted with approval a few days ago a plank of the Democratic national platform of 1904, which condemned similar conduct in President Roosevelt as dangerous, unconstitutional, and unprecedented. Such was the Democratic attitude then. But, Mr. President, the Senator did not mention the fate of that platform nor the disaster which overtook the Democracy while trying to ride upon it. We met in 1904 the most signal defeat in our history; the people indorsed Mr. Roosevelt's conduct by a colossal majority, and emphatically approved of that Executive method which brought effective results. They said by their verdict and with truth that democracy is effectively and safely served by publicspirited Executives who, with public opinion behind them, advise Congress what to do and then turn in and help them do it. The Democratic Party was taught its lesson in 1904, and Bourbon Republicans might do worse than profit by the example, fortified, as it has been, by the fate of their last President.

The Payne-Aldrich bill was a monument of what Mr. Geveland once called party perfidy. It was inconsistent with Mr. Taft's oft-repeated construction of the platform on which he was elected. The people, angry and disappointed, felt very justly that Mr. Taft had the power and by using it could have prevented the enactment of the bill, and, failing, should have vetoed it. Hence they held him as the head of the Nation directly responsible for the betrayal of their interests. They denounced Mr. Aldrich; they invelghed against the Congress; but the choicest vials of their wrath were saved for the Executive. When Mr. Taft, in Minnesota, not only defended but praised the bill, these were emptied upon his head. Winona became the Waterloo of his party. He doomed it then and there to deserved and everlasting defeat, for he justified the impression that his great powers were in fact utilized in legislation for and not against the measure. He lost the public confidence, ceased to be the people's representative, and Ichabod was written upon his

house from thenceforth forever.

Mr. President, what gave Mr. Wilson that political stamina which sustained him through the long struggle at Baltimore and finally brought him the nomination? What was it if it was not the fact that as governor of New Jersey he did things? would have been the fate of New Jersey's Democracy had he contented himself with a perfunctory message to the general assembly? He did not stop there. Indeed, that was but the beginning of his activities. He met with legislators in caucus; he conferred with them from time to time, and at all times counseling, encouraging, urging. He visited outlying cities, spoke to their inhabitants, molded public opinion. He focused the light of publicity upon the nature of proposed legislative measures and the dangers consequent upon their defeat. This he did in season and out of season. When the end came and the assembly adjourned, the governor had kept the faith.

The general assembly, thanks to him, had done its duty and the entire Nation applauded. His transition to the White House was from that hour but a question of time, for the people had found the man they needed. I thank God, Mr. President, that the Executive of this mighty Nation has been steadfastly loyal to those views of public duty of which he became the exponent as New Jersey's governor, that he has used and will continue to use his great office wisely and constitutionally in behalf of progressive legislation, and that under his directing hand the machinery of government is responding, slowly perhaps, but

surely, to the will of the people.

President, a hostile press has here and there insinuated that the President has used and is using the power of patronage in behalf of the Underwood bill. No Senator has done him that injustice. He would disdain the employment of such a weapon for such a purpose. Unlike his predecessor, he has no system of rewards and punishments. He points to the party covenant, keeps close to the public heart and conscience, feels keenly the public need, summons duty and loyalty to his aid, and overcomes his enemies by a serene courage which shrinks at no opposition and blanches before no dangers. These are his weapons, and with them the end was never doubtful. Mr. President, I believe thoroughly in the alliance of the Executive with the legislative authority. Montesquieu's theory of division and coordination of powers has, I think, no place in government beyond the United States of America. He based it upon the assumption that such was the Government of England, a fallacy which Burke immediately exposed. The latter declared these powers could not be wholly separated, and he was right. He also said that if separated they would be productive of what he termed "hideous corruption," and in that he may have been right. I do not pretend to say whether he was or not, but I am confident that if the heads of our departments were Members of the House and entitled to seats in that body, with power to initiate and direct the course of legislation, the great cause of democracy would be better served than it is at present. And our democracy has distinctly gained from what are called the legislative activities of Presidents Roosevelt and Wilson, which, in my judgment, have been entirely within the range of their constitutional prerogatives, and wholly consistent with the demands of an enlightened public opinion.

Mr. President, the caucus is neither an unmixed blessing nor an unmixed evil. Like all human devices, it is subject to abuse. It has been perverted many times and for untoward purposes. Hence it is well that an aroused hostility should check its evil tendencies and condemn it as a pernicious agency for wrongdoing. And I do not hesitate to commend the spirit which re jects the caucus, in so far as it operates as a fetter upon intelligent and independent public activities, and an agency for defeating the public will. But, Mr. President, it is quite as logical to condemn the elements of fire or of water, because conflagrations and floods occur, and refuse to employ them in the great work of progress and civilization, as to reject wholly and unreservedly the expediencies of united party action. There are times, and this is one of them, when the policy of one for all and all for one is indispensable to the accomplishment of a great public object. And when such occasions exist it would be a most unwise statesmanship which rejected an obvious and per-fectly legitimate method of attaining that end. If it be true that the exception proves the rule, it is because the exception becomes imperiously exigent, requiring a suspension of the rule in the immediate case. And the action of the Democratic ma-jority of the United States Senate, which stands united in the interest of pending tariff revision, is obviously wise, just, and expedient. History will applaud it as a means to the success of this great measure. We resort to the discipline of union when essential to the needs of the hour and apologize to no opponent

for our conduct.

Mr. President, the Democratic majority in this Chamber is a slender one. It is charged with the duty of enacting a great remedial statute, upon the success of which our party has staked its future. That measure has naturally aroused the opposition of every privilege and privilege beneficiary in the United States. Many of these are powerful in some particular State or States. These demand exceptional treatment at the hands of individual Senators who are besieged with demand and supplication, and whose political futures are threatened every hour of every day. Yielding to one of them means yielding to all of them, thus defeating the object of the measure and wrecking the party covenants before the very eyes of those who enjoined their observance upon us. To strengthen the hearts and purposes of each is the end and the aim of all. This can be done-this has been done by taking counsel together for the common good by full, fair, and earnest consideration and compromise, by debating opinions, and by accepting the final consensus as better and wiser than the individual judgment of any man.

Mr. President, we would infer from many expressions made upon this floor that a caucus is an assemblage of men governed absolutely by some sinister and diabolical spirit evolved from the darkness of secret conclave, superhuman in origin and in

power, whose influence becomes supreme from the moment of meeting and controlling those participating for all time to come; that this spirit is wholly antagonistic to the views and desires of the individuals composing the membership who would, if they could, shake off the incubus of its control; that they are power-less to do this, having ceased to become free agents through some alchemy of subtle change occurring in the caucus room. All are slaves to the demon of the ring, whose bidding becomes absolute and beyond recall.

Mr. President, there seems to be something in a name, Mr. William Shakespeare to the contrary notwithstanding. shudder at a caucus who eagerly embrace a conference. anything else and the hobgoblin is laid at once. Men can agree with open minds in a conference or convention; in a caucus, Verily this is but straining at a gnat and swallowing a never.

camel.

The Senate caucus, composed of 51 men, each with a full voice and vote, met, discussed, and considered every paragraph of this measure, with no limit as to time or opinion. It kept the public constantly informed of its deliberations. It reached a final result with practical unanimity. It laid no injunction upon the conscience or the action of any Senator beyond that which animates us all when acting in concert, whether by convention, by association, or by parliamentary rule. It voiced a conclusion by authority of the party there represented and applied the wish of the majority to an act of legislation everywhere conceded to be a great party measure. It became the sword and buckler of every Democratic Senator, making our ranks invulnerable alike to the spears of the common enemy and to the subtler and more dangerous agencies of so-called Democratic opposition. And it has centralized responsibility lest blame for defeat, should that be our portion, might fall where it was undeserved.

Mr. President, few beyond the enemies of this measure who hope and pray that ultimate disaster may overtake it are de-nouncing us for acting in unity upon its provisions. They hope to make a breach in our ranks by deriding and denouncing our discipline and tactics; but, Mr. President, the hope is a vain one. We shall obey our masters, the people of the Nation, and every man on this side of this Chamber, true to his conscience and his trust, will vindicate that confidence of his constituents

which invested him with his senatorial office.

Mr. CLAPP. Mr. President, I shall not detain the Senate at this time further than to say, in reply to the discussion by the Senator from Colorado [Mr. Thomas] of the caucus, that I have an abiding faith in the law of gravitation and am always willing to wait for its operations. The American people had the caucus system in their own internal and local affairs at one time, but they have gone to work in almost every State in this Union and have abandoned the caucus. We had in the Constitution of the United States a provision for the election of Senators by the State legislatures, but the people, by one means and another, took up the process of determining for themselves who their Senators should be, until finally that force reflected itself in the American Senate in submitting a joint resolution for a constitutional amendment.

So, too, that same spirit, that same denouncement, and that same abandonment of the caucus, which the people recognized as a vicious instrumentality against them in their domestic and local affairs, sooner or later will reflect itself in the Senate as the other forces did, and the caucus will be abandoned here.

Having abiding faith in the eternal law of gravitation, I bide my time when that law will effectuate itself in these political

forces and instrumentalities.

Mr. SIMMONS. Mr. President, without indulging in any criticism of either side of the Chamber in connection with the debate on the pending bill, I want to inquire of the other side of the Chamber if it would not be possible at this time to agree upon a day for a vote upon the bill? In that connection, I will ask unanimous consent for a vote upon the bill and all amendments on the 25th day of August. Mr. BRISTOW. Mr. President

Mr. GALLINGER. Mr. President, the newspapers, if they are to be relied upon, have informed us that the Democratic Senators were to be in caucus this morning with a view to securing a recess until November 1 or 15 after this bill has become a law. I presume the statement was an accurate one so far as the caucus was concerned, and I inquire of the Senator from North Carolina, if he can do so without divulging any secrets that ought not to be divulged, as to what result was reached in that caucus?

Mr. SIMMONS. Mr. President, I can only say to the Senator that the question to which he refers has not been considered by any Democratic caucus, nor am I advised that any caucus has been called for the purpose the Senator has indicated.

Mr. GALLINGER. I will ask the Senator if it is in contemplation to hold a caucus in the near future to take up that question?

Mr. SIMMONS. Not that I am advised of.

Mr. GALLINGER. Well, Mr. President, considering the mat-

ter as it exists at the present time

Mr. SIMMONS. Do I understand the Senator as saying that the decision of Senators on that side of the Chamber as to whether they will agree to a day certain on which to vote on the pending bill will depend upon the determination of the question of whether the currency matter is to be taken up?

Mr. GALLINGER. I did not say that. Mr. SIMMONS. Well, I ask the question of the Senator, whether I am to infer that the determination would depend on that?

Mr. GALLINGER. I did not say that. I had in view what the newspapers announced, with apparent authority, and I was somewhat curious to know whether such a caucus had been held, and, if it be proper to divulge the action of the caucus, to have the Senator state it.

Mr. SIMMONS. I wish to say to the Senator that I am sure the newspaper statements with reference to that were without any authority whatsoever. Of course, I can not say what may happen in the future, but so far such statements have been

made without any authority.

Mr. GALLINGER. It has been also stated to me, with some degree of definiteness, perhaps without authority, that the ultimatum has gone forth that Congress shall not be permitted to take a recess during the summer months unless the currency bill has been acted on.

Mr. SIMMONS. I beg the Senator's pardon, but I did not

catch the purport of his last statement.

Mr. GALLINGER. Well, Mr. President, in view of existing conditions, I feel constrained to object to the request made by the Senator from North Carolina.

Mr. BRISTOW. Mr. President

Mr. SIMMONS. Let me ask the Senator, before he takes his seat, does the Senator object to fixing a day now because he thinks we will not have reasonable time between now and August 25 to discuss this measure, or does he refuse to fix a date because he does not know whether or not currency legis-

lation will be taken up for consideration?

Mr. GALLINGER. We are in the midst of a discussion of the most important bill that has been before the Senate for a great many years. Every citizen of the Republic is interested In my judgment, it strikes practically a deathblow to hundreds of industries in my own section of the country, and I for one propose to have it thoroughly discussed before a vote shall be taken.

Mr. SIMMONS. Does not the Senator think that the time fixed by me in my request would give ample opportunity for

discussion?

Mr. GALLINGER. I do not think so. Mr. SIMMONS. Does the Senator suggest any time which

would give sufficient opportunity for discussion?

Mr. GALLINGER. I will make no suggestion. I think we had better go along in an orderly way in the discussion of the various items and schedules of the bill, and later on we will be better prepared to fix a time for voting than we possibly can

Mr. JAMES. Mr. President, I should like to ask the Senator, is it not true that the Senator objects to fixing a time for voting on this bill because he can not obtain an agreement that we will not consider currency legislation at this session?

Mr. GALLINGER. I have just said that that was not my purpose or feeling.

Mr. JAMES. Then, why does the Senator inquire what we

intend to do about currency legislation?

Mr. GALLINGER. I think it is rather important for us to know what is ahead of us if we can ascertain it; but I do not care to be catechized as to my purpose in this matter, and will not be catechized as to my purpose. I content myself by objecting to the request made by the Senator from North Caro-

Mr. JAMES. While the Senator may not desire to be catechized, I think he might take us into his confidence and tell us just why he is unwilling to agree upon a time for voting, and why, before he will enter into an agreement, he makes inquiry

as to what we intend to do about other legislation.

Mr. GALLINGER. Mr. President, the procedure this morning is not at all unusual. When the Republicans were in the majority we were in the habit on this side of the Chamber of asking for days to take votes over and over again, but objection was made. The Senator objecting, however, was not subjected to criticism or to a demand made that he should give his reasons

for objecting. I object; and that ought to be sufficient for this morning.

Mr. JAMES. But it is rather unusual for the Senator, before he objects, to inquire about what we intend to do about other legislation

Mr. GALLINGER. Mr. President-

Mr. JAMES. Because, if the Senator will permit me, that creates the impression in the minds of most of us that the Senator is saying to the Senate and to the country that unless he can get an agreement that legislation which the people of the country desire and which would be passed if it were put to a vote shall be halted, no agreement will be made for a vote upon the bill on which otherwise an agreement to vote would be had.

Mr. GALLINGER. Mr. President, the Senator from Kentucky is not adroit enough to put in my mouth words that I did not utter. Upon the authority of reputable newspapers, stating that the Democratic Members of this body were to have a caucus this morning to consider the question as to whether or not we might take a recess after the passage of this bill until either the 1st or 15th of November, I civilly inquired of the Senator from North Carolina whether the newspaper statement was correct; and if so, if he felt at liberty to state to the Senate what was the result of that caucus; that I would be pleased to have him do so. It was a civil and proper inquiry. The Senator from North Carolina answered that the matter was not considered at their caucus, and that ended the matter so far as I was concerned. I certainly had a right to make the inquiry, I did it for my own personal benefit, and I desire that it shall rest there.

Mr. JAMES. I do not undertake, Mr. President, to claim to be adroit enough to put words in the mouth of the Senator, but I do claim to have some power of fixing in my own mind what the purpose of the Senator was in asking the question.

That is all I have done.

Mr. GALLINGER. Well, Mr. President, the Senator from Kentucky can indulge himself in that opinion to his heart's content.

Mr. PENROSE. Mr. President, I should like to ask the Senator from Kentucky whether, in his opinion, the minority in the Senate have exercised any undue delay in this debate?
Mr. JAMES. What does the Senator call "the minority"?

Certainly he does not call the party to which he belongs the minority, because you only beat the Socialists by a neck.

Mr. PENROSE. I call the Republicans in the Senate the

minority.

Mr. JAMES. Well, the Senator is entirely mistaken if he undertakes to say that a party that ran third in the last presidential race is the minority.

Mr. PENROSE. They are one of the minorities—the minority of the minority. The term, I think, will cover the situa-

They have not enough votes to make a majority. tion.

This bill was held for nearly two months in secret caucus by the majority in the Senate after it came to the Senate. The American people were given absolutely no information as to the changes contemplated, or the reasons for such changes. It is the most unprecedented and extraordinary proceeding ever in-

dulged in by a majority in a legislative body.

So far as the Republicans have ever held conferences in the past, they have been most severely criticized in campaigns by the Democrats of the country; but never before in the history of the American Government or of the American Congress have we witnessed what practically amounts to legislation in secret. The whole essence of American legislation is publicity. The galleries are here in this Chamber in order that the American people may be admitted, and witness the proceedings, and hear what is going on, and see the record of the votes.

The only remnant of secret session is relative to executive business, and even that last vestige of secrecy is criticized by Yet even now we see an important matter like the currency bill deliberated on and voted on by the overwhelming majority of the House of Representatives in a secrecy which would not be tolerated in Russia.

I do not say that this legislative proceeding will make the bill unconstitutional, but I do say that it is in direct violation of the principles of the Constitution of the United States, which declares that legislative proceedings shall be public and open.

Mr. JAMES. Mr. President, I should like to ask the Senator whether he thinks this tariff bill ought to be made, like the one

he helped make last time, by a committee of nine?

Mr. PENROSE. The last tariff bill, of 1909, was reported by
the majority members of the Finance Committee the day after it came to the Senate. They began their sessions about a week before the special session assembled on the call of the President. They were industriously working, concurrently with the House of Representatives, during all the time the bill was in the House of Representatives. Over in the House the hearings began before the new Congress commenced, and were held by the Ways and Means Committee. All that preliminary work was gotten out of the way which, under the control of the party at present in power, has been belated and delayed.

Further, if the RECORD is examined it will be found that since this bill was reported to the Senate considerably over half of the time on the floor of this Chamber has been taken by Senators belonging to the majority. I make that statement with lit-

tle or no fear of contradiction.

Mr. JAMES. If the Senator will permit me, it was stated upon the floor of the Senate by a Member upon that side that one man of the Finance Committee was so potential that he placed a lower duty than would have been justified under the doctrine of the Republican Party of protection upon one product in the State of the then Senator from Iowa, Mr. Dolliver, because the Senator from Iowa was unwilling to bow his back to the lash of the man who bossed the Republican Party and controlled the making of the tariff bill.

Mr. PENROSE. Mr. President, I do not know what duty the Senator refers to. Statements like that are very easy to make. The mere fact that the Republicans have done acts of omission or commission which in the opinion of the Senator were not proper is no excuse for him and his party in violating in a radical and extreme way all the proprieties and precedents of legis-

lative practice.

Mr. JAMES. The Senator knows I referred to the statement of the Senator from Iowa [Mr. KENYON] and to gypsum as the

Mr. PENROSE. I do not know what product the Senator

Mr. JAMES. Mr. KENYON was the Senator who made the

Mr. PENROSE. I was not in the Chamber when the charge was made. I do not know what product the Senator refers to. Mr. SMOOT. Mr. President-

Mr. PENROSE. I am not quite through. I will be in a minute.

The Senator complains about what Republicans did in following the lead of the then majority of the Finance Committee. Criticism of that does not excuse the spectacle of Democratic Senators assembling in secret caucus, deliberately surrendering their individual judgment, sacrificing the interests of their constituents and their States, and going along under the party whip. To my mind the following of a Finance Committee openly deliberating on the floor of the Senate, however much the Democracy in the past may have criticized it, is infinitely to be preferred to these methods worthy of darkest Siberia.

Mr. BACON. Mr. President, in view of the last remark made by the distinguished Senator from Pennsylvania, I wish to

recur for a moment to what was done in the past.

The criticism of the Senator from Pennsylvania is that the Democratic Senators assembled in private caucus, if you please—to give it the most pronounced name, and the one which suits them best-and in that caucus had a deliberation of all the Democratic Senators, and as the result of that caucus have agreed upon a tariff bill. That is the proceeding which is denounced by the Senator from Pennsylvania as something which would not be telerated in Russia, and I do not know but that he said something a little more extreme than that.

Mr. PENROSE. I will go further, and say that this practice is bitterly denounced by a large contingent of the Senator's own

Mr. BACON. Very well. I will accept that statement of the Senator; and I want to contrast it with what was done by the Republican Senators, and let the Senate and the public judge

as to which is the better proceeding.

Mr. President, I have been here during several tariff-revision contests. I remember generally what was done in each of them, but more particularly what was done in the one four years ago. Contrasted with the method adopted and acted upon by the Democrats, I want to present a statement of what was done by the Republicans.

It is a fact that in framing the present bill all of the Democrats assembled in a free conference, with opportunity for every man to represent and advocate his views, and there was a decision by the majority vote of that caucus—and I may say the almost unanimous vote of that caucus—as to what should be the provisions of the bill.

The Republicans, I will grant you, did not do that four years go. They did not take all of the members of the Republican ago. They did not take all of the members of the Republican instances negligible in comparison, whatever the then senior Party into their confidence. But the majority members of the Finance Committee, the Republican members, spent day after lowed with almost absolute unanimity, with the exception of

day and week after week with the persons who were to be particularly benefited by the high rates which were to be incorporated in that bill, persons who were not Members of the Senate; and in a caucus, not composed of all the majority Senators, but composed of a small committee of Senators and of all these aggregated beneficiaries of the tariff bill, those who were to be benefited by it. They were the parties who met in secret caucus to determine what should be the provisions of the bill.

Which was better-that all the Democratic Senators should meet and thus freely discuss and determine upon what should be the bill, or that the Republican members of the Finance Committee should meet in an equally secret caucus with the future beneficiaries of the bill and make the bill which was forced

upon us?

Mr. THOMAS. Mr. President-

The VICE PRESIDENT. Does the Senator from Georgia yield to the Senator from Colorado?

Mr. BACON. I do. Mr. THOMAS. I should like to inquire of the Senator from Georgia if the little coterie of Senators controlling everything, to which he has just referred, was not known as the "senatorial

Mr. BACON. I did not hear it called by that name. Mr. STONE. Mr. President, will the Senator from Georgia permit me just a moment?

Mr. BACON. I will, with pleasure.
Mr. STONE. The Senator very correctly says that in the
Democratic caucus which considered this bill there was free and full discussion, and every Senator expressed his views on any item of the bill he desired to discuss, and did it publicly. Another thing which I think the Senator has overlooked, and which he ought to emphasize, is that when the Finance Committee reported this bill to the caucus every member of the caucus had full liberty not only to discuss it, but to offer any amendment he pleased to any part of it, and numerous amendments were offered and adopted.

Mr. BACON. Undoubtedly; and not only so, Mr. President, but day after day when that caucus was in session the corridors adjoining the room in which the caucus was held were filled with representatives of the newspapers, who were each day given full information as to what was being done in the caucus. t was not a star-chamber proceeding by any means.

Mr. PENROSE rose.

Mr. BACON. I have not finished yet. I beg the Senator to wait a minute.

Mr. PENROSE. Will the Senator permit me to ask him a question?

Mr. BACON. Not right now. I will very shortly. Mr. PENROSE. But this is a very short question.

Mr. BACON. No; not now. I will in a moment. I want to

complete what I was saying.

I am trying to present to the Senate and to the public the contrast between what is now denounced as the action of the Democratic majority and that which was done by the then Republican majority.

What was the conference, Mr. President? Instead of a conference of the Republican members in which there was this free discussion, in which there was this opportunity for amendment and for the presentation of views, after the bill was framed in the way I have stated, the Republican majority sat in this Chamber, and, as I said on that occasion, and I can produce the RECORD and prove it, voted according to the wave of the hand

of one man. I charged it upon them then, and I repeat it now.

Mr. PENROSE. Mr. President, will the Senator permit an interruption at this point?

The VICE PRESIDENT. Does the Senator from Georgia

yield to the Senator from Pennsylvania?

Mr. BACON. I now yield.

Mr. PENROSE. The RECORD will not by any means prove the statement of the Senator from Georgia. The Republicans had a large majority of the Senate in that Congress, but on many votes they failed to command anything like the full party

Mr. BACON. Mr. President, there were some Senators who sat on that side of the Chamber led by the distinguished Senator from Wisconsin [Mr. LA FOLLETTE] and the then distinguished Senator from Iowa, Mr. Dolliver, who did not agree with the majority and who frequently did not vote with them. But it is a fact, and the RECORD will show it, that in the large majority of instances, in a majority so great as to make the minority of the particular representation of which I spoke, led by the Senator from Iowa and the Senator from Wisconsin. Mr. BRISTOW. Mr. President—

The VICE PRESIDENT. Does the Senator from Georgia yield to the Senator from Kansas?

Mr. BACON. I do. Mr. BRISTOW. I challenge the statement that Mr. Aldrich led with practical unanimity. That statement can not be verified by the RECORD.

Mr. BACON. Mr. President, I said there was a minority.

Mr. PENROSE rose.

Mr. BACON. I beg the Senator not to interrupt me until I finish my reply to the Senator from Kansas.

Mr. PENROSE. May I ask the Senator a question? Mr. BACON. Not until I finish answering the Senator from

Kansas, Then I will yield.

I expressly excepted the body of Senators sitting on that side who were then acting with the Senator from Wisconsin and the Senator from Iowa. But I repeat, and I have a document here to prove it-because there is a document here which shows every vote cast upon that occasion-that with the exception of those following the Senators I have named, who were known then as the progressive element, as they are now, with scarcely an instance to the contrary, on every important matter the Republican Party voted solidly as the Senator from Rhode Island indicated it was his desire that they should do.

Mr. GALLINGER. Mr. President—

The VICE PRESIDENT. Does the Senator from Georgia

yield to the Senator from New Hampshire?

Mr. BACON. I do.

Mr. GALLINGER. I wish to ask my learned friend, the Senator from Georgia, if by that statement he means to impeach the honesty or the integrity of those who may have voted as the Senator from Rhode Island did?

Mr. BACON. I do not; but I do mean to say this: The Senator from Pennsylvania [Mr. Penrose] has spoken of the impropriety, the conduct to be denounced, of Senators on this side who congregated together and discussed this measure and agreed upon that which they would support. I was presenting the other picture of the Republican Party four years ago not meeting in general caucus, but in having a committee meet dailyanybody could see them every day streaming over to the Senate Office Building with the beneficiaries of that bill-and that small coterie fixing what the bill should be. The bill came in here, and then the majority—all the Republican Senators, practically speaking, except those who were then known, as they are now, as Progressives-voted solidly in accordance with the provisions of the bill as it had been determined upon in that way. I was asking the Senate and the country to say which was the better method; whether it was better that the party responsible to the country for the bill should meet together and in free discussion determine upon it, or that there should be a small committee of eight or nine from this body meeting with the beneficiaries of the bill and determining upon its provisions. That was the contrast which I desired to present.

Mr. GALLINGER. Mr. President, I was a somewhat obscure member of the Committee on Finance, and very likely on that account was not invited into those conferences, if any were held. I have no recollection of any meetings of that kind being held with the beneficiaries of the bill during the progress of the debate in 1909.

It does seem to me that there is a wide difference between the action of the Republican Party when the last tariff bill was passed, in debating it in the open here, each Senator being permitted to vote as he chose, and the action of the Democratic Party in secret caucus practically binding its members to vote as a unit, which they are doing.

Mr. BACON. There is no such binding action of the caucus. Mr. GALLINGER. I will ask the Senator if in his judgment he feels that each member of the Democratic Party to-day is at full liberty and without criticism to vote his convictions?

Mr. BACON. Just as full a liberty as the Republicans four

Mr. GALLINGER, The Senator from Mississippi [Mr. WILLIAMS | yesterday said that he was not in favor of the provision relating to sugar, but that he followed his party caucus, which had determined upon a certain program. It seemed to me that he had surrendered his individual opinion to the be-hest of the party caucus. Is not that correct? Mr. BACON. When the Senator is through, I will reply.

Mr. GALLINGER. I am through.

Mr. BACON. Mr. President, I agree fully with what the Senator from Mississippi said. There are many things in this been whipped and coerced. Does the Senator believe that? I

bill that I do not agree to. I will go further and say that if I had my way in forming the bill, it would be drafted on some different lines. But I agree with the general principles which are involved, and I surrender and subject my private judgment to the judgment of my colleagues. It is only in such a way

that anything can be accomplished by a body.

But the contrast which I make is this: I think that if the Republican Party determined upon leaving the framing of the bill to the nine men and to the beneficiaries under the bill that met with them in the Office Building, they were right to follow them after the bill had been thus framed in the way they then

What I was asking is, what would be the better course, which can be the best defended, that of the Democrats, who met all together and consulted and discussed, and did it at great pains and at great length, not being simply driven by anybody or unduly influenced by anybody, and in that conference every Senator who felt that he could conscientiously do so subordinating his own private judgment and his personal preference to that of his colleagues, or a proceeding where it is left to nine men and the beneficiaries under the bill to determine upon it, and then for Senators to subordinate their judgment to that rather than to subordinate their judgment to that of all their party colleagues?

The Senator from Kansas [Mr. Bristow] denied what I said about the practical unanimity of the Republican Party. Senator from Kansas was a conspicuous member of that sub-division, as I may speak of it, of the Republican Party that

did not go with the majority.

But, Mr. President, if Senators feel sufficiently interested in this matter to determine whether the statement I have made is correct, there is a document which shows the yea-and-nay vote of every Senator in the consideration and construction of the tariff bill in 1909. An inspection of that document will show that in the large majority of instances, in almost all instances except the particular body or subdivision of the Republican Party to which I have made allusion, they voted solidly I at that time called attention to it, and in the course of that debate more than once used the expression that the Republicans on that side, speaking, of course, of the majority and not of the subdivision of the body led by the Senator from Wisconsin [Mr. LA FOLLETTE] and the Senator from Iowa [Mr. CUMMINS], were voting on the wave of the hand of the Senator from Rhode Island.

Mr. PENROSE. Mr. President, if the Senator will permit me, if the document he refers to shows all the votes, it will show that the Republicans on this side voted according to their views on each schedule where the yeas and nays were called, and on the final passage of the bill 10 of them voted against the measure.

Mr. BACON. Yes; the 10 I speak of.

Mr. PENROSE. There was not the hard-and-fast situation which exists to-day, with every Democrat bound hand and foot under intimidation and menace from the White House to vote for this bill, whether he likes it or not.

Mr. BACON. That is an absolutely unjustified remark.

Mr. PENROSE. I should like to ask the Senator from Georgia whether he prefers the activities of a chairman of the Finance Committee made openly on the floor of the Senate before the public and before the newspaper correspondents or whether he prefers legislation by Executive intimidation and coercion and the personal visits of the President to the lobbies of this Chamber in order to whip Democrats into line for free sugar, free wool, and other schedules that they know will be destructive to the people of their State?

Mr. BACON. The Senator's question is based upon a premise which is not true. The Senator asks me which I prefer, whether I prefer the one or the other, and then that which he denominates as the other is a statement which is not true in fact.

There is no question as to the opinion of the President upon certain of these schedules, but it is an absolute untruthwill not use that word, because that might be construed to mean what I do not intend-but it is absolutely incorrect and without justification to say that Senators have been coerced. We know Senators on this side who are not going to vote for this bill. Why does the Senator say that others are coerced? They are not. The Senators on this side agree upon general principles. They recognize that in order to carry out general principles Senators must surrender private views as to particular cases. I have surrendered mine in some of the provisions of this bill.

Of course, if what the Senator says is true, I am one who has

ask him to say whether he believes it or not. I am willing for the Senator to rise in his place, with his long service with me

Mr. PENROSE. Mr. President-

Mr. BACON. One moment.

Mr. PENROSE. I thought the Senator called on me.

Mr. BACON. On my statement that there are many things in this bill that I do not agree with, I am willing for the Senator to rise in his place and say to the Senate and to the country whether he believes that I have been whipped or coerced into agreeing to this bill.

Mr. PENROSE. I have the highest opinion of the Senator from Georgia as an honorable Senator and a distinguished statesman, but he has just confessed that he has been whipped into

line by the Democratic caucus.

Mr. BACON. If I was not afraid of being a little unparliamentary I should reply to that in a way that would leave no doubt on the mind of the Senator as to what I have meant. have said no such thing.

Mr. PENROSE. Mr. President-

Mr. BACON. The Senator will not interrupt me now until I

Mr. PENROSE. Why does the Senator ask me this pointed question and then keep me muzzled?

No, sir; not by any means.

E. When the Senator is ready I will get up.

Mr. PENROSE. When the Senator is ready I will get up. Mr. BACON. When I am through the Senator will, and not

before, unless I agree to it.

The Senator says I confessed I had been whipped into agreeing to what the caucus had determined. I say, and call upon every Senator on the other side, to say nothing of the Senators on this side, to witness that that remark was absolutely untrue

and unjustified.

On the contrary, I have said that there had been no coercion by the caucus, and I had given my reasons why I had subordinated my wish to the wish of a majority, not that I was coerced, but I believed that in order that party principles might be made effective it was necessary that the private individual views of a Senator should be subordinated to the views of those of his colleagues who thought otherwise, and who might be in the majority. Can there be any possible justification for the Senator making such a speech to me in the Senate under those circumstances?

Mr. PENROSE. Is that the question? Mr. BACON. No. The question I am asking is of the Senator's colleagues, not of him. I asked him once and he failed to reply to it. I asked the Senator whether he will stand in his place and charge that Senators on this side had been whipped and coerced by Executive influence and power? Having been associated with me as long in this Chamber as he has, I asked the Sanator if he would stand in his place and say, in the presence of the statement I had made that I was voting for something in this bill that I did not approve of, he thought I had been coerced by Executive influence to so do? The Senator was careful not to answer that question. He can answer it now if he wishes.

Mr. PENROSE. Mr. President, the Senator may not have been coerced. He seems very willingly to have surrendered his convictions to the majority of the caucus. He presents the extraordinary spectacle of pleading guilty to an indictment and then

proclaiming his innocence and asking me to affirm it.

Mr. BACON. Mr. President, that is a remark that is not justifiable. I have said no such thing. I repeat what I said, that I would vote for all in this bill, although some provisions in it did not meet with my approval, because I believe that in order to make party government or party measures effective it is necessary that the individual should subordinate his private views as to some measure.

Mr. PENROSE. Mr. President-

Mr. BACON. One moment, if you please.

Now, Mr. President, the Senator, in the face of that repeated statement, makes a statement which he knows is not in accordance with that statement. The Senator will not answer the question that I asked him. He will not answer it. Well, Mr. President, if he will not say that I have been coerced by Executive influence, what right has he to say that any one of my colleagues has been coerced by Executive influence?

Mr. PENROSE. If the Senator will permit me, I will answer any question he puts to me. It seems to me we are quibbling We should look at the facts. Whether the Senator is coerced, or an innocent victim of a bunco game, or an unsophisticated gentleman from the country, the fact remains that he has declared to the Senate and to the American people that he has deliberately surrendered his convictions and gone along with his caucus.

Mr. BACON. Well, Mr. President, I want to compare what I have done with what the Senator from Pennsylvania did. met with my colleagues in open, free discussion, and when I was convinced that I was in the minority I surrendered to my col-The Senator from Pennsylvania did not meet in open discussion with his colleagues four years ago, but did whatever the Senator from Rhode Island said he should do when he cracked his whip over his head. That is the difference.

Mr. WILLIAMS. Mr. President, I rise for the purpose of pouring oil upon the troubled waters. I hope that we may go ahead with the consideration of these paragraphs, although I think it would be well to have the Chaplain recalled for a moment in order to render thanks to Almighty God for the conversion of the Senator from Pennsylvania. In an old German story early in my life I read a sermon which was entitled "Satan Rebuking Sin." I never expected to see that reproduced, even in diminuendo, but I have seen it this morning. the Senator from Pennsylvania rebuking secrecy and partisanship is almost equal to the devil rebuking sin.

I do not think there is a man in the United States who expected this spectacle. I feel very close personally to the Sena-tor from Pennsylvania, because while he is of the Quaker Welshmen, I am the Welshman who followed the Stuart-pretty far apart, but we are both Welsh in a certain way. However, I never expected to see the brilliant genius of the Welsh race asserted with the effrontery and success that it has been asserted by the senior Senator from Pennsylvania this morning.

Now, let us waive all that and go to the consideration of the The honest truth is that we are the majority party. American people have thrown upon us the responsibility for action, and we have chosen to act as a party in open and free and full party conference. When a man surrenders his view upon a tax item to the majority view of his party he does a thing that is voluntary. It is not a result of coercion at all. It is a result of the voluntary exercise of his judgment when confronted with the question as to what is best to be done; whether it is better to disrupt the progressive party of this country when it has responsibilities thrown upon it by the American people by letting it go all to pieces—each man working for himself—or whether it is better to get into a family council, as St. John said, "reasoning together in brotherly love with one another," settling upon a common cause, and then as man to man and gentleman to gentleman, bound by both rela-tionships, proceeding to carry that cause to victory. That is all tionships, proceeding to carry that cause to victory. there is in this.

Now, it is pretty hard for the Senator from Pennsylvania to recognize the fact that he is a minority, and, so far as his particular stripe of Republicanism is concerned, that he is a woefully infinitesimal, insignificant minority. It is mighty hard to be tumbled down from a precipice of arrogant dominion a thousand feet high to an abyss of oblivion a thousand feet deep politically, and stand it without growing in self-defense more or less "progressive" himself. Thus the Senator comes in imitating the devil "rebuking sin" and proceeds to rebuke secrecy and partisanship. "A Daniel come to judgment" sure

enough, and from what a wonderful source,

Mr. President, the Democratic Party is responsible for this Mr. President, the Democratic Party is responsible for this bill. It is responsible for doing something or else proving itself incompetent to do anything. The Senator from Pennsylvania knows that as well as I do. He is not and I am not a hypocrite. If his party were in power to-day it would put through a Republican tariff bill. The Democratic Party is in power and is going to put through a Democratic tariff bill as nearly as it can. "As nearly as it must" is a better expression, because it is a case of "nust" and to that extent it is coording. There is not case of "must," and to that extent it is coercion. There is not a man here who is not coerced to a certain extent by the actual industrial condition with which he is confronted.

But when the Senator talks about the caucus "coercing" us or the President "coercing" us, that is idle verbiage cast upon the circumambient atmosphere for self-amusement. When a dozen men with a common purpose meet and determine upon methods by which they shall accomplish a common purpose, and eight of them advocate a certain method of accomplishing the common end and two more another and one another and one still another, and they finally arrive at a given result, nobody is "coerced"; everybody has merely shown common sense—the

common sense which results in concert of action.

Common sense is the rarest sort of sense in the world. There are a great many people in the world who are worth a great deal to the world who have not any common sense, who have merely uncommon sense. They go out in front and raise questions and initiate issues, and frequently because the issues are proven worth consideration they later along are expressed by another awakened and educated common sense, as the policy of another generation. The daring of one generation becomes the

policy of another and the legislative act of a third. These people are worth a great deal to the world in the way of wakening up things, starting things; but the men who do things in the world are the men who cooperate with others for a common

purpose.

I could have borne the sort of lectures we have received this morning if it had fallen from the lips of the Senator from Minnesota [Mr. Clapp] or the Senator from Wisconsin [Mr. La Follette] or the Senator from Kansas [Mr. Bassrow], and in a remote and indefinite way if it had fallen from the lips of the Senator from Idaho [Mr. Borah]; but to come from the lips of the Senator from Pennsylvania is, I think, the most astonishing that I was ever visually subjected to in all my intellectual and political existence.

Mr. GALLINGER. Mr. President, the Senator from Mississippi [Mr. Williams], if he were not so delightful always, might be subject to the criticism that he has poured a peculiar kind of oil on the debate. It must be the "Three-in-one" variety, it seems to me. His criticisms have been pretty severe, but the Senator from Pennsylvania will take care of that

himself.

I simply want to call attention to a historical fact. This morning the Senator from North Carolina [Mr. Simmons] properly asked unanimous consent that a vote should be taken on this bill on the 25th day of the present month. The debate was opened 30 days ago by the Senator from North Dakota [Mr. McCumber], and, as I remember, there was a little hiatus as that speech was made somewhat in advance, for the reason that that Senator had to leave the city. The Senator now asks that in 11 days more we shall take a vote. That is 41 days from the time the Senator from North Dakota made his somewhat premature speech.

Now, let us look at what happened four years ago. And in passing let me suggest that the present bill was held in Demoeratic committee and in Democratic caucus almost two months

before it was reported to the Senate.

Four years ago, Mr. President, the bill was reported to the Senate on the 19th day of April. It passed the Senate on the 8th day of July. It was held here by the Democratic Party for precisely 80 days. We have been debating it 30 days and we are subjected to more or less criticism.

Mr. SIMMONS. The Senator says the bill was held by the Democratic Party that length of time. I will ask him if it was not held a large part of that time by an element in his own

party?

Mr. GALLINGER. By opponents of the bill, yes; that is correct; but it was held by the Democratic Party, because if it could have been decided by this side of the Chamber it would have been decided in very much less time. The bill was in debate 80 days, and yet nobody found any fault about it; it was a very important measure; but now, for some occult, unexplained reason, we are asked to permit this bill to come to a vote after a little over one month's debate; and I think I did entirely right in objecting to the request for unanimous consent on the ground that there are a great many items and schedules in the bill yet to be discussed.

Mr. LA FOLLETTE, Mr. President-

Mr. SIMMONS. Will the Senator from Wiscensin yield to me?

Mr. LA FOLLETTE. I wish to take the time of the Senate for only one moment, in connection with something that has just been said by the Senator from New Hampshire [Mr. Gallinger].

If the Senator from New Hampshire had not objected this morning to fixing a time for a vote on the tariff bill, I should have interposed an objection. I believe I objected a number of times to the fixing of a day for taking a vote four years ago when the Payne-Aldrich bill was pending before the Senate. Whenever this subject has come up in the Senate during the pendency of this bill there has been, upon this side, some suggestion or intimation that an agreement for a vote on the tariff bill at an early day might be secured if assurances were given by the Democrats that currency legislation would not be pressed at this session. For this reason I desire to have it clearly understood now that, while I will object to fixing a time when a vote shall be taken upon the tariff bill, at least until there shall have been opportunity for its full discussion, I want it definitely understood, Mr. President, that in interposing such objection there is not in my mind any purpose to postpone consideration of currency or other legislation.

I want to say now, for one Senator on the Republican side, that I am prepared to give my consent to continuing this extraordinary session to the 1st day of December, if necessary, for the consideration of any legislation important to the inter-

ests of the country. I am ready to remain here in session until the constitutional time for the assembling of the regular session shall arrive, in order to take up the consideration of the currency bill. In saying that I do not commit myself to any

provision in that bill.

The business interests of this country will inevitably undergo some strain in adjusting themselves to the new tariff rates to be enacted into law. These new conditions may well make currency legislation necessary. For one I do not propose to allow anyone to impose upon me in any measure the responsibility of defeating the consideration of any important legislation that may be necessary to accompany this pending tariff legislation. At the same time I want to say, and I want it definitely understood, that with so important a subject as currency legislation I would not be pushed or driven by any condition into giving my assent to rushing a currency bill through which I did not believe to be for the best interests of the country.

Whenever the question of fixing a time to vote upon the pending tariff bill shall hereafter be raised, for one I want it understood that this bill shall be disposed of without reference to any other subject of legislation. I will not be, directly or indirectly, a party to, and I will not consent to be put in the position where it may be inferred that I joined in, an arrangement for terminating debate upon this bill in order to foreclose the Senate and the Congress from the consideration of the currency

bill.

Mr. CLARK of Wyoming. Mr. President, in connection with the request of the Senator from North Carolina [Mr. Simmons], which has been disposed of, and the suggestion of the Senator from Kentucky [Mr. James] that we ought to use expedition in the final determination of this bill, I desire to add to the historical data of the Senator from New Hampshire [Mr. Gallinger] some data that have just been sent to me in regard to

the history of this particular bill.

The bill was received in the Senate on May 9; the bill was referred to the Committee on Finance without instructions on May 15—I assume that this is accurate—the bill was reported to the Senate by the Committee on Finance July 11. General debate on the bill began July 19. The bill was taken up by paragraphs July 23, about 20 days ago. The bill was taken up by paragraphs July 23, about 20 days ago. The bill has 277 pages, made up as follows: Fifteen tariff schedules, or 650 paragraphs, covering 164 pages; an income-tax provision, covering 45 pages; the "cotton-futures" provision, covering 4 pages; and the administrative features, covering the remaining 64 pages. The Senate is now upon its twenty-first day of actual consideration of the schedules, paragraph by paragraphs. It has reached paragraph 198; it has passed over 31 paragraphs, including one re-referred to the Committee on Finance; and it has completely passed over the sugar schedule, that has always been provocative of debate. Only 50 pages of the bill have been partially considered for the first time. Other amendments are to be proposed to the paragraphs considered.

After two weeks of consideration the chairman of the committee [Mr. Simmons] said from his sent in this Chamber:

I want to say that we have been on this bill only two weeks, and in the consideration of no tariff bill which has been presented since I have been here have we advanced so far during the first two weeks as we have in the consideration of this bill.

At the time the Senator from North Carolina made that statement we had considered less than 100 of the 650 paragraphs of the bill.

I offer that as historical data, in view of the discussion which has been going on.

Mr. PENROSE. Mr. President, I do not intend to take up the time of the Senate at any length with this discussion which I have not provoked; but, since the Senator from Mississippi [Mr. Williams] and the Senator from Georgia [Mr. Bacon] have taken occasion to single me out in their remarks, I should like to call the attention of the Senate to one or two thoughts

which are running through my mind.

In the first place, Mr. President, the majority in this Chamber seem to think that they can be excused for any violation of legislative ethics by pointing to the record of the Republican Party. They have been assailing that record, so far as legislative practices are particularly concerned, for many campaigns. When they marched into this Chamber in the majority last spring it was thought that they had the white robes of political purity about them and the emblems of lofty virtue, like lilies, in their hands, maintaining a high moral standard and exciting the admiration of an awakened public conscience and of an aroused humanitarian spirit. We find them, however, not only imitating the practices which they have condemned, but going so far beyond them as to make the Republicans feel that they were innocent amateurs.

For years we heard criticisms of the methods of Speaker Reed and of Speaker Cannon and of the czar-like rules adopted in the House of Representatives; but I say, without fear of contradiction, that nothing has ever been perpetrated in the history of American legislation which equals the secret caucus practices of the Democrats in the House and in the Senate. It has reached the point, Mr. President, when it is, if not in direct violation of the Constitution of the United States, certainly violative of its principles. What record have we; what record has the country of the votes on sugar or on wool or on the several schedules which have been solemnly determined and settled in the darkest secrecy and then submitted to this Chamber for ratification or negation by the two parties in this body? The country has no record or information except the desultory, unofficial, and unauthorized reports appearing in the daily news-

Mr. SIMMONS. I know the Senator does not wish to make

an incorrect statement.

Mr. PENROSE. I have made very few incorrect statements. Mr. SIMMONS. There was no record vote taken in the Mr. SIMMONS. caucus which was not, by express authority of the caucus,

given to the country.

Mr. PENROSE. Mr. President, that is not an official record; that is not a record kept under the solemn oath of office to support the Constitution of the United States, with all the solemnity that characterizes legal proceedings and with all the official sanction that characterizes the open proceedings of this body. God help the country, Mr. President, when the unofficial record of any party caucus has to be the only source of information for the American people as to the legislative acts of their representatives! Furthermore, I am not informed that the official record to which the Senator has referred contained the names of those voting for or against any particular schedule. It merely declared the result.

Now, I will ask the Secretary to read a paragraph from the

Constitution of the United States.
The VICE PRESIDENT. In t In the absence of objection, the Secretary will read as requested.

The Secretary read as follows:

Each House shall keep a journal of its proceedings, and from time to time publish the same, excepting such parts as may in their judgment require secrecy; and the yeas and nays of the Members of either House on any question shall, at the desire of one-fifth of those present, be entered on the Journal.

Mr. PENROSE. Now, Mr. President, I call the attention of the Senate and of the country to the fact that we have no official record of the actual votes which have determined the schedules in this bill. Caucuses or conferences held for a few hours have been criticized in the past; but I challenge any Senator to show until the present time an instance in any Congress in the history of the American Government where caucus proceedings have been conducted for weeks at a time, practically supplanting legislative proceedings. The condition is unprecedented; the condition is revolutionary; the condition is one that when the American people fully realize it they will discount hereafter the pretensions to virtue and political purity of those who have been assailing the Republican Party.

Mr. President, to show you how serious this matter is, I want to call the attention of the Senate to a statement made by the Senator from Mississippi [Mr. Williams]. I read from the

CONGRESSIONAL RECORD of yesterday:

I have said and I say now that the least burdensome of all taxes upon the consumer is a tax upon sugar, a reasonable tax. I was willing to have taken the English free-trade duty—40 cents a hundred—which would have put Louisiana out of business as completely as free

Showing cordial and friendly feeling for Louisiana-

Showing cordial and friendly feeling for Louisiana—but would have given the American Government \$30,000,000 revenue in a manner least burdensomely laid upon the people—laid upon a finished product and not a raw material—and thereby enabling us to reduce still further the duties on clothing and other necessaries. But I do not even believe that I owe any apology fo my constituents, the country, or myself for the fact that when we reach that schedule I shall vote for it as worded in this bill. I shall vote for it upon the general ground that I am not conceited enough and not egotistical enough to believe that I either ought to or could make my opinion prevail against the opinion of the vast majority of the school of politics to which I belong.

Then, after expressing his veneration for Thomas Jefferson the Senator goes on to say:

But I have never seen any way of accomplishing any important result in this world except by "team work." Politics, baseball, football, and church work are all the same in this regard. A man takes himself very seriously who thinks he can accomplish much by himself. If he forgets all the other spheres that are rolling around outside of the

The spheres must have been making a noise on that day [laughter]

and comes down simply to the earth, and then forgets all the earth except his own country, and forgets all that except his own township, he still can not hope to accomplish much by himself.

Mr. President, what does that statement imply? It implies that the Senator from Mississippi acted deliberately, at the behest of a party caucus, against his convictions. He is here a Senator under the solemn oath of office which he took at the beginning of his term, and yet he confesses to his own insignificance, deliberately throws overboard \$30,000,000 of revenue, and candidly states that he is destroying the industry of a great Commonwealth. Is that a position which a Senator of the United States can candidly announce to the country and logically maintain? It enunciated a legislative practice and doctrine which I for one, in spite of the shortcomings with which the Senator from Mississippi has charged me, have never for a moment imagined.

The Senator from Georgia [Mr. BACON] referred to the frequent consultations with beneficiaries of the tariff. I take this occasion, as the State of Louisiana has been mentioned, to tell him that among the beneficiaries which the then majority of the Finance Committee did confer with were the sugar growers of Louisiana. That was a rock-ribbed Democratic State. Republicans in the rest of the country never could hope for aid or encouragement from that section for well-known local reasons. Yet out of their broad and generous patriotism they so framed the sugar schedule as to provide for the future prosperity and well-being of that section of the American people, regardless of party affiliation or sectionalism. The Senator from Georgia is correct in saying that they did, at least in one case, consult with beneficiaries of the tariff bill, and they did it out of a broadminded statesmanship in relation to a section from which there could be no possible return.

I shall not pursue this matter further, Mr. President. There is no disposition on this side of the Chamber to delay a vote on The RECORD will show that over half of the time since the bill has been in the open Senate has been consumed by Democrats in this body or by discussions like the present which they have provoked. At the proper time, when Senators of the minority have been able to explain their views to the people of the country regarding a bill which they are convinced will bring disaster throughout the length and breadth of the land, there will be a vote and the bill will become a law.

Mr. WILLIAMS. Mr. President, the Senator from Pennsylvania, with the usual bewilderment that troubles the Republican intellect, seems to think that a duty upon sugar is a matter of conscience; that there is some principle involved in it; that a tax rate constitutes a principle. I do not believe that. Even if a particular industry were to be destroyed by depriving it of a legislative prop, the people engaged in that industry would have no legitimate right to complain, because no man has any right to demand of all the people that he shall be propped into a profit.

Mr. PENROSE. Mr. President, did not the standard bearer of the Senator's party, the present President of the United States, openly declare on the stump that no legitimate industry was to suffer, that nothing abrupt would be done in connection with tariff legislation, and thereby lull the American people to

sleep upon this issue?

Mr. WILLIAMS. He did and in this particular case, as I have said previously, in my opinion he has made a mistake, and in my opinion the Democratic majority has made a mistake. There never has been any secrecy about my opinion upon that subject. Every word I have said upon the subject I will now reiterate, because every word of it represented then, and represents now, what I believe. But when the Senator arraigns a position upon the rate of a tax as a matter of conscience and arraigns somebody for surrendering his conscience because he voted to take away an artificial legislative prop, although he thought taking away the prop might hurt the man that was propped, he is talking and thinking in a very bewildered way.

No man does any wrong to any human being in the world when he merely says to him, "You shall stand upon your own two feet and wrestle with the balance of the world upon a foot-

ing of equality, without legislative help." What has gotten into the Senator's mind is that he thinks

legislative help becomes a vested right. It can not become a vested right. The Senator is a little bewildered. Mr. PENROSE. Will the Senator permit an interruption?

Mr. WILLIAMS. Yes

Mr. PENROSE. The Senator is a little bewildered, I think. I endeavored to make plain that the Senator under his solemn onth of office was deliberately throwing away a small sum like \$30,000,000 and destroying a State under the coercion of party caucus, and he so pleads guilty in his own statement.

Mr. WILLIAMS. Mr. President, that again illustrates the bewilderment of the regular standpat Republican intellect. The Senator from Pennsylvania evidently thinks that when I entered this body I took an oath to maintain protectionism. I merely took an oath to maintain the Constitution.

Mr. PENROSE. I assume the Senator feels impelled to follow his convictions and his beliefs and his conscience. He has surrendered all of them.

Mr. WILLIAMS. The Senator did not take an oath to follow his convictions upon rates of duties. The Senator from Pennsylvania took no such oath, and nobody here has taken any such oath. The Senator from Pennsylvania knows it as well as I do, without further comment, and there is not a 14-year-old boy that does not know it.

Mr. PENROSE. I supposed that was the effect of the oath. Mr. WILLIAMS. To go ahead, the Senator seems to think We did not single him out. He has we have singled him out. singled himself out.

I do not care to continue further this absorption of the time of the Senate. The Senator's last remarks remind me of what an old friend of mine once said. After getting through hearing a defense made by a man, he said, "That is the first time I ever heard a defense by self-condemnation."

The utmost the Senator has said is to condemn himself, his past methods, and the past methods of his own party, and then to accuse us of imitating and exceeding them. As to the last part of his remarks, I think everybody will agree that we have not exceeded them, at any rate, because that would be impossible.

Even if Senators on this side do surrender their private views concerning the proper rate of duty, as to whether oxalic acid ought to be taxed 15 or 20 per cent or put upon the free list, it is not a surrender either of the Constitution or of the institutions of the American Government, and it is not a surrender of anything that any Senator is by oath or in henor bound to

As to my position on the sugar question, the Senator says I can not candidly announce it, and can not logically defend it. I can candidly announce it, at any rate, but I simply confess that I can not logically defend it. I can not logically defend the provision of the pending bill upon sugar. I am not going to attempt to do it, because it is not my view. But I can candidly announce that the position I could have logically defended I have voluntarily surrendered in order to help get a reformation of the tax laws of this country. That is candid enough, I take it, as an announcement.

So far as being logical is concerned, I think it was Thomas Carlyle who once said that he thanked God that mankind were not invariably logical. So far as I know, nothing in this world can be done by being invariably logical. There are very few things that the Senator from Pennsylvania has accomplished in this world that were accomplished by being invariably logical. I do not know anybody that has changed the rules of the game to suit his hand oftener than the Senator from Pennsylvania.

Mr. SMOOT rose.

Mr. WILLIAMS. I want to express the hope, before I take my seat, that we may get to the schedules of the bill soon.
Mr. SMOOT. Mr. President, I assure the Senator that I

shall not detain the Senate long. I want to refer to the statement made by the Senator from Georgia in relation to the votes cast for the Payne-Aldrich tariff bill, when under consideration in the Senate, as a mere matter of history.

I find, in a casual glance at the votes as recorded in Public Document No. 153, that at different times the following Democratic Senators voted with Mr. Aldrich: Messrs. Clay, Overman, Foster, McEnery, Simmons, Martin, Daniel, Money, McLaurin, Newlands, Owen, Shively, Stone, Gore, Davis, Smith of Mary-land, Chamberlain, Hughes, Taliaferro, Taylor, Rayner, John-ston of Alabama, Fletcher, Culberson, Bankhead, Bailey, and

Mr. GALLINGER. Were there any Democratic defections in the list just read?

Mr. SMOOT. None that I recall. I wish to say that we have taken almost as many record votes upon the pending bill as were taken upon the Payne-Aldrich bill, and I say there is not a single Democrat that has voted with the Republicans on the pending bill, with the exception of the Senator from Louisiana [Mr. THORNTON], and he only upon certain items in the agri-No matter what amendments have offered, whether they have been to take items from the dutiable list and put them upon the free list, where they are under the present law, or whether they have been to reduce rates that have been advanced in the pending bill to the present rate, every single Democrat has voted against a change in the bill.

I simply wanted to call attention to the fact that in my burried running through these votes I had picked out the names I have already read to the Senate. I want to say, also, that I believe, no matter whether the Democratic caucus bound the

members of that caucus as to how they should vote or not, the result will be that upon every vote in the Senate where a record is made there will be a united Democratic vote, with the exception of the two Senators from Louisiana; and no matter whether Senators were bound in the caucus or not, the result is going to be the same.

Mr. LODGE and Mr. BRISTOW addressed the Chair. The PRESIDING OFFICER (Mr. CHAMBERLAIN in the lair). The Senator from Massachusetts is recognized.

Mr. BRISTOW. Mr. President, I have addressed the Chair 14 times this morning. I have been trying to get recognition since 11 o'clock.

The PRESIDING OFFICER. The Senator will permit the present occupant of the chair to state that he has not been here during all of that time. The Chair recognized the Senator from Massachusetts, not observing the Senator from Kansas.

Mr. LODGE. In view of the statement of the Senator, I yield, of course, to the Senator from Kansas.

Mr. BRISTOW. I tried to get recognition when the request was made by the Senator from North Carolina [Mr. SIMMONS].
The PRESIDING OFFICER. The Chair will say to the Senator that the present occupant of the chair was not in the chair at that time.

Mr. BRISTOW. Yes; I recognize the fact that the statement of the present occupant of the chair is correct. I endeavored to get recognition when the Senator from North Carolina made his request for unanimous consent to fix a day to vote upon the pending bill.

I desire to state that, so far as I am concerned, there will be no unanimous consent given to fix a date for voting upon this bill until it has been fully discussed. I think the bill is not

right and ought not to pass.

I do not believe this measure will meet the approval of the American people. I do not believe it is the proper interpreta-tion of the verdict of the election last fall. I believe it is the duty of the Members of the United States Senate to demonstrate that the bill is not what it is claimed to be. I recognize at the same time that those who believe the bill is a proper interpretation of the verdict of the people last fall have the right, and should exercise it, to defend the measure when it is attacked.

I am not complaining because the Senators on the other side of the Chamber who are friendly to this measure have taken time in defending it. I think they will have to take time to defend it, or it will be condemned by the American people.

There is no excuse for an endeavor to hasten the consideration of this bill, unless that excuse is that it will not stand the light of free, open, and fair discussion. I do not believe there is a Senator in this Chamber who has any desire to delay unduly the passage of the bill. I do not care whether we are to stay here until the 1st of December, or whether we should adjourn, if we could, on the 1st of September. That fact would not lessen the discussion of this bill by one hour, so far as I am concerned.

It makes no difference to me whether, after we have completed this arduous task, we are to be forced into the consideration of another measure, more important than this, before we have had any relief or relaxation from the work that is now upon us. Whether we are or whether we are not to be compelled to take up that measure makes no difference to me, so far as the consideration of this one is concerned. If an agreement were had to-morrow that currency legislation would be put over until December, I should not consent to vote upon this bill an hour sooner than I should with the demand that currency be taken up as soon as the tariff measure is completed.

I think the debate which is permitted in the United States Senate is of inestimable value to the American people, because it gives the great mass the time to consider and digest and understand the character of the legislation which the Congress is enacting. I hope the time will never come when bills will be made in the secrecy of either committees or caucuses and driven through under the spur and whip without even Congressmen and Senators knowing the full purport of their contents. I believe that the debate we have here is of the highest importance to the country.

So far as the method that has been employed by the authors of this bill in order to get sufficient support to prevent it from being amended, nothing has been said in condemnation of that practice which has been too strong or too severe to meet my approval. I expect at some other time to express my views with some frankness in regard to the party caucuses. I will not do so this morning.

But when the friends of this bill are driven to a comparison of the record made four years ago in the passage of the Payne-Aldrich bill as their only defense for a party caucus far more tyrannical than anything that was undertaken four years ago by the majority then in control, they plead that they have no

justifiable excuse for the course they are taking now.

In the debate on this floor there has not arisen on the other side of the Chamber a single Senator, with the exception of the efforts of the Senator from Mississippi [Mr. WILLIAMS] last night and this morning, who has endeavored to excuse the caucus rule without a reference to and comparison with the votes and methods of four years ago when Mr. Aldrich was in charge of the bill that is now the present law.

I might suggest that the Senator from Georgia [Mr. BACON] and I regret that he has left the Chamber-goes far afield when he says the Republicans in this Chamber voted according to the wave of Mr. Aldrich's hand, when the pamphlet, the document, of which he is the author shows that there were but four Republicans who voted on every vote as Mr. Aldrich did. Of the whole membership there were but four who voted with him on every vote, and there were a number who voted against him more than a hundred times.

Amendments proposed by Mr. Aldrich and his committee were occasionally defeated; not often, but on a number of roll calls the amendments proposed by the committee were defeated and the Senator from Georgia helped defeat some of them by his own vote, and he helped pass some of them by his own vote, for he himself cast 11 votes with Mr. Aldrich in support of that

Mr. SMOOT. Will the Senator yield to me just a minute? The PRESIDING OFFICER. Does the Senator from Kansas yield to the Senator from Utah?

Mr. BRISTOW. I do, Mr. SMOOT. I wish to call the Senator's attention to the fact that a good many more amendments would have been lost

unless some of the Democrats had voted for them.

Mr. BRISTOW. Of course; everyone knows that. I have run through this pamphlet very hurriedly in the last few minutes, but time after time it shows that the amendments proposed by Mr. Aldrich and the Finance Committee would have been defeated had it not been for the support he got on the Democratic side of the Chamber. There was sufficient inde-pendence on this side, outside of the 10 Senators who voted against the bill, to defeat amendment after amendment and provision after provision if the Democratic Senators had not come to the relief of the chairman of the Committee on Finance in that contest.

I could read here, if Senators desire, vote after vote, and I will be very glad to do it. I have looked at some here this morning that are very interesting.

Mr. GALLINGER. Will the Senator put two or three of them

in the RECORD?

Mr. BRISTOW. I will turn to just one or two.
Mr. PENROSE. The Senator does not refer to the lumber

schedule in his remarks, however.

Mr. BRISTOW. We will take first the amendment proposed by the Senator from Wisconsin [Mr. La Follette] on quebracho. It was defeated—29 yeas to 38 nays.

Mr. ROBINSON. Will the Senator state the page of the

document?

Mr. BRISTOW. On page 15, and extending over to page 16. Of the nays that vote with Mr. Aldrich and prevented the amendment of the Senator from Wisconsin from being adopted there were the following Democrats: Mr. Daniel of Virginia, Mr. Foster of Louisiana, Mr. Martin of Virginia, Mr. Simmons Virginia, of North Carolina, and Mr. Smith of Maryland. Mr. PENROSE. Mr. President—

The PRESIDING OFFICER. Does the Senator from Kansas yield to the Senator from Pennsylvania?

Mr. BRISTOW. I do. Mr. PENROSE. I think that duty protected the chestnut

trees of Virginia, did it not?

Mr. BRISTOW. I do not know what it protected, but I know that it was an amendment offered by the Senator from Wisconsin and it would have been adopted if it had not been for the Democratic vote that voted with Mr. Aldrich.

Mr. PENROSE. Will the Senator permit me a moment? The duty protected the chestnut bark of the State of Virginia and therefore was of interest to our Democratic brethren of that

Mr. President-

The PRESIDING OFFICER. Does the Senator from Kansas yield to the Senator from Georgia?

Mr. BRISTOW. I do.

Mr. BACON. In order that we may take this as we go along the Senator is illustrating on his side rather conditions where Republicans would have been defeated but for Democratic assistance.

Mr. BRISTOW. I am.

Mr. BACON. The Senator calls attention to the vote on page 15 running over to page 16.

Mr. BRISTOW. Yes.

Mr. BACON. In that case the majority was 9, and it is true if 5 had voted the other way the result would have been changed. Mr. BRISTOW. There were 5 Democrats who voted with the majority. There are a number of other votes, and I will call attention to some of them.

Mr. PENROSE. Will the Senator permit me? I think it is generally conceded that the opponents and critics of the Payne bill have declared that one of the most indefensible schedules in the Payne bill is the quebracho paragraph. It is one of the most vicious, in their opinion, and the most difficult to explain or defend in the bill. The duty was imposed on the representations of a constituent of the Senator from Connecticut, who made himself most active here. The further result was to encourage the bark industry of chestnut trees in Virginia, and hence the Democratic vote. Scratch a Democrat, Mr. President, and occasionally you find a spotted protectionist.

Mr. BACON. Mr. President, that amendment was particularly championed by the Senator from Wisconsin [Mr. La Fol-LETTE] and the then Senator from Virginia, Mr. Daniel, also, if that is the one the Senator now refers to. I can not recall the

name of the article.

Mr. PENROSE. I refer, if the Senator from Georgia is addressing himself to me, to the quebracho paragraph, declared to be one of the most vicious in the Payne bill, and passed into law by the Democratic vote.

Mr. BACON. I recall that the Senator from Wisconsin offered an amendment reducing the proposed duty to one-fourth of 1 cent per pound, and the Democrats and the Progressives voted for and the Republicans voted against it.

Mr. BRISTOW. With the exception of five Democrats. The Senator must admit that if the Democrats had not voted with

Mr. Aldrich it would have been defeated on that vote.

Now, the Senator from Georgia said that with the exception of a few the Republicans voted according to the wave of the hand of Mr. Aldrich. Let us see how the Republicans voted on that amendment. The vote for the amendment offered by the Senator from Wisconsin is as follows: Bacon, Bailey, Bankhead, Beveridge, Borah, Bristow, Brown, Burkett, Clapp-I will just read the Republicans—

Cummins; Dolliver; Gamble, who was not regarded as a Progressive Republican; La Follette; McCumber; Nelson; Smith, of Michigan; and Stephenson, of Wisconsin.

I do not intend to take the time of the Senate, but that vote alone shows that even among the so-called stand-pat Republicans there was not that unanimity of action which the Senator from Georgia thinks.

On the amendment, as shown on page 57 of the pamphlet, imposing a duty of 15 per cent on hides, the vote was 46 to 30. In the 46 votes are numbered the following Democratic Senators: Bailey, Culberson, Fletcher, Foster, Hughes, McEnery, Newlands, Smith, of Maryland, and Tallaferro, of Florida.

If they had not voted with Mr. Aldrich that amendment would have been defeated.

On the bottom of page 57 Senator McCumber offered an amendment placing a duty on lumber of a dollar a thousand feet, which was a reduction in the duty which the bill carried. That amendment received the following votes, Mr. Aldrich of course opposing it, insisting that the duty should remain as it was. Voting with Mr. Aldrich to sustain the higher of the two duties were the following Democrats: Bacon, Bailey, Chamberiain, Fletcher, Foster, Martin, Money, Sinmons, Smith, of Maryland, Taliaferro, and Taylor. Without those votes with Mr. Aldrich for the higher duty the McCumber amendment would have prevailed.

Thus you could go through the entire pamphlet. My attention has been called to a vote on page 19, an amendment by Mr. Mc-CUMBER to the lumber duties. That would not have carried, however, if the Democrats had all voted against Mr. Aldrich. So I did not take that, though he had then a very large support.

Mr. GALLINGER (to Mr. BRISTOW). Read it.

Mr. BRISTOW. This amendment was also offered by Mr. McCumber, reducing the duties materially on lumber, and Mr. Aldrich opposed it. The following Democrats voted with him against the McCumber amendment reducing the duty on lumber.

Mr. GALLINGER. It would have changed the result. Mr. BRISTOW. It would have changed the result, I am advised. Running it over hurriedly, I did not discover that. The following Democrats sustained Mr. Aldrich and the committee: Bacon, Bailey, Bankhead, Chamberlain, Daniel, Fletcher, Foster, Johnston of Alabama, McEnery, Martin, Money, Overman, Simmons, Smith of Maryland, Tallaferro, Taylor, and Tillman—17.

I call this fact to the attention of the Senator from Georgia, because he invited an examination of the document of which he is the author. I repeat, for he was not here at the time I made the statement that on the one hundred and thirty-some roll calls there were but 4 Republican Senators who voted invariably upon every roll call with Mr. Aldrich of the entire membership, and the remaining fifty-odd voted against him from 1 to 106 times. It is interesting to observe how the votes ran on the part of the Republican Senators who voted against Mr. Aldrich. want to read that list: La Follette, 106 times; Bristow, 101 times; Clapp, 91 times; Cummins, 89 times; Dolliver, 73 times; Nelson, 69 times; Brown, 65 times; Burkett, 58 times; Beveridge, 55 times; Crawford, 52 times; Gamble, 32 times; Borah, 25 times; Curtis, 24 times; Burton, 14 times; Johnson of North Dakota, 13 times; McCumber, 11 times; Jones, 10 times; Smith of Michigan, 10 times; du Pont, 8 times; Bulkeley, 7 times; Piles, 7 times; Root, 7 times; Carter of Montana, 5 times; Dick of Ohio, 4 times; Heyburn, 4 times; Page, 4 times; Frye, 3 times; Gallinger, 3 times; Dixon, 3 times; Crane, 3 times; Burnham, 3 times; Brandegee, 3 times; Bourne, 2 times; Bradley, 2 times, and so forth.

This certainly shows some independent voting on the Republican side four years ago. I do not think there was enough independent voting at that time. If there had been sufficient independents then, we would have made a bill that would have met the approval of the American people. But the bill would have been a great deal better than it was if Mr. Aldrich had not gone to the Democratic side of the Chamber and got Democratic votes to sustain him when enough Republicans left to defeat him.

Now I will read a list of the Democrats who voted with Mr. Aldrich and the number of times: McEnery, 66; Daniel of Virginia, 14; Smith of South Carolina, 3; Smith of Maryland, Virginia, 14; Smith of South Carolina, 3; Smith of Maryland, 12; Owen of Oklahoma, 6; Shively of Indiana, 4; Davis of Arkansas, 6; Foster of Louisiana, 29; Rayner of Maryland, 5; Taylor of Tennessee, 11; Tillman of South Carolina, 8; McLaurin of Mississippi, 5; Bailey of Texas, 11; Money of Mississippi, 11; Paynter of Kentucky, 5; Bankhead of Alabama, 10; Clay of Georgia, 6; Culberson of Texas, 6; Chamberlain of Oregon, 16; Martin of Virginia, 18; Newlands of Nevada, 7; Taliaferro of Florida, 14; Simmons of North Carolina, 14; Frazier of Tennessee, 3; Stone of Missouri, 7; Hughes of Colorado, 9; Johnston of Alabama, 7; Overman of North Carolina, 8; Fletcher of Florida, 12; Bacon of Georgia, 11; Gore of Oklahoma, 5. Florida, 12; Bacon of Georgia, 11; Gore of Oklahoma, 5.

Mr. BACON. I should like to call the Senator's attention to some of the votes cast then. Of course it is perfectly ridiculous-I will not use that word-but it is unreasonable to test the question as to how a man stood on the tariff by the simple enumeration of the number of votes cast.

Mr. BRISTOW. If the Senator will permit me, I agree that this is not a test. The test is, What did the man vote for or what did he vote against?

Mr. BACON. I think I——
Mr. BRISTOW. But the Senator from Georgia is the one who brought this phase of the discussion into the Chamber this morning, and he put a construction on it that the facts do not justify, as I think I have demonstrated.

Mr. BACON. I want to say

Mr. BRISTOW. If the Senator will pardon me, it was brought in here as a defense of the caucus system, which apparently from the results binds men to vote against their constituency and against the interests of their country and against their judgment and their conscience.

Mr. BACON. Now, if the Senator will pardon me for a

Mr. BRISTOW. I will be very glad to yield. Mr. BACON. I spoke of the fact that it was no test, as a great many votes were cast, unless it could be shown to be of a uniform character. I happened to turn casually over this document, the correctness of which I will undoubtedly vouch for. It was made by myself and not a clerk. One of the votes, when Mr. Aldrich and myself voted together, was in favor of submitting an amendment to the Constitution providing for an income tax. I suppose that would not be criticized.

Mr. BRISTOW. I think that was very creditable. with him for the same thing. I voted with him several times.

Mr. BACON. Another vote of the 11 which the Senator says I cast with him I find incidentally here. I could not go through them all. The vote was on the question whether a tax should be imposed on tea. Mr. Aldrich voted against the imposition of a tax, and I voted with him against the imposition of a tax. Another instance which I find in a hurried examination where Senator Aldrich and I voted together is this on page 44: Senator CUMMINS moved to recommit Schedule K, with instruc-

tions to report the same back to the Senate with certain specifled rates of duty. Senator Aldrich voted against the motion to recommit because the rates specified in the motion were too low, and I voted against the amendment because the rates specified were too high. That was certainly all right. So I might go through the votes. There are other instances of the same kind. Of course there were some in which the votes were identical. I can say, however, that there was no vote cast by me-and I think I can say equally as to almost all the other Senators on this side of the Chamber-in which the vote was cast in harmony with the vote of Mr. Aldrich and the Republicans where it was not a low tariff duty which was legitimately within the range of a revenue tariff.

Mr. PENROSE. Will the Senator permit me?

The PRESIDING OFFICER. Does the Senator from Kansas

yield to the Senator from Pennsylvania?

Mr. BRISTOW. In just a moment, if the Senator will pardon me. The Senator himself, of course, admits that on the lumber amendment when he voted with Mr. Aldrich it was against the reduction of the duty.

Mr. BACON. No; it was a reduction.

Mr. BRISTOW. The Record shows that it was not.

Mr. BACON. It was a reduction of the duty. The affirmative vote imposing a duty upon lumber was a material reduction from what it was before, and the vote against the reduction to the extent proposed by the Senator from North Dakota

Mr. BRISTOW. It was against the reduction. Mr. BACON. Yes; but I just want to illustrate that, so far as the statement that out of hundreds of votes there were 11 votes cast with Mr. Aldrich, there were many of them of this nature, where the vote was one which was proper, where Mr. Aldrich himself was voting against the tariff. He voted against it because it did not harmonize with the system which he had laid out, the program which he had made in that particular case. He did not favor the tariff upon tea and neither did I, and therefore we happened to vote together at that time. He favored a resolution submitting an amendment to the Consti-tution by which an income tax would be imposed, and so did I. He did it for one reason, however, and I did it for another. He did it to defeat the imposition of the income tax and I did it for the purpose of insuring one. He did it for the purpose of defeating the amendment which was then pending to the bill imposing an income tax. I did it because, while I favored the amendment which was then proposed to that bill, I was also in favor of an amendment to the Constitution which would make the imposition of the tax lawful beyond question or doubt.

Mr. BRISTOW. I believe that when the Senator voted with Mr. Aldrich or against Mr. Aldrich he voted for what he believed was right. I do not question that. I believe when he voted the 11 times he voted with Mr. Aldrich he believed that the things for which Mr. Aldrich was voting were right and therefore he favored them; and I believe that the Senator from Georgia thinks that when I voted 101 times against Mr. Aldrich and 27 times with him I was voting for what I thought was right, and was endeavoring to make the bill as I thought it

ought to be.

Now, the objection I have to the method that is being pursued in the consideration of this bill is that the Members on the other side of the aisle are not following the same rule now.

Mr. BACON. Mr. President, will the Senator yield to me? Mr. BRISTOW. I will be very glad to yield. Mr. BACON. I wish to say that an examination of this document which I hold in my hand, from which he is reading, will prove the correctness of what I have said, that, with the exception of one or two votes where the Republicans were divided, such, for instance, as that upon the lumber duty, and with the exception of the group of Senators whom I have expressly excluded from the number, the Republicans did vote almost universally and solidly in favor of certain propositions.

I am very greatly surprised that the Senator from Kansas has suddenly developed into a defender of a portion of the Republican Party which he so earnestly and vigorously and effectively and incessantly opposed in the tariff discussion of 1909.

Mr. BRISTOW. Mr. President, I am not defending

Mr. BACON. It so happened, Mr. President, that the Senator then belonged to a group which was itself holding caucuses, and everybody knew it at that time. It was right to hold them.

Mr. BRISTOW. The Senator unfortunately has not heard all that I said this morning. If he had been here when I began to speak he would have understood that I declared then-and I declare now-that, in my opinion, there was not sufficient independence in this Chamber upon this side of the Chamber; and I said if there had been more independence than there was, we would have made a tariff bill that would have met the approval of most of the people.

Mr. BACON. The Senator speaks of my absence. I was not out of the Chamber three minutes. I was called into the marble room by some gentlemen who wished to consult me over a matter that related to the Senate business

Mr. BRISTOW. I am not criticizing the Senator.

Mr. BACON. As soon as I came back I was informed that the Senator was alluding to myself. But, Mr. President, as I was saying, here is a document of 100 pages, generally speaking, with a number of yea and nay votes running all through it, hundreds of them, and it is a very easy matter to pick out a vote here and there as an illustration of the accuracy of what I have said.

Any Senator or any person other than a Senator who desires to test the accuracy of my statement has but to take this document and he will see the fact that except the group of Senators led by the Senator from Iowa [Mr. CUMMINS], I will say the Senator from Wisconsin [Mr. La Follette], and the Senator from Kansas [Mr. Bristow]—I will also include him among the leaders-with the exception of that group an examination of this document will show that with the exception of a very few cases the Republicans voted solidly according as Mr. Aldrich proposed that the bill should be framed.

Mr. WILLIAMS. Mr. President

The PRESIDING OFFICER. Does the Senator from Kansas yield to the Senator from Mississippi?

Mr. BRISTOW. I must state to the Senator that The PRESIDING OFFICER. Does the Senator yield?

Mr. BRISTOW. I will in just a minute. The RECORD shows that but four voted solidly with Mr. Aldrich. The pamphlet which the Senator has published himself shows that but four

voted invariably with Mr. Aldrich.
Mr. BACON. That may be true of a vote here and there. instance, they were divided on the lumber schedule, possibly upon the quebracho schedule—I believe that is the name of it-but on the great range of those things which imposed a burden upon the people, taxes in Schedule K and all the taxes as to textile fabrics and everything of that kind, the metal schedule of the bill, all imposing great burdens upon the people, the Republican Party voted solidly and this document will

Mr. LA FOLLETTE and Mr. WILLIAMS addressed the Chair. The PRESIDING OFFICER. To whom does the Senator from Kansas vield?

Mr. BRISTOW. I yield to the Senator from Mississippi. Mr. WILLIAMS. Mr. President, the Senator from Kansas having conclusively demonstrated the fact that the Democratic Party ought to have caucused in 1908 and had concerted action. I appeal now to Senators to go back to the paragraph of the tariff bill which we were considering. Not only has the Senator from Kansas demonstrated that, but I believe it is generally admitted on that side that things would have been in a better shape for a good many of us if we had had a caucus at that time and had had concerted action, and I believe it is generally admitted that if you had had a full, free, and fair caucus or conference of Republicans at that time and talked out your differences in brotherly love, you, too, would have been in a better fix to-day.

Mr. BRISTOW. I now yield to the Senator from Wisconsin. Mr. LA FOLLETTE. Mr. President, I want to record my dissent to one statement made by the Senator from Georgia [Mr. Bacon]. I understood him to say that the group with which the Senator from Kansas [Mr. Bristow] affiliated or operated four years ago, when the tariff bill was under consideration, was holding caucuses upon that bill from time to

time.

Mr. BACON. Possibly I should have said "conferences."

Mr. LA FOLLETTE. I shall define what I mean by "a caucus" before this debate is over. I want to say, and I want to have it understood, for I affiliated with that group, that not one caucus was ever held by that band of men with a view of binding their action upon any legislative matter. That is the difference, Mr. President, which will be set forth clearly to the country ultimately between "a conference" and "a caucus." Nor was the rate of duty upon any item or any proposed vote or any duty upon any item ever discussed in any one of those conferences.

Mr. WILLIAMS. Now, Mr. President, can we not go on with the consideration of the bill?

Mr. LODGE, Mr. President

The PRESIDING OFFICER. Does the Senator from Kansas

Mr. BRISTOW. I yield to the Senator from Massachusetts. Mr. LODGE. Mr. President, I entirely understand the feeling of the Senator from Mississippi [Mr. WILLIAMS] that he desires to get back to the schedule. I always have that feeling myself

after I have spoken two or three times in a debate, that the whole debate should cease. [Laughter.] But I should like to say one or two words on this subject, very briefly, in regard to the request made by the Senator from North Carolina [Mr. SIMMONS]. I will take but a moment.

I desire merely to say, Mr. President, that if the Senator from New Hampshire [Mr. Gallinger] had not made the objection he did to fixing a day for voting on the bill, I should have made it. I am not going to enter into a comparison of past records or to discuss the present methods of the Democratic Party in preparing legislation. I think that has been done very successfully by the Senator from Pennsylvania [Mr. Penrose] and by the Senator from Kansas [Mr. Bersrow]. As the situation stands to-day, what the country is interested in is what the majority in this Chamber is doing, not what the Republican

Party did four years ago.

I understand that the habits of the minority are strong with Senators on the other side. They were for 18 years in the minority in this Chamber, and their position was naturally one of opposition and attack. They can not free themselves all at once from the idea that the one thing to do is to point out Republican shortcomings. But the people of the country are not thinking of Republican shortcomings now; they are thinking of what you are doing and what you are going to give them. The responsibility is with you, and I cheerfully leave it there. If you choose to act by a binding caucus, which does not permit a Senator to vote his opinion on a trivial thing like oxalic acid. which the Senator from Mississippi instanced here, that is your affair, and you can take it to the country and let them pass upon it.

But, Mr. President, I do not think the time has come to fix a date for a vote upon the pending bill. We have been discussing the bill-really discussing it-for but 21 days. have got as far as the agricultural schedule, having passed over the sugar schedule, which still remains to be discussed. can not take the destruction of an industry quite so jauntily as do Senators on the other side. I think it is a serious matter; I think it ought to be considered. There is the great wool schedule; there is the cotton schedule; and behind all that are the income tax and the administrative features. It would be absolutely wrong to undertake to crowd those things through in 10 days. There has not been, so far as I have been able to see, the slightest effort on this side to delay; there has not been a word said, so far as I know, by anyone on this side for the purpose of delay; the debate has been wholly legitimate on both sides up to this point; and it is useless, Mr. President, to expect us to fix a day at this time to take a vote upon the pending tariff bill.

As for the banking and currency bill, I wish to say that we have got to deal with that measure sooner or later. My own judgment is that it is even a more important measure than is the tariff, and that we could deal with it a great deal better and a great deal more quickly in the long session if we could get a little breathing space after we have finished the consideration of the tariff bill. I fully recognize, however, that that subject has got to be taken up and that we have got to have legislation upon it; but I have no desire to hold up this bill for the purpose of delaying the other. I do not think, however, Mr. President, that we ought at this time to fix a date

for a vote upon the tariff bill.

Mr. SIMMONS. Mr. President, I did not expect when I made the innocent suggestion that we might possibly now fix a day for a vote upon the pending bill, and suggested the 25th day of this month as the time, that I should provoke a discussion of two hours and a half. I prefaced my request with the statement that I had no criticisms to make of either side of the Chamber for the time that had been taken in the discussion of the bill. My purpose, and my only purpose, was to ascertain, so far as I could, the feeling on the other side of the Chamber upon the question of fixing a date for taking a vote. I had no purpose whatsoever of doing anything that would curtail legitimate discussion. I wanted to ascertain how long the Senators on the other side of the Chamber thought they would require for the discussion of this measure. Personally I have no disposition in the world to interfere with the discussion of the measure, and I shall not complain if the other side takes no more than a proper time for its discussion.

It is true, Mr. President, as has been said by the Senator from New Hampshire [Mr. Gallinger], that the Payne-Aldrich bill was for a long time before the Senate, but the conditions which now confront us are somewhat different from those by which we were then confronted. The Payne-Aldrich bill was a mere change, a slight change, of rates up and down, and everybody recognized that the bill that would be passed would be one which would practically retain the Dingley rates. There

was no feeling of unrest in the country; there was no halting of business because there was to be a revision of the tariff, for everybody understood that the Payne-Aldrich bill was not to be a revision of the tariff, except nominally. Now we are, under our promises to the people, charged with the duty of making a heavy reduction in the tariff duties; we are charged with the obligation of engrafting upon the tariff system of the country the principles and policies for which the Democratic Party stand. That makes it necessary, and has made it necessary for us to make heavy reductions all through this bill. As the result of those reductions, there has been of necessity more or less halting in the business of the country, awaiting the final enactment into law of the new rates.

It is impossible that we should go from a highly protective system to a moderate revenue system without bringing about some slight disturbance in the business of the country while the process is going on and when it is not known exactly when old

rates will be displaced by the new ones.

My understanding is that the business interest of the country, recognizing that this bill will become law, are ready to accept the reductions, and are exceedingly solicitous in the interest of certainty that it shall be acted upon as speedily as possible. The public welfare demands that there should be no unnecessary delay. That, I think, differentiates the situation here from that which existed at the time of the consideration of the Payne-Aldrich bill; and I have urged, and I again appeal to Senators on both sides of the Chamber, that in the interest of the public welfare we get through with this discussion as soon as we properly may, allowing a fair opportunity for presentation of the views of both sides. I am not claiming that up to this time there has been any abuse of the privilege of debate. purpose in making the suggestion was to ascertain what was the feeling on the part of Senators on the other side of the Chamber.

Without violating any confidence, Mr. President, I may say here that it has been suggested-it was suggested last weekthat possibly in certain contingencies we might have an arrangement to vote upon this bill within two weeks from that time, and my suggestion to-day was that the vote be taken in about

two weeks from this time.

Mr. LA FOLLETTE. Mr. President-

Mr. SIMMONS. I am not unduly pressing the matter.

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Wisconsin?

Mr. SIMMONS. I do.

Mr. LA FOLLETTE. I will ask the Senator to state what those contingencies were.

Mr. SIMMONS. Mr. President, as that was a matter of

private conversation, I do not care to go into it.

Mr. LA FOLLETTE. It seems to me

Mr. SIMMONS. It had reference to currency legislation.
Mr. LA FOLLETTE. Mr. President—

Mr. SIMMONS. If the Senator will permit me to finish, that was the reason that in making my request, to which the Senator from New Hampshire [Mr. Gallinger] objected, I asked him the question if his objection was founded upon any determination of the question of whether or not we would take up currency legislation.

Mr. LA FOLLETTE. Then, Mr. President, I will ask the Senator from North Carolina to state whether the suggestion came from a Senator on this side; and if so, whether he pro-fessed to speak for all Republican Senators?

Mr. SIMMONS. Oh, Mr. President, the suggestion came in a conversation, and I do not know whether the suggestion came from one side or the other; but there was acquiescence of the parties to the conference. No one in those conferences, or, more properly, talks, was attempting to speak for all Senators on either side. They were mere discussions and expressions of But, Mr. President, that has nothing to do with the opinions. matter. If Senators on the other side are not willing to enter into an agreement to fix a date for a vote, I am not complaining. I do not see why they should take it as in the nature of an affront or why they should take it as a breach of privilege that I, following the ordinary custom in connection with bills of the character of this one, should make a perfectly legitimate suggestion to the opposition that, if possible, we agree upon some time for a vote upon this bill. If we can not agree, that ends the matter.

To be perfectly frank with the Senate, I wanted to find out exactly where we were in this matter. I wanted to find out whether there was any disposition on the other side to fix a date. If there is none, although I regret it, I have no right to complain. I have the right, as representing this side, to make the request and the other side have the right to decline to

agree to it.

Mr. KENYON. Mr. President-

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Iowa?

Mr. SIMMONS. Yes. Mr. KENYON. I should like to ask the Senator from North Carolina if in the consideration of the Payne-Aldrich bill the sessions did not commence at 10 o'clock in the morning and if night sessions were not also held? Why does the Senator not insist on holding night sessions or commence meeting earlier in the morning?

Mr. SIMMONS. I think the Senator is right; and it may be necessary, Mr. President, in this situation to pursue a similar course; but before a policy of that kind can be determined upon it is necessary to find out what the situation is. I was trying this morning to find out what the situation is, and I have

found out.

Mr. President, I do not desire to go into any discussion with reference to the manner in which we have framed this bill. Ordinarily these tariff bills are made by the majority members of the appropriate committee. This bill as presented to the two Houses was made by the full membership of the party responsible for the proposed legislation. In submitting it as framed by the Ways and Means Committee of the House and as amended by the Finance Committee of the Senate to a caucus or conference of the Democratic membership of those bodies, respectively, they have had no concealments. There has been no effort to conceal from the American people that we were considering this measure in a caucus; we have done it in the open day; and we have no apologies to make for it.

Senators say that the country is in an uproar about the caucus. Oh, Mr. President, I know that certain Republican newspapers and I know that certain Republican and Democratic manufacturers who have had their special privileges cut off by this bill, are denouncing the bill and denouncing the caucus.

Mr. PENROSE. Mr. President—
Mr. SIMMONS. I do not wish to yield now; I only want to take up a few moments' time. Mr. President, I deny that our method of framing this bill has met the disapproval of those who are in favor of tariff reductions and opposed to the outrageous and burdensome exactions of the present tariff for the benefit and enrichment of a privileged few. We are willing to stand or fall by our actions in this behalf.

Why should Senators on the other side be solicitous about the effect of our caucus action upon the fate of the Democratic Party? We are not. We assume full responsibility and have We are not apologizing for our action; we are standno fears. ing by it. This bill represents the collective judgment of the Democrats of this Congress and we are going to pass it as a

fulfillment of our pledges to the people.

Mr. President, the Senator from Kansas said that this bill would not be satisfactory to the country and did not carry out the pledges of the Democratic Party. I deny both of those statements and I confidently assert it will prove satisfactory to the country and it is a fair compliance with our party promises. If it is not satisfactory to the country, then the country can make that fact known at the next election, and without trepidation we appeal to the judgment of the electorate of the country. We are willing to put that question to the test. We are responsible for this legislation, and we have no desire to escape that responsibility and no fears about the result of the country's verdict.

Mr. President, let me say, in conclusion, that the fate of this bill, the fate of the policy and the principles which it engrafts into the fiscal system of this Government, are not to be determined by denunciations of it from the other side of the Chamber nor by commendation of it from this side of the Chamber. It has got to stand the test, and we we are anxious that it shall be passed as soon as possible and be put to the test; and by that -the only method of determining whether it is good or whether it is bad-this side of the Chamber is perfectly will-

Mr. GALLINGER. Mr. President, just a word. I was interested in what the Senator from Wisconsin [Mr. LA FOLLETTE] said concerning our duty to remain here after this bill has been passed upon and consider any other legislation that may be presented to the Congress. My habit has been to attend the sessions of the Senate. Since the first day of the meeting of this session I have been absent—and I regretted the necessity for it—five or six days. I am quite willing to remain here, if it be necessary, until the meeting of the next regular session. I have no disposition to shirk my duty. While I am the second oldest Senator in years, I am in fairly good health and can send for my winter clothes and remain with Senators on both sides of the Chamber to consider any legislation which the Chief Executive or either House of Congress may think valuable. But I have had an impression, Mr. President, and I have

expressed it a couple of times-and I have no apologies to make for so doing-that after we have been here nine months, and no one can tell how much longer it will be before this bill passes, we might be allowed to refresh ourselves; and I have believed that currency legislation would be enacted sooner if we had a little respite than if we are kept here in continuous ses-That is my individual opinion; I speak for no one else on

that or on any other question.

Mr. President, the Senator from North Carolina [Mr. SIMmons] says that the country is anxious to have this bill passed. That may be so; but it has not been expressed to me by anybody, particularly anybody from my section of the country. In England we have 25.351 manufacturing establishments of sufficient size to be recognized as such and a great many smaller ones, and not a soul from New England, manufacturer or laboring man, has written me that he is anxious to have this bill On the contrary, the people there look with fear and trembling upon its enactment. But, Mr. President, it is to become a law; and I repeat what I said this morning, that, after it has been discussed freely and fully and the country thoroughly informed of its character, I shall be prepared to vote upon it and will use no obstructive tactics to prevent a I presume I have occupied about one hour during the session in making some offhand remarks, and I do not expect to take much time in the discussion of the bill in the future; but I shall claim the right, if I have anything to say, to be allowed that privilege, as every other Senator on both sides of the Chamber will be.

Mr. WILLIAMS. Mr. President, I suggest now that we take a vote upon the pending amendment to the paragraph under consideration. I agree perfectly with the Senator from New Hampshire that we ought to have debate, but I think the debate

ought to be upon the bill.

Mr. CRAWFORD. Mr. President—
The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from South Dakota? Mr. WILLIAMS. Of course I do; I must.

Mr. CRAWFORD. If the Senator has the floor, I shall wait until he gets through.

Mr. WILLIAMS. No; I surrender the floor. I merely rose to make that request. I thought we could take a vote upon the pending amendment, and then go on with the bill.

Mr. CRAWFORD. It is about the amendment that I wish

to make a few remarks.

Mr. WILLIAMS. Oh, very well.
Mr. CRAWFORD. Mr. President, we have put in all this day, in the language of the street, "chewing the rag," but not very much has been said about the pending item of the schedule under consideration, and I do not think that it can be taken as an offense if something is said about the question before the Senate.

WILLIAMS. I am glad the Senator is going to talk

about the pending paragraph.

Mr. CRAWFORD. I may talk about it part of the time, but I am going to say this much about the roll calls which have been referred to here this morning before I begin to speak about the pending amendment in the agricultural schedule.

Names found in the same side in roll calls do not always indicate correctly the relation of Senators to each other-that is, they are not always quite a fair expression of the situation as it concerns any particular Member of the Senate. So far as the consideration of the tariff bill of 1909 is concerned, I am not willing to take second place to any Senator in the matter of individual independence in voting. I never attended a conference of any kind with reference to how I should vote upon any proposition in that bill. A number of my votes were misunder-stood, however, particularly with reference to Schedule K, because of the fact that the identical legislative body from which I received my commission as a Senator gave me instructions with reference to what my vote should be upon the woolen It was considered a very important matter in the State which I had then and have now the honor in part to represent; and by a joint resolution, certified under the solemn great seal of the State, and passed almost unanimously by both branches, the very legislative body that commissioned me to come here as a Senator instructed me to vote against a reduction in the tariff upon wool and woolen textiles. I had an old-fashioned idea that I was in honor bound to pay some attention to an expression coming under the seal of my State from the legislature from which I received my commission. That, and that alone, accounts for some nineteen roll calls read here this morning in which my vote was on the same side with that of the then chairman of the Finance Committee. There were some eleven others on the same side, where I differed with some of my Progressive friends about the advisability of undertaking to enact a general income tax against the decision of the Supreme Court of the United States when we could get a corporation tax; and I voted for the corporation tax. time I voted for the constitutional amendment authorizing a general income tax.

I simply call attention to those instances, which explain some thirty-odd roll calls where my own name was on the same side as that of the then Senator from Rhode Island, to show how uncertain and unsafe it is always to draw conclusions with reference to what the individual relation of a Senator may be in a particular roll call. So much for that. Now, a few words

with reference to the agricultural schedule.

Mr. President, what little experience I have had in the world has been related to and identified with the agricultural and farming class. From my earliest recollection I have been associated with the farmer, the occupation of the farmer, the environment of the farmer, his difficulties, and the obstacles against which throughout the entire history of the country he has had to contend. One of the pioneers in western Pennsylvania when that country was new was an ancestor of mine. Some of the pioneers who later went across the Alleghenies to struggle with the great forests in Ohio and open up farms on the hundred-acre lots in the central part of that State were ancestors of mine.

My earliest recollection is of the new land in the wooded strips that skirt the Mississippi River on the west side in northeastern Iowa, where every acre had to be cleared in the forest, among the rocks in the clay soil, where the rain washed and tore out gullies and erosion carried the best soils down into the bottom lands of the Mississippi. From the time I started in my profession in life as a young man my years have been spent in a State which is devoted exclusively to agriculture, a State which has no cities within its borders. I presume the largest town in my State does not possess more than perhaps 20,000 people. The population is engaged almost exclusively in tilling the soil, producing cereals and live stock, and otherwise engaged in agricultural enterprises. So I say that so far as concerns my personal experience in relation to any business in the world it is so closely connected with agriculture that I could not separate myself from it were I to try.

Mr. President, an old story, but certainly one full of the keenest interest, and one which never can be worn out, is that which relates the struggle of the farming class as it has advanced in its conquest over the elements step by step, acre by acre, mile by mile, generation after generation, from the eastern borders of this country across a continent. Conditions have changed, and changed in most remarkable degree in recent years in this

country, when we consider their relation to the farm.

A few years ago there was so much virgin soil not yet open to settlement or under cultivation that agricultural land in the United States possessed comparatively little value. The farmer east of the Allegheny Mountains, the farmer in New England. when he felt that his lands were no longer productive and were worn out, realized that because of the vast empire of richer and more productive soils lying in the newer lands to the west of him there was little to encourage him to conserve the soil or to rebuild it. But it was his children, and oftentimes it was himself, that put up the covered wagon, hitched up the team, took the household goods, practically abandoned the old place, and went West, seeking newer fields and richer soils to cultivate. This new empire of richer fields always opening up to the west of him was the competitor which practically destroyed the value of his land in the older community.

The American farmer endured that sort of competition without protest because his children secured homes in the quest they made in the empire to the west. All were of the same race; all were supporting the same flag; all were creatures under one government. While the new agricultural lands in the West were destroying the profits of agriculture in older settlements, industrial life was there taking its place; urban communities were growing up; there was differentiation and variety of industry everywhere that gave men new fields for the employment of their industry, their activity, and their virility. So they were willing and resigned to see value practically disappearing from the fields, and wealth accumulating in the villages and in the cities, while the lands in the West were producing the food not only for our own people but for the world.

This process went on until the American farmer, whose name has been synonymous with that of the American pioneer, fought his way out through the Mississippi Valley, across the fertile prairies, across the plains west of the Mississippi, into the narrow valleys and the mountains, and down the other side of the mountains, until he reached the Pacific slope and was stopped only by the western sea. When the movement reached that limit there was a sort of return movement; it was in a way

forced backward, until to-day out in Maine, down in New England, over in New York, in Virginia, in Maryland, and all through the East the crowded population is again going out into the fields, reclaiming the old abandoned farms, buying fertilizers, and raising crops where for years they had ceased to raise them.

There is something in this situation that is entitled to grave Everybody admits that the development and consideration. opening up of the western empire in this country created the competition that for a number of years practically destroyed the value of farm lands in New England and in New York and in the Virginias and in Ohio. Everybody admits now, since this territory is so largely filled up and occupied, that values are coming back again into the places that have for many years been regarded as waste places. Now, here comes a proposal to tear down all restraint, remove all tariff restrictions, and subject the owners of these farms to the same sort of an experience with an empire in Canada that they had to face in this empire of the West, inhabited by their own children, sustaining the common flag of a common country.

Is there any reason why that should be done? I admit that it should be done if we have reached the limit of all possibility of production upon the farms of America and if we have reached the point when it is necessary to go beyond the borders of our own country in order to get food for our people. Then I will admit that there is some reason why we should take into consideration whether or not the greatest good to the greatest number does not require that we should draw from the supply of the world the food needed for our own people. But

have we reached that condition?

Let me call your attention to what is said upon that subject by the man who I think was the greatest Secretary of Agriculture we have ever had, Secretary Wilson. In the yearbook for 1909, in calling attention to these abandoned and vacant farms in the East, and the possibilities that lie in them, he says:

in the East, and the possibilities that lie in them, he says:

The United States has been developing for agricultural purposes an area as large as the whole of Europe, while its population is but little larger than that of any of the several European countries.

So much has fashion and sentiment had to do with this agricultural development that many of the lands, particularly in the Eastern States, have been practically abandoned, so far as profitable agricultural uses is concerned, by the shifting and moving of our agricultural population into new regions in which lands are purported to be cheaper and in which the advertised inducements have been proportionately large. With the rapid extension also of our industrial life and the opportunities offered in the past in business and in the professions, the cities have called upon the country for clear brains and vigorous bodies to such an extent that large areas have become so depopulated of active, vigorous minds and bodies that the stock is insufficient to repeople the country districts. The result is that some of the most fertile lands in our Eastern States, some of the most fertile lands in our Eastern States, some of the most fertile lands in our Eastern States, some of the most fertile lands in the prices of provisions have increased for the simple reason that there are not enough people to actually work the soils and raise the crops necessary to feed the nonproducing population of the cities. The great problem which faces American agriculture to-day is the problem of the proper utilization of our soils and the development of our agricultural interests in spite of and in face of the allurements of the cities and the commercial and industrial avocations. It has now become as serious as problem to settle up our Eastern States as it has been in the past to settle the West. The first problem of all is to devise means of resettling the lands which have in recent years been neglected through the mistaken idea that they have been exhausted, but which can be brought

Mr. President, I think all must agree that this is a correct statement made by the great Secretary of Agriculture. caused the skinning of this land, allowing it to go to waste and become unoccupied, in the first place? It was because it could not support and sustain the farmer against the competition of this rich, productive, new, virgin country that was being developed and brought into competition with it in the West. That no longer is the situation, because at present it requires the united effort of all to supply the demand under present condi-tions. Hence the necessity of going back to these eastern lands, rebuilding them, repopulating them, putting value into them again. Can we do that by repeating history, throwing down the fences, and putting into competition with these farms the new and fertile lands of Saskatchewan, British Columbia, Alberta, and Winnipeg? That is the proposal before us. It is the one we must face.

We have not yet reached the limit of agricultural production in this country. Mr. James J. Hill is a man whom everybody recognizes as a wonder; and when he is not interested in building up the carrying trade of the Great Northern Rail-road in these Provinces in western Canada I think he is reliable. I want to call attention to some things said by him about the possibilities, with intelligent treatment, of our own soils in the United States.

When I was governor of South Dakota I attended a conference in the White House, called by Mr. Roosevelt, of prac-

tically all the governors in the United States to consider the question of conservation of natural resources. prominent subjects discussed there was the reclamation of these worn-out farms and the possibilities of production from soil, soil waste by erosion, and so forth. Mr. Hill read a most remarkable paper at that conference, and in that paper he said:

he said:

There are two ways in which the productive power of the earth is lessened: First, by erosion and the sweeping away of the fertile surface into streams and thence to the sea; and, second, by exhaustion through wrong methods of cultivation. The former process has gone far. Thousands of acres in the East and South have been made unfit for tillage. Far more ruinous is the process of soil exhaustion. It is creeping over the land from East to West. The abandoned farms that are now the playthings of the cities' rich, or the game preserves of the patrons of sport, bear witness to the melancholy change. New Hampshire, Vermont, northern New York show long lists of them. * * * When prices of farms should rise by increase of population, in many cases they are falling. Between 1880 and 1900 the land values of Ohio shrank \$60,000,000. Official investigation of two counties in central New York disclosed a condition of agricultural decay. In one land was for sale for about the cost of improvement, and 150 vacant houses were counted in a limited area. In the other population in 1905 was nearly 4,000 less than it was in 1855.

And he continues:

And he continues:

And he continues:

We might expand our resources and add billions of dollars to our national wealth by conserving soil resources * * * for there is good authority for the assertion that a farmer could take more from the same area of ground in four years' grain crop than seven now gives him, leaving the product of the other three years, when the land rested from grain, as a clear profit due to better methods. * * Nearly 36 per cent of our people are engaged directly in agriculture; but all the rest depend upon it. In the last analysis commerce, manufactures, our home market, every form of activity, run back to the bounty of the earth by which every worker, skilled and unskilled, must be fed and by which his wages are ultimately paid. * * Of our farm area only one-half is improved. It does not produce one-half of what it could be made to yield—not by some complex system of intensive culture, but merely by ordinary care and industry intelligently applied. applied.

Those words, spoken by a man of the commanding intellect and wealth of experience and observation that Mr. Hill possesses, were not spoken idly. But, my fellow citizens, are you going to direct the energies of our people in the direction suggested by him by throwing down the bars and putting all of this area, which he wants cultivated more intelligently and with greater intensity, in competition with the virgin empire lying in the Canadian north and west? I think it is a mistake, a most serious mistake, a fundamental mistake, to do it.

I wish to call attention to what another authority says about the possibilities of producing food products from our own soil sufficient for the needs of our own people. I say that patriotism requires that we shall do that if we can rather than place a hundred million people here, growing in number, at the mercy of other countries for food which we can raise ourselves. It is the wrong policy to permit that if we can avoid it. If we can get an abundance of food for our own people out of our own soil, and make the soil better and richer while we are doing it, we have no right, in justice to ourselves, to be at the mercy of either Canada or Argentina or Russia or India or Egypt, or any other country.

Mr. Mark A. Carleton, who for a long period of time was in charge of grain investigation in the Bureau of Plant Industry, under the great Department of Agriculture, calls attention to some remarkable facts with reference to the acreage that can be used in the production of wheat in the United States. Mr. Carleton says the total land area of the United States is nearly 2,000,000,000 acres; and he calls attention to the fact that in 1900 less than half this area was included in farms, and only

about one-fifth of the farm area was improved, and of the area improved less than 3 per cent was devoted to the culture of wheat. If that is true, we have not begun to touch the edge of the possibilities of this country for producing wheat. He says that in 1850 our total improved farm acreage was 113,032,614 acres; in 1900, 414,498,487 acres. In 1866 our total acreage of wheat was 15,424,496 acres and in 1900, 41,971,000 acres, only

4 per cent of our total farm acreage.

I call attention to another significant fact, and that is that the consumption of wheat per capita has been increasing during these years of prosperity and that in these later years the productivity per acre has been increasing.

For instance, according to Mr. Carleton's figures, from 1866 to 1875 the production per acre was 11.9 bushels; from 1876 to 1885, 12.3 bushels; from 1886 to 1895, 12.7 bushels; from 1896 to 1905, 13.5 bushels. Of course, the population is increasing more rapidly in proportion than that. The consumption per capita has increased, according to his figures, giving 10-year periods, as follows: In 1870 it was 5,2 bushels; in 1880, 5,52 bushels; in 1890, 5.49 bushels; in 1900, 5.11 bushels; in 1906, 6.39 bushels; and in 1908, 6.34 bushels.

According to the figures produced by this expert, if we will turn our attention to utilizing our land intelligently in the production of wheat we can raise enough for our domestic needs for the next 50 years, and we have, at least, 80,000,000 acres of land adapted to wheat culture and the production of wheat.

Now, I call attention to this as one of the possibilities that lies ahead of us in the utilization of our own land, in the supplying of the needs of our own people and other people, and to the situation as I have reviewed it once or twice before here as to the results which follow in using these lands, for which you must buy fertilizer, and in the cultivation of which you must use intensive methods. But they will all be destroyed if exposed to unchecked competition with a new virgin empire like that of western Canada, extending from Ontario to British Columbia and from our northern border to the Peace River

Valley and to Hudson Bay.

Mr. GALLINGER. Mr. President—
The PRESIDING OFFICER (Mr. ASHURST in the chair). Does the Senator from South Dakota yield to the Senator from New Hampshire?

Mr. CRAWFORD.

Mr. CRAWFORD. I do. Mr. GALLINGER. I just came into the Chamber. I ask the Senator if I understood him correctly to say that the per capita consumption of wheat is something over 6 bushels. Mr. CRAWFORD. Yes; so this expert, Mr. Carleton, of the Bureau of Plant Industry, said. He stated it to be in 1908,

Mr. GALLINGER. I will then ask the Senator a question that I ought myself to know. How many bushels of wheat are required to make a barrel of flour?

Mr. CRAWFORD. Four and a half, the Senator from North

Dakota [Mr. GRONNA] says.

Mr. GALLINGER. So the per capita consumption is about one and a half barrels of flour in the country.

Mr. CRAWFORD. Yes. Mr. GALLINGER. If the Senator will permit me a moment, that is interesting to me for the reason that I think sometimes our Western friends think they are paying too much tribute to the manufacturing industries of New England. We have something over 7,000,000 people in New England, and we consume altogether western flour, western corn, western oats, and western meat. So there is reciprocity as between the West and the East in that regard.

Mr. CRAWFORD. I will say to the Senator I am not sure whether the people in his part of the country will continue to consume western wheat or not. A statement was made to me recently, when I was on my way to my home, to the effect that if the tariff is removed from wheat and from flour English mills will furnish flour for the people along the Atlantic coast. gentleman undertook to give me figures to sustain his claim. If we are to have free trade in farm products, the people in the manufacturing districts in New England will be eating bread from English flour instead of American.

Mr. GALLINGER. I think that is very probable, and we will be eating less when this bill passes, just as we did from 1893 to 1897 when we consumed, I think, 2,000,000 barrels less than

we had done during prosperous times.

Mr. SHERMAN. Mr. President—

The PRESIDING OFFICER. Does the Senator from South Dakota yield to the Senator from Illinois?

Mr. CRAWFORD. Certainly.

Mr. SHERMAN. I wish to supplement the remarks of the Senator from South Dakota. I have the figures on a barrel of flour made from Argentine wheat, landed in New York by way of Liverpool, and they can undersell wheat from Minnesota or

Mr. SMITH of Georgia. I ask the Senator if he will speak

louder. We can not hear him on this side.

SHERMAN. I stated that I have the figures from a New York miller on flour milled from Argentine wheat, landed in New York City from Liverpool, and it undersold last May a barrel of flour milled from Minnesota and North Dakota wheat,

Mr. CRAWFORD. I a while ago quoted from Mr. Hill. Hill is now apparently quite anxious to get some sort of freetrade relations with those rich farming regions in western Canada. No doubt it would be a good thing for the Great Northern Railroad. But when Mr. Hill was writing and speaking over here in the White House, and when he was writing and using his great mind in disinterested fashion, his testimony relating to the influence of the tariff upon farm products is somewhat different. He wrote a book entitled "Highways of Progress," and in that he discussed the conditions of the farms in Germany and compared them with the farms in England, and he used the following language:

How to meet German competition is to-day the study of every intel-gent leader of industry and every cabinet on the Continent of urope. * * * Agricultural industry has not been slighted—

Said he, speaking of Germany. Then he adds:

Behold a contrast that throws light upon the idle host of England's unemployed, marching despondently through the streets whose shop windows are crowded with wares of German make. Between 1875 and 1900, in Great Britain, 2,691,428 acres, which were under cereals, and 755,255 acres which were under green crops, went out of cultivation. In Germany during the same period the cultivated area grew from 22,840,950 to 23,971,573 hectares, an increase of 5 per cent.

Now, this is an authority which must be treated with respect. The Senator from Mississippi [Mr. WILLIAMS] yesterday undertook to talk about the agricultural production of England. I put over against his assertion the testimony of Mr. Hill, who gives the millions of acres that have been abandoned in England and who contrasts them with the marked increase of the cultivated area in Germany-one enjoying protection and the other suffering the evils of free trade.

Mr. Hill calls attention to another fact, and it is one to which I have called attention here repeatedly; and that is the effect upon agricultural enterprise of throwing it into competition with new, rich, virgin soils. As I said, that is what for a generation kept down the value of land in Ohio and other older States. Out in Harrison County, Ohio, where my great-grandfather entered farm land, about the year 1800, they valued that land there in the hills, with its rich grasses and running brooks and fine pasturage, at from \$80 to \$100 an acre in 1880

But after the virgin prairies of the West-Nebraska, Kansas, Illinois, Iowa, Minnesota, and all that region-came into competition with them the value of these Ohio farms, 10 and 15 years later, went down until they were worth only about one-half that price. Afterwards they regained the old value, and now the farmer is improving these eastern farms, increasing their value, and reclaiming them where worn out and wasted, because the empire to the west is largely filled up and attention is being turned again to reclaiming the waste places in the East.

Are you going to help this condition now by repeating the experience of the past, throwing down the bars and letting Saskatchewan, Manitoba, and all that vast region of the Canadian west come in and do for the Dakota farmer what we in the West did to the Ohio farmer? It is a different obligation and a different relation. It was the children of the Ohio farmer who built up these regions in the West, people of one common country, owing obligation to one Government and to one flag, and paying taxes to maintain it. But the proposal now here is to cripple our own people for the purpose of helping an alien farmer to develop an alien soil, inviting our people to go beyond our own borders instead of doing as we should by our own. There is the difference.

Mr. Hill further says:

Agriculture in England has suffered in the last 25 years by the open-g of new land in America and the cheapening of the world's trans-

I say to the Senator from North Dakota that the result of throwing down all the bars and allowing the products from over the border to rush across North Dakota and South Dakota without restraint and have free access to great centers like Chicago and the Twin Cities will take directly from the value of farm property that the pioneers in the Northwest with struggle and sacrifice have made fruitful, where a few years ago it was a wild waste of unbroken prairie. I say we owe some consideration to these American citizens.

Mr. GRONNA, Mr. President—

The PRESIDING OFFICER. Does the Senator from South Dakota yield to the Senator from North Dakota?

Mr. CRAWFORD. I do.

Mr. GRONNA. I agree with the Senator from South Dakota that the free admission of farm products would be a great loss to the people not only of my State but of all those States. I shall not take up the time to discuss that. However, I am very much interested in the argument made by the Senator. I think he is proceeding along the right line. It is a wellknown fact that it costs a great deal to reclaim worn-out land. The initial cost is immense.

Mr. CRAWFORD. I am going into that in a moment to show what we are putting into fertilizers.

Mr. GRONNA. I was just going to suggest to the Senator along the line of the argument which he is making, and I agree with him perfectly, that by letting down the bars, as he stated, although our part of the country is not old, we will not be able to compete with the farmers in the new country, where they have settled upon that virgin soil.

Mr. CRAWFORD. Just so. I call attention now to the finding of this Tariff Board upon the effect of the opening up of the new western Provinces in Canada on the value of farm land in the eastern Provinces like Ontario. On page 84 of the report of this Tariff Board (and I am using here the advance paperbound reports that we had access to when we were arguing the question of Canadian reciprocity and I am quoting figures from that report which I then used) I find the following:

Ontario, while reporting the highest Canadian land value, shows the lowest Canadian rate of increase. It is worthy to note that Ontario is feeling the competition of western Canada, just as some years ago the eastern part of the United States felt the competition of our western lands.

Now, some philosophers here allow their philosophy to be so attenuated that they openly say they do not care what the consequence of a policy is upon a State or upon the people of a State. Theory is dearer, far dearer, to them than a consideration of the consequences which may follow putting that theory into effect.

That is what happened to lands in Ontario. It is what happened to lands in Vermont and New Hampshire and New York and Ohio when they had to struggle against the opening of a new empire in the West; but, as I said, it was a common country and it was the children of their own fathers who were getting the benefit of it, and they thought it was unlimited and inexhaustible and never would come to an end. They were supporting one country and one flag. But here we are proposing deliberately to repeal the statute which protects the American farmer against the alien farmer and gives alien farms and an alien people the free benefit of the American market place, thereby discouraging the movement in the direction of intensifying our farming, conserving our soil, building up these waste places again in which I have shown there is so much in rich possibility. I think it will be a mistake.

Now, if you will not disturb the present status of agriculture,

this whole thing is turning in the right direction. the tariff on wheat, except in local zones along the border and around some centers, a great milling center like Minneapolis, possibly has had very little effect or influence, but this thing is coming around. I just want to show what the last census reveals in the way of development of the West and of increasing values in the West, the amount paid out by labor on these farms, and the amount paid out for fertilizer in the older farming regions. When we are talking about industrial life in our factories and our cities we should not forget the great industry which lies at the foundation of it all, and the recruiting station for about all that is worth saving in human life, the recruiting station which you find under the parent roof of the old farm house where they still have old-fashioned notions of piety and of conscience and of uprightness in conduct.

I turn to the report of the Tariff Board, page 94. By the way, this part relates to the production per acre of wheat, and it leads up to something else. It shows what we have to contend with in the way of production as against that new country. On page 94 the Tariff Board says that the average yield of spring wheat per acre in 1910 in the United States was 11.7 bushels; in Canada, 15.53 bushels. Of winter wheat the yield per acre in the United States was 15.8 bushels; in Canada, 23.49 bushels.

These figures do not seem to agree with some others quoted here, but I get them from page 94 of the report of the Tariff Board. So you are getting a much heavier yield per acre in Canada upon much lower-priced land.

Here is an item with reference to what is being put into these lands in the form of fertilizers:

In 1910 in 29 States, being northern New England and Western States and including Maryland, West Virginia, and the District of Columbia, in all of that region they raise winter wheat. In 1900 they paid \$26,062,000 for fertilizers, and in 1910 they paid \$40,409,000 for fertilizers, which was an increase in that one item alone of 51 per cent. Not a dollar do they pay for fertilizers out in Alberta and Saskatchewan. They sow their grain in the rich virgin soil and reap a larger return per acre on an average, and without this expenditure of money.

Yet we propose practically to throw the bars down and let the products from those cheap lands, with their comparatively slight labor and slight expense, come into our own country and enjoy our own market upon an absolute equality with the American farmer.

Mr. GRONNA. Mr. President-

The PRESIDING OFFICER. Does the Senator from South Dakota yield to the Senator from North Dakota?

Mr. CRAWFORD. I do. Mr. GRONNA. I do not want to interrupt the Senator too much-

Mr. CRAWFORD. I am glad to have interruptions.

Mr. GRONMA. But in view of what the Senator from Mississippi [Mr. Williams] said yesterday about some European countries—Germany, for instance—I wish to suggest to the Senator at this point that Germany protects her wheat by a duty

of a conventional rate of 35% cents per bushel and by a general rate of 483

Mr. WILLIAMS. The Senator is speaking under a misapprehension. I said nothing in the world about Germany yesterday. Mr. GRONNA. It has increased its production to such an extent that last year Germany produced over 160,000,000 bushels

Now, France protects her wheat by a duty of 37 cents a bushel. It produced last year, I think, some 335,000,000 bushels of wheat. As I said a few days ago, we are practically the only country which can produce a sufficient amount of these food products that will have no tariff on our agricultural products, with the exception of Russia, which, of course, has no tariff duties on her products.

Mr. WILLIAMS. Mr. President—
Mr. GRONNA. I stand corrected, as the Senator from Mississippi said he referred to England instead of to Germany. remember now the Senator referred yesterday to England instead of Germany.

Mr. WILLIAMS. Yes; and the difference is that England has no duty on either wheat or flour. I did say this, and that might have included Germany: I said that all the world is now taxing the poor in order to enrich their landlords except England; and then I mentioned the fact that England made 32 bushels of wheat to the acre.

Mr. GRONNA. If the Senator will permit me to make a

The PRESIDING OFFICER. Does the Senator from South Dakota yield to the Senator from North Dakota?

Mr. CRAWFORD. Certainly.

Mr. GRONNA. The Senator from Mississippi has stated that England has no tariff. Of course, that is correct; but England has a certain protection in this way: All the colonies which belong to England have a protective tariff. They give to the English, of course, a preferential. New Zealand, Canada, all the British possessions give to England a preferential rate. If any of the English colonies do not have a protective duty they put a surtax on imported goods and thus discriminate against the products of countries save those of the mother country, or England.

Mr. WILLIAMS. Mr. President—
The PRESIDING OFFICER. Does the Senator from South Dakota yield to the Senator from Mississippi?

Mr. CRAWFORD. I do, but I do not want to have these collateral debates take up my time. They have been indulged in here a good deal in the last 24 hours.

Mr. WILLIAMS. I merely wanted to say, since the Senator from North Dakota brought up the question-

Mr. CRAWFORD. Certainly; I yield.
Mr. WILLIAMS. England now has no duty upon wheat and no duty upon flour; nor is there any law of any of her colonies which enables her to get wheat or flour from them any cheaper than she can get it from America or Argentina or anywhere The differential to which the Senator refers is a differential in favor of the manufactured products of the mother country or the colonies and has nothing to do with the question of wheat or flour.

Mr. GRONNA. It is in favor of the manufactured products and of the agricultural products as well. It gives to the people of England a market for her goods.

Mr. WILLIAMS. England does not export one bushel of any

sort of agricultural product to any of her colonies.

Mr. CRAWFORD. Mr. President, I have already called attention to the fact, and quoted Mr. Hill as my authority, that this policy of England has caused 2,691,042 acres which were under cultivation to go out from under cultivation during the period between 1875 and 1900, while during the same period Germany, with the discrimination in favor of her agriculture, increased the number of her hectares that were under cultivation.

Now, Mr. President, I want just to call attention to the part of the country with which you are to deal when you throw it into competition with Canada, and to what it has been doing, and see whether it is not worth while to consider its interests somewhat in passing upon the question, whether it shall be thrown into absolute unrestrained competition with these Canadian Provinces.

I quote from the census of 1910. I take some of the Eastern States and some of the new States in the West. I gave a list; I named 29 States, Northern and New England and Western States, including Maryland and West Virginia.

In 1900 these States paid the sum of \$245,413,000 cash for labor upon farms.

In 1910, 10 years later, they paid \$432,481,000 cash for labor upon farms, an increase of 76 per cent.

During the same period the number of farms in Colorado increased 86 per cent; in Idaho, 76 per cent; in Montana, 94 per cent; in Nevada, 22 per cent; in North Dakota, 64 per cent; in Oregon, 26 per cent; in South Dakota, 47 per cent; and in Washington, 68 per cent. Nebraska and Kansas were older settled communities. Nebraska increased 6 per cent, Kansas 2 per cent, while there was a slight decrease in the number of farms in Connecticut, probably because of consolidation, and in Illinois, Indiana, Iowa, Massachusetts, Missouri, New Hampshire, Now Jersey, Pennsylvania, Rhode Island, Vermont, and Ohio; and a slight increase in Maine, Maryland, and West Virginia.

But look at what that part of the country did that is lying adjacent these Canadian Provinces. The average increase in the number of farms in all the United States during that 10-

year period was 13.5 per cent.

Now, the investment there, the cash value of the agricultural implements upon the farms of that great group of States was \$556,035,000 in 1900, and in 1910 it was \$938,902,000, an increase of 50.7 per cent. There was an increase in the value of farming implements on the farms in each of these 29 States. It was as great as 217 per cent in Idaho, 212 per cent in North Dakota, 187 per cent in Montana, 176 per cent in South Dakota, 166 per cent in Washington, 81 per cent in Wisconsin, 78 per cent in Missouri, 74 per cent in Minnesota, 65 per cent in Iowa, 73 per cent in Michigan, 77 per cent in Nebraska, 64 per cent in Kansas, 62 per cent in Ohio, 39 per cent in Pennsylvania, and 49 per cent in New York. These implements in which all this investment was made were bought from a trust practically. The people out in this new part of the country, opening these new farms, paying out millions and millions of dollars in the central and eastern portions of the country for fertilizers, paying out all this money for farm labor, are worthy of some consideration. Even if there is no more in it than the question of allowing them to have some comfort out of the feeling that there is, if it is possible to protect them, the margin of 10 cents a bushel on wheat-Senators on the other side say it can not affect it one way or the other—if it is any comfort to them to have the feeling that it is some security to them as against this great empire which may come in competition with them in the Northwest, what do you want to take it away for? Oh, to vindicate a theory—that is all you claim for it—to "unfool" somebody. The farmers are not demanding seriously that they be "unfooled" about this thing. I have lived among them out there all my life, and I have never heard any serious complaint. They are a pretty intelligent people, I will tell you. When you come to examine the census and get in touch with them you will find that the habit of reading is as universal in that part of the country as it is anywhere else in the world. Talk about "unfooling" them!

The census also shows something else. It shows what they have been doing in improving that country. The census re turns for 1910 show these increases in the value of the buildings and in the value of those lands. In Colorado the increase in the value of the buildings and lands was 183 per cent; in Connecticut, 45 per cent; in Idaho, 267 per cent; in Illinois, 71 per cent; in Indiana, 89 per cent; in Iowa, 89 per cent; in Kansas, 79 per cent; in Maine, 54 per cent; in Maryland, 42 per cent; in Massachusetts, 22 per cent; in Michigan, 79 per cent; in cent; in Massachusetts, 22 per cent; in Michigan, 49 per cent; in Minnesota, 120 per cent; in Missouri, 81 per cent; in Montana, 164 per cent; in Nebraska, 118 per cent; in New Hampshire, 23 per cent; in New York, 40 per cent; in North Dakota, 262 per cent; in Oregon, 127 per cent; in Pennsylvania, 26 per cent; in Rhode Island, 30 per cent; in South Dakota, 231 per cent; in Vermont, 45 per cent; in West Virginia, 67 per cent; in Wisconsin, 85 per cent; in Washington, 233 per cent; and in Ohio, 67 per cent. That is in value put into those lands by improving them, by the increased demand for lands under present conditions, and by the fair price which in recent years they are

getting for their crops.

Having seen, particularly in the Northwest, this development during the last quarter of a century, and knowing what the effect was in its first development upon the older sections farther to the East, like Ohio and Indiana and Pennsylvania, I do not want to see a policy adopted here that may cause our people to go through the experience of shrinkage and depreciation of their property values which older communities have experienced, simply in order that alien farmers, to whom we owe no obligation and who owe none to us, may come in and enjoy the market that these people enjoy, upon terms of equality with them.

Do you know what it will do? It will simply accelerate that

tide of emigration that has been tending in the direction of Canada now for several years. You go out with your immigration agents and your land boomers to Saskatoon and Moose Jaw, and those different points in Canada, and say "the Democratic Congress has thrown down the barriers and put you people out here

on the same level of equality with the American farmer." Mr. Hill will profit by it; the town-site man and the Canadian land agent will profit by it; Canadian lands will profit by it; but the lands in North Dakota and South Dakota and Montana, Minnesota and Nebraska, and all through that region, will not profit by it, and according to your own view, it will not make a particle of difference in the cost of living in the United States. What do you want to do it for? Oh, to vindicate a theory, to "unfool" somebody. I think it would be a mistake to do it.

I read again from the census report of 1910 in regard to these States and the increase in value of the farm lands alone, saying nothing about the improvements. In Colorado the increase was 300 per cent; in Idaho, 518 per cent; in Illinois, 106 per cent; in Connecticut, 36 per cent; in Indiana, 93 per cent; in Iowa, 122 per cent; in Kansas, 188 per cent; in Maine, 74 per cent; in Maryland, 35 per cent; in Massachusetts, 32 per cent; in Michigan, 45 per cent; in Minnesota, 82 per cent; in Missouri, 104 per cent; in Montana, 394 per cent; in Nebraska, 231 per cent; in Nevada, 163 per cent; in New Hampshire, 25 per cent; in New Jersey, 31 per cent; in New York, 28 per cent; in North Dakota, 321 per cent; in Oregon, 262 per cent; in Pennsylvania, 9 per cent; in Rhode Island, 11 per cent; in South Dakota, 376 per cent; in Vermont, 27 per cent; in West Virginia, 63 per cent; in Wisconsin, 71 per cent; in Washington, 419 per cent; and in Ohio, 57 per cent.

That is a pretty fine picture of the increase in values.

Mr. President, I recall—and it is not a pleasant recollection the time when, as a young lawyer, acting for my client and directing the sale of property under chattel mortgage, a good standard shorthorn cow, with a calf running beside her, sold out there for \$11.

Mr. MARTINE of New Jersey. I should like to ask, Mr.

President-

The PRESIDING OFFICER (Mr. Hughes in the chair). Does the Senator from North Dakota yield to the Senator from New Jersey

Mr. CRAWFORD. Yes.

Mr. MARTINE of New Jersey. Under what administration

Mr. CRAWFORD. Under Grover Cleveland's administration. Mr. MARTINE of New Jersey. Did not similar instances occur under the Republican administration and under the beneficent system of Republican protection?

Mr. CRAWFORD. They did not. Mr. MARTINE of New Jersey. Well-

Mr. CRAWFORD. I can not give any more time. I have answered your questions, and I want to get through.

Mr. WALSH. Mr. President, I should like to ask the distinguished Senator from South Dakota a question.

The PRESIDING OFFICER. Does the Senator from South

Dakota yield to the Senator from Montana?

Mr. CRAWFORD. Certainly.

Mr. WALSH. I should like to ask the distinguished Senator from South Dakota, as he has now answered the Senator from New Jersey in that way, whether just exactly that condition of affairs did not exist in the year 1890, when I left the State of South Dakota?

Mr. CRAWFORD. Yes; not just exactly the same, but a

pretty bad state of affairs.

Mr. MARTINE of New Jersey. Will the Senator answer me this question-

The PRESIDING OFFICER. Does the Senator from South Dakota yield to the Senator from New Jersey? Mr. CRAWFORD, Yes.

Mr. MARTINE of New Jersey. Under which administration of Grover Cleveland did the instance to which the Senator from South Dakota refers occur?

Mr. CRAWFORD. Well, we had two doses of it; one from 1884 to 1888 and the other from 1893 to 1897; and both of them were among the darkest and most pathetic periods in the history of those new western communities.

Mr. MARTINE of New Jersey. Did this instance of the sale of the cow and calf occur under the first administration of

Grover Cleveland?

Mr. CRAWFORD. I think it was under the second adminis-

Mr. MARTINE of New Jersey. Yes. Did you know of any sales under Grover Cleveland's first administration that were so much depressed in price?

Mr. CRAWFORD. I have not brought with me a record of

the proceedings.

Mr. MARTINE of New Jersey. Of course, the Senator from South Dakota knows that in the first administration of Grover Cleveland we were under the régime of a Republican tariff that had been previously enacted.

Mr. CRAWFORD. Yes; but we had a man named Andrew Jackson Sparks, who came out into that country and who acted on the theory that every man who had gone out there to take a homestead and to find a home for himself and family was a scoundrel, a villain, and a thief, who was trying to steal the public domain from Uncle Sam. He suspended entries by the score and by the hundreds, and practically ruined family after family.

Mr. MARTINE of New Jersey. Had that anything to do with the tariff law or the tariff enactment?

Mr. CRAWFORD. It did not. Now, let me go on with this showing with reference to that region of country.

Take the value of land if you have free competition. Here is land in Wisconsin—I quote from the average value, and the average land in Wisconsin is worth \$50 an acre. These values are higher now than they then were, and these are averages:

Land in Wisconsin is worth \$57 an acre, in Michigan it is worth \$46 an acre, in Iowa it is worth \$109 an acre, in Minnesota it is worth \$46 an acre, in North and South Dakota it is worth \$40 an acre, and it yields on an average 11.7 bushels of spring wheat to the acre, and 15.8 bushels of winter wheat to the acre. They are to compete in the market in Minneapolis, which adds a local value because of the great flour mills there, the greatest in the world—they are to compete there with wheat raised in Manitoba, on land worth \$20 an acre, with wheat raised in Saskatchewan on land worth \$22 per acre, and with wheat raised in Alberta on land worth \$20 per acre, yielding 15.53 bushels of spring wheat and 23.49 bushels of winter wheat per acre.

In regard to barley, the average yield per acre is 24.6 bushels in Canada and 22.4 bushels in the United States. In flaxseed the average yield is 4.8 bushels in the United States and 9.97 bushels in Canada. In oats the average yield is 31.9 bushels per acre in the United States and 32.79 bushels in Canada. Of hay the average yield is 1.33 tons per acre in the United States and 1.82 tons per acre in Canada.

The average yearly wage of farm hands in Canada, taken from the Tariff Board report, runs from \$250 to \$300 a year as against \$300 to \$360 a year in Minnesota and in the Dakotas.

What does that mean? It means that a farmer in Iowa, for instance, who owns 160 acres of land worth \$100 an acre could sell it, say, for \$16,000, go to Canada, and in Alberta he can buy \$00 acres with the proceeds of the sale of the 160 acres, and can produce more per acre on the Canadian land than he can on the Iowa land. Then he can send his product back into Iowa and compete on terms of absolute equality with the owner and the purchaser of the land he sold in Iowa.

That can have only one effect upon the Iowa farm, and that is to depreciate and depress its value. You are not going to gain anything by taking this tariff off, as you yourselves say, and our people feel that they will lose something if you take it off. Whether you trace the cause of that loss to a psychological condition or not, the result will be there just the same.

What do you want to do it for? Whom do you help? Is somebody down in New York going to buy the loaf of bread any cheaper? You do not think so yourselves—not one bit cheaper. The loaf will be the same size, and they will pay the same price for it. So what is the use?

The Tariff Board gives some prices for 1910. It is said that the figures for one year are of little value. Well, they are of as much value for one year when they are on our side as they are for another year when they are on the other side; so we will take them for what they are worth. The Tariff Board quotes the farm prices per bushel of cereals in the United States in comparison with prices in Canada. Take wheat in 1910. true, as the Senator from Kentucky said the other day, there is a variation in price as between different States. tation and nearness to market make a difference in the price of wheat in New York as compared with the price in Minnesota; but take the range of prices per bushel for those States, compare it with the range in the Provinces of Canada, and note the difference: New York, 96 cents; Indiana, 87 cents; Illinois, 88 cents; Michigan, 89 cents; Wisconsin, 92 cents; Minnesota, 94 cents; North Dakota, 90 cents; Missouri, 87 cents; South Dakota, 80 cents; Kansas, 84 cents; Saskatchewan, 65 cents; Mani-toba, 80 cents; Ontario, 88 cents.

There is Ontario, lying right across the Niagara River from New York, and the farm price per bushel of wheat in 1910 was 96 cents in New York and 88 cents in Ontario.

Take flaxsed per bushel, and the figures are as follows: New York, \$2.20; Wisconsin, \$2.20; Minnesota, \$2.30; Iowa, \$2.20; Missouri, \$2.10; North Dakota, \$2.35; South Dakota, \$2.29; Kansas, \$2.10; Nebraska, \$2.25; Montana, \$2.40; Mani-

toba, \$2.09; Saskatchewan, right across the line from Montana, \$2.08; and Alberta, \$1.87.

I want to give the figures for more than one year in relation to barley, because there is nothing psychological or confined to mere theory when you consider the effect of the tariff on barley, the tariff on flaxseed, and the tariff on rye. Those are articles that we import. Barley and rye are used in distilling and in brewing, and the great American Oil Trust uses the flaxseed in making linseed oil. It is a great trust, and gets the benefit of the duty reduction on flax. The tariff on rye or flax or barley is a tariff that does directly affect the price, and who pays it? The man who drinks a glass of beer pays an infinitesimal part of it. On the amount of difference to him it would take him a very long time to get drunk. [Laughter.] The difference a little tariff on rye makes in the cost of a gallon of whisky would be so small that it would not cut much figure, and when it comes to the consumer of linseed oil, a little tax on the flaxseed that goes to the American trust never reaches the consumer, and you know it.

Why do you want to take the tariff off of rye and reduce it down to the danger line on barley, or take it off of any of these farm products grown along the border? What good will it do? It will do harm.

I will give you a few figures on oats, and then I will pass on to barley. According to the Tariff Board's report, the average yield of oats per acre in Canada in 1910 was 32.79 bushels; in the United States, 31.09 bushels. The farm value of oats per bushel was 32 cents in Alberta; 28½ cents in Saskatchewan; 21 cents in Manitoba; and 36 cents in Ontario; while the farm price per bushel in Montana was 46 cents; in North Dakota, 37 cents; in Minnesota, 32 cents; in Michigan, 35 cents; and in New York, 42 cents. Notice the difference in favor of the price per bushel on the American side.

Here is the experience of the farmer with the tariff on barley: There are two Provinces in Canada which now raise considerable barley. One is Ontario and the other is Mantoba. In the region west of there they have not gone into raising it because of the limited field for selling it, with 30 cents per bushel against them in the form of an American tariff. The average yield in Ontario is 4 bushels per acre above the average yield in Wisconsin, 8 bushels per acre above that in Minnesota, 1 bushel above that in New York, and less than 1 bushel above that in Iowa. I am taking these figures from the Tariff Board report. The highest farm prices per bushel in 1910—76 and 77 cents—were in New Hampshire, Maine, and Nova Scotia, and the lowest prices per bushel—36 cents, 38 cents, and 39 cents—were in Saskatchewan, Alberta, and Manitoba, respectively.

It seems that they have in Canada two barley-growing regions that are somewhat distinct from each other. There is the Ontario barley and the barley of the eastern Provinces, and then there is the barley of western Canada. The Ontario barley region is a fine barley-growing region, and the brewers at Syracuse, Buffalo, and that region in central New York have for a number of years wanted to break down the tariff and buy their barley from the Ontario farmer instead of from the Minnesota and Dakota farmer, because the Milwaukee brewer gets his barley from the Minnesota and Dakota farmer at a less rate, which makes it harder for the eastern brewer to compete with the Minneapolis and Milwaukee brewer; and so the eastern brewers want to break down the wall and get over and buy their barley from the Ontario farmer instead of from the Dakota farmer. Is the Senate going to legislate here against the Dakota farmer, the Minnesota farmer, and the western farmers generally to help the brewer of beer in New York? That is what this proposition means.

Ontario has declined in the production of malting barley on account of the tariff; and while the Ontario farmer has not been raising it, the farmers in the Northwest have been doing a good business raising it. It has been a profitable business for them, and the tariff has been a specific and a distinct help to them.

In Table 15 in the report of the Tariff Board, page 99, it appears that Minnesota was the heaviest producer of barley near the Canadian border. In 1910 Minnesota raised nearly 27,000,000 bushels; then came Wisconsin with 22,429,000 bushels; then South Dakota with 18,655,000 bushels; then North Dakota with 15,045,000 bushels. In 1910 Ontario produced 20,727,000 bushels and Montana 13,820,000 bushels. The average yield in the United States was 22.4 bushels per acre and in Canada 24.62 bushels per acre. In Ontario the farm price per bushel was 53 cents and in Manitoba 39 cents. Notwithstanding the fact that the tariff shuts Canadian barley out of the United

States, in that portion of Canada its production has somewhat

It appears from the table on page 100 of the report of the Tariff Board that in 1900 all the Provinces in Canada produced 20,322,660 bushels, and in 1909 they produced 48,810,685 bushels, while in 1910 the United States produced 162,227,000 bushels and the Canadian Provinces 45,147,600 bushels. There was a drought in North Dakota and in part of South Dakota that year, which made the crop of 1910 less than that of 1909, so that there was not a normal barley yield.

Before 1897 the duty on barley was not 30 cents a bushel, but was 30 per cent ad valorem. In 1897 it was fixed at 30 cents a Under the old rate of 30 per cent ad valorem there bushel. were large importations of barley. In 1897 there were over a million bushels imported. After the duty of 30 cents a bushel was placed upon it the importations practically ceased, and in 1909 there were only 2,420 bushels of barley imported. course the year when we had a failure on account of the drought it would come in, but I am speaking of the average. In 1909 the figures of the Tariff Board give the importations Under the McKinley law, from October 1, at 2,420 bushels. 1890, to August 27, 1894, there was a duty the same as the present duty of 30 cents a bushel on barley. In 1892, under that duty, the December price per bushel in Chicago ran from 65 cents to 67 cents, and the May price the same year was 65 cents; in 1803 the December barley in Chicago ran from 62 cents to 64 cents, and the price of May barley from 55 cents to 60 cents; in 1804 December barley in Chicago ran from 52½ cents to 53½ cents, and the price of May barley from 51 to 52 cents; in 1894 the tariff on barley was materially reduced in the new tariff law enacted at that time, from 30 cents per bushel to 30 per cent ad valorem; and in 1895 the December price in Chicago ran from 33 cents to 40 cents, and the May price of barley ran from 25 cents to 26 cents; in 1896 the December barley ran from 22 cents—just see how it went down-from 22 cents to 37 cents, and May barley from 22½ cents to 35 cents; in 1897 December barley ran from 25½ cents a bushel to 42 cents, and May barley from 36 cents to 53 cents. Then, again, the duty of 30 cents a bushel was imposed under the tariff act of 1897, and we have had that rate since, and the price of barley has steadily increased. Here are the figures, the low and the high price in December, and the low and the high price in May, in the Chicago market: In 1898, December, low 40 cents, high 50½ cents; May, low 36 cents, high 42 cents; in 1899, December, low 35 cents, high 45; May, low 36, high 44. I will not read all of these, but will ask to have them printed in the RECORD; but, coming down here to 1907, the December low price was 78 cents, the high \$1.02; the May low price was 60 cents and the high 75 cents. In 1908, low for December 57, and high 64; and for May, low 66, and high 75.

That is very prosy and very tedious here in the United States Senate, but I want to say to you that it means a great deal to the farmers in the Northwest who are producing barley. ask permission to insert the entire table as part of my remarks.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

[Cents per bushel.]

Years.	December and low Chicago	price in	May high and low price in Chicago		
	Low.	High.	Low.	High.	
ISSS 1890 1990 1900 1900 1904 1902 1903 1904 1905 1907 1907 1908	40 35 37 56 36 42 42 38 37 44 78 57 55 78	50½ 45 61 63 70 61½ 52 52 53 56 102 64 72 82	36 36 37 64 48 38 40 42 66 60 60 (1)	62 44 57 72 56 59 50 50 55 <u>1</u> 85 75 75	

1 Not given.

Mr. CRAWFORD. These figures are taken from Table 17, page 101, Report of the Tariff Board. This board also reports (p. 105) that-

the price of barley in Canada is generally below the price of the United States. From 1900 to 1909 the Chicago price ranged from 1 cent to 46 cents above the Winnipeg price. Half of this time the difference was above 13 cents.

Mr. WALSH. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. Does the Senator from South Dakota yield to the Senator from Montana?

Mr. CRAWFORD. Certainly.

Mr. WALSH. The figures are interesting. Has the Senator figures showing the amount of barley produced and imported into this country that is used in the malting business?

Mr. CRAWFORD. No; I have not the malting barley separate from the other barley. My figures are the ones furnished by the Tariff Board.

Mr. WALSH. Can the Senator give us substantially the percentage of the barley that is used in the malting business?

Mr. CRAWFORD. No; I would not undertake to do that.

Mr. WALSH. The Senator would not undertake to say that it is in excess of 40 per cent, would he?

Mr. CRAWFORD. No; I would not undertake to quote figures unless I had the figures, and I have not those. But I know that we consider that the chief market for our barley is the brewers, who use it in making malt and utilize the byproducts

Mr. WALSH. Let me ask the Senator another question. understand that he is objecting to the reduction of the rate on

barley from 25 cents to 15 cents?

Mr. CRAWFORD. Oh, not specifically. I am discussing the situation here, and the attitude of the Senate in the treat-I am discussing ment of the farmer in the Northwest. I will say to my old friend from Montana that I can see a tendency here which only regards this bill as the first step; and your attitude is perfectly apparent. You are not going to stop until all the products of

the farm are put on the free list.

Mr. WALSH. Of course that is no answer to the question. Mr. CRAWFORD. It is an observation as to the apparent

tendency

Mr. WALSH. That, of course, would involve me in a discussion with reference to the general deductions to be drawn from the entire address of the Senator. I simply want to know what the particular objection is that he has to the barley schedule, and why he thinks 15 cents a bushel is not sufficient protection, and upon what basis he argues that it is not.

Mr. CRAWFORD. I am not going to undertake to go into any cheeseparing here with reference to whether this rate should be 15 cents, or 11 cents, or 13 cents, or 15 cents, or 16 cents. I am discussing the general merits of the matter and the necessity for considering the interests of that part of the country. I think whacking away here at these margins in flax and barley and rye is simply the first step in a policy that will end in putting them on the free list.

Take rye: In this bill rye is on the free list. What good does that do? Why, it will help these distilleries get Canadian rye to make whisky out of. That is all there is to it. Some big distiller will be able to get what you call "basic raw material" a little cheaper. You want to have a rye farmer in Ontario compete with a rye farmer over in New York so that the owner of a distillery somewhere can have the benefit of the competition between the two, and so you put rye on the What other purpose had you in putting it on the That is practically all it is used for. Rye bread free list?

is eaten only by the aristocrats, and not by the poor people.

Mr. MARTINE of New Jersey. Mr. President—
The VICE PRESIDENT. Does the Senator from South Dakota yield to the Senator from New Jersey?

Mr. CRAWFORD. I am nearly through. Mr. MARTINE of New Jersey. I am not going to make any extended observation. I simply want to correct a statement that I do not believe the Senator will want to have go as he

The Senator says rye bread is eaten only by the aristocrats. That is absolutely not the case. Let me tell the Senator that not only in this country but in Germany it is very largely Mr. CRAWFORD. I understand it is largely eaten in Europe.

Mr. MARTINE of New Jersey. Well, we will ship it to Europe. Only a few years ago there was almost a rebellion in the German Army when it was proposed by the authorities there to feed the German soldiers on wheat bread instead of rye bread. It is used very largely as an article of diet. I have no doubt that in the boyhood days of the Senator he

fattened on rye bread. I can say that I did.

Mr. CRAWFORD. No, sir; I did not; and rye bread is not eaten to any great extent in the United States. It is in foreign countries; or if you go to a tony, aristocratic hotel in the United States they may bring you some rye bread with these caraway seeds in it. But what do we common people do? We scorn that kind of bread. We eat good, old-fashioned white, wheat bread; and we are not afraid we will be deprived of it

by having a little tariff on wheat.

The Tariff Board, on page 105, reports that the price of barley in Canada is generally below the price in the United States. From 1900 to 1909 the Chicago price ranged from 1 cent to 46 cents above the Winnipeg price. Half of this time the difference was above 13 cents.

Here is flaxseed. The crop which is usually raised when the sod is first turned over on the prairie is the crop of flax. It is the crop of the pioneer in subduing the new soil. It is a crop raised very extensively in the Dakotas, Minnesota, Montana, and through the northwest, and, as a rule, near the flax regions

of Canada. Linseed oil is made from flax.

The American Linseed Oil Co., known as the Linseed Oil Trust, I find was created by merging 47 different corporations. I get this from Moody, who wrote up all these trusts. It is allied with the Smelter Trust. It is under Standard Oil domination. Rockefeller, jr., is one of its directors. It controls 85 per cent of the linseed-oil production in the United States. It manufactures American and Calcutta linseed oil, raw and boiled, and refined varnish, oil cake, oil meal, and crushed flaxseed. Now you go to whacking away at a tariff on flaxseed, which we import but do not export, a tariff that benefits more directly than any other the pioneer farmers who are subduing the virgin prairies of the West-you go to whacking away at that, and cutting it down, for the benefit of whom? This gigantic trust.

What do you want to do it for? Why do you not let alone the man who is raising the flax and having some protection against his Canadian competitor, rather than strike a blow at him for the purpose of helping a great trust, and lose the

revenue besides?

I ask leave to have printed with my remarks a list of the institutions engaged in brewing beer and distilling whisky and that are in the Linseed Oil Trust, so as to have the people of the country know who is going to get the benefit, if there is any benefit, of placing rye on the free list and reducing the tariff on flax and barley.

There being no objection, the matter referred to was ordered

to be printed in the RECORD, as follows:

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The American Linseed Oil Co., known as the Linseed Oil Trust, which was created by the merger of 47 different corporations: It is allied with the Smelters Trust and is under Standard Oil domination. Rockefeller, jr., is one of its directors. It controls 85 per cent of the linseed oil production in the United States. It manufactures American and Calcutta linseed oil, raw and boiled, and refined varnish, oil cake, oil meal, and crushed flaxseed. It is a New Jersey corporation, with its main office in New York. Its common stock is \$16,750,000 and its preferred stock is \$16,750,000.

The American Malt Corporation, a big holding company of New Jersey: Common stock, \$5,248,800; preferred stock, \$8,353,400; bonds, \$3,714,000, bearing 6 per cent interest.

The Distilleries Securities Corporation (over 100 plants and warehouses in the United States), a New Jersey corporation: Common stock, \$30,762,950, paying 6 per cent dividends; bonds, \$15,400,412, bearing 5 and 6 per cent. It controls also the United States Industrial Alcohol Co., whose common stock is \$12,000,000; preferred stock, \$6,000,000; paying 7 per cent.

The Chicago Breweries (Ltd.), London and Chicago: Common stock, £400,000, paying 5½ per cent dividends, with bonds in £276,500, paying 6 per cent.

Dayton Breweries Co. (consolidation of 7 companies): Common stock, \$1,249,125; preferred stock, same amount; bonds, \$2,500,000; 6 per cent interest.

Hueben-Toledo United Breweries Co., of Toledo, Ohio: Common stock, \$1,278,000; preferred stock, the same amount, paying 7 per cent; bonds, \$3,918,923; preferred stock, the same amount, paying 7 per cent; bonds, \$2,550,000, pays 6 per cent interest.

Jones Brewing Co. (Boston and London): Common stock, \$5,324,000. Kansas City Breweries Co.: Common stock, \$1,557,000; preferred stock, the same amount, pays 6 per cent interest.

Missachusetts Breweries Co. (10 combined Boston companies): Common stock, \$3,714,250; prefe

Pittsburg Brewing Co. (16 companies consolidated): Common stock, \$5,962,250, paying 5 per cent dividends; preferred stock, \$6,100,000, paying 7 per cent dividends; bonds, \$6,319,000, paying 6 per cent in-

paying 7 per cent dividends; bonds, \$6,319,000, paying 6 per cent interest.

St. Louis Brewerles (Ltd.) (10 companies consolidated): Common stock, \$4,383,000; preferred stock, exactly same amount, paying 8 per cent dividends; bonds, \$4,880,600, paying 6 per cent interest.

Springfield Brewerles Co., Springfield, Mass.: Common stock, \$1,150,000; preferred stock, \$1,150,000, paying 8 per cent dividends; bonds, \$930,000, paying 6 per cent interest.

United Brewerles Co. (13 Chicago companies consolidated): Common stock, \$2,731,500; preferred stock, \$2,731,500; bonds \$1,654,000, paying 6 per cent interest.

Hoster-Columbus Associated Brewerles Co., Columbus, Ohio: Common stock, \$1,650,000; preferred stock, \$2,700,000; bonds, \$5,250,000.

Mr. CRAWFORD. In what I had to say in regard to wheat, my argument was more upon the general proposition of retaining a rate which you say is harmless, for the purpose of encouraging the American farmer, as he looks into the future, to believe that he is going to be safe in turning his face to the reclamation of these waste places, rebuilding them, buying fertilizer for them, and increasing the productivity of our own soil, upon the broad philosophy that every nation ought to raise its own food products when it can do so instead of discouraging the farmer, so far as his avocation is concerned, by holding always before him the menace that he is going to undergo the same experience that the eastern farmer did when the western do-

main, under our own flag, was being developed.

Mr. WILLIAMS. Mr. President, I once more express the hope that we may now have a vote upon the pending amendment

to the paragraph.
Mr. GALLINGER. I suggest the absence of a quorum. The VICE PRESIDENT. The Senator from New Hampshire suggests the absence of a quorum. The Secretary will call the

roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst Bacon Brady Brandegee Hollis Hughes James Johnson Norris Smith, S. C. Page Penrose Perkins Smoot Sterling Stone Thomas Thompson Thornton Tillman Bristow Poindexter Ransdell Robinson Shafroth Jones Kenyon Kern Lane Bryan Burton Catron Chamberlain Lea Lewis Lodge McLean Martin, Va. Martine, N. J. Sheppard Townsend Vardaman Sheppard Sherman Shively Simmons Smith, Ariz, Smith, Ga, Smith, Md. Chilton Clapp Crawford Dillingham Walsh Warren Williams Jallinger Gronna Nelson

Mr. JAMES. I desire to announce that the senior Senator from Kentucky [Mr. Bradley] is detained from attendance here by reason of illness. He is paired with the junior Senator from Indiana [Mr. KERN].

Mr. GRONNA. I wish to announce that my colleague [Mr. McCumber] is necessarily absent on account of illness. He is paired with the senior Senator from Nevada [Mr. Newlands].

Mr. BRYAN. My colleague [Mr. Fletcher] is absent on business of the Senate.

Mr. THORNTON. I wish to announce the necessary absence of the Senator from Alabama [Mr. BANKHEAD]. He is paired with the junior Senator from West Virginia [Mr. Goff]. I ask that this announcement may stand for the day.

The VICE PRESIDENT. Fifty-eight Senators have answered

to the roll call. A quorum of the Senate is present.

Mr. NORRIS. Mr. President, I am not conscious of having any prejudice on the particular schedule now under consideration; and I believe I approach the discussion of the particular motion now pending in the Senate without any feeling or partisanship or prejudice of any kind.

The Democratic caucus of the House, when they had this bill under consideration, placed a tariff of 10 cents a bushel upon wheat. The Democrats of the Senate, in their caucus, have proposed an amendment to strike that paragraph out of the bill and thus put wheat on the free list; and, as I understand the parliamentary situation, that motion is now pending before the Senate.

I had intended earlier to make some preparation and submit some remarks to the Senate on the agricultural schedule, after giving the subject the proper consideration which I believed it deserved. On account, however, of various things, among which was the condition of my own health, I have been unable to give it the attention which I ought to give it in order to make my remarks logical, or perhaps intelligent. But the Congress of the United States went all over the discussion of this question in regard to the tariff on agricultural products in the consideration of the so-called reciprocity treaty with Canada. This particular schedule in the bill is just about the same as the reciprocity bill, with the exception, in my judgment, that it gets nothing back, while the reciprocity bill did get something in return for the free admission of Canadian agricultural products to our market. Of course, in addition to that, it admits these products free from all the world, although we have more to fear, perhaps, in most instances, from Canada than from any other country.

I said that I did not believe I had any prejudices on this subject. In fact, if I had any, they would naturally have been the other way, because the so-called reciprocity treaty was proposed by a Republican President, the leader of the party to which I gave allegiance. It was brought into the House of Representa-

tives by a Republican committee in the first place. called leader of the Republican Party was sponsor for the propo-In addition to that, the legislature of the State, which I then had and now have the honor in part to represent, passed a resolution instructing the members of the Nebraska delegation to support the so-called Canadian reciprocity measure. In addition to that, the delegation from my State, as it was then constituted, was unanimously in favor of the so-called reciprocity bill, with the exception of myself. So that I had every reason of a partisan or a political nature to be favorable to the Canadian reciprocity bill. As a matter of fact, I took my position with a great deal of danger to my own political existence. In opposition to the administration of my own party, standing alone in the delegation from my own State, and contrary to definite instructions from my own State legislature, I opposed reciprocity not because I wanted to, but because a fair and honest consideration of the subject led me irresistibly to such a position and I could not have done otherwise and had any respect for my own conscientious convictions.

I opposed it after very mature and careful consideration, giving it the best thought of which I was capable, and with a desire, I am satisfied I can say correctly, to support the measure if I could possibly bring my mind to a conscientious belief in its justice, and I think I can consistently oppose this particular tariff schedule now without anyone having any right to make the charge that I am opposing it for partisan considerations.

I am aware that a great deal can be said on both sides of this

I am aware that a great deal can be said on both sides of this great question; and firmly convinced as I am that the reciprocity bill and this bill were and are wrong, and do an injustice to the great agricultural classes of our country, I am free to concede to those who favored reciprocity and those who favor this schedule the same honesty of purpose that I claim for myself.

I know that it is claimed on one side that the tariff on agricultural products does the farmer no good. That, of course, is strenuously denied on the other side. There have been volumes of statistics given on the subject; but I know that when I was trying to reach a fair and honest conclusion I was irresistibly led to the conclusion that the American farmer, because of the tariff on agricultural products, was getting a better price for the produce of his farm than the Canadian farmer.

There were put into the Record yesterday some statistics showing that the price of wheat was different in one section of our own country than in another. In my judgment, that does not demonstrate anything. I do not believe any one market, on any one day, in any one place will prove or disprove this important proposition. The price of wheat, like the price of other farm products, varies for a great many reasons. I know that sometimes in one locality there may be some particular local situation that will have an effect upon the price. Sometimes some one on some board of trade tries to corner the market, and that has an effect upon the price. Local conditions do have an effect; and you can get figures to prove almost anything you want to on this question, if you do not have regard for those considerations.

I have examined—not now, but during the consideration of the Canadian reciprocity bill—all the statistics I could get hold of, and have examined most of those that were put in the CONGRESSIONAL RECORD at that time. It seems to me that a fair and honest consideration of conditions that are fair and honest must lead any unbiased and unprejudiced mind to the conclusion that the farmer has been getting the benefit of the tariff on agricultural products. There has been a difference in different years. For the moment, however, let us lay aside what the figures demonstrate and consider only the theory of the matter.

During all that discussion it was practically conceded by nearly all of those who took part in the debates and in the newspaper discussions throughout the country, taking wheat as an illustration, that if we consumed all the wheat we produced the tariff would be effective, and the producer of wheat would get the benefit of it. I believe that is generally conceded. On the other hand, I am willing to concede that if we consumed none of the product, but exported it all, the tariff would do us no good, no matter how high it might be.

I believe those two propositions can not be successfully contradicted. They represent the two extremes of this question. As you bring those extremes together, the benefit of the tariff is being felt to a greater degree as they approach the same point. So when we reach a point where we consume all the wheat we produce we will get the full benefit of whatever tariff is levied upon wheat.

It seems to me, too, that the gentlemen who contend that the farmer has gotten no benefit from the tariff on wheat have

their theories exploded by the actual facts. I will concede that if you will take a year when our production of wheat exceeded by a very large amount our consumption we would find but little benefit from the tariff. If you would take another year, where we consumed nearly all of our production, we would find a great deal of benefit from the tariff. While they vary, everybody concedes that one year with another for the last 25 years we have been reaching the point where we are going to consume all the wheat that we produce. Comparatively speaking, we are very near to that point now.

So it was truly said by the Senator from Idaho [Mr. Borah] yesterday that while in the past several years ago the farmer perhaps did not get much benefit, sometimes none perhaps, from the fariff on some of his agricultural products, it is conceded that now we are reaching a point in our history where he is getting benefit, and where, as the years come and go and we reach the point where we consume what we produce, he will get the full benefit of every cent of tariff that is levied upon his product.

It is said by those who oppose this theory that because we do not consume all that we produce we are therefore thrown upon the world's market; that the farmer sells his product upon the world's market; and that the world's market controls the price. I think it is universally conceded that the world's market place on wheat is Liverpool, England. If that theory be true, then the difference in the price of wheat at some great center of the United States—for Instance, Minneapolis—and at Liverpool ought to be measured by the cost of transportation of the wheat from Minneapolis to Liverpool, the world's market. I believe that will be conceded by all. In other words, the price in Liverpool ought to be the price at Minneapolis plus the cost of transporting the wheat from Minneapolis to Liverpool.

I obtained some figures some time ago from the Bureau of Statistics of the Agricultural Department with a view of preparing an address on this subject. I have taken the year 1911. I will say frankly to those who oppose the position I am taking that that year is more favorable to the view I am taking of this question than the year 1912 or than I think the year 1913 would be, but I submit in all fairness I have a right to take a year that according to the theory I have laid down here is the most favorable to that theory.

It is fair to do this, also, for the reason that it is conceded by everybody that year by year we are rapidly approaching a point when we will consume all the wheat that we produce, and everybody concedes that when that time arrives the farmer will get the benefit of every cent of the tariff that is levied on wheat. Any other year could be taken and the demonstration would be just as logical; the result would bring us to the same conclusion, but the difference would not be so glaring. We exported in 1912, according to the Bureau of Statistics, something over 61,000,000 bushels of wheat. In 1911 we exported something more than 32,000,000 bushels. We could therefore expect the difference in price between our markets and Canada, or between our market and the world's market, to be greater in 1911 than in 1912. To those who want to pursue the subject further, I will say that it would be interesting, in addition to the figures that I have given for 1911, to take those for 1912, where it will also be shown that the farmer is getting considerable benefit from the tariff on wheat, but not so much benefit as in the year 1911, when we came nearer consuming all the wheat that we produced.

In 1911 the Bureau of Statistics tells me that we produced 621,000.339 bushels of wheat and that we exported in that year 32,668,615 bushels. Comparatively a small amount was exported.

I have obtained from the same Bureau of Statistics the price that it would cost to transport a bushel of wheat from Minneapolis to Liverpool, and I will insert in the Record a table showing the cost of transportation of a bushel of wheat, giving it item by item, from Minneapolis to Liverpool. It makes a total, I will say, of 20½ cents. That is what it costs to transport a bushel of wheat from Minneapolis to Liverpool under the most favorable circumstances.

The table referred to is as follows:

Freight cost per bushel on wheat from Minnesota to Liverpool.

	Cents.
Minneapolis to Duluth Duluth to Buffalo, by lake Buffalo to New York, by canal New York to Liverpool, by steamship Elevator charges Trimming (leveling) cargo, lake and ocean Marine insurance, lake and ocean Other transport costs	- 5.0 - 2.0 - 5.0 - 4.0 - 2.0 5 - 1.0
Total	

I have from the same bureau the price of wheat for each month during the year 1911 in Minneapolis and for seven months of the year in Liverpool. They were unable to give me the figures for Liverpool for more than seven months of the year. For instance, this table shows that in January the price of wheat in Minneapolis was \$1.066 and in Liverpool it was \$1.113. If the farmer does not get any benefit from the tariff on whicht there ought to be a difference in the price of 20½ cents, the cost of transportation; but, as a matter of fact, the difference, as we see, is only a little over 4 cents. Without reading all the table I will give only the average. The average for the year in Minneapolis was \$1.008; in Liverpool \$1.114. This shows that during the year 1911 the farmer was benefited by the tariff to the amount of nearly 11 cents on every bushel of wheat he produced.

Price of wheat for each month during 1911 in Minneapolis and for 7 months of 1911 in Liverpool.

	Minne- apolis.	Liver- pool.
January February March April May June July August September October Nøyember	\$1.068 .966 .988 .923 1.603 .978 .988 1.039 1.083 1.077 1.031	\$1.113 1.135 1.110 1.095 1.092 1.008
Average	1.008	1.114

Difference in favor of Liverpool for the year of 10 cents. Cost of transportation from Minneapolis to Liverpool, 201

It seems to me that it is practically a mathematical demonstration that the American farmer was not selling his wheat upon the world's market and that he was getting some benefit from the tariff. If you will figure out other years where we come nearer to consuming all the wheat we produce the difference will be greater. If you take a year like 1912, where our exportation of wheat was a good deal greater than in 1911, you will find that the difference is not so great.

If, when you read this table, as it will be printed in the RECORD, you should find that in one month there is a big difference in one way and in another month a big difference in another way, you might think it happened so that year, but you will find that in every month for which statistics are given the theory has worked out that there is a less difference between the Minneapolis and Liverpool market than 201 cents, the cost of transportation.

I do not think that table tells all the story, Mr. President. I have tried to get the same grade of wheat. I believe if we had wheat graded in Canada exactly as it is graded here and put the same grades up in competition against each other, there is nothing that would demonstrate this theory much more clearly. There is no doubt in my mind but that the Canadian wheat that goes into the Liverpool markets is of a higher grade than the American wheat that goes into the markets, and you can see that that would only be another demonstration of the proposition I have laid down that the American producer of wheat must get some benefit. Otherwise there would be more difference in these two markets.

The grade of wheat that I have given in the table for Minneapolis is No. 1 northern Minnesota, and the Canadian wheat is No. 1 northern Manitoba, which is a little better wheat than the Minnesota wheat.

The letter put in the RECORD by the Senator from North Dakota [Mr. Gronna] yesterday, as I remember it, shows that between these grades there is really about 2 cents difference in their quality, the Canadian wheat being the best. Therefore, to be fair and accurate we ought to add about 2 cents in each instance to the American market price, or take that amount from the price of the Canadlan wheat. That would equalize the grades and show that for the year 1911 the difference in the price of wheat at Minneapolis and Liverpool was only about 8 cents, while it cost 20½ cents to transport the wheat from one city to the other. This demonstrates that for that year the farmer was in reality getting a benefit of about 12½ cents

per bushel on his wheat on account of the tariff.

Mr. President, right along that line during the discussion of the so-called Canadian reciprocity—

Mr. GRONNA. Mr. President—

Mr. NORRIS. I yield to the Senator,

Mr. GRONNA. Before the Senator leaves the question of grades, if he will permit me, I want to make this suggestion Mr. NORRIS. I will certainly yield to the Senator.

Mr. GRONNA. The contract price for wheat is based on No. 1 northern grade. It is shown in the letter which was put in the RECORD yesterday that all No. 2 northern Winnipeg wheat would be accepted as Minnesota No. 1 northern. It is also shown that the difference in the price of No. 1 and No. 2 northern is 6 cents. It is also shown in the same letter that a large portion of No. 3 Winnipeg is accepted as No. 1 Minnesota grade with a difference in price between No. 1 and No. 3 of 8 cents a bushel.

I simply call attention to these grades because it is important in making the difference in the Canadian price and the American price.

Mr. NORRIS. I am much obliged to the Senator. Of course the difference in the two prices of wheat I have given has not been named by me, but the letter and the statement of the Scnator show that there is a difference in favor of Canadian wheat. So I think I am far within a reasonable rule when I say that there would be at least a difference of 2 cents.

Mr. NELSON. Two cents. Mr. NORRIS. Two cents.

Mr. NELSON. At least 2 cents.
Mr. NORRIS. At least 2 cents. That ought to be added to the price of Minneapolis wheat that I have given in the table. The table without that demonstrates the proposition, but with it the benefit of the tariff is more clearly illustrated.

Mr. NELSON. Mr. President— Mr. NORRIS. I yield to the Senator.

Mr. NELSON. The Canadian wheat is what is known as No. 1 hard. The bulk of the Minnesota and of the Dakota wheat is No. 1 northern. There is a difference in price of at least 2 points on these grades.

There is another matter, if the Senator will allow me. They can take that No. 1 hard Canadian wheat and mix it with No. 2 and No. 3 and grade the mixture up to Minnesota No. 1 northern and in that way add to the price of No. 2 and No. 3.

Mr. NORRIS. I am very much obliged to the Senator for his valuable suggestion.

I was about to say, Mr. President, when I was interrupted by the Senator from North Dakota, that during the discussion of the reciprocity treaty there was put into the RECORD a table by the Senator from North Dakota showing the prices of wheat along the Canadian line. I desire to include that table, with some additions, in my remarks. It shows that all the way along the Canadian line the price paid for wheat to the farmer on the American side was from 11 and 12 to 15 cents higher than the price paid to the farmer on the Canadian side.

The table referred to is as follows:

Comparative prices of wheat in the United States and Canada.

Dates.	Name of town in United States.	Price per bushel.	Name of town in Canada.	Price per bushel,	Dif- fer- ence in price.	Distance of towns.
Dec. \$1,1910 Jan. 10,1911 Do. Jan. 11,1911 Dec. \$1,1910 Do. Do. Jan. 10,1911 Do. Do. Jan. 10,1911 Do.	Kermit. Pembina. Neche. Walhalia. St. John. Hannah. Neche. Sarles. Westhope. do. St. John. Hansahoro. Antler. Pembina.	1.00 1.00 .96 .90 .91 .67 .66	Estevan Emerson Gretna Haskott Bolssevan Snowflake Gretna Clearwater Cotter Lyleton Malita Bolssevan Cartwright Lyleton Emerson Gretna	.82 .81 .83 .81 .77	\$0.14 .15 .15 .13 .10 .13 .10 .14 .15 .16 .14 .10 .13 .25 .28	15 miles, 4 miles, 2 miles, 6 miles, 15 miles, 4 miles, 2 miles, 2 miles, 20 miles, 30 miles, 15 miles, 5 miles, 5 miles, 5 miles, 5 miles, 5 miles, 2 miles,
Dec. 31, 1910	St. John Portal	.66	North Portal.	.75	.15	Just across the
Jan. 10, 1911 Apr. 6, 1911	do	.92	do	.79 .85	.13	Do. Do.

Mr. NORRIS. Now, there might be an instance where some local condition might affect the price, as the Senator from Mississippi [Mr. WILLIAMS] well said yesterday. a mill in some locality, and if it was only one instance, I would

not cite it, because those local conditions might control.

But all the way along that line, if you will take, as I did during that debate, a Great Northern Railway map, a Northern Pacific Railway map, the map of the Great Soo Railroad, that have lines running back and forth across the line, and pick out the towns that are on one side and then a corresponding town on the other and get the prices of wheat, you will find invariably that on the American side of that line the American farmer is getting a higher price for his wheat than is paid on the other side to the Canadian farmer. There is no exception. The difference in favor of the American farmer is found to be the absolute rule along the Canadian border all the way from the Lakes to the Pacific Ocean. In no instance have I ever found a case where it was not true that the price paid on the American side was higher than the price paid on the Canadian side. In many instances these towns are only 2 or 3 miles apart. They are situated on the same railroad, where the freight rate and all other conditions, including local conditions, are exactly and absolutely the same.

Mr. CRAWFORD. Mr. President-

Mr. NELSON. Will the Senator allow me further?

The VICE PRESIDENT. To whom does the Senator from

Nebraska yield? Mr. NORRIS. I will yield first to the Senator from South Dakota.

Mr. CRAWFORD. And that difference is not confined to any particular year? Mr. NORRIS.

Mr. NORRIS. Oh, I think not.
Mr. CRAWFORD. You find it generally through every year? Mr. NORRIS. Practically without exception. Now, I yield

to the Senator from Minnesota.

Mr. NELSON. I want to emphasize the fact the Senator is stating now by saying that there have been many cases along the international boundary line of smuggling. A great many Canadians have attempted to take advantage of our market by hauling their grain by teams across the line. They have been caught in the act of smuggling, the temptation has been so strong on account of the American price.

Mr. NORRIS. I know that there are a good many instances, not only in wheat but in other products of the farm, where that same thing has occurred. I have had some personal knowledge

of several instances.

Mr. President, I am going to take one particular town on that border. It is in North Dakota. It is on the line between North Dakota and Canada. The line between the United States and Canada is the main street of the town, so that, technically speaking, they do have two towns, because they are under different flags and different Governments. It is a small village, not more than a few hundred inhabitants. It is called Portal, and on the north side of the street it is called North They have only one railroad in that town, and that is the Great Soo Railroad, which has a line through the town north and south, connecting with the main line on each side, so that the only way the people of Portal have of shipping their produce to market is over the Soo Railroad. The freight rate from the north side of the main street at the elevator there is just the same as the freight rate on the south side of the street, where the American elevator is located. So there is no difference in conditions absolutely, with the exception of the boundary line and the tariff.

I have talked with several men on the subject. In fact, I had a friend, who is an employee of the Soo Railroad, go to the town a few years ago on purpose to give me direct information

that I knew would be reliable.

The Senator from North Dakota put in some figures relating to that particular place in this table. For instance, on December 31, 1910, on the American side of the main street wheat was worth 90 cents a bushel; on the opposite side of the street, over in Canada, at the elevator there wheat was worth 75 cents a bushel.

On January 10, 1911, on the American side of the street wheat was 92 cents, and on the other side of the street in

Canada 79 cents.

On April 6, 1911, on the United States side of the street wheat

was 91 cents and on the Canadian side 85 cents.

There can be no difference in conditions. Wheat would perhaps go out of that town on the same train, two carloads, one loaded on one side of the line and the other on the other; perhaps raised on adjoining farms, only one is in Canada and the other in the United States, with nothing between them but an imaginary line, the same kind of wheat in the same train from the same town to the same destination, one shipped in bond and the other shipped open without bond, the farmer on the Canadian side getting 75 cents a bushel, the farmer on the American side getting 90 cents a bushel.

Mr. NELSON. Will the Senator allow me?

Mr. NORRIS. I yield to the Senator.

Mr. NELSON. As a strong verification of the position taken by the Senator, I desire to call his attention to the fact that the day following the election in Canada when reciprocity was defeated, the price of wheat in Minneapolis increased 8 cents |

a bushel from what it was on the day of election. That night the returns came in and the result was so overwhelming that they knew in Minneapolis by midnight that Canadian reciprocity had been defeated, and the result was that the next day wheat was 8 cents a bushel higher in Minneapolis than it was on election day, and barley was about 10 cents higher. No stronger proof can be found of the difference in the two markets.

Mr. NORRIS. I am much obliged to the Senator from Min-

nesota for the observation he has made.

Mr. President, there is another question involved in this matter, and that is, Will the placing of wheat on the free list reduce the cost of living? I admit, to begin with, that that is a serious proposition. I do not want by my vote to increase the burdens of the poor or of the men and the women who have to toil in order to gain their living; but, while, if I believed that a tariff would increase the cost of living, it would not be in the case of agricultural products a predominating influence, it would be entitled to a great deal of consideration.

Our Democratic brethren, who say the tariff does not do the farmer any good and say that it does not affect him, have been frank enough and honest enough to admit in the Senate that taking the tariff off agricultural products will not reduce the cost of living. I presume they would say that, according to my theory, it would reduce the cost of living; and, taking wheat as an illustration, for instance, if the poor man ate wheat I can see how it might have a direct effect; but the amendment now pending before the Senate is to strike out of the bill a provision imposing a tariff of only 10 cents a bushel on wheat. The poor man does not eat wheat; he does not buy wheat; but he buys and eats bread. Is there any man who will claim that the reand eats bread. Is there any man who will chain that the removal of the tariff of 10 cents a bushel on wheat will reduce the price of a loaf of bread or increase its size? I do not believe anyone will so contend. The price of a loaf of bread, everybody knows, does not vary with the price of wheat.

From the standpoint of our friends on the other side, and also from our standpoint, the removal of the tariff will not reduce the cost of living; then, as the Senator from South Dakota [Mr.

CRAWFORD] this afternoon said, why not leave it on?

The men who produce wheat are just as intelligent as are we. Even though the argument has been produced here that the theories which have been offered may be all fallacious and amount to nothing, the men who are engaged in the pursuit of farming, intelligent and knowing more about their business than any man here on the Senate floor, agree with practical unanimity that the tariff has been and is of great benefit to the farmer. Why not let the farmers decide the question in which they are primarily interested, when you admit by deciding it the other way that you will not do anybody any good?

It has been shown also by the Senator from Wisconsin [Mr. LA FOLLETTE] that there is a difference in the cost of production—he says of about 6 cents per bushel. It costs 6 cents more to produce a bushel of wheat here than in Canada. Under ordinary circumstances I am a believer in the theory that the tariff ought to measure the difference in the cost of production at home and abroad. We ought, however, to take into considera-tion each particular item upon which we are placing a tariff, and if there is anything peculiar controlling that particular product it ought to be given due weight, whether to increase or to lower the tariff above or below that particular difference.

It is a difficult thing to measure the cost of production on the farm; it is almost an impossibility; and it is an impossibility to be exactly accurate. Then, again, the cost of production to the farmer this year may, although he is on the same farm and has the same equipment, be entirely different from what it will be next year; so that we ought to be liberal in applying this rule to agricultural products.

We can not go out and analyze the cost of the production of a bushel of wheat as we can the making of a coat or of a pair of The yield of wheat depends upon the sun and upon the rain and upon conditions that man can not control; and what would be profitable one year may not be profitable another year.

There is another reason why we ought to be liberal, Mr. President. As stated so well and so much better than I can state it by the Senator from Idaho [Mr. Borah] yesterday, the farmers of this country for many, many weary years have been getting but little direct benefit from the protective tariff. An indirect benefit, I think, they have always had, and my own judgment is that that has been a vast benefit to them; but until we approach a time when we consume or come near consuming a large portion of what we produce, as I said awhile ago, the farmer will not get the full benefit of the tariff levied upon farm products; so that if any man should be treated liberally

it should be the farmer.

Mr. President, there is still another reason why he should be treated liberally. If we look at the subject only from a

selfish standpoint, we must admit, when we come to consider it fairly and squarely, that at the base of all prosperity and at the base of all advancement rests agriculture. If those engaged in agriculture are not prosperous, there can be no real, genuine prosperity. Instead of making it unprofitable on the farm by compelling the farmer to self in a free-trade market and buy in a protected market, we ought to do just the reverse, so far as we can do so by legislation.

One of the sad lessons of the last census to me was that it showed in many localities that there had been a decrease in farm population, but always an increase in the city population. We ought to legislate so as to have the tide go the other way and to give it any legitimate assistance that we can possibly Every nation that has neglected agriculture has sooner or later come to ruin and to decay, and if we are going to make it unprofitable to the farmer, if we are going to make his life burdensome and unhappy on the farm, we are only going to accelerate the movement and drive from the farm to the already overcrowded cities the surplus population and make millions of consumers who ought to be and, under proper circumstances, would be producers.

We ought to remember, too, that the strongest element of our Government is on the farm. It is in the overcrowded cities where poverty prevails, where crime spreads, where misery lives, where disease is located, where anarchy is born; but in the country, in the agricultural communities, we find a stronger and more patriotic citizenship, and in case of danger and in need it is to the farm that the Government must go for its strong arm of protection and defense. We can not, in my judgment, do anything that is fair and honest that will add to the comfort or the happiness of the agricultural classes that we ought not do.

Mr. President, on the same page of the bill where we find the item of wheat we find also the item of rice. This bill provides for a tariff of 1 cent a pound on rice, while it puts wheat on the free list. While I do not claim to be informed on the rice situation, it does seem to me that that is a discrimination that is unfair and unbecoming the Senate of the United States to enact into law

It is conceded, I believe, on the other side of the Chamber that the duty of 1 cent a pound on rice will increase the cost to the consumer. If it were only 10 cents a bushel, and if it were levied on the bushel, I do not believe anybody would claim that it would affect the price to the consumer, but I cent a pound, if applied to wheat, would mean 60 cents a bushel on wheat. You take all the tariff off wheat and you just cut Why not treat the farmer who raises rice it in two on rice. and the farmer who raises wheat precisely the same and cut the tariff in two on the wheat farmer, just as you have done on the rice farmer?

I am in favor of a reduction of the tariff on agricultural products. I believe 10 cents a bushel on wheat is a little too low-if I could have my way about it I would make it 15 cents but I would be perfectly willing to cut it in two and treat the farmer of the West the same as you have treated the farmer of the South who raises rice. There may be reasons-but I have not heard them given here-why you should take all the tariff off the farmer who produces wheat and only take half of the tariff off the farmer who produces rice and still leave the farmer who produces rice with a higher tariff, after you have lowered it on his rice, than the wheat farmer had on his wheat before you began your reduction.

Mr. WILLIAMS. Mr. President-

Mr. NORRIS. I am not quite through. I have been reminded of something else which I desire to say. One of the great questions involved in the cost of living, greater, I think, than the tariff, is the question of transportation. The Senator from Idaho told us yesterday of a man who raised potatoes, who put a postal card into every sack, saying that he had sold the sack of potatoes for 55 cents a bushel, and asking the purchaser to let him know on the inclosed card what he had paid. The word came back from quite a large number that they paid from a dollar and a half to two dollars and a half a sack for the potatoes, showing that between the farmer and the consumer the price was raised, in round numbers, from a dollar to a dollar and a half for the sack. The question of transportation enters into everything we eat, wear, and use; it can not be dissociated from anything that is consumed by humanity. seems to me that if we would honestly, in a nonpartisan spirit, engage in an effort to reduce the cost of transportation on all the commodities of life, we would be doing much more for the consumer than we can do by taking the tariff off the products of the farm, thus making it more unprofitable for life on the

farm and driving from the farm to the overcrowded cities mil-Hons of men who ought to be producers instead of consumers.

Mr. NELSON. Will the Senator from Nebraska allow me to make a suggestion in that connection?

Mr. NORRIS. I yield to the Senator.

Mr. NELSON. I merely want to suggest to the Senator that in the matter of transportation the burden falls upon the products of the farm, upon cereals and other crops by reason of their bulk. You can ship \$100 worth of cotton or woolen goods, and the freight on them is comparatively small; but when you ship \$160 worth of grain or wheat, for instance, or potatoes or oats. the freight is immense. The burden falls on that class of products, and hence we ought to give them every protection we can.

I thank the Senator for the suggestion. Mr. WILLIAMS. Mr. President, I think we might now have

a vote upon the pending amendment.

Mr. NORRIS. I ask for a roll call on the amendment.

Mr. GALLINGER. Mr. President, I will occupy a moment before the vote is taken, and just a moment.

It was my privilege, by voice and vote, to do what I could to defeat the so-called reciprocity agreement. It gave us something in return for opening our markets to the farm products of Canada; but I was satisfied that, notwithstanding we did get some return, the advantage was altogether with our northern neighbor. This bill is infinitely worse than was the Canadian reciprocity agreement, and so I am resolutely opposed to the proposition to remove the duty from wheat and other products of the farm.

Mr. President, I come from a section of country where agriculture has been largely discontinued and where manufacturing has taken its place. The six New England States have a population of between seven and eight millions. It was suggested this morning by the Senator from South Dakota [Mr. Crawrord] that we were consuming a barrel and a half of flour per capita. If that be so, New England, beyond a question, consumes eight or nine million barrels of flour produced in the West. We are raising very little corn and very little oats. We are de-

pendent upon the great West for those products.

Mr. President, if I were provincial, if I wanted to do what I thought would be for the best interests of my own people on this proposition, provided that the removal of the duty would decrease the price of agricultural products. I would vote for the proposition to remove the duty; but New England Senators have not voted in that way in the past, and the Republican Senators from New England are not going to vote that way during this contest on tariff legislation. The 10 New England Republican Senators will vote with the Senators from the West to protect their agricultural interests, even though we may not get as many votes in return as we think we ought to get to protect our manufacturing interests.

I rose, Mr. President, simply to say that New England Senators take a national view of this tariff question, and they are not going to discriminate against the products of the West, even though they might derive some little benefit from voting for the

Democratic tariff bill.

Mr. SMITH of Georgia. Mr. President, I desire to relieve somewhat the apparent distress of my friend from South Dakota [Mr. Crawford] and also my friend from North Dakota [Mr. Growna]. I sent this morning to the office of the Secretary of the Senate to obtain a paper with the prices of commodities, to see what the relative prices of wheat were in Minneapolis and in Winnipeg. I want to give the Senators the pleasing information that in Winnipeg No. 1 northern is selling at 95½ cents and at Minneapolis at 89½ cents per bushel, and No. 2 in Winnipeg is selling at 93½ and in Minneapolis at 87½ cents per bushel.

I have also a slip of a week ago, quoting the market prices, which showed only No. 2, and it gives No. 2 at Winnipeg at 93

cents a bushel and at Minneapolis at 871.

Mr. CRAWFORD. The same grade of wheat?

Mr. SMITH of Georgia. The same grade, No. 2. Furthermore, I wish to read to my friend a comforting assurance from one of the Republican papers of Dakota known as Sheldon's Progress. It is headed:

THAT TARIFF AGAIN?

Yesterday No. 1 northern wheat sold at Winnipeg for 96 cents, at Minneapolis for 88 cents, at Duluth for 87 cents, and at Chicago for 91 cents. Would we suffer from the importation of Canadian wheat, or would we not?

Furthermore, I desire to read from another Republican paper of North Dakota upon the subject of wheat. It is from the Fargo Forum. I understand it is one of the leading Republican papers of the State. I shall not read that portion of the editorial which comments upon the speech of my friend the Senator from North Dakota, but I shall read a portion of it which

refers to the relative prices of wheat in Winnipeg and in Minneapolis.

It first gives the quotations of the day previous in Winnipeg and Minneapolis, which it states "wheat cash close, No. 1 northern, at Winnipeg, 95 cents; wheat cash close, No. 1 northern, Minneapolis, 87 to 88½ cents." It further states:

And the North Dakota farmer knows that Winnipeg prices have been higher than North Dakota prices during the 1912 crop, when it was harvested. If the North Dakota farmer has any competition to fear in selling his wheat or any other crop, it is from the Canadian northwest; and the Canada farmer, selling in the open market, has been obtaining higher prices than the American with his protected market.

As we have already passed over corn, I wish to call attention to a few facts applicable to this great commodity. For the past five years the United States has produced over 75 per cent of the world's supply of corn. The balance of the world has produced less than 25 per cent of the world's supply of corn. we produce three-fourths of the world's supply of corn against all the balance of the world, how is it possible for that other one-fourth to come here and compete with our three-fourths? If we turn to the prices of corn, we find that corn has sold cheaper in the United States, year by year, for the past 20 years, than it has in any other part of the world.

If corn is selling cheaper here than anywhere else, if we are exporting it and supplying the markets of the world, then when streams run uphill their corn will come over and compete with

But let us consider the enormous value of our corn crop. In 1910 our corn crop was worth \$1,652,822,000—the greatest of all the farmer's crops, by far. Next to it came cotton, but the

value of the corn crop was twice the value of the cotton crop.

Mr. CRAWFORD. Mr. President, if the Senator will permit me, I have heard no contention here that we should have a tariff on corn, any more than we should have a tariff on cotton. Corn is one of the grains on which this discussion has proceeded, as barley and rye and flax and wheat and I think oats are involved in it. But I have heard no contention that there should be a tariff on corn.

Mr. SMITH of Georgia. But I brought corn into the discussion, and I have brought it in because it is the farmer's greatest product, and because it is not and could not be helped by a protective tariff. The protective tariff has taxed everything which the corn producer has had to buy, and it can not be even pre-tended that it gave him a penny in return. That is why I have called attention to corn. It is dutiable now.

Why has the duty been kept upon corn, unless it was through the generosity of the Senator from New Hampshire and other Senators who represented the protected industries, who were willing to leave on corn a duty that could not add a penny to its value, while the corn grower was helping them retain duties on everything the corn grower bought?

If you take the price of wheat for the past 20 years, you will find that the price in Canada has averaged about the same as

the price in the United States.

I pass now to the next great crop of the farmer-oats.

If you take the price of oats for the past 20 years and compare the Canadian and the American prices, you will find that sometimes one was higher and sometimes the other. Usually, however, the American price ranged higher, but in no year did the American price average more than 6 cents a bushel higher than the Canadian price. So the duty of 6 cents placed upon oats by this bill, according to the experience of the past 20 years, if the object is to compensate for difference in price, will be ample compensation.

I shall not stop to speak of cotton. We produce \$850,000,000 worth of cotton. Of course the cotton grower has no protection. We do not ask it for him. It is true that \$20,000,000 of cotton came in from foreign countries last year. It is true that our long-staple cotton in Georgia has for its great competitor the Egyptian cotton. But we say to the American cotton grower, "The people must be clothed with cotton goods, and you ought not to ask to reach your hands into the pockets of the people who are to be clothed with your product and seek a higher price for it by an arbitrary standard fixed by statute."

Our oats crop amounted to \$480,000,000, and when we take corn, wheat, cotton, and oats we have \$3,750,000,000 of the

farmer's products.

The Senators are disturbed about this bill injuring the farmer. It can not lessen the market price of any of the prod-

ucts which yield this \$3,750,000,000 to the farmers.

I understood the Senator from Wisconsin [Mr. LA FOLLETTE] to concede that a duty of 15 cents a bushel on barley about equaled the difference in price, or the difference in the cost of production, as I think he put it.

Mr. WILLIAMS. He said it exceeded it, and gave a protec-

Mr. SMITH of Georgia. It exceeded it; so the barley grower is not hurt.

A duty of \$2 a ton is left on hay. The hay raiser is not hurt; and the great bulk of the hay in this country is used by the farmer himself.

Take cattle: Being the greatest corn-growing country in the world, and with a capacity to increase our production that scarcely has a limit, what better can be done for the farmer than to let the young cattle from adjoining countries come here, where, at our crib, we can feed and fatten them, and double their value, and furnish immediate use for our corn, and add at least 50 per cent to its selling price by utilizing it upon cattle? It is in the interest of the farmer to have free cattle. It will put dollars and cents into his pocket. Then where is the provision in this bill, as we offer it, that is to hurt the farmer?

There is not a Senator upon this floor who feels a deeper in-

terest in agriculture than I do.

Mr. GRONNA. Mr. President—
The VICE PRESIDENT, Does the Senator from Georgia yield to the Senator from North Dakota?

Mr. SMITH of Georgia, Yes.

Mr. GRONNA. In speaking of cattle, it developed in the debate the other day, and I believe it was agreed to by both sides of the Chamber-at least, it was agreed to by the Senator from Indiana [Mr. Shively]-that the importation price of cattle which I gave, which is the one given in the Handbook, is about \$14.20 per head. That figure refers to stockers. Twenty per cent ad valorem duty would be about \$2.80, which the farmer would have to pay. It was agreed by the same Senator that the export price of cattle was \$80. That would be \$16, at the rate of 20 per cent. The Senator from Indiana made the remark that it was a profitable business, which is true, and the difference in the transaction would be \$16 less \$2.80, or more than \$13 profit. So I can not understand the way the calculation is made by the Senator from Georgia.

Mr. SMITH of Georgia. I made no calculation upon cattle. I did not figure it out at all. But I do say that corn put into fattening cattle pays, if intelligently fed, that we have the great corn supply of the world, and that young cattle brought over here and fattened by the farmer will pay the farmer, so that free cattle can not hurt the farmer. I voted for free cattle be-

cause I believed it would help him.

I have quite decided views about the importance of the farmer to the country. I do not believe any class of our citizens should be encouraged more. I do not believe it is possible to develop a great citizenship without a great farming class. I believe the tariff system under which they have lived has reached into the pockets of the farmers and has taken from them their hard-Without stopping to make the calculation, it is earned money. a safe proposition that the farmers of this country for the past 20 years have contributed as much as \$500,000,000 a year to the protected industries of this country by reason of the protective tariff.

Mr. SMOOT. Mr. President-

The VICE PRESIDENT. Does the Senator from Georgia yield to the Senator from Utah?

Mr. SMITH of Georgia. Yes.

SMOOT. The Senator does not want us to understand that Canada is going to ship her cattle into the United States to eat our corn, does he?

Mr. SMITH of Georgia. I do not know whether she will

Mr. SMOOT. I know that she will not, Mr. President. I know that the fattest cattle-

Mr. SMITH of Georgia. One moment, Mr. President. I will yield to the Senator for a question, but not for a speech. Mr. SMOOT. No; I am not going to make a speech.

Mr. SMITH of Georgia. But the Senator was going on to tell me that he knew Canada would not ship her cattle here to be fed. If that is the question he wishes to ask me, I will answer it. If he wishes to ask me another question, I yield to him, but not for discussion.

Mr. SMOOT. Then the Senator simply says that he does not know whether Canada would ship her cattle in here to eat our corn and allow us to fatten her cattle or not? He says he

does not know as to that?

Mr. SMITH of Georgia. What I say is that if making cattle free has any effect at all upon the farmer it will cause cattle to be shipped into the United States; and if our farmer can buy the young cattle of Mexico and the young cattle of Canada and feed them our splendid supply of corn, it will pay the farmer. What will happen definitely with reference to shipments we can not tell; I have not stated. But I do insist that to make cattle free is in the interest of the farmer, and it will pay him to the same extent that it has any effect at all upon shipments.

Mr. President, what do you find if you study the product of the farmer item by item, which is the only way to consider the effect on him of the Payne-Aldrich bill, or the Dingley bill, or the McKinley bill, or the tariff bills that have been in force for half a century? If you want to know how they are to affect the farmer, you must not generalize about it. You must take what the farmer produces and sit down and figure that product. It is a dollar-and-cent calculation.

If you study the corn grower, you can see a duty does not help him. If it is wheat, I have shown that it does not help him. If it is oats, we have left a duty of 6 cents a bushel upon oats. If it is hay, we have left a duty of \$2 a ton on it. If it is eggs, we have made them free. So far as eggs are concerned, they are not good if kept very long or shipped very far unless they are handled in refrigerator cars; and then they are not fit to eat. The really good egg is the egg that is sold close to home.

If you consider the product of the farmer and figure it as a business proposition, you will see that it is not generosity for Senators representing sections dominated by protected industries to vote for a little tax on farm products. It will not pay the farmer anything. It has not paid the farmer anything. It is simply an effort to induce his approval of the protective tariff, which takes his money and gives it to those from whom he buys.

I am glad this bill cuts off the duty on the things the farmer must buy. I am glad it makes his agricultural implements free. I am glad it makes the cheap blanket free. I am glad it has cut down cotton goods to a little over 13 per cent. I am glad it has taken 60 per cent off woolen manufactured goods, that it has taken 35 per cent off cotton manufactured goods, and has made free nearly everything else the farmer has to buy.

I rejoice also for him in the reduction of 50 per cent off of linen and flax. I think the time has come when something should be done for the farmer. I think he has carried the burden for 50 years. I think that the reason to-day why men have been leaving the farm and going into the industries is that our high protective tariff has fattened the industries at the expense of the farm.

Mr. GALLINGER. Mr. President-

The VICE PRESIDENT. Does the Senator from Georgia yield to the Senator from New Hampshire?

Mr. SMITH of Georgia. Yes, sir. Mr. GALLINGER. My colleague [Mr. Hollis], as well as other Senators, have declaimed against the protected industries on the ground that they are paying starvation wages. Why should the farmer or the farmer's boy ever leave the farm and go to the manufacturing centers if that is true?

Mr. SMITH of Georgia. Even those wages are larger than the wages on the farm as a rule. Yet the bulk of the profits have not gone to the wage earners in the industry. They have gone to the owners. I do not speak particularly of New Hampshire. I had in mind particularly just then the figures of the Steel Trust; \$1,400,000,000 of stock and less than \$400,000,000 of investment; over a billion dollars of watered stock to oppress the people of this country and to increase the charges for the great base of industrial progress, to burden the manufacturers, as well as the railroads and all classes of people.

But I did not intend to enter into a discussion upon any such lines as this. I only wished to go far enough to enter my protest against the suggestion that this bill hurts the farmer, and to call attention to particular items that any man may see for himself that it helps the farmer by studying its effect on those things which he raises on his farm. I admit that the reduction on the things that he buys has not gone as far as I want it to go. I am perfectly frank about that. But our industries have purchased their machinery in markets that have added 50 per cent in many instances to a fair price for the machinery. have cut that one-half. I hope it will be cut again before a great while. I hope that we will really bring the entire tariff to a revenue basis in the course of time. But I think we have gone as far as we could in this bill now, and I believe the country will prosper under it.

Mr. GALLINGER. Mr. President-

The VICE PRESIDENT. Does the Senator from Georgia yield further to the Senator from New Hampshire?

Mr. SMITH of Georgia. Yes, sir.
Mr. GALLINGER. If the Senator will permit me, I have
been wanting to ask some Senator during this debate what he means by a tariff for revenue only. Does the Senator mean that if we could raise all our revenue by internal-revenue taxation, by an income tax, and means of that kind, he would wipe out entirely

Mr. SMITH of Georgia. No.

Mr. GALLINGER. The duty upon imports?

Mr. SMITH of Georgia. I answer the Senator, I mean a tariff levied where the object of levying it is to raise revenue and nothing else. I will say candidly to the Senator that in some of these duties we have left we have recognized existing conditions. I speak for my own mental operation in approving them. I have recognized existing conditions. I have felt that we could not afford to go as far as I would like to see the law go, lest serious injury would affect those industries in view of the position they have occupied in the past.

Mr. GALLINGER. Then, Mr. President, the Senator says he would wipe out all taxation that was protective to the industries. So the Senator would put all manufacturing industries upon an equal footing with the manufacturing industries of

Europe and Asia.

Mr. SMITH of Georgia. The Senator has not quoted me exactly.

Mr. GALLINGER. I meant to.

Mr. SMITH of Georgia. I know that. I said I would put them on a revenue basis. You could not levy a tax on a commodity produced here for revenue purposes only that might not bring some incidental protection. You could not levy a tax here the sole object of which was revenue on certain classes of goods that would not in a measure incidentally produce protection. But what I mean is this: I hope to see the time come when our industries, being reestablished with machinery that was not taxed, standing upon a basis of development as an incident to freedom from tax for those things they are called upon to buy, reaching out into the markets of the world with their products, will not seek simply to swap dollars with their fellows, but with a broadened trade, which I believe the capacity of our people makes possible, fully equal their profits now earned from their fellow citizens by their larger sales in all markets of the world.

Mr. GALLINGER. If the Senator will permit me, I join the Senator in that aspiration. But under existing conditions it is an iridescent dream. I wish to suggest to the Senator from Georgia, who is always fair in debate and courteous, that unless the duties placed upon imports are sufficient to at least equalize the difference in cost at home and abroad, a duty less than that is of no earthly account whatever, and might as well be entirely abolished. We might as well go absolutely to free trade as to exact an import duty that does not protect us so far as equaliz-

ing the cost of production is concerned.

Mr. WILLIAMS. The Senator means of no earthly account as protection?

Mr. GALLINGER. Of no earthly account as protection.

Mr. SMITH of Georgia. Mr. President, 25 years ago if I had suggested to the men producing cotton yarn under No. 20's that the tax on cotton yarn should be reduced to 5 per cent below 10's and 7½ per cent from 9's to 19's, inclusive, they would have told me it would be impossible for them to do business; that such a hope was an iridescent dream. Yet such progress has been made by these spinners that to-day they can not for a moment suggest that they can not meet the competition from abroad in any market in the world.

I do not believe 25 years will pass before all the cotton industries of the United States, growing and developing just as the lower grades have grown and developed, will be able to produce their goods on a revenue tariff of 10 per cent, and be able to enter the markets of the world as well as to supply their fellow citizens at a lower price. If not many years ago we had suggested free pig iron and free steel billets, the friends of these industries would have told us, "You are going to destroy us." Yet we now fix the market of pig iron in the United States for the world, and we can produce bar steel cheaper than it can be produced in any other part of the world.

I believe it will help industries to take them out of the hothouse. You can not take a plant out of a hothouse instantly and put it where it is exposed to the weather. You must do it

by degrees.

What I meant when I said I hoped for progress, and what I meant when I said in this bill I had voted for duties higher than those I wished, was to consider them as a hothouse plant, a plant that ought to have been out in the sunlight but has been hothoused. We have not put them out completely, but we have put them out a good part of the way, and we expect them to grow and to flourish.

I earnestly hope for the prosperity of every industry in the

United States.

Mr. GALLINGER. Do I understand the Senator to say, representing himself if not his party, that he believes the Democratic Party is to get entirely rid of tariff duties?

Mr. SMITH of Georgia. I have not undertaken to speak for

the Democratic Party at all.

Mr. GALLINGER. Speaking for the Senator himself?

Mr. SMITH of Georgia. I expressed the hope, and I have illustrated my hope by the present ability of manufacturers of low-grade cotton goods, that a few years ago would have told us they were ruined by a 5 per cent duty or a 71 per cent duty, now being able to go to the world with ease and prosperity. believe the Senator from New Hampshire would be delighted to see the day when the New England mills handling the finest fabrics, which they have only been handling for a few years and in the handling of which they are improving every day, could compete successfully in the free markets of the world. I have such confidence in our fellow citizens of New England and in their genius that I believe they will meet the occasion and eventually be able to ship their fine goods all over the

Mr. GALLINGER. I again join with the Senator in his aspiration. I am one of those who believe that free trade is the ideal condition, but unfortunately it is not susceptible of being put into practical operation. I have been wondering just how soon the Senator would get to that point and take chances that I am unwilling to take. I do not think the Senator will even please our southern friends by declaring himself in favor of

absolute free trade.

Mr. SMITH of Georgia. The Senator has declared himself

for nothing of the kind.

Mr. GALLINGER. Then I have misunderstood the Senator. The Senator hopes for it, and I thought his illustration indicated that he expected to reach it not in the distant future.

Mr. SMITH of Georgia. The Senator meant just what he said, all that he said, and no more than he said. The Senator expressed the hope that the industries engaged in producing the highest class of cotton manufactured goods might in the end, like the industries now producing the cheapest class of goods, be able to master the markets of the world. This bill expresses the Senator's view of what should be done now to a large extent, but not on every item. I could not hope to see a tariff bill that met in every item what I believe in; and if I worked out one by myself and then thought of it for 30 days longer I do not believe every item would be what I approved. But, take it as a whole, I believe in it, and I think it has gone as far as it could.

Mr. GALLINGER. What attracted my attention particularly—and the Senator is not the only Senator who has made the suggestion; my amiable colleague [Mr. Hollis] made it the other day-was that this is the first step, and that the Democratic Party intend to proceed along the same highway until they accomplish more than is accomplished in this bill, and I was wondering how rapidly our Democratic friends in-

tended to go in the direction of free trade.

Mr. SMITH of Georgia. Mr. President, it is impossible for us to tell the Senator that. I have illustrated the rapidity with which I wish to go. It would depend upon the rapidity with which certain progress is made. I believe progress will be made. I have the confidence that it will be made; but what I was seeking to press was that the bill puts dollars into the pockets of the farmers of the country. This bill takes burdens off the farmers of this country and, as I believe, the country has no greater hope than from a farm population. As I believe in developing and relying for our very best citizenship upon our farm population, I rejoice that I see in the bill service to the American farmer.

Mr. TOWNSEND and Mr. WILLIAMS addressed the Chair. Mr. WILLIAMS. Can we not have a vote now on the pending

amendment?

The VICE PRESIDENT. The Senator from Michigan.

Mr. WILLIAMS. We have debated all of to-day and half of yesterday upon one paragraph of the bill.

Mr. TOWNSEND. I shall not occupy one-half the time the Senator from Mississippi has done.

Mr. WILLIAMS. Oh, well, that does not cut much figure. Everyone knows that the Senator from Mississippi happens to be in charge of this portion of the bill, and he is therefore com-

pelled to occupy some little time.

Mr. TOWNSEND. Mr. President, I have no disposition to delay action on this amendment, and I should not say anything at this time were it not for the fact that on yesterday Senators referred to some remarks made by me in 1911, when the so-called Canadian reciprocity bill was before the Senate. It is true that I supported that bill at that time and I stated my reasons for so doing. So far as they apply to that measure and the conditions which attended it, they expressed my convic-

That bill, however, was not the same as this one, and besides I have seen some reasons why my position at that time was not the correct one as viewed by a majority of the American people.

That measure was a proposition to enter into reciprocal trade relations with Canada whereby both Nations were supposed to receive benefits. We gave up something in exchange for something received. I did not think at that time, nor do I think now, that many of the agricultural products of the United States cost much more to produce here than they cost in Canada, and believing as I did then and as I do now, in a protective tariff, which is one which measures approximately the difference in the cost of production here and abroad, I supported the measure. I did not do it, however, for the direct benefits which might grow out of the pact, but there were other things which induced my vote.

I realized that at that time Congress had passed the Payne tariff bill containing the maximum and minimum provisions, and owing to Canada's preferential rates to England that provision would be attended with peculiar difficulties of administration unless relieved by reciprocal trade relations. I also saw the mighty possibilities which lay in the boundary waters between the two countries, and I believed that these waterways could and should be improved for the mutual benefit of both Nations, so that the Atlantic seaboard could be extended to the Great Lakes, to the very heart of the Western Continent; and I felt that reciprocity might aid in hastening the consummation of this desirable result; hence my action in the matter.

But, I repeat, that measure was not this one. Under this bill our farmers as well as our manufacturers will be compelled to compete with nations in which the cost of production is admittedly much less than the cost of production in the United States, and no tariff will be imposed to equalize such conditions,

I have confidence in the intellectual integrity and honesty of the Senator from Georgia [Mr. SMITH]. I have no doubt he believes that this will be a benefit to the farmer. I certainly have no doubt that he does not wish to injure the farmer. But I can not follow his logic, because it seems to me absolutely necessary to come to the conclusion that this discrimination against the farmers of the country can not possibly result in their benefit. It must, therefore, it seems to me, result in their injury. We have a market here which has been built up under the protective system, and I make no apology for protection. I believe in it as an economic policy when applied to the United States. We have built up a social condition here, a condition of living, which is the envy of the world. Whatever Senators may say as to isolated cases where men are employed at too low wages, it is an undisputed fact that wages and conditions of living in the United States are much better, much higher, than those which obtain in any other country in the world.

Sir, it seems to me that we are forced to the inevitable conclusion that if we are to go to a competitive basis, as has been stated we shall go, then the conditions of competition must be the same in every material respect.

The Senator from Georgia [Mr. SMITH] cites cases mentioned by the junior Senator from New Hampshire [Mr. Hollis], where wages are low in some of the factories, still he admits they are higher than those paid upon the farm. To me the conclusion is inevitable that, if we are going into competition with other countries we must compete with them as to wages; if we are going to compete with them as to wages, our laborers must compete with foreign laborers as to the conditions of living. I do not believe that any thoughtful patriotic American wants to see the condition either of our farmers or our laborers worse than it is to-day.

Mr. President, I am not frightened about high prices; they do not disturb me very much. I recognize the fact that artificial prices, which are made possible by combinations between producers, ought to be remedied, but the tariff is not the

remedy; repealing the tariff will not cure that evil.

I know of no rule or policy consistent with general prosperity whereby all men can secure good prices for what they sell and obtain at low prices the things they buy. There must be a buyer for every seller. If the consumer pays a small price the producer can not receive a large one. That is inevitable.

I have said that this bill is discriminatory against the farmer and therefore I object to it. I believe in the farmer. It has been the proud boast of public men that they were born and reared upon the farm; I myself happen to have that distinguished honor. My childhood and early manhood were passed upon the farm, for which I have always been grateful. The farm is a good place to be born; it will be well to cherish and protect it.

I do not believe the farmers are being fooled, as the Senator from Mississippi [Mr. WILLIAMS] said the other day. They have not been "fooled by the Republican Party" during past years. If there is one class in this country who on the average are higher in moral and intellectual intelligence than another I believe it to be the farming class. They are not fooled; understand what is going on; they understand their relation to

the fiscal policy of this Government; and yet Senators take the floor and in spite of the bill, which is clearly understandable, state that it is not going to injure the agriculturist. They say his prices will remain as they are now, or possibly they may increase as a result of the passage of this measure. But if this bill is not going to reduce prices, if it is not going to cheapen the cost of living, why do this vain thing? Why single out the farmer and say to him that his products shall be placed upon the free list, while all other products shall have some nominal protection retained upon them? The measure would, at least, look better if the products of agriculture in the North were treated as other products are.

I am in favor of a tariff on manufactured articles where the legitimate cost of their production here is higher than it is abroad. I believe in it not only because prosperous American manufacturers are desirable to the welfare of our urban population, but to the farmer himself. The best possible industrial condition is one which exists under diversified industries, where the factory is close to the farm. Our phenomenal growth as a nation has been achieved under such conditions. Now, when we have reached a point where the policy that we have followed is of some value to the farmer, we say to him that we are going to open the market for which he has toiled and waited to the pauper-produced products of all other nations. This certainly can do him no good. He will get no benefit from it. What do the proponents of the measure hope to accomplish by placing farm products on the free list? Some say such action will not reduce the price of these products. Then why do it?

There must have been some reason why this was done. real fact is that it is expected that farm products will be cheapened and thus the cost of living will be reduced. Will this be fair to the farmer? Will it encourage agriculture? Mr. President, it is not the Republican Party that is fooling the farmer; it is this Democratic administration that is trying to fool him, but he will not be fooled. He knows. It will not convince the farmer of the justice of this bill for Senators to grow eloquent over the imaginary benefits which may come from this change in our fiscal policy, but they will learn their lesson from the actual operation of the law.

I have said this much because of the quotation from my 1911 speech by the junior Senator from Montana [Mr. Walsh]. I voted and spoke for Canadian reciprocity. However defective that measure may have been, it was but a political mistake. This bill is not only a political mistake, but it will also be an industrial one, and its disastrous results will fall heaviest upon one of our most useful, industrious, and patriotic citizens-the American farmer.

Mr. WILLIAMS. Mr. President, having listened very attentively to the confession of the Senator's sins, can we not now have a vote upon the pending amendment to this paragraph?

The VICE PRESIDENT. As the Chair remembers, there was a request for the yeas and nays on the amendment, made by the Senator from North Dakota [Mr. Gronna]. Is the request seconded?

The yeas and nays were ordered.

Mr. BRISTOW. As I understand, we are now to vote on the committee amendment to strike out the paragraph and to put wheat on the free list?

The VICE PRESIDENT. That is the question. The Secretary will call the roll.

The Secretary proceeded to call the roll.
Mr. CHILTON (when his name was called). I have a general pair with the junior Senator from Maryland [Mr. Jackson], and therefore withhold my vote.

Mr. SHEPPARD (when Mr. Culberson's name was called). My colleague [Mr. Culberson] is necessarily absent. He is paired with the Senator from Delaware [Mr. DU PONT].

Mr. BRISTOW (when Mr. CUMMINS's name was called). desire to state that the Senator from Iowa [Mr. Cummins] is necessarily absent. He is paired with the senior Senator from Nebraska [Mr. Hitchcock].

Mr. JAMES (when his name was called). I have a general pair with the junior Senator from Massachusetts [Mr. Weeks].

I transfer that pair to the junior Senator from Tennessee [Mr. Shields] and vote. I vote "yea."

I desire to state while on my feet that my colleague [Mr. Bradley] is detained from attendance here by reason of illness, but he has a general pair with the Senator from Indiana [Mr. KERN]. I ask that this announcement stand for the day.

Mr. KERN (when his name was called). I have a general pair with the senior Senator from Kentucky [Mr. Bradley], and therefore withhold my vote. If I were at liberty to vote, I should vote "yea."

Mr. GRONNA (when Mr. McCumber's name was called). wish to state that my colleague [Mr. McCumber] is necessarily absent on account of illness in his family. He is paired with cent per pound; bran and middlings, 15 of 1 cent per pound.

the senior Senator from Nevada [Mr. Newlands]. I wish this announcement to stand for the remainder of the day.

Mr. PENROSE (when Mr. OLIVER's name was called). colleague [Mr. OLIVER] is unavoidably detained from the Chamber. He has a general pair with the senior Senator from Oregon [Mr. CHAMBERLAIN].

Mr. REED (when his name was called). I have a pair with the Senator from Michigan [Mr. SMITH], and therefore with-

Mr. TOWNSEND (when the name of Mr. Smith of Michigan was called). My colleague [Mr. SMITH of Michigan], who is paired with the junior Senator from Missouri [Mr. Reed], is unavoidably detained from the Senate. If my colleague were present, he would vote "nay" on this amendment.

Mr. THOMAS (when his name was called). I have a general pair with the senior Senator from New York [Mr. Root].

I transfer that pair to the Senator from Oklahoma [Mr. Gore] and will vote. I vote "yea."

Mr. WARREN (when his name was called). I have a pair with the senior Senator from Florida [Mr. Fletcher]. I transfer that pair so that the Senator from Florida may stand paired with the Senator from Maine [Mr. Burleigh], and I will vote. I vote "nay."

The roll call was concluded.

Mr. SMOOT. I desire to announce that the junior Senator from Wisconsin [Mr. Stephenson] and the senior Senator from Delaware [Mr. DU PONT] are unavoidably detained from the

Senate. I will allow this announcement to stand for the day.

Mr. CHAMBERLAIN. I have a general pair with the junior Senator from Pennsylvania [Mr. OLIVER]. In his absence I

withhold my vote.

Mr. REED. I transfer my pair with the Senator from Michigan [Mr. SMITH] to the Senator from Oklahoma [Mr. Owen] and will vote. I vote "yea."

Mr. FLETCHER. I inquire if the Senator from Wyoming [Mr. Warren] has voted?

Mr. WARREN] has voted?

Mr. WARREN. I will say to the Senator from Florida that I have transferred my pair with him to the Senator from Maine [Mr. Burleigh], and I have voted. If the Senator wishes to vote, of course I will withdraw the transfer.

Mr. FLETCHER. If the Senator has voted, then I will vote. I vote "yea."

Mr. SMITH of Maryland. The Senator from Delaware [Mr. SAULSBURY] is unavoidably absent. He is paired with the Sen-

ator from Rhode Island [Mr. Colt].
Mr. GALLINGER. I have been requested to announce that the Senator from Rhode Island [Mr. Colt] is paired with the Senator from Delaware [Mr. SAULSBURY] and that the Senator from West Virginia [Mr. Goff] is paired with the Senator from Alabama [Mr. Bankhead]. I will also announce that the Senator from Wisconsin [Mr. Stephenson], the Senator from Maine [Mr. Burleigh], the Senator from California [Mr. Works], and the Senator from New Mexico [Mr. Fall] are absent and unpaired.

The result was announced—yeas 37, nays 32, as follows:

1184	YE	AS-37.	
Ashurst Bacon Bryan Clarke, Ark. Fletcher Hollis Hughes James Johnson Lane	Lea Lewis Martine, N. J. Myers O'Gorman Overman Pittman Pomerene Reed	Robinson Shafroth Sheppard Shively Simmons Smith, Arlz. Smith, Ga. Smith, Md. Smith, S. C. Stone	Swanson Thomas Thompson Tillman Vardaman Walsh Williams
	NA	YS-32.	
Borah Brady Brandegee Bristow Burton Catron Clapp Clark, Wyo.	Crawford Dillingham Gallinger Gronna Jones Kenyon La Follette Lippitt	Lodge McLean Nelson Norris Page Penrose Perkins Poindexter	Ransdell Sherman Smoot Sterling Sutherland Thornton Townsend Warren
		OTING-26.	
Bankhead Bradley Burleigh Chamberlain Chilton Colt Culberson	Cummins du Pont Fall Goff Gore Hitchcock Jackson	Kern McCumber Newlands Oliver Owen Root Saulsbury	Shields Smith, Mich. Stephenson Weeks Works

So the amendment of the committee was agreed to.

Mr. GRONNA. Mr. President, yesterday I asked the consent of the Senate to modify the amendment I offered in accordance with the amendment which I now send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The Secretary. On page 56, after line 17, it is proposed to insert as a new paragraph the following;

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from North Dakota.

Mr. NELSON. I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CHAMBERLAIN (when his name was called). I again announce my pair with the junior Senator from Pennsylvania [Mr. OLIVER]. In his absence, I withhold my vote. If permitted to vote, I should vote "nay."

Mr. JAMES (when his name was called). I transfer the pair I have with the Senator from Massachusetts [Mr. Weeks] to the Senator from Tennessee [Mr. Shields] and will vote. I vote "nay."

Mr. KERN (when his name was called). On account of my pair with the Senator from Kentucky [Mr. Bradley] I with-

hold my vote.

Mr. TOWNSEND (when the name of Mr. SMITH of Michigan was called). I desire to make the same announcement as I did a moment ago as to the absence of my colleague the senior Senator from Michigan [Mr. SMITH]. I ask that this announcement stand for the remainder of the day.

Mr. THOMAS (when his name was called). I again transfer my pair with the senior Senator from New York [Mr. Root] to the Senator from Oklahoma [Mr. Gore] and vote. I vote

"nav."

The roll call was concluded.

Mr. CHAMBERLAIN. I transfer my pair with the Senator from Pennsylvania [Mr. OLIVER] to the Senator from South Carolina [Mr. TILLMAN] and vote. I vote "nay."

Mr. CHILTON. I desire to announce my pair as on the

previous vote, and withhold my vote.

Mr. REED. I transfer my pair with the Senator from Michigan [Mr. SMITH] to the Senator from Oklahoma [Mr. Owen] and will vote. I vote "nay."

Mr. CLARKE of Arkansas (after having voted in the negative). I desire to inquire whether or not the junior Senator from Utah [Mr. Sutherland] has voted?

The VICE PRESIDENT. The Chair is informed that that Senator has not voted.

Mr. CLARKE of Arkansas. Then I withdraw my vote.

Mr. BRISTOW. I am requested by the senior Senator from Iowa [Mr. Cummins] to state that he is necessarily absent and is paired with the senior Senator from Nebraska [Mr. HITCH-

The result was announced—yeas 31, nays 36, as follows:

THE PESHIE	YE	AS-31.	00, 00 20110110
Borah Brady Brandegee Bristow Burton Catron Clapp Clark, Wyo.	Crawford Dillingham Gallinger Gronna Jones Kenyon La Follette Lippitt	Lodge McLean Nelson Norris Page Penrose Perkins Poindexter VS—36.	Ransdell Sherman Smoot Sterling Thornton Townsend Warren
Ashurst Bacon Bryan Chamberlain Fletcher Hollis Hughes James Johnson	Lane Lea Lewis Martin, Va. Martine, N. J. Myers O'Gorman Overman Pittman	Pomerene Reed Robinson Shafroth Sheppard Shively Simmons Smith, Ariz. Smith, Ga.	Smith, Md. Smith, S. C. Stone Swanson Thomas Thompson Vardaman Walsh Williams
	NOT V	OTING-28.	
Bankhead Bradley Burleigh Chilton Clarke, Ark. Colt Culberson	Cummins du Pont Fall Goff Gore Hitchcock Jackson	Kern McCumber Newlands Oliver Owen Root Saulsbury	Shields Smith, Mich. Stephenson Sutherland Tillman Weeks Works

So Mr. Gronna's amendment was rejected.

The reading of the bill was resumed, and the Secretary read paragraph 199, on page 56, as follows:

199. Biscuits, bread, wafers, cakes, and other baked articles, and puddings, by whatever name known, containing chocolate, nuts, fruit, or confectionery of any kind, and without regard to the component material of chief value, 25 per cent ad valorem.

Mr. PENROSE. Mr. President, I do not intend to take up more than a minute of the time of the Senate in regard to this paragraph. I only wish to call the attention of the Senate to some information which I have here from a person in the business of manufacturing biscuits. He states that skilled bakers in foreign countries receive, on an average, less than \$7.50 per week, and that a great many bakers are working at a wage of from five to six dollars per week. This communication goes on to declare that the good bakers in this country receive from fifteen to thirty dollars a week, and that this enormous difference in the wages would impose a severe handi-

cap upon any American manufacturer should this reduction in the tariff come about. The result, it is declared, on account of this great difference in wages, would be a very large reduction in the number of persons employed, or else a very large reduction in their present rate of wages.

Perhaps the Senator from Mississippi views this statement with indifference, or perhaps he has some information which will contradict the assurance made in this communication.

Mr. WILLIAMS. I view it with indifference and regard it as irrelevant, both.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in paragraph 200, page 56, line 24, after the word "substitutes," to strike out "3" and insert "2½," so as to make the paragraph

200. Butter and butter substitutes, 21 cents per pound.

Mr. DILLINGHAM. Mr. President, I should be glad if the Senator in charge of this part of the bill would let that paragraph go over until to-morrow morning. I propose to submit some remarks generally upon the bill, and especially upon this paragraph of it.

Mr. WILLIAMS. I agree to that.

The VICE PRESIDENT. Paragraph 200 will be passed over.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in paragraph 201, page 57, line 1, after the word "therefor," to strike out "20 per cent ad valorem" and insert "2½ cents per pound," so as to make the paragraph read:

201. Cheese and substitutes therefor, 21 cents per pound.

Mr. GRONNA. Mr. President, I do not wish to take the time of the Senate further than to offer an amendment to the amendment of the committee and ask to have a statement printed in connection with it.

The VICE PRESIDENT. If there be no objection, the statement will be printed.

The matter referred to is as follows:

CHEESE.

Canadian rate: 3 cents per pound.
Payne rate: 6 cents per pound.
Dingley rate: 6 cents per pound.
Wilson rate: 4 cents per pound.
Imports, 1912: 46,017,406 pounds; value, \$8,683,947; revenue,
\$2,760,899.81.

7.760,899.81. Exports, 1912: 6,337.559 pounds; value, \$898,035. Production, 1909: 320,532,181 pounds; value, \$44,388,632.

International trade in cheese in 1911.

Country.	Exports.	Imports.
Algeria Argentina Australia Austria-Hungary Belgium Brazil British South Africa Bulgaria Canada Cuba Denmark Egypt France Germany	Pounds. 7,549,046 169,179,147 28,620,779 2,178,806	Pounds. 6, 182, 369, 10, 845, 391 10, 845, 391 12, 473, 406 29, 641, 555 3, 241, 214 5, 039, 056 4, 807, 741 1, 203, 491 1, 203, 491 49, 422, 723 45, 954, 446
Italy Netherlands New Zealand Russia Spain Switzerland United Kingdom United States Other countries	61, 403, 181 113, 607, 416 49, 187, 448 8, 945, 249 66, 593, 470 13, 781, 176 10, 369, 000	4,008,810 4,929,248 7,643,789 257,133,744 45,447,329
Total	531, 414, 758	18,550,000 527,686,523

PRODUCTION OF CHEESE IN 1909. United States, 320,532,181 pounds.

States reporting 1,000,000 pounds or more.

Pounds. 105, 584, 947 12, 676, 713 12, 473, 834 4, 881, 153 13, 673, 336
 Vermont
 3, 008, 540

 New York
 105, 584, 947

 Pennsylvania
 12, 676, 713

 Ohio
 12, 473, 834

 Illinois
 4, 881, 153

 Michigan
 13, 673, 336

 Wisconsin
 148, 906, 910

 Minnesota
 2, 841, 958

 Iowa
 1, 078, 097

 Utah
 1, 144, 224

 Oregon
 4, 388, 158
 Oregon ______California _____

The VICE PRESIDENT. The amendment offered by the Senator from North Dakota will be stated.

The Secretary. In paragraph 201, line 2, in the committee amendment, it is proposed to strike out " $2\frac{1}{2}$ " and insert "3," so that, if amended, it will read:

Cheese and substitutes therefor, 3 cents per pound.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from North Dakota to the amendment of the committee.

The amendment to the amendment was rejected.

The VICE PRESIDENT. The question now recurs upon the amendment of the committee.

The amendment of the committee was agreed to.

The reading of the bill was resumed, and the Secretary proceeded to read paragraph 202, on page 57.

Mr. GRONNA. Mr. President, before we consider paragraph 202 I wish to offer an amendment, which I send to the desk.

The VICE PRESIDENT. The amendment will be stated. The SECRETARY. On page 57, after line 2, it is proposed to insert a new paragraph, to read as follows:

2011. Milk, fresh, 2 cents per gallon; cream, 5 cents per gallon.

Mr. GRONNA. Mr. President, I shall not take up any of the time of the Senate in discussing this paragraph, but will simply state that I do not believe we should place these articles on the free list. In order not to delay the Senate, however, I will simply ask to have a statement printed in the RECORD.

The VICE PRESIDENT. If there be no objection, that order

will be made.

The matter referred to is as follows:

MILE AND CREAM.

Canadian rates: Condensed milk, 32 cents per pound, including weight of package; milk foods not otherwise provided for, 25 per cent ad valorem.

l valorem.

Payne rates: Milk, 2 cents per gallon; cream, 5 cents per gallon, Dingley rate: Milk, 2 cents per gallon.

Wilson rates: Milk, free; cream, 10 per cent ad valorem.

Imports, 1912.

	Quantity.	Value.	Revenue.
Milk, fresh. gailons. Cream. gailons. Milk, condensed or sterilized. pounds. Sugar of milk pounds.	46,8233 1,120,2404 698,176 2,697	\$8, 282. 90 923, 786, 80 49, 955. 25 1, 731. 00	56, 612. 03 13, 963. 52

Exports, 1912: Condensed milk 20,642,738 pounds, value \$1,651,879; all other milk, including cream, value \$244,913.

Production of milk in 1909. Gallons

	Gamons.
United States	5, 813, 699, 474
BY STATES.	
Maine	56, 026, 334
New Hampshire	
Vermont	
Massachusetts	86, 304, 347
	10, 441, 951
Rhode Island	45, 749, 849
Connecticut	597, 363, 198
New York	
New Jersey	67, 608, 219
Pennsytvania	336, 208, 572
Ohio	307, 590, 755
Indiana	194, 736, 962
Illinois	320, 240, 339
Michigan	283, 387, 201
Wisconsin	458, 327, 649
Minnesota	273, 319, 603
Iowa	318, 953, 506
Missouri	188, 297, 972
North Dakota	70, 637, 899
South Dakota	82, 428, 514
Nebraska	160, 610, 359
Kansas	172, 742, 767
Defaware	7, 859, 857
Maryland	41, 094, 421
District of Celambia	555, 342
Virginia West Virginia	95, 555, 051
West Virginia	71, 230, 033
North Carolina	82, 601, 779
South Carolina	37, 361, 666
Georgia	74, 908, 776
Florida	
Kentucky	125, 566, 917
Tennessee	117, 101, 970
Alabama	78, 728, 345
Mississippi	79, 079, 293
Arkansas	83, 081, 875
Louisiana	32, 702, 130
Oklahoma	103, 577, 644
Texas	197, 039, 954
Montana	16, 982, 145
Idaho	
Wyoming	6 452 694
Colorado	6, 453, 634 33, 631, 732
New Mexico	
Arizona	
Utah	20, 486, 317
Nevada	
Washington	
Oregon	56, 106, 599
California	154, 901, 956
CHIIOTHIA	101, 001, 000

The VICE PRESIDENT. The question is on the amendment offered by the Senator from North Dakota.

The amendment was rejected.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in paragraph 203, page 57, line 5, after the word "Beets," to strike out "10 per cent ad valorem; sugar beets" and insert "of all kinds," so as to make the paragraph read:

203. Beets of all kinds, 5 per cent ad valorem.

The VICE PRESIDENT. The question is on the amendment of the committee.

The amendment was agreed to.

The reading of the bill was resumed, and the Secretary read paragraph 204, page 57, as follows:

204. Beans, peas, prepared or preserved, or contained in tins, jars, bottles, or similar packages, including the weight of immediate coverings, 1 cent per pound; mushrooms and truffles, 2½ cents per pound.

Mr. WILLIAMS. Mr. President, I ask that that paragraph may go back to the committee, because I want to suggest to the committee, after the word "truffles," the insertion of the words "including the weight of immediate coverings," which are omitted from the bill as it stands.

The VICE PRESIDENT. If there be no objection, the para-

graph will go back to the committee.

Mr. SMOOT. Why not make it now? Mr. WILLIAMS. Mr. President, it has been suggested that I make the motion now to put in those words. I therefore move that, after the word "truffles," in line 10, the words "including the weight of immediate coverings" be inserted.

The VICE PRESIDENT. The amendment will be stated. The Secretary. In paragraph 204, after the word "truffles" and the comma, in line 10, it is proposed to insert:

Including the weight of immediate coverings.

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in paragraph 208, page 57, line 21, after the numerals "208," to paragraph 208, page 57, line 21, after the numerals "208," to strike out "Eggs not specially provided for in this section, 2 cents per dozen; eggs," and to insert "Eggs"; and, on page 58, line 1, after the word "containers," to strike out "2½" and insert "2"; and, in the same line, after the word "pound." to insert a semicolon and the words "frozen or liquid egg albumen, 1 cent per pound," so as to make the paragraph read:

208. Eggs frozen or otherwise prepared or preserved in tins or other packages, not specially provided for in this section, including the weight of the immediate coverings or containers, 2 cents per pound; frozen or liquid egg albumen, 1 cent per pound.

Mr. GRONNA. Mr. President, I wish to offer an amendment

to this paragraph.

The egg industry is a tremendous industry. It was protected by a duty of 5 cents per dozen in the present law. It was protected by a duty of 5 cents per dozen under the Dingley law and 3 cents per dozen under the Wilson law. Canada has a duty of 3 cents per dozen on eggs. I am offering an amendment to provide a duty of 3 cents.

I do not wish to take up the time of the Senate further. Mr. WILLIAMS. But, Mr. President, if I am not mistaken, the Senator offered that amendment just a few minutes ago, and it was voted down.

Mr. GRONNA. No. I will say to the Senator this is on eggs. Mr. WILLIAMS. I thought the Senator had offered an amendment on eggs.

Mr. GRONNA. No.

Mr. WILLIAMS. Very well.
Mr. GALLINGER. I will ask the Senator from North Dakota if he can give the production of eggs in this country? I remember having looked it up in some former debate, and I found it was enormous

Mr. GRONNA. Yes; I will say to the Senator from New Hampshire that the production of eggs in 1912 was 1,700,000,000 dozen. I have here a statement of the number of dozen produced in the different States. The imports of eggs for 1912 were 1,098,703 dozen, of the value of \$150,986. They brought in a revenue of \$54,935. The exports were more than 15,000,000 dozen, of a value of \$3,395,952. But I do not want to delay the Senate. I simply ask to have this statement printed in the

The VICE PRESIDENT. In the absence of objection, that order will be made.

The matter referred to is as follows:

Canadian rate: 3 cents per dozen, Payne rate: 5 cents per dozen, Dingley rate: 5 cents per dozen, Wilson rate: 3 cents per dozen.

Imports, 1912: 1,098.703 dozen; value, \$150.986; revenue, \$54,935.
 Exports, 1912: 15,405,609 dozen; value, \$3,395,952.
 Production of eggs in 1912: 1,700,000,000 dozen.

Production in 1909 by States.	Dozen.
Maine New Hampshire	14, 935, 959
New Hampshire	7, 499, 470
Vermont	7, 037, 082
Massachusetts	14, 145, 240
Rhode Island	2, 894, 081
Connecticut	8, 566, 343
New York	72, 349, 034
New Jersey	14, 842, 859
Pennsylvania	74, 729, 705
Ohio	100, 889, 599
Indiana	80, 755, 437
Illinois	100, 119, 418
Michigan	59, 915, 851
Wisconsin	50, 623, 813
Minnesota	53, 807, 974
Iowa	109, 760, 487
Missouri	111, 816, 693
North Dakota	17, 294, 322
South Dakota	25, 067, 489
Nebraska	46, 929, 923
Kansas	81, 659, 304
Delaware	4, 448, 482
Maryland	15, 533, 732
District of Columbia	51, 945
Virginia	35, 100, 693
Virginia	19, 159, 008
North Carolina	-23, 556, 124
South Carolina	11, 049, 468
Georgia	20, 793, 359
Florida	6, 380, 956
Kentucky	44, 313, 377
Tennessee	42, 043, 104
Alabama	22, 234, 713
Mississippi	20, 542, 487
Arkansas	27, 054, 674
Louisiana	14, 657, 544
Oklahoma	46, 000, 600
Texas	77, 845, 047
Montana	6, 004, 051
Idaho	6, 492, 270
Wyoming	2, 091, 716
Colorado	10, 652, 396
New Mexico	2, 976, 233
Arizona	1, 744, 081
Utah	4, 672, 866
Nevada	870, 489
Washington	870, 489 16, 472, 575
Oregon	11, 906, 903
California	41, 022, 395
Mr. WADDIN IV. II. G. I. II. I. A.I	

Mr. WARREN. Has the Senator the value of the total pro-

duction of eggs in the United States?

Mr. GRONNA. I did not calculate that, but it exceeds \$400,000,000.

I offer an amendment, which I send to the desk.

Mr. BRISTOW. As I understand the Senator's amendment, it provides for a duty of 3 cents a dozen instead of 5 cents a

dozen, the present duty?

Mr. GRONNA. Yes; it is to impose a duty of 3 cents a dozen, which is a reduction of 2 cents from the present law.

Mr. LODGE. Of course if the first part of the committee amendment is adopted, that will strike out "eggs" entirely, for the rest of the paragraph provides only for frozen and preserved eggs

Mr. GRONNA. Yes; the Senate bill places eggs on the free list. Mr. LODGE. The House bill gave them a duty of 2 cents a

Mr. GRONNA. Yes; the House bill gave them a duty of 2 cents a dozen.

Mr. LODGE. Then the amendment offered by the Senator from North Dakota is to the House paragraph, affecting it before it is stricken out.

Mr. WILLIAMS. Mr. President, in this case I think the Senate amendment should come first; should it not? Should

we not perfect the paragraph first?

The VICE PRESIDENT. The Chair thinks not in this case. The amendment of the Senator from North Dakota is really an amendment to the committee amendment.

Mr. WILLIAMS. All right; perhaps the Chair is right.

The VICE PRESIDENT. The Secretary will state the amendment of the Senator from North Dakota to the amendment of the committee.

The Secretary. In lieu of so much of the committee amendment as strikes out down to "egg," in line 22, it is proposed to insert: "Eggs not specially provided for in this section, 3 cents per dozen."

Mr. SHIVELY. I simply want to note that the exports for the fiscal year ended June 30, 1913, were 20,409,390 dozen, as against imports of 1,367,223 dozen, or the exports as compared with the imports were in the ratio of 15 to 1.

Mr. GRONNA. Mr. President, I also gave the exports and

imports of \$205,832, or \$21 worth of exports to \$1 worth of imports.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from North Dakota to the amendment of the committee

Mr. CRAWFORD and Mr. WARREN called for the yeas and nays, and they were ordered.

The Secretary proceeded to call the roll.

Mr. CHAMBERLAIN (when his name was called). I again announce my pair with the junior Senator from Pennsylvania [Mr. OLIVER], which I transfer to the senior Senator from South Carolina [Mr. TILLMAN], and vote "nay."

Mr. CHILTON (when his name was called). I announce my pair with the junior Senator from Maryland [Mr. Jackson] I announce my

and withhold my vote.

Mr. JAMES (when his name was called). I again transfer the pair I have with the Senator from Massachusetts [Mr. Weeks] to the Senator from Tennessee [Mr. Shields] and I vote "nay."

Mr. KERN (when his name was called). In the absence of the Senator from Kentucky [Mr. Bradley], I withhold my vote. Mr. NELSON (when his name was called). I have a general

pair with the senior Senator from Georgia [Mr. BACON]. believe he has not voted. I transfer that pair to the junior Senator from Wisconsin [Mr. Stephenson] and vote. I vote

Mr. REED (when his name was called). I transfer my pair with the Senator from Michigan [Mr. SMITH] to the Senator from Oklahoma [Mr. Owen] and vote. I vote "nay."

Mr. THOMAS (when his name was called). I again transfer my pair with the Senator from New York [Mr. Root] to the Senator from Oklahoma [Mr. Gore] and vote "nay."

The roll call was concluded.

Mr. CHAMBERLAIN (after having voted in the negative). I withdraw my vote, because the senior Senator from South Carolina [Mr. TILLMAN] has entered the Chamber. I will let my pair with the Senator from Pennsylvania [Mr. OLIVER] stand.

The result was announced—yeas 28, nays 35, as follows:

	YE	AS—28.	
Brady Brandegee Bristow Burton Catron Clark, Wyo, Crawford	Dillingham Gallinger Gronna Jones Kenyon La Follette Lippitt	Lodge McLean Nelson Norris Page Penrose Perkins	Poindexter Sherman Smoot Sterling Thornton Townsend Warren
	NA	YS-35.	
Ashurst Bryan Fletcher Hollis Hughes. James Johnson Lane Lea	Lewis Martin, Va. Martine, N. J. Myers O'Gorman Overman Pittman Pomerene Reed	Robinson Shafroth Sheppard Shively Simmons Smith, Ariz. Smith, Ga. Smith, Md. Smith, S. C.	Stone Swanson Thomas Thompson Tillman Vardaman Walsh Williams
	NOT V	OTING-32.	
Bacon Bankhead Borah Bradley Burleigh Chamberlain Chilton Clapp	Clarke, Ark. Colt Culberson Cummins du Pont Fall Goff Gore	Hitchcock Jackson Kern McCumber Newlands Oliver Owen Ransdell	Root Saulsbury Shields Smith, Mich. Stephenson Sutherland Weeks Works

So Mr. Gronna's amendment to the amendment of the committee was rejected.

The VICE PRESIDENT. The question recurs on agreeing to the amendment proposed by the committee.

The amendment was agreed to.

Mr. KERN. I move that the Senate adjourn.

The motion was agreed to, and (at 6 o'clock and 5 minutes p. m.) the Senate adjourned until to-morrow, Friday, August 15, 1913, at 11 o'clock a. m.

SENATE.

FRIDAY, August 15, 1913.

The Senate met at 11 o'clock a. m. Prayer by the Chaplain, Rev. Forrest J. Prettyman, D. D. The Journal of yesterday's proceedings was read and approved.

PETITIONS.

Mr. POINDEXTER presented a petition of sundry citizens of Seattle, Wash., praying that an investigation be made into the circumstances attending the origin, instigation, and progress of the recent riot at Seattle, Wash., which was referred

the imports for a certain year. I took my figures from the year-book. I think they are for 1912.

Mr. SHIVELY. These are the official statistics for the fiscal year 1913. The exports, in value, were \$4,301,653, as against

fornia, praying for the adoption of the proposed tariff referendum, which were referred to the Committee on Finance

Mr. WEEKS presented petitions signed by sundry citizens of the State of Massachusetts, praying for the adoption of an amendment to the Constitution extending the right of suffrage to women, which were ordered to lie on the table.

He also presented papers to accompany the bill (S. 1580) granting a pension to T. Oliver Dowd, alias Terence O'Dowd, which were referred to the Committee on Pensions.

MARY COULTER EARLE.

Mr. WILLIAMS, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which was referred Senate resolution 161, submitted by Mr. Fletcher on the 14th instant, reported favorably thereon, and it was considered by unanimous consent and agreed to, as follows:

Resolved, That the Secretary of the Senate be, and he hereby is, authorized and directed to pay out of the miscellaneous items of the contingent fund of the Senate to Mary Coulter Earle, widow of Sherod L. Earle, deceased, late a messenger of the United States Senate, a sum equal to six months' salary at the rate he was receiving by law at the time of his death, said sum to be considered as including funeral expenses and all other allowances.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. THOMPSON:

A bill (S. 2996) to correct the military record of John W. Cleavenger (with accompanying paper); to the Committee on Military Affairs.

By Mr. TOWNSEND:

A bill (S. 2997) for the relief of the heirs of George C. Lull, deceased (with accompanying papers); to the Committee on

Mr. BRANDEGEE submitted the following concurrent resolution (S. Con. Res. 7), which was read and referred to the Committee on Naval Affairs:

Whereas it is necessary that the United States shall always possess an adequate Navy composed of vessels of various classes, properly proportioned in number and kind, and a personnel and equipment sufficient to maintain the same in the highest state of efficiency: Now, therefore, be it

therefore, be it

Resolved by the Senate (the House of Representatives concurring),
That the Committees of the Senate and of the House of Representatives
on Naval Affairs or any subcommittees thereof, acting jointly or
separately, are hereby directed to inquire and report to the Senate and
House of Representatives:

1. What increase is desirable in the Naval Establishment.

2. Whether it is desirable and feasible to provide a definite naval
program to extend over a series of years with respect to the construc-

program to extend over a series of years.

3. In what order the United States Navy ranks among the first eight naval powers in naval efficiency, in view of the number, type, age, armor, and armament of its ships, and the quality, skill, and discipline of its personnel. of its personnel.

4. What proportion of our naval fighting efficiency is constantly available for instant active sea service in case of emergency.

CONDITIONS IN MEXICO.

The VICE PRESIDENT. If there are no further concurrent or other resolutions, there being no resolution coming over, the morning business is closed.

Mr. SIMMONS. I ask unanimous consent that the Senate

proceed to the consideration of House bill 3321.

Mr. PENROSE. The morning business is not over, I hope. Mr. SIMMONS. The Chair announced that the morning business was closed.

Mr. PENROSE. I was engaged in conversation. Mr. SIMMONS. Of course, I do not object at all.

Mr. PENROSE. Mr. President, it has been my intention for some time to call the attention of the Senate to certain phases of the Mexican situation, but not desiring to do anything that partook of the spirit of Jingoism and with a patriotic desire not to embarrass the administration in its efforts to find a solution of the many embarrassing questions pressing in that Republic, I have heretofore refrained, and I do not intend.

Mr. SIMMONS. Mr. President—

Mr. PENROSE. I am going to offer a resolution in a minute,

if the Senator will permit me.

I do not intend this morning to go into the matter at any great length or to give to the Senate all the information which I have at hand, but the matter is rather closely brought home to me this morning by a communication from Pennsylvania reciting that the son-in-law of the lieutenant governor of the State is in hourly expectation of being executed or killed, not to mention the destruction of a large amount of property belonging to a Canadian company with headquarters in Toronto of which he is the engineer.

which I have to offer, I will ask to have the Secretary read the following from this morning's Philadelphia Inquirer.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Secretary will read as requested.

The Secretary read as follows:

[From the Philadelphia Inquirer, Friday, Aug. 15, 1913.]

FEAR MEXICANS MAY SLAUGHTER PENNSYLVANIANS—LIEUT. GOV. REYNOLDS
APPEALS FOR SON-IN-LAW'S FAMILY—PRESIDENT PUBLICLY REPRIMANDS
AMBASSADOR WILSON FOR BRITISH ATTACK.

Senator OLIVER appealed to the State Department at Washington yesterday in behalf of Shirley C. Huise, son-in-law of Lieut. Gov. John M. Reynolds, of Pennsylvania, who with his wife and daughter are in danger of death in their camp at Oquilla, Mexico.

President Wilson last night publicly reprimanded Ambassador Henry Lane Wilson for his recent attack on the British foreign office.

Washington, D. C., August 14.

Shirley C. Hulse, son-in-iaw of Lieut. Gov. John M. Reynolds, of Pennsylvania, with his wife and little daughter, are in imminent danger of death in their camp at Oquilla, 100 miles south of the city of Chinashua, Mexico.

The State Department has been appealed to in an effort to rescue the Americans

The State Department has been appeared.

The Americans.

Lieut. Gov. Reynolds received these advices to-day from W. B. Fuller, general manager of the Mexican Northern Power & Irrigation Co., which is building a large dam at La Bouquilla, near Santa Rosalia.

Mr. Fuller advises Gov. Reynolds that he had just escaped into Texas on horseback by the barest possible good fortune. He was threatened with execution by the federal forces led by Gen. Mercado.

Senators George T. OLIVER and BOIES PENROSE, of Pennsylvania, were communicated with by Lieut. Gov. Reynolds. Senator OLIVER promptly laid the matter before Secretary of State Bryan, who sent the following dispatch to the American consul at Cludad Juarez, via El Paso:
"Forward following immediately, by courier if necessary, to consul at

following dispatch to the American consult at Chinan Justez, via Ed. Paso:

"Forward following immediately, by courier if necessary, to consult at Chihuahua:

"Senator Oliver has been informed by lieutenant governor of Pennsylvania that the latter's son-in-law, Shirley C. Hulse, wife, and little daughter are in imminent danger at Pearson construction camp, Oquilia, near Rosalia, 100 miles south of Chihuahua. The company's chief engineer and general manager, W. B. Fuller, has informed the lieutenant governor that he (Fuller) has just escaped from Mexico under a threat of execution by federalists and believes Americans still in camp are likely to come under the displeasure of the federal general, Mercado. You are instructed to ascertain the welfare of Mr. Hulse and his family and of other Americans in that section, employing courier if necessary, and telegraph the department as soon as possible concerning them."

That the situation of the Hulses is critical is believed at the State Department. Lieut, Gov. Reynolds has received advices at Bedford, Pa., his home, that railroad communication between El Paso, Tex., and Chihuahua, Mexico, is broken, and that there is no way for the Americans in the camp at Oquilia to escape. It is the purpose of the State Department to make every effort to get into communication with Mr. Hulse, and Secretary Bryan has assured both of the Pennsylvania Senators that every effort will be made to insure the safety of all those menaced by the Mexicans.

Mr. Fuller, who is the chief engineer of the construction work on the dam, which entalls an expenditure of millions, has Mr. Hulse as his principal assistant. Having been menaced for days by the Mexicans, Fuller decided to fee across the border, believing that were he to remain longer he and his associates would be killed or imprisoned by orders of Gen. Mercado.

Fuller, upon his arrival at El Paso to-day told a thrilling story of his escape and of his experience before leaving the camp. He says that the climax of a series of forced loans a

senger that the dam and threatened to take the dam was interfering with the order.

Mercado's allegation was that the dam was interfering with the natural flow of the Conchos River. He also charged Fuller with assisting the rebels to secure ammunition and provisions. The company is building the dam under Federal and State charters, granted during the Diaz régime.

FORCED TO LOAN MONEY.

Fuller declares that he has been forced to pay out to rebel and Federal commanders a total sum of \$\mathbb{P}29,000\$ in enforced loans during the revolution in order to continue operations. He also declares he has been obliged to turn off 6,000 laborers on account of lack of provisions in the mining camp.

LIND HAS INSTRUCTIONS.

To callers this afternoon President Wilson indicated that reports that John Lind, special representative of the administration at Mexico City did not possess definite instructions, were erroneous. It was plainly intimated that Mr. Lind has written statements defining "certain principles" of the administration, and that these will be conveyed to Huerta through Secretary O'Shaughnessy in due time.

Despite the fact that it is admitted that Huerta is getting better control of the situation, there has been no change in the administration's policy not to recognize the present Government of Mexico. Under no circumstances will Huerta be recognized, nor will the administration countenance him as a candidate for the presidency at the elections in October.

Mr. PENROSE, Now, Mr. President, things are getting pretty close home when American citizens are molested and threatened with their lives and their property in this way. am perfectly willing to wait a few days to see the policy of the administration developed and to ascertain whether Mr. Lind's mysterious mission will have a tangible result. But after that, at any early period next week, I shall take occasion to address the Senate upon conditions in Mexico as to which I have recently been informed. I also shall at that time offer a resolu-If the Senator from North Carolina will be patient for a few moments, preliminary to the introduction of two resolutions nity of the United States and the firm intention of the Amerition which I hope will go some way toward asserting the digcan people to protect the lives and property of Americans residing in Mexico.,

In the meanwhile I desire to offer two resolutions of a preliminary character to which I can not imagine there will be any objection, and to which I would expect the chairman of the Committee on Foreign Relations to agree. The first one I ask the Secretary to read

The VICE PRESIDENT, The Secretary will read the resolution.

The Secretary read as follows:

Senate resolution 162.

Resolved, That the President be requested to inform the Senate whether William Bayard Hale, at present in the City of Mexico, is or has been employed as an agent of any executive department of the Government, and if so at what rate of compensation and under what instructions.

Mr. BACON rose. Mr. PENROSE. I yield to the Senator, if he desires. If he accepts the resolution-

Mr. BACON. No; I do not. I am going to move to refer it to the Committee on Foreign Relations.

Mr. PENROSE, Will the Senator permit me to ask him whether he has any information as to whether this gentleman is an employee of any of the executive departments?

Mr. BACON. For the same reason that I would move to refer the resolution to the committee, of course I decline to answer

the Senator.

Mr. PENROSE. Mr. President, we are rapidly reaching a point here in this matter when declining to answer will not satisfy the Senate or the American people. This gentleman has been strangely active in Mexico for a considerable period. According to the newspaper accounts he met Mr. Lind when he arrived at Vera Cruz. He conveys the impression in the City of Mexico, I am informed, that he is the official representative of President Wilson.

I have known this gentleman for a number of years. He left Ardmore, in Pennsylvania, near Philadelphia, some 13 years ago. He is supposed to be exploiting a well-known publication concern and incidentally advising the President of the United States. I consider him a most dangerous adviser, and if the administration is being governed in its conduct by the information and the advice coming from Dr. Hale, I think the sooner the tie is severed and we know where we are the better it will be for the unfortunate Americans now within the limits of the Republic of Mexico.

I suppose the resolution will lie over, unless the Senator from Georgia makes a motion, which he may be able to carry, to

refer it to the committee.

Mr. BACON. It will lie over under the rule, but at the proper time I will make the motion to refer it to the Committee on Foreign Relations.

Mr. PENROSE. I should like to have the Secretary read a brief extract showing-

Mr. BACON. Mr. President, if the resolution lies over, the Senator from Pennsylvania well understands the fact that it is not now in order for discussion.

Mr. PENROSE. I know that. I am simply indulging-Mr. BACON. I do not object to its being discussed, and, of course, the Senator will have ample opportunity to discuss it, when it is in order. The only reason why I now have any objection whatever is this: If the Senator would proceed, of course, there must be answer, and the Senator will recognize that in the present condition it is not proper that I should unduly occupy the time of the Senate in a reply. The resolution will come up in its order, and then the Senator can make his statement, and a reply will be made, if there is any.

Mr. PENROSE. I was simply asking the indulgence of the Senate, which is rarely refused to any Senator, when not abused, by unanimous consent, to make a very few brief remarks in connection with the life of a Pennsylvania constituent, and the son-in-law of the second officer of that Commonwealth, who may be killed by this time for all I know. If any declaration of firmness made this morning may halt any such villainy of

that kind, I shall not have spoken in vain.

Mr. BACON. Did I understand that the Senator wishes to

speak to this resolution?

Mr. PENROSE. I do. I do not want to speak at all, if-Mr. BACON. Of course if the Senator desires to speak I shall not myself interpose any objection.

Mr. PENROSE. I would have been through by this time if the Senator from Georgia had permitted me to go on.

Mr. BACON. I was simply stating the fact that the Senator would not simply occupy the time but naturally it would lead to discussion. I shall not make any objection to the Senator proceeding.

Mr. PENROSE. Now, if the Senate will bear with me for moment, I will ask the Secretary to read the following article about Mr. Hale. It is short. It is from the New York Times of yesterday.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Secretary will read as requested.

The Secretary read as follows:

HALE BLAMED FOR MEXICAN IRRITATION—ATTITUDE OF THE ADMINISTRA-TION'S CONFIDENTIAL INVESTIGATOR HAS NOT HELPED PEACE—WAS WILSON'S MOUTHPIECE IN THE MEXICAN ESTIMATION—REPORT ON A CONVERSATION HE HAD WITH AN AID OF GEN. DIAZ.

MEXICO CITY, August 5

Americans in Mexico, as well as Mexicans, are severely criticizing the activities here of Dr. William Bayard Hale, the unofficial investigator for President Wilson, as pernicious and mischief-making in their effect. Dr. Hale's presence here, in the opinion of many, is responsible for some of the irritation which has complicated the relations between Mexico and the United States, and has made the way by no means easy for Mr. Wilson's second emissary, Mr. Lind.

As illustrative of the attitude of President Wilson's confidential investigator to Mexican affairs, the following report from an aid of Gen. Felix Diaz of a conversation with Dr. Hale has come to light here:

MEXICO, June 30, 1913.

My Dear General: In order not to overtax your attention, I will refer only to a few important data concerning the conversation I had during several hours of yesterday afternoon with Dr. W. Bayard Hale. As I told you before, this gentleman is a personal friend of President Wilson and Secretary of State Bryan, to whom he will, no doubt, submit an unofficial report concerning the political and economical situation of Mexico; but he says that the purpose of his visit is to gather data for a series of articles which he intendss to publish in American magazines.

Mexico; but he says that the purpose of his visit is to gather data for a series of articles which he intendss to publish in American magazines.

Dr. Hale is a distinguished person, of easy speech and vast learning; but I regret to inform you that I consider his influence near the American Government as very detrimental to Mexico, as he is laboring under strong prejudices, and he appears to have come to Mexico solely for the purpose of ratifying an opinion adverse to this administration, an opinion he had formed before he started.

He speaks with horror of the "assassination" of Messrs, Madero and Pino Suarez, which he classifies with the bitterest terms, and this topic, which he says "will bring about terrible consequences," excites him more than any other questions of interest, to the extent that all the reports of Ambassador Wilson are blased, and that therefore they do not deserve any consideration; and on the other hand, he admits that he has received information from the Maderos relative to the "assasination" of their relatives. He is a friend of all the enemies of Ambassador Wilson and of the slanderers of this administration.

I asked Dr. Hale what was the reason why the American Government did not recognize the Government of this country notwithstanding that England, France, and other powers had recognized it, but be was unable to give me a definite reply. Nevertheless, he gave me to understand that the death of the Maderos and Pino Suarez had greatly influenced President Wilson and his advisers against having anything to do with Gen. Huerta. He believes that the resignations of Madero and Pino Suarez were obtained by means of violence or threats against their persons, and that this is proven by their "assassination," with reference to which incident he says that he has data which has not been published to this day.

He thinks the military situation is very gloomy, and states that in his opinion the Government has only made mistakes since the removal of Gen. Mondragon, while the rebel movements are lac

a murderer"; that he believes you to be a person of calm judgment, clear understanding, and a clear conscience, and that you are inspired by true patriotism.

He asked me whether you were continuing your election work, and, having answered him in the affirmative, he asked whether I believed the elections would take place in October. He inquired as to whether you and Gen. Huerta were really friends (though he said this was very doubtful), and whether Gen. Huerta would be willing to leave the Presidency when the term for the legal holding of it expires. He is of the opinion that on account of the disturbances of the country it will be impossible to hold really general elections in October.

I infer from what Dr. Hale has told me that, in his opinion, the United States will not recognize this administration so long as Gen. Huerta is at the head of it, but that there will be no delay in recognizing it after the elections, pursuant to free suffrage, and when the new President, whoever he may be, has taken his seat.

I believe I have convinced Dr. Hale that the rebels are receiving in the north all kinds of assistance from their friends in the Southwest of the United States, and that the millions of dollars that are being spent by the United States to enforce the neutrality laws are not invested as efficiently as could be expected.

Dr. Hale is of the opinion that the greatest danger for the Government during the present disturbed conditions of the country lies in the possibility of the rebels isolating the capital by cutting railway and telegraphic communication with Vera Cruz. In this case he believes the United States would send a number of war vossels to Vera Cruz, and if the interruption would continue with the interior of the country, and the lack of news from the center should cause some concern about the fate of foreigners, marines might be landed in Vera Cruz, in order to proceed to the City of Mexico and afford them protection. He is of the opinion that it is very essential that the Government of the United

the marines have to come to Mexico they will not come for the purpose of intervention, but to protect the residents from foreign countries. This, however, would be a dangerous venture, as it might give room for international complications, which should be avoided, if possible.

Yours, very sincerely,

By whom is that signed?

Mr. BACON. By whom is that signed? Mr. PENROSE. It is not signed by anyone, because no one wants his name known who lives in Mexico, but I will furnish the name to the Senator as the chairman of the committee. When I make my statement next week to the Senate I shall read communications from American citizens without naming them, but I want to inform the Senator from Georgia that I will give him and his committee the names of all my authorities.

Mr. BACON. I do not care anything about the name. I am perfectly content that the article may be put in as an anonymous

communication.

Mr. PENROSE. But I do not intend to quote the names of American business men and have them exposed to the depredations of banditti in Mexico. The Senator from Georgia, however, shall have the names.

Mr. LODGE. This letter, as I understand, is addressed to

Gen. Felix Diaz, and is written by a Mexican.

Mr. PENROSE. Yes. Mr. LIPPITT. I understand that that is in no sense an anonymous communication.

Mr. PENROSE. It is not. It comes from a reputable journal. Mr. BACON. But it is anonymous so far as the Senate is

concerned.

Mr. PENROSE. Well, Mr. President, there will be many anonymous communications on this subject read to the Senate, because Americans are not going to make their statements here and thus expose themselves to every form of depredation in Mexico as the result of publicity in Washington; but the committee will be furnished, so far as I am concerned, with the names and addresses of everyone to whom I shall refer or from whom I shall quote. My silence shall not be as much like that of the cemetery as is that of the chairman of the Committee on Foreign Relations regarding this matter.

Mr. SIMMONS. Mr. President, I desire to inquire if this

matter is proceeding by unanimous consent?

Mr. PENROSE. If the Senator will just be patient for the reading of a telegram, I shall be through.

Mr. LODGE. The resolution is open for debate. Mr. PENROSE. I omitted, Mr. President, to have read a telegram from the lieutenant governor of Pennsylvania, received a few hours ago, and I should like to have it read by the

The VICE PRESIDENT. Is there objection?
Mr. SIMMONS. Will that finish what the Senator from Pennsylvania has to say?

Mr. PENROSE. That will close what I have to say.

The VICE PRESIDENT. The Secretary will read as re-

quested.

The Secretary read as follows:

BEDFORD, PA., August 14, 1913.

Hon. Boies Penrose, Washington, D. C .:

Hon. Boies Penrose, Washington, D. C.:

Received following telegram dated El Paso to-day from W. B. Fuller, chief engineer and general manager Mexican Northern Power Co., constructing great power dam on Conches River, Chihuahua: "Have just escaped from Mexico under threat of execution. See to-day's issue New York or Chicago American. Hulse and family are well, but now liable to come under Mercadoe's displeasure. Advise prompt action through State Department to prevent Federals hurting Americans in Boquilla." Hulse referred to is my son-in-law, principal assistant engineer, there with wife and child. Am deeply concerned for them, and hope for your best efforts in their protection.

JOHN M. REYNOLDS.

Mr. PENROSE. Now, Mr. President, the Senator from Georgia objects to the passage of this resolution. It therefore goes over. It is simply a resolution for information. Let it go over, and I will offer the resolution which I send to the desk

and to which the Senator may not object.

The VICE PRESIDENT. The Secretary will read the reso-

lution submitted by the Senator from Pennsylvania.
The resolution (S. Res. 163) was read, as follows:

Resolved, That the President be requested to direct the Secretary of State to transmit to the Senate the reports of the American consul at Durango, Mexico, covering all occurrences since January 1 of the present

Mr. BACON. That will go over, Mr. President, and I notify the Senator that I will make the same motion in reference to it

when it comes up.

Mr. PENROSE. I myself shall have the information for the Senate and for the Senator next week.

Mr. BACON. Mr. President, it is perfectly apparent to everybody that in the present condition of affairs matters of this kind ought to be considered with care before they are acted upon. It is not an unreasonable suggestion that the Committee on Foreign Relations, charged with this responsibility and this

duty, selected especially for this purpose, should in present conditions have the opportunity to look over every paper of this kind before it is acted upon by the Senate. It may be that after we have looked over it the committee may coincide with the wish of the Senator from Pennsylvania and ask for the information. But I insist upon it that everything which now relates to the Mexican situation which calls for action by the Senate should first be considered by the Committee on Foreign

Relations before that action is taken.

Mr. PENROSE. Mr. President, while the Senator from Georgia is deliberating in his committee Americans in Mexico are daily being murdered and slaughtered and executed. Here is a prominent citizen of Pennsylvania, who may have fallen before the bullets of an execution squad by this time for aught I know. Has the Senator from Georgia any idea of the number of Americans who have been killed since this disturbance arose?

Mr. BACON. Well, I may have an idea about it, but I

thought

Mr. PENROSE. I am informed that over a hundred have been killed and that their names are on record in the files of the Department of State.

Mr. BACON. I thought I had the floor. I yielded because I understood the Senator wished to interrupt me for an inquiry.

Mr. President, I have said what I intended to say with reference to the propriety of the reference of all these matters to the Committee on Foreign Relations. I will say little more now, because there is no motion pending, though there will be at the proper time.

I want to say that the President of the United States is known by this Senate, and I am satisfied that it is recognized by Senators, not only on this side, but certainly by a very large proportion, if not a majority, of those on the other side, that he is in good faith, to the best of his ability, attempting to deal with the present situation in a manner to save this country the great disaster of a war. I believe the American people recognize that fact, and that they uphold him in the effort which he

in good faith is thus making.

Mr. President, I should regret to say anything at this time that would interfere with that effort or to impede in any manner the progress of it or to jeopardize the success of it. For that reason I do not reply at present to what the Senator I am informed of the fact that he will on a future day probably present matters here which will make it necessary for reply to be made, but I am content with the statement that the President is making this effort, and that I think the American people recognize the importance of it, and that he is doing the very best that can be done under the circumstances. There are many things under such circumstances which it is not proper to make public for various reasons, but that I will not now discuss.

Mr. President, it seems to me that the matter comes with very ill grace from the Senator from Pennsylvania this morning, because the very paper which he has read shows the fact that, immediately upon the information being given to the Secretary of State by the Senators from Pennsylvania, active steps were taken for the purpose of protecting the persons whose safety is now a matter of concern.

Mr. President, will the Senator permit me? Mr. PENROSE. The VICE PRESIDENT. Does the Senator from Georgia

yield to the Senator from Pennsylvania?

Mr. BACON. I do. Mr. PENROSE. Similar articles have appeared in all the newspapers; in fact, yesterday, the American, of New York and Chicago, had this matter fully exploited. If the Senator will permit me a moment further while I am on my feet, I fully believe that the administration in a patriotic spirit is engaged in trying to solve this problem. As I have said, I am not a "jingo," and abhor the prospect of a war with Mexico as much as any American can, but I do think when daily occurrences of the murder of American men and outrages committed on American women are brought to the attention of our State Department, that it is time we should take some action, of a police character at least, to prevent the repetition of such murders and outrages, and not wait for the interminable delay and the uncertain outcome of a very complicated situation which may not develop for quite a while.

Mr. BACON. Well, Mr. President, I wish to say, as I have said before, that everything is being done that can be done consistently with the maintenance of peaceful relations. It is

not denied that force is not now being used.

Mr. PENROSE. Mr. President—

Mr. BACON. I hope the Senator will allow me to proceed.

I yielded to the Senator a moment ago.

Mr. PENROSE. If the Senator will just permit me one more word, everything is being done except the actual physical protection of life and property. Homilies are issued from

Washington about the beauties of peace and abstract discussions regarding intervention, but the practical condition of murder, rape, and destruction of property confronts us. It is a pretty serious question, Mr. President.

I should like to ask the Senator before I take my seat-Mr. BACON. I hope the Senator will allow me to proceed. have the floor. I can not begin a sentence but that the Senator gets up and makes a speech before the end of that sentence.

Mr. PENROSE. The Senator yielded to me, and I should merely like to ask, before taking my seat, when his committee is going to meet?

Mr. BACON. The committee meets on Saturday, and if the Senator from Pennsylvania desires to appear before the committee he always has the right to do so.

Mr. PENROSE. Will the Senator take up and report this

resolution if it goes to the committee now?

Mr. BACON. I am not prepared to say what we will do about it. It will be for the committee to determine, not for There is upon that committee representation from the Senator's own side of the Chamber which in its personnel is not second to any equal number of Senators on the other side of the Chamber, and his interest and the interest of those whom he represents will be pretty safe in their hands as well as in the hands of Senators of that committee on this side of the Chamber.

I wish simply to say, Mr. President, because I realize the importance of not occupying time now, that everything is being done which can be done short of force. Force means war, and war is not a thing to be rushed into hurriedly and rashly, and a thing, the worst of all calamities, not to be encouraged by intemperate speech at this time. That is all I wish to say now.

Mr. POINDEXTER, Mr. SIMMONS, and Mr. LODGE ad-

dressed the Chair.

The VICE PRESIDENT. The Senator from Washington. Mr. POINDEXTER. I should like to ask a question of the Senator from Georgia.

Mr. SIMMONS, Mr. President, I ask for the regular order. Mr. LODGE. Mr. President, a resolution is pending, offered in the morning hour, and I will state to the Senator that there is no use trying to cut off this discussion.

Mr. SIMMONS. The resolution was offered in the morning

hour and a motion made to refer it to the committee.

Mr. LODGE. The Senator from Pennsylvania offered a second resolution, which is now pending and for which he has asked present consideration.

Mr. BACON. No; I asked that that resolution go over. Mr. LODGE. An objection may put it over; but it does not preclude a Senator's right to discuss it.

Mr. BACON. Undoubtedly; it is not in order. Mr. LODGE. Very well, Mr. President, we will continue the discussion on the tariff bill.

Mr. SIMMONS. That is the privilege of the Senator.

Mr. LODGE. Let me now say to the Senator that I want to support the President in every possible way in this Mexican I would not do one thing to embarrass him; I want to help him. I do not recognize that he is a Democratic President when we are dealing with a foreign country; I think he is the American President, just as much mine as yours. I want no partisanship; but you can not have nonpartisanship on party We have got to deal with this question.

Mr. BACON. Mr. President, I have not the slightest-Mr. LODGE. One moment, Mr. President, I believe I have

the floor now.

Mr. BACON. Certainly.

Mr. LODGEI. The Senator has been saying that he had the floor at intervals of two minutes. Mr. President, the situation in Mexico

Mr. SIMMONS. I made a call for the regular order, Mr.

President.

Mr. POINDEXTER. Mr. President-

Mr. SIMMONS. My understanding is that this resolution goes If the Senator wants to discuss it when it is in order to discuss it, I have no sort of objection, but I do say

Mr. LODGE. I have the floor, and I propose to— The VICE PRESIDENT. The Senator from Washington [Mr. Poindexter] has the floor.

Mr. LODGE. I propose to finish what I have to say; it will take but a moment.

Mr. SIMMONS. I call for the regular order.

The VICE PRESIDENT. The Chair is obliged to state that

the Chair recognized the Senator from Washington,
Mr. POINDEXTER. Mr. President, I submit the resolution
which I send to the desk and ask the Secretary to read it.

The resolution (S. Res. 164) was read, as follows:

Resolved, That the President of the United States be, and is hereby, requested to transmit to the Senate a statement of what, if any, measures, diplomatic or otherwise, have been taken by this Government for the protection of citizens of the United States from violence in the disorders in Mexico.

Mr. POINDEXTER. Mr. President-

Mr. BACON. Let the resolution go over, Mr. President. Mr. LODGE. That can not be done while the Senator from Washington has the floor. I assure the Senator that the policy now being pursued is a most unfortunate one. There is no desire here to do anything but sustain the President. I do not

want to excite any debate. You can do nothing worse than exercise the power of your majority on the Mexican question. If you make it a party question, you deal the worst blow to the administration that you can possibly deal. It is not to be dis-

missed with a smile and a sneer.

Mr. POINDEXTER. Mr. President, I agree and am in thorough sympathy with the evident spirit of the Senator from Georgia [Mr. Bacon] that this is a matter which should be handled in moderation and with a great deal of self-restraint: but I am also of the opinion that it is a matter which is bound to be considered. It can not be disposed of by being suppressed.

The resolution which I have just submitted to the Senate I introduced in this body on the 28th day of February, during the last administration. The complaint that I had at that time and that other Senators and millions of people had was not because of the action of the administration, but because of its inaction. It is perfectly evident that while this trouble was beginning and growing and coming to an acute issue opportunities in which diplomacy might have performed a great service to the American people were neglected. Now we have to deal with a situation which has come about through the in-

action of the American Government.

Lately it is perfectly evident that the administration has actively taken up this question and is dealing with it in a manner which I think ought to receive the support and encouragement of every patriotic citizen. I am in thorough harmony and sympathy with that action; but I should like to say, in conclusion, to the Senator from Georgia, as chairman of the Committee on Foreign Relations, that I believe it would tend toward moderate discussion and the subduing of passion over the incidents which the Mexican revolution has produced if the President of the United States would pursue in this matter somewhat the same spirit he has pursued so successfully in connection with other great questions before the country and communicate frankly, so far as it is not incompatible with the objects which he has in view, with the Senate and with the Congress. Let us have some understanding. I should like to submit to the Senator from Georgia if he does not think that it would be well for the Committee on Foreign Relations to consider this resolution which has been pending in his committee ever since the 28th day of February? Is it not advisable, in respectful terms, in the exercise of the authority which goes with the action of the Senate, to request the President to communicate with the Senate and inform us, confidentially if necessary, and in such terms as his discretion may dictate, the policies which he has in view, and as to which, if he is to carry them out, it is absolutely necessary that the Senate should be consulted, and that they should be discussed in the Senate?

My purpose in rising was simply to call attention to the fact that we have had no communication on the subject. I am not referring to any particular case. I think we ought to be informed about the general objects which the administration has in view, particularly those phases in regard to which the Senate will be called upon to act.

The VICE PRESIDENT. The resolution goes over under the

THE TARIFF.

Mr. SIMMONS. Mr. President, I desire to inquire whether the Chair put my request for unanimous consent for the present consideration of the tariff bill?

The VICE PRESIDENT. The Chair did not put it, for the reason that the Senator from Pennsylvania [Mr. Pennose] rose, and, as the Chair understood, in view of the colloquy between the Senator from Pennsylvania and the Senator from North Carolina, it was desirable that the Chair withdraw the announcement that the morning business was closed.

Mr. SIMMONS. May I ask that my request be now placed

before the Senate?

The VICE PRESIDENT. The Senator from North Carolina asks unanimous consent that the Senate proceed to the con-sideration of House bill 8321, There being no objection, the Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 3321) to reduce tariff duties and to provide revenue for the Govern-

ment, and for other purposes.

Mr. DHLLINGHAM obtained the floor.

Mr. LODGE. Mr. President, the Senator from Vermont is

kind enough to yield to me for a moment.

I should like to say, before we go on with the tariff, that I regard the Mexican question as of the utmost delicacy and difficulty. I think the President of the United States is endeavoring to find a solution by which war may be avoided and order restored in Mexico. I wish to aid him in every possible way in bringing about that result. I think the general question of Mexico has not reached a point where it is wise to discuss it here; certainly not in public. I have tried to study the question; I have tried to make up my own mind about it; and I see the utmost difficulty in determining on any policy.

I think these matters should be first considered by the Committee on Foreign Relations. The President of the United States sent for all the members of the Foreign Relations Committee, and I think it was wise and statesmanlike in him to But I wish to say to my good friend from Georgia that I hope he and his friends on that side will pursue the same policy as that adopted by the President. When resolutions are offered—which we must expect, in view of these things—I hope they will not treat them as if they were deserving of no attention, but will remember that we all want to act together on this question, and that these matters are too serious to be made the subject of party action by the mere power of the majority to say, "This shall be done," or "That shall be done," and bury them in the committee.

I suggest to the majority in this Chamber that they adopt the policy of the President and consider that those of us on this side are just as anxious to avoid war, just as anxious to bring a proper solution to the vexed, troubled, and dangerous condition in Mexico as they are. I ask them to forget for the moment that they have a majority of five or six in this Chamber, and to remember that we are all American citizens, all American Senators, in the presence of a grave problem, for which we should all unite to aid the administrationmust be our mouthpiece and representative-in finding some

This Chamber could be papered with signed statements of the horrors there. They have been held back. I know some have been held back at my request. I do not want them brought forward to inflame feeling. But we must show confidence in each other. I think, in the interest of the country, it is not well for the mainting to the lightly it is not well for the majority to treat lightly any resolution which is offered in good faith by Senators on this side, who are just as anxious to uphold the President's hands as they are; to dismiss it with a sneer, and say, "This will be done," or "That will be done." I think, if I may venture to say so, that is not the wisest way of dealing with matters so grave as

Mr. KERN. Mr. President-

The VICE PRESIDENT. Does the Senator from Vermont

yield to the Senator from Indiana?

Mr. DILLINGHAM. I do. I will yield for a reply to the Senator from Massachusetts, but I shall decline to yield beyond

Mr. BACON. I hope the Senator will permit me to say a few words, in view of what the Senator from Massachusetts has

Mr. DILLINGHAM. Yes; I say, I will yield for a reply to the Senator from Massachusetts.

Mr. BACON. Mr. President, the Senator from Massachusetts has constructed a man of straw and pummeled him with very considerable skill and ability.

Mr. LODGE. The trouble I find with the whole discussion

of this question lies in just that sort of debate.

Mr. BACON. Mr. President, I appeal to Senators on that side of the Chamber to know whether, in any of the discussions which have been had here on the Mexican question, some of which occurred when the Senator from Massachusetts was absent, there has been any disposition to do what the Senator now accuses this side of the Chamber of doing-to draw any party lines? I appeal to the Senators on the other side of the Chamber to know if I and my colleagues in concert with me have not, on the contrary, borne testimony to the fact that the Senators on that side of the Chamber were as thoroughly in accord with the desire of the President to solve this question without war, and as thoroughly in earnest in the wish to sustain him in that effort as have been Senators on this side of

To such an extent has that been done that Senators on that side of the Chamber have themselves kindly and generously borne testimony to the fact that we recognized that in matters pertaining to foreign affairs party lines stopped at the seashore. That has been said here repeatedly. The Senator from South Dakota [Mr. Crawford], notably, made a most excellent and impressive address to the Senate, during the absence of the Senator from Massachusetts, in which he expressed his gratification that that sentiment had been uttered by Senators on this side of the Chamber, and in which he congratulated the Senate and the country on the fact that such was the case; and it The Senator from Iowa [Mr. KENYON] did likeis the case. Not only here in the Senate, but in a statement given wise. by me to the public press, I bore testimony to the same fact, and emphasized it, and stated as strongly as I could that in this matter there were no party lines.

There had been an attempt made to create upon the mind of the public the impression that the Senate was at issue with

the President. I denied that such was the fact.

Mr. CLARK of Wyoming. Mr. President, will the Senator

yield to me for a moment?

Mr. BACON. I hope the Senator will let me complete this statement, and then I will yield with pleasure. I denied in a public statement that there was any such issue, and went on to say that not only was that true of the Democratic side, but it was equally true of the Republican side, and that the Republicans were as thoroughly in accord with the President in his efforts to preserve peace as were the Democratic Senators.

I should like to have the RECORD searched for anything that has happened this morning upon which a finger can be put to indicate that there is any disposition to draw any party lines in this matter, or to sneer at anybody. I should like to have some Senator point to a word that has been said that can be so construed. Why, Mr. President, the only thing that has been said that could have been construed as being said in the slightest unkindness-and possibly I was wrong in that, under the circumstances-was when I said that what came from the Senator from Pennsylvania [Mr. Penrose] came with ill grace, because the very article which he had read from the desk showed that the Secretary of State was doing all he could to protect the people whose safety now so greatly concerned him. Possibly I was wrong; and if so, I am sorry, because nothing is further from my wish or heart than that there could be possibly entertained the thought that in this grave emergency, one which concerns the entire people, of all classes and of all parties, we should be drawing party lines.

Mr. PENROSE rose.

Mr. BACON. If the Senator will pardon me a moment, the only allusion I made to party was to compliment the Senators of the Foreign Relations Committee on the other side of the Cham-The only allusion I made to party, when the Senator inquired of me whether the committee would on Saturday take certain action, was to say that on the Senator's side of the Chamber there was a most distinguished representation upon the Foreign Relations Committee, and that the interests which he represented would certainly be safe in their hands.

What possible word has been uttered here to-day or at any other time which would justify the Senator from Massachusetts [Mr. Lodge] in assuming—because it is an assumption, without fact to sustain it-that there has been any disposition on this

side to draw party lines?

I have said, and I have reiterated, that there was none in the committee. I have said before on the floor of the Senate that there was none in the committee. I have said on the floor of the Senate that there was none among the Senators on the Republican side of the Chamber, regardless of whether they were on the committee or not, and I repeat it. I only speak of it because to sit silent would be to recognize the correctness of the suggestion of the Senator from Massachusetts.

It is not correct, Mr. President. We recognize the fact that if this country has trouble which relates to foreign matters there should be no party lines, and I thank God in the belief that there are none. I repudiate and deny the suggestion that anything which has been said or done will justify any such insinuation on the part of the Senator from Massachusetts.

Mr. CLARK of Wyoming. Mr. President-

The VICE PRESIDENT. Does the Senator from Vermont

yield to the Senator from Wyoming?

Mr. DILLINGHAM. Mr. President, I yielded to the Senator from Massachusetts to make a short statement, not knowing what was coming; and then I thought it was only fair to yield to the Senator from Georgia to reply to him. But I should dislike to again yield for a discussion of this question. I think we ought to discuss the question that is before the Senate. I do

not like to say that I will not yield to the Senator from Wyoming.

Mr. President, it is not my purpose at this time to discuss the provisions of the pending bill either by schedules or in detail. This, I apprehend, would be of little advantage inasmuch as the proposed legislation represents, according to the report of the committee having it in charge, "a just and fair interpretation, in the light of existing conditions, of the latest authoritative utterances of the party in power"; and, down to the present time, the dominant party in the Senate has united in voting down every amendment which has been offered to its provisions which was in the slightest degree intended to modify any of the rates therein imposed.

REASONS FOR SUPERIOR CONDITIONS IN UNITED STATES.

But it has seemed to me that in the discussion that has already been had one of the principles in political economy, one which has been recognized by those best versed in the history of civilization, one which, in my judgment, has found expression in the United States as nowhere else in the world, has been somewhat overlooked and, in the proposed legislation, seems to have been ignored. It was forcibly brought to my mind on the 18th of July when, in a running debate between the Senator from Utah [Mr. SMOOT], the Senator from Ohio [Mr. Pome-RENE], and the senior Senator from Mississippi [Mr. WILLIAMS] upon the question of wages paid for labor in the different countries, and the influences operating to increase or decrease the same, the Senator from Mississippi said:

the same, the Senator from Mississippi said:

Mr. President, the Senator from Utah [Mr. Smoot] has just apparently squelched the Senator from Ohio [Mr. Pomerene] by asking him to name a single industry in the United States which pays lower wages at this time than the same industry in some other country. The sophism underlying it all is that he throws himself upon an undisputed and indisputable fact, and then assumes that the reason of it is that the particular industry has been protected. The trouble with his assumption is one which I will point out.

I shall now ask the Senator a question, and shall yield to him to answer it. My question will have reference to a time when we were Colonies, when we had no protective system, and when we were subject to industrial tyranny on the part of the mother country, at a time when, as the great Pitt said, "an American could not make a horse-shoe."

shee."
I want to ask the Senator, and I want to give him six weeks in which to answer it, because I do not want to take advantage of him right now, and I will give him a cheap two-dollar-and-a-half chromo if he can answer it in the affirmative, whether he knows during colonial times, when we were 13 Colonies of Great Britain, a single industry in the United States in which the laborers were on the average and as a rule not paid a higher wage than they were paid in Great Britain?

Further on in the debate he said:

Every man who came to America as a traveler, whether from France or from Great Britain, dwelt in his diary and the report of his travels in those days upon one salient fact—the high amount of pay received by common workmen. Every historian of any standing has referred since to the same fact.

In these quotations, it will be noted, the distinguished Senator from Mississippi not only concedes but confidently asserts the fact that during the colonial period of our history the wages paid to laborers in the Colonies were so much higher in amount than those paid in the mother country for labor of a similar character as to be noticeable to all observers, and that the wages now paid in all the industries of the United States are higher than those paid in similar industries abroad is an "undisputed and indisputable fact." But in an attempt by the Senator from Mississippi to disconnect the high rate of wages paid in the United States from the operation of the protective principle in tariff legislation he says:

principle in tariff legislation he says:

I do not think there is anything in the world that poor, erring, fallible humanity has made so many mistakes about as in connection with the fact of mistaking a coincidence for cause and effect. Wages are higher in Australia than they are in Great Britain. Wages were for many years higher in Australia than they are in Great Britain. Wages for long years have been higher in Cape Colony than they have been in Great Britain. Yet New Zealand and Australia are protectionist colonies and Cape Colony was a free-trade colony and England is a free-trade country. Wages have been higher in England than they were in Germany, and yet Germany is next to the United States and Russia the most barbarous of all nations in connection with the prevalency of protectionism. Now, then, when a man says that the reason why wages are higher in Great Britain than they are in Russia or Germany or France is because Great Britain is a free-trade country and Russia and Germany and France are protectionist, he simply makes a mistake or else he willfully makes a mistatement.

The Senator then makes this assertion:

The Senator then makes this assertion:

The truth is that they are higher in England because the general standard of living of the English people is higher than of the people upon the Continent. You frequently hear it said that high wages produce a high standard of living. The truth is that, as a rule, a higher standard of living—the people having once become accustomed to it—demands of necessity and obtains higher wages.

And he adds:

The next truth is that as a general proposition, although not always true, wages are high just in proportion as institutions are democratic. In using that word I do not mean democratic spelled with a large D, of course, but with a little d. In other words, just in proportion as the will of the people is asserted in government itself it is also proportion-

ately asserted in industrial life; and as a majority of the people are laborers, their will is asserted and they always will strike for higher reages. Just in proportion as the people are suppressed the laboring man is suppressed, and his reage suppressed with him. Just in proportion as institutions are popular the laboring man has labor rights, which he may assert by strike or otherwise, and in proportion as he can not or dare not assert his rights by strike or by ballot or otherwise he receives lover vages.

Truer words were never spoken by any statesman. The Senator from Mississippi, a man of broad reading and deep thought, has, in the words last quoted, given expression to a principle which has been demonstrated in history, and one which must be recognized by all thoughtful men. As I listened to his utterances I was reminded that Ellis H. Roberts, as long ago as 1884, when delivering a course of lectures at Cornell University on political economy from the standpoint of American legislation, took precisely the same ground. In discussing the question of wages and the principles which govern them Mr. Roberts first quoted Prof. Seeley's declaration that this Republic "is the state in which free will is most active and alive in every individual," in labor and trade as well as in society and politics, and said:

individual," in labor and trade as well as in society and politics, and said:

Very radical is this other consideration. Low wages are not caused by density of population, by the strife for a livelihood to-day. They are the bequest of the ancient serfdom; they have grown out of the caste which has prevailed everywhere in the Old World. The pay for labor has been lowest where despotism has been most arrogant and caste most exclusive. Show me the standard of wages which have been paid on farm and in shop and I can tell you the type of the Government by era and by country. You have been told of the grinding tyranny of oriental countries. There wages have been infinitesimal, and, as in Egypt, the ruler enforced unlimited demands for personal service. In Europe in the Middle Ages the mechanic received the most nominal salary—half a franc a day. In England in Elizabeth's time, Hume tells us, labor was well paid at 8 pence a day. It is not the crush of numbers, not the present stress of necessity alone, which is responsible for the low wages in the Old World. On the contrary, with the growth of population labor receives better pay and higher consideration. With the advance of personal liberty the pay of the producers in every class has become higher.

The improvement of the material condition of peoples has kept even pace with their gain in political institutions. With the breaking down of the monarchy in France the people everywhere secured a larger share in the rewards of production. You can follow the march of wages in the progress of the British constitution. Through the continental nations constitutional liberty has either immediately preceded or at once followed considerable amelioration in the condition of the industrial population.

Wages have been high in America, in the British colonies only in less degree than in the United States; they have attained a similar standard in Australia, not simply because of the unbroken soil and broad expanse of territory, but because the spirit of independence inspired the ca

WHY WAGES WERE HIGHER IN THE COLONIES THAN IN ENGLAND.

Why were the wages higher in the American Colonies than in England? Apply the principle enunciated by the Senator from Mississippi, and which is so fully supported by the eminent authority whom I have already quoted. It was because the immigration from England in the seventeenth century was largely made up of representative Englishmen, who, developed by the great intellectual movement of the sixteenth century, had the courage to assert the supremacy of personal liberty over absolutism, and their descendants were the product of a century and a half of colonial life; in every fiber of their being they represented the fundamental principles upon which human rights are founded, and in the great crisis of 1776 they became, as has often been said, "the greatest nation builders of the world."

From that day to this there have existed in the world two forms of civilization, one based upon the monarchical principles, in which there is a clear dividing line between the classes, where labor has never received its just reward; the other, founded upon the principle that all just powers of the government are derived from the consent of the governed—a representative form of Republic in which every man is a living factor, and in which the door of opportunity is open to every person who is worthy to enter.

Wages were higher in the American colonies than in the old country, and they have, since the establishment of our Government, continued to be higher; the reason for it is not alone because of the wider natural field of opportunity, but lies in the fact of the greater liberty of the individual under American institutions; of the increased self-respect which has resulted; of that larger development of manhood which has enabled him to demand and receive an adequate return for his services and to

maintain a higher standard of living than that which prevails in European countries.

THE FIRST GREAT EXPERIMENT IN FREE GOVERNMENT.

This principle is recognized by British authorities as well as Mr. MacKenzie, in his History of the Nineteenth Century, says:

since the closing period of the eighteenth century an experiment of the deepest interest to mankind had been in progress on the western shores of the Atlantic. Three million British subjects, dissatisfied with the rule of the parent country, had undertaken to govern themselves. They entertained no purposes of aggression, and being troubled with no fear of their neighbors they did not waste the national resources by the maintenance of fleets and armies. Having the development of a continent with its boundless resources to occupy them, they elected a career of peaceful industry. Europe still lay at the feet of a few great families; still squandered her substance in the maintenance of enormous multitudes of armed men; still baffled the industry of her toiling millions by the constant employment of these armed multitudes in devastating wars, flowing out of the ambition of self-will or offended pride of menarchs. The Americans were so bold as to undertake the conduct of their affairs on principles directly the reverse of those by which the world in all preceding ages had been guided.

COMPARISON OF POLITICAL CONDITIONS IN THE TWO COUNTRIES.

COMPARISON OF POLITICAL CONDITIONS IN THE TWO COUNTRIES.

What were those principles upon which the world in all pre-ceding ages had been guided? How did England's government differ from that which our fathers founded and handed down to us? The historian to whom I have already referred calls sharp attention to the fact that in England the people as a whole were wholly disassociated from any proprietary interest in the soil, so completely so that one-half of the land was owned by about 1,000 persons and four-fifths of it by five or six thousand persons. Another writer has estimated that there are more men in the State of Massachusetts who own the roofs which cover their heads at night than in all England. The historian to whom I have referred informs us that at the time of the establishment of the United States Government the parliamentary system in England had become "so corrupt there was scarcely a shred of honest representation left in it."

He tells us-

Two-thirds of the House of Commons were appointed by peers or other influential persons. Every nobleman had a number of seats at his unquestionable disposal. * * * Three hundred members, it is estimated, were returned by 160 persons. * * * The members who bought seats sold their votes, and this made their outlay reproductive.

In sharp contrast with conditions in America both before and after the Revolution is the statement that England's lawmakers of that time were those few gentlemen who owned the land, and the legislation of the age was wholly in the interest of the privileged classes, with little regard for the poor. Wages were of the lowest character, taxation was monstrous, the criminal laws were savage and were administered in a spirit appropriately relentless. Mr. MacKenzie says that at the time of our American Revolution:

Our (England's) criminal law recognized 223 capital offenses. Nor were these mainly the legacy of the Dark Ages, for 156 of them bore no mere remote date than the reigns of the Georges. * * If a man injured Westminster Bridge he was hanged. If he appeared disguised on a public road he was hanged. If he cut down young trees, if he shot rabbits, if he stole property valued at 5 shillings, if he stole anything at all from a bleach field, if he wrote a threatening letter to extert money, if he returned prematurely from transportation—for any of these offenses he was immediately hanged.

Is it any wonder that wages in the Colonies were superior to

those in the mother country?

During the almost three-quarters of a century following the adoption of the American Constitution and before the War between the States in 1861, our industrial States, with governments founded upon the principles enunciated in the Declaration of Independence, advanced rapidly in development. Individual liberty under law, freedom of action politically, socially, and industrially, served to develop those sturdy elements of character which stand for the best there is in civilization. Independence and force of character among the people became the rule, the power of individual initiative was developed, class distinctions were abolished, and every avenue to success was opened to That the price demanded for labor in this free competition. country was greater than in the old country was inevitable. With the tardy recognition of the rights of the laboring classes and the slow development of individual liberty in the mother country it could not be otherwise.

In order to comprehend this we have only to remember that as late as 1819, 30 years after the United States had become an independent nation and 5 years after the War of 1812 had terminated, the Government of Great Britain was resolute in extinguishing by military force any discontent of the people. When the Manchester reformers held a meeting of 60,000 persons to petition for parliamentary reform the meeting had hardly begun before it was broken up by the interference of military power, and Parliament proceeded to pass acts by which Englishmen were not to assemble in larger numbers than 50 persons, unless a magistrate convened them, and "the lands, and Greece combined.

exciting privilege of carrying a flag on such occasions was expressly denied them."

The difference in the character of the two Governments is even more sharply indicated by the fact that the Americans recognized the principle that if this was to be a government of the people and by the people that every member of the community should become intelligent and capable of performing all the functions of citizenship. Thus they established at once the best system of public schools at public expense that has ever been developed and one that has become a prime factor in our type of civilization, and under which we have to-day in training for good citizenship an army of over 18,000,000 boys and girls. On the other hand, there existed among the upper and middle classes of the old country prejudice against the education of the poor and, if I may quote an English author. discontent and an overthrow of that healthy subordination without which society can not exist." As late as 1818 only one youth out of seventeen was attending school in England; in 1833 only one out of eleven; and it was not until 1836 that a grant of £20,000 was appropriated, to be expended by the national and British foreign school societies, and that constituted the origin of the present system of national education in England. In 1839 this was increased to £30,000 by the close vote in Parliament of 275 to 273. The difference in the principles upon which the two Governments had up to this time maintained is emphasized by the language of Lord Cockburn, who said:

The principle was reverenced as indisputable that the ignorance of the people was necessary to their obedience of the law.

This thought is further emphasized by the fact that it was not until 1836 that the heavy tax of fourpence on each copy of newspapers was removed—a tax which rendered the newspaper almost impossible of access by the poor. Nor was it until after 1870 that dissenters were enabled to educate their sons in the universities

I might refer to other elements in English history showing the slow progress that was made between the reform act of 1832 and that of 1882, which removed the disabilities and lightened some of the burdens, generally improving the conditions of the British people, but it is unnecessary to do so. A contrast between the political and social conditions in the United States and those in other European nations than England would even be more to our advantage. Upon the principle advanced by the Senator from Mississippi, the correctness of which I fully recognize, there are to be found in a comparison of the laws and the systems of this and other foreign Governments abundant reasons for the high rate of wages paid and the superior living conditions which prevail in the United States.

Since the close of our Civil War the two Governments have prospered, grown, and expanded along all the lines of industry. and of commerce. Both have well fulfilled their parts along all the lines of advance in the civilization of the world, and both stand to-day as leaders in their respective spheres. have to recognize the differences still existing between them in political principles and social distinctions, and that the reward for labor in the trades in the United States is, according to the British Board of Trade, about 130 per cent higher than in England and Wales, with slightly shorter hours, while the expenditure for food and rent is higher by only about 52 per cent.

ADOPTION OF PROTECTION AS A NATIONAL POLICY.

At the close of the Civil War our Nation, with an increased confidence in the ability of a free people to preserve free institntions, entered upon a system of development unequaled in the history of any other nation, the result of which has challenged the admiration of the world. The central thought of this great movement was not only to develop our vast national resources, but in doing so to open the door of opportunity to everyone worthy to enter. Realizing that, if free institutions were to continue, if the Government was to be safely and wisely administered, every possible advantage should be given to all the industrial classes to improve their condition socially and industrially; that American homes, established upon a more liberal basis than those of any nation, should be multiplied and increased; and to the end that the already superior condition of American labor should be maintained, the Republican Party, with prophetic vision, secured the passage of the free homestead act, which threw open the great Northwest to actual settlers. And with what result?

AGRICULTURAL EXPANSION.

Prior to that time we had opened up in almost two centuries of colonial and national life only 2,000,000 of farms. But under this system we have in the last 50 years opened up three and one-half millions of farms, and we now have an agricultural area eleven times as great as the total area of Great Britain—as great, in fact, as that of Great Britain, France, Germany, Italy, Spain, Norway, Sweden, Switzerland, Austria, Portugal. Nether-We have in the United States

in actually improved agricultural land an area six times as great as the entire area of Great Britain; in fact, as great as the areas of Great Britain, France, Germany, Italy, Portugal, Switzerland, and Greece combined.

NECESSITY FOR MARKETS.

But what could be the object of opening up these vast areas of agricultural lands if a market for their product must be sought in foreign nations? Could it be hoped that with really improved agricultural lands six times as great in area as the whole of Great Britain we should find a profitable market abroad for the products of this vast field? Such a proposition was preposterous and was discarded almost by common consent. Moreover, the proposition that under such conditions the United States should remain dependent in any substantial degree upon foreign nations for manufactured commodities, thus continuing our people at their mercy in the matter of prices, was even more preposterous. The judgment of the American people, recognizing the soundness of the proposition that there should be a home market for home productions throughout the length and breadth of our land, demanded legislation that would make the Nation independent industrially as well as politically; that would extend manufacturing industries throughout the Nation; that would encourage the exchange of commodities of all classes; and that would encourage to the utmost that system of public carriers which has connected the East with the West, the North with the South, the agricultural area with that of the manufacturing area, and has enabled us to build up that remarkable system of interstate exchange which has made us the most prosperous people in the world.

PROTECTION AND HOME MARKETS.

To this end and because the people demanded it the Republican Party inaugurated the great system of protective-tariff legislation which after more than a half century of trial has demonstrated the correctness of its principle as applied to American conditions. They fully realized that the development of manufacturing industries in America was absolutely demanded not only to provide a market for our vast agricultural products, but also to protect our American people against exorbitant charges on foreign-made goods and to protect the American workingman from unjust competition with low-paid labor in Europe.

DEVELOPMENT OF MANUFACTURES.

What has been the result? At that time, 1860, the products of our mills were less in value than those of any other first-Under the old system agriculture had flourished, manufacturing had languished, and to such an extent that products of American mills amounted in 1860 to only \$2,000,-000,000; but under the Republican policy of protection the value of such products jumped to \$4,232,000,000 in 1870 and equaled the output of France with her centuries of progress. In another 10 years the value of American manufactured goods had increased to \$5,369,000,000 and became equal to those of Great Britain or of Germany. In 1890 the value of the output of American mills had still further increased to \$9,372,000,000 and equaled the production of Great Britain and France combined. In 1900, or 40 years after the adoption of this system of protection, the value of American manufactured products had reached the enormous sum of \$13,000,000,000, which was greater than the value of the output of all the mills of Great Britain, Germany, and France combined, while in 1910 the value of such products had advanced to \$20,672,000,000, the increase alone from 1900 to 1910 being over four times as great in amount as the entire products of our manufactures in 1860. This was an achievement never before attained in any nation, and its importance can only be conceived when it is remembered that from twenty to twenty-five millions of our people derive their maintenance through these industries. In addition to the market these industries brought to the agricultural areas, it appears also that a large proportion of the raw material consumed in the production of such manufactured commodities came from American farms, from American mines, from American forests, and only a small proportion, comparatively, has been imported. And better than all this is the fact that it has been found that nearly all of this vast product has been consumed in the markets of the United States.

MARVELOUS RESULTS.

How happily this Republican policy was conceived, how well it has been carried out, and what magnificent results have been achieved is indicated by the fact that since 1870, when the system of protection had been fully established, the value of American manufactures has increased from four billions to more than twenty billions, in round numbers, an increase of 378 per cent, while the increase in the value of farm products has jumped from \$1,958,000,000 to \$8,417,000,000, an increase of 330 per cent. Could a more perfect balance be conceived or

achieved? Can a more convincing illustration be found in all history of the establishment of an economic system intended for and operating to the advantage of all the people of all classes?

With this vast development along the two great lines of industry in the United States, our population during the same period-1870-1910-has jumped from 38,000,000 to 95,000,000 of souls; our national wealth from \$30,000,000,000 to more than \$130,000,000,000, an increase of 330 per cent. We have not only supplied our own market with all classes of products, but our exports during the period named have increased from \$392,771,000 to \$2,204,222,000, an increase of 480 per cent. Not only this, but we are told by our Government statisticians that the absolute free trade between the States of the Union, which in no way injures the American standard of wages and living, has increased from \$7,000,000,000 in 1870 to \$33,000,000,000 in 1911, an increase of 340 per cent, all of which implies that we are becoming an increasingly credit Nation; that we are not only supplying home demands with every conceivable product, but the ratio of our sales abroad has outstripped our purchases from other nations. Not only this, but in this vast scheme of national development the superior standards of American living have been maintained and the character of our citizenship has been upheld.

Mr. President, I have already set forth the unprecedented growth and development under the protective system inaugurated and maintained by the Republican Party. The most serious disaster which has ever come to the American industries came during the last administration of President Cleveland, when, as now, both branches of Congress were Democratic and under the operation of the Wilson-Gorman Act, which was the last expression of the thought of that party upon revenue legislation down to the present time. Immediately following a return of the Republican Party to power, and under the provisions of the Dingley bill, confidence returned and the country entered upon a period of prosperity unequaled in the history of this or any other Nation, a prosperity which has extended to, every branch of industry and which has included in its blessing every individual in a Nation of almost 100,000,000 of people, and which has continued over a period of 15 years and which has been so great that the people have forgotten that the conditions were ever otherwise.

PROTECTION TO BE ABANDONED.

In the face of this remarkable showing, despite the fact that we are surrounded on every side by evidences of the wisdom of the Republican policies under which the resources of the country have been so marvelously developed and the conditions of the people so signally improved, and under the provisions of which the wage earners of the country have continued to receive that higher rate of wages which always prevails where free institutions are maintained by a free people, the Democratic Party proposes to change the entire policy of the Nation, and, by the abolition of the protective principle, which takes into consideration the difference in the cost of production of commodities in the United States and in foreign nations-by which rule intelligently applied all rates ought, in my judgment, to be determined—to compel the American workingmen to compete with underpaid labor abroad, with the resulting consequences which such a change implies.

There can be no question about this. The Democratic Party has for half a century, in one form or another, expressed its abhorrence of the protective principle, and has sought through every means to break it down and to establish in its place a system of revenue laws which utterly ignore the protective policy and open up competition between producers in America and Europe upon what is practically an even basis. In other words, they propose to give to Europeans the advantage of the American market, which can, in my opinion, but result disadvantageously to millions of American workingmen and bring suffering to countless numbers of American homes.

DEMOCRATIC POLICY FROM DEMOCRATIC SOURCES.

Am I right in my conception of the purpose of the Democratic Party? As early as 1856, in its platform of that year, it declared in favor of "free seas and for progressive free trade throughout the world." They have never departed from this doctrine. They have changed the form of declaration from time to time, but each and all of their utterances have meant one and precisely the same thing. In 1912 Mr. Underwood, then as now chairman of the Committee on Ways and Means of the House of Representatives, presented and secured the passage through that body of his tariff bill of that year. It was a Democratic measure, and the Committee on Ways and Means in its report made on June 4, 1912, used this language:

The bill was not framed with any protective purpose in mind, but with the view only to raising the maximum amount of revenue in keeping with a proper safeguarding of the consumers' interests.

In their platform for 1912 the Democratic Party went so far

We declare it to be a fundamental principle of the Democratic Party that the Federal Government under the Constitution has no right or power to impose or collect tariff duties except for the purpose of revenue.

Not only that, but the President of the United States now is, and at all times has been, unalterably opposed to the system of protection; and as long ago as 1883, when he appeared before the Tariff Commission, in speaking of protection he used this language:

I maintain that it is not only a pernicious but a corrupt system. When asked if he was advocating the repeal of all tariff

laws, he said:

Of all protective-tariff laws, of the establishing a tariff for revenue merely. It seems to me very absurd to maintain that we shall have free trade between different portions of this country and at the same time shut curselves out from free communication with other producing countries of the world.

He thus proclaims his inability to distinguish between competition among American workingmen, all living under the same free institutions, all enjoying the same advantages, and a competition between them as a whole and the working body of Europe, with their inferior advantages and vastly lower scale of wages. In other words, any theory is absurd to him which does not afford to the American people the same free trade between the United States and foreign nations which now prevails between the States of the Union. That his views have not changed since that time is manifest, for in his message to Congress on the 8th of April he says:

to Congress on the 8th of April he says:

It is plain what those principles must be. We must abolish everything that bears even the semblance of privilege or of any kind of artificial advantage and put our business men and producers under the stimulation of a constant necessity to be efficient, economical, and merchants than any in the world. Aside from the duties laid upon articles which we do not and probably can not produce, therefore, and the duties laid upon luxuries and merely for the sake of the revenues they yield, the object of the tariff duties henceforth laid must be effective competition, the whetting of American wits by contest with the wits of the rest of the world.

This means porthing more or less than that the "effective

This means nothing more or less than that the "effective competition" which the President mentions is the competition between the workingmen of the United States and those of Europe, without the so-called "artificial advantage" which the President says must be abolished. Not only this, but following the policy thus enunciated, the Ways and Means Committee of the House of Representatives prepared the pending measure and presented it to the House with their report, which says:

and presented it to the House with their report, which says:

The so-called theory of cost of production as a regulator of rates was fully discussed at the time tariff-revision bills were introduced by the Ways and Means Committee during the Sixty-second Congress (1912). It will be recalled that much was said by protection advocates in support of the view that it was incumbent upon the United States to maintain a system of tariff rates that would cover differences in cost of production between the United States and foreign countries, in addition to a reasonable margin of profit. That doctrine became the basis of the work of the Tariff Board which furnished reports to the President, later transmitted by the Executive to Congress, concerning wool and woolens, cottons, pulp, and paper. Many manufacturers have presented arguments based on the doctrine of comparative costs. The statement is therefore made that no part of the committee's work has been founded upon a belief in the cost-of-production theory, and the theory is absolutely rejected as a guide to tariff making.

The bill passed the House, was sent to the Senate and was

The bill passed the House, was sent to the Senate and was referred to the Committee on Finance, in whose hands it remained under consideration for a period of two months.

Not only this, Mr. President, but when the bill was reported to the Senate by the Senator from Missouri [Mr. STONE], on the 18th day of July, it was accompanied by a report, in which the Committee on Finance say:

As a result of this examination and study your committee wishes to give its assent to the soundness of the general principles upon which this measure was originally constructed, as well as the theory upon which the revision of the tariff has proceeded. * * * Following the lead of the House, your committee has sought in the amendments it now proposes to the House bill to further carry out and perfect the theory of establishing a revenue-producing tariff upon the basis of competitive rates, as a just and fair interpretation in the light of existing conditions of the latest authoritative utterances of the party in power upon that subject.

And only yesterday in this body the Senator from Georgia [Mr. SMITH], in the midst of his very interesting remarks, used this language:

I hope that we will really bring the entire tariff to a revenue basis in the course of time. But I think we have gone as far as we could in this bill now, and I believe the country will prosper under it.

Only one interpretation can be placed upon these various utterances. It is simply this, that the markets of the United States are to be thrown open to the producers of other nations where it is conceded that wages are lower than in the United States, and where the cost of production is less, and under such conditions to compel "the whetting of American wits by contest with the wits of the world."

DEMOCRATIC POLICY AS CONSTRUED BY POREIGN NATIONS.

This is the interpretation that foreign nations place upon the terms of this bill. It is he interpretation which was pieced upon the Wilson bill in 1895, when it will be remembered that, in anticipation of the reduction made in the woolen schedule of that measure, the foreign manufacturers filled to overflowing the bonded warehouses of the United States with woolen cloths and dress goods, all of which were thrown upon our markets in competition with our home products; and what is more remarkable is the fact that during the two years of 1806 and 1807, during which time the Wilson bill was in operation, the quantity of woolen cloths imported was substantially as great as all of the goods of like character that have been imported under the Dingley and Payne laws during the last 15 years. was the effect upon the woolen industries of the country during the three years in which the Wilson bill was in operation? I speak only for New England when I say that the best available information at my command indicates that 80 per cent of the woolen mills were closed and their employees thrown out of

And at this point we have a fresh illustration of the fact that history repeats itself, for in anticipation of the passage of the pending bill, in the preparation of which no thought has been had to protect American industries or to make allowances for the great advantage which has been offered to our foreign competitors in the markets of the United States, they have already been rushing their products across the ocean in vast quantities, and we are officially informed that as early as June 30 of the present year goods to the value of nearly \$105,000,000 were already in our bonded warehouses ready to be placed upon the markets of the United States in competition with those of our own production as soon as the present bill becomes a law. And the thought of the foreign producers is indicated by the fact that among these products thus ready to be thrown upon the American market is found tobacco to the value of \$25,000,000; sugar to the value of \$15,250,000; raw wool to the value of \$16,500,000; manufactures of fibers, chiefly burlap and lineus, to the value of \$8,500,000; cotton to the value of \$4,500,000; and woolen goods to the value of \$4,330,000.

With the purpose of this measure so firmly declared by the President of the United States, so clearly presented both by the House Committee on Ways and Means and the Senate Committee on Finance, and so fully recognized by interested producers the world over, all of whom have long looked longingly upon our immense markets, we are compelled to face the fact that the superior conditions heretofore existing here in the United States-the result of that intelligent effort which has its birth and finds its nourishment under free institutions-are jecpardized by the terms of this bill; that the purpose to protect them tariff legislation has been abandoned, and that the purpose of the Democratic Party, by all legislation as long as it shall be in power, is to increasingly place the producers of our Nation upon a level with those of all the rest of the world.

THE SECTIONAL CHARACTER OF THE UNDERWOOD BILL

The first step in this revolutionary movement is found in the provisions of the pending bill, and I can not do better at this time than to again call attention to the following quotation from the report of the Committee on Ways and Means where

The statement is therefore made that no part of the committee's work has been founded upon a belief in the cost-of-production theory, and the theory is absolutely rejected as a guide to tariff making.

This being so, we naturally inquire where, in what portions of our country, this policy will be most keenly felt?

If Senators, in order to ascertain where the industries of the land are more largely developed, will direct their attention to the States lying east of the Rocky Mountains and will compare those of the New England, the Middle Atlantic, the East North Central, and the West North Central groups, which include the States of Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, Pennsylvania, New Jersey, Ohio, Illinois, Indiana, Wisconsin, Michigan, North Dakota, South Dakota, Minnesota, Nebraska, Iowa, Kansas, and Missouri, with the South Atlantic, East Central, and South Central divisions, which include the States of Delaware, Maryland, Virginia, West Virginia, North Carolina, South Carolina, Georgia, Florida, Kentucky, Tennessee, Mississippi, Alabama, Oklahoma, Arkansas, Louisiana, and Texas, they will find food for earnest thought and material which, it seems to me, indicates that this measure is so sectional in its operation and so discouraging to a great majority of the industries of our country that it ought to meet the condemnation of all thoughtful men.

I have caused to be prepared a table showing the number of establishments, the number of wage earners employed, the amount of capital invested, the amount of wages paid, and the

value of the goods produced, in what may be called the northern and southern sections of the country, which I ask leave to insert at this point.

Table showing the number of establishments, the number of wage carners employed, the amount of capital invested, the amount of wages paid, and the value of the goods produced.

Group.	Number of estab- lish- ments.	Capital.		Value of products.
New England Middle Atlantic East North Central West North Central	25, 351 81, 315 60, 013 27, 171	6, 4	503, 854, 000 505, 675, 000 547, 225, 000 171, 572, 000	\$2,670,065,000 7,141,761,000 5,211,702,000 1,803,899,000
Total	193, 850	14,	728, 326, 600	16,827,427,000
Group.			Wage earners.	Wages.
New England Middle Atlantic East North Central West North Central			1, 101, 290 2, 207, 747 1, 513, 764 374, 337	\$557, 631, 000 1, 182, 568, 000 827, 152, 000 204, 792, 000
Total			5, 197, 138	2,772,143,000
Group.	Number of estab- lishments.	,	Capital.	Value of products.
South Atlantic East South Central. West South Central	28, 088 15, 381 12, 339	\$1,386,475,000 586,276,000 547,739,000		\$1,381,186,000 630,488,000 625,443,000
Total	55, 808	2,520,490,000		2, 637, 117, 000
Group.			Wage carners.	Wages.
South Atlantic East South Central West South Central			663, 615 261, 772 204, 520	\$244,378,000 102,191,000 97,646,000
Total			1,129,307	444, 215, 000
Comparison between north	ern and	sout	hern section	ons.
0	fumber f estab- hments.	Ca	pital.	Value of products.

	Number of estab- ifshments.	C	Capital.	Value of products.	
North South	193, 850 55, 808	\$14,728,326,000 2,520,490,000		\$16,827,427,000 2,637,117,000	
			Wage earners.	Wages.	

From this table it appears that in the portion of the industrial
North lying east of the Rocky Mountains are located 72 per
and all the second and are rocated 12 per
cent of all the manufacturing establishments in the United
States and 79 per cent of all the capital employed in manu-
factures; that in those States are employed 78 per cent of all
the wage earners, who receive 81 per cent of the total wages
paid in the manufacturing industries of the Nation; and that
81 per cent in value of products of such industries come from
these States. Not only this but in these States are found 66
per cent of the population of the United States, a large propor-
tion of whom are directly affected by the provisions of this
measure and the remainder of whom must of necessity be
1 d 1 1 1 1

MANUFACTURING STATES MOST AFFECTED.

injuriously affected.

But let us narrow the limits of comparison that we may more clearly comprehend the discriminatory features of this measure and determine more definitely where they will be most keenly felt. Let us compare that portion lying east of the Mississippi River and north of the Ohio River and north also of the States of West Virginia and Maryland, which comprises, Mr. President, only 13.7 of the area of continental United States, with that portion which lies south of the line indicated. In other words, let us compare the industries of the New England States—New York, Pennsylvania, New Jersey, Ohio, Illinois, Indiana, Wisconsin, and Michigan—with those in the

States of Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Texas, and Virginia.

TEXTILES.

While the population of the first-named States—that is, those in the north, east of the Mississippi River—is only 4S per cent of the total population of continental United States, and while they have only 45 per cent of the total representation in the Congress of the United States, they have invested within their borders 70 per cent of the total capital invested in textiles which include the manufactures of cotton and small wares, woolen, worsted, and felt goods, silk and silk goods, including throwsters, hosiery, and knit goods, carpets and rugs other than rag, cordage, and twine and jute, linen goods, shoddy, and dying and finishing textiles. They employ 74 per cent of all the wage earners employed in the manufacture of textiles in the United States, and pay 75 per cent of the total wages paid in these allied industries in the United States, and produce 77 per cent of the total value of the textiles produced in the United States.

FOUNDRY AND MACHINE SHOP PRODUCTS.

The foundry and machine shop industries rank first among all the industries of the United States in the value of their cutput, and second in the number of wage earners employed. In the States which I have already enumerated will be found \$86\frac{1}{2}\$ per cent of all the capital invested in that particular industry between Canada and the Gulf, and between the Atlantic and Pacific coasts. Employment is given to \$6 per cent of all the wage earners in that industry; wages are paid to the extent of \$5\frac{1}{2}\$ per cent of the total paid in this industry in the United States; and goods are produced to the value of \$4\frac{1}{2}\$ per cent of the total of the produce of the foundry and machine shop enterprise in all the States.

BOOTS AND SHOES.

Within the borders of these States are located, also, factories in which there are invested 85 per cent of all the capital invested in the manufacture of boots and shoes in the United States, an industry which, in the value of its products, ranks ninth among all the industries of the country; that in these States, and in this particular industry, are employed 86 per cent of all the wage earners to whom is paid 87½ per cent of the total amount paid in the United States in this industry; and that their products amount in value to 90 per cent of the total value of the products of the boot and shoe industry in the United States.

ELECTRICAL APPARATUS.

Mr. President, in this country there is already a mighty, but still growing, demand for electrical machinery and apparatus. Where is it produced, where are the industries located? Within the limits of the States I have already indicated is found invested 96½ per cent of the total capital invested in this industry in the United States; in these States are employed 96½ per cent of the total number of wage earners; in these States is paid 96½ per cent of the total amount paid in wages in this industry; and in these States the value of the manufactured products in this industry equals 96 per cent of the entire value of the output of this industry in the United States.

COPPER, TIN, ETC.

Not only this, but in this same list of States there has been invested in the copper, tin, and sheet-iron industries 69 per cent of the total capital invested in this industry in the United States; there have been employed 73 per cent of the total number of the wage earners in each industry; wages have been paid to the extent of 70½ per cent of the total paid in the country; and goods have been produced to the value of 60½ per cent of the total value of all the goods of this industry produced in the entire length and breadth of the Nation.

MARBLE AND GRANITE.

In this same list of States there will be found 74 per cent of the entire capital invested in the marble and stone work industry of the United States. I am glad to speak of this, because the production and manufacture of granite is peculiarly a New England industry Vermont, in the value of the production of marble and granite, ranks first among all the States of the Union, and the manufacture of the finished product constitutes the principal industry of the State. The marble, granite, and stone work industry is conspicuous among all the industries in the United States in that a higher per cent of wages is represented in the total expenses of manufacture in this industry than in any other.

While in all the other industries already mentioned the statistics gathered in the last census—1909—are expressive, they do not present a comprehensive idea of the present-day propor-

tions of the production of automobiles and automobile parts. In the last three or four years this industry has made astounding strides, but even as far back as 1909 there was invested in this industry in the group of States with which we are now dealing nearly \$168,000,000, wage earners to the number of 73,088 were paid substantially \$47,000,000 in wages annually, and products valued at over \$240,000,000 were placed upon the market. The production of automobiles in this group of States represented in that year 961 per cent of the capital invested, the number of wage earners employed, the amount of wages paid, and the value of products in the whole United States. MISCELLANEOUS INDUSTRIES.

I might go more into detail to show the manufacturing energy in this section of the country, but it is enough to say that its products in the canning and preserving industries are valued at \$77,000,000 annually, or nearly one-half the amount of all the products in this industry throughout the country. Practically all the cutlery manufactured in the United States comes from these divisions and represents a product valued at over \$50,000,000 annually. Nearly 90 per cent of all the watches and clocks produced in America are the product of those States and represent in value \$30,000,000 annually. Brass and bronze products to the value of \$144,000,000, or 96 per cent of the total production in the United States, are there manufactured. Eighty-two and one-half millions of dollars represent the value of jewelry produced annually in the United States, but seventyfive millions of this is the production of the States already mentioned. Eighty per cent in value of all the typewriters manufactured in the United States come from the States mentioned and represent an output valued at \$16,000,000. I might go further and refer to the manufactures of planos, organs, scales, cash registers, and countless lines of production for which these States are famous, but time forbids.

Recapitulating, let me say that this group of States employs 72.9 per cent of all the wage earners in all the manufacturing industries of the United States, and if injury is to result to the industries of the country by reason of the operation of the pending measure, it will be more severely felt in the sections I have mentioned than in any other portion of the Union. That this fact may be more clearly disclosed let me say that of all the wage earners in the United States employed in manufactures 16.6 per cent are in New England, 33.4 per cent are in New York, New Jersey, and Pennsylvania, and 22.9 per cent are in Ohio, Indiana, Illinois, Michigan, and Wisconsin.

NEW ENGLAND AND THE SOUTH. But I desire to call attention to what seems to me to be a still greater and more unreasonable discrimination against the New England division of States. Without a careful study of the relative conditions existing in different sections of the country the operation of this new policy, with all its possible results, can not be understood. For this reason I feel compelled to direct the attention of the Senate to the fact that in the 11 Southern States already enumerated there is a total population of 22,392,414. In the allied textile industries capital to the amount of \$371,652,000 has been invested; employment is given to 163,441 wage earners, who receive annually \$42,937,000. the other hand, the little strip of territory comprising the New England States, which occupy only 2 per cent of the area of continental United States, there is a population of only 6,552,661. yet they have invested in these industries \$722,607,000, employ 344,867 wage earners, pay in wages \$149,803,000, and produce goods valued at \$643,113,000.

It thus appears that this little group of New England States, with but 29 per cent of the population of the 11 Southern States mentioned, and having only 44 Representatives and Senators in Congress, as compared with 126 for the southern group, have nearly double the capital invested in textiles that is found in the Southern States; they employ more than double the number of wage earners, pay nearly three and one-fourth times the amount in wages, and produce commodities valued at more than two and one-half times those of the 11 Southern States. This, in part, indicates the extent to which the rates on textiles in the pending bill will affect the New England States.

And here I pause long enough to call attention to the fact that in the competition between the northern and southern mills in the cotton industries the advantage in the production of uncolored cloths, plain and woven-the products of the automatic loom-has been with the South, because of her longer hours of labor, the lower rate of wages paid, and the more extensive employment of child labor.

The census of 1910 shows that the percentage of labor in making cotton goods was: In Maine, 30.2 per cent; in New Hampshire, 29.6 per cent; in Massachusetts, 27.4 per cent; in Rhode Island, 29.1 per cent; in Connecticut, 28.5 per cent—or an average of 28.9 per cent; while in Georgia it was 17.7 per

cent; in North Carolina, 18.5 per cent; in South Carolina, 20.2 per cent-or an average of 18.8 per cent. Another test can be readily applied to show that the rate of wages in the cotton mills of New England is higher than in those of the South. In the cotton mills of South Carolina, North Carolina, Georgia, and Alabama, the four leading cotton-manufacturing States of the South, there are employed 133,219 wage earners, to whom are paid in wages \$34,967,000; in the cotton-manufacturing States of New England there are employed in this industry 188,984 wage earners, to whom are paid \$77,236,000 in wages. It thus appears that while the southern States mentioned have 70 per cent as many wage earners employed as in the New England States, the amount paid in wages in the southern States is but 45 per cent of the amount paid in wages in the New England States, from which it appears that the annual wage paid to the cotton-mill operatives in New England is 56 per cent higher than in the South.

The difference in the labor cost of production in the two sections is largely accounted for by the larger percentage of children employed in the southern mills than in those in the North.

COMPARISON OF CHILD LABOR IN NORTHERN AND SOUTHERN MILLS.

Not long since the Bureau of Labor instituted an investigation on the subject, selecting representative cotton mills in the North employing 33,030 wage earners and similar establishments in the South employing 48,305 wage earners, the result of which investigation in the mills selected in both sections showed that only 5.2 per cent of such wage earners in the northern mills were under 16 years of age, while in the southern mills 20 per cent were under that age. In other words, the number of this class of employees was almost four times as great in the southern mills as those in the North and constituted substantially one-fifth of the entire number of employees in the group of mills selected for investigation in the South.

The result of this system is shown in the report of the Bureau of Labor on the condition of woman and child wage earners in the United States, volume 1, Cotton Textile Industry, page 21, where it says:

A marked difference is also to be noted in the grade of the product of northern and southern mills, as the following table shows:

Pounds of yarn spun and per cent of each grade spun by cotton mills in New England, in Southern, and in all other States, 1905.

[Compiled from special reports of Census Office, Manufactures, 1905, pt. 3, p. 38. Unfortunately the comparison is somewhat impaired by the selection of the year 1904, when the New England industry suffered from the most protracted strike in its history (bld., p. 19). It would lead too far afield to go further into detail, but the census tables show a very interesting development.]

	Total pounds of yarn spun in 1905 (mil- lions).	Per cent of yarn No. 20 and under (coarse).	Per cent of yarn No. 21 to 40 (medi- um).	Per cent of yard No. 41 and over (fine).
New England States	667. 9	37.3	47. 5	15. 2
Southern States	745. 4	64.0	33. 6	2. 4
All other States	116. 1	66.9	29. 1	4. 0

Thus 64 per cent of southern work is coarse yarn (No. 20 and under), whereas in New England 47 per cent of the yarn is medium counts. The difference is most striking in fine counts, 15 per cent of the total in New England being fine, whereas only 2 per cent in the South is No. 41 and over. This fact evidently confirms the prediction made at the Tenth Census—1880—that there would tend to be a division of the field; the South would manufacture coarse goods and New England fine. In other words, the much-discussed competition between northern and southern mills is ending in the capture of coarse work by the South, while the older industry in New England passes on to finer grades. It is generally conceded that handling finer numbers of yarn requires greater skill than handling coarse. Judged by this standard the southern operative falls short of the operative of New England. The fineness of the yarn, moreover, would effect the number of children employed. While children may be profitably employed spinning coarse yarn, they cease to be profitable on fine. The number of children over 14 years of age in New England would therefore tend to be smaller than in the South, even if children under 14 were not permitted to work in the southern mills.

With such a competition in the lower-priced products of the

With such a competition in the lower-priced products of the cotton mills of the United States it is no wonder that the New England mills have been compelled to engage in the production of cottons, colored, decorated, or figured, of vastly higher quality, which, with their more skilled labor, they are able to But in doing this they have come into sharp competiproduce. tion with the cotton manufacturers of the Old World, and in this respect constitute in this country a class by themselves. Their products, because of their fine quality and artistic designs, command high prices and are just as much luxuries in the market of the United States and as such are just as much subject to the higher rates of duty as silks and other goods classed as luxuries, and yet under the provisions of this bill this class of fabrics are singled out among all other classes of products of which cotton is the base for a reduction of duty, which can but be oppressive to the industries of New England.

NEW ENGLAND AND THE SOUTH COMPARED IN OTHER INDUSTRIES.

Returning, Mr. President, to the other products of New England affected by this bill, let me remind the Senate that in the manufacture of foundry and machine-shop products, the first industry in the country in the value of products, the New England States alone have invested more than four times as much capital as the 11 Southern States combined; they employ more than four times the number of wage earners, pay over four and one-half times the amount paid in wages, and the value of their product is three and one-half times greater. The Southern States mentioned produce comparatively no electrical machinery and apparatus, while the New England States employ nearly 20,000 wage earners in this industry, pay in wages over \$10,500,000, and produce goods valued at over \$22,000,000. Outside of Virginia the 11 Southern States produce no paper or wood pulp, but the New England States employ 27,658 wage earners in this industry, pay nearly \$15,500,000 annually in wages, and produce goods valued at over \$39,500,000. The Southern States produce, comparatively speaking, no brass and bronze products, and yet the New England States have invested in this industry nearly \$52,000,000; they employ nearly 19,000 wage earners, pay nearly \$11,000,000 in wages, and produce goods valued at nearly \$74,000,000.

The Southern States produce practically no cutlery and tools, and yet the New England States have invested in this industry nearly \$27,000,000, they employ over 15,000 wage earners, pay over \$8,000,000 in wages, and produce goods in great variety, valued at nearly \$23,500,000. In marble and stone work the New England States have nearly two and one-half times more capital invested than the Southern States, they employ nearly three times as many wage earners, pay nearly four times the amount in wages, and produce goods valued at two and two-thirds more than the Southern States. The New England States have invested in the boot and shoe industry over twenty times the capital invested by the Southern States in this industry, they employ 104,420 wage earners, as compared with 3,577 for the Southern States; they pay in wages \$56,323,000, as compared with \$1,099,000 for the Southern States; and the value of their products amounts to \$319,950,000, as compared with \$8,017,000 for the 11 Southern States.

NEW ENGLAND'S PLACE IN THE UNION AS AN INDUSTRIAL FACTOR.

But without further comparing the industries of New England with other sections of the country let me remind the Senate that, although circumscribed in area and unable because of natural conditions to successfully compete in agriculture with more favored sections of our country, that division of States produces cotton goods valued at more than 50 per cent of the total product for the United States, over 60 per cent of the total value of woolens and worsteds, over 15 per cent of the hosiery and knit goods, over 17 per cent of the silk goods, and over 40 per cent of the products of the allied industries classified under textiles. She produces over 62 per cent in value of the boots and shoes of the whole country, nearly 25 per cent of the product of marble and stone work, nearly 50 per cent of the brass and bronze products, over 42 per cent of the jewelry, over 20 per cent of the electrical machinery and apparatus, over 15 per cent of the foundry and machine-shop products, over 40 per cent of the cutlery and tools, over 35 per cent of the paper and wood pulp, over 20 per cent of the typewriters, over 10 per cent of the products of canning and preserving, and over 6% per cent of the lumber and timber products. The percentages I have just given relate to the value of the products.

Speaking generally, the census of 1910 discloses the fact that the manufacturers of New England produce substantially one-eighth of the entire manufactured product of the country in value. Among the nine groups of States designated in the census she stands third in the number of wage earners (1,101,290); she stands third in the value of products (\$2,670,065,000); and third in the value added by manufacture. In connection with the question of the value added by manufacture, it is interesting to note that of the total expenses incurred in the production of goods, the New England manufacturers paid a higher percentage in wages than those of any other geographical division of States in the Union.

What does all this indicate regarding the character, the intelligence, the enterprise, the capacity, and the achievement of

the people of New England?

It simply means that they have lived under free governments, that there has been developed among her people an independence of judgment and an exhibition of courage which has resulted in the investment in the manufacturing industries of capital to the amount of \$2,500,000,000 and a distribution in wages and

salaries paid of \$670,000,000 annually. Around these industries a splendid body of citizens has grown up which, measured by the number of those born of native white parentage, by the degree of literacy prevailing among her numbers, by the school attendance of her children, by the amount of deposits in savings banks, by the number of those owning their own homes, and every other condition which enters into the element of prosperity and good citizenship can but excite the admiration and respect of mankind.

DISCRIMINATION AGAINST NEW ENGLAND FARMERS.

But this discrimination against the industrial enterprises of New England is not the only injury that this measure inflicts upon her people, for through its agricultural schedules it strikes a vital blow to that class of New England farmers who are dependent upon the markets found in the industrial communities of New England for a sale of the products which they, through many years of experience, have adapted to the demands of such communities.

What will result if this bill is adopted? It should be remembered that the Provinces of Quebec and Ontario produce nearly 83 per cent of the dairy products of Canada, for which, ever since the abrogation of the treaty of 1854, the Dominion of Canada has been seeking a market in the United States without being willing to grant any reciprocal privileges. In the Province of Quebec alone there is made 73 per cent of all the butter produced in these two Provinces in Canada which are devoted to dairy farming. Owing to the duty heretofore existing the American dairyman has had the American market, and Canada has been compelled to export to Great Britain the product of her dairies. In 1900 she exported to the mother country fifty-seven times more butter than she sold in the United States and one thousand times more cheese. In that year Canada supplied Great Britain with 66 per cent of all the cheese that country imported. The proposed bill reduces the rates on these two products 58 per cent. Why? Is there any reason for it except to give the New England markets to the Province of Quebec.

Why open the New England markets to the Province of Quebec, which lies immediately to the north and is connected with every industrial community in New England by excellently conducted railroads? It should not be forgotten that this New England market alone represents a population nine-tenths as large in numbers as the entire population of the Dominion of Canada, and that in the three industrial States of Massachusetts, Rhode Island, and Connecticut there are alone over five millions of consumers.

Vermont produces one-half of the butter made in New England. Lying as she does upon the border of Canada, enjoying excellent railroad connections on both sides of the State with Montreal, she is unable to dispose of any of her butter in that market because of the imposition of the Canadian tariff duty of 4 cents a pound. On the other hand, the Democratic Party proposes to throw open the entire New England market to the dairy products of that Province, reducing the duty to 2½ cents per pound. Why rob the New England dairyman, who performs all the obligation of citizenship, for the benefit of the Quebec dairyman, who owes allegiance to another Government and who voluntarily contributes nothing to ours?

Why should Canada be accorded this advantage? Why should the New England farmer be deprived of his market? Has Canada shown the slightest indication of friendship in the matter of trade? None whatever. But, on the other hand, she has resolutely and continually discriminated against the products of New England while seeking in that industrial section a market for her agricultural and dairy products.

CANADA NOT ENTITLED TO THIS UNASKED FAVOR.

In this connection do not for a moment forget that all the carpets, clothing, collars and cuffs, cotton print, sheets, telephone and telegraph instruments and fixtures, firearms, furniture, window glass, gloves, knit goods, leather goods, leather beltings, sewing machines, boots and shoes, silk goods, typewriters, ribbons, velvets, woolen blankets, flannels, cloths used in the production of gentlemen's clothing, granite, marble, slate, mill machinery, scales, organs, pianos, harnesses, harness hardware, and others of the great lines of production in the United States, and particularly in New England, are barred out of the Dominion by the old-time Canadian tariff wall, which imposes duties that amount upon an average to over 30 per cent of the value of such products.

This is bad enough, but the situation is made more galling when it is found that Canada in her opposition to American-made goods is also maintaining her special arrangement with Great Britain, by which she gives the mother country a preferential tariff rate on all of the lines of goods I have just named, as well as others, averaging substantially 10 per cent

ad valorem less than the rates which she gives the United States upon the same articles. Do not forget that against the products of marble, granite, and slate industries of New England, Canada maintains a tariff of 35 per cent ad valorem on finished products; and not a square-foot stone, the value of which has been increased by American labor beyond the cost of taking it from the quarry, can go into the Dominion except at that rate of duty. And yet, in the face of this fact, after a full debate, the Democrats of this body have unanimously declared that Canadian and other foreign granite, cut and finished by foreign labor, may enter the United States upon the payment of a duty of 25 per cent ad valorem, a discrimination in favor of the Canadian stonecutter over the American of 40 per cent; and I may add in passing that our Democratic friends have also decreed that Canadian lime may come into the United States on the payment of 5 per cent ad valorem, while the American manufacturer of lime is compelled to pay 15 per cent ad valorem upon his product if sold in Canada, a discrimination against the American workingman of 200 per cent.

The production of textiles is also met by a Canadian duty of 35 per cent ad valorem, while the rate given to Great Britain is 22½ per cent. Upon woolen goods Canada imposes a rate of 27.7 per cent ad valorem against the United States, while the rate given to Great Britain upon the same class of commodities is only 22.5 per cent. Upon bridgework, shafting, cut nails and wire, and some other products of our foundry and machine shops the average rate of duty imposed against us by Canada is 40 per cent, while the preferential rate on British-made goods is only 26 per cent ad valorem. On hosiery and knit goods Canada imposes a duty of 25 per cent against us, while she concedes to Great Britain the right to enter her territory with the same class of goods upon the payment of 22.5 per cent. Upon cotton goods the average rate of duty imposed by Canada against us is 30 per cent, while that imposed upon importations from Great Britain is only about 20 per cent.

WHAT CANADA HAS COMPELLED US TO DO.

This policy on the part of Canada has compelled all of the great manufacturers of the United States who desire to find markets for their goods in the Dominion to establish branch factories on the other side of the line, where by the employment of Canadian labor and the use of Canadian raw material they have brought forth their products for the Canadian market and have at the same time built up Canadian communities. I have seen a consular report indicating that even two years ago no less than 184 American factories had installed branch establishments in Canada, with a combined capital of \$233,000,000 and that the products of these factories included agricultural implements, electric machinery, gas engines, saws and tools, machinery, iron and steel work, automobiles, and many other lines of products. In the city of Hamilton alone there are 15 such branches, 2 of which employ 5,000 men; in Montreal there are 19 and in Toronto 63.

The Fairbanks Scale Co., one of Vermont's largest producers, has been compelled to establish a branch establishment on the other side of the line, as have many others. And it may be of interest to know that while we are asked to give the market of our great Nation to the lumbermen of Canada, neither an American-made ax or saw, nor a sawmill, can be sent to aid in their great enterprise, thus encouraged, without paying the old-time prohibitive duty of about 25 per cent. Do not mis-understand me. I do not complain of Canada's policy of protection, under which she is developing industrial independence, I simply affirm that under the provisions of this bill the American industries are being sacrificed to the interest of other people, some of whom, like the Dominion of Canada, recognize the value of home production and home markets and rigidly adhere to a protective system, and at the same time we are giving them unasked privileges in our markets which are destructive of the interests of American citizens.

WHY GIVE NEW ENGLAND MARKETS TO CANADA?

But why be generous rather than just? Why, in spite of all these things, should anyone desire to open the New England markets to the products of the Canadian farms and dairies? I have already called attention to the fact that in this little strip of territory called New England there are to-day over 92 per cent as many individual consumers as there are in the whole Dominion of Canada, if you count them from the Atlantic to the Pacific. This market of the New England States belongs to the farmers of the United States, who bear all the burdens of citizenship and are entitled to its privileges and advantages, and they should not be compelled to compete upon unfair terms with foreigners. In New England our hills and vales are dotted with small farms, which are worked by their owners. These men can not compete with the great West in the production of

the cereals or in the production of beef and pork; nor with the Pacific coast in the production of fruits; nor with the South in the production of cotton; all of which products find a ready market within her borders. But they can specialize and produce those commodities which are demanded by this dense population of consumers, and thus, too, share in the general prosperity of all.

VALUE OF HOME MARKETS TO NEW ENGLAND FARMERS,

Much has been written about the value of near-by markets for farm and dairy products. Can it be more strikingly illustrated than by the results of the census of 1900, from which it appears that the State in which an acre of land brought the largest return to its owner was New Jersey? Why? Simply because the whole State is dotted with manufacturing towns and cities, and because she has New York on the one hand and Philadelphia on the other, and the small farmer can produce what the near-by market demands and secure for his produce the highest retail prices. Ranking next to I Rhode Island, where similar conditions exist. Ranking next to New Jersey was Next to Rhode Island was Massachusetts, and then Connecticut. And so it was found that just in proportion to the nearness of a farm to a great industrial center just in the same proportion the value per acre of the produce of the land is enhanced in value.

What will an industrial depression in New England mean to the New England farmer? Let me illustrate by saying that the census of 1910 shows that Vermont ranked first in the per capita production of butter and third in the per capita production of cheese of all the States in the Union. And what is true in Vermont in relation to the dairy products, poultry, vegetables, fruits, and other products of the farm is true of all the other New England States in greater or less degree. Their farmers find their profits in suiting their products to the demands of the home market in the manufacturing sections of that division

of States

How will the pending measure affect the New England farmer

in respect to Canadian products?

In this bill the rates are decreased 100 per cent from the present duties on eggs, milk, cream, potatoes, corn, rye, wheat, flax, buckwheat, cabbage, bacon and hams, lard, tallow, fresh beef, veal, and so forth, cattle, swine, and sheep. The duties are reduced 60 per cent on poultry, butter, cheese, apples, peaches, pears, and so forth, straw, oats, peas, and horses. The rates on hay, onions, and barley are reduced 50 per cent. And this is done without any reciprocal advantage offered to or received by any class of producers in the United States

He can but remember the dark days under the Wilson bill in the years 1895, 1896, and 1897, when all classes received such staggering blows that each sympathized with the other in the sufferings which followed; vast throngs of workingmen were without employment, soup houses were opened in many of our cities, armies of the unemployed demanded work of the public authorities, farm and dairy produce suffered heavy decline in prices, and the finest products of New England's farms and dairies sold in the markets of New England for prices less than the cost of production. This was the result of the last previous attempt of the Democratic Party to compel American citizens to preserve their birthright by "whetting their wits" in competition with those who grant no favors.

ABANDONMENT OF THE PROTECTIVE PRINCIPLE-ITS EFFECT.

Mr. President, I can not avoid the conviction that, however pure the motive of those who have framed this measure may have been, however high their purpose, they have approached the question from a standpoint which is entirely inconsistent with what I conceive to be the settled policy of the American people after an experience of a half century—a policy which recognizes the correctness of the principle that, just in proportion as political conditions are free, just in proportion as they extend to every element in society an opportunity for growth and development, just in the same proportion will be found that superiority in the standard of living among the masses which has always prevailed in the United States.

The abandonment of this principle in this measure is the abandonment of a purpose to further recognize the superior condition of the wage earners in the United States over those in foreign nations—a condition which has been invariably looked upon by thoughtful men as essential to the preservation

of our institutions.

Such a change of policy is not only dangerous to free institutions, in that it will draw Americans into a sharper competition with conditions existing under other forms of government, but also that in its effect upon the industries of the United States it will prove so sectional in its character and so oppressive in its operation that the injuries resulting will be vastly greater than any advantage which, in the minds of its most ardent supporters, can possible be achieved.

Its burdens, unless I greatly underrate the protests which have been uttered in this Chamber by those who represent the great agricultural West, the protests which have here been uttered by those who represent the great industrial States of the North, will be so unequally distributed as to demonstrate that it is essentially class legislation. It is conceded by the promoters of the measure that the revenue to be derived by the imposition of revenue duties will fail to measure in amount with that now received under the existing law, and that a deficit of millions of dollars will exist.

How is this defect to be met? I am aware that the Democratic Party has long looked upon an income tax as desirable and as an instrumentality to be used in the destruction of the tariff policy of the Republican Party; and now, although in a time of profound peace, when the country is prosperous and when no unusual exigency exists, on the first opportunity that has been offered, the right of Congress to impose such a tax is

sought to be exercised.

WHERE THE INCOME TAX WILL FALL MOST HEAVILY.

The great industries of the North are not only to suffer from a reduction of duties upon competitive commodities manufactured in the Old World to a degree heretofore unknown in the tariff legislation of the United States, but they are also called upon in a large measure to make up a deficit in the annual revenues of the Government caused by this revolutionary change in

our national policy.

This tax will fall almost wholly upon those sections of the country where commerce and industries more largely prevail. We are unable in judging of the probable operation of the income tax to refer to past experience, because the scheme is new and untried. We are compelled to seek other sources of information. The probable operation of the income tax may be indicated if we ascertain the amount of taxes paid by the people of different States on legacies and distributive shares of personal property as a result of the Spanish War, and, by a comparison of those paid by different States, discover where the imposition of the income tax will be most keenly felt.

The records show that under the law of June 13, 1898, the people of Massachusetts, Connecticut, Rhode Island, New Jersey, New York, and Pennsylvania, with a population almost precisely the same as the population of Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Texas, and Virginia, but with a representation in Congress in 1900 of only 112, as against 120 in the last-named States, paid taxes in the year 1900 to the amount of \$2,116,116.20, as against taxes paid by the States in the South I have already enumerated to the amount of \$112,428.82. In other words, the first-named States, with a less representation in Congress, paid an amount in taxes nearly 19 times as great as that paid by the 11 Southern States. Massachusetts alone, with a population of one-sixth that of the Southern States mentioned, paid a tax 4 times as great as the 11 Southern States together, and yet the 11 States have more than 7 times the number of Representatives and Senators in Congress.

If we apply another test, we find that in the payment of the

If we apply another test, we find that in the payment of the special excise tax on corporations, joint-stock companies or associations, and insurance companies, now in operation, for the fiscal year ending June 30, 1912, the 11 Southern States already mentioned, with a population of 22,392,414, paid a tax of \$1,937,457, while Massachusetts and Connecticut with a population of 4,481,172 paid a corporation tax of \$1,932,056. The 11 Southern States which I have mentioned have Representatives and Senators in Congress to the number of 126, while Connecticut and Massachusetts have but 25. To carry the comparison a step further, let me say that the State of Illinois, with a population of between five and six millions, paid a tax of \$2,867,056, or more than one and one-half times that of the 11 Southern States together, and yet Illinois has a representation in Congress of but 29, while the 11 Southern States have four times that number.

Mr. President, I believe in the principle of an income tax. I was opposed to the constitutional amendment granting power to the Federal Government to impose such a system because I did not deem it necessary to the maintenance of the General Government. On the other hand, I did believe, in view of the burdensome rates of taxation maintained in some of our States and the difficulty they are finding in devising an equitable apportionment of such burdens—I believed, I say, that the imposition of an income tax should have been reserved to the States as one of their sovereign powers. But this is neither here nor there. The constitutional amendment has been adopted, Congress has the undoubted power to impose this tax, and the promoters of this measure propose to use it to meet the expected deficit.

NECESSITY FOR A TARIFF BOARD.

In view of all these considerations, Mr. President, I am driven to the conclusion that the proposed measure is one which is unequal in its application to the different interests of the country; one which is burdensome to particular sections of the country but which affects only slightly certain other portions of our country; that it is one all of the provisions of which support a policy which is un-American in spirit, and one which, in my judgment, is destructive to the highest and best interests of the Nation as a whole. For these reasons I am unalterably opposed to its passage, and I am more than ever convinced of that which has been so often asserted, and which I believe has come to be a settled conviction of the country, that legislation of this character ought not to be undertaken except upon in-formation which can only be derived through the work of a Government board or commission, absolutely nonpartisan in character, composed of men technically equipped for the work, through whose scientific investigations the actual difference in the cost of production of all classes of commodities in the United States and in foreign nations can be ascertained and reported to Congress. For a long time I have been convinced that a permanent board of this character should be established, and I confidently expect that the operation of this measure, if it is enacted into law, will deepen the conviction in the minds of all thinking people that it is unsafe to longer continue the old methods of arranging and fixing tariff schedules. can people must determine what the national policy shall be and Congress must have the benefit of authentic data and unquestioned information upon which to base legislation intended to carry such policy into effect.

The PRESIDING OFFICER (Mr. Walsh in the chair). The

Secretary will proceed with the reading of the bill.

Mr. SMOOT. I do not believe many Senators understood that the Senator from Vermont would be through so soon, and they are perhaps down at lunch at this time. I think some are absent who would like to be here, and therefore I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the

The Secretary called the roll, and the following Senators answered to their names:

Myers Nelson Norris O'Gorman Overman Owen Ashurst Gallinger Bacon Borah Gronna Hollis Simmons Smith, Ariz. Smith, S. C. Smoot Stone Brady Brandegee Bristow Hughes James Johnson Page Penrose Perkins Poindexter Sutherland Bryan Burton Jones
Kenyon
Kern
La Follette
Lane
Lea
Lewis
Lippitt
Lodige
Martine, N. J. Jones Sutherland Swanson Themas Thompson Thornton Tillman Vardaman Walsh Weeks Williams Catron Clapp Clark, Wyo. Crawford Cummins Dillingham Pomerene Ransdell Reed Robinson Saulsbury Sheppard Sherman Williams Fletcher

Mr. JAMES. The Senator from Kentucky [Mr. Bradley] is detained from the Senate by reason of illness. He has a general pair with the Senator from Indiana [Mr. Kern].

Mr. LANE. I was requested by my colleague, the Senator from Oregon [Mr. Chamberlain], to state that he is unavoidably absent and that he is paired with the Senator from Pennsylvania [Mr. Oriver]

sylvania [Mr. OLIVER].

Mr. SHEPPARD. My colleague [Mr. Culberson] is necessarily absent. He is paired with the Senator from Delaware [Mr. DU PONT]. I will let this announcement stand for the day.

Mr. GRONNA. I wish to announce that my colleague [Mr. McCumber] is necessarily absent on account of sickness in his family, and that he is paired with the senior Senator from Nevada [Mr. Newlands].

Mr. THORNTON. I wish to announce the necessary absence of the Senator from Alabama [Mr. Bankhead] and also the fact that he is paired with the junior Senator from West Virginia [Mr. Goff].

Mr. GALLINGER. I desire to announce the enforced absence of the junior Senator from Maine [Mr. Burleigh] on account of illness. I will state that he is unpaired.

The PRESIDING OFFICER. Sixty-seven Senators have answered to their names. There is a quorum of the Senate

present.

Mr. PAGE. Mr. President, I wish to relieve the Senate of any misgivings about listening to a speech from me this afternoon. I simply want to offer a very few suggestions in regard to the particular industry which will be affected by the reduction of the duty on butter from 6 cents to 2½ cents a pound.

I see that the Senator in charge of this part of the bill, the senior Senator from Mississippi [Mr. WILLIAMS], is in his seat. He knows the great respect I have for him. I think he is one of the most erudite and learned Senators here. I should like to ask him if, in his opinion, the reduction of the duty on butter from 6 to 24 cents a pound will not be detrimental to the interests of a strictly dairying State, like Vermont?

Mr. WILLIAMS. Does the Senator mean by that the dairy

people who produce the butter?

Mr. PAGE. I do.

Mr. WILLIAMS. If they had to take less for their butter in the market, they ought, for heaven knows butter is high Everybody eats butter, and the people ought to

get cheaper butter if they can.

Mr. PAGE. I remember the late Serator from Idaho used to discourse to us occasionally as to the duties of a Senator. I think he remarked often that a Member of the House was a representative of his State, but that a Senator was a Senator of the United States. Having in view the duties of a Senator as expressed by the late lamented Heyburn, perhaps I have no right to approach this subject purely as a Vermont Senator representing a Vermont interest; but it seems to me that in a matter as closely affecting the welfare and interest of a State as the dairying interests affect Vermont I ought to speak; indeed, that I have no right to be silent concerning this particular

item in the bill and its application to Vermont.

Vermont is distinctively a dairying State. records show that 85 per cent of all the farmers of Vermont are engaged in dairying. I am sorry the Senator from Mississippi has left the Senate, but perhaps some other Senator upon the other side of the Chamber may answer my question. like to know if it is assumed on the Democratic side of the Senate that the increase in the duty on butter from 4 cents to 6 cents per pound, made by the Dingley law, did not benefit the State which I have the honor in part to represent? I think it is claimed by some theorists that it did not benefit Vermont to have this increase in duty. To my mind, nothing could be more fallacious than such a theory. I believe Vermont was immensely benefited by this change of duty from 4 to 6 cents; and I believe it is susceptible of absolute proof, as nearly as anything uncertain can be proved, that that duty started Vermont upon an upward path to prosperity, which has continued from 1896 down to the present time.

Mr. WILLIAMS entered the Chamber.

Mr. PAGE. The Senator from Mississippi has returned. I will ask him the question whether, in his opinion, the increase of duty from 4 to 6 cents by the Dingley law resulted in added

prosperity to a dairying State like Vermont?

Mr. WILLIAMS. If the Senator from Vermont means by that to ask me whether I think the increase in that duty added to the price of butter, I frankly say that I think it probably did, and, of course, it added that much to the prosperity of the fellow who was making butter and selling it, and deducted that much from the prosperity of the man who had to buy it.

Mr. PAGE. Then I want to repeat what I said a moment

The Senator from Mississippi will remember that former Senator Heyburn, of Idaho, was wont to say that a Member of the other House represented his State, but that a Senator was a Senator of the United States, and that as such he represented the whole country. Is that the view of the Senator from Mississippi?

Mr. WILLIAMS. That is my view precisely; and for that reason I think the few butter makers in Vermont are less to be considered than the entire butter-consuming public of the

Mr. PAGE. Let me ask the Senator a further question. Am I, as a Senator representing in part the State of Vermont, justified in protesting here in behalf of the agricultural inter-

ests of my State against this change?

Mr. WILLIAMS. Upon the theory that you are representing Vermont alone, yes; upon the theory that you are representing

the entire United States, no.

Mr. PAGE. But is it not true that in the making of a tariff bill we bring together here the consensus of views and opinions of all the States, and that the making of a tariff bill is a compromise in which those views meet together and eventually form a bill?

Mr. WILLIAMS. That involves the idea that, instead of each individual Senator considering the interest of the entire country, each individual Senator shall consider his local interest, and then by a process of aggregating these things, logrolling them out, the general prosperity is arrived at. In that theory I do not believe.

Mr. PAGE. I am sorry to disagree with the Senator from Mississippi, for he knows my good opinion of his abilities; he that in making up this schedule of duties he and his Demo-

knows how I would like to agree with him; but I can not in this case. It seems to me that it is the duty of a Senator from Vermont, in view of the fact that Vermont is distinctively a dairying State, to stand here and protest against what you have done in this bill.

Mr. WILLIAMS. I have no quarrel with that position, and would not even have questioned it, except for the fact that the

Senator from Vermont put me upon the witness stand.

Mr. PAGE. I asked the question because I wished to know the Senator's view about that; and I think his reply was not altogether conclusive, because I think, in his own heart, he feels that the only proper way to frame a just and equitable bill is to consider all the interests of all the States as they are presented here in the Senate by the representatives of those States. Am I right in that, I will ask the Senator?

Mr. WILLIAMS. Well, I hardly know. When the Senator says "to consider all the interests of all the people," if he means that, of course he is clearly right; but if the Senator means to concede to each demand what each wants, or to even consider with favor each special demand of each special interest or each special locality, he is just as clearly wrong. My own view is, that we should spread our vision over a broader horoscope, that we should take into view all the people and disregard special interests as much as is possible with the weakness of human nature.

Mr. PAGE. In a measure I fully agree with the Senator, and yet it seems to me that the only possible way of reaching a just result is for us to get together, each making his claim for his State, each making his protest where his State has been injured, in the opinion of the Senator, each setting forth the benefits that have come to his State by any given course of legislation, and in the final result trying to reach a just conclusion.

Let me say distinctly, in answer to the suggestion of the Senator from Mississippi, that in 1909 the question arose as to what Vermont should do under the Payne-Aldrich bill with reference to her different industries. I said to former Senator Aldrich, "I want you to know that Vermont is a progressive State; we want to take our share of the diminutions and dis-counts and reductions of duty in this bill." Take, for instance, marble. If we go down to the New Willard Hotel we find that

there is a wainscoting made in Italy.

I had a conference with the marble people in the State of Vermont with regard to that duty, and they said, "We can not compete with Italy on anything that has much hand labor expended upon it, but we are willing to join with the rest of the people of the country, in view of the demand for a reduction, and stand our share of that reduction." The Senator from Mississtand our share of that reduction." The Senator from Mississippi will remember that thus far Vermont has made no protest against the reduction of the duty on marble. We have felt, however, that on granite, which is distinctively a Vermont industry, you have been too severe on us. We are now receiving three and a third times as much protection as we shall receive under the bill now under consideration. We believe that is wrong, and so we made our protest; and I should not regard myself as having done my duty as a Senator from Vermont if I had not done so. I do not believe the Senator from Mississippi will tell me that he believes I did wrong in making that protest.

Mr. WILLIAMS. Does the Senator think that either he or Vermont or anybody else could have a vested right in a tax?

Mr. PAGE. No, sir; but we have a right when we think we are wronged to enter our protest; and the only place where we can properly make that protest is here on the floor of the Senate when this bill is under discussion.

Mr. WILLIAMS. But the law that the Senator is complaining of is the reduction of a tax; that is what he calls a wrong. So I asked the Senator if he thought he or anybody else could

have a vested right in a tax.

Mr. PAGE. I do not; but I do believe that in the readjustment of tariff duties, instead of making the protection three and onethird times smaller than it is, we ought to have had reductions that were reasonable. I submit to the Senator that when the Democratic platform was made one of the provisions of that platform was that no legitimate industry should be injured. think that President Wilson in his anteelection canvass told the people in his letters and in his speeches that "if an industry is competitive, if it is legitimate, if there are no special reasons why it should not exist, the Democratic Party will see to it that it is not unduly wronged."

I say I protested the other day, and I now protest to the Senator, that in their treatment of the great granite industry of Vermont—for next to agriculture it is the biggest industry in Vermont—we have been wronged. I protest to the Secutor

cratic colleagues have treated Vermont with greater severity than they have treated the average interests of this country, as I shall try to show in my remarks a little later on.

I wish, however, first to show that, beginning with the advance in the duty in 1897, under the Dingley law, Vermont entered upon an area of great prosperity. We are not coming here and saying to the Senate that Vermont is poor; we are not begging. I take the other ground; that is, that we have been exceptionally prosperous, and we have been prosperous because we have had the New England market, which I think legitimately belongs to Vermont and not to Canada.

Now, without taking the time of the Senate with any extended remarks, I merely want to quote from the statistics for Vermont in the report of the Thirteenth Census for only two or three minutes to show what has been accomplished by

Vermont in the last 10 years.

In the first place, I think, one of the best evidences of success and of prosperity is the way we have been able to treat our educational matters. I now quote from page 578 of the report. Under table 9, showing school attendance, we find that out of 31,451 school population between the ages of 10 and 14 years, 30,391, or 96.6 per cent, were attending school. I am very proud of this fact, because it shows that in this respect Vermont is ahead of every other State in the Union. On page 579, in table 10, we find that the total number of illiterates of native parentage had decreased from 3,231 in 1900 to 2,234 in 1910, the percentage in 1910 being only 1.2, or 12 persons out of each 1,000. Again, the reports give the State percentage of illiteracy as 13.1 per cent among the foreign born, and only 1.9 per cent among the native whites.

Vermont probably has a larger percentage of native sons of native sons than has any other State in the Union. I may come to the figures later; but, as I remember, the percentage is about 65 or 75 per cent, while in my own county the percentage is more than 80 per cent of native sons of native sons. When you say that the per cent of illiteracy among native whites is only 1.9 per cent you speak volumes for the prosperity of Vermont. I think the Senator from Mississippi will agree with me in regard to that test, for it really is

a great test.

In regard to the value of our farm property, in 1900 the value of all farm property in Vermont was \$108,000,000, while in 1910 it was \$145,000,000, an increase of 34.1 per cent. know but that there are some of the newer States which can make a better showing; very likely there are; but for a State which between 1880 and 1890 actually lost in its rural population; in a State where the farm values actually declined, as they did between 1880 and 1890, and, I rather think, only barely held their own between 1890 and 1900, a gain of 34 per cent in the value of our farm property is a wonderful showing.

I read from page 592: "The actual and relative gain during the decade from 1900 to 1910 was over five times as great as during the decade immediately preceding, while in the two decades between 1870 and 1890 decreases in value were re-

ported.'

Again, the average value of land and buildings per acre in 1870 was \$24.62; in 1880 it was \$22.40-note the decline; in 1890 it was \$18.30-note the further decline; in 1900 it was

\$17.58-note the still further decline.

But after we received the protection on butter given us under the Dingley law it gave us what legitimately belonged to us-the New England market, and in the decade from 1900 to 1910 we made the wonderful gain of more than 40 per cent in the value of our farms. In round numbers they increased from \$17 to \$24 per acre. In 1900 we became a distinctively dairying State. Formerly we raised more or less sheep and we raised a great many horses. To-day we do very little in the sheep industry, and it is a fact that the horses which we use on our farms are largely brought from Iowa and Missouri.

I am proud of that fact. I do not know but that under the operation of this bill we shall be compelled to go into diversified farming, and in that respect it may be beneficial to us.

The facts are that our farmers have come to be very skillful in the making of bufter, and the State, because of that fact, has become very prosperous. I am sure the Senator from Mississippi, whatever broad ground he may assume in regard to this matter, will say that he does not blame us for feeling solicitous in regard to the future under this tariff cut. to-day receiving nearly two and a half times the protection on butter that we shall receive if the provisions of the bill now before us become law; or, to be exact about it, the present law gives us 2.4 per cent as much protection as we shall receive under the bill now under consideration.

Another fact which I want to bring to the attention of the Senate in regard to the prosperity of Vermont is this: Up to 1890 Vermont, like many other States, was badly in debt; we were heavily mortgaged; but from 1900 to 1910 the census report shows that we reduced the percentage of debt to value from 41 to 33 per cent.

I think Vermont is an ideal, a typical State to consider in discussing this important question of the tariff on butter, as

Vermont is distinctly a dairying State.

Speaking with reference to dairying, the census report says that of all the farms in the State, 86.4 per cent report cattle and 85.4 per cent report dairy cows, which, I suppose, means that more than 85 per cent of all our farmers were engaged in

this great industry.

Of the 3,721 foreign-born white farmers in Vermont in 1910, 2,463 were born in Canada. I want to bring that fact to the front now, because I shall speak of it later. Pretty much all of the foreigners we have in Vermont to-day are Canadians. It is oftentimes said that Canada is just as good a country as Vermont, but many of their best citizens, when by thrift they get a little something ahead, come down into Vermont, buy our best farms, and become not only our very best farmers, but our very best citizens.

The increase in crops during the past 10 years is phenomenal, because you must bear in mind that we do not increase our acreage at all. In the West you increase your crops because you increase your acreage, while in Vermont our acreage remains substantially stationary, but the total value of crops in 1909 was 51.1 per cent greater than in 1899—a really wonderful

showing.

The product of our manufactures is not directly related to the question under discussion, but I happen to note this sentence in the census report, and I want to read it to the

From 1899 to 1909 the total value of products increased \$2.456,000, or 43.4 per cent, and the value added by manufacture was \$285,000, or 37 per cent.

I think it is a fact that our increase in this respect has been due to our quarries. The increase in marble, slate, and granite has been very great, and that accounts largely for our increase in manufactures.

And while reading let me read this sentence:

Of the 1,958 establishments reported for all industries 6.7 per cent employed no wage earners, 56.2 per cent from 1 to 5, 21.1 per cent from 6 to 20, 10.1 per cent from 21 to 50, and only 5.9 per cent over 50.

In other words, the business is largely in the hands of small concerns. You may go into any of our little granite towns in Vermont and you will find that the granite producer comes up from the quarry. He gets a little money ahead, acquires a little experience, and starts off in business for himself. are very proud of the progress Vermont is making in regard to those little industries, and we believe they ought not to be injuriously disturbed.

I desire to refer to one more item, because it pertains to this particular feature, and then I shall be through with statistics,

taken from the census report. I read from page 623:

Butter, cheese, and condensed milk.—Vermont is one of the leading dairy-producing States, ranking ninth in respect to number of establishments and tenth in value of products.

One word in regard to that thrift of Vermont, which is largely the outcome of the prosperity of our dairying interests. I was observing yesterday the report of the banks of the city of Washington. They were called upon to make a report as of August 9. This is a city of three or four hundred thousand population. I live in a little village with a population of 423. In that little village our bank, the Lamoille County Savings Bank & Trust Co., has about \$2,700,000 in assets, and in the same bank building and connected with it is a national bank, the two together having three million one hundred and some odd thousand dollars of assets, a greater amount, I think, although I am not certain about it, than have the majority of the banks in this city.

The farmers of Vermont get up early in the morning; you will find many of them up at 4 or 5 o'clock, and they work until late at night. They are pretty thrifty, and when they get a dollar they lay it away in the savings banks. I want to give you some figures that are almost phenomenal. From 1904

Mr. GALLINGER. Mr. President—
The PRESIDING OFFICER. Does the Senator from Vermont yield to the Senator from New Hampshire?

Mr. PAGE. With pleasure.
Mr. GALLINGER. I remember once listening to a most interesting lecture by Henry Ward Beecher, in which he criticized New England pretty severely. Among other things, he said

that the farmers got up in the morning to wake up the cows to

Mr. PAGE. Well, if the Senator will allow me, I remember the Senator from Michigan [Mr. Townsend] yesterday spoke of his great pride in the fact that he was a farmer. I want to express my pride in that same fact. My father was a farmer. In my early life while attending school I often got up in the morning at 4 o'clock and milked or helped milk the cows and then went up to what we called "the back farm," where we kept the heifers and cows that were not in milk. I had to go up to this farm on the hill, let out the cows, drive them down 20 or 30 rods to a spring to water them, then drive them back, tie them up, feed them, and clean out the stable. Many and many a time I have gone up the half mile or more to the back farm with the thermometer registering 25°, 30°, or 35° below zero. It is almost impossible, as every northern farmer knows, to get cows to go to the spring in cold weather. They will drink when you get them to the water, but they hate to go out on a cold morning to drink. I have driven those reluctant cows down to water and then driven them back when the weather was so cold that I wondered how I stood it; but I believe to-day that my good health may be attributed to the fact that in my boyhood days I had to do just that kind of work.

It is a good thing to get up in the morning, and it is a good thing to work hard. Hard work does not hurt a boy or a man; it is worty that hurts, and our Vermont farmers under the present tariff have not been worrying very much; they have been making a little money and putting it by in the savings bank for

a rainy day,

From 1904 to 1909 the increase in deposits in little Vermont was \$15,830,504.64. We have a population of only three hundred and fifty-odd thousand. We have only a little over 9,000 square miles of territory, and yet the gain in savings-bank deposits in the five years ending 1905 was \$15,000,000, and the gain in the

year 1912 alone was \$6,453,614.39.

There may be some other States that can beat us, but we are very proud of our record, and I doubt if it can be beaten. I believe Massachusetts claims to be a little the best State so far as savings-bank deposits go, but we are very proud of what we do in Vermont, and I want to say to the Senate that this prosperity is largely because of the prosperity of our dairying inter-We are nothing if we are not good dairymen.

Mr. MARTINE of New Jersey. Mr. President—
The PRESIDING OFFICER. Does the Senator from Ver-

mont yield to the Senator from New Jersey?

Mr. PAGE. With great pleasure.

Mr. MARTINE of New Jersey. I thought the Senator was arguing that the magnificent thrift and splendid health he possesses came from the beneficent effects of the tariff. I think the Senator said something to the effect that it was owing to our splendid tariff, did he not?

Mr. PAGE. The Senator failed to catch what I said. I said we laid the foundation of our prosperity by hard work, and that hard work did not hurt anybody, but worrying did, and that when we were making these gains we did not have to

Mr. MARTINE of New Jersey. I thought the Senator said the tariff brought about this magnificent result.

Mr. PAGE. It has done so, by giving us a prosperity that lets us live.

Mr. MARTINE of New Jersey. Does not the Senator attribute anything to God's glorious sunshine, magnificent climatic conditions, and atmosphere that make up the opportunities of the population of America?

Mr. PAGE. Most assuredly I do.

Mr. MARTINE of New Jersey. Does not he attribute anything to sunshine and rain and the great possibilities of an American in America ultimately, mayhap, becoming a Senator, as the Senator from Vermont has, and the ingenuity and general ability of the American race, even without tariffs?

I am not one of those who believe that all these glories and blessings that have come to America, and this magnificent and wonderful progress that have come, are entirely attributable to the tariff. Heaven only knows what we would have done without it. We have grown in spite of your tariff. Without it, I believe we might not have advanced quite so rapidly, but the goal would have been reached anyway, with American genius and intellect and thrift, and with God's blessings.

The Senator is simply emphasizing what I am very glad to have brought to the attention of the Senate now. We had the same sunshine, we had the same rain, we had the same blessed privileges that we have now, so far as God has given them to us, in 1870 and 1890 and 1900. But let me say to the Senator that it was under the present tariff on butter that the value of our farm lands increased from \$17 to \$24 an Let me go back. In 1870 the value per acre of our farm lands was \$24. We have just gotten back now to the level of 1870. In 1880 it was \$22; in 1890, \$18; in 1900, \$17. But under this tariff, which gives us a good protection on butter and gives us the New England market, the value of farm lands in Vermont has increased from \$17 to \$24 an acre since 1900.

Mr. MARTINE of New Jersey. That is very nice for the Senator, who makes the butter, but God help the poor mortals of us that eat it! We pay too much. We feel that it would be a most beneficent blessing if the price of butter were reduced. I think if you should canvass the average householder in the District of Columbia, or in almost any State of the Union, he would tell you that he thought butter was inordinately high and that

the farmers of Vermont were reaping too rich a profit,

Mr. PAGE. Mr. President, I should like to take the good Senator from New Jersey up to Vermont and show him the manufacturing industries of our State. I could take him to Hardwick, for instance, which is only about 14 miles from my town. At 4 o'clock in the afternoon he would see the granite workers marching from the quarries to their homes, and from 4 o'clock forward they have nothing to do. The farmer often gets up and goes to work at 4 o'clock in the morning and not infrequently works until 9 at night.

Mr. MARTINE of New Jersey. I wish to remark, regarding the quarry workmen, that I am one of those who insist that the leisure hours that the quarry workmen have are not the result of the tariff, nor are they a voluntary offering on the part of the quarry owners. They have been the result of the formation of labor organizations that have dictated the hours

of labor.

Mr. GALLINGER. Mr. President, will the Senator permit me?

The PRESIDING OFFICER. Does the Senator from Vermont yield to the Senator from New Hampshire?

Mr. PAGE. I do.

Mr. GALLINGER. As I understand the matter, the difference between Vermont and New Jersey is that the Vermonters have kept their farms and are producing butter on them, while the Senator from New Jersey sold his farm for house lots and got rich.

Mr. MARTINE of New Jersey. That is anticipating some-I have not discovered that I have gotten rich. But I did cultivate my farm, and I was one of the farmers who never discovered the splendid benefits and magnificent profits resulting from the tariff. I never discovered that the price of a bushel of wheat or a bushel of potatoes that I raised was enhanced one whit by the tariff. I was wise enough, I felt, to see that I was being fed with thin gruel when my Republican friends told me that, and the farmers generally throughout the country have opened their eyes to the fact that this was false teaching and that the tariff really did not help them.

I remember that right here in his place last year the distinguished Senator from New York [Mr. Root] stated that the farmers had gotten little, if any, benefit out of protection. The farmers are a fairly intelligent body of men, and you can not delude them with the thought that a duty of 25 cents a bushel on potatoes, or 25 cents a bushel on wheat, is helping

them at all, since we are an export people.

I read the tariff list over, and I find that a duty of 10 cents apiece, I believe, was levied on pumpkins in your last tariff bill. It would be very much of a pumpkin head that would be captured by any such argument. That duty did not help the farmer a bit, barring the territory right along the line of Canada. The pumpkin would decay and rot before it got far inland. It may have helped a few farmers right along the border; but the mass of the farmers have reaped nothing from it, and the verdict of the farmers has been positively and

absolutely against this iniquity.

Mr. PAGE. Mr. President, I wish to say to the Senator from New Jersey that if any State in the Union has a right to speak well of the tariff, it is New Jersey, and if any man in the Senate has a right to speak well of it, it is the Senator from New Jersey, because the manufacturers have moved into his State in such numbers that they have crowded him out of his farm, and have taken his farm to build their homes upon. I wish to say to him that the manufacturers of Vermont, so far as I know—and I have talked with them—are not jealous because the farmers get good prices for their products. The granite men work eight hours a day. They see the farmers working 16 hours a day. They are able to get wages which at the minimum are \$2.50 a day, and run from that figure up to \$5 a day, or even more, for eight hours' work. They are content. They are not

selfish to the extent that they want to see the Vermont farmer

deprived of his protection.

I think the Senator is all wrong, if he speaks for his own people, in saying that they are jealous because the farmer is living fairly well. Why, Mr. President, if you will give the farmer the purchasing power, he will buy the shoes made down in New Jersey. If you deprive him of that power by reducing his income, he will wear his old-shoes a couple of years longer, and New Jersey will suffer because Vermont suffers.

Mr. MARTINE of New Jersey. The Senator speaks about

my farm being built up by the beneficiaries of the tariff. He is utterly wrong. It was not built up by the beneficiaries of the tariff. I realize that New Jersey is brim full of manufacturing enterprises. I realize, too, that the manufacturers and mill owners have been fostered and favored by a tariff inordinately high and infinitely unjust. I realize that while the few who were the owners of these great enterprises may have made, and have made, most fabulous profits, as a rule the laborers who were the authors of the money that was turned out were paid but miserable wages.

I cited to you within the past few months instances in the city of Paterson, one of the cities most favored and fostered by the tariff system, where people were stalking the streets really asking for bread because they had refused to accept without murmur the wages that were proffered to them by the mill I can recall that within 9 miles of my own home, in great manufacturing woolen and shoddy mills, white women were paid as low wages as 75 and 80 cents a day and children were employed at a less sum. And this under the most munifi-cent and extravagant system of protection!

I say the average breadwinner has not reaped his share from the so-called protective tariff. It has benefited a handful of mill owners and a handful of quarry owners; but when we turn to the mass of the people of our country I do not believe

the toilers and breadwinners have reaped their share.

I can understand full well that you men of New England, like the men of Louisiana with their sugar proposition, have lived so long by having had your chins held out of water by the public that you seem to think you can not live without it, Just brace up and make up your minds that there is no more reason why your manufacturers should be protected than some other manufacturers. It comes out of the whole mass of the people. Let us lift the burden. With all the wealth that you have accumulated in Vermont, in Heaven's name, I say, just let up on the tariff on butter and let some poor child and some poor mother have a little more liberal stipend of it to spread upon the buckwheat cakes that I heard caviled about here by the Senator from North Dakota the other day.

Mr. PAGE. I should be very glad to continue this, but I can see by the attitude of my beloved friend the Senator from Mississippi [Mr. WILLIAMS] that he will not quite consent. He is anxious to have me keep my word and cut short my argument. He is anxious to have a vote on this paragraph. I am afraid if the Senator from New Jersey and myself should get to discussing this matter we would extend the discussion too long

I am only going to say that the Senator may find in his State some rare instances here and there where the people are not being fully employed at good wages; but they are like the single spears of grass that are left after the mower has been over the field. I do not know of any place in Vermont where the people are not all employed, and all employed at good

It is a great mistake to theorize about this matter. Senator is a good Bible scholar, and he will remember that when a certain man was taken down to the pool and had washed his eyes, he saw, and they asked him to tell them some-thing about it. He said, "I can not explain your many theories about this, but this thing I do know-that whereas once I was blind, now I see.'

In 1870, 1880, and 1890, according to the census, Vermont was not prosperous. In 1897 you passed the Dingley bill, giving us a duty of 6 cents per pound on butter. I do not care to theorize about it, but the fact is that from that time to this we have been prosperous. We have been prosperous in our agricultural interests; we have been prosperous in our granite; we have been prosperous in our marble; we have been prosperous in our slate. It has not been a one-sided prosperity; we have been throughout our borders a prosperous and a happy State, and I want to see that prosperity continued.

Mr. MARTINE of New Jersey. That has been the trouble with the Senator's party. He speaks of their being washed, and now they see. They saw last November, and in figures and decree beyond parallel they have relegated your doctrines

to the rear.

Mr. PAGE. More theory, Mr. President. If I were to have my say about it, I should say that Mr. Wilson was not a majority President; but I do not want to debate that with my good friend from New Jersey.

Mr. WILLIAMS. Abraham Lincoln was not, either, as the

Senator will remember; but let us go on.

Mr. PAGE. There has been something said; and I think I can drive the facts straight home to the Senator from Mississippi, because he said it, about the influence of Canada. If I am wrong, he will correct me. He said to us yesterday: "Gentlemen, you need not be afraid of Canada." I will ask the Senator if I am not right?

Mr. WILLIAMS. I do not remember whether I said that or not; but if I did not I will say it now.

Mr. PAGE. I made a little note here which reads like this: Senator Williams said yesterday he was not afraid of competition between Canada and the United States,

Mr. WILLIAMS. Oh, I remember. I said I was no more afraid of competition between any Province in Canada and any State in the United States than I was afraid of competition between Minnesota and California or between Mississippi and

Alabama. I said that, and I repeat it now.
Mr. PAGE. Mr. President, when I was a boy I was very anxious to go to college. Sometimes when I see the erudition of my good friend the Senator from Mississippi [Mr. WILLIAMS] I wish I, too, might have gone to Heidelberg and have received the kind of education that he did. But my father was a hard-fisted old fellow, and he said: "My son, I do not believe in nsted old fellow, and he said: "My son, I do not believe in sending you to college. I would rather have you take the horse and travel through Canada among the French people, buying hides, skins, furs, and wool for a couple of years than to have you go to the best college in this country."

I always regretted that I did not have the opportunity to go to college; but I did not. But I did have the other experience, and I know Canada like an open book. I have visited almost every sizable town in the Province of Quebec. I have been in every Province in Canada from the Pacific to the Atlantic.

When I hear men say here that the conditions in the Province of Quebec are substantially the same as the conditions in Vermont I smile, because I know the statement is erroneous. think the statistics which are relied upon by our Democratic friends to show this are statistics of the English-speaking people of Ontario and of those people in the extreme northwest, where the climate is cold, and where the population is new and wages naturally high. But I desire to say to the Senator from Mississippl and to the Senate that when you start from Vermont and go across the forty-fifth parallel you go only a few miles before you strike the French country. You would know you were going into another country if you did not know anything about the forty-fifth parallel. You can see it.

Why, I went once to the city of Rimouski, which has a population of four or five thousand. As you go down the St. Lawrence from Quebec north you first strike Riviere du Loup, which is a sizable city, and then farther on you come to the largest city on the St. Lawrence north of Quebec, Rimouski. That is a city where more than one-third-and I guess more than two-thirds, but I want to speak within reason-of the houses are built of logs and whitewashed. They have what we call an "ogee" roof. The roof flattens out at the bottom and forms a primitive sort of veranda. The people are good. Tkey are thrifty. They rely upon the Catholic priest to tell them when to sell their horses and their hogs and their potatoes. I do not know but that they have some education; I think they have, but it is comparatively little. The farm lands are very much cheaper; the buildings are cheaper; the roads are nothing like ours.

In the little State of Vermont this year we are putting \$1,000,000 into what we call State highways. We tax ourselves very heavily for these benefits. The taxation, in my judgment, is more than double what it is in Canada. We are to be called apon to pay a national income tax in Vermont. It will be a very good sized tax, too, considering our population. If we pay that tax, why should we not have the home market?

If the Senator from Mississippi has studied the conditions in Vermont, he knows that on the west side of the State the Central Vermont Railroad reaches up into Canada. On the east side the Boston & Maine reaches up into Canada. I know the conditions in Canada, because there is hardly a county in Quebec, Prince Edward Island, Nova Scotia, or New Brunswick that I do not trade in. I know them all, and I know them well. I know that the freight rates from the Province of Quebec—which, as I have remarked, is our chief competitor—to Boston, to Providence, to New Haven, and so forth, are almost identical with ours. There is no protection in freights which in any sense overcomes the tariff duties, as may be the case in a

good many sections of the country.

The Canadian habitant or the so-called French habitantand that constitutes the great bulk of the population after you get 10 or 20 miles from the Vermont and Canada border-may almost live on what an American would throw away. are extremely frugal, and because of this frugality they can easily underbid us. If the Senator ever undertakes to discuss this matter upon the broad assumption that prices are as high in Quebec as they are in this country, I hope he will take the pains to investigate this particular feature of the situation, because it is certainly true that the conditions there are so unlike ours that they are not to be used as a basis of comparison in framing tariff schedules.

I want to say in this connection, lest it be thought that I speak disparagingly of Catholics, that the influence of the Catholic clergy is of a most helpful character. Those men come down into our northern counties in Vermont and usually locate near a Catholic church. There is a Catholic church in my own little village, the only one in the county. These thrifty Canadians come and settle around us, and their chief adviser, financial as well as spiritual, is the priest. The priest is a man educated not only in Bible but in business. I do not believe there is another clergy anywhere that surpasses the Roman Catholic clergy in business ability, and they look well after the individual

members of their church.

I have said that I thought Vermont was an ideal spot to consider in illustrating the dairying industry. It is so, because in most States-for instance, in many Western States-prosperity is dependent upon diversified farming. The West depends upon wheat, upon flax, and upon barley, as well as upon But Vermont has come to be almost exclusively a dairying State; and as my colleague [Mr. Dilligham] very well said this morning, she ranks No. 1 in the States of the Union in the quantity per capita of her products in the dairying

There is something remarkable in the condition of Vermont with reference to her sister States. We have only 9,000 square miles of territory, and the statistics will show that we have only 2,500 and some odd square miles of farming land. Why, Mr. President, you could take all of our farming lands and put them into the State of Texas 105 times, and still have a good deal left. I was out in the State of Arizona not long since, and went down into the Grand Canyon. After I came back I said to the Senator from Arizona: "In what county is the Grand Canyon?" He said: "Coconino County." I said: "What is the area of Coconino County?" He said: "Eighteen thousand and over square miles.

Think of it, Mr. President. Here is a single county with about double the area of the entire State of Vermont; and when you come to think of the very small amount of farming acreage we have, it is wonderful that we maintain the standing we do. I think the statistics I have read this morning show that we stand tenth or eleventh of all the States in the Union, notwithstanding the fact that our entire area of tillable farm lands would make only 70 ordinary townships 6 miles square. If Vermont is prosperous it is because of her dairying. If North Dakota or South Dakota is prosperous, it may be because of wheat or barley or flax; so I say that I think Vermont is a typical State to illustrate the paragraph now under discussion.

I should like so say just one word in regard to the aggregate of this great industry. Very few people know that the product of butter, cheese, and cream in this country aggregates \$500,000,000 per annum, at least that is as I find it in the records. Two hundred million dollars of that is butter, \$5,000,000 cheese, \$118,000,000 milk, \$95,000,000 cream, \$33,000,000 con-

densed cream, and \$2,000,000 sugar of milk.

I want to say, what has not been mentioned as far as I remember up to this time, that this bill not only reduces the tariff on butter from 6 cents to 21 cents a pound, but it almost wipes out the entire duty. Does the Senator from Mississippi know that? If he will go with me to the Province of Quebec he will find that their cream, at a very slight expense, can be sent down just across the line into Vermont to our creameries there and be made into butter. What will be the result? It is true that you have left a duty of $2\frac{1}{2}$ cents on butter, but if you can bring Canadian cream down into Vermont free of duty and there have it made into butter you have practically destroyed protection on butter so far as the Province of Quebec is concerned. Perhaps that is one feature of this schedule which has not been noted by the Senator from Mississippi. I should like to have him explain, if he can, any remedy for that condition of things. If you can bring the cream across the line free to our creameries in Vermont, why have you not practically eliminated protection on Quebec butter?

Mr. WILLIAMS. I wish we had done it.

Mr. PAGE. Mr. President, the Senator says he wishes we had done it. Well, he would be destroying the leading industry of Vermont in so doing. We have always sold our butter, our cheese, our eggs, and other farm products to Manchester, Lawrence, Lynn, Worcester, Brockton, Salem, Peabody, Providence, Springfield, New Haven, and Hartford. We have enjoyed that market for the past 16 years. We ought to continue to enjoy it because it is legitimately ours, and there is no good reason under heaven why we should not have it. They do not pay an exorbitant price. They ought not to do so, and I do not think they do. I believe our Democratic friends have talked to them upon that proposition until they have almost made them believe that they were suffering. But the wage earners of New England are to-day receiving almost everywhere prices that permit them to pay the Vermont farmer a fair price for his butter. What is the justice in saying that you will take from the Vermont farmer his little pittance and give it to men who work shorter hours and receive much larger pay?

Mr. President, I want to say to the Senator from Mississippi that the great problem in Vermont to-day, and indeed everywhere in this country, is to keep the boys on the farm. are we to do it? We are now establishing agricultural high schools in Vermont, and are trying to give our boys an education that will enable them to carry on the farm in a better and easier way, and we hope that in this way we are going to maintain the equilibrium between urban and rural life about where it is. But let me say that we are not going to maintain a high grade of citizenship in this country if we destroy the prosperity of the farmer in an attempt-it will be a vain attempt, Mr. President-to build up the artisan at the expense

of the tiller of the soil.

Go where you will the enterprising boys are leaving the farm. Vermont has for half a century been sending out nearly, or quite one-half of the best of her sons to help build up other States.

A few years ago I was called upon to go out to Chicago to talk to the Sons of Vermont at one of their annual meetings, and I gathered statistics showing what part of the National Senate was made up of the native sons of Vermont. What do you think I found? Counting the Vice President, a native son of Vermont, we had thirteen times the number we were entitled to upon basis of population. Examining further I found that of those Senators there was only one, who came from a town having as many as 1,700 population; all the rest of them came from towns having less than 1,250. They were men who had grown up in little back hill towns, most of them away from railroads, men who in their boyhood had to break their own roads through the deep snows to the little red schoolhouse. They came from that class of boys who have contributed to the best life of this Nation-the farmers' boys

Mr. President, if we are to see this Nation prosper we must take care of the farmer; we must not say, as the Senator from New Jersey has just said, "In heaven's name, why not take from the farmer and give to the man who works in the quarry. The quarrymen in our State are living at a splendid rate and are earning from \$2.50 to \$5 a day, and even more. not make complaint. I do not believe they do in the State of the distinguished Senator from New Jersey. I happen to know that men there in an industry with which I am connected, the leather industry, are very prosperous. They get large wages. They are not obliged to ask, and I do not believe they do ask, the farmers of Vermont to surrender their butter market to Canada in order that they may buy that article a little cheaper.

Mr. MARTINE of New Jersey. I do not believe the Senator will gainsay it when I state that there is a universal complaint

on account of the high price of butter.

Mr. GALLINGER. And the high price of everything else. Mr. MARTINE of New Jersey. What is it worth? F what does it sell? The price is 60 cents a pound, is it not? Mr. PAGE. I think the Vermont farmer is getting all the

way from 30 to 35 cents a pound.

Mr. MARTINE of New Jersey. It sells at from 40 to 60 cents a pound.

Mr. WILLIAMS. The ruling price of butter in 1912 was in New Hampshire 30 cents; Vermont, 31 cents; Massachusetts, 34 cents; Rhode Island, 34 cents; Connecticut, 35 cents; New York, 31 cents; New Jersey, 37 cents; Maryland, 27 cents. Mr. MARTINE of New Jersey. All the pleasant words the

Senator has said and the wise words regarding the wisdom of keeping boys on the farm God knows I echo. I say a farmer's

life is the ideal life; I love it; I know everything about it. Unfortunately it has not been very profitable. I have in all my life lived as a farmer, except the past three years. As I have looked over the tariff list to find out where the benefits were coming to the farmer I found they were nil. It was simply a delusion, sentimental, as the Senator from Idaho [Mr. Borah] said in his address some days ago. He said if the farmers were getting no benefit they were deluded with the idea that they were getting it, and why take off the duty? I say the farmer has get no benefit from the protective tariff; that it was a process of delusion to the farmer.

Now, I want the farm boys to be induced to stay on the farm, because it is a dignified and, I hope it may be, a profitable occupation. But this thing confronted us: We were fed with the sentimental nonsense of protection for our products, when the fact was apparent that everything we bought we bought in a highly protected market, and we had to pay inordinate prices.

Now, I say you can not rehabilitate the farmers by offering this sort of stuff to them, but let the farmers and let the manufacturers stand as near as they can on their own footing. As a principle the idea of protection to me is a radical mistake.

Mr. GALLINGER. Mr. President— Mr. MARTINE of New Jersey. I do not believe there is any reason in God's kingdom why the Senator from Vermont should be taxed in order to hold me up or, on the contrary, why I should be taxed to hold him up.

Mr. GALLINGER. Mr. President, will the Senator permit

The PRESIDING OFFICER. Does the Senator from Vermont yield to the Senator from New Hampshire?

Mr. PAGE. Yes.

Mr. GALLINGER. I will ask the Senator from New Jersey, with the permission of the Senator from Vermont, what the purpose is and what the result will be of reducing the duty

Mr. MARTINE of New Jersey. I say the tariff is a tax, and you can not get away from that; and if the tariff does not tend to increase the price it defeats the object for which it is levied.

Mr. GALLINGER. But—
Mr. MARTINE of New Jersey. You tell us and the Senator from Vermont tells me that they must have a tariff on butter in order to pay better the farmers, and induce the farmers' boys to stay on the farm. I say that the tariff on butter must tend to increase its price.
Mr. GALLINGER.

The Senator has grown eloquent-

Mr. MARTINE of New Jersey. No.
Mr. GALLINGER. Or earnest, if not eloquent, in his desire to benefit the farmer. What does he propose to accomplish for the farmer by reducing the duty on butter?

Mr. MARTINE of New Jersey. I propose to make butter cheaper to the million mothers and fathers and the million

children in our land.

Mr. GALLINGER. The Senator is growing both eloquent and vociferous now; he was earnest before. Let us get back now to our mutton, or, more properly, to the butter question. The Senator is very solicitous for the American farmer. If you reduce the duty on butter do you not increase the exportations from Canada and other countries and thus reduce the price of the product of the Vermont farmer?

Mr. MARTINE of New Jersey. Butter is as much a necessity of life in our civilization as is sugar. If butter shall come in in increased quantity to feed the hungry man and the toiling millions of our land, then God speed it, whether it touches me

as a farmer or the Senator from Vermont. Mr. GALLINGER. Then the Senator is not anxious to in-

crease the prosperity of the American farmer?

Mr. MARTINE of New Jersey. Yes; I say the farmer can be increased in prosperity, not by a process of flattery and coddling, but let the farmer know that he is a man and that he must depend upon his own resources.

Mr. GALLINGER. Now, Mr. President—
Mr. MARTINE of New Jersey. The farmer is not a pauper, nor does the farmer ask ald of the men from New Hampshire and Vermont. You have worked that until you have worked it to the finest. You have deluded yourselves with the idea that the farmer was easily duped and could be permitted to go away satisfied.

Mr. GALLINGER. The Senator from New Jersey is as accurate as he was a moment ago when he said the Republican

Party put a duty of 10 cents on a pumpkin.

Mr. MARTINE of New Jersey. Well, 10 cents on products of

that class

Mr. GALLINGER. Yes, Mr. President, the Senator-Mr. MARTINE of New Jersey. You will not deny that you put a duty of 25 per centMr. GALLINGER. If the Senator will just wait one minute; the Senator's logic is too obscure for me to follow without reflection. He is going to benefit the American farmer by allowing the Canadian farmer to invade our markets with Canadian products. Now, if the Senator's intellect can work that out logically he is certainly a genius.

Mr. MARTINE of New Jersey. I am going to benefit the American farmer by benefiting humanity. It is the sheerest nonsense to attempt to delude any longer the farmers with the sort of claptrap that has been imposed on them in the way of a protective tariff. Their decree has gone forth, and it is pretty

well understood.

Mr. GALLINGER. The Senator from New Jersey's humanity in encouraging the strike in Paterson, which was organized and carried on by socialists and anarchists, did not help the laboring people, who lost \$3,000,000 in the struggle, and now they have gone back to their work.

Mr. MARTINE of New Jersey. I encouraged the strike in

Paterson? I aided disturbance and disorder?

Mr. GALLINGER. Yes; by your expressed sympathy.
Mr. MARTINE of New Jersey. Why, the farthest from it.
I have not been to Paterson for three years. How in the name of Heaven could I have aided it? I did not aid the strike in Paterson, nor have I aided a strike anywhere else.

Mr. WILLIAMS. Mr. President—

Mr. MARTINE of New Jersey. But I do say that conditions were rancorously wrong in Paterson, and I say—
Mr. WILLIAMS. I appeal to the Senator from Vermont not

to yield the floor longer.

Mr. MARTINE of New Jersey. I have the floor, and have had it for some time. I want to say that I realize and the world realizes that there has been something wrong in the conditions of labor. I have on my desk a telegram from Michigan, telling me of unfortunate and terrible conditions there. I have not promoted them either in Michigan or in Paterson, but I am standing for a general principle, I will say to the Senator, and if you have not found it out, God knows I can not

Mr. President-

The PRESIDING OFFICER. The Senator from Vermont refuses to yield further to the Senator from New Jersey

Mr. MARTINE of New Jersey. I was not aware of that fact. [Laughter.]

Mr. PAGE. The Senator in charge of this portion of the bill

has appealed to me not to yield further.

Mr. MARTINE of New Jersey. If the Senator from Vermont will permit me just one word more, I want to say if the

Senator from New Hampshire has not found out where I am-The PRESIDING OFFICER. Does the Senator from Vermont yield further to the Senator from New Jersey?

Mr. PAGE. I yield. Mr. MARTINE of New Jersey. I only want to say that if the Senator has not found out by this time he can take notice, from now on, that on general principles he will find the Senator from New Jersey for the under dog. That is where I am.

Mr. GALLINGER. I think we understand that. Mr. PAGE. Mr. President, the Senator from New Jersey has made one statement that I think I will refer to, and that is that the people of Vermont have been fooled; that they do not know what they want; that they do not know why they are prosperous; that they could just as well sacrifice their market and be happy as to have it as it is now.

Mr. President, Vermont only asks that the market that is legitimately hers be given to her; nothing more, nothing less. We do not want to unduly tax anybody. Vermont is paying her share of the taxes to support this Government; and if the New England market is legitimately hers, it should not be

taken from her.

Let me, since the Senator calls my attention to it, briefly refer to the fight two years ago over reciprocity. I received letters by the hundred from Vermont farmers saying to me, "Senator, we are enjoying a great measure of prosperity. Why destroy it?" They were opposed to reciprocity because it deprived them of the New England market. They were opposed to reciprocity, notwithstanding the fact that Canada was to give us something in return, but under this bill we are surrendering that market completely to Canada, and we get nothing in return.

Mr. President, when the Senator from New Jersey says that the Vermont farmer does not know what he is talking aboutthat he is being fooled on this tariff issue—he is making a great mistake. Almost every Vermont farmer reads; he takes his daily paper; and, unlike many of those who constitute the foreign element in the State from which the good Senator comes, the Vermont farmers are of the old original stock; they are native sons of native sons. They not only read, but they

think. They do not want any fine-spun theories introduced here to convince them that black is white and white black. They know they are now prosperous; they know that whereas they were making no money in 1895, under the Wilson Democratic tariff, they are now under the Dingley tariff receiving a fair quid pro quo for what they do and what they produce.

They have their own ideas, and we do not need try to convince them as to what is or what is not best for them; they are not fools, and they are not, as the Senator insists, being fooled. very few of them voted for Mr. Wilson, but they did so under a misapprehension as to the true facts in the case. They will tell you that they were assured that having a legitimate in-dustry, one that was on a competitive basis, an industry that was not a monopoly, an industry that did not belong to a trust, they need have no fear lest it be injured. Everything that a farmer raises, the Senator from New Jersey will admit, is competitive. He knows there is no trust there; that there is no

combination there; and that there is no monopoly there.

If dairying in Vermont is not on a competitive basis, then what industry is? If butter making in Vermont does not come within President Wilson's pledge, then what industry does? And if he did not mean that this class of industries should be protected, then what did he mean when he made his pledge with reference to industries which were on a competitive basis and not monopolies? I say that no industry can be named that will come within the promise and pledge of the President or that will come within the promise and pledge of Mr. UNDERWOOD, if it be not the dairy industry.

Well, Mr. President, I have talked a great deal longer than I ought to have done. I did not design to take so much time, and I would not have taken it if I had not yielded so much to my good friend from New Jersey, and I trust I may be for-

Mr. MARTINE of New Jersey. I thank you very much. Mr. PAGE. In closing I wish to say to my Democratic friends, as I stand here and look over to their side of the aisle, that I think there is one legitimate industry that they are now They are making a Republican State out of engaged in. Louisiana.

I remember a month or two ago the distinguished Senator from Mississippi [Mr. Williams], standing on the floor of the Senate, said, "Gentlemen, I know whereof I affirm; I live in the cane-sugar section, and I know all about it. I know that if you take the duty off sugar you will destroy the cane-sugar industry of Louisiana just as effectively as though the great simoom of the desert had moved over it." Those may not be his words, but that is the substance of what he said.

One of the finest protective-tariff speeches that I ever heard in this Hall was delivered by the late Senator from Louisiana, Gov. McEnery. He was a genuine protectionist. I perhaps betray no confidence when I say that he sent word to the Republican Senator in charge of the tariff bill in 1909 that whenever he was absent he might be paired in favor of protection. I think I am right in this statement.

Now, gentlemen, you confess that the great, the leading, the all-important industry of Louisiana is sugar. You know you are going to kill it. You know that for a hundred years every You know you avenue of trade in Louisiana has led to the upbuilding of this great industry, and millions of dollars are invested therein.

Gentlemen, you can not disturb Vermont. She is the star of Republicanism that never sets. She is the only State in the Union that never deflected from the straight line of Republicanism. Every other State, even Utah, has gone astray; Vermont never has.

But, gentlemen, you can disturb the politics of Louisiana and I believe you are to-day laying the foundation for one of the best Republican States in this Union. You may manage, by keeping the race issue well to the front to keep her Democratic in name for a little while longer, but when you destroy her leading industry, as you are destroying it to-day, you are making her in fact a good, staunch, strong Republican State,

and that I regard a strictly legitimate industry.

Mr. WILLIAMS. Mr. President, I am personally very fond of the Senator from Vermont, but his speech this morning, so far as I am concerned, has been love's labor lost. If the Senator from Vermont wanted to convince me of the fact that Vermont had hitherto obtained an undue proportion of our common prosperity by the prostitution of the taxing power in her behalf, I would have confessed it at the jump; and if the Senator Vermont had wanted to convince me that the Englishspeaking race in Vermont and everywhere else is superior in prosperity and in literacy to the inhabitants of Quebec or any other speaking race anywhere else, I would not have quarreled with him.

I hope, now, that we may return to the plebeian pursuit of voting on butter.

The PRESIDING OFFICER. Paragraph 200 is before the Senate.

Mr. PAGE. I have an amendment to offer, and if it is proper at this time I will offer it now.

Mr. WILLIAMS. I think the committee amendment is in order first.

Mr. PAGE. After the committee amendment has been considered I will offer my amendment.

The PRESIDING OFFICER. The question is on agreeing

the PRESIDING OFFICER. The question is on agreeing to the committee amendment, which will be stated.

The Secretary. On page 56, line 24, in paragraph 200, before the word "cents," strike out "3" and insert "2½," so as to make the paragraph read:

200. Butter and butter substitutes, 2½ cents per pound.

Mr. DILLINGHAM. On that I ask for the yeas and nays. The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. LANE (when Mr. Chamberlain's name was called). I was requested by my colleague, the Senator from Oregon [Mr. CHAMBERLAIN], to state that he is unavoidably absent to-day, but will be here to-morrow. He is paired with the Senator

from Pennsylvania [Mr. OLIVER].
Mr. JAMES (when Mr. Bradley's name was called). colleague [Mr. Bradley] is detained from the Senate by reason of illness. He has a general pair with the Senator from Indiana [Mr. Kern]. I will allow this announcement to stand

for the day

Mr. KERN (when his name was called). I transfer my general pair with the senior Senator from Kentucky [Mr. Bradley] to the Senator from Nebraska [Mr. Hitchcock] and vote. vote "yea."

While I am on my feet I will announce the unavoidable absence of the senior Senator from West Virginia [Mr. Chilton]. He is paired with the junior Senator from Maryland [Mr. JACK-

This announcement will stand for the day.

Mr. GRONNA (when Mr. McCumber's name was called). wish to announce that my colleague [Mr. McCumber] is absent on account of illness in his family. He is paired with the senior Senator from Nevada [Mr. Newlands]. I wish this announcement to stand for all votes to-day.

Mr. BRYAN (when Mr. O'GORMAN'S name was called). have been requested to announce that the junior Senator from New York [Mr. O'GORMAN] is unavoidably absent, and that he is paired with the senior Senator from New Hampshire [Mr. GALLINGER

Mr. REED (when his name was called). I have a pair with the senior Senator from Michigan [Mr. SMITH], which I transfer to the Senator from Oklahoma [Mr. Owen] and vote. vote "yea."

Mr. TOWNSEND (when the name of Mr. SMITH of Michigan was called). The senior Senator from Michigan [Mr. SMITH], who is paired with the junior Senator from Missouri [Mr. Reed], is absent from the Senate on important business. If he were present, he would vote "nay."

Mr. THOMAS (when his name was called). I have a general pair with the senior Senator from New York [Mr. Root], which I transfer to the Senator from Oklahoma [Mr. Gore] and vote.

I vote "yea.

Mr. WILLIAMS (when his name was called). I transfer my pair with the senior Senator from Pennsylvania [Mr. Penbose] to the Senator from Indiana [Mr. SHIVELY] and vote. I vote yea.

The roll call was concluded.

Mr. SMOOT. I desire to announce that the junior Senator from Wisconsin [Mr. Stephenson] and the senior Senator from Delaware [Mr. DU PONT] are unavoidably detained from the Senate on account of illness. I will allow this notice to stand for the day

Mr. GALLINGER (after having voted in the negative). will ask whether the junior Senator from New York [Mr.

O'GORMANI has voted?

The VICE PRESIDENT. He has not.

Mr. GALLINGER. I am paired with that Senator. I transfer the pair to the junior Senator from Maine [Mr. BURLEIGH] and will let my vote stand.

The result was announced—yeas 38, nays 30, as follows:

YEAS-38. Lewis Martin, Va. Martine, N. J. Myers Overman Hughes Ashurst Ransdell Reed Robinson Shafroth Sheppard Bacon Bryan Clarke, Ark, Fletcher James Johnson Kern Lane Hollis Lea Pittman

Shields Simmons Smith, Ariz. Smith, Ga.	Smith, Md. Smith, S. C. Stone Swanson	Thomas Thompson Tillman Vardaman	Walsh Williams
	N.	AYS-30.	
Borah Brady Brandegee Bristow Burton Catron Clapp Clark, Wyo.	Crawford Dillingham Gallinger Gronna Jones Kenyon La Follette Lodge	McLean Nelson Norris Page Perkins Poindexter Sherman Smoot	Sterling Sutherland Thornton Townsend Warren Weeks
	NOT Y	VOTING-27.	
Bankhead Cummins Bradley du Pont Burleigh Fall Chamberlain Goff Chilton Gore Colt Hitchcock Culberson Jackson		Lippitt McCumber Newlands O'Gorman Oliver Owen Penrose	Root Saulsbury Shively Smith, Mich. Stephenson Works

So the amendment of the committee was agreed to.

Mr. PAGE. Mr. President, I now move to amend, in paragraph 200, page 56, line 24, by striking out the figures "2;" and inserting the figure "4." That, Mr. President, I will state is the Canadian rate against us. The present rate is 6 cents, and this is 2 cents below the present rate.

Mr. WARREN. I desire to ask the Senator if there is anywhere in the bill any provision for a countervailing duty against Canada as against the 4 cents customs duty which she

levies against our butter?

Mr. WILLIAMS. Mr. President, I should like to ask the Senator from Vermont a question. Does the Senator by his amendment confess that the present duty is 2 cents too high?

Mr. PAGE. I thought I would make the duty exactly as it

is on the other side in Canada.

Mr. WILLIAMS. But does the Senator confess by his amendment that in his opinion the present duty is 2 cents too

No, sir; we ought to have a duty of 6 cents.

Mr. WILLIAMS. I merely wanted to know.
The VICE PRESIDENT. The Chair is of opinion that the The VICE PRESIDENT. The Chair is of opinion that the amendment proposed by the Senator from Vermont [Mr. Page] is not now in order, but that it must be presented when the bill is in the Senate.

Mr. PAGE. Mr. President, I have been listening with a great deal of intense interest to the decisions of the Chair, and I think the Chair has ruled on many occasions since this bill was taken up for consideration that in all cases committee amendments must be first considered; otherwise I should have offered my amendment at another time.

Mr. WILLIAMS. I ask unanimous consent, if necessary, that the amendment proposed by the Senator from Vermont

may be voted on.

Mr. GALLINGER. The Senator from Vermont, Mr. President, had he understood the procedure would have offered his amendment to the committee amendment. He failed to do that, and I think he ought to be permitted to have a vote on his amendment.

The VICE PRESIDENT. The Chair thinks the Senator from Vermont did not understand the Chair. The Chair asked the Senator to send his amendment forward, so that the Chair might determine whether it was an amendment to the com-mittee amendment. However, in the absence of objection, the question will be put on the amendment.

Mr. PAGE. I do not ask for a yea-and-nay vote on the

amendment, Mr. President.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from Vermont. [Putting the question.] The "noes" seem to have it.

Mr. SHERMAN. Mr. President, I rise, if I have recognition, to make an inquiry. I should like to learn-it will not require much time-from what source were the figures on the production of butter and the substitutes for it obtained? I should like to have an expert inform me, or I should like to have such information as the Senator from Mississippi has.

Mr. WILLIAMS. I suppose they were obtained from the statistical records. I did not see the expert when he was arranging them from the published statistics of the United States

Government

Mr. SIMMONS. They are obtained generally from the cen-

sus reports.

Mr. WILLIAMS. From the statistics which are gotten up by the Census Bureau.

Mr. SHERMAN. The total production—
Mr. WILLIAMS. But what is the relevancy of the question? ably confused.

Mr. SHERMAN. I want to find out whether we are producing a surplus or whether we have to import in order to supply our own population.

Mr. WILLIAMS. If the figures are correct-and I take it for granted they are—then in 1910 the production of butter in the United States was two hundred and two and a half million dollars in round numbers, and the imports of butter were one and a third million dollars in round numbers. The exports of butter were a little over \$1,000,000 in round numbers.

Mr. SIMMONS. They were \$1,800,000 in 1912.

Mr. WILLIAMS. I was quoting 1910. To give the exact figures, they were \$1,135,743 for the year 1910—I give the year 1910 because I have not the production here of the year 1912 but in 1912 the imports were a little over a million dollars, and the exports were one and three-quarters of a million dollars in round numbers-\$1,840,000, a little over a million and threequarters dollars.

Mr. WARREN. Mr. President, I desire to ask is the Sena-

tor from Mississippi quoting pounds or dollars?

Mr. WILLIAMS. I am quoting dollars,

Mr. WARREN. In both cases?

Mr. WILLIAMS. In both cases. Mr. WARREN. I should like to get the number of pounds and the value in dollars in both cases,

Mr. WILLIAMS. I beg the Senator's pardon. In one case I should have quoted pounds, and in the other case I should have quoted dollars. Now, I will quote dollars in both cases.

For 1910 the imports were \$301,000, in round numbers, and the exports were one million one hundred and thirty-five thousand and some odd dollars. The total production was \$202,-000,000, and the consumption was \$201,652,089.

Mr. SHERMAN. That is for the year 1910? Mr. WILLIAMS. That is for the year 1910. I repeat I quoted that year because I have not before me the consumption for the year 1912.

Mr. SHERMAN. The reason I made the inquiry was because the Statistical Abstract shows in 1910 1,619,000,000 pounds of butter, and the Senator quoted a while ago the price in some States; and I think it makes about an average price in the United States of 24 cents a pound. It is a little short of a quarter of a dollar.

Mr. WILLIAMS. How much does the Senator say it was? Mr. SHERMAN. Twenty-four cents in several of the States

which the Senator from Mississippi quoted.

Mr. WILLIAMS. Has the Senator the Statistical Abstract

containing those figures?

Mr. SHERMAN. Yes, sir; and I want to get this correct as we go along. In the Statistical Abstract the total factory butter and farm butter make the figures I have given. As I figure it out, by the average value of a pound of butter in 1910 the total production on the farm is very nearly the total in dollars as given in the handbook. I thought, possibly, that one or the other had been omitted. It is of some importance in the final settlement of the question.

I will say further that the average price of butter for 1910 in the United States was about 24 cents; in the neighborhood of that. It is given in the same abstract. That would make the total production, measured by dollars, in the neighborhood

of double as much as that stated in the handbook, if I am right.
Mr. WILLIAMS. Well, if the Senator is right, it would;
but what has that got to do with it?

Mr. SMOOT. The Senator is right. Mr. WILLIAMS. It may be so, but I do not see the relevancy to the subject matter.

Mr. SHERMAN. What is the relevancy of putting it into

the handbook?

Mr. WILLIAMS. I suppose some one irrelevantly made some mistake either in printing or transcribing or copying or something else, if it is a mistake. I do not know whether it is

Mr. SIMMONS. Is not the Senator from Illinois talking about pounds?

Mr. SHERMAN. No, sir. Mr. SIMMONS. In giving the production, is not the Senator

speaking of the production in pounds?
Mr. CLARK of Wyoming. Of both.

Mr. SHERMAN. I am making no complaint about the error,

but I am trying to find out whether there is an error.

Mr. SIMMONS. The handbook does not give the production in pounds at all; the handbook gives the production in dollars.

Mr. SHERMAN. I am not complaining about it. Mr. SIMMONS. I think that is where the Senator is prob-

Mr. WILLIAMS. That may be so. I do not know whether it is a mistake or whether it is not, and I do not know what

it has to do with this subject.

Mr. SMOOT. This is what the Senator from Illinois called attention to: and I think if the Senator from Mississippi will notice the figures he will see that the amount in pounds multiplied by 24 cents, the average price, will be about twice the amount of the production as given in the handbook; in other words, in 1910 there were 1,619,415,000 pounds. That, at 24 cents a pound, would be about \$400,000,000; whereas the production given in the handbook for that same year says in dollars and cents that the production was only \$202,000,000. That is what the Senator from Illinois is calling attention to; and, of course, one or the other contention is wrong.

Mr. SIMMONS. Where does the Senator get his authority for the statement-I am not questioning it, because I do not know-but where does he get authority for the statement that the average price of butter in this country is 24 cents a pound?

Mr. SHERMAN. I got it out of the Statistical Abstract of

1912, the same book to which I have already referred.

Mr. WILLIAMS. For 1912?

Mr. SHERMAN. For 1912. Mr. WILLIAMS. I was gi I was giving the figures for 1910, and the Senator was giving the price for 1912.

Mr. SHERMAN. It also contains the price in 1910.

Well, what was that? This is the Statistical Abstract. Mr. WILLIAMS. Mr. SHERMAN.

I say, what was the price in 1910? Nearly 24 cents. The relevancy of it is Mr. WILLIAMS.

Mr. SHERMAN. this: It makes a good deal of difference if we have \$400,000,000 worth of butter for the domestic production and our people consume it all, or whether we have a production of \$200,000,000. Of course, the matter of \$200,000,000 in framing a tariff bill is a mere bagatelle.

Mr. WILLIAMS. Mr. President, I frankly confess-Mr. SHERMAN. I say that I presume the matter of \$200,000,000 would be an irrelevant trifle in the framing of a tariff bill dealing with large subjects.

Mr. WILLIAMS. It might not be irrelevant to the fellow who had the millions, but it is irrelevant to this debate. What has it got to do with this question?

Mr. SHERMAN. The Senator said it was irrelevant awhile

ago, and I am trying to get it straightened out.

Mr. WILLIAMS. I do not know whether our figures are right or whether the figures of the Senator are right. The truth is, if these figures are right, if we produce about \$202,-000,000 worth of butter and consume about \$201,500,000 worth, we must draw on somebody for the balance; but it does not cut any figure. The salient point involved in the debate is whether butter ought to be taxed 6 cents a pound.

Mr. SMOOT. Mr. President, the mistake that has been made by the man compiling the handbook is that he has taken merely the butter that is manufactured in factories and not the butter made in the home. The price of the factory butter with the amount produced in the factory would be about the same as

stated in the handbook.

Mr. WILLIAMS. That may be the reason, because the average unit of value in this statement is 21.7 cents as for 1910, and for 1912 it is 231 cents, so that the unit value does not seem to agree with your unit value; but however that may be, I do not see any use in consuming the time of the Senate and of the country in disputing as to whether these figures are right or wrong. It has nothing to do with the question.

Mr. TOWNSEND. Mr. President, will the Senator from

Illinois yield to me?

Mr. SHERMAN. I only want to add——
Mr. WILLIAMS. They were collected from the Statistical Abstract, issued by the Census Bureau, and if some one made a mistake in transcribing the figures it merely proves that he was not a statistical pope; that is all.

Mr. TOWNSEND. Mr. President, I am more confused than ever over the statement of the Senator from Mississippi.

Mr. WILLIAMS. The Senator is certainly not confused by

any statement of mine, for I have made none.

Mr. TOWNSEND. The Senator has made the statement that it did not make any difference what those figures were in the handbook, or whatever it is called.

Mr. WILLIAMS. Oh, yes.
Mr. TOWNSEND. That is what the Senator has said, and
yet argument after argument has been made on this floor by the supporters of this bill supporting a rate or rejecting it, according as the figures given in this book show we are exporting or importing commodities.

Mr. WILLIAMS. But there is no quarrel about the exporting and importing proposition; that is relevant; the quarrel is about the amount of production.

Mr. TOWNSEND. Now, Mr. President, I should like to finish my statement. That argument has been made time after time on the floor of the Senate, and reference has been made to the statistics which have been presented to us as a basis for that argument. Senators have said that we do not need a duty, for the reason that we were exporting large quantities of a product, although that excuse has not maintained uniformity in the treatment of this bill; it has been simply a convenient argument when no other was at hand; but I submit that the inquiry of the Senator from Illinois seems to be entirely relevant as to whether or not the information which has been presented to the Senate is reliable and dependable.

Mr. SHERMAN. Mr. President— Mr. WILLIAMS. Mr. President, of course we have made arguments deducing results from a comparison of exports and imports, but no argument has ever been made by anybody of whom I have ever heard-it certainly could not be made by anybody with any brains at all-basing a plea for an increase or a decrease of duty on the amount of production.

Mr. TOWNSEND. But, Mr. President— Mr. WILLIAMS. Now, I am trying to find the place in the book prepared by the Senator from Utah and see what figures he gives

Mr. SMOOT. I did not have the figures for 1912 at all.

Mr. WILLIAMS. The Senator tells me that they are not

contained in the book prepared by him.

Mr. TOWNSEND. This book of information which is presented to us attempts to show the amount of production, and it certainly is relevant when you make the comparison between the amount of imports and the amount of exports and the amount of production all told. Two hundred thousand dollars worth of exports from a total production of four millions is quite a different proposition from the same amount of exports from a total production of two millions from any viewpoint that you might take of the matter.

Mr. SHERMAN. Mr. President-Mr. WILLIAMS. Now, Mr. Pre

Mr. WILLIAMS. Now, Mr. President—
The VICE PRESIDENT. Does the Senator from Illinois

yield to the Senator from Mississippi?

Mr. WILLIAMS. Just to refer to the fact as a fact in an abstract way—for it has nothing to do with anything—that I find from the report of the Secretary of Agriculture for the year 1912 that the farm value of butter is stated at \$830,000,000. suppose this is a case where the farm value is stated in one place and the factory value is stated in another. I do not know.

Mr. SHERMAN. Mr. President, I am simply trying to get this matter straightened out. I pass now from the idea that this might be irrelevant to the question of what bearing it would have on fixing the duty and determining whether it should remain at 6 cents a pound or be reduced to 21 cents. That proposition has already been voted on; but the Senator from Vermont [Mr. Page] has offered an amendment, and the question then recurs What is a fair rate of duty from a protective viewpoint? I consider that it is entirely relevant to know whether in 1910 we produced in the country somewhere near \$400,000,000 worth of butter or produced, as the handbook says, \$202,000,000 worth. The relevancy consists in this: If \$202,000,000 worth measures the total production of butter on the farm and factory in the United States, with the price running from 21 to 24 cents a pound, and still we have only \$300,000 of exports of all that value in a year, the question whether the consuming capacity of our country is not much greater than would ap-

Mr. SIMMONS. Mr. President, the Senator has the im-

ports confused with the exports.

Mr. SHERMAN. I beg pardon; I do not think I have.
Mr. SIMMONS. The Senator said if we had \$400,000,000
worth of production and only about \$300,000 worth of exports.

Mr. SHERMAN. Yes, sir. Mr. SIMMONS. The facts are, as shown by the handbook which the Senator has before him, that our imports-

Mr. SHERMAN. No; I should have said exports. I am wrong as to that. The exports amounted to \$135,000, as quoted.

I thank the Senator from North Carolina.

Mr. SIMMONS. Yes; and the imports were \$300,000. It seems to me, if the Senator will pardon me, if there is a mistake in this handbook, and if, as a matter of fact, we are producing in this country \$400,000,000 worth of butter, or \$430, 000,000 worth, instead of \$202,000,000 worth of butter, then the small amount of imports shown here would indicate that the duty was more prohibitive than if the production given in the

handbook were correct instead of the amount of production claimed by the Senator being correct.

Mr. WILLIAMS. Especially when the exports are three

times greater than the imports.

Mr. SIMMONS. And, as the Senator from Mississippi says, especially when the exports are many times more than the im-

Mr. WILLIAMS. Over three times greater. Mr. SIMMONS. Much more than three times. According to the contention of the Senator from Illinois we have a production of \$400,000,000 worth of butter every year, and we import only about \$300,000 worth. If there ever was a case of an absolutely prohibitive duty, that seems to be one. It seems to me that the Senator's argument is rather against his contention than for his contention.

Mr. SHERMAN. I will now impose upon the time of the Senate sufficiently long to complete what I started to say. The

Mr. SIMMONS. I hope before the Senator does so he will correct the mistake he made when he gave the imports for

Mr. SHERMAN. I would have corrected it before I got through, because I have the figures before me. I am greatly obliged to the Senator for saving the time. The imports for 1910 were, in round numbers, \$300,000 and the exports about \$1,100,000, omitting some odd figures. If our total production of butter, measured by dollars, instead of being \$202,000,000, is in the vicinity of \$400,000,000, according to my way of thinking it demonstrates that the capacity of the hungry mouths of which the Senator from New Jersey [Mr. MARTINE] spoke awhile ago is much greater, and the supply required to fill them would be much greater than it otherwise would be. So, if there is \$400,000,000 worth of production of butter in a single year and we export but \$1,135,000 worth of it, then the 100,000,000 people in this country using that \$400,000,000 worth have not yet reached the full point of their consuming capacity.

It is argued here, in order to justify this reduction, that but-ter must be brought across from Canada in the ordinary marketing way, or it must be brought in cold storage from South America or from some place in the North or the South Temperate Zone where butter can be produced. It must be brought in here at this lower duty of $2\frac{1}{2}$ cents a pound at the customshouse in order to fill out the demand of the 100,000,000 people, in round numbers, who are using it. I want to follow this up by inquiring of the Senator from Mississippi if he believes that an increase in the imports will reduce the price to the people who buy butter? That question would admit of an answer with very little consumption of time. I will ask any Senator on the

other side that question. It is an open field.

Mr. WILLIAMS. What is the Senator's question? The Senator must pardon me, but he looked so earnest that I was watching him and not listening to what he said.

Mr. SHERMAN. That is all right. A hundred million people, in round numbers, are eating butter in the United States.

Mr. WILLIAMS. I do not know about that.

say that everybody in the United States eats butter.

Well, between ninety-six and a hundred Mr. SHERMAN. million. Is the object of reducing the duty on butter to 21 pound to reduce the price of the butter that our 96,000,000 or 100,000,000 people eat?

Mr. WILLIAMS. I should say so; but I should not say that all the babies that are nursing are eating butter. A good part of the population does not eat butter and a good part of it does.

Mr. SHERMAN. I like to get information as I go along, and I have it now for the first time at-this extra session. want to ask another question, without attempting to revive the discussion on peanut oil, because I was heckled on both sides of the Chamber in regard to that.

Mr. WILLIAMS. Is the Senator going back to peanut oil? Mr. SHERMAN. No; I shall not go into it at all. But 126,-000,000 pounds of oleomargarine went out on the United States

Mr. WILLIAMS. What is the question of the Senator?

Mr. SHERMAN. One hundred and twenty-six million pounds of oleomargarine went out on the market, and about amount, I think-I am quoting from memory now-139,000,000 pounds in 1910 or 1911. It ranges that way from year to yearfrom one hundred and twenty to one hundred and thirty-nine or one hundred and forty million pounds of oleomargarine every year. That is added to the supply, and it is included under these words, "Butter and butter substitutes." So I take it that this includes the total supply either of natural butter or of anything that may be used for butter.

Mr. WILLIAMS. What is the Senator's question?

Mr. SHERMAN. That includes the total of butter and oleomargarine.

Mr. WILLIAMS. I know, but I understood the Senator to say that he wanted to ask me another question, and I have been waiting for the question. Mr. SHERMAN. I fin

I find it necessary to state the facts as I go along, in order that the Senator may understand the ques-

[Laughter.]

Mr. WILLIAMS. That is very generous of the Senator; but, really, I might have managed to guess at the meaning of what he said even if he had not made so much preamble.

Mr. SHERMAN. That is all right. We may often enter-

tain, if we do not instruct.

Mr. WILLIAMS. Yes. The Senator does both. Mr. SHERMAN. I want to know whether the manufacture of oleomargarine, which is an edible substance used in place of butter, might not be cheapened by cheapening the ingredients that go into the manufacture of oleomargarine?

Mr. WILLIAMS. That is going back to peanut oil again, I believe. Still, I have no hesitancy in answering that I think

it could.

Mr. SHERMAN. All right. Then why do you want a duty of 6 cents a gallon on the oil and but 21 cents a pound on the butter? [Laughter.]

Mr. WILLIAMS. I think one reason of it is that a great many people are of the Senator's school of persuasion, and think we ought to encourage butter at the expense of the other

Mr. SHERMAN. Mr. President, I have long ceased to hunt for consistency in a tariff bill. It does not exist. It is one of the jewels not found in the economic dictionary. But if I turn to a census of the milk-producing cows of this country-North and South, East and West—and put it alongside of the 1,619,000,000 pounds of butter and substitutes for butter, and then take the capacity of our own people and compare it with our imports and exports, I find that we are now just about using in this country the full producing capacity of the farmer's cow in field, factory, and elsewhere. That is the condition for which those who believe in the protective idea are constantly laboring in this country, so that our consumption of the domestic product may about equal the domestic production. have gotten to that ideal condition here; and Senators on the opposite side of the Chamber now, for the first time, have frankly avowed that they are throwing open to the competition of the butter producers of the world the production of the dairyman and the farmer of the United States, for the express pur-Then they object to my trying, in pose of reducing the price. my feeble way here some weeks ago, to reduce the price of a substitute that the worker in the city, and the mine worker, and the shop worker, and the railroad employee are trying to feed their families on in this country.

I have been through this fight on butterine and butter a great many times, and I have come to the conclusion that the best way to meet this question is to produce just as much butter in the United States as we can, multiply cows, raise the duty on butter, and let the cow and the American farmer have a little better chance to live in the world. It is only during about the last 10 years that the farmer has made any money. Just about the time he begins to get the mortgage off the place, just about the time there is something to live for, along comes the tariff

reformer.

I want to tell you now that you can not write a tariff bill and you can not govern this country by department experts and adding machines. Yet that is what you are trying to do, be-

cause that is the way this bill was written. If we have reached that point, we might just as well now, since the evidence is in, take a vote as quickly as possible, because it is evident that nothing that can be said here will demonstrate the fallacy of the theories on which this bill is framed. It has got to be tried. It has got to be applied to the people who are producing the products that feed the multitudes of this country. After it has been tried we will know. About every so often we have to make this experiment, and we are facing the making of the experiment on butter. It may be considered a mere trifle, but bear in mind that \$400,000,000 worth of butter is equal to half the wheat crop of the United States. It is just about equal to half of it if you add the 126,000,000 pounds of oleomargarine for good measure. That costs, figured at the jobbers' prices, about 111 cents a pound; so we know just about what the production is.

With the cattle supply the dairy goes along, not exactly as a by-product, but sometimes in that way. So, after all, in the great dairying area of the country wherever there is a farmer who sells milk, wherever he takes his cans to the railway station

in the morning to contribute his mite to the city's supply, wherever there is a produce market for butter-a part of this \$400,000,000 worth of 1910-he is interested in this matter.

I will tell you why the jobbers' price of butter remains at from 21 to 24 cents a pound, while I pay 40, 50, 60, and 65 cents the greater part of the year, and so do the rest of you who are now dwellers in cities. I will tell you why the price is where Remember that the farmer or the dairyman who produces the milk has it as his finished product, not his raw material. I will tell you why the price is keeping up as it is. It is because, without any expense, we are using it at home; we are using it in our own country. Our own people are taking practically the entire amount of the American production of this article. If we have to take out the toll for shipping to some other country, if we have to pay freight to the seaboard, and then the ocean freight to some other place, and pay the storage charges in transit, every dollar that is taken out by the inspector of the market or is tolled out by the common carrier comes out of the pound of butter produced by the farmer or the dairyman. Ultimately, the consumer pays some of it, and the producer pays the rest of it.

The added price between 24 cents and 65 cents to you or me consists of the carrier's charge, the inspector's charge, the commissions charged by those who handle the butter, and the profit of the retail grocer; so that by the time we get it, it is true, something is added. In the aggregate, however, we ate in 1910 practically the entire \$400,000,000 worth of production of this country, save the \$1,135,000 worth; and from that, if you take our domestic product, you must also subtract the \$300,000 of imports, leaving practically only \$835,000 worth to be our net

export after deducting our imports.

Now, we are reaching the condition where we are using our product. We are using it here, where we can get it at the most advantageous rates. About the time that happens, as suggested a bit ago, about the time the farmer is beginning to make something out of it, and is beginning to live, along comes this cry of "High prices! Let us 'ower them. Bring it in from Canada; bring it in from South America; bring it in from Mexico"—if they ever quit their troubles there, so that they have time enough to milk their cows—"bring it in from any

place!

The result will be just what the Senator from Mississippi at last frankly states; it will be a reduction of the price. It has not been many quarterings of the moon since in the crowded city, where the wageworkers assembled-where many nationalities speaking many strange tongues were found-they were told that prices were beyond their reach. They were told they were suffering from an era of high prices. They were told they could not eat butter. They were told that it was a luxury; that they could not have any of the food that came off the farm, save the barest necessities of life, because the prices were so high. "We intend to revise the tariff. We intend to smite the infamous act of 1909 hip and thigh. We intend to operate on it if you will give us a chance, and with our economic scalpel we will cut it to the bone." What for? "To lower prices. The farmer is rolling in wealth. He is buying automobiles. He is getting insolent and husky in his sordid pride. He is too wellto-do. We will lower prices, and we will give you something cheaper to eat in the city."

It is the same old tale we have all heard for 20 years arraying class against class, one occupation against another: "Reduce the price to the farmer, so that the wageworker may

get the product cheaper."

All right. The people, some of them, took it for granted, and now we are here to revise the tariff, pursuant to the mandate of the people. What people? The majority? No. I am not going to inflict anything on you about the caucus. I never have been a caucus man in my life. I have stayed out of caucuses many and many a time. I have been put on the mat in them many, many times, too. I will never go into another caucus on legislation again. That has passed away. The day of the direct primary has come, and that is the only mandate I ever get from anybody. I will obey it, or I will resign voice of the people demanded this revision, it is said. I will obey it, or I will resign.

Did it? What proportion of the people? Forty one per cent! And then, when we actually got this august body into working order and its mechanism began to revolve, instead of the 41 per cent we had 21 per cent ruling by caucus action; and that is legislation by the people; the voice of the people is the voice of God! The voice of a Democratic caucus! Heavens, what a degeneration! Twenty-one per cent legislating; and then it is irrelevant for me to inquire about a mere bagatelle of a couple

of hundred millions!

Ah, indeed, we are grown to be a mighty people. I have the information.

Mr. WILLIAMS. Mr. President, I never expected to see the day when so much physical eloquence should be evolved out of so soft a substance as butter. I suggest, now, that we go on with the reading of the bill.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Vermont [Mr. Page].

Mr. GALLINGER. On that I ask for the year and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. LANE (when Mr. Chamberlain's name was called). I wish to announce that the senior Senator from Oregon is absent from the city. He is paired with the junior Senator from Pennsylvania [Mr. OLIVER]. I ask that this announcement may stand for the remainder of the day.

Mr. KERN (when his name was called). I transfer my pair with the senior Senator from Kentucky [Mr. Bradley] to the senior Senator from Nebraska [Mr. Hitchcock] and will vote.

I vote "nay."

Mr. REED (when his name was called). I transfer my pair with the senior Senator from Michigan [Mr. Smith] to the senior Senator from Oklahoma [Mr. Owen] and will vote. I

vote "nay."

Mr. TOWNSEND (when the name of Mr. SMITH of Michigan was called). I desire to make the same announcement as before with reference to the senior Senator from Michigan [Mr. SMITH], and desire to have that announcement stand for the day.

Mr. THOMAS (when his name was called). I transfer my pair with the senior Senator from New York [Mr. Root] to the junior Senator from Oklahoma [Mr. Gore] and will vote. I

vote "nay."

Mr. WILLIAMS (when his name was called). I transfer my pair with the senior Senator from Pennsylvania [Mr. Penrose] to the senior Senator from Maine [Mr. Johnson] and will vote. I vote "nay."

The roll call was concluded.

Mr. GALLINGER (after having voted in the affirmative). have a general pair with the junior Senator from New York [Mr. O'GORMAN]. I transfer that pair to the junior Senator from Maine [Mr. Burleigh], and will allow my vote to stand.

The result was announced—yeas 29, nays 38, as follows:

	XE	AS-29.		
Borah Brady Brandegee Bristow Burton Catron Clapp Clark, Wyo.	Dillingham Gallinger Gronna Jones Kenyon La Follette Lodge McLean	Nelson Norris Page Perkins Poindexter Sherman Smoot Sterling	Sutherland Thornton Townsend Warren Weeks	
	NA	YS-38.		
Ashurst Bacon Bryan Clarke, Ark. Fletcher Hollis Hughes James Kern Lane	Lea Lewis Martin, Va. Martine, N. J. Myers Overman Pittman Pomerene Ransdell Rêed	Robinson Shafroth Sheppard Shields Shively Simmons Smith, Ariz. Smith, Ga. Smith, Md. Smith, S. C.	Stone Swanson Thomas Thompson Tillman Vardaman Walsh Williams	
	NOT V	OTING-28.		
Bankhead Bradley Burleigh Chamberlain Chilton Colt Crawford	Culberson Cummins du Pont Fall Goff Gore Hitchcock	Jackson Johnson Lippitt McCumber Newlands O'Gorman Oliver	Owen Penrose Root Saulsbury Smith, Mich. Stephenson Works	

So Mr. Page's amendment was rejected.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in paragraph 209, page 58, line 4, after the words "ad valorem," to strike out the words "dried blood, when soluble, 11 cents per pound," so as to make the paragraph read:

209. Eggs, dried, 10 cents per pound; eggs, yolk of, 10 per cent ad valorem.

The amendment was agreed to.

The reading of the bill was resumed, and the Secretary read paragraph 210, on page 58, as follows:

210. Hay, \$2 per ton.

Mr. POINDEXTER. Mr. President, I offer an amendment which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

appears in paragraph 210, page 58, line 6, and insert "\$3," so that if amended the paragraph 210. that if amended, the paragraph will read:

210. Hay, \$3 per ton.

Mr. POINDEXTER. Mr. President, the rate proposed by this amendment would be a reduction of 25 per cent on the existing

It strikes me that is a pretty substantial change to be made all at one time.

The principal competitor of the American farmer in the hay market is, of course, the Canadian farmer. It is a significant circumstance in that connection that the principal hay production in the United States is in the States along the Canadian border. The Canadian farmers are protected by a rate of duty of \$2 per ton. The rate of the Payne-Aldrich bill is \$4 per ton. The rate of the Dingley bill was \$4 per ton. The rate under the Wilson bill was \$2 per ton.

Mr. LODGE. What does the Senator say is the Canadian

Mr. POINDEXTER. Two dollars per ton.

We have arrived at about the same stage in the production and consumption of hay as was described by the Senator from Illinois [Mr. Sherman] in regard to the production and consumption of butter; that is, we produce just about the amount we consume. I admit that \$3 per ton duty, which would average about 25 per cent ad valorem, is a substantial duty. It is a protective duty. I have no hesitation whatever in offering this amendment when I compare the rates on agricultural products with the rates fixed in this bill on manufactured products which the farmer is compelled to buy and consume, rates that range from a mere revenue duty up to as high as 169 per cent ad valorem.

Just at this moment I was very much struck, in examining this handbook prepared by the Finance Committee, or under its direction, to note that one class of farmers, located principally in Southern States, raisers of tobacco, are protected by a rate on some kinds of tobacco, principally wrapper tobacco, of 169 per cent ad valorem, a practically prohibitive rate. It is quite a significant circumstance that that article is one of the chief products in this country which is controlled by a trust. The legal department of the Government for a number of years has been engaged in an effort to dissolve this trust, so as to restore competition in the United States in tobacco. Yet this bill, which is supposed, among other objects, as I have heard them stated by the framers of the bill, to remove one of the causes of private monopoly in this country in the shape of prohibitive tariffs, selected that article which is the most conspicuous subject of a trust and levied upon it a higher rate of duty than is contained in the Payne-Aldrich law. As stated in this handbook, the equivalent ad valorem on the imports of tobacco in this country in 1912 was a lower ad valorem than is levied in this bill.

Now, Mr. President, there is no opportunity for the raisers of hay in this country to form a private monopoly. The price to the consumer will always be regulated and the consumer will always be protected by competition among American farmers. The same thing is true of the great mass of agricultural products. So there are not the objections to a moderately high rate upon hay and upon wheat and other products of the farm which can be urged and are urged with propriety against manufactured products which have been controlled and are controlled by private monopoly.

In connection with this amendment, Mr. President, I ask leave to submit and have printed a statement showing the production of hay by States in the United States, which was prepared by the distinguished Senator from North Dakota [Mr. Gronna]. I will state so much of the table as relates to our imports and exports as a whole and to our total production in the United States. In 1912 there were produced in the United States 72.691,000 tons of hay, the farm value of which was \$856,695,000.

We imported in 1912 699,214 tons, and we exported in 1912 59,730 tons, the value of our imports being \$6,472,376 and of our exports \$1.039,040. The revenue from the imports in 1912 was \$2,796,854,61.

The remainder of the statement I will not read, but will have printed in connection with my remarks.

Mr. BRISTOW. Will the Senator state the hay-producing

Mr. POINDEXTER. The largest hay-producing State in the Union is the State of New York, which produced 5,900,000 tons in 1912. Among the other principal hay-producing States were

in 1912. Among the other principal nay-producing States were Iowa, 4,952,000 tons; Missouri, 4,143,000 tons; Ohio, 4,026,000 tons; Michigan, 3,185,000 tons; Illinois, 3,266,000 tons; Pennsylvania, 4,537,000 tons; and California, 3,825,000 tons.

Over a million tons in that year were produced in each of the following States: Montana, Colorado, Utah, Idaho. Idaho produced 1,938,000 tons; the State of Washington, 1,707,000 tons; the State of Oregon, 1,738,000 tons; West Virginia over a million tons. Nebraska over a million tons. Kentucky over a million tons. lion tons, Nebraska over a million tons, Kentucky over a million

tons, Tennessee over a million tons, Maine more than a millionnearly a million and a half tons; Vermont a little over a million and a half tons.

Mr. JONES. Mr. President-

The VICE PRESIDENT. Does the Senator from Washington yield to his colleague?

Mr. POINDEXTER. Certainly.

Mr. JONES. I call my colleague's attention to the fact, which probably appears in his table, that the present duty is not a prohibitive duty at all; that in 1912 we imported, as he has just stated, over 699,000 tons of hay, while in 1910, with the same rate, we imported only 96,000 tons. So the imports in 1912, at the \$4 rate, were more than seven times what they were in 1910, showing that the \$4 rate is by no means a prohibitive rate, and that as a matter of fact it is not too high a rate. In 1905 we imported 46,000 tons. So the increased importations are sevenfold under the present duty of \$4 a ton.

Mr. POINDEXTER. That is very true, and it illustrates the fact that a \$3 rate will be still more a competitive rate than the existing rate of \$4; in other words, I think it will be a rate which conforms to the competitive principle which has been advocated by many Senators on the Democratic side and a rate which will approximately put the American producer and the foreign producer upon an equal footing in the home market when you make allowance for the difference in the cost of transportation.

The table submitted by Mr. Poindexter is as follows:

Production in 1912.	Tons.
Maine	1, 428, 000
New Hampshire, Vermont	626, 000
Vermont	1, 515, 000
Massachusetts	2210. (1011)
Rhode Island	66, 000
Connecticut	436, 000
New York	5. 900, 000
New Jersey	521 000
Pennsylvania	4, 537, 000
Delaware	96, 000
Maryland.	575, 000
Virginia	889, 000
West Virginia	1 000 000
North Carolina	381, 000
South Carolina	223, 000
Georgia	
Florida	54,000
Ohio	4, 026, 000
Indiana	2, 582, 000
Illinois	
Michigan	
Wisconsin	3, 600, 000
Minnesota	2, 541, 000
Iowa	4, 952, 000
Missouri	4, 143, 000
North Dakota	510,000
South Dakota	672,000
Nebraska	
Kansas	2, 444, 000
Kentucky	1,002,000
Tennessee	1 154 000
Alabama	261, 000
Mississippi	
Louisiana	234, 000
Texas	542, 000
Oklahoma	481, 000
Arkansas	352, 000
Montana	1 910 000
Middle	1, 210, 000
Wyoming	859, 000
Colorado	1, 905, 000
New Mexico	
Arizona	
Utah	1, 023, 000
Nevada	681, 000
Idaho	
Washington	1, 707, 000
Oregon	1, 738, 000
California	3, 825, 000

Mr. GALLINGER. Mr. President, just a word more. If the figures are correct in the handbook, we imported last year \$6,472,757 worth of hay and exported \$1,839,040 worth. We im-

ported almost four times as much as we exported.

Mr. President, I confess that in view of that fact there does not seem to be any crying necessity for reducing the duty on hay. Hay is a very important product in all the States bordering on Canada. I know, as a matter of fact, that in my own State to-day there is scarcely any market for hay, and the reason why, as has been stated to me personally, is that they are waiting for Canadian hay. A gentleman with whom I myself have dealt somewhat in this line informed me that he saw no reason why he should buy American hay at the present rate when the duty was to be reduced \$2 a ton, and, as he understood it, that \$2 reduction of duty would reduce the price of hay to that extent.

I think he will be mistaken on that point, but he said that he was not going to buy any hay until the tariff law which was under consideration should go into effect.

Mr. BRISTOW. Mr. President—

The VICE PRESIDENT. Does the Senator from New Hampshire yield to the Senator from Kansas?

Mr. GALLINGER. I do.

Mr. BRISTOW. Let me inquire if this is one of the products where the benefit of the increased price, if there is any, will go direct to the farmer who produces the hay by his own labor?

Mr. GALLINGER. Certainly. I know tens, and perhaps scores, of farmers in New Hampshire who have their last year's I know tens, and perhaps crop in their barns because there is not any market for it, and the reason that is given to them why there is not any market is, as I have stated, that purchasers expect Canadian hay to come in under the new tariff law, and that they will be able to buy

it cheaper than they can buy American hay.

I had hoped that, in view of the fact that our imports already so largely exceed our exports, the rates in the existing law would not be disturbed. It affects a great many small farmers. suppose it is a forlorn hope, but I will venture the hope that the modified rate the Senator from Washington has put in his amendment may at least be agreed to. I know of no reason why we should be legislating for Canada and against our own

I had a letter from Canada not long ago in which my correspondent said that they were delighted with the outlook, and my intelligent correspondent suggested that they could hardly believe that such good fortune was coming to them. I really hope that the American farmer, as far as the hay product is concerned, may be considered rather than the Canadian farmer.

Mr. SIMMONS. I wish to inquire of the Senator from New Hampshire whether he is insisting upon the retention of the present duty on hay on the ground that it measures the differ-

ence in the labor cost in this country and in Canada?

Mr. GALLINGER. Mr. President, I do not know how that may be. I do know this, that there are men in New Hampshire who are raising hay, and for which they are getting, or did get last year, \$16 a ton in the barn, 6 miles from market. know that during a visit to Canada at the same time I inquired of a Canadian farmer, who raises equally as good hay as the American farmer, what he was getting for hay, and he said from \$8 to \$10 a ton. In that case it more than measured the difference, but I do know how as a general rule it would work out. But the proposition is to reduce the duty to \$3.

Mr. SIMMONS. I would suppose that on account of the character of hay, it being rather light but at the same time very bulky, the freight rates would be tolerably high, and that competition, if it exists at all, would not exist far beyond the

border line on either side

Mr. GALLINGER. It is baled now, and it is not so very

Mr. SIMMONS. It always has to be baled, and even when it is baled it is light in proportion to its bulk.

Mr. GALLINGER. Yes.

Mr. SIMMONS. I have noticed as we have gone on with

these schedules that when we were discussing a product that is imported here from Europe we have been always told that we need a duty because wages in Europe are so much lower than they are in this country, and the Republican Party seems to have committed itself to the idea that duties ought to be framed so as to measure the difference in the labor cost here and in competing countries, allowing a profit for the manufac-I was curious to know, when we come to discuss competition between border products in this country and in Canada, whether the claim for protection was upon the same basis, the difference in labor cost, and especially I was anxious to get that information because I have heard it stated on the other side of the Chamber several times during these debates that there is practically but very little, if any, difference between labor cost in this country and in Canada.

Mr. GALLINGER. I have heard the same thing a good many times in this Chamber, but it is not correct; certainly not as to work on the farms. It is my privilege to go to Canada almost every summer. I regret that our Democratic friends are going to deprive me of that privilege this year. I have intimate knowledge of many matters relating to Canada both as to manufacturing and agricultural industries of that great country, and I chance to know that the wages on the farm are not as high

there as here

Mr. SIMMONS. Does the Senator think it costs \$4 more to make a ton of hay in Canada, just across the border and within 50 or 100 miles of the border, than it does in this country?

Mr. GALLINGER. I have not argued that. I am not sure as to that. I know that they do sell hay very much cheaper than

Mr. SIMMONS. On account of the difference in the cost of labor?

Mr. GALLINGER. The difference of \$4 may not be fully covered. But the difference in labor, in the value of the land, and the condition of living, as well as various other things, may well be taken into account.

WILLIAMS. Mr. President, if the Senator from New Hampshire will permit an interruption-

Mr. GALLINGER. I yield to the Senator. Mr. WILLIAMS. I think he will probably agree with me when I make the statement that wages are somewhat lower in the French Provinces in Quebec than they are across the line westward.

Mr. GALLINGER. And in Ontario in agricultural pursuits.

Mr. WILLIAMS. In Ontario they are lower, too.
Mr. GALLINGER. Yes; certainly in the eastern part of the

Mr. WILLIAMS. But the wages in English-speaking Provinces of Canada are higher when you get clear out to the Pacific coast than they are in the States just adjoining them. In between these two extremes the wages are virtually equivalent to one another.

Now, that brings me to this consideration. It has frequently been said that wages were the cause of the standard of living. They are, as a matter of fact, a result of a standard of living. The French in Quebec have a different standard of living from the English-speaking people across the border and from the English-speaking people in the Provinces of Canada. They are much more saving; they live a much more simple life; are satisfied with very much less profits; and so as a result of the standard of living wages are somewhat lower, not be-

Mr. GALLINGER. The Senator must remember that the French-Canadian, who has a lower standard of living, is not only invading our eastern States but he is likewise pushing westward. I am familiar with a city in Canada that in my boyhood had scarcely a French-Canadian in it, and now the population is almost one-half French-Canadian.

Mr. WILLIAMS. Yes; but the Senator will admit that as he goes westward or as he goes southward and separates himself from his old environment he acquires an appetite for larger

wages, and demands them.

GALLINGER. Undoubtedly, Mr. President; but I do really think that when we have imported practically four times as much hay in the last year as we exported we ought to be satisfied with that condition, and that we ought not to deprive the small American farmers along the Canadian frontier of the market they have had at home for their hay heretofore by opening the markets of a foreign country to our consumers.

I can not see that any good will come from it, and I do see a great deal of harm to the farmers, who need to be reasonably

protected.

Mr. SIMMONS. Does not the Senator from New Hampshire think that \$6,000.000 of imports, in view of the fact that we produce nearly \$700,000,000 of this product, is rather a small

importation?

Mr. GALLINGER. Mr. President, I very likely am oldfashioned, and very likely my views on the tariff question are somewhat old-fashioned, but I can not for the life of me see what advantage we are to get by adding to the imports of hay from our northern neighbor, thus displacing that amount of hay from the farmers along the border on our side. It will not largely decrease the value of the hay, but it will tend

to displace a very considerable part of the American product.

Mr. SIMMONS. The Senator calls attention to the importations of 1912 being six and a half million dollars. I call his attention to the fact that for the year 1910 they were less

than a million dollars.

Mr. GALLINGER. Yes.

Mr. SIMMONS. I presume that last year's importations were somewhat abnormal. There may be some explanation of

that, but I do not know what it is.

Mr. GALLINGER. That shows the enormous increase in two years, even with a \$4 rate. It might be said that it was because of the shortage of the crop. The crop, as I remember, was not short in 1912; it certainly was not in the New England States; so that that would not account for it; but there was an enormous increase in the importations of hay in 1912.

Mr. SIMMONS. Let me call the Senator's attention to the

further fact that in 1896, when we had a duty of only \$2 a ton on hay, the same as is proposed in this bill, the importations that year were less than one-half what they were last year.

Mr. GALLINGER. Yes; the Senator is correct in that statement; but I think what we want to face, what we want to look at, is the great increase in the last two years.

Mr. WARREN. Mr. President, will the Senator from New Hampshire allow me right there?

Mr. GALLINGER. I will yield the floor.

Mr. WARREN. I do not wish to take the Senator from the floor: I only desire to make a brief observation. The Senator from North Carolina has alluded to the imports of hay in 1896. The fact of the matter is that the farmers are great consumers as well as producers of hay, when you come down to that. It is true that others buy hay, but the farmers are the principal consumers; and in 1896, under the Wilson-Gorman Tariff Act, the farmers were unable to buy hay to feed and carry through their live stock; and so they shipped their stock, down to yearlings and lambs, into the market rather than buy the hay. That very largely accounts for that difference.

Mr. GALLINGER. There is one other point to which I desire to refer. I do not know how much significance it has, but the enormous growth of the automobile industry is putting the horse, to a considerable extent, out of commission and lessening the market for the farmer so far as hay is concerned. I really feel that our friends on the other side ought to yield their ironclad determination to put this bill through in the form it came from their caucus and let the duty stand at \$3 a ton, which is a 25 per cent reduction from the rate in the present

Mr. PAGE. Mr. President, the Senator from North Carolina has referred to the difference in the cost of production. not know what that difference is in actual labor, but I do know that the Vermont farmer seeks to keep his farm in a good condition by fertilization. A good farmer will turn over his meadow and stock down his land once in five years, or onefifth of it each year. He takes good care of his farm and he keeps up its value. The Canadian farmers, or many of them, simply take the fertilization out of the soil and sell it year after year. On the farms bordering on the St. Lawrence River on either side you will find a good strong clay soil, one that will stand this bad usage for many years. They are our competitors in the hay market.

We certainly ought to protect the American farmer as much as we can, because the Canadian not only has the advantage of cheaper land, but is willing to wear cut his land and take out the fertilization and sell it in hay, while the Vermont farmer is trying to keep his farm in good condition. I believe

he should be encouraged.

Mr. WILLIAMS. Mr. President, if the Senator will pardon

The VICE PRESIDENT. Does the Senator from Vermont yield to the Senator from Mississippi?

Mr. PAGE. Certainly.

Mr. WILLIAMS. Talking to one another as two farmersand the Senator from Vermont and I are about the only two farmers in the body-does the Senator mean to tell me that the Vermont farmer, taking care of his land and fertilizing it, does not obtain an increased quantity of hay per acre at a decreased

Mr. PAGE. As compared with the Canadian farmer, I do He gets a better crop, but not at a less cost. not think so. The Canadian farmer is subjected to very little expense, except harvesting his crop. He is not a good farmer. He is taking fertilization out of the farm and selling it in hay.

Mr. WILLIAMS. Then it must follow that your Vermont farmer is such a poor farmer that he puts more money into fertilizing his land and taking care of it than it pays him

to put into it.

Mr. PAGE. No, Mr. President; not at all.
Mr. WILLIAMS. Then if he is a good farmer and is farming intelligently he must make money by his intelligence, and if his competitor is inferior and unintelligent and is wasting his land and not fertilizing it, but taking the substance of his land out in the crop every year, then he ought not to be much of a competitor and ought not to amount to much.

Mr. PAGE. He is a competitor to-day and will be for a few years until he has exhausted the fertility of his soil. American farmer puts back into his land a part of what he takes from it, and therefore he is not able to produce so cheaply as his Canadian competitor who is each year selling the

fertility of his land as hay.

Mr. WILLIAMS. Oh, the lands of Quebec, if I am not mistaken, have been longer in cultivation than those in Vermont.

Mr. PAGE. They have been; but they do not cultivate the lands there as they do in Vermont. They simply take the fertilization out of the soil and they sell it in competition with our farmers who are trying to be good farmers and trying to keep their farms in good condition.

Mr. WILLIAMS. Does the Senator mean to tell me that the Quebec farmer who does not take care of his land and

takes the substance out of his land in his crop can raise as much hay as the Vermont farmers do when they are taking care of their lands?

Mr. PAGE. No; I do not.

Mr. WILLIAMS. Now, does the Senator mean to tell me that the Vermont farmers, in spite of their superiority and intelligence in cultivating their lands in the proper way, get less profit out of them than the Canadian farmer who does not know how to take care of his land?

Mr. PAGE. I do say, Mr. President, that the Canadian farmer oftentimes puts nothing into his farm. He merely harvests the grass. He does not plow very much and does not fertilize the soil very much. His costs are low, his expense for harvesting is about \$2 per ton, and he can underbid the American farmer who does farming in a legitimate and proper manner.

Mr. WILLIAMS. Now, I ask the Senator this question: What is the Senator's experience and observation, or both, in regard to the number of acres of land that you can mow in a

day with one hand, one mower?

Mr. PAGE. Our Vermont farmers, who get up at 3 or 4 o'clock in the morning, usually go around a 4 or 5 acre patch

and cut it down before noon.

Mr. WILLIAMS. Well, we do a little bit better in Mississippi; we sometimes mow 6 acres. The question I want to ask the Senator is, Does the Canadian farmer get over any more land than the Vermont farmer?

Mr. PAGE. Probably not.

Mr. WILLIAMS. If the Vermont farmer's land is well cultivated and produces fine crops of hay, and the Canadian farmer's land is not well cultivated at all, and he merely gets what he finds growing wild, and he does not fertilize his land or take care of it, and he can not get over any more land than your farmer can, then the product of his labor through the day running a machine would be about 50 per cent of what yours would be, would it not?

Mr. PAGE. Yes; allowing the Senator's viewpoint to be correct, but possibly we do not clearly understand each other.

Mr. WILLIAMS. Then he would have to be hired at half

as much before you even equalized the labor cost?

Mr. PAGE. The Senator from Mississippi is a farmer, and, being so, I can appeal to him with some little confidence that I will get the facts. He knows that the farmer who plows, who draws on the manure, and who then thoroughly harrows his land to but it in good condition for the seed, puts much more money into the preparation of the soil, the cost of fertilizers, and the cost of seeding down than he does into cutting his hay and hauling it to the barn.

Mr. WILLIAMS. I should hate to say that. I would regard that as very unintelligent farming; that would be farming for

fun and not for profit.

Mr. PAGE. It is a fact, Mr. President, that the cost of plowing, of harrowing, of fertilization, and of seeding is more than the cost of cutting and getting in the hay, which is about all the Canadian does, and I think the Senator ought to affirm what I say about that if it is true.

Mr. WILLIAMS. I can not do that; that would lead to

bankruptey.

Mr. WALSH. Mr. President, our friends on the other side seem to be so enamored of high duties that they seem disposed to insist upon a duty when there does not seem to be any reason for it at all. No one has heard any reason advanced why there should be a duty of \$4 rather than \$2 a ton on hay. It is not suggested that the former figure measures the difference in the cost of production; it is not suggested either that the imports would increase materially under the reduced rates; in fact, there are no figures to justify such a conclusion as that. The slightest attention to the statistics will disclose that there are never any importations of hay into this country at all except in seasons when the supply in this country is abnormally low.

The distinguished Senator from New Hampshire [Mr. Gal-LINGER] is in error in saying that there was the usual production of hay last year. In 1912 the production was, as a matter of fact, quite large, but the importations for 1912 came from the production of 1911, and in 1911 the production was notably low. We produced in 1911 only 47,000,000 tons, as against 64,000,000 tons in 1910 and 72,000,000 tons in 1912. Accordingly in 1912 we had an unusually large importation-699,213 tons; but I might say in that connection that even 699,213 tons was only about one five-hundredth of the total production and could not possibly have affected the price except locally; nationally it could not have exerted any influence upon the price at all.

Now come to 1910. The importations for that year will give

an index to the production in 1909.

The figures are given here at 64,000,000 tons; that is to say, whenever there is a normal production of hay in this country you do not have any importations. Look at it-96,000 tons out of a total of 64,000,000 tons-a perfectly negligible quan-

tity of imports in 1910.

What does that mean? It simply means that when there is a famine here and our people have got to get hay anywhere they can, it will come into this country in order to save the beasts that eat it from starvation, no matter what the tariff is. The effect of a duty upon hay is simply to make the price of hay high when it is already abnormally high. When the price is not high, when the ordinary conditions prevail, the duty can not possibly have any effect upon the price of hay at all.

Mr. GALLINGER. Mr. President, there is force in the Sen-

ator's suggestion, and yet, if there was a crop in 1911, doubtless that enabled the consumers to have a start until the new crop

of 1912 came in, which would come in at the midyear.

Mr. WALSH. The suggestion of the Senator from New Hampshire scarcely affects the case. I apprehend, Mr. President, that the most urgent demand for hay comes from those who are obliged to buy in order to keep their stock alive

Mr. GALLINGER. Undoubtedly.

WALSH. Undoubtedly-within a very limited region along the border some advantage may accrue to some farmers in years of scarcity. So far as the great interior of this country is concerned, a duty on hay is like a duty on potatoes, with reference to which I will say a word presently. not make any difference at all; but, as a matter of course, with reference to a little region along the border, in years of famine here the farmer will get a little higher price for his hay. But look at the situation over that great extended area, the boundary line of my State, 700 miles in length, and 400 miles along the northern line of North Dakota and 200 miles more on the line of the State of Minnesota-whenever a famine year comes the farmers in our section of country are obliged to buy hay wherever they can get it. If they can get it across the line, they want to go there and get it, and on that hay you impose a duty of \$4 a ton, and we are endeavoring to reduce that duty to \$2.

Mr. GALLINGER. Well, Mr. President, of course the States bordering on Canada are insignificant in almost all respects compared to the great States of the Northwest and the Rocky Mountain region-certainly so in area-but we are neverthe less contributing what we can to the Government of the United States, and we do feel that our industries are entitled to consideration. It is not quite the rule always to legislate in a way that will cover every portion of our great land; and when you come to consider the States of Maine, New Hampshire, Vermont, New York, Ohio, and Michigan, bordering on Canada, and then the States farther west than that, while in one sense they are insignificant yet in another sense they are extremely important. It is for those States that I appeal; and I really think that we are entitled to a good deal of consideration.

Mr. WALSH. Mr. President, I appreciate the soundness of the suggestion made by the distinguished Senator from New Hampshire, and I trust that nothing that I have said would give him any impressions that I was regardless of his section.

Mr. GALLINGER. Not at all. It was once my privilege to travel through the State that the Senator from Montana so ably represents, and I remember calling my wife's attention to the fact that we had traveled through that State a distance that would have carried us from Concord, N. H., to the city of Washington. Then I understood better than I ever did before the tremendous importance of that section of our country. I appreciate what the Senator says, and there is force in it.

Mr. WALSH. I was simply desirous of inviting the attention of the Senator and of the Senate to the fact that the increased duty for which the Senator asks does the farmers of his State a benefit only in years of famine, when the prices are abnormally high, anyway; and that if you regard that consideration you put us in a situation, with a thousand miles of boundary line, where we shall be denied the opportunity in seasons of famine to go where we can get the hay cheapest so as to save

our stock.

Mr. GALLINGER. Mr. President, I simply want to add a word, though perhaps it is unnecessary. When the plea was made that the great arid and semiarid regions of this country were entitled to some help from the Treasury of the United States to irrigate their lands and to enable them to produce perhaps twenty times as much as they were producing, the bill for that purpose received the vote of every Senator from New It was of no earthly account to us; but we were very glad to give our help to enable those great States, suffering as they were for want of moisture, to redeem their land and to multiply their products perhaps ten or twenty times.

I am glad that I, for one, have never yet drawn the provincial line in any vote I have ever cast in the Senate; and I

am not going to do it now.

Mr. WALSH. Mr. President, with the permission of the Senate, I can not allow the remarks of the Senator from New Hampshire to pass without an acknowledgment of the entire truth of the statement made by the Senator, that in the great struggle of which he speaks we were deeply indebted to the assistance of many distinguished representatives from New England. I cheerfully make here an acknowledgment of the great national view they took of that question. I likewise do not desire to have it pass without remarking that we, by the development of the West, have afforded a market for the products of New England; and while they were performing a great national service in that matter, they were not wholly regardless of their own interests.

Mr. GALLINGER. That is true, Mr. President; just as we have reciprocally, by developing our manufacturing industries, made a market for the products of the Senator's own section of

Mr. THORNTON. Mr. President, I was not in the Senate Chamber during the first part of the discussion of this paragraph, but I gather from what I have heard since I have returned that an amendment has been offered increasing the duty on hay to \$4 per ton.

SEVERAL SENATORS. Three dollars.
Mr. THORNTON. My position on this subject ought to be pretty well understood by this time. I am always willing to vote for a sufficient duty on farm products at least to equalize the conditions between the farmers of this country and the farmers of foreign countries; and Canada is just as much a foreign country to me as England or Germany or France.

I understood the Senator from Montana [Mr. Walsh] to say awhile ago that nothing had been suggested in the discussion to show that it would take a duty of \$3 a ton to put the American farmer on an equal footing with the Canadian farmer in this respect. I should like to know if that is conceded. I thought I understood the Senator from Montana to He was here and heard all the discussion.

Mr. GALLINGER. If the Senator will permit me, a duty of \$2 a ton is imposed on American hay by the Canadian Government, so that this is an advantage to the American farmer

of only \$1 in duties.

Mr. THORNTON. There is a duty of \$2 imposed by Canada, or \$3?

Mr. GALLINGER. Two dollars.
Mr. THORNTON. We give a duty of \$2, too.
Mr. GALLINGER. Our present rate of duty is \$4 and the
Canadian tariff rate is \$2. The present proposition is to make our tariff \$3, as against the Canadian tariff of \$2.

Mr. THORNTON. The Canadian tariff on American hay

Mr. GALLINGER. Yes.

Mr. THORNTON. And what is proposed here is an American tariff on Canadian hay of \$2?

Mr. GALLINGER. That is what the committee proposes; but the amendment offered by the Senator from Washington [Mr. Poindexter] proposes a duty of \$3.

Mr. THORNTON. I should like to ask the Senator before

he takes his seat, then, whether it has been shown that there is the difference in the cost of production that would justify it?

Mr. GALLINGER. From personal observation which has covered a large number of years and an acquaintance with a great many farmers in Canada, I have no doubt of it at all. We have no statistics to show it; but that is my judgment, based upon personal observation.

Mr. WILLIAMS. It seems to be the Canadian judgment that the Canadian farmer needs a duty of \$2 to be able to compete

with you.

Mr. GALLINGER. Yes; of course the Canadian has tried to protect his own industry, and we ought to adequately protect

Mr. THORNTON. Mr. President, there seems to be a doubt about this. In case of doubt, I certainly propose to vote with the committee. If it were a plain case, I would not hesitate to vote against the committee.

Mr. CATRON. Mr. President, it occurs to me that one portion of this country is being overlooked in looking out for this hay matter. There is a foreign country south of us along the borders of New Mexico, Arizona, and Texas. In New Mexico we produce a large amount of alfalfa hay. Our principal market for what we do not use ourselves is El Paso. We have entered into a treaty with Mexico in reference to the building of the Elephant Butte dam, under which we agree to give them 40,000 acres of water from that dam down the Rio Grande

That water will be distributed in the valley of the Rio Grande along down our border. In the valleys of New Mexico we can raise four crops of alfalfa hay a year, at an average of about a ton and a half an acre. In Mexico they will get the water free, while our people will have to pay \$4 an acre for it each year. That is the stipulation in regard to the people in New Mexico who will get the water under the Elephant Butte dam project, while the people in Mexico will get the water free. The people in Mexico can raise six crops a year, being much farther south than we are, and closer to El Paso, our market. We can put hay into El Paso and sell it at about \$10 a ton. The Mexican people will be able to put it in there and sell it at from \$5 to \$6 or \$6.50 a ton, and make more profit than we can possibly make at \$10 a ton.

If either one of these propositions is enacted—that is, the \$2 duty proposed by the House, or the \$3 duty proposed here nowit will practically wipe out the production in New Mexico of hay, which is our most valuable product from the soil, and will turn over our entire market to the Mexican people, as soon as

they may get rid of their troubles.

To use an expression that we use a good deal in the West, we are being "cinched" by this bill, because it allows the Mexican cattle to come over free and compete with our cattle raisers; it allows their sheep to come over free and compete with our sheep raisers; and it reduces the duty on lead and zinc one-half, even by the amendment put in by the Senate, and allows those articles to come over and compete with our labor. The fact is that nearly every industry we have in New Mexico-In fact, every industry—will, in my judgment, be almost paralyzed if this bill is enacted into law, and especially the industry of raising alfalfa hay. That will go down with this duty on it, especially the \$2 duty provided by the House.

The VICE PRESIDENT. The question is on the amendment

proposed by the Senator from Washington [Mr. Poindexter].

Mr. POINDEXTER. On that I ask for the yeas and nays. The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. LANE (when Mr. Chamberlain's name was called). The senior Senator from Oregon is still absent. He is paired, as I have heretofore stated.

Mr. KERN (when his name was called). I transfer my pair with the senior Senator from Kentucky [Mr. Bradley] to the senior Senator from Nebraska [Mr. HITCHCOCK] and will vote. I vote "nav.

Mr. REED (when his name was called). I transfer my pair with the senior Senator from Michigan [Mr. SMITH] to the senior Senator from Oklahoma [Mr. Owen] and will vote. I vote "nav."

Mr. SUTHERLAND (when his name was called). I have a pair with the senior Senator from Arkansas [Mr. Clarke], who is absent. On that account I withhold my vote. I will allow this announcement to stand for the remainder of the day.

Mr. THOMAS (when his name was called). I again announce the transfer of my pair with the senior Senator from New York [Mr. Root] to the junior Senator from Oklahoma [Mr. GORE] and will vote. I vote "nay."

Mr. WILLIAMS (when his name was called). I have a pair with the senior Senator from Pennsylvania [Mr. Penrose]. If he were present, I should vote "nay."

The roll call was concluded.

Mr. JAMES. I have a general pair with the junior Senator from Massachusetts [Mr. Weeks]. He has not voted, and I therefore withhold my vote.

Mr. HOLLIS. I desire to announce that the junior Senator from Delaware [Mr. SAULSBURY] is paired for the day with the

junior Senator from Rhode Island [Mr. COLT].

Mr. GALLINGER (after having voted in the affirmative). I will inquire whether the junior Senator from New York [Mr. O'GORMAN] has voted?

The VICE PRESIDENT. He has not.

Mr. GALLINGER. I am paired with that Senator. fer that pair to the junior Senator from Maine [Mr. Bur-LEIGH], and will allow my vote to stand.

The result was announced—yeas 26, nays 37, as follows: YEAS-26.

Borah Brady Brandegee Bristow Burton Catron Clapp	Clark, Wyo. Crawford Dillingham Gallinger Gronna Jones Kenyon	Lodge McLean Nelson Norris Page Perkins Poindexter	Sherman Smoot Sterling Townsend Warren
	N.	AYS-37.	
Ashurst Bacon Bryan Fletcher	Hollis Hughes Johnson Kern	Lane Lea Lewis Martin, Va.	Martine, N. J. Myers Overman Pittman

Pomerene Ransdell Reed Robinson Shafroth Sheppard	Shields Shively Simmons Smith, Ariz. Smith, Ga. Smith, Md.	Smith, S. C. Stone Swanson Thomas Thompson Thornton	Tillman Vardaman Walsh
	NOT	VOTING-32.	
Bankhead Bradley Burleigh Chamberlain Chilton Clarke, Ark. Colt Culberson	Cummins du Pont Fall Goff Gore Hitchcock Jackson James	La Follette Lippitt McCumber Newlands O'Gorman Oliver Owen Penrose	Root Saulsbury Smith, Mich. Stephenson Sutherland Weeks Williams Works

So Mr. Poindexter's amendment was rejected.

The reading of the bill was resumed

The next amendment of the Committee on Finance was, in paragraph 213, page 58, line 11, after the word "bushel," to insert "of 57 pounds," so as to make the paragraph read:

213. Garlic, 1 cent per pound; onions, 20 cents per bushel of 57

The amendment was agreed to.

The next amendment was, in paragraph 214, page 58, line 13, after the word "packages," to strike out "15" and insert "10,"

214. Peas, green or dried, in bulk or in barrels, sacks, or similar packages, 10 cents per bushel of 60 pounds.

Mr. GRONNA. Mr. President, I believe it is a mistake to reduce the duty on this article to 10 cents a bushel. The rate in the present law is low, being only 25 cents a bushel. The House reduced that to 15 cents, and the Senate committee has reduced it to 10 cents a bushel.

I shall occupy the floor but a moment. I want to call attention to the fact that in the United States this is a growing We have nearly 100,000,000 people, and for the year 1909-I do not happen to have the production for the later years-we produced a little more than 7,000,000 bushels, while Canada, right across the line, with 8,000,000 people, produced more than four and one-half million bushels. The same is true with regard to beans. We imported during the year 1912 a great quantity of peas of all kinds. I want to read just a few of the figures.

Of green peas in bulk we imported 58,924 bushels, of the value of \$124,484, and they brought a revenue of \$14,671.27. Of peas for seed we imported 66,906 bushels, of a value of \$238,010, and they brought a revenue of \$26,762.40. Of dried peas we imported 725,289 bushels, of a value of \$1,262,308, bringing us a revenue of \$181,318.77. We imported 170,549 bushels of split peas, of a value of \$271,295, and it brought revenue of \$76,747.33. We also imported a small quantity of peas in packages, amounting to 20,877 pounds, of a value of \$1,609, which brought a revenue of \$208.77. The total amount of revenue for 1912 was \$299,708.51.

It seems to me, Mr. President, that the committee must have overlooked the fact that we are now importing a large quantity of beans and peas. There are only a few States which produce this crop. Taking the production of beans, I find that the States of Maine, New York, Michigan, Wisconsin, Minnesota, Kentucky, Colorado, New Mexico, and California are practically the only States which produce beans in any quantity. I find that some States produce quite an amount of peas, but not a great number of States are engaged in the industry. We can not afford to produce them in my part of the country; labor is too high. I have personally tried to experiment with the production of beans and peas, but it is a losing proposition.

The States that I have named are going to be injuriously affected. The Government is going to lose a great deal of

It seems, Mr. President, that we ought at least to leave the rate as fixed by the House. A bushel of beans generally sells for about \$3; 5 cents a pound. Ten cents a bushel is certainly a low rate. I believe that this is one item where the Senate committee can afford to adopt the House rate. It is true there is not very much difference. I believe that the old rate ought

Mr. President, I do not intend to make a speech on this paragraph, but I wish to ask permission to have some tables printed showing the production in all the countries of the

The VICE PRESIDENT. Is there objection? The Chair hears none, and permission is granted.

The tables referred to are as follows:

BEANS.

Canadian rate: 25 cents per bushel. Payne rate: 45 cents per bushel. Dingley rate: 45 cents per bushel.

	-		
Wilson rate: 20 per cent ad valorem. Imports, 1912: 825,720 bushels; value,	\$1,456.65	6: reven	ne. 8371
251.77.			
Exports, 1912: Beans and dried pea \$1,011,466.	s, 341,20	bushe.	is; value
Production of beans i			
[Green beans not incl	luded.]		Bushels.
United States		1	1, 251, 16
States producing 50,000 bushels or more Maine	•		87, 56
New York]	, 681, 50
MichiganWisconsin		£	1, 681, 50 5, 282, 51 154, 57
Minnesota			62, 82
Kentucky Colorado New Mexico			70, 55 53, 92
New Mexico			85, 79 3, 328, 21
California			3, 328, 21
Production in principal bean-gr	owing cor		Dombola
United States (1909)			Bushels.
Cenedo (1011)			156 00
Canaus (1911) Chile (1911) Austria (1911) Hungary (1910) Bulgaria (1910)]	360, 00 3, 932, 00 998, 00
Hungary (1911)			998, 00
Bulgaria (1910)			1, 690, 00
France (1911)		18	8, 187, 00
Netherlands (1911)			. 664. 00
Roumania (1911)		5	602, 00 2, 588, 00
France (1911) (taly (1911) Netherlands (1911) Roumania (1911) Russia, European (1911) Servia (1911) Spain (1911) United Kingdom (1911) Algeria (1911) Australia (1911)			, 453, 00
Spain (1911)		14	453, 00 4, 372, 00 7, 894, 00
United Kingdom (1911)			, 894, 00 1, 001, 00
Australia (1911)			1, 001, 00 958, 00
PEAS.			
Canadian rate: 15 cents per bushel.		novem and these	
Payne rates: Peas, green or dried, in seed peas, 40 cents per bushel; split peas,	bulk, 25	cents pe	r busner
mall packages, 1 cent per pound.	ao cento l	per busine	, peus
mall packages, 1 cent per pound. Dingley rates: Peas, green, in bulk, as oushel; dried peas, 30 cents per bushel oushel; peas in small packages, 1 cent per	nd seed j	peas, 40	cents pe
pushel; dried peas, 30 cents per bushel	; spirt p	eas, 40	cents pe
Wilson rates: Green peas in bulk, free bushel; split peas, 50 cents per bushel; pe	; dried	peas, 20	cents pe
bushel; split peas, 50 cents per bushel; pe	as in sma	ll packag	es, 1 cer
per pound. Imports, 1912.			
	Quantity.	Value.	Revenue
		-	
Peas, green, in bulkbushels	58,924	\$124,484	\$14,671.
Peas for seeddo	58,924 66,906	238,010	\$14,671.2 26,762.4
Peas split do	725, 289 170, 549	1,262,308 271,295 1,609	181,318. 76,747.
Peas, green, in bulk bushels Peas for seed do Peas, dried do Peas, split do Peas in small packages pounds	20,877	1,609	208.
Total			299,708.
Exports, 1912: Beans and dried pea-	s, 341,26	8 bushel	s; valu
\$1,011,466.	12.02.0		
Production of peas in		To als	D. 1.1.
[Green peas not incl	uaea. J		Bushels. 7, 129, 29
States producing 50,000 bushels or more			
New York			71, 48
Bulana			88, 25
Illinois Michigan			180, 02
Wisconsin			1, 165, 0
Missouri			109, 3
Virginia			651 56
Virginia North Carolina South Carolina			711, 8
Jeorgia			736, 00
FloridaFloridaFloridaFloridaFloridaFloridaFloridaFloridaFlorida			133, 92
l'ennessee Alabama			418, 00
Mississippi Arkansas			285, 76
Coniciona			161. 65
rexas			254, 36
Colorado			71, 48 88, 25 185, 02 1, 162, 40 1, 162, 40 1, 165, 03 109, 35 66, 48 651, 56 711, 87 736, 00 285, 77 229, 44 418, 00 285, 77 229, 44 416, 05 258, 22 258, 22 91, 03
WashingtonCalifornia			91, 03 57, 46
Production in principal pea-gro	noing cou	ntries.	
	ESSAINTA SECOL		Bushels.
United States (1909)			1, 110, 00
Belgium (1909)			281.00
France (1911)			1, 137, 00
Netherlands (1911)			1, 838, 00
Beignin (1909) France (1911) Netherlands (1911) Roumania (1911) Russia in Europe (1911) Spain (1911) Spain (1911) United Kingdom (1911) Puesta in Acia (1910)		21	3, 043, 00
Spain (1911)			4, 684, 00
Sweden (1911)			3 824 00
United Kingdom (1911)			740, 00
Kussia in Asia (1910)			001 00
Algeria (1911)			294, 00
Algeria (1911) New Zealand (1911)			523, 00
Algeria (1911) New Zealand (1911) Mr. TOWNSEND. I wish to ask the		r a quest	523, 00 fion. H
Algeria (1911) New Zealand (1911)		r a quest	Busneis. 7, 110, 00 4, 502, 00 4, 502, 00 1, 137, 00 1, 838, 00 598, 00 3, 043, 00 1, 277, 00 3, 824, 00 740, 00 294, 00 523, 00

Mr. TOWNSEND. Beans are not included in this paragraph? 1

Mr. GRONNA. Not in this paragraph. Mr. TOWNSEND. We have passed over the item in refer-

Mr. CRAWFORD. We are on paragraph 214.

The VICE PRESIDENT. The question is on the amendment in paragraph 214, page 58, line 13.

Mr. WILLIAMS. The Senator will find in paragraph 202 "beans and lentils, not specially provided for, 25 cents per bushel of 60 pounds."

Mr. GRONNA. That is correct. Mr. WILLIAMS. Then, under paragraph 484 you will find mention of beans-drugs, such as barks, beans, and so forthon the free list.

Mr. GRONNA.

ence to beans?

Mr. TOWNSEND. Mr. President, briefly I wish to call attention to the question of the duty on beans, as suggested by the Senator from North Dakota. There is one thing that perhaps will bring the question of duties directly to the minds of Senators in connection with this particular item as clearly as anything else can do.

The present duty on beans is 45 cents a bushel, and it is proposed to reduce it to 25 cents, I understand. I suppose that is done for the purpose of cheapening the product to the consumer. The object is to present to the people a cheaper food product, and it is claimed that by reducing the duty from 45

cents to 25 cents we will do that.

I noticed a peculiar fact in looking over some retail prices and wholesale prices, if I may so term the price which the farmer receives for his product, in reference to beans. The fact of the matter is that for years the price of beans to the consumer, the man who went to the grocery store to buy beans, has been 10 cents a quart for them. That was true whether beans were worth \$1, \$2, or \$2.50 a bushel. I took some particular pains to inquire into this matter to see whether that is true generally, and I have found no exception to that rule. The poor man, for instance, who goes and buys a quart or two quarts of beans at a time pays 10 cents a quart for the beans, whether the farmer get \$1 or \$2 or \$2.50 for a bushel of beans which he sells to the same groceryman.

It has been thought at least that this duty of 45 cents a bushel has been instrumental in increasing the production of beans in the United States. Michigan and several other States produce a large quantity of beans. The Senator from North Dakota says they can not be grown on the soil of North Dakota because of the prohibitive cost of labor. We can grow beans in Michigan and many other States. They are a valu-

able addition to the property value of the country.

I submit, Mr. President, unless there is some probability that the consumer of beans is going to get the product cheaper it is a mistaken policy to reduce the tariff on beans so as possibly to encourage the importation of beans from abroad, I repeat, there is some suggestion based upon even some kind of a probability that the retail price is going to be cheapened to the consumer.

Mr. WILLIAMS. Will the Senator pardon me? Beans come under paragraph 202, and have been passed over and will be

dealt with by the Senate.

Mr. TOWNSEND. I realize that.

Mr. WILLIAMS. I want to appeal to the Senator not to

take up time, as the paragraph has been passed over.

Mr. TOWNSEND. I have not taken up much of the time of the Senate, and I do not propose to do it now; but the Senator from North Dakota discussed the question of beans. I confess paragraph 204 was passed over without my attention having been called to it. I am not going to offer an amendment because I know what the fate of it would be. I simply wanted at this time to call attention to one of the inconsistencies of the bill. A subject has been taken for reduction which there is not the slightest probability will result in a benefit to the consumers of the country

The VICE PRESIDENT. The question is on agreeing to the

amendment of the committee.

The amendment was agreed to.

The next amendment was, in paragraph 214, page 58, line 14, before the word "ceuts," to strike out "25" and insert "20," so as to read:

Split peas, 20 cents per bushel of 60 pounds.

The amendment was agreed to.

The next amendment was, in paragraph 214, page 58, line 16, before the word "cent," to strike out "1" and insert "1,"

Peas in cartons, papers, or other similar packages, including the weight of the immediate covering, & cent per pound.

The amendment was agreed to.

The next amendment was, in paragraph 215, page 58, line 17, after "azalea indica," to strike out "and all other decorative greenhouse plants," so as to read:

Orchids, palms, azalea indica, and cut flowers, preserved or fresh, 25 per cent ad valorem.

Mr. BRANDEGEE. Mr. President, I should like to ask the Senator in charge of this schedule why these changes were made. I notice the law provides "and all other decorative or greenhouse plants," and so forth, 25 per cent; and then—
Mr. WILLIAMS. That was transferred. If the Senator

will turn to paragraph 216, he will find inserted there the words "or greenhouse" before the word "stock."

Mr. BRANDEGEE. Does that cover both decorative plants and greenhouse plants?

Mr. WILLIAMS. We thought so. The greenhouse people

told us it ought to be there and not in the other place.

Mr. BRANDEGEE. That puts it under a lower rate of duty, What is the significance of the change made in the phraseology? The old law provided that azaleas should come in at 25 per cent ad valorem, and a change is made so that azalea indica comes in at that rate, but nothing is said about other

Mr. WILLIAMS. From the same authority we gather that this would cover the azalea. It was intended to cover the flowering plant

Mr. TOWNSEND. The Senator said they consulted a greenhouse authority. What greenhouse authority did the committee

Mr. WILLIAMS. I do not know the people's names. There were several of them before us. I have the names over at the office. I will give them to the Senator some day, if he wishes them.

The VICE PRESIDENT. The question is on the amendment of the committee.

The amendment was agreed to.

The Secretary concluded the reading of paragraph 215.
Mr. JONES. Mr. President, I understand the committee is considering an amendment which I called to the attention of the chairman of the committee with reference to the admission of flowering bulbs free of duty. If that is the case, I will not offer the amendment here, but will wait until the committee has had time to consider it.

Mr. SIMMONS. I have examined the amendment of the Senator from Washington, and I will ask that the paragraph be passed over.

The VICE PRESIDENT. Paragraph 215 goes over, then,

with the committee amendment agreed to.

The next amendment of the Committee on Finance was, in paragraph 216, page 59, line 12, after the word "nursery, insert "or greenhouse," so as to make the paragraph read:

216. Stocks, cuttings, or seedlings of Myrobolan plum, Mahaleb or Mazzard cherry, Manetti multiflora and briar rose, Rosa Rugosa, 3 years old or less, \$1 per thousand plants; stocks, cuttings, or seedlings of pear, apple, quince, and the St. Julien plum, 3 years old or less, \$1 per thousand plants; rose plants, budded, grafted, or grown on their own roots, 4 cents each; stocks, cuttings, and seedlings, of all fruit and ornamental trees, deciduous and evergreen shrubs and vines, and all trees, shrubs, plants, and vines commonly known as nursery or greenhouse stock, not specially provided for in this section, 15 per cent ad valorem.

The amendment was agreed to.

Mr. POINDEXTER. Mr. President, going back to paragraph 215, the matter which my colleague called to the attention of the chairman of the Finance Committee, for the information of the Senator from North Carolina, I should like to make a very brief quotation from a letter which I have from the Chief of the Bureau of Plant Industry.

The proposition of the senior Senator from Washington [Mr. Jones] is to amend this paragraph so as to permit the free importation of seed bulbs. The only attempt with any promise of success in the United States to grow bulbs, of which we import a million dollars worth a year from Holland, is in the State of Washington near the city of Bellingham. Though meeting with success, it is in every essential element an infant industry. Though just beginning, it has an excellent prospect of becoming an established industry of great value to the farmers in that section. For the purpose of facilitating and encouraging it, it is proposed to allow these farmers entering upon this new enterprise to get the mother bulbs, which require a cycle of years to mature, free of duty.

I am saying this that the Senator from North Carolina, who, I understand, is going to consider this proposition, may have in mind the object of the proposed amendment.

In this connection, very briefly, I will read from the letter which I referred to from the Bureau of Plant Industry:

So far as known hyacinth bulbs are propagated in this country only at the bulb garden established by this department, near Bellingham,

although hyacinths are the most important of the so-called Holland bulbs, because the areas in which the soil and climatic conditions are suitable for growing them are extremely limited, and wherever they can be grown successfully the land becomes very valuable.

Answering the last paragraph of your letter I will say that the department established a bulb propagating garden in the autumn of 1908 on 10 acres of land near Bellingham, Wash. which was furnished by the chamber of commerce of that city, with the necessary buildings and improvements, rent free, the cooperative agreement to run for a period of 10 years, and the department to furnish the necessary bulbs, labor, and expert management. The object of the department in establishing the garden was twofold, namely: (1) To propagate Holland bulbs for the congressional distribution in lieu of importing large quantities of these bulbs from Holland annually; and (2) to make the propagation of these bulbs a demonstration that Holland bulbs can be successfully grown on a commercial scale in the Puget Sound region with a view to establishing a new and profitable industry.

I am pleased to be able to report that results so far obtained are very encouraging, and there is every reason to believe that in a few years the garden established by the department will furnish all the bulbs required for the congressional distribution and sufficient data will have been accumulated to enable the department to publish explicit and detailed instructions for the information of anyone who desires to grow these bulbs commercially. However, several years will be required to complete the cycle of operations involved in treating the "mother" bulbs and bringing the young bulblets to maturity, and there are many minor questions of importance to be worked out, such as special methods of treatment, cultivation and handling, use of machinery, and so forth, so that it is now entirely too soon to make any statement regarding the work, except that the progress made has been very satisfactory and

We therefore think that prospective bulb growers in this country will want the duty retained on all the so-called Holland bulbs except, possibly, mature "mother" bulbs imported solely for propagation, and that if bulbs for propagation purposes are admitted duty free such importations should be surrounded by such rigid restrictions as will prevent importations for other purposes without payment of duty. If such an arrangement can be enacted into law it will undoubtedly encourage the establishment of a new industry in this country. It is understood that bulbs valued at approximately \$1,000,000 are imported annually from Holland, and it is believed that most of these bulbs can be propagated and grown in this country, provided that our growers can meet the competition of cheap labor in Holland.

As a suggestion, Mr. President, I will offer, and ask that it may lie over, the following amendment to be inserted at the close of paragraph 215:

Provided, That mature "mother" bulbs imported specifically for propagation and not to be used for any other purpose shall be admitted free of duty.

I ask to have the amendment printed. The VICE PRESIDENT. It will be so ordered.

Mr. JONES. I desire to say to my colleague that I have suggested exactly that amendment to the chairman of the committee, and have also handed to him a similar letter from the .

department.
Mr. POINDEXTER. I was not aware of that and only ask

that it be considered in that manner.

Mr. JONES. I am glad, however, that my colleague read the letter into the RECORD.

The reading of the bill was resumed, and the Secretary pro-

ceeded to read paragraph 217.

Mr. GRONNA. Mr. President, before we proceed to vote upon that paragraph, I wish to offer the amendment which I send to the desk

The VICE PRESIDENT. The amendment proposed by the Senator from North Dakota will be stated.

The Secretary. On page 59, after line 13, it is proposed to insert as a new paragraph the following:

2161. Potatoes, 15 cents per bushel of 60 pounds.

Mr. GRONNA. Mr. President, the Canadian rate of duty on potatoes is 20 cents a bushel. The rate in our present tariff law is 25 cents a bushel. That is the same as the Dingley The Wilson rate was 15 cents per bushel.

In 1912, according to the figures that I have been able to obtain, we imported 13,740,482 bushels of the value of \$7,175,376, which brought a revenue to the Government of \$3,434,525. exported in 1912 1,237,276 bushels of potatoes of the value of \$1,414,297. The total production in the United States was

\$1,414,297. The total production in the United States was 420,647,000 bushels, and the farm value was \$212,550,000.

It is true there are only a few States that produce potatoes in quantities of more than 10,000,000 bushels—such States as Maine, New York, Pennsylvania, Ohio, Illinois, Michigan, Wisconsin, Minnesota, Iowa, Washington, Oregon, and California. Those are the States producing the largest amount of potatoes.

I do not wish to delay the proceedings of the Senate further, but I will ask to have a statement which I send to the desk printed in connection with my remarks.

The VICE PRESIDENT. If there be no objection, that will

be done.

The statement referred to is as follows:

POTATOES.

Canadian rate: 20 cents per bushel. Payne rate: 25 cents per bushel.

Dingley rate: 25 cents per bushel. Wilson rate: 15 cents per bushel. Imports 1912: 13,740,482 bushels; value, \$7,175,376; revenue, 4,34,535. Exports 1912: 1,237,276 bushels; value, \$1,414,297.

Production, 1912.

United States, 420,647,000 bushels; farm value, \$212,550	
States producing 10,000,000 bushels or more in 1912:	Bushels.
Maine	23, 166, 000
New York	38, 160, 000
Pennsylvania	28, 885, 000
Ohio	20, 832, 000
Illinois	13, 837, 000
Michigan.	36, 750, 000
Wisconsin	34, 920, 000
Minnesota	33, 075, 000
Iowa	18, 966, 000 11, 356, 000
Washington	10, 075, 000
Oregon	10, 140, 000
California	Duchola

California	10, 140, 000
Production in all countries, 1911.	Bushels.
Canada Austria-Hungary Belgium France Germany Italy Netherlands Russia in Europe Russia in Asia Spain	292, 737, 000 66, 023, 000 2620, 263, 000 104, 718, 000 423, 573, 000 62, 140, 000 103, 468, 000 1, 143, 124, 000 32, 931, 000 93, 089, 000
SwedenSwitzerland	46, 712, 000
United Kingdom.	

Production in all countries, 1911, 4,748,711,000 bushels.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from North Dakota [Mr. Gronna]. [Putting the question.] The "noes" seem to have it.

Mr. BRISTOW. Mr. President, it seems to me that we ought

to have a roll call on this amendment. Starch and dextrine and manufactured products made from potatoes have the Payneand manufactured products made from potatoes have the Payne-Aldrich rate, or approximately the Payne-Aldrich rate, and still the product of the farmer, potatoes, are put on the free list in the bill. There is not any item in this bill which illustrates its discriminatory character against the agricultural classes more than this. For that reason I think we ought to have a record vote; and so, Mr. President, I ask for the yeas and

The yeas and nays were ordered. Mr. WILLIAMS. Mr. President, the Senator from Kansas is partially mistaken in his statement. Potatoes do bear in this bill a countervailing duty. A duty is put on them, and so long as Canada keeps her duty on potatoes our duty will remain. The Senator from Kansas is otherwise right, but potatoes are not placed absolutely on the free list in this bill.

Mr. BRISTOW. No; but the countervailing duty does not apply to manufactured products; it applies only to potatoes.

Mr. WILLIAMS. I understand that; but the Senator made the statement that potatoes were put upon the free list, and I wanted it understood just what we did with them.

The VICE PRESIDENT. The Secretary will call the roll.

Mr. WALSH. Mr. President, before the roll is called, in view of the course the discussion has taken, and particularly in view of the remarks of the Senator from Kansas [Mr. Bristow], I desire to say just a word.

The Senator called our attention in the discussion to the duty on dextrin and stated that potatoes were on the free list, while, as a matter of fact, there is a countervailing duty on them; but for the present let us consider that potatoes are on the free The Senator seems to think that that is the most striking evidence of the discrimination in this bill against the American

Mr. BRISTOW. I will say one of the most striking evidences of discrimination.

Mr. WALSH. Very well; one of the most striking,

Now, Mr. President, as a matter of fact the duty upon potatoes can not possibly affect the interest of any farmer in this country except the farmer living along the Atlantic seaboard. It is utterly impossible, by reason of the character of the product and the freight rate that it carries, to produce potatoes and to transport them so that they can come into competition with the product of any foreign country at all. I have taken pains to inquire about the production of potatoes of my own State, and it is disclosed that, although the soil of that State produces potatoes, as you will see from the returns of the Agricultural Department, with the most marvelous fecundity, we can not ship them beyond the borders of our own State, even omitting the consideration of the freight rate.

You must bear in mind that potatoes are harvested on the very eve of winter. In order to preserve them for transportation it is necessary to put them in a heated warehouse; and

when you come to transport them you must provide refrigerator cars, or some other cars especially fitted, in order to protect them from the frost. The consequence of this is

Mr. BRISTOW rose.

Mr. WALSH. Just a moment. The consequence of this is that none of the interior States, or the Western States at least, can by any possibility get any advantage from a duty upon potatoes

Mr. BRISTOW. Mr. President, if the Senator will yield a moment, I will say that he may be right as to potatoes that are grown in Montana, but the potatoes that are grown in Kansas are shipped and consumed largely before the potatoes in Montana are matured. The very distinguished Senator from Minnesota [Mr. Nelson] who sits behind me, says that in this city he has many times eaten potatoes that were grown in Europe.

Mr. WALSH. I have taken the pains to write to the railroad companies operating in the State of Kansas touching shipments of potatoes from that State. I have not yet been able to get a reply to an inquiry I addressed to them in substance like a

reply to an inquiry I addressed to them in substance like a letter sent by me to the railroads operating in Montana.

Mr. BRISTOW. I will state to the Senator, if he will pardon me, that carloads, and I may say hundreds of carloads, of potatoes are shipped out of Kansas to the north, to Minneapolis and St. Paul, those being a portion of our market, every year when the crop is abundant, as it usually is along the Kansas Nicola hettowa and sullays, and we market them before the every River bottoms and valleys, and we market them before the excessive hot weather comes on, they being early potatoes. So the rule which the Senator would apply to Montana-grown potators and apply to Montana-grown potators with the great way and apply to the great way and apply to Montana-grown potators. tatoes is purely a local rule, which does not apply to the great Mississippi Valley.

Mr. WALSH. The conditions, Mr. President, will be accurately disclosed in a letter which I received from the general freight agent of the Chicago, Milwaukee & St. Paul Railroad. He says:

CHICAGO, MILWAUKEE & ST. PAUL RAILWAY CO., FREIGHT TRAFFIC DEFARTMENT, Chicago, August 8, 1973.

Chicago, August 8, 1913.

United States Senate, Washington, D. C.

Dear Sir: Replying to your letter of the 4th instant in which you ask for certain statistics with reference to the movement of potatoes from Montana during the last three years, I have had this checked up carefully and find that the total movement of potatoes leaded at points in Montana is very light so far as this company is concerned.

This company loaded during the year 1911, 37 carloads, or 1,313,637 pounds; during the year 1912, 91 carloads, or 3,290,153 pounds; for first six months, 1913, 28 carloads, or 974,130 pounds.

Of the total of 156 cars loaded all were destined to points within the State of Montana except one car forwarded in March, 1912, from Alberton to Hettinger, N. Dak., which is a small local station on this company's line not far from the Montana State line. There has been practically no surplus of potatoes from Montana to interstate destinations.

I know there has been a surplus there because they have been feeding them to the hogs, and getting rid of them in anyway they could.

Had there been a demand, the same facilities would, of course, have been furnished for the movement from Montana as are usually furnished from other shipping territory; that is, in cold weather potatoes are generally handled in refrigerator cars for protection from frost, or in cars equipped with heaters, the movement being in ordinary equipment during warm weather.

As to the present rates, they are as follows:

To St. Paul (minimum 40,000 nounds), from—

Cents.

Cents.

If we could only get 75 cents a hundredweight we would get rich growing potatoes in Montana.

Missoula and Garrison_____ Harlowton and Lewistown____ _____per hundredweight__ 57

I trust this information is what you wished and would explain further that not only has there been no movement to St. Paul or Chicago, but the market condition, because of nearby supply, has been such that I do not understand there was any possibility of a movement.

With kindest personal regards, I am,
Yours, very truly,

H. E. PIERFONT.

Mr. BRISTOW. Mr. President, the freight rates on agricultural products out of Montana may be very exorbitant, I do not doubt that they are, for that is the experience of most Western States. I think all of the Western States have been handicapped by the very excessive rates of transportation to markets on western products. I believe that has been the universal experience.

The shipment of potatoes in the early season, as well as in the late season, is a very important factor in our civilization. In Kansas in the early season we buy potatoes grown in Texas and Louisiana, which are shipped from those Southern States to the North. That is becoming a very important business in certain southern sections of the country. Later in the season, I think that potatoes grown in the mountain States-I know we consume in Kansas very large quantities of Colorado potatoes-later in the season, after the early supply is exhausted-and indeed the climate is such that potatoes grown in the South during the latter season of the year are not good, they are not palatable-we draw for our supply of potatoes upon the mountain States and the lofty altitudes. It is one of those industries in which the farmers of the country are universally interested, and since the manufactured products made from potatoes carry a duty as high as the present law, or approximately such, it seems to me it is grossly unfair to take off all the duty on the potatoes which the farmer himself

Mr. GALLINGER. Mr. President, for the second time the Senator from Montana [Mr. WALSH] has suggested that a duty can do his section of the country no good; that it can only benefit the seaboard, or largely so. If that were so, it is a new theory to me that we must not impose a duty unless it benefits every section of the country. If that were so, we would not have any duties in this bill, because I apprehend there is not a single duty that advantages every section of the country. It is to the advantage of my section of the country that we should have free sugar; and yet I shall vote for a duty on sugar. As I said a little while ago it would be to the advantage of our section of the country to have free wheat, free oats, free corn, and all the staple agricultural products free, because we are dependent upon the great West for those products; but I shall vote for a duty on all those products.

Mr. President, the Senator from North Dakota [Mr. Gronna] is the most industrious man in the Senate in preparing statistics on agricultural products, and we owe him thanks for the work he has done. He has submitted a table on potatoes which is of great interest. It shows that we imported last year—I believe there was a short crop last year, and, of course, we must make some allowance for that—we imported 13,742,482 bushels and exported last year 1,237,276 bushels; in other words, we exported one-tenth as many bushels of potatoes as we

From that table it appears that the entire production in the United States last year was 420,647,000 bushels; and of that amount Maine, New York, Pennsylvania, Ohio, Illinois, Michigan, Wisconsin, Minnesota, Iowa, and Washington produced more than one-half. Almost every one of those States will come in competition with our northern neighbor if potatoes are put on the free list. I for one do not believe that the countervailing duty is going to be of very much account, because the moment Canada finds that our markets are open to her agricultural products she will remove the duty on the products that we may send into Canada, because she can outsell us, and will outsell us; she will invade our markets and strike a serious blow at the manufacturing industries of our country.

Mr. President, I suppose it is useless-of course I know it is useless-to appeal to the other side; but I am again going to express the hope that reason and generosity will combine in the minds of our Democratic friends, and that they will see the justice of voting for the amendment which the Senator from

North Dakota has submitted.

Mr. GRONNA. Mr. President, I want to ask the indulgence of the Senate for just a moment, to add a word in connection with what has been said by the Senator from Montana [Mr. Walsh]. It is true, as the Senator has stated, that the freight rate is against us in the West; but I want to call the attention of the Senate to the fact that if a bill offered by the junior Senator from Georgia [Mr. SMITH] were enacted into law there would be a possibility of all the States doing some business in the way of producing potatoes. If we had in the Agricultural Department, as his bill provides, a division of markets, the people of Washington would not need to pay \$2 a bushel for potatoes when potatoes are rotting in the fields of North Dakota.

As the Senator from Montana has so well said, the freight rates are high; but the Senator, I think, will agree with me that, if we make it a business to produce potatoes to a large extent that difficulty can be overcome, because we have always found that the railroads will meet us half way.

Potatoes are a perishable product, but if the farmers had a place to which to ship their potatoes, knowing that they would get some return, the business would be carried on by the people of every State. The trouble is that when you consign a carload of potatoes to a commission house, very often you will get a letter in return asking you kindly to remit for the freight. There is no way in which the farmer can dispose of this per-ishable product and be sure of fair returns, and for that very reason the American people, those who live in the cities, are

paying four and five times as much as they ought to pay. The farmer lets his potatoes decay in the ground rather than to take them out, because the high price of labor will not justify his doing so. But, as I said before, if a system of distribution such as the bill of the Senator from Georgia proposes to establish, a division of markets, in the Department of Agriculture, I believe the whole problem would be solved.

The VICE PRESIDENT. The Secretary will call the roll. The Secretary proceeded to call the roll.

Mr. LANE (when Mr. CHAMBERLAIN'S name was called). make the same announcement with reference to the senior Senator from Oregon.

Mr. GALLINGER (when his name was called). general pair with the junior Senator from New York [Mr. O'GORMAN]. I transfer that pair to the junior Senator from

Maine [Mr. Burleigh] and will vote. I vote "yea."

Mr. REED (when his name was called). I transfer my pair with the senior Senator from Michigan [Mr. Smith] to the senior Senator from Oklahoma [Mr. Owen] and will vote. I vote "nay.

Mr. THOMAS (when his name was called). I again announce the transfer of my general pair with the senior Senator from New York [Mr. Root] to the junior Senator from Oklahoma [Mr. Gore] and will vote. I vote "nay."

Mr. WILLIAMS (when his name was called). I have a general pair with the senior Senator from Pennsylvania [Mr. Pen-ROSE] and therefore withhold my vote. If at liberty to vote, I should vote "nay."

The roll call was concluded.

Mr. JAMES. I transfer my pair with the junior Senator from Massachusetts [Mr. Weeks] to the junior Senator from Tennessee [Mr. SHIELDS] and will vote. I vote "nay."

Mr. KERN. I transfer my pair with the senior Senator from Kentucky [Mr. Bradley] to the senior Senator from Nebraska [Mr. HITCHCOCK] and will vote. I vote "nay."

The result was announced—yeas 23, nays 35, as follows:

	YE	AS-23.	
Brady Brandegee Bristow Catron Gallinger Gronna	Jones Kenyon La Follette Lodge McLean Nelson	Norris Page Perkins Poindexter Ransdell Sherman	Smoot Sterling Thornton Townsend Warren
	NA	YS-35.	
Ashurst Bacon Bryan Fletcher Hollis Hughes James Johnson Kern	Lane Lea Lewis Martin, Va. Martine, N. J. Myers Overman Pittman Pomerene	Reed Robinson Shafroth Sheppard Shively Simmons Smith, Ariz. Smith, Ga. Smith, Md.	Smith, S. C. Stone Swanson Thomas Thompson Tillman Vardaman Walsh
	NOT V	OTING-37.	
Bankhead Borah Bradley Burleigh Burton Chamberlain Chilton Clapp Clark, Wyo. Clarke, Ark.	Colt Crawford Culberson Cummins Dillingham du Pont Fall Goff Gore Hitchcock	Jackson Lippitt McCumber Newlands O'Gorman Oliver Owen Penrose Root Saulsbury	Shields Smith, Mich. Stephenson Sutherland Weeks Williams Works

So Mr. Gronna's amendment was rejected.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in paragraph 217, page 59, line 16, after the word "section," to strike out "20" and insert "15," so as to read:

217. Seeds: Castor beans or seeds, 15 cents per bushel of 50 pounds; flaxseed or linseed and other oil seeds not specially provided for in this section, 15 cents per bushel of 56 pounds.

Mr. GRONNA. Mr. President, I wish to offer an amendment to this paragraph. I shall not ask for a yea-and-nay vote on it, because I observe that quite a number of the Senators have

The VICE PRESIDENT. The amendment will be stated. The Secretary. On page 59, paragraph 217, line 16, it is proposed to strike out "15" and insert "20" in lieu of the amendment proposed by the committee.

The VICE PRESIDENT. The Chair holds that that amend-

ment is not in order.

Mr. GRONNA. Mr. President, I wish to say a word on this matter. I realize that the House provision was for a rate of duty of 20 cents, and the Senate has amended it to read "15

The VICE PRESIDENT. The same purpose will be served by rejecting the committee amendment.

Mr. SHIVELY. Precisely the same purpose.

Mr. GRONNA. Yes; I understand that.

We produced last year in the United States practically onethird of the world's crop of flax. The world's production in 1911 was 98,622,000 bushels. Last year the production in the United States was 28,073,000 bushels. Only a few of the Western States produce flax. North Dakota is the largest producer. Among the others that produce flax are Montana, Wisconsin, Minnesota, Iowa, Missouri, South Dakota, Nebraska, Kansas, Oklahoma, and Colorado. The imports last year were nearly 7,000,000 bushels, of the value of \$13,048,513, and they brought a revenue of \$1,718,065.31.

Mr. SHIVELY. Mr. President—
The VICE PRESIDENT. Does the Senator from North Dakota yield to the Senator from Indiana?

Mr. GRONNA. Yes. Mr. SHIVELY. For what year is the Senator giving the statistics?

Mr. GRONNA. I am giving the statistics for 1912. The imports for 1912 were, to be exact, 6,872,261 bushels. I said that in round numbers they were 7,000,000 bushels.

Flax can not be called a basic necessity. It is not an article of food. While a duty of 15 cents has been left, I can see no

reason why it should be reduced at all.

The Linseed Oil Trust, which, I believe, belongs to the Standard Oil Trust, controls this industry; and whatever we save to this great monopoly we take out of the Treasury of the United States. There can be no question about that. It simply takes from the American farmer that much money and puts it into the pocket of the Standard Oil Trust.

Why a reduction should be made in the duty carried in this paragraph is more than I can understand. I do not understand by what logic it can be argued that if you are to have a duty at all the present duty should be cut practically in two.

Of course, I have no personal feeling against the Standard Oil Trust, but I prefer to give the advantage, if there is any advantage, to the American farmers and distribute it among from seven to ten millions of people rather than to this great monopoly. It certainly will result in a great loss to the Treasury of the United States. It will result in a great reduction in the revenue we shall receive. It will not reduce the price of oil. The farmer, when he buys his oil from the Standard Oil Trust, pays all the way from \$1 to \$1.35 a gallon. Last year he sold his flax, which is an expensive crop to produce, at the rate of about \$1.25 a bushel. A bushel of flaxseed will make at least 3 gallons of oil; and then the by-product is sold for a very large sum of money, made into oil cake, and exported.

I shall not delay the Senate further. I simply ask to have printed in connection with my remarks a short table showing the production in different States and the different countries of

the world.

The VICE PRESIDENT. Is there any objection? The Chair hears none, and that order will be made.

The matter referred to is as follows:

FLAXSEED.

Canadian rate: 10 cents per bushel.
Payne rate: 25 cents per bushel.
Dingley rate: 25 cents per bushel.
Wilson rate: 20 cents per bushel.
Imports 1912: 6,872,261 bushels; value, \$13,048,513; revenue,
\$1,718,065.31.
Exports 1912: 4,323 bushels; value, \$12,160.
Production 1912: 28,073,000 bushels.

Production by States.	Bushels.
Wisconsin	125, 000
Minnesota	4, 121, 000
Iowa	402,000
Missouri	72,000
North Dakota	12, 086, 000
South Dakota	5, 323, 000
Nebraska	19,000
Kansas	300,000
Oklahoma	9,000
Montana	5, 520, 000
Colorado	96, 000
W14' 3 t- 1011 - 00 000 000 bankala	

World's production in 1911: 98,622,000 bushels.	
Production of principal countries.	Bushels.
United States	19, 370, 000
Canada	
Argentina	
Uruguay	660, 000
Austria-Hungary	901, 000 300, 000
Belgium	
Italy	341, 000
Netherlands	
Roumania	
Russia in Europe	20, 544, 000
Russia in Asia	1, 005, 000

Mr. BRISTOW. Mr. President, it seems to me we ought to have a roll call on the amendment of the committee. Like the Senator from North Dakota, I can not see why it is necessary to reduce this duty, which is a revenue duty which the Linseed I amendment and then let the matter go over until to-morrow.

Oil Trust pays. Everybody admits that it will not affect by a penny the price of linseed oil. The price is fixed by a combination and a trust. You may put it on the free list, and it will be sold for exactly the same price. Every cent that is taken out of the Treasury will simply go into the pockets of the combination that controls this commodity.

I ask for the yeas and nays on the committee amendment,

The yeas and nays were ordered.

Mr. SMOOT. Mr. President, what is the question?
The VICE PRESIDENT. The question is on agreeing to the committee amendment. The Secretary will call the roll.
The Secretary proceeded to call the roll.

Mr. GALLINGER (when his name was called). I have a pair with the junior Senator from New York [Mr. O'GORMAN]. I transfer that pair to the junior Senator from Maine [Mr. BURLEIGH] and will vote. I vote "nay."

Mr. JAMES (when his name was called). I transfer my pair with the junior Senator from Massachusetts [Mr. Weeks] to the junior Senator from Tennessee [Mr. Shields] and will vote. I vote "yea."

Mr. REED (when his name was called). I transfer my pair with the senior Senator from Michigan [Mr. SMITH] to the senior Senator from Oklahoma [Mr. Owen] and will vote. I vote "yea."

Mr. THOMAS (when his name was called). I again announce the transfer of my pair with the senior Senator from New York [Mr. Root] to the junior Senator from Oklahoma [Mr. Gore] and will vote. I vote "yea."

Mr. WILLIAMS (when his name was called). my pair with the senior Senator from Pennsylvania [Mr. Pen-ROSE] to the senior Senator from Tennessee [Mr. Lea] and will vote. I vote "yea."

The roll call was concluded.

Mr. KERN. I transfer my pair with the senior Senator from Kentucky [Mr. Bradley] to the senior Senator from Network [Mr. Bradley] and will vote. I vote "yea." braska [Mr. HITCHCOCK] and will vote. I vote "yea.

Mr. STONE. I should like to inquire whether the senior Senator from Wyoming [Mr. Clark] has voted?

The VICE PRESIDENT. He has not.

Mr. STONE. I have a pair with that Senator, and therefore withhold my vote.

The result was announced-yeas 36, nays 22, as follows:

	YE	AS-36.	
Ashurst Bacon Bryan Fletcher Hollis Hughes James Johnson Kern	Lane Lewis Martin, Va. Martine, N. J. Myers Overman Pittman Pomerene Ransdell	Reed Robinson Shafroth Sheppard Shively Simmons Smith, Ariz. Smith, Ga. Smith, Md.	Smith, S. C. Swanson Thomas Thompson Thornton Tillman Vardaman Walsh Williams
	NA	YS-22.	
Brady Brandegee Bristow Catron Crawford Gallinger	Gronna Jones Kenyon La Follette Lodge McLean	Nelson Norris Page Perkins Poindexter Sherman	Smoot Sterling Townsend Warren
	NOT V	OTING-37.	
Bankhead Borah Bradley Burleigh Burton Chamberlain Chilton Clapp Clark, Wyo. Clarke, Ark.	Colt Culberson Cummins Dillingham du Pont Fall Goff Gore Hitchcock Jackson	Lea Lippitt McCumber Newlands O'Gorman Oliver Owen Penrose Root Saulsbury	Shields Smith, Mich, Stephenson Stone Sutherland Weeks Works

So the amendment of the committee was agreed to.

The reading of paragraph 217 was continued, as follows:

Poppy seed, 15 cents per bushel of 47 pounds; mushroom spawn, and spinach seed, 1 cent per pound; canary seed, ½ cent per pound; caraway seed, 1 cent per pound; anise seed, 2 cents per pound.

Mr. SMOOT. I ask that the items "canary seed," "caraway seed," and "anise seed" may go over until to-morrow.

Mr. WILLIAMS I may go over deal rether the Senator

Mr. WILLIAMS. I would a good deal rather the Senator would make his motion, if he has one to make, and let us get rid of this paragraph to-day. We have been all day long on six or seven paragraphs of the bill.

Mr. SMOOT. I shall take very little time, and it will not take very long in the morning. I simply want to be heard on

these three items. It is now after 6 o'clock.

Mr. SIMMONS. Will the Senator let vs have a vote on the

other committee amendment in the paragraph?

Mr. SMOOT. I simply ask that these items be passed over for to-day, and we will take them up the first thing in the

morning.

Mr. WILLIAMS. We can take a vote on the committee

Mr. SIMMONS. Yes. Mr. SMOOT. Very well.

The next amendment was, in paragraph 217, page 59, line 25, after the word "section," to strike out "10 per cent ad valorem" and insert "5 cents per pound," so as to read:

Seeds of all kinds not specially provided for in this section, 5 cents per pound.

The amendment was agreed to.

The Secretary concluded the reading of paragraph 217.

Mr. SIMMONS. The bill can now be temporarily laid aside.

EXECUTIVE SESSION.

Mr. BACON. I move that the Senate proceed to the con-

sideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After 7 minutes spent in executive session the doors were reopened, and (at 6 o'clock and 10 minutes p. m.) the Senate adjourned until to-morrow, Saturday, August 16, 1913, at 11 o'clock a. m.

NOMINATIONS.

Executive nominations received by the Senate August 15, 1913.

PROMOTIONS IN THE ARMY.

CORPS OF ENGINEERS.

Lieut, Col. George A. Zinn, Corps of Engineers, to be colonel from August 12, 1913, vice Col. William T. Rossell, who accepted an appointment as Chief of Engineers, with the rank of brigadier general, on that date.

Maj. William W. Harts, Corps of Engineers, to be lieutenant colonel from August 12, 1913, vice Lieut. Col. George A. Zinn,

promoted.

Capt. Francis A. Pope, Corps of Engineers, to be major from August 12, 1913, vice Maj. William W. Harts, promoted.

First Lieut. James J. Loving, Corps of Engineers, to be captain from August 12, 1913, vice Capt. Francis A. Pope, promoted. Second Lieut. Paul S. Reinecke, Corps of Engineers, to be first lieutenant from August 12, 1913, vice First Lieut. James J. Loving, promoted.

APPOINTMENT IN THE ARMY.

COAST ARTILLERY CORPS.

Charles Linnell Austin, of Pennsylvania, midshipman, United States Navy, to be second lieutenant in the Coast Artillery Corps, with rank from August 13, 1913.

APPOINTMENTS AND PROMOTIONS IN THE NAVY.

Lieut. Wilfred E. Clarke to be a lleutenant in the Navy from the 30th day of March, 1913, to correct the date from which he

takes rank as previously confirmed.

Lieut. Robert V. Lowe to be a lieutenant in the Navy from the 16th day of April, 1913, to correct the date from which he

takes rank as previously confirmed.

Lieut. (Junior Grade) Claude A. Bonvillian to be a lieutenant in the Navy from the 15th day of June, 1913.

The following-named ensigns to be lieutenants (junior grade) in the Navy from the 6th day of June, 1913:

Edwin Guthrie,

Frederic T. Van Auken, and

William A. Hodgman.

MARINE CORPS.

First Lieut. Russell H. Davis to be an assistant quartermaster in the Marine Corps with the rank of captain from the 12th day of August, 1913.

CONFIRMATIONS.

Executive nominations confirmed by the Senate August 15, 1913.

ENVOYS EXTRAORDINARY AND MINISTERS PLENIPOTENTIARY.

Paul S. Reinsch, to be envoy extraordinary and minister plenipotentiary to China.

Madison R. Smith, to be envoy extraordinary and minister

plenipotentiary to Haiti.

SECRETARY OF LEGATION.

William P. Cresson, to be secretary of the legation of the United States at Quito, Ecuador.

COLLECTORS OF INTERNAL REVENUE.

Thomas Scott Mayes, to be collector of internal revenue for the fifth district of Kentucky

James J. Walsh, to be collector of internal revenue for the district of Connecticut.

POSTMASTERS.

ARKANSAS.

W. O. Bartlett, Hamburg. John F. Hunt, Mammoth Spring. W. B. Kyle, McCrory.

Sanford P. Darby, Vidalia. Vivian L. Stanley, Dublin.

TILINOIS

Michael P. Bergen, Gillespie. James E. Brady, Cullom. M. D. Brubaker, Iuka. James Carr, Scales Mound. B. R. Croxen, Peotone. William M. Dooley, Highland Park. B. F. Moberley, Windsor. Frank Stone, Shelbyville. Virgil J. Swarm, St. Elmo. John W. Troy, Arthur.

KANSAS.

Harvey C. Peterson, Eskridge.

MASSACHUSETTS.

Joseph E. Barnett, Easthampton.

MINNESOTA.

Jason Weatherhead, Ada. MISSOURI.

C. B. Ellis, Vandalia.

NEW JERSEY.

Walter F. Clayton, Ocean Grove. Lemuel H. Mathews, Barnegat.

NORTH CAROLINA.

R. P. Gardner, Mount Holly. George W. Waters, Plymouth.

TENNESSEE.

W. F. Holland, Kingston.

TEXAS.

L. V. Holbert, Bremond. Edwin Hall Homan, Fort Bliss. John W. Robbins, Clyde. Charles M. Wallace, Llano.

WEST VIRGINIA.

S. M. Lambert, Berwind. Jacob L. Price, Smithfield.

WITHDRAWAL.

Executive nomination withdrawn August 15, 1913. EXCISE BOARD FOR THE DISTRICT OF COLUMBIA.

Frank B. Lord to be a member of the Excise Board for the District of Columbia.

HOUSE OF REPRESENTATIVES.

FRIDAY, August 15, 1913.

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

Impress us, O God our heavenly Father, with the eternal possibilities which Thou hast wrapped up in us and with the great responsibilities Thou hast laid upon us as individuals, that we may unfold them to full and symmetrical proportions unto the image of Thee, who didst breathe into us the breath of life and made us living souls, that we may reflect Thy glory in our characters after the similitude of the world's Great Exemplar, the author and finisher of our faith. For Thine is the kingdom and the power and the glory forever. Amen. The Journal of the proceedings of Tuesday, August 12, 1913,

was read and approved.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Tulley, one of its clerks, announced that the Senate had passed bill of the following title, in which the concurrence of the House of Representatives was

S. 2689. An act amending an act entitled "An act to increase the limit of cost of certain public bulldings, to authorize the enlargement, extension, remodeling, or improvement of certain public buildings, to authorize the erection and completion of public buildings, to authorize the purchase of sites for public buildings, and for other purposes," approved March 4, 1913.

SENATE BILL REFERRED.

Under clause 2, Rule XXIV, Senate bill of the following title was taken from the Speaker's table and referred to its appro-

priate committee, as indicated below:

S. 2689. An act amending an act entitled "An act to increase the limit of cost of certain public buildings, to authorize the enlargement, extension, remodeling, or improvement of certain public buildings, to authorize the erection and completion of public buildings, to authorize the purchase of sites for public buildings, and for other purposes," approved March 4, 1913; to the Committee on Public Buildings and Grounds.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES.

A message, in writing, from the President of the United States was communicated to the House of Representatives by Mr. Latta, one of his secretaries, who also informed the House of Representatives that he had approved and signed joint resolution of the following title:

On August 12, 1913: H. J. Res. 118. Joint resolution making appropriations for certain expenses incident to the first session of the Sixty-third Con-

ADJOURNMENT UNTIL TUESDAY, AUGUST 19.

Mr. UNDERWOOD. Mr. Speaker, I ask unanimous consent that when the House adjourns to-day it adjourn to meet on

Tuesday next, August 19.

The SPEAKER. The gentleman from Alabama [Mr. Under-WOOD] asks unanimous consent that when the House adjourns to-day it adjourn to meet on next Tuesday. Is there objection? [After a pause.] The Chair hears none.

PRIVATE BILLS.

Mr. DENT. Mr. Speaker, I -move that the House resolve itself into the Committee of the Whole, for the purpose of

calling up bills on the Private Calendar.

The SPEAKER. The gentleman from Alabama [Mr. Dent] moves that the House resolve itself into the Committee of the Whole House, for the purpose of considering bills on the Private Calendar.

Mr. FERRIS. Mr. Speaker, a parliamentary inquiry. The SPEAKER. The gentleman will state it.

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Mr. FERRIS. Mr. Speaker, unanimous consent for a special order was obtained to consider to-day, August 15, House bill 7207, known as the Hetch Hetchy-San Francisco waterworks bill. Now, I take it, inasmuch as the caucus is pending, that this bill will probably be one of too long duration to be taken up to-day, but I would not like anything to intervene that would displace the bill, and therefore I ask unanimous consent that next Tuesday, if necessary, be set apart as a day certain on which to take up this bill.

The SPEAKER. Pending the motion of the gentleman from Alabama [Mr. Dent], the gentleman from Oklahoma [Mr. FERRIS asks that next Tuesday be substituted for to-day for the consideration of the Hetch Hetchy bill, and that the order be made similar to the one with reference to to-day. Is there

objection?

Mr. MANN. Reserving the right to object, Mr. Speaker, I

would like to make a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MANN. Under the unanimous-consent agreement, is not the order now before the House the question of the considera-

tion of the Hetch Hetchy bill?

The SPEAKER. Unless the request of the gentleman from Oklahoma [Mr. Ferris] to change it to next Tuesday is agreed to. The gentleman from Oklahoma [Mr. Ferris] asks unanimous consent to change the special order, hitherto obtained, with reference to the Hetch Hetchy bill, so that Tuesday next will be set apart, and so forth, instead of the 15th of August, for the consideration of the same, and that it shall be a continuing order. Is there objection?

Mr. MANN. I object.

Mr. FERRIS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 7207.

The SPEAKER. The gentleman from Oklahoma moves that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 7207, the Hetch Hetchy bill. That motion takes precedence of the motion of the gentleman from Alabama [Mr. Dent].

Mr. FERRIS. I have no objection to stating that I shall

move that the committee rise after going into committee.

make the motion in order to preserve our status.

The SPEAKER. The question is on the motion of the gentleman from Oklahoma [Mr. Ferris].

The question was taken, and the Chair announced that the noes seemed to have it.

Mr. MANN. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. The Chair will count. [After counting.]

There are 151 gentlemen present, not a quorum.

ADJOURNMENT.

Mr. UNDERWOOD. Mr. Speaker, as there is a Democratic caucus at 2 o'clock, and it would probably take an hour to get a quorum here, I move that the House adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 15 minutes p. m.) the House, under its previous order, adjourned until Tuesday, August 19, 1913, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

 A letter from the Acting Secretary of War, transmitting, with a letter from the Chief of Engineers, reports on examination and survey of the Gasconade River from Gascondy to Arlington, Mo. (H. Doc. No. 190); to the Committee on Rivers and Harbors and ordered to be printed, with illustration.

2. A letter from the Acting Secretary of War, transmitting, with a letter from the Chief of Engineers, report of preliminary examination, plan, and estimate of cost of improvement of waterway from Columbia and Camden to Charleston, S. C. (H. Doc. No. 191); to the Committee on Rivers and Harbors and

ordered to be printed.

3. A letter from the Acting Secretary of War, transmitting, with a letter from the Chief of Engineers, report on preliminary examination of North Fork of Coquille River, Oreg., for a distance of 18 miles up the stream from the mouth (H. Doc. No. 192); to the Committee on Rivers and Harbors and ordered to be printed, with illustration.

4. A letter from the Acting Secretary of War, transmitting, with a letter from the Chief of Engineers, report of preliminary examination of Red River, Tex. and Okla., from the mouth of the Washita River to the mouth of the Big Wichita River (H. Doc. No. 193); to the Committee on Rivers and Harbors and

ordered to be printed.
5. A letter from the Acting Secretary of War, transmitting, with a letter from the Chief of Engineers, report on preliminary examination of Sabine River as far as practicable above Orange, Tex. (H. Doc. No. 194); to the Committee on Rivers and Harbors and ordered to be printed.

6. A letter from the Acting Secretary of War, transmitting, with a letter from the Chief of Engineers, report on preliminary examination of Milton Harbor and Mill Creek, N. Y. (H. Doc. No. 195); to the Committee on Rivers and Harbors and ordered

to be printed, with illustration.
7. A letter from the Acting Secretary of War, transmitting. with a letter from the Chief of Eugineers, report on survey of waterway from New York Bay to Delaware River and from Delaware River to Chesapeake Bay (H. Doc. No. 196); to the Committee on Rivers and Harbors and ordered to be printed.

8. A letter from the Acting Secretary of War, transmitting with a letter from the Chief of Engineers, report of preliminary examination of East Fork of Coquille River, Oreg., for a distance of 8 miles up the stream from the mouth (H. Doc. No. 197); to the Committee on Rivers and Harbors and ordered to

be printed.

9. A letter from the Acting Secretary of War, transmitting, with a letter from the Acting Chief of Ordnance, United States Army, submitting, as required by law, the report of the commanding officer of Watertown Arsenal of "tests of iron and steel and other materials for industrial purposes" made at that arsenal during the fiscal year ended June 30, 1913; to the Committee on Military Affairs and ordered to be printed, with illustrations.

10. A letter from the Secretary of the Treasury, transmitting a copy of a communication from the Acting Secretary of War, submitting an estimate of appropriation to replace ordnance, medical, and signal stores lost by the National Guard of Ohio during the recent floods (H. Doc. No. 198); to the Committee

on Appropriations and ordered to be printed.

11. A letter from the Secretary of the Treasury, transmitting a copy of a communication from the Acting Secretary of War, submitting an estimate of appropriation required to cover a deficiency in the appropriation for regular supplies, Quartermaster's Department, for the fiscal year 1913 (H. Doc. No. 199); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the several calendars therein named, as follows:

Mr. SHARP, from the Committee on Foreign Affairs, to which was referred the bill (H. R. 7384) to authorize the payment of an indemnity to the Italian Government for the killing of Angelo Albano, an Italian subject, reported the same without amendment, accompanied by a report (No. 45), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. MONTAGUE, from the Committee on Interstate and Foreign Commerce, to which was referred the bill (H. R. 6582) to authorize the city of Fairmont to construct and operate a bridge across the Monongahela River at or near the city of Fairmont, in the State of West Virginia, reported the same with amendment, accompanied by a report (No. 46), which said bill and report were referred to the House Calendar.

Mr. DECKER, from the Committee on Interstate and Foreign Commerce, to which was referred the bill (H. R. 5891) authorizing the construction of a bridge across White River at New-port, Ark., reported the same with amendment, accompanied by a report (No. 47), which said bill and report were referred to the House Calendar.

Mr. RAYBURN, from the Committee on Interstate and Foreign Commerce, to which was referred the bill (H. R. 3406) to authorize the construction of a bridge across the Sabine River at Orange, Tex., reported the same without amendment, accompanied by a report (No. 48), which said bill and report were referred to the House Calendar.

Mr. STEVENS of Minnesota, from the Committee on Interstate and Foreign Commerce, to which was referred the bill (H. R. 1681) to extend the time for constructing a bridge across the Red Lake River, in township 153 north, range 40 west, in Red Lake County, Minn., reported the same without amendment, accompanied by a report (No. 49), which said bill and report were referred to the House Calendar.

Mr. BARKLEY, from the Committee on Interstate and Foreign Commerce, to which was referred the bill (H. R. 6378) to authorize Robert W. Buskirk, of Matewan, W. Va., to bridge the Tug Fork of the Big Sandy River at Matewan, Mingo County, W. Va., where the same forms the boundary line between the States of West Virginia and Kentucky, reported the same with amendment, accompanied by a report (No. 50), which said bill and report were referred to the House Calendar.

Mr. LAFFERTY, from the Committee on Interstate and Foreign Commerce, to which was referred the bill (S. 1353) to authorize the Board of County Commissioners of Okanogan County, Wash., to construct and maintain a bridge across the Okanogan River at or near the town of Malott, reported the same without amendment, accompanied by a report (No. 51), which said bill and report were referred to the House Calendar.

Mr. STEVENS of Minnesota, from the Committee on Inter-Mr. STEVENS of Minnesota, from the Committee on Their state and Foreign Commerce, to which was referred the bill (H. R. 1985) to authorize the county of Aitkin, Minn., to construct a bridge across the Mississippi River in Aitkin County, Minn., reported the same without amendment, accompanied by a report (No. 52), which said bill and report were referred to the House Calendar.

CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 3086) granting a pension to Caroline Langen-kamp; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 7452) granting a pension to William L. Lehman; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 7393) granting an increase of pension to Edmund P. Miller; Committee on Invalid Pensions discharged, and referred to the Committee on Pensions.

A bill (H. R. 7450) granting a pension to Charles Arpin; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. EDWARDS: A bill (H. R. 7468) providing for a mili-

tary highway between the city of Savannah, Ga., and Fort Forsyth; to the Committee on Pensions.

Screven, Tybee Island, Ga.; to the Committee on Military Affairs

By Mr. CARAWAY: A bill (H. R. 7469) to authorize the construction, maintenance, and operation of a bridge across the Little River at or near Lepanto, Ark.; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H. R. 7470) to authorize the construction, maintenance, and operation of a bridge across Black River at or near the section line between sections 8 and 9, in township 20 north, range 5 east, being a short distance south and east of the town of Corning, Clay County, Ark.; to the Committee on Interstate and Foreign Commerce.

By Mr. WOODS: A bill (H. R. 7471) for the acquisition of a site and the erection of a building at Algona, Iowa; to the Committee on Public Buildings and Grounds.

By Mr. BYRNES of South Carolina: A bill (H. R. 7472) authorizing the city of Beaufort, a municipality chartered under the laws of the State of South Carolina, to construct, maintain, and operate a bridge and approaches thereto across Beaufort River, in Beaufort County, S. C.; to the Committee on Interstate and Foreign Commerce.

By Mr. GRIEST: A bill (H. R. 7473) to provide 1-cent postage rate on local letters, and reduce the rate of postage on firstclass mail matter; to the Committee on the Post Office and Post Roads

By Mr. HAYES: Joint resolution (H. J. Res. 119) allowing the importation free of payment of duty, customs, fees, or charges, of all mosaics or mosaic work for the Memorial Church at Leland Stanford University, California; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions

were introduced and severally referred as follows:
By Mr. ANTHONY: A bill (H. R. 7474) granting a pension

to Robert Longbothom; to the Committee on Pensions.

Also, a bill (H. R. 7475) granting a pension to Lucinda Randall; to the Committee on Pensions.

Also, a bill (H. R. 7476) granting a pension to John R. Martin; to the Committee on Pensions.

Also, a bill (H. R. 7477) granting a pension to Evaline Welch; to the Committee on Invalid Pensions.

By Mr. BOOHER: A bill (H. R. 7478) granting an increase of pension to Thomas C. Lyon; to the Committee on Invalid Pensions.

By Mr. BORLAND: A bill (H. R. 7479) granting a pension

to Mary M. Walters; to the Committee on Invalid Pensions. By Mr. CULLOP: A bill (H. R. 7480) granting a pension to Josephine Chambers and minor son; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7481) granting an increase of pension to Jane Davenport; to the Committee on Invalid Pensions.

By Mr. DAVIS of West Virginia: A bill (H. R. 7482) granting an increase of pension to Sampson M. Wade; to the Committee on Pensions.

By Mr. FRENCH: A bill (H. R. 7483) granting an increase of pension to Mary A. Richey; to the Committee on Invalid

By Mr. GARD: A bill (H. R. 7484) for the relief of Stanley J. Morrow; to the Committee on Claims.

Also, a bill (H. R. 7485) for the relief of David W. Stockstill; to the Committee on War Claims.

By Mr. GRIFFIN: A bill (H. R. 7486) for the relief of George W. Watts; to the Committee on War Claims.

By Mr. KAHN: A bill (H. R. 7487) granting an increase of pension to George Brockhagen; to the Committee on Invalid Pensions.

By Mr. REILLY of Connecticut: A bill (H. R. 7488) granting an increase of pension to Margaretha Auten; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7489) granting an increase of pension to F. O. Mansfield; to the Committee on Invalid Pensions.

By Mr. SHERWOOD: A bill (H. R. 7490) granting an increase of pension to Henry Weitzel; to the Committee on Invalid Pensions.

By Mr. WALLIN: A bill (H. R. 7491) granting a pension to William R. Hall; to the Committee on Invalid Pensions, By Mr. WALSH: A bill (H. R. 7492) granting a pension to Wesley C. Beatty; to the Committee on Pensions,

Also, a bill (H. R. 7493) granting a pension to Thomas

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. DAVIS of West Virginia: Petition of sundry members of Follansbee Lodge, No. 1, Amalgamated Association of Iron, Steel, and Tin Workers, favoring the passage of legislation to restore order and civic liberty in the town of Winton, W. Va.;

to the Committee on Labor.

By Mr. GORDON: Petition of the council of the city of Cleveland, Ohio, favoring Government ownership of the telegraph and telephone; to the Committee on Interstate and Foreign Commerce.

Also, petition of the council of the city of Youngstown, State of Ohio, and the council of the city of Schenectady, of the State of New York, favoring the national ownership of the telegraph and telephone systems; to the Committee on Inter-state and Foreign Commerce.

By Mr. GRIEST: Petition of Fulton Grange, No. 66, Patrons of Husbandry, protesting against the repeal of the administration feature of the parcel-post law; to the Committee on the Post Office and Post Roads.

By Mr. HAMLIN: Papers to accompany bill (H. R. 7449) for the relief of Harriett Randle; to the Committee on War Claims.

By Mr. HAYES: Petition of the board of education of San Francisco, Cal., favoring the passage of Senate joint resolution

5; to the Committee on Education. Also, petition of Charles T. Jacobs, of San Jose, Cal., favoring the passage of the Page bill; to the Committee on Education.

By Mr. HOWELL: Petition of sundry citizens of Utah, protesting against mutual life insurance funds in the income-tax

bill; to the Committee on Ways and Means.

Also, petitlons of sundry life insurance companies of the United States, protesting against mutual life insurance funds in the income-tax bill; to the Committee on Ways and Means.

Also, petition of the fruit dealers of Salt Lake City, Utah, protesting against the provisions of the tariff bill relating to bananas; to the Committee on Ways and Means.

Also, petition of D. C. Watson, of Ogden, Utah, protesting against H. R. 4653, by Mr. Sabath; to the Committee on Interstate and Foreign Commerce.

Also, petition of Miss Mathilde Dorenge, of the Salt Lake City High School, of Utah, protesting against a duty on books

in foreign languages; to the Committee on Ways and Means.

By Mr. WALLIN: Papers to accompany bill granting a pension to William R. Hall; to the Committee on Invalid Pensions.

By Mr. WILLIS: Petition of the Ohio Retail Jewelers' Association, favoring the passage of H. R. 2972, to regulate the sale of gold-filled watch cases; to the Committee on Interstate and Foreign Commerce.

By Mr. WILSON of New York: Petition of Capron Camp, No. 22, of the State of New York, favoring the efforts of the watchmen, messengers, and gatemen at Ellis Island, Immigration Service, to improve their condition regarding compensation; to the Committee on Ways and Means.

Also, petition of the Allied Printing Trades Council of the State of New York, protesting against the proposed reduction in tariff rates on printed matter; to the Committee on Ways and Means.

By Mr. YOUNG of North Dakota: Petition of W. A. Scott, Fargo, N. Dak., protesting against exempting mutual life insurance companies from the income-tax bill; to the Committee on Ways and Means.

SENATE.

SATURDAY, August 16, 1913.

The Senate met at 11 o'clock a. m. Prayer by the Chaplain, Rev. Forrest J. Prettyman, D. D. The Journal of yesterday's proceedings was read and approved.

CALLING OF THE ROLL.

Mr. SMOOT. Mr. President, I suggest the absence of a quorum. There are very few Senators here.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst
Bacon
Bankhead
Borah
Brady
Brandegee
Bristow
Bryan
Burton

Catron Clarke, Ark. Crawford Cummins Dillingham Fall Gallinger Gronna Hollis

James Johnson Jones Kenyon Kern La Follette Lane Lodge McLean

Martin, Va. Martine, N. J. Nelson O'Gorman Overman Owen

Pomerene	Shively
Ransdell	Simmons
Robinson	Smith, Ariz.
Saulsbury	Smith, Ga.
Shafroth	Smith, Mich.
Sheppard	Smith, S. C.
Sherman	Smoot

Sterling Sutherland Swanson Thomas Thompson Thornton Tillman

Townsend Vardaman Walsh Williams

Mr. JAMES. My colleague [Mr. Bradley] is detained from presence here by reason of illness. He is paired with the Senator from Indiana [Mr. Kern]. I will allow this announcement to stand for the day.

Mr. GALLINGER. The junior Senator from Maine [Mr. BURLEIGH] is detained by illness, and probably will not return during the present session. I regret to say that he is unpaired.

I wish to announce that the senior Senator from Oregon [Mr. CHAMBERLAIN] is unavoidably absent, and that he is paired with the Senator from Pennsylvania [Mr. Oliver].

Mr. GRONNA. My colleague [Mr. McCumber] is necessarily absent, due to illness in his family. He is paired with the senior Senator from Nevada [Mr. Newlands].

Mr. SMOOT. I desire to announce that the senior Senator from Delaware [Mr. DU PONT] and the junior Senator from Wisconsin [Mr. Stephenson] are detained from the Senate on account of sickness. I will allow this notice to stand for the day.

The VICE PRESIDENT. Sixty-two Senators have answered on the roll call. A quorum is present.

MEMORIAL.

Mr. JONES. I present a memorial adopted at a meeting of the wholesale commission merchants and fruit dealers of Seattle, Wash., remonstrating against an import duty on bananas. I move that the memorial lie on the table.

The motion was agreed to.

THE TARIFF-RAW WOOL.

Mr. PITTMAN. Mr. President, I desire to give notice that on next Thursday, the 21st instant, at the close of the morning business, I will address the Senate on the pending tariff bill, particularly with reference to raw wool.

INTERNATIONAL STATISTICAL INSTITUTE.

Mr. O'GORMAN. From the Committee on Foreign Relations I report back favorably with amendments Senate resolution 141, in reference to the invitation of the Austrian Government to send official delegates to the Fourteenth International Statistical Institute, to be held at Vienna September 7 to 18, 1913, and I submit a report (No. 102) thereon. I ask unanimous consent for its immediate consideration. It provides that we shall appoint, I think without expense, one or two representatives

The VICE PRESIDENT. The Senator from New York asks unanimous consent for the present consideration of the resolution. It will be read.

The Secretary read the resolution submitted by Mr. O'GORMAN July 24, 1913, as follows:

Whereas the Government of Austria has invited the Government of the United States to be represented by official delegates at the fourteenth session of the International Statistical Institute to be held at Vienna September 7 to 13, 1918: Therefore be it Resolved, That the Department of State is authorized to accept this invitation and appoint one or more official delegates to represent the United States at this session of the International Statistical Institute: Provided, Such arrangement can be made without requiring any special appropriation for the purpose.

Mr. O'GORMAN I may state that the comparities reported as

Mr. O'GORMAN. I may state that the committee reports an amendment authorizing the President of the United States to accept the invitation instead of the Department of State. The Secretary perhaps had better read the report.

Mr. SIMMONS. I hope the Senator will not require the report to be read, but let it be printed. I suggest to the Senator, if it leads to debate

Mr. O'GORMAN. It will not. I am not anticipating one

minute of discussion on it.

Mr. SIMMONS. If there is any debate, I hope the Senator will withdraw it.

Mr. O'GORMAN. There will be no debate. The convention is to take place in about three weeks, and it is necessary, if the President be authorized to accept the invitation, that he receive the authorization at once. The report is not long; it is very short.

Mr. GALLINGER. I will simply inquire of the Senator precisely what subjects are to be taken up at this session of the International Statistical Institute. Mr. O'GORMAN. I will say that I know no more about it

than the report itself indicates.

Mr. GALLINGER. Of course, there can be no objection to it,

Mr. O'GORMAN. It is a matter of courtesy. Mr. SMOOT. I wish to ask the Senator from New York one question. The wording of the resolution evidently carries the idea that there shall be no expense to the Government, and I understood the Senator to say that that is his understanding.

Mr. O'GORMAN. That is my understanding. Mr. SMOOT. Although I think the wording is that there shall be no expense provided for by a special appropriation. Let the Secretary report the amendments.

The VICE PRESIDENT. The amendments will be stated. The Secretary. The committee recommend that the resolu-

In line 1 strike out the words "Department of State" and insert in lieu thereof the words "President of the United States," and in line 5 strike out the word "special," so that the resolution will read:

Whereas the Government of Austria has invited the Government of the United States to be represented by official delegates at the fourteenth session of the International Statistical Institute to be held in Vienna September 7 to 13, 1913: Therefore be it

Resolved, That the President of the United States is authorized to accept this invitation and appoint one or more official delegates to represent the United States at this session of the International Statistical Institute: Provided, Such arrangement can be made without requiring any appropriation for the purpose.

Mr. SMOOT. Of course, the amendment reported by the committee strikes out the word "special." That is what I was going to speak of, and ask the Senator to accept that amendment. Of course, if there is a request for an appropriation hereafter the Senator will see to it that such a request is not to be

The VICE PRESIDENT. Is there objection to the present

consideration of the resolution?

I ask the Senator from New York if the idea Mr. JONES. is that the President shall inquire around and see if he can find some private individual willing to spend his money to serve on this commission?

Mr. O'GORMAN. I assume that there are citizens of this country who are particularly interested in this work who will be very glad to receive a designation from the President to attend the conference; of course, at their own expense or that of

Mr. JONES. Do the delegates from the other countries have their expenses paid by their Governments or are they selected

in the same way

Mr. O'GORMAN. I do not know, but I may say to the Senator from Washington what is well known generally in this Chamber, that it frequently happens in accepting invitations of this character the resolutions provide that the President may send commissioners or representatives without expense to the Government.

Does the Senator think that is a good custom? Mr. JONES. Mr. O'GORMAN. I think so. For instance, there may be an international architectural conference, and at such a conference the architectural societies of the country would indicate one or two of their members, and the suggestion would be made that they be designated, and they would go at their own expense or at the expense of their society. Such resolutions come in very

The VICE PRESIDENT. Is there objection to the present consideration of the resolution? The Chair hears none. The question is on agreeing to the amendments proposed by the com-

The amendments were agreed to.

The resolution as amended was agreed to.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. THOMPSON:

A bill (S. 2998) granting an increase of pension to Sarah A. Burch (with accompanying paper); to the Committee on Pensions.

By Mr. RANSDELL:

A bill (S. 2999) to foster commerce between the United States and foreign countries by facilitating the reexportation in bond from ports of the United States of goods imported into the United States, duly entered for warehousing, and stored in bonded warehouses; to the Committee on Finance.

By Mr. GALLINGER :

A bill (S. 3000) for the relief of Ten Eyck De Witt Veeder. commodore on the retired list of the United States Navy; to the Committee on Naval Affairs.

CONDITIONS IN MEXICO.

The VICE PRESIDENT. The Chair lays before the Senate a resolution coming over from yesterday.

Mr. GALLINGER. I will inquire if that is the resolution

introduced by the Senator from Pennsylvania [Mr. Penrose]?
The VICE PRESIDENT. It is.
Mr. GALLINGER. The Senator from Pennsylvania is not to

be present to-day, and I ask unanimous consent that it be passed over without prejudice.

The VICE PRESIDENT. Both resolutions? There are two of them.

Mr. GALLINGER. By the Senator from Pennsylvania? The VICE PRESIDENT. Yes.

Mr. GALLINGER. Yes; whatever resolutions were offered by the Senator from Pennsylvania. I know nothing about others. The VICE PRESIDENT. The resolutions will be passed over,

PROTECTION OF AMERICAN CITIZENS IN MEXICO.

The VICE PRESIDENT. The Chair lays before the Senate the following resolution coming over from a previous day.

Mr. SIMMONS. Is that the resolution offered by the Senator from Washington [Mr. Poindexter]?

The VICE PRESIDENT. It is.

Mr. SIMMONS. I see that that Senator is not in his seat, and

Mr. GRONNA. The Senator from Washington is not in his seat just now. I ask unanimous consent that the resolution be passed over without prejudice.

The VICE PRESIDENT. The resolution will go over without

prejudice. The morning business is closed.

Mr. BACON. What became of the last resolution?

The VICE PRESIDENT. It went over.

THE TARIFF.

Mr. SIMMONS. I ask unanimous consent that the Senate

proceed to the consideration of House bill 3321.

There being no objection, the Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 3321) to reduce tariff duties and to provide revenue for the Government, and for other purposes.

Mr. McLEAN. Mr. President, for the peace of mind of the Senators who for exterior reasons may be compelled to remain on the inside of this Chamber during my remarks I will say that I intend to occupy less time than my notes indicate.

I desire to call the attention of the Senate to a few items in the history of the plumage trade, and to that particular phase of the plumage trade which is involved in the pending tariff I do this because I assume that it is a subject with which but few Senators are familiar and because I am encouraged to believe that every Member of this body is in sympathy with the general purposes of the amendment which I have offered.

As far back as 1876, Prof. Newton, of the Royal Society for the Protection of Birds and author of the British sea-birds pres-

Like others of my brother naturalists, I have been long aware by report of the enormous sales of birds' feathers which are being constantly held in London, but the particulars of them do not, except by accident, come before us. Chance has thrown in my way a catalogue, or portion of a catalogue, of one of these auctions, and its contents are such as to horrify me, for I had no conception of the amount of destruction to which exotic birds are condemned by fashion—an amount which can not fall speedily to extirpate some of the fairest members of creation, for I must premise, for the benefit of your nonornithological readers, that it is chiefly, if not solely, at the breeding season that the most beautiful, and therefore the most valuable, feathers are developed in birds.

The trade to which this statement refers was sustained by the wholesale destruction of the rarest and most beautiful birds in the world, wherever they might be found, and since that time the plumage trade has increased in its activity as the birds have decreased in numbers, until to-day it extends into every nook and corner of the earth where a bird of bright plumage may be found.

In 1886 the first Audubon society in this country was formed in Massachusetts, and the purpose of this society, together with that of the ornithologists' union, formed that same year, was to discourage buying and wearing for ornamental purposes the feathers of any wild bird, and to further otherwise the protection of our native birds. We would awaken the community to the fact that this fashion of wearing feathers means the cruel slaughter of myriads of birds, and that some of our finest birds are already decimated.

In 1887 Mr. W. E. D. Scott, the naturalist, called the attention of the people of this country to the wholesale slaughter of the American plumage birds, this list including such birds as the plover, terns, sandpipers, and other varieties of the smaller game and insectivorous birds. Later I shall refer to some of the articles published by Mr. Scott.

In 1893 Mr. W. H. Hudson, the author of "The Naturalist in

La Plata," said :

How long will women tolerate a fashion which involves such wholesale, wanton, and hideous cruelty as this? * * * If in every pulpit in the land this shocking story of the egrets were told, surely for once humanity would prove stronger than fashion. * * Let it be clearly understood, once for all, that the feathered woman is a cruel women; that for the sake of a passing fashion, which pleases no rational being and should disgust all who can think and feel and understand, she brings dishonor upon her sex and robs nature of its beauty without adding to her own.

Lord Lilford, president of the British Ornithologists' Union from 1867 to 1896, in his book, "Birds of the British Islands,"

Here it would seem appropriate to notice the wanton destruction of this and many kindred species that has been carried on all the world over for many years past for no other purpose than the supply of the dorsal plumes for the supposed ornamentation of feminine and military headgear. In "the trade " these feathers are known as osprey, and the thoughtless fashion for them has caused the almost entire extinction of more than one species. I am delighted to believe that in this country, at least, a very considerable check has been put upon this atrocious business by the action of the Ladies' Society for the Protection of Birds, an association that can not be too widely made known or too highly commended. I would strongly urge all ladies who may honor me by reading these notes, to enroll themselves as members of this really beneficent society, whose only object is the preservation from wanton destruction of some of the most interesting and beautiful of organized creatures.

In 1899 Prof. Newton, in the Public Ledger, again tried to impress upon the British public the need of bird protection, and in speaking of the egret he said:

It is a fact known to everyone who will take the trouble to inquire that all these egrets are shot down at their breeding places while they are building their nests or rearing their young, and that if so be that the latter are hatched, they die of hunger on their parents' death, the breeding places being absolutely devastated by the plume hunters. The personal experience on this point of Mr. W. E. D. Scott, a competent and unimpossioned witness, has never been and can not be refuted as regards the Atlantic and Gulf coasts of North America, where these settlements of the birds are all but extinguished; but the same thing goes on all over the world wherever egrets are found in numbers sufficient to make their destruction a profitable enterprise.

In 1898 Lord Wolseley, commander in chief of the British army, forbade the wearing of osprey plumes by the army officers, giving it as his reason that the plumes were taken from

the birds in the nesting season.
In 1902 the Government of India issued an ordinance prohibiting the exportation from British India of skins and feathers of all birds except the feathers of ostriches, and skins and feathers "exported bona fide as specimens of natural history."

If India 11 years ago could take this step, it seems to me the United States should be willing to prohibit their importation to-day.

A strong attempt was made by the feather trade to secure a modification of this ordinance; but as it was based upon a most thorough investigation the request of the feather trade was denied.

In 1906 Queen Alexandra of England took the matter up publicly and stated that she never wore egret plumes herself, and would certainly do all in her power to discourage the cruelty practiced on the beautiful birds.

In 1908 Lord Avebury introduced into the House of Lords a bill to prohibit the importation of plumage. It passed the House of Lords July 21, 1908, and was introduced into the House of Commons July 22, but did not reach its second reading before the close of the session. Similar bills have been introduced into the House of Commons since that time, but have failed to come to a vote.

The foregoing facts and quotations I have taken from a publication issued by the Royal Society for the Protection of Birds, published in London in 1911, entitled "Feathers and Facts."

The efforts of the feather traders to deceive the public and block legislative interference in England should throw considerable light on the present situation in this country. again from the authority to which I have just referred:

again from the authority to which I have just referred:

The trade have been slow in taking serious steps to defend themselves, and the history of the defense is somewhat curious. Feathers having been proclaimed the fashion, it is evident that the feather importers relied on the belief that the voice of fashion was stronger than the voice of either science or humanity. Some little time, however, after the formation of the Society for the Protection of Birds and of the Shelborne Society, when women all over the country were being made acquainted with the facts concerning the "osprey" or egret plume, the remarkable fraud of the "artificial osprey" came into existence. The egret feather was no longer to be labeled "real." Milliners' and drapers' assistants were instructed to assure lady customers that these delicate sprays were manufactured by the million out of quills and other material by an army of factory workers, who carned their living by this pleasant and artistic work. That the lie was detected and proclaimed by every naturalist who took one of the so-called artificial plumes in his hand made no difference whatever to the persistence and assurance with which it was affirmed and repeated.

The fraud flourished until the time of the House of Lords committee in 1908, when it became evident that the force of mere assertion and repetition, which had proved so successful with the uncritical public, would not stand investigation before a serious tribunal. The invention of "artificial ospreys" was suddenly discarded for that of "moulted feathers." The "artificial" ospreys was admitted to be real, but it was no longer cruel to wear real plumes—they had been simply "picked up." That is, they had simply been picked out of the nests after the birds had raised their young and left them.

FICTION VERSUS FACT.

FICTION VERSUS FACT.

The possibility of an imitation osprey was never denied by the society; that such a thing might be made by ingenious manufacturers was pretty certain, though it could never stand the simple tests which at once reveal the true feather.

The aim of the Royal Society for the Protection of Birds has been from the first to seek out facts. It investigated the facts concerning the ostrich feather and came to the conclusion that, although cruelty might be practiced, it was not necessarily involved in the procuring of the plumes and that the business stands on a wholly different plane from that which is dependent upon the killing of countless wild birds. When the "artificial osproy" was heralded in the papers and in the milliners' shops the society asked again and again to be furnished with an artificial plume and to be directed to the factory where such things were made. As neither request was ever complied with, and as it was proved that the feathers of the heron and egret were being widely sold as artificial, it was only possible to form one conclusion.

When, shortly after the House of Lords committee made its report, a letter signed "Leon Laglaize" was being circulated the society took the same course. The letter did not commend itself to serious attention, since it was issued without the name of recipient or publisher and contained a statement with regard to herons' nests which was obviously untrue. Nevertheless the society wrote to the British representatives in the country concerned and published their replies in full. The proceeding of the trade in quoting a short extract from this evidence and suppressing the rest needs no comment.

VENEZUELA.

Mr. Downham, representing the plumage trade in 1908, says:

"The Royal Society for the Protection of Birds has published, with one exception, nothing more than empty contradictions from people who have no experience or knowledge of the particular country or the conditions under which the feathers are collected. * * The one exception, confirming the evidence obtained by the trade, is comained in a letter from His Britannic Majesty's minister in Venezuela, under date of January 14, 1909, directed to the Royal Society for the Protection of Birds, and although it does not fully agree with all that has been published by the trade on the subject, it is undoubtedly a report which has been issued only after very careful investigations." (The Feather Trade, p. 30.)

HIS BRITANNIC MAJESTY'S MINISTER'S STATEMENT.

One portion of this report which "does not fully agree with all that has been published by the trade" is His Majesty's minister's verdict upon the evidence furnished to him and by him to the society:

"From the evidence before me I have no manner of doubt that the vist majority of the egret plumes exported to Europe are obtained by the slaughter of the birds during or about the breeding season, and that no effective regulations exist or, indeed, owing to local conditions, can exist for the control of this slaughter, and that the letter of Mr. Leon Laglaize of July 29, 1908, gives a completely erroneous impression of the conditions under which the industry of collecting the plumes is conducted in Venezuela."

ALL THE BIRDS OF BRIGHT PLUMAGE ARE IN DANGER.

The plumes of the egrets and herons form but a fraction, though a significant fraction, of the whole trade. With regard to the thousands of birds whose skins and wings are brought into the mart no allegation of "artificial" or "moulted feathers" can be maintained; no person has dared to invent such a fable.

Efforts, too, may be made to prevent the detail of sales from being made public. It may be argued that birds are catalogued for which there is known to be no market; that the names by which they are catalogued are not the correct names; that certain birds can not be nearing extermination because there are still recesses of forest and swamp which the hunters have not yet penetrated. But unanswerable facts remain. facts remain.

RARE SPECIES.

RARE SPECIES.

The arguments advanced by the trade amount to this: If a very small number of a given species are offered for sale, they come "accidentally." "If." says Mr. Downham.

If rare birds come to the salesrooms from time to time it is because those who killed them, and who would have killed them in any case for sport or food, have sent the skins on the off-chance of their purchase by collectors.

Readers of The Feather Trade may picture the native of New Guinea, or the traveler in Mexico, cooking his blue bird of paradise or his quetzal, and carefully saving the skin to forward to Houndsditch in the hopes of a bid from the Natural History Museum. But Houndsditch, it would scem, does not know them when they come. Mr. Buckland cites an instance of 12 of the rare blue, or Prince Rudolph bird of paradise, being found by him amongst the skins in Cutler Street; "10 birds of paradise, blue, dull," being the catalogue description afforded of female and unfledged male birds. (Journal of the Royal Society of Arts, December, 1999.)

These are the birds, presumably, that come by units. Should they be represented by, say, a couple of hundred in a year of such a rare species as the lyre bird, we are asked to believe that so small a number proves—not that the bird is being extirpated and larger numbers can not be obtained—but that as the trade has secured so few it can not be the plume hunters who are endangering the species.

Should, however, some species be represented by thousands or tens the stream of the species are the stream of the species of the species

THE "WASTE MATERIAL" THEORY.

Should, however, some species be represented by thousands or tens of thousands, suggesting to scientific men the shooting out of whole colonies, the upholders of the feather trade argue, with equal facility, that if so many birds are to be had there must be plenty left behind. If it is proved that birds are being recklessly killed in one district, it is held to be a satisfactory answer that there are unexplored wilds where the hunter has not penetrated yet. When American bird lovers passionately denounce the traders who have fliched from them their herons and ibises and spoombills, Mr. Downham, of The Feather Trade, seeks to soothe them with the assurance that he had read in a recent book of the existence of herons and spoombills in Spain. According to this ingenious spokesman of the trade, it is never, under any circumstances, the trade that is at fault, never the trade which kills, at most it is merely the dog which trots behind and picks up the birds, getting the feathers by way of reward. When man opens up a new land, we are assured, he naturally shoots "all that runs or flies," and the plume hunter follows in his wake in order to utilize "waste material" in making ornaments "which some women insist upon wearing." In the forest and the swamp, and on the remote island, where there is no one to see and to note, in Guiana and Papua and Brazil and the Congo, and the islands of the Pacific, the plume-hunter's ravages are but an economic salvage of waste material.

Could the veriest child credit such absurdities? This, we are to suppose, is why the plume hunter is held at bay by force of arms and by

stringent laws in civilized lands; this is why such reports as the following constantly come from countries where naturalists write of the facts within their own experience.

EVIDENCE FROM SALE ROOM AND CATALOGUE,

Shortly after the importation of plumage prohibition bill had passed through the House of Lords in 1908 the trade stopped detailed advertisements of their sales and ceased to publish any reports on them in the Public Ledger. They now contend that figures from catalogues are misleading, as the same consignment of birds may be offered many times. Humming birds, which continue to appear in cratefuls, have been unsalable, according to Mr. Downham, for 20 years; yet at the sale on Pebruary 7, 1911, one firm catalogued no fewer than 20,820 of these birds. In 1905 a different firm put up 12,500. If this is the supply in the market of birds which are not wanted and not used, and have not been wanted for 20 years, it is difficult to imagine the reckless slaughter which must be perpetrated and the numbers that must be killed of birds which are in active demand.

NOT WANTED.

The fact that a particular bird is not wanted for the time being is no proof of its safety. As in the case of the grebe, it may suddenly be again declared "fashionable." It is stated also by Mr. Downham that some birds are brought into the market merely as an experiment. They are killed, not because there is a demand for them, but on the chance that the demand may be created. This again shows the danger in which every species of finely plumaged birds stands until legislation interferes.

in which every species of finely plumaged brus stands.

Interferes.

Visitors (there are very few, and they are not welcomed) to the Cutler Street warehouse can see for themselves the piles of brilliant bodies of trogons from Guatemala, cocks of the rock from Guiana, toucans, with their wonderful beaks sliced through to form a "hande" for the adjacent breast plumes; orioles, bright-hued finches, tanagers, crowned pigeons from New Guinea, cam skins, wings of sea swallows, hundreds and thousands of quills, and tumbled in among the "various bird skins" which have no names will be found little flycatchers and cuckoos and sober-plumaged bodies that seem to offer no special target for the hunter. Very possibly in this mixed bag many a strange and rare species is "knocked down" without recognition, for plume dealers are not ornithologists. (Feathers and Facts, pp. 16-25, 27.)

GAME BIRDS AND POULTRY.

GAME BIRDS AND POULTRY.

The trade dwells a good deal on the use made of game birds and of poultry. This suggests the need of precaution in any legislation. The Goura pigeon of a single land, the Impeyan pheasant of the Himalayas, the Arqus pheasant, the Chinese pheasant are included in the milliner's idea of "game." In 1899 the Society for the Protection of Birds in China (Shanghai) memorialized the British Government on the subject of "the great and rapidly increasing destruction at present overtaking the pheasant in China."

The trade to which we refer is that which, originating in the expencies of fashion, calls for the export of the entire skin of the pheasant, and its ravages, even at its present initial rate, are sufficient to threaten the species with extinction. The necessities of such a trade recognize no "close season." Feathers and skins taken in breeding time are well suited to the requirements of the market. (Celestial Empire (Shanghai), Sept. 11, 1890.)

SHORE BIRDS.

There are included in the Limicolæ several species that are game birds in name only, their bodies being so small that they possess no value whatever for food purposes. Thousands and thousands of these beautiful and graceful creatures have been slaughtered solely for their plumage, their diminutive bodies not being considered of enough value to send to the market. (Report of National Audubon Association, 1906.)

THE WILLOW GROUSE.

In "A Russian Province of the North," by Alexander Platonovich Engelhardt, governor of the Province of Archangel, translated by H. Cooke, His Majesty's consul at Archangel, the author writes of willow grouse ("Koropatki"): "We brought back on the Nordenskiold a cargo of 600 poods, or nearly 10 tons, of these wings. They are exported from Archangel to serve as trimmings for ladies' hats. The white plumage has this special advantage, among others—that it can be dyed any color, and in this way be converted into the feathers of parrots or any other bird, for selling purposes." "The glossy skins of black-throated divers' aecks are, also, to my knowledge," says Mr. Harvie-Brown, the well-known ornithologist, "sold in vast quantities at Archangel for trimmings. Is it not shameful that such birds, even if still abundant as 'Koropatth,' should be killed simply for their plumage?"

All these birds were killed in the nesting season for their plumage.

Twenty-two thousand pounds of grouse wings means at least 200,000 game birds killed for their feathers and the bodies thrown away.

Before I come to some items relating more particularly to the destruction of birds in America, I want to call the attention of the Senate to the claim made by the trade in London that the protection of the plumage birds will throw many people out of employment:

THE PLUMAGE IMPORTATION BILL. A .- THE LABOR QUESTION.

It was the favorite contention of the trade that-

the bill, if passed—the bill pending in the House of Lords—would throw out of employment thousands of British workpeople—

That was in the hearing before the committee of the House of Lords-

without protecting the life of a single bird." (The Feather Trade, p.

To which statement Mr. Downham adds:

"We have thousands of workmen and workwomen to consider."

BRITISH LABOR.

The question of the thousands of workpeople may be considered first. Is taken from the bird when Fashion has never shown the slightest inclination to consider the case to starve is false and absurd.

of workpeople injured in a change of materials or of trimmings. It has not even considered the case of the manufacturers. The fancy feather trade is, however, happily one in which the industrial question is very little involved, as the material gives less labor to the working class than probably any other kind of trimming that could be, and would be, employed in its place. The profit does not go to pay the wages of a large number of hapds; it goes to the few firms who conduct the business. This was brought out very clearly in the examination of trade witnesses before the House of Lords committee. It was then shown that of the imported feathers 80 per cent go out of England to be made up in foreign factories; with 80 per cent of the goods English labor has, therefore, nothing to do. The remaining 20 per cent give employment, during a portion of the year only, to young women who are engaged at other times in manipulating ostrich feathers and making artificial flowers. One trade witness said:

"The trade does not go on always; it is mostly in the fall of the year when these birds are employed. In the summer season our firm makes artificial flowers, and other people employ themselves with ostrich feathers."

Should the plumage of wild birds be no longer obtainable, ostrich

artificial nowers, and other people employ themselves with ostrich feathers."

Should the plumage of wild birds be no longer obtainable, ostrich feathers and poultry feathers will remain; and there can be no doubt that the use of artificial flowers and berries, and of ribbons and fancy ornaments would increase and would give more employment in the labor market than is now given by the importation of wild-bird plumage. Said Lord Avebury, in questioning Messrs. Sciama's representative at the committee:

"Q. 270. You say that the bill would diminish the demand for labor in this country, but as it would replace a certain quantity of feathers which are grown abroad by a certain quantity of articles which are made in this country. clearly it must tend to increase the demand for labor in this country?"

What had Mr. Dowham to say about his thousands of workmen and workwomen? He said:

"On the question of labor, there may not be so much difference one way or the other, but I can not admit that it would increase under the bill."

OSPREY AND HORSEHAIR.

To make up the tale of workpeople, the trade now propose to include in the list of those whose employment will be gone the men who handle the goods in the docks and the assistants in the feather departments of drapers' shops. Perhaps there should also be included the purveyors of the horsehair that comes over as top dressing for smuggled bird skins. (See p. 63.) On the other hand might be urged the increased work afforded, not only to the young laddes in the artificial-flower side of retail businesses but the workers in all those factories (in the air) which the trade not long ago swore were engaged in the manufacture of artificial ospreys. If, as a witness for the trade stated to the committee on July 8, 1908, "ospreys" can be made so perfectly from horsehair that no one but an expert can tell the difference, by all means let cases of horsehair be imported, without destroying the underlying strata of bird skins and egret plumes.—(Feathers and Facts, pp. 30, 31, and 32.)

Let us now take a look at the plumage trade and the opposi-

Let us now take a look at the plumage trade and the opposition it has aroused in other countries. Australia, after a long struggle against the bird killers, now prohibits the exportation of plumage birds under heavy penalties.

In November, 1910, a memorial was presented to the British colonial secretary from the British colonies of South Africa and New Zealand and Australia stating, in substance, that the home Government should aid these colonies in their efforts to protect birds by enacting the importation bill which had passed the House of Lords.

It is believed that England will be unable to resist this urgent plea from her colonies any longer and that the House of Commons at its next sitting will concur with the House of Lords and put an end to this inhuman and uncivilized traffic.

At the International Ornithological Conference, held in Berlin in 1910 to consider the necessity of protection for the birds "killed for their plumage," 14 nations were represented, including the United States, England, and Germany.

As I have said, in 1902 the Government of India made the

export of skins and plumes from India illegal.

Naturalists and others interested in the matter saw with surprise that in spite of this prohibition the feathers of birds peculiar to the East Indies and of others strongly suspected to come from thence continued to be offered for sale in Mincing Lane.

HOW BIRD FEATHERS COME FROM INDIA.

The explanation of this was furnished by the board of customs to the House of Lords committee in 1908. It then appeared that between December 20, 1907, and February 15, 1908, 23 cases of dead bird skins from India were imported as cowhair or horsehair; that in March 6,400 further skins were imported, hidden under a layer of horsehair and described as horsehair; that "osprey" feathers from India were sent by parcel post, declared as dress material; that smuggling was also carried on by way of Straits Settlements in order to evade examination by the customs officers. (See Feathers and Facts, p. 63.)

The gentlemen who appeared before the Finance Committee endeavored to excuse their shameful traffic to-day by denying that they deal in egret plumes.

I want to call your attention to what they said when they did deal in egret plumes, and then I want any Member of this

body to believe anything they say to-day if he can.

In the publication known as The Feather Trade, page 117, it is boldly stated that the claim that the plumage of the egret is taken from the bird when it is alive and the young ones left

Other statements found in The Feather Trade I quote as follows:

It is no doubt true that the egret at one time existed in very large numbers in Florida. The birds exist still in numerous swamps known as the "Everglades," but there had never been any supply of importance from those parts. * * American commercial development is entirely responsible for the disappearance of the white heron from its old-time haunts; the feather trade is not. (The Feather Trade, pp. 40, 102)

40, 102.)
They were not exterminated; they migrated. You might just as well say that because you do not see foxes on Hampstead Heath foxes are exterminated (Mr. Downham, before the House of Lords committee,

The egret * * thrives to-day in the remote Everglades of Florida and in Southern States. Naturally enough these egrets are not to be encountered in the beaten paths of the United States tourist. (The Feather Trade, p. 14.)

There were never many egrets in Florida. You can soon exterminate a small number of birds in a small part of the country. If there were egrets in the Isle of Wight they would soon be exterminated. (Mr. G. K. Dunstall, representing the feather trade before the House of Lords committee, 1908.)

The tale about the birds being shot at breeding time is a fairy myth. (Mr. Weiler, before the House of Lords committee, 1908.)

In reply to these statements I desire to call the attention of the Senate to the report of Mr. W. E. D. Scott, member of the American Ornithologists' Union, published in the Auk in 1887. Mr. REED. Mr. President-

The VICE PRESIDENT. Doés the yield to the Senator from Missouri? Doés the Senator from Connecticut

Mr. McLEAN. Certainly. Mr. REED. I wish to ask, for information, where are these aigrets now principally obtained?

Mr. McLEAN. In South America.

Mr. REED. What is the bird from which they are obtained?

Mr. McLEAN. The white heron.

Mr. REED. Is it of any use on earth except for its feathers?

Mr. McLEAN. It devours a great many injurious insects. Mr. REED. I am asking if it is of any use to man except

for the feathers it produces?

Mr. McLEAN. I think there has been a decision by the Supreme Court of Ohio to the effect that the heron is a game bird.

Mr. REED. I wish to know if it is of any value, not whether somebody has passed a law about it.

Mr. McLEAN. It devours injurious insects, and that is

largely its value, outside of its beauty.

Mr. REED. Why, the heron is a fish-eating and frog-eating bird, is it not?

Mr. McLEAN. They do feed on fish to some extent.

Mr. REED. If you have a bird that is not of any use except for its feathers, and has no occupation but eating fish which furnish food, just of what value is that bird except for its feathers? What does the Senator think God Almighty made it for, anyway? Certainly a heron is not an ornament.

Mr. McLEAN. The reports of recent investigations show that the heron eats a great many injurious insects, and I think the opinion of naturalists has changed very much in recent years with regard to the economic value of the heron, as I will show later on in my remarks.

Mr. REED. Why should the heron be permitted ruthlessly to destroy the innocent insects and the innocent fish?

Mr. McLEAN. I will leave that question to the Senator to answer for himself. The annual loss to agriculture caused by insects is enormous.

Mr. REED. I really honestly want to know why there should be any sympathy or sentiment about a long-legged, long-beaked. long-necked bird that lives in swamps and eats tadpoles and fish and crawfish and things of that kind; why we should worry ourselves into a frenzy because some lady adorns her hat with one of its feathers, which appears to be the only use

Mr. McLEAN. I have stated to the Senator the use and economic value of the heron, which is admitted now, although it was denied years ago. But the egret is not involved in this proviso. Beyond that, I want to call the attention of the Senator to the fact that more than 5,000,000 of these birds have been destroyed, millions of them in Florida, all killed in the nesting season, when the young were, say, half grown; and the manner of the destruction of the adult birds for their plumage destroys millions of young birds, which die by slow starvation. Murder has been committed in this trade in our own country. It seems to me it is worth while, if these birds are to be destroyed, that in civilized nations they should be destroyed in a civilized way. If they are useless, let them be killed in a proper way, and not by slow starvation.

Mr. REED. But the point I am getting at is the use of the bird. Now, I know very little about aigrets. I have a faint, protoplasmic notion as to their cost.

Mr. McLEAN. I should hope that might insure the Senator's sympathy with the proposed legislation.

Mr. REED. If the Senator is introducing this bill not to protect the birds but to protect the pocketbooks of the male population of this country he will arouse a great wave of sympathy by which even I might be swept away; but if it is on account of the birds, I wish to ask the Senator if it is not true that the only time they are of any value is at the time the egrets can be obtained, which is the time they are killed? If the young are then left to starve it would seem to me the proper idea would be to establish a foundling asylum for the young, but still to let humanity utilize this bird for the only purpose that evidently the Lord made it for, namely, so that we could get egrets for bonnets for our beautiful ladies.

Mr. McLEAN. I will say to the Senator that I think the feathers are worth twice their weight in gold at the present

Mr. REED. Then, I insist, if that be true, that we ought not to be prohibited from having the use of them.

Mr. GALLINGER. Mr. President, will the Senator permit me for a moment?

Mr. McLEAN. Certainly.

Mr. GALLINGER. The Senator from Missouri asks of what use they are. The egret is a most beautiful bird. I do not know of what use a painting is except to look at and admire. very sure that we might as well and with equal propriety and esthetic taste look at a beautiful bird and admire it, and that they ought to be permitted to live for that purpose if for no other.

Mr. REED. Why, Mr. President, these birds come from a country where there is nobody to look at them, for the most part. Certainly we in this country can not look at them, and do not know why we should protect the denizens of distant climes. The Indians of South America have not enough esthetic taste to admire them-nay, more, they have not enough humanity, according to the Senator's statement, to prevent them from slaughtering these birds in what he claims is a cruel and unusual manner.

Mr. GALLINGER. If the Senator from Connecticut will permit me to say just one word more: The usefulness of these birds in the destruction of insects is beyond computation. This may not be an accurate statement, but I read in a scientific journal not long ago that if the birds of the world were exterminated the human race would go out of existence in a very short time.

Mr. REED. But, Mr. President, if the Senator from Connecticut will pardon me, and then I will not interrupt him further, of what interest is it to the people of the United States to protect birds that kill insects in South America, if they do kill insects? It appears that this bird, if it eats insects at all, does so in such small quantities that it took science a great number of years to determine the fact. Pretty nearly all of us know what a heron is. Every boy that has every tramped through the swamps hunting ducks has been disturbed occasionally by a discordant cry, and the sight of long and ungainly legs, and still more ungainly wings, and the flutter of an awkward bird over the weeds. If he has any use on earth it certainly is not to delight the sense of beauty, for he is about the homeliest combination of feathers and bones and feet and claws that ever was gotten together on this earth. He lives thousands of miles from our country. He lives in the unin-habitable swamps of South America. He is captured down there by the natives, and it appears that he is captured because there is one beautiful thing about him, and only one, and that , is this little feather that they call an egret that the women use to adorn their bonnets.

Instead of making these things dearer I am in favor of making them cheaper. I do not know what interest the United States of America has in protecting birds of that kind that are

States of America has in protecting birds of that kind that are born in swamps thousands of miles away, and that neither delight the sense of beauty nor serve any useful purpose.

Mr. McLEAN. I will say to the Senator that the egrets are gone. There are none to-day, except a few which exist in protected heronries. All the wild birds, so to speak, have been exterminated; so the Senator need not give himself any uneasiness over the egret question. If he will listen, I should like to read a discription of the manner in which these birds have been destroyed.

Mr. REED. But, Mr. President, if they are gone, if they are dead, if this chapter lies in the dead and buried past, why should we be legislating about it in the living present?

Mr. McLEAN. But we are not. Aigrets are not included in the proviso at all. I am simply calling the attention of the Senate to the way in which the bird trade tried to deceive the public at a time when they were destroying the egrets. I am showing the Senate how utterly unworthy of belief the plumage traders are by referring to their attempts to deceive the public in

Mr. REED. It is hardly worth while to take the time of the Senate to demonstrate that the man milliner has very little regard for truth and veracity. I think that might be conceded.

Mr. McLEAN. If the other Members of the Senate agree with the opinion expressed by the Senator from Missouri, I shall occupy but very little time on that question; but I desire to call the attention of the Senator from Missouri to the way in which these birds, which he considers to be of no value, have been exterminated, and that in the face of the fact that the trade has denied any connection whatever with the destruction of these egrets in our own country. It is the character of the plumage trade that the fate of the egret illustrates. No humane man can read it without a shudder.

I quote from the report of W. E. D. Scott, member of the American Ornithologists' Union, published in the Auk.

I quote from the report of W. E. D. Scott, member of the American Ornithologists' Union, published in the Auk.

May 4, 1887: Charlotte Harbor. Only a few years ago bird life so abundant that it would be difficult to exaggerate the numbers. Capt. Baker said that about 60 acres were so covered with white ibis that "it looked from a distance as if a big white sheet had been thrown over the mangroves." Salling to-day over 40 miles, I did not see a place that was occupied by even a few birds. Postmaster and others all agreed that for the past two years birds had been so persecuted to get their plumes for the northern market that they were practically exterminated. Birds were killed, plumes taken from the back, head, and breast, and carcasses thrown to buzzards (i. e., voilures).

May 8: Macleod Island, great breeding place of reddish egret. Found a huge pile of half-decayed birds lying on the ground, which had been killed a day or two. All of them had the plumes taken, with a patch of skin from the back, and some had the wings cut off. I counted over 200 birds so treated. Within the last few days it had been almost destroyed, hundreds of old birds having been killed and brutal exhibition than that which I witnessed here * * May 12: We found in camp Mr. Frank Johnson, who is a professional bird plumer. Snowy beron, American egret, and reddish egret brought the highest prices, but he killed almost anything that wore feathers. He said he wished there was some law to protect the birds, at least during the breeding lime, but added that, as everybody clse was pluming, he had made ap his mind that he might have his share. He was killing birds and making plumes now for Mr. J. H. Batty, of New York City, who employed many men along the entire Gulf coast from Cedar Keys to Key West particularly for herons, spoonhills, and formerly been the homes of the birds of this region. Now most of them were entirely deserted and the number still resorted to pearly becoming smaller. "It was easy to find thousands of birds five or six year

I now quote from Mr. Gilbert Pearson, member of the American Ornithologists' Union:

can Ornithologists' Union:

I visited a large colony of herons on Horse Hummock (central Florida) on April 27, 1888. Several hundred pairs were nesting there at the time.

* * Three years later I visited the heronry, but the scene had changed. Not a heron was visible. The call had come from northern cities for greater quantities of heron plumes for millinery. The plume hunter had discovered the colony, and a few shattered nesta were all that was left to tell of the once populous colony. The few surviving tenants, if there were any, had fied in terror to the recesses of wilder swamps. A few miles north of Waldo, in the flat, pine region, our party came one day upon a little swamp where we had been told herons bred in numbers. Upon approaching the place the screams of young birds reached our ears. The cause of this soon became apparent by the buzzing of green files and the heaps of dead herons festering in the sun, with the back of each bird raw and bleeding. * * * Young herons had been left by scores in the nests to perish from exposure and starvation.

Mr. H. K. Job, State ornithologist of Connecticut, has the following to say in reply to the claim of the plumage trade that the egrets are not injured in the collection of their plumage;

egrets are not injured in the collection of their plumage;

What a spectacle, the dark-green mangrove foliage dotted with lbises of dazzling whiteness, "pink curlews" (the local name for the roseate spoonbill), and blue-tinted herons. Wherever I may penetrate in future wanderings I can never hope to see anything to surpass or in some respects to equal that upon which I now gazed. Years ago such sights could be found all over Florida and other Southern States. This is the last pitiful remnant of hosts of innocent, exquisite creatures slaughtered for a brutal, senseless—yes, criminal—millinery folly. Such inaccessible tangles of southern Florida are the last piaces of refuge, the last ditch in the struggle for existence to which these splendid species have been driven. ("Wild Wings." by H. K. Joh, p. 54.)

I reveled in the sights and sounds of this wonderful place, which is probably the largest and perhaps the only large egret rookery in North

America. The only reason that it exists to-day is because it is guarded by armed wardens who will arrest or, if necessary, shoot any person found upon the property with a gan. * * * * * That the work of destruction is going on with rapidity one can not fail to realize who has been in Florida. Three years ago these beautiful and spectacular species were to be seen learly everywhere. In 1903 I had hard work to find a few scattered colonies in the remotest and wildest parts of the State. Mr. F. M. Chapman went there last season and found them all practically annihilated. The same is becoming true even in southern Brazil. ("Wild Wings," by H. K. Job, pp. 143-145.)

Mr. President L. em. in heavity.

Mr. SMITH of Arizona. Mr. President, I am in hearty sympathy with the purpose of the Senator, but it strikes me that it is not as much a question of imports here as it is the prevention of the slaughter of birds in our own States.

Mr. McLEAN. I am coming to that.

Mr. SMITH of Arizona. If the fact be that prohibiting the imports of these feathers is going to increase the slaughter at home under the lax regulations of our own State, I doubt whether the Senator will accomplish the purpose in which he

and I both have such intense sympathy.

I appreciate the awful crime of the slaughter of the birds of America. Can we not, under our interstate-commerce power or by some other device within Federal control, make up for what the State lacks in the performance of its duty in the protection of game or song birds and accomplish the result by that means rather than by a mere attempt to prevent the importation? In other words, I much prefer that they should be imported from other countries than killed at home. I am intensely in favor of the protection of bird life, and I shall be found always doing my best through all effective means to accomplish that most humane and beneficial end.

Mr. McLEAN. I shall undertake to show to the Senator before I finish, if he will do me the honor to listen, that the egret is a small item in the matter of bird protection. have been exterminated by the bird pirates and exist only in heronries which are guarded by wardens with rifles. My purpose in calling the attention of the Senate to the cruel and wanton destruction of the egret is to show how the trade has deceived the public in the past. Of course, what we are interested in, in the first place, is the saving of American birds, but if the Senator will bear in mind that during eight months of the year all our birds of bright plumage go to the islands of the sea, Central America, and South America, and there are the prey of the bird pirates and are killed there and exported to England, France, or Germany and there mounted and returned to this country, he will see possibly that some benefit may arise in preventing the importation of our own birds into this

country in that way.

Notwithstanding this overwhelming proof that the plumage birds were all killed in the nesting season and by and for the trade, and for the New York trade until very recently, we find this astonishing statement in the Feather Trade:

I can assure you most solemnly that the trade has no agents who are known or encouraged to poach upon preserves or reservations. That such poaching goes on is undoubted. Men who are working in the virgin lands where wild birds are plentiful will kill what they can, where they can, and when they can, and they will make the best use they can of the plumages, whether there is or is not a market. (Feathers and Facts, p. 63.)

Mr. President, the fate of the egret is the fate of all the birds of bright plumage, and all of them have been found to be of great economic value as destroyers of insect pests.

In the brief of the Trade submitted to the Finance Committee of the Senate we find the following statement:

We, the undersigned, importers and manufacturers of foreign bird plumage, excepting algrettes, respectfully object to the provision in Schedule N, 357, of the new tariff bill, H. B. 3321.

We deal exclusively in the plumage of birds of foreign nativity, totally dissimilar to any American birds, and, needless to argue, if the aforementioned provision is enacted this industry must come to an end.

The effrontery of this statement, to say nothing of its inaccuracy, will be best understood by calling the attention of the Senate to the facts collected by Mr. James Buckland and printed in his work, The Destruction of Plumage Birds, published in 1909. I use the word "facts" because Mr. Buckland bases his statements upon diplomatic and consular reports, which can not be controverted.

I quote as follows:

VENEZUELA. THE WHITE HERON.

The white heron.

Thirty years ago there were heronies in Fiorida which were estimated to contain, severally, about 3,000,000 white herons. At the same period prodigions multitudes of these birds roamed wildly over China. But even these wast bordes could not withstand slaughter during the breeding season, and now the white heron is practically exterminated in North America and in the Middle Kingdom.

From the many official returns in my possession showing the extent of the annual slaughter of this bird. I will extract two. They are taken from the Diplomatic and Consular Reports on the Trade and Commerce of Venezuela, and show the quantity of egret plumes exported from Cludad Bolivar during the years 1898 and 1908, respectively. I quote verbatim from the report for 1898: "The quantity of egret feathers

exported has this year reached the high total of 2,839 kilos. Considering that about 870 birds have to be killed to produce one kilo of the small feathers, or about 215 birds for one kilo of the larger, the destruction of these birds must be very great, and will no doubt affect the production before long." Commenting on these figures, her late Majesty's minister at Caracas said—I again quote from the report—"If, therefore, we take the average, the number of birds killed last year was 1.538.738, but if we take the highest number it was 2,469,930, and even the lowest accounts for the slaughter of 610,385."

Now, let us turn to the consular report for 1908—only five years ago. In this instance the quantity is given in ounces, and from these official figures we learn that the total export of egret plumes last year was 42,986 ounces. It is acknowledged by the trade that it takes, on an average, six birds to yield one ounce of these scapular plumes. If therefore we multiply this number of ounces by six, we will ascertain the number of white herons killed in Venezuela in 1908. The product is 257,916. That is to say, if we take the average mentioned by the Pritish minister in the 1898 report—which I think fair—the effect of 10 years' slaughter was to reduce the production—I use round numbers—from one million and a half to 250,000.

These particular figures can not be considered too gravely. They furnish complete evidence not only of the rapid diminution of the species in Venezuela but also complete evidence—unless effective protection comes in time to save the bird—that what has happened in North America and in China is going to happen in South America, and, for the matter of that, in every country in the universe in which the white heron is found.

The shallow lagoons which are occasionally met with in the great

THE JABIRU.

The shallow lagoons which are occasionally met with in the great savanna regions of the middle Orinoco district in Venezuela are favorite feeding grounds of the American Jabiru, the largest but one of all living storks. Slow and deliberate in its movements, and walking always with military precision, this glant bird is known locally as the "soldier stork." In the country districts of Venezuela one is likely to hear many stories of the part this bird with martial tread has filled in shaping the history of that country. One very good one is in connection with the Venezuelan war for independence, and relates how a body of Spanish soldiers mounted a rise in the savanna they were crossing to be suddenly confronted in the distance with a long line of soldiers in red jackets and white trousers marching toward them with all the precision of veterans. Without waiting for a closer acquaintance the Spaniards turned and fled. They had come upon a flock of jabiru. Some idea of the size and strength of this bird may be gathered from the fact that the nest, which is a great platform of sticks, built usually in a solitary tree in the midst of a great rolling savanna, contains pieces of wood 4 or 5 feet in length and as large around as a man's wrist. Such a grand bird was not made for vulgar descration, yet for the last 10 years there has been a growing demand for its wing and tail feathers. In the London plume sales alone there were catalogued last year 28,250 of these quills.

In the Consular Report for 1908 we find that, exclusive of the plumes of the white heron, there were exported from Ciudad Bolivar during that year 10,812 pounds weight of "other feathers and plumage." Five tons, nearly, of feathers shipped from one port in one year? I ask you to ponder on these figures and to reflect what this annual hecatomil of birds darkly yet plainly indicates.

The West Indies.

THE WEST INDIES.

The ancient Mexicans looked upon the humming birds as emblems of the soul, as the Greeks did upon the butterfly, and held that the spirits of their warriors who had died in defense of their religion were trans-formed into these most brilliant of living creatures in the mansion of

the sun.

It is a curious thought which is brought out by the fact that centuries later in the world's development the humming bird should be marked out for slaughter more than any other bird. Its destruction in the West Indies has been such that certain species with a restricted habitat are already exterminated, while others are at the point of extermination. In Trinidad, for example, the number of species has been reduced from 18 to 5.

The humming bird is protected by law and by sentiment throughout the Crown colonies of the West Indian division. Yet the mouth of the dealer is filled with laughter.

Mr. WILLIAMS. If the Senator will pardon me, I do not want to take up the time of the Senate, but I wish to say that when I was a boy there were humming birds all over my part of the country; there must have been 500 varieties of them; and they were of every colored wings that you could imagine, bronze, scarlet, green, blue, and everything else. I do not see a humming bird now twice in a season.

Mr. McLEAN. The reason why is because many of our humming birds go to Cuba for the winter and are there killed in great numbers. I read a report a few years ago stating that some 30,000 humming birds in one shipment were sent from Cuba to Europe to be mounted, and in one auction sale in London I think nearly 2,000 of these birds were sold for 2 cents apiece.

Will the Senator allow me to account to the Senator from Mississippi for the dearth of humming birds in his part of the country at this time and in confirmation of what the Senator from Connecticut has been saying? I have here a specimen of one of these American humming birds [exhibiting]. It was mailed to me by some one a number of days ago. It shows the skin of an American humming bird which was killed in Cuba and shipped to Europe and prepared and reshipped and sold in this country for the purpose of decorating hats. I think if the Senator from Mississippi will look at it he will recognize an old friend. The statement which accompanies this specimen is as follows:

This American humming bird was sold at the August auction of the London feather trade in 1912 for 2 cents along with 1,509 others like it at the same price. At the first three of the quarterly London sales of 1912 the following bird skins were sold: 129,168 egrets, 13,508 herons,

20,698 birds of paradise, 41,990 humming birds, 9.464 eagles, condors, etc., and 9,472 other birds, making a total of 223,490.

The Senator will notice in this exhibit which I make that the pennies which originally accompanied it are gone. I have trans-

ferred them to my pocket for safekeeping.

Mr. McLEAN. I will say to the Senator from Oregon that I am not at all sure his exhibit is an American humming bird. I had one sent to me, but I was so uncertain of it that I did not feel justified in calling the attention of the Senate to it, because it seemed to me that it might be a Brazilian bird.

Mr. WILLIAMS. It may be a Brazilian bird.
Mr. McLEAN. There are a great many varieties, I may say.
I saw recently a report of a cloak made of humming-bird skins in Paris and sold for \$10,000, if I remember correctly.

I have here reports with regard to the destruction of the American flamingo on the Bahama Islands, and I quote from the publication "The Destruction of Plumage Birds," by Mr. Buckland:

THE BAHAMA ISLANDS.

THE AMERICAN FLAMINGO.

THE BAHAMA ISLANDS.

THE AMERICAN FLAMINGO.

In December, 1904, Mr. Frank M. Chapman, curator of mammalogy and ornithology in the American Museum of Natural History, published an account of his discovery of a breeding ground of this singular bird in one of the outer Bahama Islands. Unwittingly he did more, as you shall see. I propose reading an extract from his fine piece of descriptive writing:

"Ten minutes wading through shallow water brought us so near the now greatly enlarged pink band that with a glass the birds could be seen unmistakably seated on their conical nests of sand, and with an utterly indescribable feeling of exultation we advanced rapidly to view at short range this wonder of wonders in bird life. At a distance of about 300 yards " " we first heard the honking note of alarm—a wave of deep sound. Soon the birds began to rise, standing on their nests " and waving their black and vermilion wings. As we came a little nearer, in stately fashion the birds began to move, uniformly, like a great body of troops, they stepped slowly fotward, black pluions waving and trumpets sounding, and then, when we were still 150 yards away, the leaders sprang into the air. File after file of the winged hosts followed. The very earth seemed to erupt birds, as flaming masses streamed heavenwards. " " They flew only a short distance to windward, then, swinging with set wings, sailed over us—a rushing, flery cloud."

One would have supposed that Mr. Chapman's stirring words would have appealed to the higher elements of our nature; yet no sooner had he disclosed the secret paths which led to this red city than the grasping hand of man clawed it in its clutch. At one time it seemed likely that the negroes who were employed in the slaughter would banish the wonder from the earth. As a set-off against the mischief he had innocently done, Mr. Chapman made heroic efforts to save for future generations what is assuredly the pinkest of all the pink pearls of the 3a-hamas. In the end—and to him the chief merit is due—the impen

THE UNITED STATES. THE ATLANTIC COAST.

No better instance of the destruction of species for the millipery market can be given than the massacre of the shore birds of the Atlantic coast of the United States. Twenty-five years ago these birds swarmed all down this coast in incredible numbers. To-day all that remains of that extraordinary abundance is a few scattered colonies, rigidly guarded by wardens. The part which we played in this appalling butchery may be measured from the fact that London was the largest buyer of the wings of the gulls and terns which were shot on these breeding grounds. For years the furious slaughter went on unchecked. At length the consequences became visible everywhere. The supply of wings, which at first had seemed inexhaustible, was rapidly approaching the vanishing point. Then, in response to an earnest appeal by bird lovers, the Government of the United States stirred itself to action, and on March 14, 1903, set aside Pelican Island, off the eastern coast of Florida, as a bird reservation, thereby forging the first link in that chain of insular bird sanctuaries which to-day stretches from Maine to Texas.

But to create national breeding grounds for the birds of the Atlantic

from Maine to Texas.

But to create national breeding grounds for the birds of the Atlantic littoral was one thing, to protect the birds quite another. The agents of the feather dealers were ever cruising in the offing, and no man knew the hour when they would swoop down and raid a sanctuary. So frequent were these depredations it became necessary to provide the wardens with powerful seagoing launches that they might pass swiftly and safely from island to island. This increased facility of surveiliance greatly interfered with the business of the raiders, who resented the check put upon their actions, and stories continually drifted across to the mainland and into the office of the Department of the Interior containing accounts of minor assaults and threatened assaults on wardens, but nothing of a very atrocious nature. Then the people of the United States were startled to hear that one of the chances a reservation warden assumed when he entered upon the duties of his office was the risk of being compelled to surrender his life to the depravity of his fellow men.

risk of being compelled to surrender his life to the depravity of his fellow men.

Oyster Key Reservation, a small island which lies off the coast of Florida, is fringed with mangrove, and in these bushes nested a few egrets which had escaped the general massacre—one of the very few small colonies in which lies the only hope that one day these birds may reestablish themselves in North America. This reservation was under the charge of Guy H. Bradley, a zealous guardian of the feathered wards of the Government.

On July 8, 1905, Bradley heard the discharge of guns on the reservation, and, rowing across, found two raiders shooting the egrets. Alarmed at his approach, the men rar to their boat, and rowed off to the schooner which had brought them to the island. Bradley reentered his skiff and followed. He was in the act of climbing the eschooner's side to arrest the offenders when one of them put his rifle to his shoulder and shot him dead.

By a grave miscarriage of justice the murderer was allowed to go free, the grand jury failing to indict him.

Three years passed, in which the resentment of the plume hunters was confined to its former limits of minor assaults and threatened assaults on wardens. Then, on September 15, 1908, L. P. Reeves, warden of the South Carolina reservations, was brutally murdered. He was shot from ambush, just after dark, as he was nearing his home. Two notorious raiders had been threatened by Reeves with arrest, and on the same day as the murder was committed these men had bought buckshot shells at St. George, 7 miles away. Reeves was shot with a full charge of buckshot, both wads and shot being found in the body. The governor offered a reward of \$500 for the capture of the murderers, but the men got away.

Two months later another human sacrifice was offered to woman's deity. On November 30, 1908, Columbus G. McLeed, warden of the bird reservation at the north end of Charlotte Harbor, Fla., was seen alive for the last time. In the patrol boat was discovered his hat with two long gashes in the crown, evidently cut with an ax. In the cuts were bits of hair and blood, and there was also a considerable quantity of blood in the boat. The body was never found, and it is supposed that it was thrown into the water by the murderer and carried out to sea by the tide, which runs very strong in that part of Charlotte Harbor.

From the day when man became man and walked erect he has slain lis fellow man for his gold. Now, the plumes of the egret are worth

From the day when man became man and walked erect he has slain his fellow man for his gold. Now, the plumes of the egret are worth £8 the ounce—double the value of gold.

THE PACIFIC COAST.

Little more than a decade of years ago there was no more populous waterfowl district in the world than through the lake region of southern Oregon. It was, in fact, the nursery of the immense flocks of migratory waterfowl of the Pacific coast. To-day these shallow bodies of water are almost depopulated. Prof. W. W. Cooke, of the Biological Survey, states in one of the annual reports of the Department of Agriculture, that hundreds of tons of ducks were killed each season merely for their green wing feathers and the bodies thrown away. White herons, swans, geese pelicans, ibises, and other species too numerous to mention here, were all slaughtered in a like way, and for a like paltry end.

mention here, were all slaughtered in a like way, and for a like paltry end.

But it is of the destruction of the grebes that I intend to speak particularly. The grebe colonies which were scattered round the lakes were probably the most extensive in the world. It was from here that the feather merchants for years obtained the bulk of the supply of those silvery breast feathers which women were wont, while the supply lasted, to attach to some portion or other of their attire. During the last six or seven years there were from 20 to 30 camps of professional killers and skinners stationed along the border of Klamath Lake, and the north end of Tule Lake, engaged solely in killing grebes. Wagons visited the camps regularly—about three times a week—to collect the skins. This continued until every grebe which had lived on the northern borders of Tule Lake had been wiped out of existence, and until the great breeding grounds on the southern end of Lower Klamath Lake had been reduced to a few small colonies.

When It had become evident that the feather dealers had no intention of staying their hands while a single grebe remained alive, the Oregon Audubon Society, in the spring of 1908, subscribed \$400 for two capable field naturalists to make a trip to the lake district, and to prepare a statement and an appeal to the General Government asking that some steps be taken to prevent the utter destruction of bird life in this area.

I have space to give one extract only from this report. It refers

that some steps be taken to prevent the utter destruction of bird life in this area.

I have space to give one extract only from this report. It refers to the grebes on Lower Klamath Lake. "* * * found but one nest, and saw only an occasional scared bird. Skinned bodies floating here and there told the story of disappearance."

Suffice it to say that when the report reached Washington, Mr. Roosevelt, with his usual admirable promptness and intelligent appreciation of the needs of bird protection, at once came to the rescue, and in August, 1908, set aside Lower Klamath Lake, Harney Lake, and Lake Malheur as bird reservations.

But the dealers, who had been working the field systematically, had not quite exhausted the supply of grebes on Lake Malheur, and they were not going to allow even Executive orders and proclamations to stand in the way of their doing so. Last season (1909) there were 6 indictments against dealers' agents filed in the district attorney's office at Burns for shooting grebes on Lake Malheur Reservation. These indictments cited the killing of 400 grebes by one hunter and 1,000 by a second hunter. While these indictments were being made a number of sacks belonging to a third hunter and containing the skins of 800 grebes were selzed at the express office at Burns. Unfortunately the poachers heard in advance that indictments were to be made and escaped to California.

I will conclude these few remarks on what was once one of the most extensive breeding grounds in the world with an extract from the monthly report ending May 31, 1909, of the State warden of Lake Malheur Reservation: "Very few grebes are nesting on the reserve this year—mute testimony of the inroads of previous market hunting. A few gulls and terns are nesting, but very few."

The Islands of the North Pacific.

THE ISLANDS OF THE NORTH PACIFIC.

The Islands of the North Pacific.

The extent to which the destruction of birds is carried in the North Pacific Ocean may be gauged by a few extracts from the report of William Alanson Bryan, United States special inspector of birds and animals. The report is dated October 31, 1904, and is addressed "To the Hon. Theedore Roosevelt, President of the United States." In this official communication Mr. Bryan states:

"During the past few years I have visited practically all of the low coral islands in the North Pacific, and have been appalled at the destruction of the birds on these islands by Japanese plume hunters, who made a business of visiting not only the bird islands of their own possessions but those of the United States as well, and killing birds by the hundreds of thousands. On Marcus Island a party had been at work for six years. In that short time they had wiped out of existence one of the largest albatross colonies in these waters. So complete was their work of destruction that during the year of my visit they had only secured 13 specimens of the albatross. While there I estimated that they had 40,000 tern skins ready for shipment, which was the second boatload to be shipped that year. * * Midway Island at the time of my visit was covered with great heaps of albatross carcasses which a crew of poachers had left to rot on the ground after the quill feathers had been pulled out of each bird."

The report then deals with the depredations on Lislansky Island, which is one of the outlying Hawaiian islets, and is a wonderful center of ocean bird life. For the purpose of brevity I will present this por-

tion of Mr. Bryan's report in my own words: In 1904 a Tokyo firm fitted out a schooner at Yokahama and dispatched her to this island, the object of the expedition being the collection of plumage for the millinery markets of Europe. The staff of killers, skinners, and taxidermists on board numbered 87. The schooner duly arrived at her destination, when the party landed and commenced at once to kill the birds. A few weeks later their presence on the Island was observed by the captain of a ship engaged in the guano trade, who reported the matter to the chief authorities at Honolulu. The U. S. S. Thetis, of the Revenue Service, was at once dispatched to stop these unlawful operations. She arrived at Lislansky Island to find that the raiders had already collected 335 cases of plumage, representing the skins and feathers of 300,000 birds.

After relating this incident, Mr. Bryan takes, in order, all the low islands of the chain and shows how each is similarly scourged.

The raids led to an interchange of views on the subject between Washington and Tokyo. It is only fair to Japan to say that she at once issued an order warning ship captains not to carry men who were engaged in this piracy. But the raids continued. Then, in reply to further protests from Washington, the Japanese minister for foreign affairs presented his compliments to his excellency the American minister, and, while assuring him of Japan's sympathy and cooperation in the matter of the bird laws of the United States, had the honor to inform him that the class of men engaged in plume collecting was composed largely of lawless marauders. The Japanese minister for foreign affairs knew what he was talking about. In 1908 the skins of about 50,000 terns from these islands came under the hammer in Mincing Lane. I have not yet completed the details of the London plume sales for this year, but I notice that terns from the North Pacific continue-to be a feature of the catalogues.

On December 17, 1904, the nomine of a syndicate of Europeans addressed a letter to

Mr. President, the truth of the matter is, the plumage hunters slaughtered the American egret until they were stopped by armed wardens, but not until they had committed all the crimes in the code from theft to murder.

It further appears that the plumage trade has done all that it could do to exterminate every other American bird of bright plumage from the humming bird to the albatross. It is no thanks to the feather trade, and very little thanks to the Federal Government, that there is a plumage bird now living in the United States.

The claim that the trade does not deal in American birds is true only so far as it may be unable to buy American birds. All of our birds—humming birds, orioles, scarlet tanagers, in-digo birds, plover—in fact, any bird of bright plumage, when it leaves the United States in the autumn spends seven or eight months far away from the protection of our State or Federal laws, the prey of the bird killers. In the London auction rooms we find the following birds in the market and sold by the thousands: Humming birds, 2 cents each; tanagers, 9 cents each; and orioles, any one of which is worth a hundred dollars to the American farmer, 6 cents each. Is it probable that a trade which in the past has never been caught telling the truth will to-day limit its shameful occupation to the purchase of European orioles and tanagers only? The fact of the matter is that this trade is world-wide. It buys every bird that is brought to it and which it can resell at a profit.

It has left behind it a trail of savage cruelty and civilized greed and cunning, and nothing whatever to commend it except the blood money it has collected from ignorant women. ignorant women, Mr. President, because no woman worthy of the name will encourage this trade once she understands her

responsibility for it.

It is said that protests against the House proviso have been received from Germany. Let me call the attention of the Senate to the fact that for many years Germany, by imperial act, has strictly prohibited the killing of the useful and beautiful birds within her own borders. Upon what ground and with what grace do the German merchants ask us to find a market for their contraband goods?

I want to call the attention of the Senate to the fact that the German Nation was the pioneer in the matter of effective bird protection. In 1868 the German farmers and foresters, after their twenty-sixth general assembly, appealed to the Austrian and Hungarian foreign minister, begging him to use his influence to persuade both Austria and Hungary to join them in their efforts to protect the birds valuable to agriculture and forestry.

The Germans from their earliest history have been alive to the value of birds, and in later years have been most persistent in their determination to protect their own birds. The Emperor

Frederick II was known as the "Crown Fowler"—1215—and wrote a book on birds which is said to have been remarkable in its day. In 1777 Lippe Detwold issued a decree protecting birds. In Sax-Coburg birds were protected by decree in 1809. In 1837 the Grand Duke of Hesse forbade the slaughter and sale of birds useful to agriculture, and provided for the protection of nests and broods.

It was upon the initiative of the German farmers and foresters that the first ornithological congresses were held, which finally resulted in united action on the part of the nations of

In 1908 11 European nations—Austria, Germany, Belgium, Spain, France, Greece, Monaco, Portugal, Sweden and Norway, Switzerland, and Luxemburg—ratified a joint treaty for the protection of birds.

As long as the German Government punishes with heavy penalties the killing of her own birds, I do not believe that the United States trespasses upon international comity or courtesy when she declines to buy contraband birds or their plumage.

It is said that this proviso will encourage the destruction of American birds; that the demands of the trade will be so strong when the importations are shut out that it will compel a raid upon American birds.

Mr. President, Dr. Field, the Massachusetts game commissioner, testified before the congressional committee that he had within a few years prosecuted over 75 milliners for selling the plumage of native birds in Massachusetts, and in every instance the defendant claimed that he could not tell the native from the foreign plumage when it was received from the dealers. It was found in the trial of these cases that all manner of beautiful American birds were killed and their plumage sent to Berlin or London or Paris, and there mounted and returned to this country as foreign plumage. How easy, under these circumstances, for the traders who appeared before the Finance Committee to swear that they never deal in American birds. And how clear it is that only by the strictest guard over our imports can we prevent the cunning dealers from stealing our birds and selling them back to us as foreign birds.

It is contended by the trade that the enactment of this law will throw those now engaged in it out of employment—the same claim that was made and abandoned in London because entirely without foundation.

The savages who do the killing will hardly excite our sympathy. As for the milliners, there is ample proof that the trade will be quickly diverted to artificial lines, which will multiply manyfold the labor now required to mount the natural plumes.

I have in my office a few samples of what is now being done in the line of artificial plumes made of the feathers of domestic fowls, also a few samples illustrating what can be done with the ostrich plumes, which I shall be glad to show to any Senator who feels interested.

It was declared by the trade when New York passed its law prohibiting the sale of imported plumage resembling that of native birds those 20,000 people would be thrown out of employment. The trade was forced to admit later on that nothing of the kind had happened.

Right here I want to call attention to an amendment which was offered as a compromise and which permits the importation of the plumage from game and noxious, or pestiferous birds. I will say with regard to this amendment that it opens the door so wide that the trade will go on precisely as before. The only way to protect our birds is to stop the sale of their plumage as such. As long as you permit the sale of plumage the birds will be killed for their feathers alone.

The plea that the feathers of game birds should be admitted is easily answered. Game birds are and will be imported with their feathers on, and this law will in no way affect the trade in game birds. Where the plumage of game birds is imported, it is taken in the nesting season and the bodies of the birds are

The tons of ptarmigan wings recently imported from Russia meant the slaughter of tens of thousands of game birds in the spring for their wings only.

It is very clear to those who meet this question fairly that the way to protect the birds is to stop the sale of their plumage. As long as birds' feathers are worth their weight in gold the birds who happen to produce them will be hunted to the utter most parts of the earth. Nearly all of the civilized nations prohibit the killing of plumage and insectivorous birds. But there is still a vast field unguarded, where the bird pirate can ply his trade, and will ply his trade as long as the highly civilized nations furnish a market for his victims. If the people of the civilized nations have at last been aroused to the great economic value of the birds of the world and the need of immediate and strict protection to prevent their extermination they must stop the trade in plumage, except such as can

be provided by the ostrich and domesticated birds, or their efforts to protect will be in vain.

Now, let us look at the precise situation in so far as it affects the United States to-day. Less than a year ago Congress by law prohibited the killing of the migratory song and insectivorous birds at any and all seasons of the year, and the plumage birds are included in this list. Under the spirit and letter of this law we are particeps criminis. We are receiving stolen goods if we permit the trade in contraband plumage to continue.

Again, and still more to the point, many of the States of the Union—New York, Massachusetts, Pennsylvania, Louisiana, Ohio, Colorado, Oregon, Washingon, South Dakota, Missouri, and Maryland—all prohibit the sale of the plumage of native birds, and in New York, New Jersey, and Pennsylvania the plumage of all birds resembling the native birds is outlawed and can not be sold. I assume that this situation will appeal strongly to the Senators who represent States where plumage is now contraband. What is there in this trade that should tempt any Senator to encourage and invite violations of the laws of his own State? It was found in Massachusetts that the trade at once took advartage of the opportunity to sell there great quantities of native plumage slightly manipulated to resemble the plumage of similar birds killed in foreign countries.

Again, Mr. President, this Senate passed a resolution at this very session inviting the President to negotiate conventions with foreign nations for the protection of birds. Not our birds; not game birds; not migratory birds; not song or insectivorous or plumage birds; but birds, the avi fauna of the world.

The adoption of that resolution by this Senate committed this Senate to secure, if possible, an intelligent world purpose and agreement to save the useful birds whenever and wherever they need saving. The President of the United States and the Secretary of State have both assured me that they will give their best endeavor to this request of the Senate, as they are both in hearty sympathy with its purpose.

The House of Representatives has come to the aid of the Senate by passing the wise and timely proviso which is now under discussion. I may be pardoned for insisting that the Senate can not now honorably or wisely decline to follow where it has already pointed the way by solemn resolution. How can we appeal to other nations to save our birds if we now right-about face and deliberately legalize the killing of their birds by protecting the market of the bird destroyers?

The trade now suggests that a commission be appointed to take this whole matter into consideration in order that some wise compromise and concert of action may be reached. years this shameful and cruel traffic has perpetuated itself by fraud and subterfuge and crime in the guise of compromise, always asking for more time, always keeping its neck out of the halter by playing the caprice and greed of one nation over and against the caprice and greed of other nations, always protesting its innocence and always found guilty when tried. I hope, sir, that its day in this court is over and that it will be told to divert its activities into respectable channels. It always asks for more time-it has already had too much time. One or two years more means destruction for the birds, and one or two more years of anxiety and suspense and expense for the friends of the birds. This fight has been a voluntary one, and it has been a long fight and most discouraging at times. Since I have been brought in contact with those who have conducted it I have been deeply impressed with their courage and unselfish devotion to their cause.

I can not close this feeble and incomplete appeal to the Senate in their behalf without expressing my belief that the people of this country are under great and lasting obligation to the naturalists who have at last succeeded in bringing public opinion to their support. The ornithologists are enthusiasts; they are as fearless and suspicious as crusaders. Their experience with lawmakers for 50 years has made them so. If the birds are saved, it will be due to the ornithologists and Audubon societies of this country who have pounded the indifferent legislator night and day until he has finally opened his eyes to a duty which has been fearfully neglected.

If any Senator will read the recent publications of Dr. Hornaday or Dr. Forbush, two of the great living authorities upon birds and their value to agriculture and the way these birds have been treated by the trade, he will get some idea of the service the bird lovers have rendered to society. I am informed that both of these men appeared before the Finance Committee or sent briefs to that committee for their consideration.

When the migratory-bird bill was under consideration last year Dr. Hornaday sent to each Senator a copy of his latest work, Our Vanishing Wild Life. If any Senator desires to know the truth, the whole truth, and nothing but the truth about this matter, I advise him to read this book.

Mr. SMITH of Georgia. Mr. President—
The VICE PRESIDENT. Does the Senator from Connecticut yield to the Senator from Georgia?

Mr. McLEAN, I do. Mr. SMITH of Georgia. I should like to ask the Senator from Connecticut if he has read an article sent out by this same gentleman in reference to the Finance Committee and the subcommittee of that committee? I want to say for myself that, if he is no more truthful in his other publications than he was in that, the article was so utterly false, I would not care to read anything he wrote.

Mr. McLEAN. I was not aware that the doctor had made false statements to the committee.

Mr. SMITH of Georgia. Not to the committee, but he issued a circular that was utterly false.

Mr. McLEAN. If so the doctor was misinformed. He is an enthusiast, as I have said.

Mr. SMITH of Georgia. I think that is true.
Mr. McLEAN. They are zealous men, these ornithologists; they have fought for the birds for many years; and they have had very little encouragement from lawmakers. Now they think they see victory for their cause, and they do not take this action kindly. The Senate of the United States, after having solemnly requested the President to negotiate conventions with other nations for the protection of useful birds, should be consistent and not right about face in the manner now threatened.

Mr. SMITH of Georgia. If the Senator will yield to me for just a moment with reference to this matter, I desire to state that that was no excuse for sending out such a publication. I only want to say with reference to it, if the Senator will yield to me for a moment, that I believe that the Senator is right, that the doctor is really such an enthusiast on this subject that his zeal led him to act without proper reflection. I really believe his purposes were good, although his statements about the subcommittee were so inexcusable that, if we were disposed to take offense, we certainly would have been justified in doing so.

Mr. McLEAN. I hope the Senator will be as considerate as possible, for I am quite sure that the doctor would not intentionally make a misstatement. He is intensely in earnest in this

matter and justly suspicious of the plumage trade.

Mr. Pearson, secretary of the National Association of Audubon Societies, appeared before the Committee on Finance. Others who are deeply interested in this subject are Mr. Henry ers who are deeply interested in this subject are Mr. Henry Oldys, the well-known ornithologist and lecturer; Mr. Joseph Grinnell, of the California Academy of Sciences; Mr. Casper Whitney, editor of the Outdoor World; Mr. Warren H. Miller, editor of Field and Stream; Mr. Walter Stone, president of the Pennsylvania Audubon Society; Mr. John H. Wallace, commissioner of game and fish of the State of Alabama and a loyal friend of the ornithologists; Mr. Ernest Napier, president of the New Jersey State Game Commission; Mr. W. P. Taylor, ornithologist of Berkeley, Cal.; May Riley Smith, chairman bird protection committee of the General Federation of Women's Clubs; Katherine H. Stuart chairman bird department Virginia Clubs; Katherine H. Stuart, chairman bird department Virginia Federation of Women's Clubs; Mr. Albert H. Pratt, president of the John Burroughs Nature Club; Mr. William F. Bade, president of the California Associated Societies for the Conservation of Wild Life,

Dmight continue this list indefinitely. There is hardly a town or village in the country that does not have its Audubon society preaching the gospel of bird conservation, all due to the untiring zeal of the ornithologists who, after years of conscientious and increasing appeal, have lifted the insectivorous birds to their true position in the economies of nature.

My interest in this matter arose from my observation of the rapid decrease in the game birds of this country, and it was in my study of the game birds and my desire to save them that I found the real source and strength of the bird-protection movement. The game clubs sound well, but they are organized to kill as well as protect. The Audubon societies are organized to save. The ornithologists have at last rallied the people of this country to their support, and my hope is that the Congress of the United States, having once taken up their cause, will continue steadfast. Let us stop the killing now, and if, as the trade claims, the birds will increase in such numbers as to be a burden we can, when that time comes, appoint a commission to look into the matter, and, if they are to be killed, let it be done by some other method than slow starvation in the nesting season.

When the migratory-bird bill was under consideration I called the attention of the Senate to the fact that all of the civilized nations are now alive to the great economic value of the insectivorous birds, and it is now well known that the birds which are

killed for their plumage are counted among those which are

valuable to agriculture.

I have also endeavored to impress upon the Senate the fact that for humanitarian reasons the cruel and inhuman methods of the bird destroyers should be stopped at once. I have not touched personally upon the ethics involved in this question, but it is now and always has been my belief that sentiment has done more for civilization than money, and when the money is tainted, as that in the plumage trade is tainted, with unspeakable cruelty if not crime, I am sure every Member of this great body will find excuses if not admiration and approval for the sentiment which cries out against this butchery and the fashion which sustains it. And, furthermore, these considerations are all outside the intense pleasure and profit many people find in the companionship and study of birds. Mr. President, I could vote to save the birds for their beauty alone. It may be a weakness, sir, but when the birds fail to come to my door in the spring you can have the door and the spring, too, for neither of them will interest me. It may be thought by some that the subject is a trivial one and that it ought not to be interjected into the United States Senate when so many matters of vital importance are pressing for consideration. My excuses for pleading the cause of the birds are two. First, I want their case tried and justice done to them for their own sake; second, I want the birds saved before we as a great people learn by experience that the birds are more vital to our comfort and happiness than we are to theirs.

I sincerely hope that my friends upon the other side of this Chamber will not insist upon making this a party question. They will find little support for the proposition that the salvation of the Democratic Party calls for the destruction of the

birds.

We have been called a commercial people by our neighbors across the water; we have been told a great many times that our high ideals are easily lowered in the presence of easy money or real estate. We are quite sure that our neighbors have been overjealous and overzealous in their criticisms of American culture and motive, but if now with our eyes open we deliver the useful and beautiful birds to the slaughter, we do it for the pieces of silver we are offered in exchange for their feathers.

I sincerely hope that this public and complete surrender to the commercial instinct will not be recorded in this bill, and if it is I shall be glad to see the Republican Party publicly recorded

against it.

Mr. O'GORMAN. May I ask the Senator from Connecticut a question?

Mr. McLEAN. Certainly. Mr. O'GORMAN. I do not want to anticipate his suggestion, but I desire to ask what amendment is the Senator inclined to offer to the bill as reported by the Senate committee?

Mr. McLEAN. I will say to the Senator from New York that my amendment simply provides for the restoration of the House

Mr. O'GORMAN. As to that I am in hearty accord with the Senator from Connecticut. I am in entire sympathy with the views to which he has given expression. I exceedingly regretted that the Finance Committee did not see the wisdom of adhering to the provision as proposed by the House, and I expect, when this provision comes up for discussion in the Senate, that there will be no substantial opposition to the provision being recommitted to the Finance Committee, with the hope that further reflection will induce that committee to adhere to the provisions found in the House bill.

Mr. McLEAN. I am very glad to hear that announcement from the Senator from New York.

I desire to print in the RECORD a letter written to the Washington Star, quoting Sir Harry H. Johnston, who has had many experiences in Africa. I read this letter, as it bears very strongly upon the proposition that this is an international question and that the heron is not as bad as he has been painted by the Senator from Missouri:

[From the Washington Star.]

HARMLESS WILD BIRDS OF GREAT USE TO MAN—ENGLISH WRITER ARGUES FOR PRESERVATION OF FORS TO TSETSE FLIES.

[Foreign correspondence of the Star.]

LONDON, May 19, 1913.

Sir Harry H. Johnston has written a letter to the Times on the preservation of rare, useful, beautiful, and harmless wild birds. He said it is the duty and almost the obligation of Governments to deal with this subject intelligently and with a definite purpose—

Mr. LANE. Mr. President—
The PRESIDING OFFICER. Does the Senator from Connecticut yield to the Senator from Oregon?
Mr. McLEAN. Certainly.

Mr. LANE. I merely desire to indorse the statement made by the Senator in relation to what has happened on the Pacific coast, and particularly in Oregon, as to our game birds, and what is happening to other birds which are being destroyed for their plumage, which is used for millinery purposes. Where formerly water fowl were to be seen in countless thousands they are now becoming scarce, and I have no doubt that if remedial measures are not adopted every bird will be destroyed.

In the old days we had the elk. We had them in large herds; but they were killed for the pitiful sum of \$1 apiece, which was

derived from the sale of their hides. It is wrong; we are making a mistake in this respect, I am quite sure, and we ought to

correct it before we go further.

I wish, Mr. President, to indorse the proposed amendment of the Senator from Connecticut and to say that my sympathy is with him in the effort which he is making for the protection of

Mr. McLEAN. I thank the Senator from Oregon. I was reading a letter from Africa to the Washington Star. There is a great continent, which we hope will be returned to civilization, a place where white men can live in comfort and prosperity.

Mr. President-

The PRESIDING OFFICER. Does the Senator from Connecticut yield to the Senator from North Carolina?

Mr. McLEAN. Certainly.

Mr. SIMMONS. Mr. President, I do not know what the committee may do if this paragraph is recommitted to it. There have been some expressions of dissatisfaction with the action of the committee in striking out a part of the proviso in the House bill; and, in deference to that dissatisfaction, it was the purpose of the committee, when this paragraph was reached, to ask that it be sent back to the committee, in order that there might be further consideration and discussion; but what will be done about it of course I can not say, and I do not think any Senator can now say. That, however, was not the purpose for which I rose.

Mr. GALLINGER. Mr. President, before the Senator proceeds to another topic-

The PRESIDING OFFICER. Does the Senator from Connecticut yield to the Senator from New Hampshire?

Mr. McLEAN. Certainly.

Mr. GALLINGER. Several items have already been sent back to the committee. I will ask the Senator from North Carolina if it is the purpose of the chairman to call the full committee together to consider those items? I think on an item like this the full committee certainly ought to be called together.

Mr. SIMMONS. I think the matters that have been or may be sent back to the committee will probably be dealt with as the

bill was originally dealt with.
Mr. REED. Mr. President, I desire to suggest to the Senator who has charge of this bill that they will be sent back to the caucus, for they have been reported after caucus action.

Mr. SIMMONS. Undoubtedly, after the committee has acted. following out the policy we have pursued with reference to the bill, the Democratic caucus would act upon the items. I do not think that anyone can speak now for either the committee or the caucus; but, as I said, that was not the purpose for which I rose.

Mr. McLEAN. I am very glad to hear the announcement of the Senator.

Mr. SIMMONS. It has been our purpose, in deference, as I said, to some little expressions of dissatisfaction, to pass this paragraph when it should be reached, and have it go back to the committee for further consideration.

Mr. McLEAN. I will express the hope that the committee and the caucus, upon reconsidering this matter, will vote to

restore the House provision.

Mr. SMITH of Georgia. I desire to ask that the paragraph relating to feathers may not be acted upon until it is regularly reached, because when it is regularly reached I wish to present some of the reasons which, I think, justified the Finance Committee in its action. In doing so I wish to say that I shall do so from the standpoint of one just as much interested as anyone else in birds and their protection, and with a record, perhaps, of almost as much accomplishment in that line so far as my own State is concerned, as anyone has accomplished in his

Mr. SIMMONS. Mr. President— Mr. McLEAN. If the Senator from North Carolina will Mr. McLEAN. allow me, I had about finished when I called the attention of the Senate to this communication.

Mr. SIMMONS. There are some questions that I wish to ask the Senator, but, of course, if the Senator prefers I will wait.

Mr. McLEAN. No; if they refer to this matter, I shall be very glad to yield.

Mr. SIMMONS. They do refer to this matter.

The Senator has discussed egrets. Of course the Senator knows that the importation of egrets is prohibited under the bill. Then, I understand the Senator's main purpose is to protect American migratory birds?

Mr. McLEAN. It is an important purpose, but my interest in this matter is largely brought about by the fact that the United States must take this step of protecting our own migratory birds as far as we can by preventing these importations, thus paving the way for consistent action in our endeavor to secure the cooperation of the nations of the world in ...n international agreement for the protection of all useful birds.

Mr. SIMMONS. I did not desire to enter into an discussion of the matter. I simply wished to get the Senator's point of view, and to ascertain whether the Senator wished us to undertake to protect all foreign birds without any reference to

whether or not they are American migratory birds.

Mr. McLEAN. Certainly, if they are useful birds. are useful wild birds or plumage birds, I certainly should insist that it is our duty, having taken this step, to set foreign nations an example which we hope they will follow, in London and in Berlin and in Paris.

Mr. SIMMONS. Has the Senator in mind any law passed by any foreign Government undertaking to protect the birds of other countries? I know the Senator has referred to some negotiations and conventions, but has any foreign Government ever passed a law along that line?

Mr. McLEAN. Australia prohibits the exportation of plumage; India does the same thing; and all the English colonies have memorialized the British Government to prohibit the intro-

duction into London of their plumage birds.

Mr. SIMMONS. But has any Government up to this time passed any law prohibiting the importation of the plumage of foreign birds?

Mr. McLEAN. I do not know that any nation has gone further than the English Government. A bill to that effect has passed the House of Lords-

Mr. SIMMONS. Would it be possible for the Senator-not to-day, but for the use of the committee later-to specify the American migratory birds that he thinks we ought to protect?

Mr. McLEAN. I think it would be very difficult, owing to

the experience which has been had in the States of the Union where the plumage is now contraband, as in Massachusetts. By slight manipulation of the native birds they have been made to resemble foreign birds, and have been sent back here and put into the trade; and when prosecutions have been brought the milliners have invariably set up the defense that they supposed they were buying foreign birds. The only way to protect a bird is to prevent its slaughter, and you can not do that unless you cut off the market for the plumage.

To return to Africa and Sir Harry Johnson's letter. Johnson goes on to state his experience in Africa, which I think is very interesting at this time, because it points to the real importance of this subject. As an international duty, I am proud of the fact that the United States, after years of neglect, has finally taken a position where she may be a leader in this great service to humanity as well as to the birds. Mr. Johnson continues:

Among the hundred and one reasons I have adduced for the protection of birds, especially in the Tropics, was the fact that many species in Africa fed on the tsetse flies. They are, in fact, in common with certain reptiles, the only effective enemies of the tsetse fly. I had noticed personally, from 1883 onward, a continually increasing destruction of certain birds in west and west-central Africa which feed on the tsetse fly among other items in their diet.

NOTED AS COINCIDENCE.

Coincidentally during this period there has seemed to be a decided increase of tsetse files in the coast regions of west Africa and in the Kongo Basin. At the same time trypanosomatous diseases, conveyed by this genus (glossina), have greatly extended their ravages. It is permissible to assume therefore, as several French writers on west Africa have assumed and as the late George Grenfell was beginning to assume in his diaries, that there is some connection between the destruction of white herons, rollers, bee eaters, shrikes, guinea fowl—the guinea fowl scratch up the larve of the tsetse and probably eat them in that stage—and other birds, and the apparent increase of the tsetse in uninhabited places and the consequent spread of sleeping sickness.

SACRIFICE IS HARMFUL.

I have personally noted the eating of tsetse files by almost all the

I have personally noted the eating of tsetse flies by almost all the species mentioned. I do not pretent that they do not devour all other flies that come in their way, but I do say that the destruction of the egrets and smaller herons, of rollers, bee eaters, etc., does remove one of the few means we have of checking the increase of the tsetse. Of course the tsetse question is only one among a hundred other reasons for putting a stop forever to the destruction of hirds merely or mainly for the ignoble purpose of using their plumage for the adornment of the human person. There are quite sufficient avenues along which the legitimate trade in feathers can be fed without or the verge of extinction.

Mr. WILLIAMS. Mr. President, I hope now we may go on with the reading of the bill.

I desire to say to the Senate that I hope as far as possible hereafter we will let the paragraphs and the discussion accord with one another. If a paragraph is away at the back of the bill, it seems to me it would be better to let it wait until we get to it, and meanwhile it may dispose of itself, as possibly may be the case with this particular paragraph.

Mr. REED. Mr. President, I have so much genuine regard for the Senator from Connecticut, who has just spoken, that I am almost forced to respect his opinions. But it seems to me we are following a curious line of reasoning upon this bill. It is rather strange that the business of the country should be halted at this time to give serious consideration to the prohibition of the importation of feathers because of an overstrained, not to say maudlin, sympathy for birds born and reared thou-

sands of miles from our coast.

The business of the United States awaits the passage of this tariff bill. All men, whether they be protectionists, free traders, or tariff reformers, understand that the sooner this great question is settled and the country knows exactly what the tariff rates are to be the sooner can business adjust itself to the new conditions and proceed to do business. There is not a wholesale merchant in the United States, not an importer of goods, not a manufacturer, not a producer of raw materials who does not find the market more or less interfered with because of the fact that this bill necessarily involves changes in commercial transactions. Until the bill is passed trade can not go on in its usual and vigorous course.

With that situation before us we stop to discuss the question of humming birds and herons. We pause here solemnly to dilate upon fanciful outrages alleged to be, or to have been at some time, perpetrated upon feathered tribes that are born and die in remote places of the earth far from the haunts of civilization and the eyes of men, and thousands of miles from our

shores.

Mr. President, one day I passed along the street of a city and witnessed a sight I shall never forget. Standing in the display window of a business building then occupied by some kind of a cheap show was a tiny girl, not more than 5 or 6 years of age—a beautiful child, with great, innocent eyes and delicate features just then distorted by mingled loathing and fear. Around this baby's neck were wrapped five or six venomous rattlesnakes in direct contact with her white, tender, velvety skin. The child was there to attract the attention of the passers-by to the show. I saw a policeman gaze at the fearful spectacle in stolid indifference, and then I saw him suddenly rush into the street and arrest a man for driving a horse that was drawing a load that appeared to be a trifle heavy. Nobody paid any attention to the child. No one lifted a hand to protect the baby from the infamous outrage perpetrated upon its innocence and its helplessness by the hearfless cupidity of some monster who held it in his power.

I have often thought of that scene and of how well it characterizes our course throughout this life. Indifference to human kind and tender solicitude for the brute creation is not new to our boasted civilization. Why, in ancient Egypt the crocodile was protected by the sacred and secular law. So highly was it regarded that in their ignorance and superstition mothers would ravish suckling babes from their breasts and feed them to the scaly monster. There were men then who could lift up their voices and speak for the denizens of the river in accents so tender as to not only evoke sympathy for the crocodile but also to convince the mother that it was a religious duty to sacrifice her offspring to satisfy its appetite for flesh. These same teachers entirely forgot the mother in her ignorance and

the child in its helplessness.

. In Turkey they have a system of protecting animals. Cats and dogs are sacred in Turkey. From the time they come into the world blind and filling the air with annoying mewings and whinings they are under the protection not only of the State but of the church. No man dare lift a foot to kick a mangy cur from his house over in Turkey. The dog and the cat are alike immune from harm. But over in Turkey they make slaves of their women. Over in Turkey they perpetrate inhuman outrages upon human beings. Over in Turkey they make charnel houses and slaughter pens in which the men and women God Almighty made are sent to ignominious and cruel death.

Sir, I have heard this "bird discussion" going on from time

Sir, I have heard this "bird discussion" going on from time to time in the Senate for the past six months, and have seen the business of the country halted. I have witnessed the immense interest that can be created over birds. I have more than once wondered why we do not stop sometimes to talk about the tens of thousands of people in this country who live along the edge of want; why we do not stop sometimes to devise legislation

that will protect the pauper child from the horrible conditions in which it is reared; why we do not take a little time away from the songster of the field to think of the songster of the cradle; why we do not pause to contemplate the starving mother who bends over her famishing babe; why we do not give some thought to the children now being reared in ignorance and misery to lives of vice and crime

misery to lives of vice and crime.

Mr. President, I think we would be performing a higher task for our country if we were considering laws for the protection of human beings than we are in discussing legislation for the protection of birds. But since that question is thrust in here, and we are called upon to discuss it, I desire to say, first, that there is a very practical side to this question. We can not tell just how much revenue is to be derived from the feathers of the particular birds referred to in the amendment now being debated, but there was last year derived from feathers, either dressed or undressed, \$1,820.000. It is proposed to abolish that tax, which is a tax upon luxury, and impose it upon industry. It is proposed to wipe out that tax, which is a tax upon luxury pure and simple, and to put it upon the necessities of life. It is proposed to take that tax from those who can afford to pay it and impose equivalent burdens, which, in large measure, must fall upon those who are already staggering beneath too great a load.

There is not a woman who wears an aigret upon her bonnet, there is not a woman who buys an imported feather, but is buying something she could do without. Imported feathers are not necessities, they are luxuries. The proposition is to transfer a tax of \$1,820,000 from luxuries and put it upon necessities.

When you come to that proposition, I have more sympathy with the human beings who must pay the \$1,820,000 upon their necessities than I have for the long-legged, ungainly, useless, and altogether homely bird from which aigrets are obtained.

Of course we can work up a lot of maudlin sympathy in talking about the wrongs and outrages of birds. We can picture the mother bird hovering over her nest, with her fledglings there looking up to her for food, we can depict the cruel monster who comes along and ravishes the bird of its life, and leaves the poor, innocent offspring to die, and we can get ourselves into a very frenzy of sympathy for the birds. But, Mr. President, that kind of sympathetic twaddle need not be limited to birds. not a single animal in all this world you can not create sympathy for by the same kind of argument. Witness the domestic The mother cow has been taught to look to her master for friendly protection. She comes confidently into the corral at night; she generously yields him her milk for the sustenance of himself and his family; she brings forth a little innocent calf, that plays and gambols and looks at him from the unsuspecting depths of mild eyes; that licks his hand and rubs its head against him; that follows him about in complete reliance and calf-like friendship. One day the monster man seizes the confiding, helpless creature, beats out its brains with a bludgeon, cuts its throat with a cruel knife, and with bloody hands tears the skin from the quivering flesh, cooks the meat, and with cannibal ferocity devours it and feeds it to his children.

Thus, we can easily work ourselves into a frenzy over the common barn-yard calf. Why, sir, I can make a speech upon the wrongs of a slaughtered calf that will appear a classic in comparison with the panegyric which has just been delivered upon the awkward, ungainly, long-legged swamp birds of South America from which we get aigrets.

Thus, we may rave over the calf and count his wrongs and fill our eyes with sympathetic drops, but just the same we continue to order our yeal chops and breakfast on calf's liver.

However, some one replies, the calf is used for food, and therefore its slaughter is justifiable. Mr. President, that may be all right for us, but how about the calf? When a calf is led out to slaughter the knowledge that it will soon fill a human stomach can not assuage its dying agonies. If that knowledge can rob death of its terrors, I might reply with equal force that the swamp herons' afflictions are doubtless solaced by the thought that it is only a miserable, homely creature, of no use on earth except for one feather, and that its departing agonies must be alleviated by the knowledge that that feather will soon go to glorify and adorn my lady's bonnet.

If it is wrong to kill animals for one purpose it is for another. If it is wicked to kill them to put them on our backs it is equally reprehensible to kill them to put them into our stomachs. But if they may justly be killed when they serve a useful purpose, if that is what God made them for when he created the earth and the fullness thereof, then the animal must

give way to the necessities and delights of man.

If you are not going to adopt that theory, Mr. President, we have no right to kill a single animal except in self-defense; neither have we the right to enslave an animal. If we have

the right to kill an animal for meat we have an equal right to kill a bird for its skin or its feathers. It is all a part of the same harsh philosophy of terrestrial life. Man stands at the apex of the pyramid and all beneath him must contribute to his welfare and comfort. It may be hard on the animal, but it is the economy of nature established by God Almighty.

Mr. President, let us see: Here is a thing of beauty. which is beautiful is of utility, for it contributes to the delights of living, to elegance, refinement, and the cultivation of the artistic nature of the race. I do not know that I can specially describe the beauty of an aigret or the beauty of any plume upon a woman's hat, but I do know that the women understand what pleases the eye, and that they have chosen these articles of adornment through all the ages, since and before civilization brought reformers and sentimentalists. I take it feathers contribute to the satisfaction of the ladies. It follows, of course, that they must add to the pleasure of the men. So here are these birds, from which the aigrets are procured, that are hatched and live and die in the almost inaccessible swamps of South America, and we are told that it is wicked to kill them for their feathers. But the same gentlemen declare it is all right to kill the wild duck for its meat. I say that sort of logic is mere rot. If it is right to kill the birds for one purpose it is for the other.

I come now to the question of protecting birds, because birds have a utility. I believe birds in our own country do have a real value. Their gay plumage and their sweet song contribute to the delights of the eye and to the pleasures of the ear, besides they serve another utilitarian end, namely, the destruction of insects. But when you say to the people of the United States, you can not buy the feathers of birds that were born in foreign lands, that were brought here from the heart of Africa or South America, or the remote islands of the sea, you thus say to the people of this country who are handling feathers, you must slaughter and kill the home birds. And they will slaughter and kill the home birds. Just as the tariff upon lumber tended to the destruction of the American forests and the preservation of the Canadian forests, so will this tend to the destruction of the American bird and the preservation of the foreign bird.

Why, sir, as you approach the Canadian line you find on this side of it a waste of land covered with stumpage and undergrowth and on the other side the towering pines lifting their magnificent heads in grandeur and sublimity toward the skies, as they did before the sound of the ax resounded through the primeval forest. But on this side of the line the monarchs of the woods are gone. Why? Because we taxed the lumber when it came in, and thus we put a premium on the Why? Because we taxed destruction of our own forests.

The amendment that is proposed to the bill ought to be entitled "An amendment to encourage the slaughter of American birds and to protect the birds of foreign countries." I am opposed to that kind of legislation. I insist that this revenue which now springs from ornaments, from luxuries that people can do without and that only those people pay who can afford to pay—that this revenue which comes chiefly from the pockets of the wealthy and is laid absolutely upon a luxury shall continue to be laid upon that luxury and not be taken from it and put upon the blankets of poor people-upon the woolen cloths and cotton fabrics that are worn by the man and the woman who toil from morning until night, who grind in the mills of labor and who walk in the paths of adversity.

I have nothing against the bird, but I have more interest in human beings

The PRESIDING OFFICER (Mr. Robinson in the chair).

The reading of the bill will proceed.

Mr. JONES Mr. President, I should like to return to paragraph 212 to offer an amendment. It will take probably just a few minutes to dispose of it.

Mr. WILLIAMS. I think that paragraph was passed upon, and it is out of order to go back to it now.

Mr. JONES. I understand that we can go back to any para-

Mr. WILLIAMS. Very well; but I hope Senators will keep trace of the bill and that when we get through with a paragraph we will be through with it hereafter. I shall not make any point against it.

Mr. WARREN. Was the paragraph passed over?

Mr. JONES. Not paragraph 212. Mr. WARREN. I think it was the general understanding, and it was consented to on the other side, that we could turn

back to any paragraph.

W. WILLIAMS. The understanding was that the amendments of the committee should be considered when we reached a paragraph, and then we would consider any other amend-

ment, and unless it was passed over by unanimous consent it could not be returned to as in Committee of the Whole.

Mr. WARREN. That was not the understanding

Mr. WILLIAMS. But I am not making the point. I merely hope that hereafter Senators will keep up with the paragraphs as we get to them, and then if a Senator wants to have a paragraph passed over we shall pursue the course we have been pursuing and have it passed over. Then all Senators will know that it will be returned to.

Mr. WARREN. I agree with the Senator that we should pursue that course as far as possible, but I remember the reply of the chairman of the committee, when I interrogated him, that these items could be turned back to at any time before finishing the bill. Such a course is necessary, and must

be followed as agreed upon.

Mr. WILLIAMS. I understood the chairman of the committee to agree with the Senator that any paragraph could be returned to later, but that that question was to be submitted to the Senate when we got to it, before we passed from the con-

sideration of the paragraph.

Mr. JONES. I have the understanding that the Senator from Wyoming has expressed. I did not desire to take up the time of the Senate yesterday in delaying the bill to ask that the paragraph be passed over.

The PRESIDING OFFICER. The Secretary will read the paragraph.

The Secretary read the paragraph, as follows:

212. Hops, 16 cents per pound; hop extract and lupulin, 50 per cent

The PRESIDING OFFICER. The amendment of the Senator from Washington will be stated.

The SECRETARY. At the end of the paragraph insert the following proviso:

Provided, That all hops when imported shall have the name of the packer or grower and, beneath the same, the name of the country and the particular hon district wherein the hops were grown and the year of production of the hops indelibly stamped or branded upon each container, and in a place that shall not be covered thereafter, except by outside containers marked the same as the inside container: Provided further, That all hop extract and lunulin when imported shall have the name of the packer or grower and, beneath the same, the name of the country and particular hop district wherein were grown the hops from which the hop extract or lupulin were extracted and the year of production of the hops indelibly stamped or branded upon each container, and in a place that shall not be covered thereafter, except by outside containers marked the same as the inside containers.

Mr. JONES. Mr. President, I desire to congratulate the committee upon retaining a sufficient amount of duty upon this one agricultural product and to call attention to the fact that the amendment which I have proposed does not propose an increase of the duty, but proposes marks and designations for the prevention of fraud.

The amendment I have proposed is very similar to other provisions in the bill of which the committee have approved. For instance, in paragraph 123, in reference to "table, butcher, carving, cooks', and so forth, knives," they have provided that these articles when imported shall have the name of the maker or purchaser, and beneath the same the name of the country of origin indelibly stamped or branded thereon. Then, in paragraph 163, there is a similar provision in reference to watches and watch movements. The similar provision is, I suppose, for the purpose of assuring the purchaser that he is getting what he desires and what he thinks he is getting. There is a great deal of complaint with reference to hops that are imported being mixed and being sold for what they are not.

I have a letter from the Agricultural Department in reference to the matter. I wrote to them and asked them for any information they could give me with regard to the necessity for an amendment of this character, because it had been called to my attention that hops were mixed and imported here as a certain kind of hops when they were not that sort of hops. are different kinds of hops and of different quality. Some are more desirable than others, and they command a higher price and are sought after by those who use them for certain pur-

The Agricultural Department writes me that-

The Agricultural Department writes me that—
The Bureau of Chemistry has conducted work to determine whether the food and drugs act might be invoked to prevent certain frauds in connection with imported hops, particularly from England and Germany, mixed with Bohemian, and sent to this county as Bohemian hops.
There seems to be no method at present that can be relied upon to distinguish one kind of hops from another. Some of the work done would probably enable the department to ultimately distinguish chemically between different varieties. Just as soon as this work has advanced to that stage the department can proceed against such hops under the food and drugs act.

So about the only recourse we have, and that may not, of course, accomplish all the purpose desired, is to require those importing hops to mark them so as to give us an opportunity,

if they are not what we are getting or what we desire, to see whether there has been actual fraud. That is the very purpose of this amendment. The department says:

It is the opinion of our experts that the passage of the proposed leg-lslation would only partially remedy the abuses, its chief value being that it would draw the attention of European governments to the frauds which they are perpetrating.

Mr. President, that is the sole purpose of this amendment. It is to protect those who need in their business imported hops from being defrauded as far as we can go. According to the department it is impossible for them to determine by chemical means or means at their command in every instance whether fraud has been practiced or not. So it is in the hope of protecting them somewhat that this amendment is offered. As I said, it is very much in line with other provisions of the bill, and I hope that the Senator in charge of the bill will not be disposed to object to this amendment, which is really to protect our own people from fraud, which it is admitted is perpetrated by those

sending hops into this country.

Mr. WILLIAMS. Mr. President, contrary to our general course in this bill this is a paragraph which we left undisturbed. The rate which is carried now is the rate which was carried under the Payne-Aldrich bill. We left it undisturbed because hops enter mainly into the manufacture of beer and malt liquors and things of that sort not necessary to life. We

thought it was a very good article to get revenue on.

Whatever may be the purpose in the mind of the Senator from Washington-and I know, of course, it is just what he states-the effect of the amendment proposed by him would be to hamper still further the importation of hops without adding a dollar of revenue for the Government and in proportion as we hamper by taxation regulations the importation it might possibly decrease the revenue.

I hope the amendment will not be adopted.

Mr. JONES. How could it hamper the importation of hops to require them simply to bring to our country and sell to our

people what our people are asking for?

Mr. WILLIAMS. There are some provisions of this sort applied to cutlery, to keep a man from selling cutlery of one make as the cutlery of another and deceiving the purchaser. Here is a hop and there is a hop, and the Agricultural Department says, by the Senator's own admission, that it can not tell them apart, they are so nearly the same. You want to brand them so that somebody will know them apart. The Bureau of Chemistry can not tell them apart, and the purchaser does not, by looking at and feeling them when buying, know them apart, if I understand the situation.

Mr. JONES. I desire to call the attention of the Senate to the fact that hops grown in a certain locality are known to be of a particular quality; that is, they have a peculiarity due to them. The purpose of the amendment is to have the hops grown in that locality so marked, just as cutlery that is made abroad and imported is marked as coming from a certain place.

That is the sole purpose.

Mr. WILLIAMS. That is to keep them from putting off inferior cutlery as the make of a house that makes better cutlery.

Mr. JONES.

Mr. JONES. So is this to prevent—
Mr. WILLIAMS. I know there is a fancy price for Bohemian hops, because Bohemia makes an excellent beer, and there is an idea that Bohemian hops will make it; but the Senator has just confessed that the Agricultural Department Itself says it can not chemically or otherwise tell the difference between Bohemian and other hops, and if it can not they must be wonderfully alike.

Mr. JONES. Their failure to do it is all the more reason

why we should make this safeguard.

The PRESIDING OFFICER. The question is on the amendment of the Senator from Washington.

The amendment was rejected.

The Secretary read the next paragraph, as follows:

218. Straw, 50 cents per ton.

Mr. GRONNA. I wish to offer an amendment to paragraph 218

The PRESIDING OFFICER. The Secretary will read the

The Scenetary. On page 60, line 3, strike out the words "50 cents" and insert "\$1," so as to make the paragraph read:

218. Straw, \$1 per ton.

Mr. GRONNA. Mr. President, this is not a large industry in this country, but I believe that we ought to protect those who live along the border line whether it is to the north or to the south.

Mr. WILLIAMS. Speak for the North, not to the South, at any rate. If the Senator from North Dakota will pardon me a

moment, last night we read paragraph 217 and adopted the Senate committee amendment to it, and had an understanding that certain further amendments to that paragraph would be introduced by the Senator from Utah [Mr. Smoot] this morning. If we could dispose of his amendments first, then we would come to the succeeding paragraph. I think that would be a more orderly way of proceeding.

Mr. GRONNA. I shall take only a moment.
Mr. WILLIAMS. Very well.
Mr. GRONNA. I simply want to state that the Canadian rate per ton on straw is \$2 per ton. The present rate is \$1.50 per ton, the same as was the Dingley rate. The Wilson rate was 15 per cent ad valorem. There is some business transaction in straw. The imports for 1912 were 10,268 tons, valued at \$56,890, with a revenue of \$15,401.86. We exported 1,030 tons. with a value of \$11,559. There were sold by farmers in 1909 537,699 tons. The amount received was \$3,189,424.

I shall not ask for a roll call on my amendment, but simply

for a vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from North Dakota.

The amendment was rejected.

Mr. SMOOT. Mr. President, in paragraph 217, on page 59, line 19, I move to strike out the words "canary seed, one-half cent per pound."

These seed are on the free list in paragraph 668 under the present law. There were imported in the year 1912, 4,704,625 pounds. The value of it was a little over 2 cents per pound. That is the importation value. Even in the Wilson law canary seed was on the free list. It has always been on the free list, and I can not see why it should be taxed now one-half cent per pound.

Mr. SIMMONS. What are canary seed used for?

Mr. SMOOT. They are mostly used for seed for canary birds

and also for an extract.

I move to strike out those words, and if carried, I shall then move that canary seed be put on the free list in its proper

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from Utah, which will be stated. The SECRETARY. In paragraph 217, page 69, line 19, strike out

the words:

Canary seed, one-half cent per pound.

The amendment was rejected.

Mr. SMOOT. On the same line of the same paragraph I move

to strike out "caraway seed, 1 cent per pound."

Caraway seed to-day is on the free list in paragraph 668 of the present law. There were imported in the year 1912, 3,616,481 pounds. The value of it is nearly 5 cents a pound. The imposition of 11 cents per pound is 20 per cent ad valorem on its present valuation. Caraway seed has always been on the free list, even under the Wilson law. It is used in cooking mostly and in the flavoring of food. It is used by the common people I can not see why this duty should be placed of the country. upon that seed.

Mr. WILLIAMS. Mr. President, there are several of these articles placed upon the dutiable list that hitherto have been on the free list. The Senator was wrong in saying that caraway seed had always been on the free list. It was taxed 30 per cent

ad valorem under the Dingley tariff.

Mr. SMOOT. That is only a certain class of caraway seed, and that went before the board of appraisers, and it was afterwards decided that it was wrong.

Mr. WILLIAMS. The Payne tariff law had a part of it at 30 per cent and a part free. The Dingley tariff law had 30

per cent.

I want to explain why we took this course as to these several articles, and then I shall ask for a vote. Both caraway seed and anise seed are taxed here and both have always been free. Both plainly enter into the class of luxuries. Neither one of them forms any part of a necessity of life. Anise seed and them forms any part of a necessity of life. Anise seed and caraway seed are put into little cakes and things of that sort. It is very nice and very sweet, but we did not see why the consumers of cakes with caraway and anise seed in them should not pay revenue to support the Government of the United States. We thought that men could dispense with even caraway-seed cake and anise-seed cake, if they wanted to do so, without any great detriment to their physical constitution.

The PRESIDING OFFICER. The question is on the amend-

ment of the Senator from Utah.

The amendment was rejected.

Mr. SMOOT. I desire to move an amendment in line 20, striking out the words "anise seed, 2 cents per pound."

Anise seed to-day is free under paragraph 668. Of course the statement made by the Senator from Mississippi covers anise

seed as well as caraway seed, with one exception. A great deal of anise seed is used for oil and goes into the commercial life of the country. It goes into the hospitals and into the medicine chests of the people of the country.

The PRESIDING OFFICER. The question is on agreeing

to the amendment proposed by the Senator from Utah, on page 59, line 20, to strike out the words "Anise seed, 2 cents per pound." [Putting the question.] The noes seem to have it.

Mr. BURTON. The bill imposes a duty of 37 per cent upon

an article which has heretofore been free. I ask for the yeas and nays upon the amendment.

The yeas and nays were ordered, and the Secretary proceeded

to call the roll.

Mr. LANE (when Mr. Chamberlain's name was called). wish to announce that the senior Senator from Oregon [Mr. CHAMBERLAIN] is unavoidably absent, and that he is paired with the Senator from Pennsylvania [Mr. OLIVER].

Mr. GRONNA (when Mr. McCumber's name was called). I wish to announce that my colleague [Mr. McCumrer] is necessarily absent on account of illness in his family. He is paired with the senior Senator from Nevada [Mr. NEWLANDS]. I wish this announcement to stand on all votes for the day.

Mr. THOMAS (when his name was called). I have a general pair with the senior Senator from New York [Mr. Root]. I transfer that pair to the Senator from Oklahoma [Mr. Gore] and vote. I vote "nay."

Mr. WILLIAMS (when his name was called). I am paired with the senior Senator from Pennsylvania [Mr. Penrose]. I transfer that pair to the senior Senator from Maryland [Mr. SMITH] and vote. I vote "nay."

The roll call was concluded.

Mr. CLARK of Wyoming. I have a general pair with the Senator from Missouri [Mr. STONE]. In the absence of that Senator, I withhold my vote.

Mr. BANKHEAD. I have a pair with the Senator from West Virginia [Mr. Goff], and therefore withhold my vote.

Mr. SAULSBURY. I transfer my pair with the junior Senator from Rhode Island [Mr. Colt] to the Senator from Nebraska [Mr. Hitchcock] and vote. I vote "nay."

Mr. CLARK of Wyoming. I transfer my pair with the Senator from Missouri [Mr. Stone] to the Senator from Maine

[Mr. Burleigh] and will vote. I vote "yea."

Mr. SHIELDS. I wish to announce the pair of the senior Senator from Tennessee [Mr. Lea] with the senior Senator from Rhode Island [Mr. Lippitt]. The senior Senator from Tennessee is necessarily absent from the Senate to-day.

Mr. GALLINGER. Mr. President, I have been requested to

announce that the Senator from Delaware [Mr. DU PONT] is paired with the Senator from Texas [Mr. Culberson]; the Senator from West Virginia [Mr. Goff] with the Senator from Alabama [Mr. Bankhead]; the Senator from Maryland [Mr. JACKSON] with the Senator from West Virginia [Mr. CHILTON]; and the Senator from Pennsylvania [Mr. OLIVER] with the Senator from Oregon [Mr. CHAMBERLAIN].

The result was announced—yeas 26, nays 37, as follows:

YEAS-26.

Brady Brandegee Bristow Burton Catron Clark, Wyo. Crawford	Cummins Dillingham Gallinger Gronna Jones Kenyon La Follette	Lodge McLean Norris Page Perkins Poindexter Sherman	Smoot Sutherland Townsend Warren Weeks
	NA NA	YS-37.	
Ashurst Bryan Clarke, Ark. Fletcher Hollis Hughes James Johnson Lane Lewis	Martin, Va. Martine, N. J. Myers O'Gorman Overman Owen Pittman Pomerene Ransdell Reed	Robinson Saulsbury Shafroth Sheppard Shields Shively Simmons Smith, Ariz. Smith, Ga. Smith, S. C.	Swanson Thomas Thompson Tillman Vardaman Walsh Williams
	NOT V	OTING-32.	

Bacon	Colt	Kern	Root
Bankhead	Culberson	Lea	Smith, Md.
Borah	du Pont	Lippitt	Smith, Mich.
Bradley	Fall	McCumber	Stephenson
Burleigh	Goff	Nelson	Sterling
Chamberlain	Gore	Newlands	Stone
Chilton	Hitchcock	Oliver	Thornton
Clapp	Jackson	Penrose	Works

So Mr. Smoot's amendment was rejected.

The reading of the bill was resumed, and the Secretary read as follows:

220. Vegetables in their natural state, not specially provided for in this section, 15 per cent ad valorem.
221. Fish, except shellfish, by whatever name known, packed in oil or in oil and other substances, in bottles, jars, kegs, tin boxes, or cans,

20 per cent ad valorem; all other fish, except shellfish, in tin packages, not specially provided for in this section, 15 per cent ad valorem; caviar and other preserved roe of fish, 30 per cent ad valorem; fish, skinned or boned, 2 of 1 cent per pound.

Mr. SMOOT. I ask the Senator from Mississippi [Mr. WIL-LIAMS] to let paragraph 221 go over for a few moments only. The senior Senator from Massachusetts [Mr. Lodge] has been obliged to go to the State Department and will return in a short time.

Mr. WILLIAMS. Mr. President, I promised the Senator from Massachusetts, who had to go to the State Department, to let the paragraph go over, meanwhile giving him an opportunity to return to the Chamber

The VICE PRESIDENT. The paragraph will be passed over. The reading of the bill was resumed and continued to the end of paragraph 223, which is as follows:

223. Figs. 2 cents per pound; plums, prune, and prunelles, 1 cent per pound; raisins and other dried grapes. 2 cents per pound; dates, 1 cent per pound; currants, Zante or other, 2 cents per pound; olives, 15 cents per pound; per pound; per gallon.

Mr. WILLIAMS. Mr. President, the Senator from Washington [Mr. Jones] asked me to get consent to recur to paragraph 223 when he returned to the Chamber, as he desires to offer an amendment to it. I ask that the paragraph be now passed over for that purpose.

The VICE PRESIDENT. In the absence of objection, it will be so ordered.

The reading of the bill was resumed and continued to the end of paragraph 225, which is as follows:

225. Lemons, limes, oranges, grapefruit, shaddocks, and pomelos in packages of a capacity of 1½ cubic feet or less, 18 cents per package; in packages of capacity exceeding 1½ cubic feet and not exceeding 2½ cubic feet, 35 cents per package; in packages exceeding 2½ and not exceeding 5 cubic feet, 70 cents per package; in packages exceeding 5 cubic feet or in bulk, ½ of 1 cent per pound.

Mr. WILLIAMS. Mr. President, paragraph 225 is incorrectly printed. It ought to be printed:

Lemons, limes, oranges, grapefruit, shaddocks, and pomelos, & of 1 cent per pound.

Of course I am forced to offer an amendment to print it in that shape. I move, then, in behalf of the committee, that that paragraph be amended so as to read:

Lemons, limes, oranges, grapefruit, shaddocks, and pomelos, 3 of 1 cent per pound.

I move that substitute for the paragraph as it reads; in other words, the proposition is to strike out all the language about packages, capacity, and so forth.

Mr. SMOOT. I was going to call the Senator's attention to nat. As the caucus print did not have those words in it, I wondered why they were put into the bill as we have it before us.

Mr. SIMMONS. It is a mere mistake.
Mr. WILLIAMS. The committee had it one way at one time and another way at another time. That explains the fact that it was printed differently at different times.

Mr. WARREN. Does that change the rate at all? Mr. WILLIAMS. In my opinion, it slightly raises it, but the Senator from Florida and other Senators contend that it keeps it precisely as it was. I think the practical effect will be to raise is slightly at the end of the classifications, but very

Mr. WARREN. The intention, then, is not to change the rate, but to make it more intelligible or more easily applied?

Mr. WILLIAMS. It fixes the rate at one-half of 1 cent a pound. I have a letter here from Mr. Underwood, in which he savs:

My dear John-

It is addressed to me-

Your favor of the 25th instant in reference to paragraph 277-

Which it was then of the House bill-

reached me to-day. The Ways and Means Committee changed the rate of duty from so much a pound—

Which it was in the Payne-Aldrich bill-

to the cubic contents of the package for administrative reasons solely. We believed that the old method of levying this tax on the cubic contents of the package was more satisfactory than the pound rate. Our intention was to levy a tax of one-half a cent a pound on lemons and oranges, and from the information we have received on the subject I think that you will find that this is carried out substantially in our

Sincerely, yours, O. W. UNDERWOOD.

So that this is in essence a mere administrative change back to the pound method of levying the tax.

Mr. GALLINGER. Do I understand the Senator from Mississippi to say that it does not change the rate in the existing law?

Mr. WILLIAMS. Oh, yes; it does that. But it cuts the rate as in the House bill 50 per cent upon everything except lemons,

and 62% per cent on lemons below the rates of the Payne-Aldrich

Mr. GALLINGER. Then what the Senator said was that it did not change the rate of the House bill?

Mr. WILLIAMS. It does not essentially change the rate of

the House bill.

Mr. SMOOT. Mr. President, of course if those words were left in the paragraph it would decrease the rate of one-half of 1 cent a pound. A duty of 18 cents on 45 pounds of lemons would be equivalent to four-tenths of 1 cent per pound; a duty of 35 cents on 90 pounds of lemons, the amount in a 21 cubic foot box, would be equivalent to thirty-eight one-hundredths of a cent a pound; so that if this amendment is agreed to-

Mr. WILLIAMS. As it passed the House— Mr. SMOOT. If the Senate agrees to the amendment offered by the Senator from Mississippi, there will be an increase on lemons, limes, oranges, grapefruit, and so forth, over the rates as reported to the Senate.

Mr. WILLIAMS. On certain classifications of them.

Mr. SMOOT. Yes; that is what I say. I am calling attention to those classifications. There will be an increase if this amendment be adopted.

Mr. BURTON. Mr. President, what provision is made for the administrative features mentioned by the chairman of the Ways and Means Committee with regard to the weight of the container or package? Suppose the lemons weigh a hundred pounds and the package used weighs 20 pounds, how is the weight to be ascertained?

Mr. WILLIAMS. The weight has been ascertained hitherto by taking the lemons out and weighing them. I was much astonished to have some testimony before the subcommittee to that effect. It struck me as the most curious and absurd thing that I had ever heard of any intelligent administrators of any law doing.

It seems to me that they could have made a calculation of the weight of the boxes and deducted it without going through all that troublesome course. That, it seemed to our committee, subjected the Government now and then to a charge for fruit that was in the process of weighing, emptying, and so forth, destroyed or injured, and on which the Government could not collect the tax, which it would not be subjected to in the package. The intention of the House committee was to make a package rate which would amount to one-half of 1 cent per pound upon all these fruits, and Mr. UNDERWOOD, in his letter, says that he thinks if I would go through it all I would find that they substantially did that to reduce the rate to one-half of 1 cent per pound. Of course the Senator readily understands that all jumping duties vary. When you get to a certain class, as a matter of fact, one end of that class bears one rate and another end bears another rate; so that this when you reduce it to the pound rate, is a method of levying the tax at approximately the same pound rate per package rate. It does, as the Senator from Utah says it does, raise the duty somewhat upon the ends of the classification, but the administrative purpose which the House leader had in his mind was that it was much easier to count boxes than it was to

Mr. BURTON. But how can the weight of these packages be estimated unless you enforce a custom, which seems to have been somewhat in vogue, of taking the fruit out of the package and separating it entirely, thereby compelling a repacking?

Mr. WILLIAMS. I have been informed that if the lemons were all imported from the same country, the boxes would substantially weigh the same, but lemons imported from one country may come in boxes made out of thick, heavy wood, while those imported from another country may come in boxes as light as cottonwood, and very thin. There are different methods of packing in different countries. Messina lemons are packed in very rough boxes that weigh more than is necessary. So in administering the law the customs department were in the habit of weighing the lemons themselves independently of the containers.

Perhaps, after a long course of time, if they were to fix a tare, as they do on cotton, for example, when it is sent to Liverpool-an agreed tare to be deducted from every bale of cotton for bagging and ties-it would have the desired effectand I do not see why the administrators do not do it-of making everybody try to put his lemons in a box that would come as nearly to the agreed tare as possible or below it; but they have not hitherto adopted that means of administering the law. It seems to me that their method of doing it has been very awkward and expensive to the revenue.

Mr. SMOOT. I will say to the Senator that the reason that has not been done in the past, in my opinion, is that wherever a part of the fruit has rotted or became worthless an allow-

ance has been made, wherever a pound rate has been imposed, for the amount of fruit in that condition. That, of course, was held, as the Senator knows, in the case of Harris v. United

Mr. WILLIAMS. In connection with a case concerning grapes in packages it was decided by the courts that they had a right to do the same thing.

Mr. SMOOT. Absolutely; and of course it will hereafter apply to lemons, oranges, or any other kind of fruit.

The VICE PRESIDENT. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

Mr. LODGE. Mr. President, I inquire if this paragraph has been completed?

Mr. WILLIAMS. I had an agreement with the Senator from Massachusetts to recur to the fish paragraph.

Mr. LODGE. I am much obliged to the Senator for passing it over. I am now ready to go on with that paragraph.

Mr. WILLIAMS. Very well.

The VICE PRESIDENT. The Secretary will read the paragraph with the committee amendment.

The Secretary. On page 60, paragraph 221, line 9, after the word "cans," it is proposed to strike out "20" and insert "25," so as to make the paragraph read:

221. Fish, except shellfish, by whatever name known, packed in oil or in oil and other substances, in bottles, jars, kegs, tin boxes, or cans, 25 per cent ad valorem; all other fish, except shellfish, in tin packages, not specially provided for in this section, 15 per cent ad valorem; caviar and other preserved roe of fish, 30 per cent ad valorem; fish, skinned or boned, 3 of 1 cent per pound.

Mr. LODGE. Mr. President, I wish to make a plea for a great industry which by the provisions of this bill is injured in all its parts, while that portion of the industry in which my State is particularly interested is menaced with total destruction.

It has always seemed strange to me that it should be the custom to place the fish paragraph in the middle of the agricultural schedule; but there is this to be said, Mr. President, that the fisherman and the farmer, although the crops which they gather are very different, have had much the same treatment at the hands of the Government. Neither the fisherman nor the farmer has ever received a high protection in any law that has been passed, although, as I shall presently show, the fisheries have been the care of the Government from the beginning.

In every attempt at reciprocity the fisherman and the farmer have been those who have been sacrificed. Sometimes it has been the fisherman alone; sometimes, as in the last attempt, the fisherman and the farmer together; so that they have received a similarity of treatment, they have been companions in misfortune, even if there is no likeness between their respective employments.

The fisheries of which I wish particularly to speak are those known as the northeastern fisheries, carried on upon the Great Banks and in the waters of New Foundland. The fisheries of the Great Banks are the oldest and the most historic industry connected with the American Continent. Fishermen from England and from France were on the banks fishing for nearly a century before a single white settlement had been established in the territory now known as the United States. Those fisheries were, of course, continued, and they became a principal source of wealth to the Colonies.

The salted fish gathered by the New England fishermen were shipped to the West Indies and to the southern colonies, where they were very largely used.

The fishing industry was the basis of our commerce in colonial days. How important it was and how much was thought of it at that time is shown by the fact John Adams considered it one of the greatest triumphs of his life that he had been able, in the treaty of Paris, to save the northeastern fisheries and secure for us the privileges on the New Foundland coast, which substantially we enjoy to-day. So great a pride did he feel in it that he had a seal ring engraved on which he put the Latin motto, "Piscemur venemur ut olim"—"We shall fish and hunt as of yore "—and his son, John Quincy Adams, I believe, used that same ring with the same motto when the treaty of Ghent was signed.

The fisheries were regarded by all Americans in those days as a matter of great importance. From the time of the famous report on fisheries, prepared by Mr. Jefferson when he was Secretary of State, onward especial care was given to the fisheries. Although the protection afforded them by the Government was of a moderate kind, it was the belief of all the public men of that day that the fisherles deserved the fostering care of the Government, wholly apart from the question of protection to an industry. Of course, at that time there was a consideration

weigh the fruit.

which to-day, with our enormous population, is no longer so serious, which was that the fisheries were the nursery of the seamen

who manned the ships of the American Navy.

In the tariff of 1789 salt fish were given a duty of 50 cents per quintal; mackerel, 75 cents per bushel. In 1816, which was a Democratic tariff, carried through under the leadership of Mr. Calhoun, the duty on salt fish was a dollar per quintal, or about 1 cent per pound; and on mackerel \$1.50 per bushel, or about three-fourths of a cent a pound. The average was about the same as the present rate, so far as the specific duty to-day is concerned, but as the price was lower in those days, the ad valorem rate was higher. In 1842 mackerel and herring each paid 1½ cents per pound, other fish in barrels 1 cent per pound, while all other fish paid 20 per cent ad valorem.

Those duties have remained, except during periods of reciprocity, substantially unchanged down to the present time. It is now proposed to put all fresh and all smoked and dried fish on the free list. This is not a reduction; it is the complete removal of the duties. I now ask the Senate to consider the conditions of the industry thus severely treated, for they are, I venture to say, different from those of any other industry in

the country.

It costs no more to bring a fare of fish from the Great Banks or from the treaty waters to Boston or to New York in a Cana-dian fishing smack than it does in one that sails from Gloucester or Provincetown. Therefore no freight protection is possible. I next ask you to consider the conditions under which they have to compete with the fishermen of Canada and Newfoundland.

The fishermen of the United States are required by law to build their vessels in the United States. It costs more to build a vessel here. Apart from the labor, lumber is much cheaper in Canada. A Gloucester fishing vessel costing \$15,500 was duplicated in every particular in Lunenberg for \$9,400. Our people are obliged to build their vessels here. More than that, they are compelled by law to buy their outfits here. They can not buy their nets, their cordage, their sails, their hooks anywhere but in this country. All the outfit of a fishing vessel, under the law, must be bought in the United States. On many of those

articles they necessarily pay a tariff duty.

With these burdens they start to confront their competitors. They are handleapped to this extent by the greater cost imposed upon them by law. I shall not go into the question of labor costs for the case is so strong that the comparison is needless. The President, in his message, said he wanted a fair field and open competition. We will assume, then, that the labor cost in the actual work of fishing is the same. The fishing fleet of Canada receive from their Government every year \$160,000 in bounties, paid to them in cash, the interest, or part of the interest, upon the Halifax award. In addition to that the Dominion Government pays one-third of the cost of the storehouses, the ice houses, or cold-storage buildings, where the fish is stored and preserved.

I quote from the Canadian Annual Review for 1911:

During 1910-11, \$332,300 was spent by the Dominion on fish-breeding establishments. And the usual \$160,000 of fishing bounty was paid in the Atlantic Provinces and Quebec—a total, since 1882, of \$4,580,204.

Mr. President, of course the money I spoke of as additional to bounty was not that spent in fish breeding; but the Canadian Government aids its fisheries by paying one-third of the cost of the construction of cold-storage plants, and makes rebates on the transportation of their products on all the failroads.

By this bill our fishermen will be forced to meet this bountyfed competition, while being compelled at the same time to use more expensive outfits and more expensive vessels, unaided and without any protection whatever. Under such conditions it is utterly impossible that our fishermen should continue to fish on the Great Banks or in the treaty waters.

If I may call your attention to the views taken of this matter on the other side of the line, the Halifax Chronicle, speaking

of this bill, says:

It will place the fishermen, particularly of the western shore of Nova Scotia, in practical control of the New England market for fresh fish * * * without any abandonment of national rights of any reciprocal concession of fishing privileges to Americans in Canadian waters.

Mr. WILLIAMS. Mr. President, if the Senator will pardon me, was that written at the time when the House bill was before the newspaper writer, or the Senate bill?

Mr. LODGE. It relates to the House bill.

Mr. WILLIAMS. The Senate bill raised this rate of duty 5 per cent from the House bill.

Mr. LODGE. I am not speaking of the fish that are left dutiable. I am speaking of the fish you put on the free list. The duty in paragraph 221, of which I am not speaking, covers the sardine industry of Maine, where the fish is packed in oil, and that is substantially all it does cover. It takes care

of the sardines which are packed in oil on the coast of Maine. They will not be injured. I am very glad that that portion of the fishing industry is to be preserved.

The Herald, of St. Johns, Newfoundland, a Province which was excluded from the benefits proposed by the Canadian reciprocity compact, could not refrain from saying as follows, although the provincial newspapers were urged to say nothing about it before this bill, so precious to them, became a law:

It would be difficult to imagine any change calculated to prove of greater value to this country than the grant of free entry of our fish into the United States. For years we have been seeking this, and vainly; we have been offering substantial concessions therefor in the past, and now it has come to us without our having to give any corresponding concession whatsoever.

The article goes on to say:

The advantage which will follow from this transformation of the industry will be enormous and will grow as the years advance, and opportunities for us in Newfoundland are such as never existed before.

That is what they expect from the removal of these duties. Why, Mr. President, for years Newfoundland and the maritime Provinces have been making every kind of offer, offering all sorts of concessions, in order to get an entry to our market and remove our duties. This bill will turn over the entire fishing industry of the Northeast-that is, the Great Banks and the treaty waters-to the Canadian and Newfoundland vessels. There is no escape from it. It will also turn over to them a large part of the packing industry that is not covered by paragraph 221—the smoked, dried, salted, pickled, or frozen fish, It will probably carry the packing industry with it in the end; but the fish that are now packed and preserved in the factories at Gloucester and elsewhere will be brought there henceforth in Canadian vessels.

Mr. President, I am unable to understand the theory upon which this industry is to be destroyed. We imported last year 5,000,000 pounds of fish from the Provinces. We produced 15,000,000 pounds ourselves. The duty is a large revenue raiser as it now stands. There has been no serious advance in the price of fish. The average profit on fish I will say here is less than the duty-less than three-fourths of a cent per pound. In seven years the price of fish has advanced only from 6 cents a pound to 6.2 cents a pound. It has advanced only two-tenths of a cent a pound in seven years, and that small advance is due undoubtedly to the increasing diminution of the catch.

This industry has another peculiar feature. The fishermen employed are paid directly from the catch. In the case of almost all the vessels that go out of Gloucester the fishermen on the vessel have one-half the profits and the captain and the owners have the other half. Therefore the pay of the men, like the profits of the captain and the owners, depends on the success of the voyage. Sometimes their profits are very large, if they have a good catch; sometimes the fares are very small. and the wages and profits go down. At its best it is not a very

profitable industry.

But the men who earn their living in the business are paid directly from the business. There is no such thing here as corporations or trusts or anything of that kind so far as the fishing is concerned. There are, of course, companies which pack and preserve the fish after it has been bought by them and delivered to them, and there are companies which have inthe men whose case I am trying to plead, depend for their livelihood on the result of their hands and their own catch. They are now to be displaced; their places will be taken by the Canadian and Newfoundland vessels. They will be forced to seek a living elsewhere.

We have pretty well rid ourselves of our merchant marine, and now we are preparing to take our flag from the seas where it still floats on the fishing vessels. Mr. President, I suppose it is thought that this is a small industry, perhaps; but even in the part of which I speak, which is only a fragment of it, there are 4,500 men who go out to the banks on the Gloucester fleet alone. That means a good many people dependent upon the earnings of those fishermen. There are 22,000 men engaged in the fisheries in New England. If we go farther afield, we find that Maryland has 18,000; Virginia, 20,000; New York, 18,000; California, Oregon, and Washington, 14,000; and the Lakes, 7,000. On the Lakes and in the Northwest, where the fisheries are just beginning to be developed, of course this matter of putting freeh fish smoked widdled. of putting fresh fish, smoked, pickled, and frozen fish on the free list is a heavy handicap to them, as it is to those on the east coast. The difference is that only the east-coast fishermen of Canada, so far as I know, receive the Government bounty, and I do not think it is distributed yet to the fishermen of the west coast.

In a case where we are getting revenue from an article, where there has been no advance in price, where everyone knows that the removal of the duty will not alter the cost of fish to the consumer at all, it seems to me utterly unfair, it seems to me cruel, to put this branch of the industry out of existence and to injure the industry as a whole everywhere.

Mr. LA FOLLETTE. Mr. President-

The VICE PRESIDENT. Does the Senator from Massachusetts yield to the Senator from Wisconsin?

Mr. LODGE. Certainly.

Mr. LA FOLLETTE. I have been following the Senator's interesting discussion of this paragraph, but I desire to inquire terms of the paragraph. just how and to what extent this bounty is distributed? I do

not think the Senator stated it.

Mr. LODGE. One hundred and sixty thousand dollars, the interest of the Halifax award, is distributed directly to the Canadian fishermen. It is given to the owners. I do not know whether they fish on shares, as we do, or not; but it is given in cash directly to the owners of the Canadian fishing vessels. I suppose it is pro rata, according to the tonnage of the vessels or the number of men on board. It is distributed in cash. The other help is indirect, in the form of rebates on the railroads, aid in the cold-storage warehouses, and so forth.

Here, then, we have a situation where it is utterly impossible for our men to compete. This bill simply gives the industry to the Canadian fishermen, wipes out the American fishermen of the banks and the treaty waters, and, so far as I can see, gets absolutely nothing in return. We do not get cheaper fish, get no benefit to the consumer. We throw away revenue.

extinguish a portion of a great industry.

Mr. DILLINGHAM. Mr. President, if the Senator will permit me, I think I can tell him where he can get the information asked for-from the Commercial Handbook of Canada. He can find there just what the bounty is and how it is paid.

Mr. LODGE. I am very much obliged to the Senator.

According to this volume the fishing bounty was first paid by the Dominion Government in 1882. As I read the totals, nearly \$5,000,000 have been paid out. The highest bounty paid per head—it is paid per head and to vessels—to vessel fishermen was \$21.75 in 1893; the lowest, 83 cents:

was \$21.70 in 1895; the lowest, 85 cents:

In 1908 vessels received \$1 per ton up to 80 tons; vessel fishermen, \$7.25 each; boats, \$1 each; boat fishermen, \$3.90 per man. The Canadian Government received, through the Imperial Government, \$4,490,882 as Canada's share in the fishery award made in 1877. Under the terms of the treaty of Washington, 1871, an amount equal to the interest of this sum was appropriated for bounty purposes to encourage deep-sea fishing on the Atlantic coast.

Mr. BRISTOW. Mr. President, I have been very much interested in the discussion, and I should like to inquire upon what theory the Canadian Government contributes such a liberal What are the purposes which they bounty to their fishermen.

seek to serve by so doing?

Mr. LODGE. They think it a very important industry to be maintained. They have always been buoyed up by the hope, which has been gratified at times by reciprocity arrangements, that they could get free entry into the American market. They believe, and I think they believe rightly, that if they pay bounties to their fishermen and encourage them in every possible way, and if we take off our duty and give nothing to our fishermen, they will get complete control of the American I think they are right as to that.

Mr. NELSON. Is it not a fact, too, that in respect to Newfoundland fishing is the only industry of any consequence, and unless it is fortified and maintained there hardly anybody will

be left on the island?

Mr. LODGE. What the Senator says is absolutely true. I

was about to make that statement.

Mr. NELSON. And it is such a distinct and important industry that I imagine that is one reason why Newfoundland did not enter the Dominion. Newfoundland is not a part of the Dominion Government to-day.

Mr. LODGE. No; it is not in the Dominion. Mr. NELSON. It is an independent Province, distinct from all the other Canadian Provinces; and I think the fishing industry is the main cause of that. It is the life of the country.

Mr. LODGE. It is; and the Senator, I think, is quite right in saying that they stayed out of the Dominion Government largely because they wished, if possible, to make separate arrangements with us, which they have been trying to do through reciprocity treaties. Now, we are going to give our market to them for nothing. Fishing is really the only industry of Newfoundland that is of the slightest consequence. It is the only industry, and in Newfoundland the vessels are all owned by what are known as the planters; that is, they are men of capital and corporations in St. Johns. They own the entire fishing fleet; and the inhabitants of the west coast, who do a great deal of the fishing there, are in a state of the greatest poverty.

In fact, it was made an issue in one of the recent elections in Newfoundland.

I do not know about the comparative labor cost. I made no attempt to show any difference in labor cost between the Canadian fishermen and the American fishermen; but there is no question that the Newfoundland boats, run as they are, and all in the hands of these rich owners in St. Johns, are run very much cheaper than ours, and I rather think somewhat cheaper than the Canadian boats; and, of course, they come in, They have besides the natural geographical advantage of neighborhood.

Mr. DILLINGHAM. I find also, while the Senator is speak-

ing on that subject, that-

Fish and other products of the fisheries of Newfoundland may be imported into Canada free of customs duty unless otherwise determined by the governor in council, by order published in the Canada Gazette; and fish caught by fishermen in Canadian fishing vessels and the product thereof carried from the fisheries in such vessels shall be admitted into Canada free of duty, under regulations of the minister of customs.

Mr. LODGE. Yes; they let in the Newfoundland fish free, while they have a duty on our fish. I have said nothing about

The bounty is enough.

Mr. NELSON. I also wish to call the Senator's attention to the fact that France has two islands for fishery purposes at or near the Newfoundland banks, which they retained under the treaty when they relinquished Quebec; and that is a great fishing ground for the Frenchmen.

Mr. LODGE. Yes; the French Government retained the islands of St. Pierre and Miquelon. The Breton fishermen come there, as they have come since the sixteenth century; but, of course, the product of the French fisheries is all taken to France.

Mr. President, these fishermen are a strong and hardy race. Their occupation is one involving a great deal of danger. Of late years the death list, I am happy to say, has been much reduced; but for a period of 25 years, up to a comparatively short time ago, the average loss of life every season in the Gloucester fisheries reached 100 and over. Mr. BRISTOW. Mr. President—

The VICE PRESIDENT. Does the Senator from Massachusetts yield to the Senator from Kansas?

Mr. LODGE. Certainly.

Mr. BRISTOW. I should like to inquire of the Senator if this policy of paying a bounty, in his judgment, has been in-augurated because this was regarded as a desirable occupation for British subjects in order to recruit sailors for their navy?

Does that enter at all into the question?

Mr. LODGE. The bounty is given by the Dominion Government. I do not know whether that consideration has entered into the matter at all or not as a source of supply for the British fleet, but I think it highly probable that it has. France the fishermen are encouraged. They receive bounties. They have special licenses which give them the sole right to fish. In return each one of the Breton fishermen has to serve three years in the navy; then he gets his license, and he gets certain

privileges, and every ship is given a bounty.

Mr. PERKINS. We have given bounties, too, at times.

Mr. LODGE. Yes; as the Senator from California suggests, there have been periods when we have given bounties. It has been the general policy of the world to encourage fisheries with

a view of making them a nursery of seamen.

With our great population, relatively few come from the fisheries, I suppose; but when the Spanish War occurred Gloucester sent a larger percentage of men into the Navy of the United States than any city or town in the country. While in seacoast cities like New York and Boston the average of men passed as physically fit for the Navy was only some 14 per cent, in Gloucester over 75 per cent passed. They sent nearly 500 men into the Navy. From a small town like Gloucester that was a pretty good contribution.

I asked an admiral of the Navy about those men. He said, "Why, they were the best men we could possibly get. We did not have to teach them anything. The moment they were on board the ship they knew the whole thing. You could put them into a boat and send them anywhere to do anything. They had to learn about big guns, and that was all." He told me that most of them rose to be boatswains and warrant officers at

They are a good population. They are a hardy, hard-working population. They carry on their industry at the risk of their lives in the gray and stormy seas of the North Atlantic. I think they are the kind of population it is well to encourage, just as it is well to encourage the men of the farm.

I am not saying what I do as to the danger to the north-eastern fisheries as a matter of alarm. There is not any ques-tion about it; it is utterly impossible for our people to carry

on the bank fisheries in competition with the bounty-fed fisheries of Canada and the poorly paid fisheries of Newfoundland. We can not do it. The bank fishermen of New England, of Massachusetts and Maine, where most of them are, will go out of existence.

I can see no reason whatever, on any principle of revenue or of protection or of free trade, for handing over our industries to our neighbors on the north who see fit to give a bounty to their fishermen. I can not see any reason for it, except, I suppose, that it is thought it would make an engaging cry upon the stump. That seems to be, as far as I can make out, the one coherent principle that runs through this bill. Will it make a pleasant cry when you get on the stump? "We have given you free fish; we have not cheapened it, but we have given you We have given you free sugar; we have not cheapened it, but you have free sugar. We have taken the duty off meat and off wheat, and so on." They will not lower the price by doing it. But it makes a pleasant cry upon the stump; and I can see no principle in such a plan as this, putting fish on the free list, except the principle of the stump speech, which is not an economic principle but a means of vote catching.

Mr. President, I offer the following amendment to go in as a

new paragraph before paragraph 221.

The SECRETARY. On page 60, after line 6, insert as a new

220%. Herrings, pickled or salted, smoked or kippered, % of 1 cent per pound; herrings, fresh, % of I cent per pound. Fish, fresh, smoked, dried, salted, pickled, frozen, packed in fee or otherwise prepared for preservation, not specially provided for in this section, % of I cent per pound; fish, skinned or boned, 1% cents per pound; mackerel, hallbut, or salmon, fresh, pickled, or salted, 1 cent per pound.

Mr. LODGE. On that I ask for the year and nays.

The yeas and nays were ordered.

Mr. WILLIAMS, I want to call the attention of the Senator from Massachusetts to section 5 of the bill. If the bounty system in Canada operates as a discrimination against us with regard to our fisheries, in section 5 the President—
Mr. LODGE. If the Senator will allow me, I examined that

with great care in the hope that there might be something there, but there is not. There is no discrimination against the United States in that bounty. It applies to all the world. Mr. WILLIAMS. It says here:

Which unduly or unfairly discriminates against the United States or the products thereof.

Mr. LODGE. It does not mention a bounty.

Mr. WILLIAMS. No; it does not mention eo nominee a bounty. It provides-

That whenever the President shall ascertain as a fact that any country, dependency, colony, province, or other political subdivision of government imposes any restrictions, either in the way of tariff rates or provisions, trade or other regulations, charges or exactions, or in any other manner, directly or indirectly, upon the importations into or sale in such foreign country of any agricultural, manufactured, or other product of the United States which—

"Which" refers back to all that-

which unduly or unfairly discriminates against the United States or the products thereof—

Then, the next clause is when found unduly discriminating upon the exportation of any article to the United States from that country, "or "-the next one is pretty broad-

does not accord to the products of the United States reciprocal and equivalent treatment, he-

That is, the President-

shall have the power, and it shall be his duty, to suspend by proclama-tion the operation of the provisions of this act.

And the first mentioned among the list of things upon which he may make this readjustment are "fish, fresh, smoked, and dried, pickled, or otherwise prepared."

Mr. LODGE. Mr. President, I examined that provision with the most anxious care, for I was in strong hopes that I could find something in it, something which would enable the President to impose the duties provided for in section 5 in the case of the payment of the Canadian bounty, but there is nothing in the wording of that section which gives him any power to do it. There is nothing discriminatory against the United States either in the duty that Canada imposes or the bounty she pays. To give the President power to act under section 5 there has to be a discrimination, and there is no discrimination here. It operates against us, and against us alone, it is very true, but it stands in the law as applying to all the world. There is no discrimination against our products, and the bounty is, of course, a domestic affair and does not come within that clause. I wish it did come within it, but there is no relief there.

Mr. BRISTOW. I understand the amendment offered by the

Senator from Massachusetts is the present law.

Mr. LODGE. Yes; it is the present law. It was not raised in 1909. It was not left entirely unchanged. It was reduced in some forms.

Mr. BRISTOW. I notice in the handbook that the ad valorem equivalent on the importations of 1910 for the first bracket was 6.72 per cent; on the second bracket, 12.86 per cent; on the third, 12.79 per cent; on the fourth, 13.32 per cent; and on the fifth, 16.20 per cent. That, I understand, is the ad valorem equivalent which these specific duties would impose. So the highest would be only a little over 16 per cent.

Mr. LODGE. The highest would be 16 per cent and the lowest 6 per cent. I am much obliged to the Senator from Kansas for calling attention to that, because it is a point which

I overlooked.

The existing duties are very low. The duties imposed are nothing but revenue duties, really, and why should that revenue be thrown away when you will not reduce the result of the reduction to the consumer? You throw away that revenue simply to give the whole business to the foreigner, to the Canadian, favored and supported by the bounty.

Mr. WILLIAMS. I find that the importations of fish of all sorts in the year 1910, the only year for which I have the full figures—I have them partly for the next year—amounted to \$3.931,863, in round numbers \$4,000,000, and the total consumption was twelve and one-half million dollars. It does not seem that we have suffered very much in the matter of "invasion"

or "inundation" of imports.

Mr. LODGE. I said when I began that 25 per cent of the fish consumed in the United States were imported, from which

we get revenue.

Mr. WILLIAMS. In other words, that equivalent ad valorem under the Payne tariff law was 29.9 per cent upon fish in oil or in oil and other substances.

Mr. LODGE. I have not been discussing any fish in oil. Those are taken care of. Those are the fisheries of the Maine

Mr. WILLIAMS. But the Senator need not get excited. I am discussing all of them.

Mr. LODGE. I am not getting excited. I was getting emphatic.

Mr. WILLIAMS. Well, emphatic, then. I am discussing the equivalent ad valorem. Taking the entire paragraph and the average ad valorem, we have only reduced it four and a fraction per cent, from 29.37 to 23.21, except when we come to caviar, which we have regarded as a luxury, and on which we have kept up the original figure. Fish, skinned or boned, we

have reduced 50 per cent.

Mr. LODGE. Mr. President—

Mr. WILLIAMS. I did not want to argue the case, but where less than one-third of the total consumption was imported—

Mr. LODGE. The figures the Senator from Mississippi has been reading—the paragraph he has been discussing—I have not alluded to at all. You have blotted out half the fish duty. Those are the ones I am speaking of.

Mr. WILLIAMS. You are talking of fresh fish?

Mr. LODGE. I am not speaking of the protection on the Maine sardine.

Mr. WILLIAMS. You are speaking about fresh fish.

Mr. LODGE. Fresh fish, salted fish, frozen fish, pickled fish. Mr. WILLIAMS. As to fresh fish, we have placed them upon the free list.

Mr. LODGE. You have also smoked, dried, frozen, and pickled, and all the salted fishes except sardines.

Mr. WILLIAMS. All right, Mr. President. The VICE PRESIDENT. The yeas and nays have been ordered on agreeing to the amendment proposed by the Senator from Massachusetts, and the Secretary will call the roll.

The Secretary proceeded to call the roll.

Mr. CLARK of Wyoming (when his name was called). I have a general pair with the senior Senator from Missouri [Mr. Stone], who is absent from the Chamber. I will transfer the pair to the junior Senator from Maine [Mr. Burleigh]. I vote "yea."

Mr. SHEPPARD (when Mr. Culberson's name was called). My colleague [Mr. Culberson] is unavoidably absent. He is paired with the Senator from Delaware [Mr. DU PONT].

Mr. KERN (when his name was called). I transfer my pair with the Senator from Kentucky [Mr. Bradley] to the Senator from Maine [Mr. Johnson] and vote "nay."

Mr. SAULSBURY (when his name was called). my pair with the junior Senator from Rhode Island [Mr. Colt] to the Senator from Nebraska [Mr. HITCHCOCK] and vote, I vote "nay."

Mr. THOMAS (when his name was called). I again transfer my general pair with the senior Senator from New York [Mr. Roof] to the Senator from Oklahoma [Mr. Gore]. I vote "nay."

Mr. WILLIAMS (when his name was called). same announcement I made on the last roll call, I vote "nay."

The roll call was concluded.

Mr. MARTIN of Virginia. I wish to announce the pair of the senior Senator from West Virginia [Mr. Chilton] with the junior Senator from Maryland [Mr. Jackson].

Mr. BRYAN. I transfer my pair with the Senator from Michi-

gan [Mr. Townsend] to the Senator from Mississippi [Mr. Vardaman] and vote "nay."

Mr. BANKHEAD. I transfer my pair with the junior Senator from West Virginia [Mr. Goff] to the junior Senator from Tennessee [Mr. Shields] and vote "nay."

Mr. LODGE (after having voted in the affirmative). if the junior Senator from Georgia [Mr. SMITH] has voted? The VICE PRESIDENT. He has not.

Mr. LODGE. I have a general pair with that Senator. I transfer it to the Senator from California [Mr. Works], and

let my vote stand.

Mr. LANE. I desire to state that the senior Senator from Oregon [Mr. CHAMBERLAIN] is unavoidably absent. He is paired with the Senator from Pennsylvania [Mr. OLIVER].

The result was announced—yeas 27, nays 36, as follows:

YEAS-27.

all dell		
Dillingham Fall Gallinger Gronna Jones Kenyon La Follette	Lodge McLean Nelson Norris Page Perkins Poindexter	Sherman Smith, Mich. Smoot Sutherland Warren Weeks
NA	YS-36.	
Kern Lane Lewis Martin, Va. Martine, N. J. Myers O'Gorman Overman	Pomerene Ransdell Reed Robinson Saulsbury Shafroth Sheppard Shively Simmons	Smith, Ariz, Smith, S. C. Swanson Thomas Thompson Therrton Tillman Walsh Williams
NOT V	OTING-32.	
Cummins du Pont Goff Gore Hitchcock Jackson Johnson Lea	Lippitt McCumber Newlands Oliver Penrose Pittman Root Shields	Smith, Ga. Smith, Md. Stephenson Steriling Stone Townsend Vardaman Works
	Dillingham Fall Gallinger Gronna Jones Kenyon La Follette NA Kern Lane Lewis Martin, Va. Martine, N. J. Myers O'Gorman Overman Overman Overman Over NOT Volumints du Pont Goff Gore Hitchcock Jackson Johnson	Dillingham Fall Gallinger Gronna Notson Gronna Jones La Follette NAYS—36. Kern Lane Lane Lane Lane Lane Lane Lane Lan

So Mr. Lodge's amendment was rejected.

Mr. SMOOT. Mr. President, I wish to call the attention of the Senator having the bill in charge to the last two lines of paragraph 222. The present law in relation to pineapples preserved in their own juice reads:

Pineapples preserved in their own juice, not having sugar, spirits, or molasses added thereto.

I remember very well why those words were included in the law of 1909. In the law of 1897 they were not included, and the words of the law of 1897 are the words used in the pending The question arose in a good many cases as to what it actually meant, and there were a number of decisions and endless litigation on it, it being held that pineapples containing up to 33 per cent sugar were not dutiable as fruits preserved in sugar, but pineapples preserved in their own juice.

It is possible that this provision would be interpreted as indicating an intention on the part of the Congress to single out pineapples from the general provision of fruit containing sugar. Therefore I offer an amendment. After the word "juice," in line 6, page 61, I move to insert the words:

Not having sugar, spirits, or molasses added thereto.

I will assure the Senator from Mississippi if those words are not included in this law the same litigation will be passed through again that was passed through under the law of 1897. I ask for a vote upon the amendment, unless the Senator will

The VICE PRESIDENT. That is paragraph 222. Para-

graph 221 has not yet been passed upon.

Mr. WILLIAMS. The litigation to which the Senator from Utah refers seems to have been a litigation which was carried to a conclusion. The principle involved seems to have been adjudicated, for I find that it was held in a number of decisions that pineapples containing up to 33 per cent of sugar were not dutiable as fruits preserved in sugar but as fruits preserved in their own juice. I suppose the idea in the mind of

the decision under the previous law, where the language of the bill as passed by the House was decided to be a line of demarcation between pineapples preserved in their own juice and arti-

ficially treated with sugar.

Mr. SMOOT. The result will be that if we strike out these words now, after the litigation which has been passed through, the importers will take it that we have singled out pineapples only, whereas this applies to all kinds of fruits; and with those words in there would be no question about it.

I think I have done my duty in offering this amendment, and if the Senator does not want to accept it, of course, well

and good.

Mr. WILLIAMS. I believe I should like to have that sugges-

tion go back to the committee.

Mr. SMOOT. That will be perfectly satisfactory, Mr. Presi-I offered it with no intention of finding fault whatever. dent. Mr. WILLIAMS. I believe I would rather look into it a little further. My own opinion is that the intention of the House was to allow 33 per cent sugar content to be regarded as pineapples preserved in their own juice. But I would rather look into it a little further.

The VICE PRESIDENT. Without objection, the paragraph

goes back to the committee.

Mr. JONES. Mr. President—
The VICE PRESIDENT. Paragraph 221 has not yet been passed on by the Senate. The committee amendment has not

been acted upon.

Mr. JONES. If paragraph 221 has not been passed upon I want to ask the Senator in charge of this part of the bill a question. Under the first part of paragraph 221 the average rate at the present time is twenty-nine and a fraction per cent. The House reduced it to 20 per cent. The committee has raised it to 25 per cent. In the other bracket the present rate is 30 per cent for fish not specially provided for in tin packages, and so forth. The committee has reduced that 50 per cent. Upon what theory did the committee make so much greater reduction on that bracket than on the first?

I will state, Mr. President, that when we Mr. WILLIAMS. came to the first part of the paragraph there was a good deal of complaint here. On the coast of Maine they capture a little herring and can it and call it a sardine. I reckon it is just about as good as the sardine, except that it is not. The Maine fishing laws are so much more stringent than the laws just across in Nova Scotia regarding fishing in season and all that, that those people convinced the subcommittee, of which I was a member, that with the duty as fixed by the House they would have to move their plants over to Nova Scotia. Not being desirous of uselessly injuring anybody in connection with an article which was not an absolute necessity, and believing we would get as good a revenue for a reason which I will explain in a moment, we raised that duty.

Mr. JONES. I am not complaining about that raise.

Mr. WILLIAMS. I understand the Senator. I am stating the distinction which we made. Then we concluded that the sardine that is really imported is the genuine Mediterranean sardine, which is a luxury. The so-called sardines up there in Maine are canned and sold for 6 cents or 5 cents a box. These others, Mediterranean, sell, as we know, up to 20 and 30 cents. We concluded that they would all come in anyhow, and if we raised the duty 5 per cent above the House rate we would not import any less sardines and we would get a better revenue.

When we came to the second part of the paragraph we found that nobody took the trouble to make any complaint. We found by experience that when those who have a special interest in this kind of business need protection there is complaint. The rate was certainly high enough. The only question was whether it was not too high.

Mr. JONES. I wish to ask whether canned salmon come under the second bracket? I think they do.

Mr. WILLIAMS. Are they put up in oil?

Mr. JONES. I do not think so.

Mr. WILLIAMS. If they are they come under the first bracket; if not, they come under the second.

Mr. JONES. I think they come under the second. I am not sure but that I have some letters in reference to that proposition, and I should like the matter to go over until I can examine it and see whether or not I have some suggestions with refer-

Mr. WILLIAMS. I am perfectly willing to do'that.

We passed over while the Senator was out paragraph 222. As the Senator has come back, is he ready to take that up now?

Mr. JONES. I am ready. Mr. SMOOT. In connection with paragraph 221, before we the House was to permit this leeway of 33 per cent, which is pass upon the increased rate, I simply want to say that on fish where the specific rate is 11 cents, the equivalent ad valorem is 20.21 per cent. I take for granted that the Senator, from his statement, stated the fact-

Mr. WILLIAMS. I stated the facts as they were represented

to me; I do not know.

Mr. JONES. I will say I have no objection to a vote on the committee amendment. Then I should like to have the paragraph go over.

The VICE PRESIDENT. The question is on agreeing to the

amendment, which will be stated.

The Secretary. On page 60, line 9, paragraph 221, after the word "cans," strike out "20" and insert "25," so as to make the paragraph read:

221. Fish, except shellfish, by whatever name known, packed in oil in oil and other substances, in bottles, jars, kegs, tin boxes, or cans, per cent ad valorem; all other fish, except shellfish, in tin packages, t specially provided for in this section, 15 per cent ad valorem; caviar dother preserved roe of fish, 30 per cent ad valorem; fish, skinned boned, three-fourths of 1 cent per pound.

The amendment was agreed to.

Mr. JONES. In paragraph 222, line 15, page 60, I move to strike out "10" and insert "13" before "cents."

The VICE PRESIDENT. That paragraph has been by unani-

mous consent recommitted to the committee.

Mr. WILLIAMS. I beg the President's pardon if he so understood me. I asked that the last clause of the paragraph, "pineapples preserved in their own juice, 20 per cent ad valorem," be recommitted to the committee. The balance of the paragraph I did not ask to have recommitted. The amendment

is in order now.

Mr. JONES. I thought we could dispose of my amendment. The VICE PRESIDENT. The order will be set aside, then, referring it to the committee. The amendment of the Senator

from Washington will be stated.

The Secretary. On page 60, line 15, paragraph 222, before the word "cents," strike out "10" and in lieu insert "13," so as to read:

Apples, peaches, quinces, cherries, plums, and pears, green or ripe, 13 cents per bushel of 50 pounds.

Mr. JONES. Mr. President, just a word. The tariff on apples, peaches, and so forth, going into Canada is 13 cents for 50 pounds. The only complaint I have from our growers with reference to this provision in the bill is that we are placing the tariff lower than the adjoining country. The tariff now is 25 cents on 50 pounds. The House has cut that to 10 cents. Our people ask that we put them, as far as the tariff is concerned, upon an equality with our Canadian friends across the line. They can not understand why we should voluntarily place our tariff below that of the adjoining country. They are not objecting to a reduction of the tariff, and they are not objecting to a large reduction, but they can not understand why, when we are making a reduction of duties on imports into this country, we should put the tariff 3 cents below what they put upon our fruit going into that country. That is the principal reason why I offer this amendment.

I suppose that labor conditions in connection with the growing of fruit are very much the same in Canada as labor conditions in this country, except that I am satisfied that as to a great many sections the land values are much higher in this country than they are in Canada. I know that to the north of my State in the central part, there are several hundred thousand, if not two or three million, acres of land that are being irrigated and have been planted largely with fruit trees which are coming into bearing and which will form a very formidable and very active competition in our own markets with our own fruit.

It does seem to me that it is nothing but fair and right that we should place upon fruit coming from another country the same rate at least that they impose against fruit from our country. Of course, I recognize that this rate applies to all countries, but I think the main competition comes from our northern neighbor. So I hope the committee will not oppose fixing this duty at the low rate of 13 cents, instead of 10 cents a bushel.

Mr. WILLIAMS. There could not be any more unsound rule of taxation adopted in the world than to fix your rate because some other nation had fixed the same or a higher rate against you. If they had fixed the same rate against you for protective purposes, it was because they thought you could undersell them. That would tend to show that for protective purposes you did not need any rate at all. If they fixed it for revenue purposes, then when you came to fix your rate for revenue purposes, you ought to fix it by the rate that you thought would give you the most revenue with the least burden. We thought 10 cents would give enough. Apples do not need any protection that I

know of from Canada, nor, by the way, do Canadian apples need any from us. To say that because Canada wants to punish her people who want to buy American apples from Washington and Oregon by making them pay 13 cents a bushel more, even if true, is no reason why we should make our people pay 3 cents a bushel more for Canadian apples if they want them, if

we think 10 cents is a sufficient revenue to raise upon apples.

Mr. JONES. Of course, I understand that this bill is framed with no purpose whatever of protecting our people from anybody else; that it is framed entirely for revenue purposes; and yet I have noticed very frequently that in explanations made with reference to why a duty is placed at this or why it is placed at that rate, other conditions have been taken into account in a great many instances.

Mr. WILLIAMS. Undoubtedly; but the other conditions do

not exist in this case.

Mr. JONES. Oh, yes; of course it is not identical with some conditions that exist in another case; and yet this simply illustrates how easy it is to justify a rate under a bill framed for purposes of revenue. Of course if any objection is made to a rate, you can say "we simply put it on at that rate for revenue purposes," and that is all there is to it. Well, there is no answer, of course, to that proposition. Then in another case, if you want to justify it on another ground, you are at perfect liberty to do it. It shows the elasticity of framing a tariff bill for revenue only."

It does seem to me, however, where there is a country that is likely to be a competitor in an article in which our people are very much interested, that it is justifiable for us in framing our tariff to take into account their tariff on the same proposition.

Mr. President, I ask for the yeas and nays on the amendment. Mr. WILLIAMS. The higher the protection, then, that Canadians thought they needed against you, the higher would be the protection that you think you need against them. That is the logic of the argument. I leave it to fall by its own weight.

The year and nays were ordered, and the Secretary proceeded

to call the roll.

Mr. KERN (when his name was called). I transfer my pair with the Senator from Kentucky [Mr. BRADLEY] to the Senator from Nebraska [Mr. HITCHCOCK] and vote. I vote

Mr. LODGE (when his name was called). I have a general pair with the junior Senator from Georgia [Mr. SMITH]. In his absence I transfer that pair to the Senator from California [Mr. Works] and vote. I vote "yea."

Mr. SAULSBURY (when his name was called). I transfer my pair with the junior Senator from Rhode Island [Mr. Colt] to the Senator from Maine [Mr. Johnson] and vote. I vote

Mr. THOMAS (when his name was called). I again transfer my general pair with the Senator from New York [Mr. Root] to the Senator from Oklahoma [Mr. Gore] and vote. I vote "nay."

Mr. WILLIAMS (when his name was called). Making the same announcement in regard to my pair and its transfer which I made upon the last roll call, I will vote. I vote "nay."

The roll call was concluded.

Mr. LANE. I wish to again announce that the senior Senator from Oregon [Mr. Chamberlain] is unavoidably absent, and that he is paired with the Senator from Pennsylvania [Mr. OLIVER 1

Mr. BANKHEAD. I make the same announcement I made on the previous roll call as to my pair and its transfer, and I will vote. I vote "nay." I desire this announcement to stand for the remainder of the day.

Mr. BRYAN. I transfer my pair with the Senator from Michigan [Mr. Townsend] to the Senator from Illinois [Mr. Lewis] and vote. I vote "nay."

The result was announced—yeas 25, nays 36, as follows:

No. of Contract of	11110 20.		
Brady Brandegee Bristow Burton Catron Gallinger Gronna	Jones Kenyon La Follette Lodge McLean Nelson Norris	Page Perkins Poindexter Sherman Smith, Mich. Smoot Sterling Y8—36.	Sutherland Thornton Warren Weeks
Ashurst Bacon Bankhead Bryan Clarke, Ark. Fletcher Hollis Hughes James	Kern Lane Martin, Va. Martine, N. J. Myers O'Gorman Overman Owen Pittman	Pomerene Ransdell Reed Robinson Saulsbury Shafroth Sheppard Shively Simmons	Smith, Ariz Smith, S. C. Swanson Thomas Thompson Tillman Vardaman Walsh Williams

NOT VOTING-34.

Culberson Cummins Dillingham Johnson Lea Shields Smith, Ga. Smith, Md. Boran Bradley Burleigh Chamberlain Chilton Clapp Clark, Wyo. Lewis du Pont Fall Goff Gore Hitchcock Lippitt McCumber Newlands Oliver Stephenson Stone Townsend Works Penrose Crawford Root

So the amendment of Mr. Jones was rejected.

Mr. WEEKS. Mr. President, is the paragraph still open to amendment?

The VICE PRESIDENT. It is still open to amendment.

Mr. WEEKS. On page 60, line 17, I move to amend by striking out the figures "10" and insert the figures "25," so as to

Cranberries, 25 per cent ad valorem.

The VICE PRESIDENT. The question is on the amendment

offered by the Senator from Massachusetts.

Mr. WEEKS. Mr. President, the reason I move this amendment is that the only supply of cranberries we obtain in this country, except what are produced here, comes from Canada, and the Canadian preferential rate of duty is 171 per cent; the intermediate rate is 221 per cent; and the regular rate, which applies against this country, is 25 per cent. I see no reason for making our rate on cranberries lower than the rate which Canada imposes on our cranberries, especially when the cranberries produced in the United States come from States comparatively near the Canadian line.

Mr. THORNTON. Did I understand the Senator from Massachusetts to say that the Canadian rate was 25 per cent? Mr. WEEKS. Yes; the rate is 25 per cent against us.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from Massachusetts.

The amendment was rejected.

VICE PRESIDENT. In order to keep the record straight, the Chair will state that the paragraph is recommitted to the Committee on Finance.

The reading of the bill was resumed, and the Secretary read

The VICE PRESIDENT. The Chair inquires of the Senator from Mississippi whether paragraph 223 went over? It was so announced awhile since.

Mr. WILLIAMS. No; I did not so understand. I heard no request to that effect.

The VICE PRESIDENT. The Chair so understood.

Mr. WILLIAMS. That paragraph did not go over, so far as I know

The VICE PRESIDENT. The committee amendment to para-

graph 223 will now be stated.

The Secretary. The Committee on Finance reported an amendment to paragraph 223, on page 61, line 10, before the words "per pound," by striking out "2 cents" and inserting 1 cent," so as to make the paragraph read:

223. Figs, 2 cents per pound; plums, prunes, and prunelles, 1 cent per pound; raisins and other dried grapes, 2 cents per pound; dates, 1 cent per pound; currants, Zante or other, 1 cent per pound; olives, 15 cents per gallon.

The amendment was agreed to.

The next amendment of the Committee on Finance was, in paragraph 227, page 62, line 3, after the word "thousand," to insert "bananas, one-tenth of 1 cent per pound," so as to make the paragraph read:

227. Pineappies, in barrels or other packages, 6 cents per cubic foot of the capacity of the barrels or packages; in bulk, \$5 per thousand; bananas, one-tenth of 1 cent per pound.

Mr. BURTON. Mr. President, I trust this amendment recommended by the Finance Committee will not be adopted. banana is one of a multitude of items upon which this bill proposes to levy a duty where no duty existed before, and I think it one of the most objectionable products which could have been selected for that purpose. If the committee intends to adopt the principle of levying duties upon noncompeting products, there is an immense field from which they could have drawn. It would include coffee, it would include tea, and, passing to the category of materials for manufacture, it would have included crude rubber. Bananas are certainly the most objectionable of them all, because they are a food of the poor, a food which is increasing enormously in use in our own country.

I have before me an article in the latest issue of the North American Review, by Chester Lloyd Jones, professor in the University of Wisconsin, in which he gives some valuable figures in regard to the increase in the consumption of this article. It appears that in the year 1912 continental United States alone consumed 44,520,539 bunches of bananas, or over 60 bananas

for each man, woman, and child in the Union. That means

between 25 and 30 pounds per inhabitant.

The consumers of this article include a large number of our foreign population—Italians, perhaps, more than any others. have a communication from the east side of the city of New York in which it is stated that it is becoming a leading article of food there. Some years ago it may have been regarded as a quast luxury, but it is not now, by any means, and it is especially the food of those who desire to economize by avoiding the purchase of the more expensive articles of diet.

Another set of figures which show how the consumption has In 1900 increased is derived from the value of the imports. the value of the imports of bananas into the United States was \$5,877,835. By 1910 the value had reached \$11,642,000; and in 1912 the value of the imports was \$14,368,000, nearly three

times as great a value as in the year 1900.

Up to date much the larger share of the consumption of bananas has been in the United States—probably more than four-fifths of the whole. Bananas, however, are now becoming a prominent article of food in other countries. At Manchester in the year 1909 there was a warehouse which had been constructed for the express purpose of storing bananas, and ships were provided for the purpose of bringing them from the West Indies. Calculations evidently were made in reliance upon a great increase in the trade.

In France, in the year 1908, the imports were 5,697.6 tons; in 1911, 17,813 tons-three times as much. Germany took only 320 metric tons in 1899, but in 1911 the amount had increased to 30,438 tons. A similar increase is shown in Holland where, in the year 1907, 100 tons were brought in, while in 1910, 3,000 tons were imported.

This increase in the consumption in other countries assumes especial importance, because, at least according to the theory upon which this bill seems to have been framed, countries which buy articles like bananas give their own products in exchange, and the great increase of banana imports in these other countries means an increase of their exports to the Caribbean countries where heretofore we have had the preponderance of trade.

In England there is no duty on bananas; in Germany there is none; in Holland there is no duty; in France there is a

small duty, along with that on other kinds of fruit.

I wish to call attention in the next place, Mr. President, the fact that bananas are purchased from countries with which we have the most friendly relations, and where year by year we are gaining the greater share of their trade.

Another point to be made in this connectionvery important point-is that up to date nearly all of their exports to the United States are admitted free of duty. banana is produced for the most part around the Caribbean Sea. Jamaica is the leading place of production. Next to Jamaica comes Honduras, next Costa Rica, then Panama, then Cuba and Nicaragua, Guatemala, and Colombia. Practically each of these countries supply the United States with more than a million bunches of bananas; indeed, bananas are the leading export in many of these countries.

The total value of the exports from Jamaica in the year 1912 was £2,948,000. Of these exports bananas made up £1,456,000,

or very nearly half of the whole.

I call attention to the statistics in regard to cultivation: In the island of Jamaica of acres planted in sugar cane there were 34,766; planted in coffee, 24,433; in tobacco, 904; in bananas, 82,435, or considerably more than all the combined

acreage of sugar cane, coffee, and tobacco.

The total value of the exports from Honduras in 1912 was £630,146. I give the figures in pounds because they are derived from the Statesman's Yearbook. Of this value bananas made up £267,535. From Costa Rica the total exports were valued at £1,883,546, of which bananas made up £890,870.

On the other hand, we have about two-thirds of the export trade of Jamaica. That island is coming to be like Canada, a country which, notwithstanding its political affiliations with England, nevertheless obtains the greatest share of its imported commodities from the United States.

Of the imports into Honduras in 1912, 71 per cent came from the United States; and of the imports into Costa Rica, 46.29

per cent.

Now, let us notice for a moment the treatment that we give to these countries as regards imports from them. In the year 1912, of the imports into the United States from Jamaica 96.46 per cent were free of duty. If this duty on bananas should be imposed, the percentage would be diminished from 96.46, I think, to a figure below 50.

Of the imports into the United States from Honduras in the same year, 99.78 per cent-very nearly all-came in free of

A very radical change would be made in this regard, diminishing the percentage of nondutiable imports from nearly 100 to about one-half, and perhaps to a lower figure than that. I have not made the exact computation.

Of the imports into the United States from Costa Rica, 99.88 per cent were free of duty; of the imports from Nicaragua, 99.88 per cent-the same percentage-were free of duty.

It thus appears that we have given the most liberal treatment to the products of those countries. Several of them, especially those in Central America and Jamaica, depend in a very great degree for their prosperity on the sale of this article, and here it is proposed to change radically our relations with each of those countries by imposing, against their protest, a material duty on an essential article of food.

Mr. President, it was claimed by every Democratic speaker from the stump last autumn that one of the missions of the Democratic Party, one of the reasons why it should be intrusted with power was to diminish the price of food; and yet, with a multitude of other sources of revenue, one of the first things they do is to impose this duty, which, as it is computed, amounts to about 15.61 per cent, upon an article which I think I may say more than any other is the food of people of limited means in the United States. It seems to me it is an absolute betrayal of platform promises; it is imposing a tax upon the people who are subjected to the greatest hardship of any of our population in obtaining sufficient food for their sustenance. It sounds very small—one-tenth of 1 per cent—but everybody knows that with an imposition of the duty not only the amount of that duty is added, but there is the vexation and expenses of the customhouse and the change in the course of trade which is created by taking an article from the free list and putting it upon the dutiable list.

There is one other appeal which I desire to make in this connection, Mr. President-

Mr. THOMAS. Mr. President—
The VICE PRESIDENT. Does the Senator from Ohio yield to the Senator from Colorado?

Mr. BURTON. Certainly.

Mr. THOMAS. If I remember correctly, when the Senator spoke upon the general subject of this bill about two weeks ago he stated that some proposed reductions or additions to the free list would not affect to the consumer the price of the article. should like to ask him if he thinks this small duty would add to the price of the article to the consumer?

Mr. BURTON. If I did make any such reference—and I fancy I did—it was not to this class of articles at all.

Mr. THOMAS. I think it was sugar.
Mr. BURTON. Well, when we come to sugar I will discuss that and endeavor to show the exceptional conditions prevail-ing in that case. Sugar is an entirely different food from bananas

Mr. THOMAS. It is a necessary of life, as I understand the Senator.

Mr. BURTON. Oh, yes. Another point everyone realizes is that sugar, having been produced as well as consumed here for many years, is an article of more general consumption than bananas, and that a very large share of those who buy it have ampler means and can more readily pay any tax.

Mr. THOMAS. I understood the Senator to say that bananas were becoming a general universal article of food-a necessity of life.

Mr. BURTON. Oh, I do not think I said that. I would say that they are becoming more and more the food of persons of more limited means. I mentioned some of those who purchased them.

Mr. President, if there is any one thing in our diplomatic political policy which we should observe now, it is friendly relations with the countries to the south of us. They have been misunderstood by the whole world. Their rich resources have been exploited by aliens from every land. The general opinion has come to be accepted that they are constantly engaged in revolutions and that they have the limitations that belong to a tropical climate and arise from the mingling of different races under the same political jurisdiction. But those who would be their most unfriendly critics must admit that they have made wonderful progress in the last few decades. That progress may not have been equal in all of them, but it has been most apparent in every one. Their future is bright. Our political, social, and economical relations with them must be closer every year.

We owe to them a peculiar responsibility. Just as the New World is geographically distinct from the Old World, so also it has its political affiliations and ties. If we should not succeed in establishing that comity and friendly relation with some of

for the States of Central and South America which the stronger should always give to the weaker, and to create those enduring relations of friendship which should exist between all the This will benefit us no less than them. Americas.

Mr. LANE. Mr. President, if the Senator will yield to me, I should like to say just a word in relation to this matter, in all

Out on the Pacific coast, and throughout the entire Northwest, the people have planted thousands and thousands of acres of their lands in orchards. I guess I am strictly within the bounds of fact when I say it has been done by the square mile. They will soon be in bearing, bearing apples and other fruits which are very much more nutritious and palatable than the banana shipped from the far southern countries. Those people are very anxious when the Panama Canal is opened, as it will be in a very short time, to come into the market on the Atlantic coast, where the people are so much in need of fruit. They wish to introduce their products there, and thereby to give mutual benefit to all parties concerned. I hope the Senator will take that matter into consideration. The Senator from Washington [Mr. Jones] will confirm what I have said. There are a great many of these people on the Pacific coast.

Mr. JONES. Mr. President, I can confirm that, but I wish to ask the Senator whether or not this is intended as a pro-

tective duty?

Mr. LANE. No; I think not. I think it just accidentally

happens that way. [Laughter.]
Mr. BURTON. Mr. President, I can not imagine any reason for mentioning this fact that in the Senator's State the production of apples is increasing, except that he looks askance upon the coming of the banana; that there is a pet product in his State to which he wishes to give preference and a peculiar advantage. He may call it protection, he may call it local interest or whatever it may be, but if his argument has any force it is that we should protect him against the growing importation of the banana. Yet, I do not expect that at any time in the discussion of this bill the Senator from Oregon will stray into the protective camp. He may come as far as the border of Oregon, but he will never come so far as to accept the general principle. It will not affect his action here in Washington.

Mr. LANE. Mr. President, will the Senator permit me a

moment further?

Mr. BURTON. Certainly. Mr. LANE. The fact is, Senators, that the people in that part of the country have overplanted with orchards. There is no doubt that they have. It is a matter of necessity with them. You may lay aside any idea of protection or revenue or matters of that sort. Their very existence, almost, is dependent upon it. Anyhow, the facts exist, and I want to call your attention to it, and I hope you will be merciful to those people.

Mr. BURTON. Mr. President, I think we are merciful to them when we pay 5 or 10 cents apiece for one of their apples. According to the principle I have heard advocated so much on the other side, practically there is no such thing as an oversupply of commodities. Like Adam and Eve when they were banished from the Garden of Eden, the world is all before them where to go. If there is a big supply in this country, they can ship to some other. I really think the Senator from Oregon will find that no matter how many acres his constituents plant in apples, there will be an ample market for them. We should like some of them here on the Atlantic coast. We are ready to consume them, and while we have not, perhaps, been very loudly complaining about the price, we would welcome a somewhat cheaper rate upon them than we have been enjoying in the past. I think probably if the price were lower we would consume more of them.

Mr. President, I regard this amendment here as altogether out of line with a rational protective policy. I regard it as imposing a burden upon a very large class of our people, including many of those who have come from abroad and with whom it is a favorite food, and again I say it is unjust to these countries around the Caribbean, after we have for years been practically admitting all their products free, to levy this duty and thus impose a serious handicap upon them.

Mr. WILLIAMS. Mr. President, it is a fact well known to those who know him and love him that when he does try to look serious nobody in the world can look more serious than my genial friend the Senator from Ohio. The country may believe to-morrow, when it reads what he has said, that he was dis-tressed to death. Those of us who know him know that he was

acting distress.

There is one consolation about this tax upon bananas, at any rate, and that is that every dollar of it will go into the Treasury the countries of the eastern continent which we desire, there is at least the opportunity for us to manifest that consideration of dollars extra for their bananas, if the ultimate consumers shall pay it, they will have the satisfaction of knowing that they still have the money; that while each individual buying bananas paid out his share of it, the people in the aggregate have it all, yet it can be devoted to the purposes of the Government

When we taxed oranges and lemons and pineapples and limes and all these things, no voice of complaint was heard from the Senator from Ohio or from anybody else over there. Why? Because a part of those taxes went into the pockets of certain interested parties who had influence at the polls, who wanted a tax levied on the people in order that it might pro-tect or, rather, profit them. Therefore there was a special interest underlying it. There is no special interest underlying a tax on bananas. Every dollar of the tax levied on the people,

so far as bananas are concerned, will go to the Government.

Mr. BURTON. Mr. President, will the Senator from Missis-

sippi yield to me for a moment? Mr. WILLIAMS. Yes; I yield.

Mr. BURTON. Does not the Senator from Mississippi know that with the imposition of duties on raisins, prunes, oranges, and lemons, under the policy of the bill of 1890, the supply of those articles has so increased that not only is the larger share of the demand satisfied at home, but the prices now are cheaper

than they were then?

Mr. WILLIAMS. If the Senator means to say that the imposition of a tax upon the various articles which he has mentioned caused them to go down in price, or if he means to say, still more extremely, that his purpose and the purpose of others in fixing the tax upon these articles was that they might be reduced in price, then he has said something that is precisely contrary to all that he and his party have professed, because they have professed that the purpose of levying the duty was to raise the price in order that the man who sold the product might make a better profit and pay his laborers higher wages. You may rest assured that wherever the levying of a protective tariff of any description has been followed by lower prices than existed before, it has not been because of the levying of the tax, but has been because of something else.

You may rest assured of the fact that wherever a protective tax has been followed by the result of reducing the price the tax has failed in the purpose for which it was levied. But if the new position all at once taken by the Senator from Ohio were correct, then I might arrive at the conclusion that perhaps Hawaii and Porto Rico, and perhaps the Philippinesas long as the blessed archipelago is under our flag; God grant that it may not be for too long-might succeed in producing enough bananas to cheapen the cost to the American consumer. But wherever his party has levied a duty, the purpose of the duty has failed if there has been a cheapening of

the article.

I am not going to play with this proposition. Somebody is going to pay two and a quarter millions more for bananas. Of course they will have to do it. The tariff is a tax, and a tax is a burden, and somebody has to bear the burden. You can no more make people rich by burdening them than you can pull yourself over a fence by your boot straps; and when we levy this tax upon bananas somebody will have to pay it. The consumer.

Who is the consumer? The general body of the American people. What is the burden? What is it on? If you ask me whether a tax is good or bad, I want to know first the rate of the tax, and I want to know next the article upon which it is levied, so that I may determine how burdensome it is to the general run of mankind.

I want to know how necessary it is in their lines.

Why, my friends, when people read the newspapers and the RECORD to-morrow, they will think that the Senator from Ohio almost cried when he talked about putting a duty of one-tenth of 1 cent per pound upon a "basic food product of the people" in the shape of bananas. Yet, if I am not mistaken, he was one of the gentlemen who wanted to keep a duty upon bread, and upon meat, and upon potatoes, and upon apples, and upon everything else under the sun.

I started to say something about "vota Italiano" at election time. Maybe that has something to do with it. duty of one-tenth of 1 cent per pound on bananas. takes from four to five bananas to make a pound, depending upon the size of the banana. It would take five or six of these little Jamaican bananas to make a pound, I suppose-certainly five. One-fourth of one-tenth is one-fortieth of a cent on a banana. I have not the slightest doubt that this duty is going to impoverish the downtrodden workingman of this country to the tune of one-fortieth of 1 cent for a banana; or, if it is one of the little Jamaican bananas, one-fiftieth of a cent for a banana.

This is one of the things where perhaps the burden will not fall on the man who eats the fruit. It must fall on somebody. I read the article to which the Senator refers. It was sent to every Senator here. It was very well written and very nice. I expect it was sent by the United Fruit Co. as a present to each Senator, in order that he might understand what the United

Fruit Co. meant or wanted.

Bananas are sold in the grocery stores, and they are sold from the little carts on the street corners for the nickel. If every cent of this tax is reflected upon the man who buys a nickel's worth of bananas it will be one-fourteenth of 1 cent for each nickel's worth. Now, bananas are not a necessary article of food, of course. Every one must know that. Bananas are in the United States a luxury. Every one of us knows that. They are a luxury which many poor people love and many poor people eat. In proportion as that is true they ought not to be made more costly to the people. Nevertheless, when you begin to talk about foodstuffs no American considers the banana a regular article of diet of the American people.

We have not yet even learned to cook bananas green, as they do down in South and Central America, where they do more nearly take the place of a regular food. We eat them simply as a fruit. They are no more a part of our food in this country than oranges, not so much as apples are, and yet these same gentlemen who quarrel about a duty of one-tenth of a cent per pound on bananas were trying half an hour ago to put

a duty of 25 cents a bushel on apples!

I am afraid they think there is politics in this banana duty, and perhaps there may be; and perhaps for a little while somebody will carry it out to the consumer and lay the tax upon him. But very soon afterwards the man who does that will have to compete with the other little fellows that are peddling bananas, and with the other little grocers that are selling bananas; and I am almost tempted to say that this is one tax that will not be reflected in the final price to the men who eat the bananas. The United Fruit Co. will have to pay it. The jobbers will have to pay the United Fruit Co. The grocery men will have to pay them. But the amount of profit upon bananas now, between the time they are imported into New York and the time they go down the throats of the men who buy and eat them, is about 100 per cent. The present price is made up in the meantime in the processes between the United Fruit Co. and the purchaser from the fruit stand. Carry one-tenth of 1 cent per pound down through all these processes and see what will become of it.

If this duty adds anything to the price to the consumer it will add one-tenth of 1 cent per pound. If it is lost in the shuffle, as I verily believe it will be, somebody will have to make

99.9 per cent profit instead of 100 per cent profit.

Competition with abundant margin for competition may take care of that.

If not, nobody will be bankrupted and the suffering poor will not suffer more than one-fortieth of 1 cent than they suffer now.

I read the article that has been referred to and so abundantly quoted by the Senator from Ohio; and, as I have said, it is delightfully well written. It is remarkable that it should have come out just at this time, too, and that it should have been worded or headed or entitled the way it was. You would have thought the man who wrote it had no reference to anything in the world but the beautiful international relations between us and Jamaica and Central and South America. Beautiful coincidence!

The United Fruit Co. imports nearly all the bananas that are imported into the United States. I have forgotten the proportion; I had it in the subcommittee, but I have forgotten it now. My recollection is that it is about two-thirds, but I am not sure of that.

Mr. SIMMONS. Practically all except those that come from Jamaica.

Mr. WILLIAMS. Practically all except about one-third of those that come from Jamaica. It not only does that, but it owns the ships in which they are brought; and that is not all. It has gone down there and has begun to buy up the lands, and it uses its ships to oppress the other people who raise bananas. It brings bananas from its plantations in Central America and the West Indies into this country in good condition when they are ripe, or when they are at the stage where they will become ripe by the time they reach this country; and they tell the other fellow whose fruit is spoiling on the tree that they "have not room for his fruit this trip." In my private opinion, the United Fruit Co. will pay most of this tax in the long run.

But suppose every man that buys a banana, every child that buys one, and everybody that goes to a circus and gets one at the circus, pays this duty at the rate of one-fiftieth of a cent per banana or one-fortieth of a cent per banana more than he would have paid otherwise. You still have the consolation of knowing

that every dollar, every dime, every nickel, every cent of the two and a quarter million dollars is in your Treasury and still be-longs to you, and that it was a real governmental tax levied and received by the Government, and that it did not leak on the way

into the pocket of some private special purpose.

Mr. President, the Government has a right to tax me. I have said several times that it has a right to take 10 per cent or 50 per cent or 100 per cent of all I have, if necessary, in order to answer governmental purposes. It has a right to tax me on tobacco or on bananas or on land or in any other way it chooses that is necessary. But from my standpoint it has not any right to take one nickel out of my pocket in order to put it into the pocket of the Senator from Utah or the Senator from Wisconsin.

True, the people pay this tax, but the people get the money. These other taxes—protective taxes—which never distressed any of the gentlemen, who have suddenly discovered what a basic food product bananas are, leak on the way in greater or less proportions, and instead of landing in the people's Treasury

they land in somebody's private treasury.

This is absolutely a revenue duty, with not even incidental protection to any soul in the world. Senators on the other side have been twitting us about not having enough duties of that

This is one that is all right, at any rate.

Mr. WEEKS. Mr. President, I present a protest to the President and Congress, signed by a large number of citizens, many of whom live in the north end of Boston, a section of the city that is occupied very largely by those of foreign birth or parent-age. I should like to have the protest read and printed as a part of my remarks, without taking the time to read the names, which, however, I wish printed.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Secretary will read as requested.

The Secretary read as follows:

To Hon. President Wilson and the Members of the Senate and House of Representatives, Washington, D. C .:

The Secretary read as follows:

To Hon, President Wilson and the Members of the Senate and House of Representatives, Washington, D. C.:

We, the undertsigned, respectfully and earnestly petition you not to Impose the proposed tax on bananas. The banana, as we all know, is scarcely less nutritious than milk, and long ago ceased to be a luxury. To-day the banana is universally regarded as one of the necessities of the price of bananas, instead of going up as held for the first of the footstuffs, has gone dows, all tax would mean to increase the present burden of the high cost of living.

[Note.—Original signatures of names below have been sent to Hon, Woodrow Wilson, President of the United States.]

Arancle Bros. Co., Boston, Mass.; Joseph A. De Pesa, 302 Main Street, Medford, Mass.; Howard Halpin, 21 Prescott Street, Everett, Mass.; C. Di Fatta, 15 Claybourne Street, Docthester; Achille Forte, 322 Hanover Street, Docthester; Achille Forte, 322 Hanover Street, Docthester; Achille Forte, 322 Hanover Street, Boston; Alfonso Gaet, 708 Broadway, Revere; E. C. Burbank, 39 True Street, Revere; J. D. Zolla, 43 Tremont Street, Boston; A. Repetio, Jure, 18 Handle, 19 H

Roston; S. Shelbourne, 6 Roilins Place, Boston; F. Manfold, 357 Main Street, Charlestown; J. Hammond, 37 Green Stree B. Broth, 25 May 19 Land 19 Land

Mr. WEEKS. Mr. President, I am opposed to the principle involved in imposing this tax. Removing the duty from food products produced in this country and making up the loss in revenue by imposing a duty on a similar food product which is not produced in this country is directly contrary to such political principles as I have bearing on the tariff; and it is on that subject that I want briefly to address the Senate.

This is not a protective duty in any sense, as has been stated by the Senator from Mississippi [Mr. WILLIAMS], because bananas can not be produced in the United States.

Mr. THOMAS. Mr. President—

The VICE PRESIDENT. Does the Senator from Massachusetts yield to the Senator from Colorado?

Mr. WEEKS. Yes. Mr. THOMAS. 1 wish to remind the Senator from Massachusetts that in portions of the territory belonging to the United States bananas are produced. They are grown in Porto Rico and in Hawaii, and form a part of the imports of both those countries to the continent.

Mr. WEEKS. I was referring, of course, to continental United States. While there are some bananas produced in Porto Rico, they are limited in number. There are compara-

tively few produced in Hawaii.

The islands of the Caribbean are not alike in their capacity to produce bananas. Those which are brought into this country are the large bunches, containing from seven to nine hands, or perhaps 100 bananas to a bunch. It has been determined by experiments made that certain sections of some of the islands of the Caribbean do not produce bananas of that kind. The United Fruit Co., to which the Senator from Mississippi has referred, devoted between one and two millions of dollars to trying to produce bananas in Cuba. There are some bananas produced there; but this company finally gave up the attempt, believing that bananas could not be produced there successfully, and not desiring to attempt to import bunches of bananas containing less than seven hands, because it was believed then and is now that they could not be imported successfully in competition with larger bunches.

As I have said, there is no protection involved in this duty, so far as continental United States is concerned. The banana plant, or tree, is a very tender plant, and all attempts made to produce them in Florida have failed, the tree being killed or

damaged by the slightest frost.

Neither is the banana a luxury, as has been suggested by the Senator from Mississippi. It is an important food product in general use, and is especially popular among people of very mod-

erate means in large cities.

It may be of interest to note what has been the result of the development of the banana business in the United States. It is only about 40 years since the captain of a trading schooner brought a few bunches of bananas from Jamaica to Boston as an experiment. Last year there were brought into this country more than 44,000,000 bunches of bananas, equal to about 60 bananas for every man, woman, and child in the United States.

If anyone will take the trouble to go into the sections of the city-where those having the smallest resources live, especially in sections occupied by those of foreign birth, he will see all classes and all ages of those people eating bananas, and to a large extent it is the basic food on which they depend. It is so immeasurably cheaper than any other food of similar character that they can afford to buy the banana when they could

not afford other fruits.

The Senator from Oregon [Mr. LANE] a few moments ago made some remarks about apples and the relative value of apples and bananas. Why, a pound of bananas has substantially the same fuel value per pound (calories) that a pound of apples has; and yet you can go anywhere on the street and buy 3 pounds of bananas for what you must pay for a pound of apples, raised in any part of the United States. As an economical food product they are not in the same class. The banana is so much cheaper.

Mr. LANE. Mr. President, may I be allowed to interrupt the

Senator?

Mr. WEEKS. Yes. Mr. LANE. If the fruit section of the Pacific coast is allowed free access to the Atlantic coast, with cheap transportation, it can flood the Atlantic coast with all the fruit the people will I wish to assure the Senator that good apples are consume. fully as healthful as bananas. There is a question raised by many physicians as to the desirability of bananas as a food for children. If the banana is eaten in its native country, ripened by natural processes, I think it is a good food for children, for the reason that the starch has undergone a change toward the formation of sugar in a normal manner. But many bananas, as they are handled in this country, where the ripening is forced by artificial means, are not good for children; and it is a question whether in many cases they do not do a great deal of harm. I think if the Senator will leave out that part of his argument he will be on safer ground, for it is just possible that a good many children have been killed by eating very bad and poor bananas, while if they had eaten the good old Oregon and Washington apples they would not have suffered that fate.

Mr. SMOOT. They could not afford them.
Mr. WEEKS. Mr. President, I think as many children have been given the stomach ache by eating green apples as by eating bananas. In any case, the Senator from Oregon does not want to get the idea that all the apples grown in the United States are raised in Oregon. The Senator from Arkansas would tell us that the best apples in the United States are raised in Arkansas; or the Senator from Virginia would tell us that the best apples in the United States are raised just across the line, in Virginia.

Mr. GALLINGER. And I would tell the Senator that the best apple is raised in New England.

Mr. WEEKS. Of course. [Laughter.]

Mr. OVERMAN. I believe North Carolina got the prize. [Laughter.]

Mr. MARTINE of New Jersey. In order that there may not be anything selfish about this production I wish to say that New Jersey is quite prominent. [Laughter.]
Mr. WEEKS. Mr. President, I am willing to admit that New

Jersey excels in applejack, if not in apples.

Mr. MARTINE of New Jersey. We have the apples to make the best applejack.

Mr. WEEKS. The Senator from Mississippi has said some-

thing about the price to the consumer. It is the first time I

have ever heard a Democrat in a position of responsibility make the statement that a tariff tax was not paid by the consumer. I do not know exactly who will pay this tax. I do not think anybody knows exactly who will pay it, but somebody is going to pay about two and one-quarter million dollars, and I sus-

pect it will be the consumer in this case.

The majority of the Senate committee at first proposed to impose a duty of 5 cents a bunch. Then, finding there was a great variation in the size of bunches, they changed it to one-tenth of I cent a pound, a bad step, in my opinion, because it imposes a weighing of the bunches, causing an additional handling of the fruit, from which more or less damage will be done, especially to the best fruit. But the amount of revenue raised will be substantially the same in either case, for a bunch of bananas of 9 hands weighs between 50 and 75 pounds, and a bunch of 7 to 8 hands weighs between 25 and 50 pounds. If the average weight is 50 pounds, the duty will be exactly the same as that originally contemplated.

Bananas are brought from the place where grown and are sold by the transportation company to jobbers. If a tax of 5 cents a bunch is imposed, it follows that the company transporting the bananas is going to charge the jobber 5 cents a bunch more than it would if it did not have to pay the duty.

The jobber sells the bananas to the retailer, and it is more than likely that the duty which the jobber has paid will be passed along when this transfer is made. The retailer sells the bananas by the dozen, or sometimes, of course, by the piece, but in any case the retailer will have to distribute that duty, and those who use the bananas will pay the two and one-quarter million dollars which this duty will produce; quite likely they will pay more than that, for it will not be easy to charge exactly enough additional to make the difference, and the tendency will be to increase the retail price so that there may be no possibility of loss to the retailer, thereby increasing his profits.

But it is not for the purpose of protection, and it is not for the purpose of reducing the cost of living, and it is not for the reason that bananas are not a food product, and it is not for the purpose of raising revenue that this duty is being imposed; the duty is really being imposed because Senators on the other side think they have discovered a trust in the shape of the United Fruit Co., to which the Senator from Mississippi has referred.

Some days ago the Senator from Kansas [Mr. Bristow], in referring to the duty on bananas, brought forth from the Senator from Mississippi [Mr. WILLIAMS] the statement that he was not responsible for this duty; that the Senator from Oklahoma [Mr. Gore] was responsible for it. That suggestion led me to investigate, and I found some remarks on this subject made by the Senator from Oklahoma four years ago, when the Payne-Aldrich bill was under discussion. At that time Senator Gore announced that he had discovered a trust, and to punish it he proposed a duty of 6 cents a bunch on bananas. He used this language:

Mr. President, I think I have treed a trust.

Then he goes on to make statements about the United Fruit Co. There was, of course, a modicum of fact in what he said, but much of his statement indicated that some one had imposed on his credulity, for the facts did not then and do not now accord with his statement.

It is of importance to determine whether a monopoly is controlling this industry, even though it is not operating in the United States, and whether it is extorting unreasonable prices from those who use the fruit, and in order to arrive at a correct conclusion it is necessary to refer in some detail to the operations of the United Fruit Co. and point out its relations to this trade. In doing this I think it will be demonstrated that there is the most active competition in the banana industry; that the consumer gets the fruit at a reasonable price; that the profits are not large, but both price and profit are dependent upon the crop and other conditions which apply to every similar industry; that the operation of the United Fruit Co. is relatively gaining so that there is not only now but is likely to be in the future sufficient competition, and that in any case it is not the kind of trust the Senator from Oklahoma evidently had in his mind, and I think there may be seen some things in connection with the operations of the United Fruit Co., which will appeal even to a Democratic Senator.

This company was organized in 1900 by combining a dozen companies, among them the Boston Fruit Co., with an authorized capital of \$20,000,000, and capital issued for the purposes of the combination of \$11,230,000. Since that time in extending the business of the company and entirely for assets as the result of the expenditures, the capital has been increased to \$36,594,300. Indeed, the assets have increased more rapidly than the capital, so that dividends are not being paid on water but on actual capital paid in.

The object in establishing this company was to raise fruit and sugar and to transport them to a market, and in carrying

out these purposes the company has been successful; it has been and is now paying good dividends on its stock-I think 8 per cent at this time-and it has developed one of the largest farming industries in the world. But this development has not been at the expense of others, as has been intimated by the Senator from Mississippi, but has been done along natural and proper lines, benefiting a large number of people connected with the industry in many different ways and indirectly great numbers of people in other ways, including those who consume the fruit.

As an evidence of the development of the industry since 1900 it is only necessary to state that at that time there were brought into this country 16,000,000 bunches of bananas, and in the 13 years this quantity has increased to 44,000,000 bunches, and to show in making this increase that the United Fruit Co. has not developed a monopoly it is needless to make any other statement than that of the 16,000,000 bunches brought into the United States in 1900, the United Fruit Co. transported 11,000,000 and other companies 5,000,000. Last year the United Fruit Co. brought in 25,000,000 bunches, while other companies brought in 17,000,000; in other words, the fruit transported by the United Fruit Co. had increased in the 13 years 125 per cent, while that transported by the 20 other companies in operation, had increased 240 per cent. This increase has been brought about without increasing the price of bananas to the retailer or to the consumer

I submit herewith a statement of the average annual prices obtained for bananas during the operations of the United Fruit Co., which shows that the highest wholesale price per stem durthis period has been \$1.048; the lowest price, \$0.815; the average price, \$0.931, and, curiously enough, that is exactly the price obtained last year:

ne-hand bunch, jobbers' price:	
1900	\$0.866
1901	. 815
1902	. 94
1903	. 916
1904	. 931
1905	. 828
1906	. 97
1907	1. 039
1908	. 958
1909	. 908
1910	1. 048
1911	. 931
1912	. 307

Therefore, while the cost of foods in the United States during this period has increased 24 per cent, the cost of bananas to the consumer has not increased a cent, and, as I have just stated, the United Fruit Co.'s part in the production and the transportation of bananas has not increased one-half as rapidly as the increase of the 20 other companies which are in competition

Incidentally, it may be mentioned that the United Fruit Co. is a home corporation; I believe its stock is entirely owned by citizens of the United States, while the opposition companies are very largely controlled by foreigners, and I am told that the strongest opposition is entirely within foreign control. As an evidence of the widespread financial interest in this company and as an indication of the fact that it is not owned or controlled by a few men. I submit a statement showing the holders of the stock in the United Fruit Co. at the time of the consolidation and each year since; also the number of trustees who are holders of stock and the shares held by them; the number of women who are owners of stock and the number of shares held by them: Number of stockholders in the United Fruit Co. and the increase from year to year since its organization.

September, 1899	1	
September 1800 September, 1901 September, 1902 September, 1903 September, 1904 September, 1905 September, 1906 September, 1907 September, 1907 September, 1908 September, 1909 September, 1909 September, 1909 September, 1910 September, 1910 September, 1911 September, 1912 June, 1913	9/1 1,608 1,643 1,865 2,314 3,232 3,778 5,122 5,908 6,160 6,181 6,658	361 610 637 33 222 444 911 546 1,34 786 252 27 477 446 451

It will be noticed that there has been a very wide distribution of the capital since the organization of the company, and that in number more than one-half of the stockholders are women, and that trustees have a considerable holding, which shows the estimation in which the management and operation of the company are held by those who are familiar with it.

It has been charged that there is an extremely large profit made in the producing and bringing bananas to the United States. All the testimony that has been submitted indicates that this surmise is not true, and as evidence in favor of this contention I submit a circular issued by the Atlantic Fruit Co., of 11 Broadway, New York City, under date of June 23, 1913, in which they contend that profits are extremely small, and that while the Atlantic Fruit Co. is an important element in this trade it can not compete with the United Fruit Co. if the duty in question is imposed. I quote a paragraph giving their statement as to profits obtained in this trade during recent years:

ment as to profits obtained in this trade during recent years:

It may be argued against our contention that the United Fruit Co. is abundantly able to stand the tax and will have to do so, and that other companies should be in the same position, but against this our figures will show that on the importations of this company from October, 1905, to September 30, 1910, profits shown were only 2.7 cents per bunch; and from September 30, 1910, to December 31, 1912, a loss of 2 cents per bunch; and from January 1, 1913, to May 31, 1913, a loss of 6.3 cents per bunch; although as to the latter item, which includes the winter months, when all companies must face a certain loss, the remainder of the fiscal year may bring the year's showing to approximately 2.5 cents profit per bunch.

If this statement is correct, of course it necessarily means that either the smaller companies will go out of business or the price of bananas to the consumer will be increased.

The operations of the United Fruit Co. are not confined to the raising and transporting of bananas, but are extended to the transporting of other fruits and to the production of sugar, of which 144,000,000 pounds were produced last year. This has not been done by absorbing or purchasing other companies, but by a husiness built up by the United Fruit Co. itself.

not been done by absorbing or purchasing other companies, but by a business built up by the United Fruit Co. itself.

The operations of this company, of course conducted presumably for its benefit, have inured indirectly to the advantage of the whole Caribbean district in many ways. It has constructed hospitals in various countries at a cost of over \$300.000, in the maintenance of which it spent last year \$240,000. During the life of the company there have been treated in these hospitals 63,000 patients, more than 25 per cent of whom were not employees of the company. During the past year, as a result of the health service installed by this company, not a single case of any disease subject to quarantine appeared in any port in which the company is engaged in business, as a result of its operations, nor on any of its ships in the service. It has established an extensive wireless-telegraph system covering the Caribbean Sea region, and has constructed lighthouses at many points, which are not only of benefit to itself but to commerce Incidentally, it has largely affected our commerce in the field in which it operates. During the first year of the company's business it exported to foreign countries, for use in connection with its own affairs, \$754,506 worth of merchandise purchased in the United States, while last year, for the same purpose, it exported \$4,020,660 worth. But this is only a small item compared with the business which has been very largely developed through the means of transportation and as the result of the operations of the United Fruit Co. For instance, the exports to the West Indies and Central America from the port of New Orleans during this period show an enormous increase, much of which is due to the direct line of steamers operated by this company. The following is a statement of these exports:

Exports to the West Indies and Central America from New Orleans.

Country.	1900	1911
British Honduras Guatemala Spanish Honduras Nicaragua Costa Rica Panama Maxico Cuba	\$244, 247 58, 343 403, 828 936, 825 354, 269 595, 044 1, 817, 583	\$1,266,320 862,746 1,205,668 904,837 993,190 3,616,668 3,836,534 5,223,695
Total	4,410,139	17,909,658

In other words, from New Orleans alone, in 11 years, these exports have increased 300 per cent, and if such results are obtained from other ports touched by the United Fruit Co. it seems that an enormous volume of manufactures and agricultural products in the United States have found a new market in the Caribbean district, and this traffic does not inure alone to the benefit of the transportation line itself, but indirectly affects local traffic in the United States. As an example of this, there

were transported by rail to inland points in the United States freight, which originated within the operations of the United Fruit Co., aggregating 583,500 tons, a necessarily valuable business to the railroads and probably reducing the rates charged on goods brought from inland to the seaboard, because a lower rate can be made in cases where cars go loaded both ways than in cases where the cars must be returned empty to their starting point.

The development of the company has meant the building of many steamers and an increase of its transportation facilities commensurate with the increased resources of the company and the business which it carries on. During the first year of the company's business the largest ship employed in connection with its business had a capacity of about 2,000 tons, and most of the vessels employed in the service at that time were foreign steamers chartered by the company. Since then the company has built 20 steamships, having a total tonnage of 117,252 tons, the largest having a capacity of 8,000 tons. This is of great importance to our people, because it means employment for those engaged in shipbuilding and ship repairing, and it would give us the possibility of obtaining valuable auxiliaries in case of In 1898 the country was greatly disturbed in obtaining sufficient steamers for the comparatively small transportation service required at that time. Since then the United Fruit Co. has built and put in operation more steamers than all other similar transportation companies put together, and if we are going to take steps to rehabilitate our merchant marine, which I believe will be done in the near future, it is a pretty poor way to commence it by crippling the one company which has been adding to our transportation facilities, even under the present conditions. If we put a duty of 5 cents a bunch on bananasthere being no duty in most European countries-it will, in my judgment, change the trend of banana shipments away from the United States to those countries. It is true that the countries of Europe have not increased their use of bananas in the same proportion that the increase has been developed in the United States, but it is evident that the trade in Europe will in the near future make the same or similar advances that have been made in the United States, and if we impose this duty it will accelerate this increase at our expense. With this increased demand in Europe the steamers carrying the bananas, in order to make their calling more profitable, will offer unusual facilities for the transportation of goods in return, so that the sales of European goods will be increased as transportation lines are established and as a result of the development of the banana traffic. The net result of this would be that we in this country not only will lose the bananas, which will necessarily affect food prices in other cases, but we will also lose the sale of goods which will be imported from Europe to take the place of those which otherwise would come from this country.

It seems to me that all of this shows that the operations of the United Fruit Co. have been beneficial not only to the 7,500 stockholders and the 40,000 employees of the company, but to all of the people in the United States, and that an attempt to cripple this company by the imposition of this duty is not only an un-reasonable proceeding in itself, but that it will fail of its purpose, for the United Fruit Co., being a producer as well as a transporter and having large interests in the localities where the best bananas are produced, can operate on terms which mean annihilation to the competition of smaller companies. So we have the spectacle of the Democratic majority in the Senate being willing to put a duty on a food product, used very largely by people of extremely moderate means, for the purpose of punishing a corporation which any unprejudiced individual must admit has been beneficial to American interests. But even this attempt, in my judgment, will fail in its purpose, for there is every reason to believe that the smaller companies will feel the result of the duty much more keenly than the larger company, so that competition instead of being increased will be destroyed and the larger company will be able, if it desires to do so, to increase the cost of bananas to the American consumer to its own benefit.

I can not believe that the large number of those who protest against this duty and others who are advised of the contemplated action will submit without still further protest to this ill-advised attempt to restrict American enterprise, which must result, if it succeeds, in increasing the cost of an important food.

Mr. SHERMAN. Mr. President, one of the statements made in the report of the majority of the Committee on Finance of the Senate says:

A small revenue tax on this article was deemed justifiable-

Referring to bananas-

in view of the fact that the importation of bananas to this country is a practical menopoly of the United Fruit Co. On account of the perishable nature of bananas and the smallness of the tax, it is not believed it can be readily shifted to the ultimate consumer.

In order to test the application of the statement made in the committee report, I found it advisable to investigate the time that a bunch of bananas requires to come from Costa Rica into the grocery shop in Washington or Chicago. It takes two weeks from the time it is cut from the banana tree, put on the local railroad back in the plantation in Costa Rica, and the hoisting machinery puts its down in the United Fruit Co.'s steamer until it is hanging up in the grocery in Chicago or in the States of the Middle West.

The modern plan of transportation of this perishable product has entirely changed the method of transacting the business. There is a refrigeration in the steamer bringing that product to our shores that is practically perfect. It is equal to that of any refrigerator car that travels on the continental lines of

Therefore there is no protection, as a perishable commodity, against shifting this 10 cents a hundred pounds to the consumer of the article. There is no competition by the protection of a like product in this country. Porto Rico'does not, commercially speaking, put anything on the market that affects the supply; neither does Hawaii. There is not anything which comes to the Pacific coast that materially affects the market of this product unless from Central America or the Caribbean Sea country. There is nothing raised inside the limits of continental United States. There is but little in Mexico. You do not strike the banana belt until you get way into south Mexico. You have to take a steamer at Vera Cruz, if you are on land, and go around to get into the banana country.

Practically, therefore, what is claimed by those who believe

in the doctrine of encouraging and developing something we can produce here does not and could not apply to bananas. There are not enough bananas raised in the United States or in the country that is subject to its jurisdiction practically to feed the animals in the zoological gardens that are maintained in this country. In other words, the market is not appreciably affected by the home production. It is supplied by the plantations in south Mexico, in Costa Rica, in Honduras, in Colombia, in the northern part of South America, and a few other

countries near there.

Jamaica is a British colony. Our relations are not only friendly with the home Government of Jamaica and the local business interests that is handling the banana product in Jamaica, but it is friendly with all the Caribbean Sea country. Of course, that is not important. What our relations may be with the Central or West Indian countries is not of much consequence. We are not out of the Government receivership in San Domingo yet. It is not of much consequence. It may be dismissed, notwithstanding the fact that we have either to vitalize the Monroe doctrine in the Western Hemisphere or we have to ignobly and meanly abandon it. It is of no importance what our relations are with the Central or South American Republics. It is of no consequence what are our relations with Mexico until some Senator on this side of the Chamber introduces a resolution, and then there is a most astounding and consuming interest manifested, and we restrain ourselves; and I

But when it is said here that our commercial relations with Central America are of no consequence it is well to remember that under the Monroe doctrine we must exercise some sort of supervisory power over many of those countries or abandon it. Now I think is a good time to begin to cultivate amicable relations with the principal product many of them send to a friendly port. I do not want to discuss that branch of it at this time;

it may become proper some other time.

There is one matter that I think is material here. A great many of the tropical countries exporting to us their products

have seen fit to impose an export duty.

In every instance the South American Governments will learn this in time. If you talk with them when traveling in those countries, you will find that they are gradually beginning to discover how to extract revenue from other countries from their products we use but can not produce. They know that everybody who drinks a cup of coffee made from Brazilian coffee is paying tribute to that country. Costa Rica on the 1st day of July, 1910, put an export duty on bananas. There is an export duty of 1 cent gold on every bunch of bananas that goes out of that country. That export duty lasts until July, 1930. You can figure upon twelve and fourteen million bunches that come from Costa Rica alone just about how much revenue they will make, which either the United Fruit Co. will pay or the purchasers of bananas will pay; somebody must pay it. Costa Rica gets the revenue, and the United Fruit Co. and the independent companies, if you call it a trust, are engaged in the pleasing occupation of contributing to the public revenues of the Government of Costa Rica.

If you go to South America, what do you find? You skirt around the coast and you get to Colombia. You will find our heavy machinery there; you will find our flour and our salted meats there; you will find there the cheeses that are made here that are imperishable and gain strength every day in the Tropics; but little outside of that, hardly. You find our trade in other lines diminishing, if we ever had it, and you find the German and the Englishman selling in that market.

If you investigate a little further you will find that in this year, 1913, Germans have gone into Colombia and bought up large bodies of the available banana lands, and this year, 1913, is their first crop. They have organized a line of steamships, and in this year, 1913, that line of steamships is carrying out of that country that first crop of bananas grown from the trees that were planted long enough ago to produce it.

this year's crop is the first they have sent to the European That is a German company.

You will find, if you go a little further, that about 1900-I am quoting from memory—Englishmen organized a line of freight boats to Jamaica. If you look back of that organization, you will find that, like most of the English steamship lines, it is a subsidized line, and under the guise of carrying the Royal mails, it is a subsidized freight boat that goes to Jamaica and takes the bananas back to the home country.

If we investigate the exports from Jamaica into the English market we find that Great Britain is the second of the countries in the world in the consumption of bananas, the United

States being first.

A little after this freight-boat line was established, a second one was established, and is now plying its craft between the West India ports and the home country.

About two or three weeks ago dispatches came here from that country to the effect that England is preparing to fortify one of her West India islands, putting there many thousands of pounds sterling in the improvement of her harbors, in strengthening her coast defenses, and in establishing an ade-quate coaling station for her navy in that part of the world. So far as the public peace is concerned it is a friendly undertaking on her part; no hostility toward this country is manifested in that development, but she is simply preparing for the coming change.

When the Isthmian Canal is opened the great trade routes of the world will be changed, the line of travel by shipping will be deflected from present courses, and Great Britain, with her foresight, with her subsidies to her boats that travel world-wide. is preparing herself for the change that will come in the transportation of persons and property through the Isthmian Canal. When that time comes, with an import duty on 45,000,000 bunches of bananas entering our market they can send their products in Costa Rica and in northern South America and the rest of the Caribbean country to some other places, because the

market is increasing daily.

I do not regard a banana as a luxury; but I regard an Oregon apple as a luxury. In some parts of our Mississippi Valley country we have had to draw our supply from the Pacific coast—those of us who are inclined to be of fruit-eating habits. I am not much of a meat eater, but am a good deal of a vegetarian, and I take great pleasure in paying from 5 cents apiece to six for a quarter for apples that come from the Pacific coast. I have no objection to that, for they are fine apples, and they are worth the money.

Mr. LANE. Mr. President—
The VICE PRESIDENT. Does the Senator from Illinois yield to the Senator from Oregon?

Mr. SHERMAN. Yes, sir.

Mr. LANE. Mr. President, I should like to explain to the Senator from Illinois that the reason for his paying so high a price for apples is due to the cost of transportation from the Pacific coast. What I say applies pretty generally to the State of Washington, to northern California, to Arizona, and to New Mexico. The high price of apples in Illinois and on the Atlantic coast is on account of the transportation charges to those sections. In our region thousands of bushels of good apples are allowed to lie upon the ground and are not picked for the reason that it does not pay to ship them. You can buy them in that country at any price you desire, but if we had the means of transportation cheaply to this coast, as we shall have when the Panama Canal is opened, we could furnish you apples at a rate which would compete with bananas. Here is one article which ought to please you immensely, for the reason that it brings in a revenue to the Government and incidentally gives

you an opportunity to protect the American farmer.

Mr. SHERMAN. Mr. President, the explanation is entirely reasonable and it is entirely satisfactory; but we raise bananas in no place in continental United States, while we raise apples

in nearly every State here. The apple is peculiarly an American fruit. If it is not raised where it used to be—in the New England States—as much as it was formerly, it is because we have neglected the care of the orchard. That is also true with other places. There is hardly a locality in the United States that will not raise apples if the orchard is cared for. Consequently

what applies to apples does not apply to bananas.

It has been stated here, and it is true, that the banana is not a home production—that the principle of protection could never

apply to it.

I, too, Mr. President, have a number of communications from gentlemen in various parts of the United States. I will say for the information as well as for the peace of mind of those concerned that I have had no communication of any kind from the United Fruit Co.—not even a circular letter. The communications I have received are from some of my constituents, among whom there are many sons of Italy and many who come from Greece, famed in the classics. They have with one accord unanimously sent me many petitions not to interfere with their usual occupation in furnishing the population with bananas. They know what is the matter; they are in the retail fruit busi-They are not in it to make fortunes; they are in it to make But they know just as well as anybody knows that if \$2,250,000 of duties are collected at the ports of New Orleans, Mobile, Baltimore, Boston, and New York-and when I name those ports I name pretty nearly all the ports to which bananas are shipped in this country-they know that when that amount is collected the charge will be passed along on the bunch until finally the man with the pushcart pays the bill.

Mr. SMOOT. Mr. President-

The VICE PRESIDENT. Does the Senator from Illinois yield to the Senator from Utah? Mr. SHERMAN. Yes, sir.

Mr. SMOOT. I do not remember whether the Senator has mentioned the fact that not only will the amount of this duty be passed on to the ultimate consumer, but the expense of weighing the bananas and the loss that will come by bruising, due to extra handling and in many other ways, will be added and will ultimately fall upon the consumer.

Mr. SHERMAN. Yes, sir; it will be just the same as in

every other case.

Mr. SIMMONS. Mr. President, the Senator from Utah has suggested that this duty will be passed on to the consumer.
suppose that is true of all duties, is it not?
Mr. SMOOT. On articles not produced in this country.

Mr. SHERMAN. That depends. Name the article and then I will answer your question.

Mr. SIMMONS. It is true of many articles upon which the Republican Party has levied duties, is it not?

Mr. SHERMAN. The Senator should state a specific article. That is not a question that can be answered except in relation

to some specific article in a paragraph or schedule.

Mr. SIMMONS. I find that when Senators on the other side are opposed to a duty and want an article put on the free list they say the duty will be passed on to the consumer, but when they are in favor of a duty they say the duty will not be paid

Mr. SHERMAN. That depends entirely on whether we can produce enough of the article here in this country to supply the domestic consumption. If the Senator will offer the evidence that we can supply our domestic consumption of bananas by

some form of culture, it would be a different matter.

Mr. SIMMONS. The Senator has been arguing for some time as if the duty were placed upon bananas for the purpose of protection; and, with that in view, he has been trying to show that we do not produce any of this article in continental America, although it may be produced in several of our de-pendencies. I want to say to the Senator that we do not im-pose this duty with any idea whatsoever of protection. Our sole purpose in proposing the levying of this duty was revenue.

Mr. SHERMAN. Mr. President, I never had the remotest suspicion that anything like that lurked in the minds of the authors of this bill when they wrote it. The first time I read it I had some suspicion of my own that it was drawn for other purposes. I would not consume time by saying to the Senator from North Carolina that I thought he had any idea of protection in levying this duty on sonfe other articles which we either

have considered or will consider.

I only wish to say that if the United Fruit Co. will pay out of its treasury this two million and a quarter dollars and the consumer of the banana will not pay it, although we do not produce any bananas in this country, it is pertinent here to ascertain why the manufacturer of cast-iron pipe can not have applied to him the same kind of a rule. Why should not it apply also to the agricultural-implement manufacturers at Moline and else-

where, together with the branches of the International Harvester Co.'s world-wide business? Why not tax their product? Agricultural implements are one of the shining lights in the writing of this bill, because the farmer gets them free listed, and he is supposed to be correspondingly benefited, as well as the municipalities needing gas and water are correspondingly supposed to be benefited by the free listing of cast-iron pipe; but when it comes to bananas, of which we do not produce any appreciable quantity in this country, there is a different rule followed. If it works in one case, it seems to me that it ought to work in another case.

Mr. SIMMONS. Does the Senator really think that a duty of one-tenth of a cent a pound on bananas will be passed on to the consumer-and by the "consumer," I mean the person who eats

them-does the Senator think that?

Mr. SHERMAN. Yes; the consumer will pay the tax in this

Mr. SIMMONS. This is a duty of one-tenth of a cent a pound. My understanding is that it takes about five bananas to weigh a pound, and that bananas are sold in bunches of about five for 5 cents. A bunch of five bananas would pay, therefore, one-tenth of a cent a pound. How would they pass that onetenth of a cent a pound on to the man who buys five bananas?

Mr. SHERMAN. By raising the price about a nickel. Mr. SIMMONS. Does the Senator think they would add a

cent to each banana?

Mr. SHERMAN. That is the usual course, as we know from experience. I can answer that. We endeavored to cheapen

shoes in 1909 by free-listing hides-Mr. SIMMONS. The Senator thinks that when the seller here has to pay a tax of one-tenth of a cent and comes to pass

that on to the consumer, he multiplies it by 10 and makes it

Mr. SHERMAN: Not necessarily; but he multiplies it enough

to get even change.

Mr. SIMMONS. I merely wanted to know how much they pass on to the consumer. I wanted to know whether they really pass on the tax that is paid. The Senator says that if the dealer pays one-tenth of a cent on a bunch of five bananas, worth 5 cents, he will charge the consumer a cent, because he has had to pay one-tenth of a cent; and I want to know if that is the way protection works in the United States.

Mr. SHERMAN. I will explain to the Senator how it works. Ordinarily we buy bananas by the dozen; at least, most folks do. We do not buy them one at a time. We buy them for so much a dozen, and ordinarily when there is a change of this kind the dealers pass along enough of the added charge to make

even change

even change.

Mr. SIMMONS. But the Senator has just said that they would pass along ten times the tax in this particular case.

Mr. SHERMAN. Well, I do not care how much you figure it out, whether it is five times or ten times. Let me ask the Senator a question. I would not like to have the Senator go. I will be lonesome if the Senator leaves the Chamber.

Mr. SIMMONS. I am very sorry for the Senator, because if that be true, I will say to the Senator that the Senator is present.

seldom lonesome in these days when the Senator is present.

Mr SHERMAN. I am glad to know that I relieve the ennul of the occasion. How much does the Senator think the free listing of wheat and flour will diminish the price of a loaf of bread?

Mr. SIMMONS. I have not calculated. Mr. SHERMAN. Well, I have.

SIMMONS. Then, the Senator can answer his own question.

Mr. SHERMAN. Yes; I can answer the question. It will diminish it three sixty-fourths of a cent in Chicago and ten sixty-fourths of a cent in New York.

Mr. SIMMONS. It will, then, diminish it? Mr. SHERMAN. That is figured out by millers and bakers in whom I have some confidence. I never knew them to mis-lead me in regard to anything. I should like to know whether the free listing of flour will result in any corresponding cheapening of the loaf of bread.

I said something about shoes a while ago. When hides were free listed and the duty on shoes was reduced, as I remember— I am quoting from memory-60 per cent, or from 25 per cent down to 10 per cent, the only result of that reduction was that the jobber—not necessarily the manufacturer, but the jobber and the retailer—absorbed the diminished cost themselves. We did not get any benefit of it. That is the way free listing works. Adding a tax to bananas works just the opposite way, because

the other fellow is paying it. The tax is paid by the fruit company in the first instance, the shipper, the importer to this country, if we put it that way. Instead of paying it out of their corporate treasury, the easiest thing in the world is for them to pass it along. They do not absorb it as they do where an article now taxed is free listed. Shoes that formerly cost \$6 cost \$6.50 now. If you are wearing that kind of a shoe, you got nothing out of that. Bananas, when the duty of more than \$2,000,000 is paid, will have that much of an additional burden put on them, and the men that buy them for their families are the ones that will pay it. That is the usual result all the way

The VICE PRESIDENT. The question is on the amendment proposed by the committee.

Mr. BURTON. On that I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. BRYAN (when his name was called). I have a pair with the junior Senator from Michigan [Mr. Townsend]. I transfer that pair to the junior Senator from Illinois [Mr. Lewis] and will vote. I vote "yea."

Mr. LANE (when Mr. Chamberlain's name was called). I wish to announce that the senior Senator from Oregon [Mr. CHAMBERIAIN] is unavoidably absent, and that he is paired with the junior Senator from Pennsylvania [Mr. Olaver].

Mr. CLARK of Wyoming (when his name was called). Announcing my pair with the senior Senator from Missouri [Mr. STONE] I transfer that pair to the junior Senator from Maine [Mr. Burleigh] and will vote. I vote "nay."

Mr. KERN (when his name was called). I transfer my pair with the senior Senator from Kentucky [Mr. Bradley] to the senior Senator from Nebraska [Mr. HITCHCOCK] and will vote. I vote "vea."

Mr. GRONNA (when Mr. Poindexter's name was called). I am requested to announce that the junior Senator from Washington [Mr. POINDEXTER] is necessarily absent from the Chamber. He is paired with the senior Senator from Oklahoma [Mr.

Mr. REED (when Mr. Stone's name was called). announce the necessary absence from the Chamber this afternoon of the senior Senator from Missouri [Mr. Stone]. I will let this announcement stand for all roll calls of the afternoon.

Mr. THOMAS (when his name was called). I again announce the transfer of my pair with the senior Senator from New York [Mr. Root] to the junior Senator from Oklahoma [Mr. Gore] and will vote. I vote "yea."

Mr. SMITH of Michigan (when Mr. Townsend's name was called). My colleague [Mr. Townsend] is temporarily absent from the Chamber. I understand he is paired with the junior Senator from Florida [Mr. BRYAN]. If he were present, he would vote "nay."

Mr. WILLIAMS (when his name was called). I am paired with the senior Senator from Pennsylvania [Mr. Penrose]. I transfer that pair to the senior Senator from Maryland [Mr. SMITH] and will vote. I vote "yea."

Mr. BRYAN. I wish to announce that the senior Senator from Oklahoma [Mr. Owen] is paired with the junior Senator from Washington [Mr. POINDEXTER].

The roll call was concluded.

Mr. LODGE (after having voted in the negative). I desire to make the same announcement that I made before. I have a general pair with the junior Senator from Georgia [Mr. SMITH]. I transfer that pair to the junior Senator from California [Mr. Wobks], and will allow my vote to stand. I ask that this announcement may stand for the day.

Mr. GALLINGER (after having voted in the negative). Mr. President, I inquire if the junior Senator from New York [Mr.

O'GORMAN] has voted? The VICE PRESIDENT. He has not.

Ashurst

Bacon Bankhead

Mr. GALLINGER. I am paired with that Senator. I transfer that pair to the junior Senator from Wisconsin [Mr. Ste-PHENSON | and will allow my vote to stand as originally recorded. The result was announced-yeas 31, nays 28, as follows:

1.15	A5-01.	
Kern	Reed	Swanson
Lane	Robinson	Thomas
Martin, Va.	Shafroth	Thompson
Martine, N. J.	Sheppard	Tillman
Myers	Shively	Vardaman
Overman	Simmons Smith Ariz	Walsh

Bryan Fletcher Hollis Hughes James	Martine, N. J. Myers Overman Pittman Pomerene	Sheppard Shively Simmons Smith, Ariz, Smith, S. C.	Tillman Vardaman Walsh Williams
	NA	YS-28.	
Brady Brandegee Bristow Burton Catron Clark, Wyo. Crawford	Dillingham Fall Gallinger Gronna Jones Kenyon La Follette	Lodge McLean Nelson Norris Page Perkins Ransdell	Sherman Smith, Mich Smoot Sterling Thornton Warren Weeks

	NOT	VOTING-36.	
Borah Bradley Burleigh Chamberlain Chilton Clapp Clarke, Ark. Colt Culberson	Cummins du Pont Goff Gore Hitchcock Jackson Johnson Lea Lewis	Lippitt McCumber Newlands O'Gorman Oliver Owen Penrose Poindexter Root	Saulsbury Shields Smith, Ga. Smith, Md. Stephenson Stone Sutherland Townsend Works

So the amendment of the committee was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in paragraph 233, page 62, line 18, after the word "section," to strike out "15" and insert "10," so as to read:

233. Extract of meat, not specially provided for in this section, 10 cents per pound.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.
Mr. SMOOT. Mr. President, have we passed paragraph 232?

The VICE PRESIDENT. We have. It has been passed.

Mr. SMOOT. I was engaged in talking with the Senator from Mississippi [Mr. WILLIAMS], and it was passed before my attention was called to it.

I desire to call the attention of the Senator from Mississippi to paragraph 232, which provides for venison and other game a duty of 11 cents per pound, and for game birds, dressed, a duty of 30 per cent ad valorem. This paragraph levies a duty on venison and game birds, while paragraph 234 levies a duty on dead poultry. Nevertheless, these articles if prepared or pre-served would be apparently free of duty under paragraph 548 of the free list, which covers "meats of all kinds, prepared or preserved.

Mr. THOMAS. "Not specially provided for in this section."
Mr. SMOOT. I am perfectly aware that it says "not specially provided for," and they are not specially provided for in this paragraph. In other words, game birds, dressed, and dead poultry are dutiable under this bill; but if the same articles are prepared or preserved in any manner, they come in free of duty. That is to say, the meat of ducks, whether salted, dried, or packed in tins, comes in free of duty. Was that the intention of the committee?

Mr. WILLIAMS. What?

Mr. SMOOT. To impose a duty on wild ducks and dead poultry, and at the same time to allow them to come in here free if prepared or preserved in any manner? I call the Senator's attention to paragraph 548 of the free list.

Mr. WILLIAMS. Paragraphs 232, 234, and 548?

Mr. SMOOT. Yes.

Mr. WILLIAMS. At first blush I see no clash between them. The first one refers to venison and other game, or, as far as this particular discussion is concerned, it refers to game birds, dressed, and imposes a duty of 30 per cent. Paragraph 234 refers to poultry.
Mr. SMOOT.

refers to poultry.

Mr. SMOOT. Yes.
Mr. WILLIAMS. There is certainly no trouble in discovering the difference between poultry, domestic fowl, and game birds, Mr. SMOOT. None at all. That is not the conflict.

Mr. WILLIAMS. That is dutiable at 2 cents a pound. Parameter of the conflict of the conflict

graph 548 refers to "Meats: Fresh beef, veal, mutton, lamb, and pork; bacon and hams; meats of all kinds, prepared or preserved, not specially provided for in this section." That is true, Mr. President.

Mr. WILLIAMS. Poultry is specially provided for in paragraph 234.

Mr. SMOOT. Yes: dead poultry is.

Mr. WILLIAMS. Game birds are specially provided for in paragraph 232.

Mr. SMOOT. The Senator does not yet seem to catch the I asked the Senator if it was the intention of the committee to impose a duty upon dead poultry, and impose a duty upon game birds dressed, and allow those same items—that is, poultry and game birds—to come in here free if they are preserved or prepared in any way? In other words, suppose the

meat of ducks was salted, dried, or canned?

Mr. WILLIAMS. Oh, I see the Senator's point! Paragraph 234 refers to live poultry.

Mr. SMOOT. Why, certainly. Mr. WILLIAMS. And the point the Senator is making is that

paragraph 548 would let in this poultry free.

Mr. SMOOT. If it was canned or if it was preserved; cer-

tainly. That is the point.

Mr. WILLIAMS. No; I do not think that was our intention.

Mr. SMOOT. Then I ask that this paragraph may be passed. over for further consideration by the committee. I did not think that was the intention.

Mr. WILLIAMS. Wait one second. Paragraph 232 does not need to go back to the committee. Paragraph 234 is the paragraph that needs to go back.

Mr. SMOOT. No; I am not objecting to 234.
Mr. WILLIAMS. Mr. President, I move, after the word "live," in paragraph 234, to insert the words "or dressed."

Mr. SMOOT. That would not cure it. Mr. WILLIAMS. No; I beg pardon. Wait a minute. That will not cover it at all.

Mr. SMOOT. No; that will not cure it.
Mr. WILLIAMS. "Poultry, live, 1 cent per pound; dead, 2 cents per pound." That includes all poultry, of course.
Mr. SMOOT. The Senator agrees with me in that. I am not

asking now for the amendment which the Senator has just offered. I am calling the Senator's attention to the fact that paragraph 548 provides for "meats of all kinds, prepared or preserved." Dead and live poultry is assessed, and so game birds if they are dressed are assessed; but you can take game birds and preserve them; you can take dead poultry and preserve it, and then they would fall under paragraph 547 and come in free. There will be a conflict there. The Senator will no doubt remember the case of the Chinese company of New York against the United States where this question was decided. the bill is written the same question will arise again. The way

Mr. WILLIAMS. I see the point now. The point the Senator is making is that dead poultry, in paragraph 234, would refer only to poultry, dead and in its natural state, and that dead poultry, prepared or preserved, would be upon the free list.

Mr. SMOOT. It would be upon the free list.
Mr. WILLIAMS. Of course, that was not the intention of the committee. The Senator is right about it, and I ask that the latter part of paragraph 234, after the semicolon, be sent back to the committee for further consideration. I would offer the amendment now, but I am a little afraid I might not get the

wording exactly right.

The VICE PRESIDENT. If there be no objection, the whole paragraph will go back. The question is on the amendment of the committee, in paragraph 233, page 62, line 18, to strike out "7" and insert "5" before "cents," so as to read, "fluid extract of meat, 5 cents per pound."

The amendment was agreed to.

The VICE PRESIDENT. Paragraph 234 is recommitted.

Mr. WILLIAMS. The same thing has occurred twice. I dislike to take up the time of the Senate about it, but paragraph 234 was not recommitted. The latter part of paragraph 234, following the semicolon, was recommitted.

Mr. GRONNA. Do I understand that paragraph 234 was recommitted?

The VICE PRESIDENT. The Chair desires to state for the benefit of the Senator from Mississippi that unless there is some good reason why the whole paragraph should not go back the Secretary has informed the Chair that it aids the clerks very materially in keeping the record to have it all go back.

Mr. WILLIAMS. It may aid the Secretary very materially in keeping the record, but it may cause very considerable trouble later on. To-day, on an earlier paragraph, we sent one subject matter with about a dozen items in the paragraph back to the committee, and the Chair later announced that we had sent the paragraph back. As far as I can lay the work behind me I want to lay it behind me. Therefore, when we send a part of a paragraph back it will not take much more pen and ink or pencil for the Secretary to note the fact that that part of the paragraph following the semicolon was sent back to the committee.

Mr. GRONNA. If the paragraph has not been recommitted,

wish to offer an amendment to it.

The VICE PRESIDENT. The Senator from Mississippi says he wants only the last half of the paragraph to go back. Is the Senator's amendment to the first part of the paragraph?

Mr. GRONNA. I have an amendment to the entire paragraph, to change the rate from 1 cent a pound to 2 cents a pound and from 2 cents a pound to 3 cents a pound.

The VICE PRESIDENT. The Chair will have to let the

Senate rule on that question.

Mr. SMOOT. Does the Senator from North Dakota simply want to offer an amendment to poultry live or to both items?

Mr. CLARK of Wyoming. Both. Mr. BRISTOW. I do not think the Senator from Mississippi understood him. The Senator from North Dakota wants to offer an amendment to the entire paragraph, and under the present status the Senator from Mississippi has referred half of it back and half of it is here. The Senator from North Dakota can not offer his amendment because the amendment applies to both parts of the paragraph.

Mr. WILLIAMS. Undoubtedly it is in order because you

must perfect the paragraph before you recommit.

The VICE PRESIDENT. The Senator from Mississippi had the last half of the paragraph referred back to the committee.
Mr. WILLIAMS. I understand that. The amendment ought

to have been offered earlier of course, before we took that action. I assume that the paragraph must be perfected before it can be sent back to the committee, either in whole or in part.

Mr. GRONNA. I call attention to the fact that paragraph 234 had not been read before I offered my amendment.

Mr. WILLIAMS. I beg the Senator's pardon; it was, and the next paragraph was read. I ask that the action of the Senate recommitting a part of the paragraph be reconsidered for the present.

The VICE PRESIDENT. Is there objection? The Chair hears none. The paragraph is now before the Senate, and it will

The Secretary read as follows:

234. Poultry, live, 1 cent per pound; dead, 2 cents per pound.

Mr. GRONNA. I move to amend the paragraph, so that it will read:

Poultry, live, 2 cents per pound; dead, 3 cents per pound.

Mr. President, this is a paragraph on which a great deal might be said. I know that the Senator in charge of this schedule is very anxious to proceed with the bill, and I shall not take up the time of the Senate to discuss it, but I wish to ask to have printed in the RECORD in connection with it a table.

The VICE PRESIDENT. Is there objection? The Chair hears none.

The table referred to is as follows:

Canadian rate: 20 per cent ad valorem.
Payne rate: live poultry, 3 cents per pound; dead poultry, 5 cents per pound.
Dingley rates: Same as Payne rates.
Wilson rates: Live poultry, 2 cents per pound; dead poultry, 3 cents per pound;

cents per pound. Imports 1912.

Pounds. Value. Revenue. \$12, 534. 70 20, 809. 77

Exports 1912: Poultry and game, value, \$697,955. Number of poultry in 1910.

	Chickens and guinea- fowls.	Turkeys, ducks, and geese.
United States	282, 110, 164	11,027,213
Maine	1,718,240	13,280
New Hampshire	907, 807	6,959
Vermont	915, 526	18,759
Massachusetts	1,715,435	38,111
Rhode Island	396,981	8,353
Connecticut	1, 225, 781	17,924
New York	10, 265, 939	300,755
New Jersey	2,342,451	59, 254
Pennsylvania	12,007,839	347,040
Ohio	16, 904, 166	382,328
Indiana	13, 273, 585	463.364
Illinois	20,647,947	617, 469
Michigan	9, 724, 713	202,778
Wisconsin	1, 153, 314	219.982
Minnesota.	10, 304, 776	346, 765
	22, 730, 118	
		564,669
	19, 992, 410	832,570
North Dakota	3,097,692	132,015
South Dakota	4, 936, 814	199,527
Nebraska	9,033,353	214,016
Kansas.	15, 321, 486	314,575
Delaware	798, 345	23,082
Maryland. * District of Columbia. *	2, 702, 403	134,098
	7,433	196
Virginia	5,738,011	321,930
West Virginia	3, 121, 055	181,300
North Carolina	4, 643, 447	384,000
South Carolina	2,778,122	139, 713
Georgia	4,991,612	293, 480
Florida	1, 259, 607	58, 645
Kentucky	8,047,178	686,930
Tennessee	7, 410, 314	627, 493
Alabama	4, 708, 474	286, 233
Mississippi	4, 671, 114	373, 467
Arkansas	5, 234, 957	537,028
Louisiana	3, 291, 128	226, 258
Oklahoma	8,093,918	346,904
Texas	12,889,699	683,573
Montana	923, 173	31,731
Idaho	1,013,401	32,016
Wyoming	325, 365	11,002
Colorado	1,648,246	43, 135
New Mexico	511,845	10,780
Arizona	253, 118	8,023
Utah	673,911	14,716
Nevada	126, 667	4,488
Washington	2, 205, 934	44,086
Oregon	1,756,340	51,555
California	5,668,974	170,858

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from North Dakota.

The amendment was rejected.

Mr. WILLIAMS. I now ask that the part of the paragraph after the semicolon be recommitted.

The VICE PRESIDENT. Is there objection? The Chair hears none.

The reading of the bill was resumed.

The next amendment of the committee was, in paragraph 236, page 63, line 8, before the word "cents," to strike out "15" and insert "20," so as to read:

Sweetened chocolate and cocoa, prepared or manufactured, not specially provided for in this section, valued at 20 cents per pound or less, 2 cents per pound.

The amendment was agreed to.

The next amendment was, in paragraph 236, page 63, line 9, before the word "cents," to strike out "15" and insert "20," so as to read:

Valued at more than 20 cents per pound, 25 per cent ad valorem.

The amendment was agreed to.

Mr. SMOOT. Mr. President, in previous tariff acts and also in the present law powdered cocoa has always been provided for by itself. The present law provides for powdered cocoa, un-sweetened, 5 cents a pound. After the words "ad valorem," in line 10, on page 63, I move to insert the words:

Powdered cocoa, sweetened, 3 cents per pound.

That is a reduction from 5 cents a pound in the present law to 3 cents a pound. It is a reduction of 40 per cent over the present law. I am informed by the cocoa manufacturers of the country who make this article that with a reduction less than that it is impossible for their business to live.

The VICE PRESIDENT. The question is on the amendment

proposed by the Senator from Utah.

The amendment was rejected.

The Secretary continued the reading of the bill to the end of paragraph 238, the last paragraph read being as follows:

238. Dandelion root, and acorns prepared, and articles used as coffee, r as substitutes for coffee not specially provided for in this section, cents per pound.

Mr. NORRIS. Mr. President, paragraph 238 puts a tariff of 2 cents per pound upon substitutes for coffee. I am thoroughly convinced if the Senators on the other side who have been voting steadily and constantly and nearly unanimously against any change in the bill would give due and fair consideration to the amendment I shall offer they would be unanimously in favor of it. I am going to move to strike out the paragraph with notice that if it prevails when we get to the free list I will move to add it there.

The substitutes for coffee ought to be on the free list. Regardless of any man's theory of the tariff, I believe if you will give due consideration to the question no one can have any other

I am not going into the coffee situation now, because I admit that this amendment would not fully meet what ought to be met regarding the great International Coffee Trust, known as the Brazilian valorization scheme. But the articles in this particular paragraph come in direct contact and competition with coffee, which is itself the subject, in my judgment, of the greatest trust on earth.

It is true, I think, that even if you adopted my amendment it would not be, as I have said, a complete solution of it, but it would be a partial solution. This particular paragraph is a direct protection to the International Coffee Trust. It can not Everything that will come in competition he anything else. with coffee as long as coffee is on the free list ought to be put on the free list, because the only beneficiary of anything of that kind will be the International Coffee Trust. I am satisfied if every Member would vote as he feels when he has considered this question there would not be a single vote in the Senate against the amendment I propose.

We have imported of these substitutes for coffee at different times comparatively large quantities, although as compared with the amount of coffee we consume it is not very large. In 1910 we imported something over 452,000 pounds of these substitutes for coffee. The tariff was 2½ cents a pound under the law as it existed then and as it exists now. This bill reduces the duty just one-half cent per pound. Last year there was not so great an importation. It is estimated in the handbook here that under this rate per pound the equivalent ad valorem duty would

be 16.67 per cent.

I am not offering this amendment, I should like to say to Democrats on the other side, on any theory of protection; I am not offering it on any theory of free trade; I am simply offering it to partially bring into competition, if we can, and this will

bring some competition, the great International Trust, organized in a foreign country, and that has during the last four or five years taken from the common people of the United States at least \$75,000,000 in the increased price of coffee.

If there is any reason for this tariff, if there is any reason why this amendment should not be adopted and that which comes in competition with the product of that great trust, would be very glad to have some one suggest it. I would be glad to yield for any question connected with the subject.

I do not believe it is necessary now for me to go over the question of the International Coffee Trust and the Brazilian valorization scheme. I think in a general way that is well understood by all the Members of the Senate, and it will be the only beneficiary of this particular legislation.

Mr. WILLIAMS. Mr. President-

Mr. NORRIS. I yield to the Senator. Mr. WILLIAMS. If the Senator from Nebraska will pardon me, while I myself am rather inclined that he is wrong, I am rather inclined to think that, while this duty can not be defended upon revenue principles or upon protective principles, either, it could be defended upon ethical principles, to prevent frauds and substitutes of one thing for another and the sale of it as another.

Still, upon consultation, I will ask that the matter be recommitted, if that will be satisfactory to the Senator, and the com-

mittee will consider it.

Mr. GRONNA. I will ask the Senator from Mississippi if that paragraph is recommitted, whether paragraph 235 should not also be considered by the committee? Chicory is used as a

substitute for coffee. Chicory is the poor man's coffee.

Mr. WILLIAMS. I think chicory is a positive fraud; and, if sold for coffee, it is a positive deception. It is an undeniable fraud and there is nothing good about it. As to this other matter, I want to look into the character of it. I understand there is nothing in the dandelion root that is injurious to the human system at all, although there is an amount of tannic acid which, when consumed in too large quantities, might be injurious. I want to tax chicory so that it shall not be sold to me and my children as coffee.

Mr. GRONNA. I remember the attack made on this particular article by Judge Sabath, of Chicago, a few years ago. shall not take up the time of the Senate to discuss it, but it can be found in the Congressional Record. It was shown by Mr. Sabath that large quantities of this article are being used as coffee. But I know it is being used by the poor people of the

city and most of it is used by the farmer.

Mr. WILLIAMS. I know that a very great fraud is being perpetrated upon the consumer and that chicory is not a good thing for anybody to put in his stomach. I have no objection to substituting one more than another if equally harmless; but I do not think that, as a general principle, applies to chicory. would rather send it back to the committee.

Mr. GRONNA. I objected to a duty of 2 cents a pound on

That was my objection to it.

Mr. NORRIS. In connection with that matter I should like to say that, so far as my knowledge goes, this article

Mr. WILLIAMS. I have agreed to allow it to go to the I think the Senator might help me sometimes.

Mr. NORRIS. But I want to make a suggestion to the Senator for his consideration when he takes it up in committee. may be mistaken about what I am saying now, but my information is that these substitutes for coffee are not imported under the name of coffee. There is not any fraud practiced against the Government. They are not sold as real coffee. So the question the Senator raised is not involved.

Mr. WILLIAMS. But I want to examine it. I have an impression now that they are mixed with coffee and ground with

coffee and sold as pure coffee.

Mr. NORRIS. I think that could not be done under our purefood law

Mr. WILLIAMS. If that is a mistake, I will try to find out

Mr. GRONNA. I want to say to the Senator from Missis-sippi that he will find that chicory is ground up and mixed with coffee and sold as coffee. There is no substitute for unground coffee.

Mr. WILLIAMS. I thought not, and therefore I thought it was a fraud on the consumer.

The VICE PRESIDENT. Paragraph 238 is recommitted to the committee.

Mr. BURTON. I ask that paragraph 240 may go over until, say, Monday afternoon or Tuesday. It is the paragraph in regard to spices. In the meantime I should like to ask a question of the Senator from Mississippi.

Mr. WILLIAMS. Suppose we consider the paragraph and adopt the Senate committee amendments, and then let it go

Mr. BURTON. The amendments are just what I should like to have considered further.

Mr. WILLIAMS. Very well.

Mr. BURTON. I want to ask the question, What does this provision mean on page 64, beginning with the words "ground There is an amendment of the Senate committee which I think helps the situation very much, but I should like to know how it is interpreted and what is intended by it. It

Ground spices, 20 per cent ad valorem in addition to any duty on the spices in an unground state.

Does that mean that you impose on the ground spices, in addition to the ad valorem rate, the rate per pound imposed on the unground spices, or that you take the value of the unground spices and impose a duty upon them?

Mr. WILLIAMS. It says "20 per cent ad valorem in addi-

tion to any duty.'

Mr. BURTON. How do you compute that duty?

Mr. WILLIAMS. If the duty levied is an ad valorem duty, it will be 20 per cent of the ad valorem duty added, and when the duty is a specific duty, it will be one-fifth of the specific duty added. There is no trouble about it, because it is all specific. The rate is 1 cent per pound on some, 2 cents per pound, three-fourths of 1 cent, and one-half of 1 cent; mace, 8 cents; Bombay or wild mace, 18 cents. Then, when they are ground it is just one-fifth added to each-20 per cent. That is what is intended.

Mr. BURTON. But I do not believe the Senator from Mississippi quite understands me. Take a concrete case. Suppose cinnamon is ground into spices. You would then impose 20 per cent ad valorem in addition to any duty on the cinnamon in an unground state?

Mr. WILLIAMS. Oh, that is all right; I see now what the

Senator means.

Would you impose a duty of 1 cent a pound on the weight of the ground spice, or how would you do it?

I think perhaps it would be best to pass the matter over, and then the Senator from Mississippi will consider it. I think the language as it now stands is open to ambiguity.

Mr. WILLIAMS. I do not see any ambiguity in it. Ground

spices

SIMMONS. As that paragraph has been passed over until Monday, what is the necessity of discussing it now? We can discuss it when we reach it on Monday.

Mr. WILLIAMS. I did not agree to pass it over. Mr. SIMMONS. I thought the Senator had.

Mr. WILLIAMS. I agreed to pass it over after the adoption of the committee amendments. The paragraph reads:

Ground spices, 20 per cent ad valorem.

Of course, "ad valorem" means upon the value of the ground spices, and that that is to be an addition to any duty which is a specific duty on the unground spices.

Mr. BURTON. How will you figure the amount on the unground spices? Suppose it requires a pound and a quarter in its unground condition to produce a pound that is ground?

Mr. WILLIAMS. You have the tariff upon the ground spices when it comes in.

Mr. BURTON. How can you compute it?

Mr. WILLIAMS. This will operate like every other thing at the customhouse.

I think an appraiser would have a good deal of difficulty about it.

Mr. WILLIAMS. The point is, whether you are going to take the weight of the ground or the unground spices?

Mr. BURTON. As to how you will fix the duty? It would hardly be possible to ascertain the quantity of unground spices.

Mr. WILLIAMS. Mr. President, I think, after all that has been said, that the language is ambiguous. The customhouse people will have some trouble in getting the duty upon the unground spices by weight when they come to fix the duty on the ground spices ad valorem, and then to make the addition. We will carry that back into the committee and cure the difficulty.

Mr. BURTON. Very well. Mr. WILLIAMS. Mr. President, I do not know whether or not I formally asked that paragraph 240 be passed over. Did I do so?

Mr. SIMMONS. Let it be passed over until Monday. The VICE PRESIDENT. The paragraph will be passed over. The reading of the bill was resumed, and the Secretary read paragraph 241, as follows:

241. Vinegar, 4 cents per proof gallon. The standard proof for vinegar shall be taken to be that strength which requires 35 grains of bicarbonate of potash to neutralize 1 ounce troy of vinegar.

Mr. GRONNA. Mr. President, this is the concluding paragraph of the schedule. I shall detain the Senate on it but a

I want to call the attention of the Senate to the fact that, taking 35 articles in this schedule, 15 of them have been placed on the free list. Those 15 articles are the ones which are of the greatest importance to the farmer. More than \$25,000,000 in revenue will be lost to the Treasury of the United States by this proposed change. My figures are taken from the tariff handbook. Under the present law the revenue collected for 1912 on these articles was \$32,026,260.

Mr. GALLINGER. Will the Senator from North Dakota per-

mit me to interrupt him?

The VICE PRESIDENT. Does the Senator from North Dakota yield to the Senator from New Hampshire?

Mr. GRONNA, I do.

Mr. GALLINGER. The Senator from North Dakota calls attention to the fact that there will be a loss of \$25,000,000 to the Treasury of the United States. Has the Senator made any estimate as to how much the Canadian people will gain?

Mr. GRONNA. Well, Mr. President, I have not made an estimate as to what they will gain, but I can assure the Senator from New Hampshire that the Canadian people will gain a great many times the amount the Treasury of the United States

will lose.

The estimated revenue to be collected under this bill, according to the Democratic tariff handbook, is \$6,739,570. You admit, according to your own figures, that there will be a loss to the Treasury of the United States of \$25,286,696. The very people to whom you denied protection upon the basic necessities you are taxing on spices. It may be that we could get along without using spices, but it is a well-known fact that they are being used by everybody. What is the difference, so far as the cost of living is concerned, whether you levy a duty upon food products or levy it upon such articles as spices? The American people pay it. There is, however, a great difference to those who are engaged in the industries and are producing these basic necessities. You permit the foreign producer to come to this country and give him the same opportunities to market his products as is given to the American farmer.

Last year there was paid out for extra labor on the farm, not mentioning the labor of the farmer himself or that of his family, over \$1,000,000,000; and yet we hear much about raw material. Last year it cost 40 cents a bushel to produce barley; 35 cents of this was labor cost, and yet you call it raw material The glass of beer, the product of the brewer, which is most all profit, does not have in it 5 per cent of labor cost, and yet beer is protected by a heavy duty.

Mr. WILLIAMS. Does the Senator think that American beer is very heavily protected? Is not most of the taxation a counter-

vailing duty against the internal-revenue tax?

Mr. GRONNA. Well, Mr. President, it is protected in this

bill by a duty of 100 per cent or more.

It seems to me that it is unfair to the American farmer to deny to him any protection whatever on these articles; it seems to me it is unfair to the American people to take from the Treasury of the United States more than \$25,000,000 in revenue now derived from these 35 articles. I can well understand how a free trader can justify his position in placing these articles on the free list, but I can not understand how anyone who claims to be for a tariff for revenue can justify his position, because the rates on agricultural products, according to your own figures, involve a loss of nearly \$26,000,000.

Mr. WILLIAMS. The Senator does not want the impression to go to the country that agricultural products are all on the

free list, does he?

Mr. GRONNA. No; I am referring to 35 articles. Mr. SHEPPARD. Mr. President—

The VICE PRESIDENT. Does the Senator from North Dakota yield to the Senator from Texas?

Mr. GRONNA. I yield to the Senator from Texas.

Mr. SHEPPARD. How does the Senator arrive at the figures—\$26,000,000—which he says will be lost by virtue of the reduction in the tariff on agricultural products?

Mr. GRONNA. I had not intended to take up so much time of the Senate, but since the Senator has asked me the question how I arrive at these figures I shall be glad to give them to him.

According to the handbook, the imports of horses for 1912 were \$335,684, which brought in a revenue of \$68,323. proposed rate is 10 per cent, under which the estimated imports are \$475,000 and the estimated revenue \$47,500. I do not think I would be justified in taking the time of the Senate to read all of the figures which I have here.

Mr. SHEPPARD. I will ask the Senator to give the total

for the whole 35 products.

The total amount of revenue collected on Mr. GRONNA. these articles in 1912 was \$32,026,266, and the estimated revenue

Mr. SHEPPARD. Does the Senator mean the revenue estimated to be obtained from this schedule of the pending bill?

Mr. GRONNA. The revenue on the same number of articles I have indicated.

Mr. SHEPPARD. The Senator, then, is not speaking of all the articles in the agricultural schedule?

Mr. GRONNA. I am speaking of 35 articles or products of

the farm.

Mr. BURTON. Mr. President, I will ask the Senator from North Dakota, if he conveniently can, to select three or four of the leading articles where the loss is greatest.

Mr. GRONNA. Before I do that I want to give the Senate the exact figures of the amount of revenue that will be lost. The loss to the Government will be \$25,286,696. The articles to which I refer are horses, mules, cattle, swine, sheep, other animals, barley, oats, rice, corn, wheat, rye, broom corn, buckwheat, butter and substitutes, cheese and substitutes, beans, beets, hay, honey, hops, onions, garlic, peas, flaxseed, straw, regetables, poultry, eggs, flax straw, fresh milk, cream, potatoes, wool, and hair of the Angora goat.

Mr. WILLIAMS. Now, I want to ask the Senator a question. Mr. SIMMONS. Wool is not covered by the agricultural schedule, nor is the hair of the Angora goat. If the Senator will pardon me, he is laboring under some curious misapprehension. The total duty collected under this whole schedule on everything in the schedule was \$34,000,000; and it is estimated that under the Senate bill the total duties collectible will be \$21,863,000; so that, taking the whole schedule, there is a difference between the present duties and the estimated duties of less than \$13,000,000.

Mr. SHEPPARD. Less than \$10,000,000. Mr. SIMMONS. No; less than \$13,000,000.

Mr. WARREN. The Senator must be mistaken in that. Mr. SIMMONS. I am speaking of the whole schedule.

Mr. WARREN. There is more difference than that in the one matter of wool.

Mr. SIMMONS. Well, wool is not in the agricultural schedule. Mr. WARREN. I know it is not, but the Senator from North Dakota has enumerated it as an agricultural product.

I understood the Senator to be talking Mr. SIMMONS. about Schedule G.

He has enlarged it somewhat to include Mr. WARREN. other agricultural products.

Mr. SIMMONS. I understood the Senator to be speaking

about Schedule G, the agricultural schedule.

Mr. GRONNA. I want to say to the Senator from North Carolina that my figures are correct, and I shall ask to have them printed in the RECORD so as to give the Senator time to investigate them; and if the Senator finds that I am mistaken, I hope he will correct me.

Mr. SIMMONS. Of course the Senator is correct when he states that there is a large loss of revenue as the result of putting raw wool on the free list; nobody denies that; just as there is a large loss of revenue from putting sugar on the free

Mr. GRONNA. Mr. President, I shall ask to have printed in the RECORD this full statement.

The VICE PRESIDENT. In the absence of objection, per-

mission is granted.

I want to ask the Senator if in his state-Mr. WILLIAMS. ment he considers sugar to be an agricultural product or a manufactured product? It is really a very highly finished manufactured product.

Mr. GRONNA. I will say to the Senator that I do not hap-

pen to have sugar on my list, and I have not referred to sugar.

Mr. WILLIAMS. I want to ask the Senator the further question, before he puts the paper in the RECORD, is it his contention that the farmers have lost the amount of money he has named by the removal of the duty?

Mr. GRONNA. Mr. President, my contention is—I hope I am mistaken, but my contention is—that they will lose a great deal more by losing the American market, which rightfully belongs to them.

Mr. WILLIAMS. Very well. Then the contention of the Senator from North Dakota is that the farmers of this country have lost in the prices they were enabled by the tariff to levy upon the American people even more than the amount of money he is stating as having been put on the free list. Admitting for the sake of argument that that contention is just; if so, then the American people have escaped that much taxation levied upon them for the benefit of special farming interests. There is no escape from it.

It is true either that the farmers have not lost the amount of taxes that we have reduced, or they have. If they have lost them, they have lost them because they have lost the power to levy, in the shape of the added price, that much tax upon the American people. If they have lost that power, the American people have profited that much—the poor and the rich, the low and the high.

I am not a political farmer. Every dollar I have in the world is invested in agriculture, directly or indirectly. Every dollar I have anywhere is either in tools, or in implements, or in cattle, or in horses, or in sheep, or in crops, or in land, or in mortgages on agricultural lands. I say I do not know of anything more iniquitous than to espouse the idea that my class has a right to levy a contribution of millions of dollars upon the necessities of the American people every year of our lives, every generation of our time, in order that we may reap greater profits. For the most part it goes to the landlord and not to the farm laborer. I belong to the landlord class, and I know it; and so does every landlord in this country.

Mr. GRONNA. I desire to ask the Senator from Mississippl a question. I have for a long time known the belief or the contention of the Senator from Mississippi with regard to this particular industry.

Mr. WILLIAMS. It was your contention,

Mr. GRONNA. I wish to ask the Senator from Mississippi a question. How much revenue do you propose to collect under this tariff?

Mr. WILLIAMS. Does the Senator mean the total amount of revenue?

Mr. GRONNA. The total amount.
Mr. WILLIAMS. I have forgotten the figures. They are in • the hands of the committee.

Mr. GRONNA. We have generally collected about \$300,000,000 annually, have we not?

Mr. WILLIAMS. Yes.

Mr. GRONNA. And about the same amount, or a little more, by an internal-revenue tax. I ask the Senator from Mississippi what difference it makes whether we levy it on food products or whether we levy it on something else that the American people use?

Mr. WILLIAMS. Ah, I can very easily tell the Senator. When you levy a tax upon food products you levy a tax upon something which every human being—man, woman, or child—absolutely must have. It is like levying a tax upon water; it is like levying a tax upon air; it is like levying a tax upon anything without which humanity can not exist.

When you come to levying a tax upon other things, it depends upon what those other things are. If you levy a tax upon a man's necessities, you have levied a tax upon the man, his physical fabric, all there is to him. When you have levied a tax upon his comforts, you have inconvenienced him. When you have levied a tax upon his luxuries, you have "unluxuriated" him to a slight extent.

Why, it is as old Solon of Athens said, a thousand years before Christ, about a graduated income tax. He said: "If you levy a tax of 10 per cent upon a man"—he used the Greek coinage, but I shall use the American coinage-" who has \$100 a year, and take from him \$10, you deprive him of something he needs. When you take \$100, the same percentage, from him who has a thousand dollars a year, you deprive him of something that will improve him, but without which he can exist. \$10,000 from a man with \$100,000 a year, still the same percentage, you deprive him of some luxuries, without which he can well live and develop."

So you never can make uniform percentage taxation, either upon incomes or upon necessaries, an equal tax. You always tax the poor more than you tax the rich, not because you want to do it, but because you can not avoid it. It is absolutely unavoidable.

My principle always has been this: If I could have my way, would divide all of the imports into the United States into three classes-necessaries of life and necessaries of industry at one extreme; luxuries away out at the other extreme; between the two, the things that are comforts. I would tax them at different rates, because in taxing them at different rates I tax humanity more approximately at the same rate. Do you not understand? Or, to express it better, I tax humanity in all of its classes more nearly in proportion to humanity's ability to pay. That is the reason.

You never can begin the reform of any great tax system unless you start at the bottom—at the necessaries of life and industry. Another great reason for it is that when you take the tax off the necessaries of life or off a necessary of industry. especially the latter, you then have the opportunity to take off all the "compensatory" taxes that were levied on account of

it, and you have the opportunity to take off all the intermediate profits in the shape of compound interest, that accompanied it from the day it came from the mill to the time the man put it on his back, or put it in his stomach. So that every time you take off "X" from the raw product, you can take off "XY," whatever that may amount to-algebraic progression-from the finished product, and not merely "X" itself.

Mr. GRONNA. I will ask the Senator from Mississippi

whether it is not true that he expects, under this bill, to collect somewhere near \$300,000,000 in customs taxes?

Mr. WILLIAMS. I have forgotten the amount. Mr. GRONNA. Is it not true that the people need clothing and wearing apparel as well as food?

Mr. WILLIAMS. Yes; but they can exist without much of

the latter if the police will let them alone.

Mr. GRONNA. I ask the Senator, then, what difference does it make whether you levy a portion of that amount on the food products and a portion of it on the wearing apparel or leave it all on the wearing apparel?

Mr. WILLIAMS. Mr. President, we have not levied it all upon the wearing apparel. We have not taken all the tax off the agricultural products. The assumption that we have left the farmer taxed upon the manufactured products, while we have taken off the tax upon his products, is not borne out by

the bill. Take the flax schedule-

Mr. GRONNA. Mr. President— Mr. WILLIAMS. Wait a minute. Let us undeceive the people in connection with this.

Mr. GRONNA. I hope the Senator will not make the state-

ment that I am trying to deceive anybody. Mr. WILLIAMS. Oh, no; I said I wanted to undeceive them. My friend would not deceive anybody. He is as honest as the day is long. He is as clean as a hound's tooth.

day is long. He is as clean as a nound's tools.

Mr. GRONNA. I thank the Senator for that.

Mr. WILLIAMS. But what I say is that I want the people to be undeceived about it. Take the flax schedule alone. What did we do first? We put flax upon the free list. We put hemp to the wool schedule, and we put wool upon the free list. What does that enable us to do? Why, it enables us to reduce the duties upon the finished products of flax 50 per cent and the duties upon the finished products of wool 35 per cent. So we have given to the farmer the opportunity to buy 50 per cent cheaper linen and 35 per cent cheaper wool, in so far as the duty raised the price; and he already had free raw material on the cotton schedule, so we were not able to reduce that quite so much.

Mr. GRONNA. I wish to read to the Senator from Missis-sippi some of the articles in this schedule that have been

placed on the free list. I want to name them.

Cattle are on the free list; swine are on the free list; sheep are on the free list; corn is on the free list; wheat is on the free list; rye is on the free list; broom corn is on the free list; buckwheat is on the free list; eggs are on the free list; flax straw is on the free list; milk and cream are on the free list; potatoes are on the free list; wool is on the free list.

I had hoped I might have the attention of the Senator from

Mr. WILLIAMS. I beg the Senator's pardon.

Mr. GRONNA. I have just read to the Senate some of the articles which this bill proposes to place on the free list.

Mr. WILLIAMS. I knew what they were before the Senator

read them.

Mr. GRONNA. I am sure of that. I simply read them for the RECORD, of course. But the articles placed on the free list are those of the greatest importance to the agriculturist. I can not understand where you benefit the consumer by giving him free wheat. The people of the country do not consume whole wheat. I can not see where you are going to benefit the consumer by giving him free wheat and placing a duty upon wearing apparel or on spices.

Mr. WILLIAMS. We did not place the duty there. We re-

Mr. GRONNA. You are placing a duty on it, and you are simply going on the theory that by increasing importations you will produce a sufficient amount of revenue to defray the expenses of the Government.

Mr. WILLIAMS. Oh, no. Upon the contrary, we went to an income tax in order to get the necessary revenue, taxing the wealth rather than the bellies and the backs of the people.

Mr. GRONNA. I will say to the Senator from Mississippi that if the income-tax provision of this bill stood by itself I should be glad to vote for it. I believe in an income tax. For 20 years or more I have advocated it.

Mr. WILLIAMS. We are advocating it now just to this extent: We are substituting it for a lot of consumption taxes; and just to the extent that we are doing it we are removing the burdens of taxation from the bellies and the backs of the people to their pocketbooks and their bank accounts.

Mr. GALLINGER. Mr. President-

The VICE PRESIDENT. Does the Senator from North Dakota yield to the Senator from New Hampshire?

Mr. GRONNA. I yield. Mr. GALLINGER. The Senator from Mississippi argues that the \$25,000,000, to which the Senator from North Dakota has called attention, will go to the consumers of the country.

Mr. WILLIAMS. I beg the Senator's pardon, but I did not. The Senator from North Dakota said the farmers would lose that much. I did not say it, and I do not believe it.

Mr. GRONNA. I said they would lose many times more than

Mr. WILLIAMS. Then I said if that were true they would lose the power to tax the people that much; but I said upon the floor of the Senate the other day that in spite of the reduction of taxes meat and bread will both go up, and cattle and wheat will both go up, because of other conditions existing in this country and in the world at this time. These are conditions overmastering the natural tendency of tax reductions to reduce prices of the things taxed.

Mr. GALLINGER. Then I misunderstood the Senator, Mr. WILLIAMS. Yes.

Mr. GALLINGER. The Senator's suggestion now is that, notwithstanding the farmer has been deprived of the protection he formerly had, under the operation of this bill the consumer will have to pay more than he does now.

Mr. WILLIAMS. No. Mr. GALLINGER. That is not a very alluring picture.

Mr. WILLIAMS. Oh, no. What I say is this: The Senator from North Dakota said the other thing, and I merely took his ground for the sake of argument and reply of any possible ground of the opposition. I say that owing to other conditions that have nothing to do with the tariff the price of the staple articles of agriculture will for quite a time continue to go up, with now and then a sag downward, but that the tendency of prices will be upward. The farmer will get just as much for his wheat and just as much for his cattle and the consumer will pay as much. The only difference is that the rise in the price of the farmer's cattle and wheat will not be what it would have been if we had not made the reduction. The reduction will counteract overmastering conditions to some extent. But as compared with present prices the prices are going up. is my prediction. That is my belief.

Mr. GALLINGER. On every stump in my section of the country our good Democratic friends in the last campaign thrilled their audiences with the suggestion and the promise of cheaper

Mr. WILLIAMS. Yes; and we are going to have it. We are going to have it in the shape of cheaper iron, and cheaper woolen clothing, and cheaper cotton clothing, and cheaper linen clothing, and, generally speaking, cheaper manufactured products; but we are not going to have it in the shape of cheaper basic necessities of food products from the farm, because the great influx of people to the cities and the increased demand for food and the decreased supply, owing to the fact that labor is going from the farm to the factory all over the world, will prevent what would be the natural tendency of this act. But we are going to give the people cheaper clothing; we are going to give them cheaper plows, and agricultural implements, and bagging and ties, and wool sacks and grain bags; we are going to give them cheaper barbed-wire fences; we are going to give them all these goods cheaper, and the Senator will live to see it.

Mr. GALLINGER. The argument of the Senator from Mississippi reminds me of what occurred in my own State a few years ago. A Democratic orator grew eloquent, and, pointing to a boy on the front seat, he said, "Why, the jacket you have on is taxed 40 cents." The boy said, "That is a lie, because mother bought it for 35 cents." [Laughter.] It does not follow, because these articles are put on the free list that the consumer is going to get them for very much less, particularly if we deliver over our business into the hands of foreigners.

Mr. SIMMONS. Does that apply to agricultural products as

well as to manufactured products?

Mr. GALLINGER. We will not discuss agricultural products, because the Senator from Mississippi admits that they are going to cost more, notwithstanding our people have all been promised that they were going to have cheaper living; and when that was promised, it was not cast-iron pipe. It was a cheaper breakfast table. That rang all through the country from every

stump; and the people did not think you were going to give them cast-iron pipe or barbed wire on their breakfast tables.

Mr. SHEPPARD. Mr. President—
Mr. SIMMONS. Mr. President—
The VICE PRESIDENT. Let us have some order. Does the Senator from North Dakota yield to the Senator from Texas?

Mr. GRONNA. Not just now; I will in a moment. In answer to the Senator from New Hampshire, I will say In answer to the Senator from New Hampshire, I will say that the Treasury of the United States will lose more than \$25,000,000 of revenue upon the articles I have enumerated. There is no question in my mind but that the farmer of the country will lose many times as much.

Mr. GALLINGER. Undoubtedly.

Mr. GRONNA. Because the Canadian farmer and the farmer

from other foreign countries will have access to the American market, which belongs to the American farmer. I thought the Senator from Mississippi and I could agree on at least one thing, and that is that the Treasury of the United States will lose more than \$25,000,000 through the changes that have been made, or that are proposed in the present bill to be made, from the present law on those items.

Mr. President, I do not care to occupy the floor any longer. I have said all I am going to say. I asked a few minutes ago to have a table printed in the RECORD.

The VICE PRESIDENT. Permission was granted to the

\$651, 611, 287

3, 169, 917 2, 993, 978 15, 370, 931 11, 101, 864

Senator from North Dakota. The matter referred to is as follows:

United States ...

Arizona____ Utah_____ Nevada____ Washington___

Amount expended by farmers for labor in 1909.

	5 699 100
Maine	5, 633, 106
New Hampshire	3, 374, 126
Vermont	4, 748, 003
Massachusetts	12, 101, 959
Rhode Island	1, 761, 594
Connecticut	6, 881, 619
New York	41, 312, 014
New Jersey	11, 097, 727
Pennsylvania	25, 611, 838
Ohio	25, 631, 185
Indiana	17, 682, 079
Illinois	36, 308, 376
Michigan	19, 063, 082
	19, 195, 473
Wisconsin	22, 230, 149
Minnesota	24, 781, 592
Iowa	18, 644, 695
Missouri	21, 740, 149
North Dakota	10 001 044
South Dakota	12, 831, 944
Nebraska	15, 028, 468
Kansas	20, 567, 237
Delaware	1, 612, 471 8, 802, 172
Maryland	8, 802, 172
District of Columbia	238, 833
Virginia	13, 354, 194
West Virginia	4, 035, 764
North Carolina	9, 220, 564
South Carolina	10, 770, 758
Georgia	13, 218, 113
Florida	5, 354, 376
Kentucky	12, 243, 851
Tennessee	8, 448, 059
Alabama	7, 454, 748 7, 162, 225
Mississippi	7, 162, 225
Arkansas	7, 654, 571
Louisiana	16, 704, 125
Oklahoma	9, 837, 541
Texas	25, 784, 501
Texas	10, 930, 477
Montana	6, 701, 604
Idaho	6, 174, 164
Wyoming	10, 818, 465
Colorado	3 645 493

Revenues from duties on farm products in 1912, and estimated revenues from duties on farm products under tariff bill as reported to Senate.

Article.	Imports, 1912.	Revenue, 1912.	Proposed rate.	Esti- mated imports.	Esti- mated revenue.
Herses	\$335,684 53,053	\$68,323 34,590	10 per cent do Free	\$475,000 137,500	\$47,500 13,750
Cattle Swine Sheep	4, 486, 306 10, 832 123, 832	1, 214, 481 1, 497 20, 326	do		10,000
Other animals Bariey	79, 407* 1, 929, 214 1, 053, 609	830, 542 408, 156	10 per cent 15 cents 6 cents	100,000 1,300,000 945,000	300,000 162,000
Rice Corn Wheat	4,185,086 47,858 998,014	1,323,338 8,008 352,245	Freedo		
RycBroom corn	111,323 157,969 15,967	13,395 4,024 3,025	do do		

Revenues from duties on farm products in 1912, etc.-Continued.

Article.	Imports, 1912.	Revenue, 1912.	Proposed rate.	Esti- mated imports.	Esti- mated revenue.
Butter and substitutes.	\$236, 483	\$60,337	2½ cents per pound.	\$325,000	\$32,500
Cheese and substitutes.	8,683,947	2,760,900	do	11,000,000	375,000
Beans	1,456,656	371, 252	25 cents per bushel.	1,600,000	250,000
Beets	147,466	15,095	5 per cent	153,000	7,500
Hay	6, 472, 376	2,796,855	\$2 per ton	9,000,000	2, 400, 000
Honey	51,706	16,284	10 cents per gallon.	60,000	11,000
Hops	2, 223, 895	477,313	16 cents per pound.	1,575,000	560,000
Onions	1, 233, 907	572, 819	20 cents per bushel.	1,350,000	360,000
Garlie	283, 259	93,332	1 cent per	275,000	90,000
Peas	1,897,707	299,709	Various	1,661,500	116,070
Flaxseed	13,048,513	1,718,065	15 cents per bushel.	11,000,000	900,000
Straw	56, 891	15, 402	50 cents per ton.		7,500
Vegetables	1,035,163	252, 633	15 per cent	1,505,000	225,750
Poultry	154, 175	33,344	Various	156,000	18,000
Eggs	150,986	54,935	Free		
Flax straw	6,990	853			
Milk, fresh	6, 283	936			
Cream	923, 787	56,012	do		
Potatoes	7, 175, 376	3, 434, 535	do		
Wool	33, 141, 408	14, 454, 234	do		
Hair of Angora goat, etc.	632, 330	243,591	do		
Total		32,026,266			6, 739, 570

Estimated revenue and estimated imports taken from tariff hand-book prepared by Finance Committee. Fruits not included in above statement. Where the article is placed on the free list the handbook contains no estimate as to probable imports.

Mr. WILLIAMS. Mr. President, that finishes this schedule, I think, except for some paragraphs that have been passed over. I ask that the bill may be temporarily laid aside.

Mr. BACON. If the bill is laid aside and there is no other matter of a pressing nature-

Mr. WILLIAMS. I thought probably the Senator from Georgia would make a motion to go into executive session.

Mr. BACON. No. Mr. WILLIAMS. Then we may as well adjourn.

Mr. KERN. I move that the Senate adjourn.

The motion was agreed to; and (at 6 o'clock p. m.) the Senate adjourned until Monday, August 18, 1913, at 11 o'clock a. m.

SENATE.

Monday, August 18, 1913.

The Senate met at 11 o'clock a. m.

Prayer by the Chaplain, Rev. Forrest J. Prettyman, D. D. The Journal of the proceedings of Saturday last was read and approved.

CALLING OF THE ROLL,

Mr. SMOOT. Mr. President, I suggest the absence of a

The VICE PRESIDENT. The Secretary will call the roll. The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Dillingham	McLean	Simmons
Bacon	Fall	Martin, Va.	Smith, Ga.
Bankhead	Fletcher	Martine, N. J.	Smoot
Borah	Gallinger	Norris	Sterling
Brady	Gronna	O'Gorman	Sutherland
Brandegee	Hollis	Page	Swanson
Bristow	Hughes	Perkins	Thomas
Bryan	James	Pittman	Thompson
Burton	Johnson	Pomerene	Thornton
Catron	Jones	Robinson	Tillman
Chamberlain	Kenyon	Saulsbury	Townsend
Chilton	Kern	Shafroth	Weeks
Clapp	La Follette	Sheppard	Williams
Clark, Wyo.	Lane	Shields	
Crawford	Lodge	Shively	

Mr. JAMES. My colleague [Mr. Bradley] is detained from presence here by reason of illness. He has a general pair with the Senator from Indiana [Mr. Kern]. I will allow this announcement to stand for the day.

Mr. SHEPPARD. The senior Senator from Texas [Mr. Cul-BERSON] is unavoidably absent. He is paired with the Senator

from Delaware [Mr. Du Pont].

Mr. GRONNA. I wish to announce that my colleague [Mr. McCumber] is necessarily absent on account of sickness in his family. He is paired with the senior Senator from Nevada [Mr. NEWLANDS].

Mr. SMOOT. I desire to announce that the junior Senator from Wisconsin [Mr. Stephenson] and the senior Senator from Delaware [Mr. Du Pont] are detained from the Senate by reason of illness. This notice will stand for the day.

Mr. SHIELDS. I wish to announce the necessary absence of the senior Senator from Tennessee [Mr. LEA]. He is paired

with the Senator from Rhode Island [Mr. LIPPITT].

The VICE PRESIDENT. Fifty-eight Senators have answered to their names. A quorum of the Senate is present.

TARIFF DUTY ON SPICES.

Mr. WILLIAMS. Mr. President, the RECORD does not show that paragraph 240 was recommitted to the committee. It simply states that the paragraph was passed over. It was the intention to have it recommitted. I desire to have that change

The VICE PRESIDENT. The paragraph will be recommitted to the committee.

PETITIONS AND MEMORIALS.

The VICE PRESIDENT presented a memorial of the Widen-Lord Tanning Co., of Danversport, Mass., remonstrating against the adoption of paragraph No. 503, relating to grease, fats, vegetable tallow, etc., in the pending tariff bill, as proposed to be amended by the Senate Finance Committee, which was referred to the Committee on Finance.

Mr. TOWNSEND. I present sundry memorials signed by a large number of teachers and students at the summer session of the University of Michigan, Ann Arbor, Mich., remonstrating against the proposed tax of 15 per cent ad valorem on books of all kinds imported into the United States. I move that the memorials lie on the table.

The motion was agreed to.

Mr. WARREN presented a resolution adopted by the local branch of the Socialist Party of America, of Hanna, Wyo., favoring an investigation into the imprisonment and treatment of certain labor representatives, which was referred to the Committee on the Judiciary.

He also presented a petition of sundry citizens of Wyoming, Iowa, Nebraska, Colorado, and Illinois, praying that an appropriation be made for the construction of good roads and a central transcontinental highway, which was referred to the Committee on Agriculture and Forestry.

THE TARIFF-BOOKS AND PLUMAGE.

Mr. GRONNA. I have a letter from a constituent of mine with reference to the tariff bill. It has reference to Schedule M, relating to the proposed tariff on books printed in foreign lan-It is signed by the president of a society, the C. M. B. A., and is a brief letter. I also have a letter from W. Leon Dawson, of Santa Barbara, Cal., in reference to the tariff on plumage. I ask that the letters be printed in the RECORD.

There being no objection, the letters were ordered to lie on

the table and to be printed in the RECORD, as follows:

RICHARDTON, N. DAK., August 11, 1913. To the Hon. A. J. GRONNA, Member United States Senate.

Member United States Senate.

Dear Sir: As president of the C. M. B. A., numbering societies with 80 members, I beg to urge you to use your influence to defeat the proposed 15 per cent tariff on books printed in other languages than the English. This measure has been rightly characterized as a "fax on knowledge," and we consider it unduly detrimental to the entire field of science and education, as well as unfavorable to those religious denominations or congregations, Catholic, Protestant, and Hebrew, whose services are conducted in whole or in part in German, French, Italian, Polish, or any other language than the English. Moreover, the source of revenue would be out of proportion to the additional burden laid on a portion—and that only a portion—of the American people.

Respectfully,

President of the C. M. B. A.

THE BIRDS OF CALIFORNIA PUBLISHING Co., Santa Barbara, August 5, 1913.

Hon. Asle J. Gronna, Washington, D. C.

Washington, D. C.

My Dear Senator: To the intense disappointment of the bird lovers of America the Democratic Senators in caucus have ratified amendments which would rob the provisions of Schedule N (sec. 357) of all power to protect the world from the operations of the nefarious "Feather Trust." The most casual eye may see how easily the glitter of gold in a Jew's purse has blinded some of our Democratic friends to all humanitarian considerations as well as to the claims of agriculture, which so fully recognizes its dependence upon the birds.

We who love the birds, therefore, look to you to point out the inconsistency and the prospective damage threatened by this change in Democratic front, as well as to seek to win to the side of righteousness such as are not too far gone in this inspired folly. The cause of bird protection is really of the most profound significance, and the situation is crucial.

We count upon your vote. of course; may we not also count upon your voice manfully uplifted?

Sincerely and respectfully,

W. Leon Dawson.

POLITICAL ACTIVITIES BY MEMBERS OF CONGRESS.

Mr. CLAPP, from the Committee on Privileges and Elections, to which was referred the bill (S. 2242) making it unlawful for any Member of Congress to serve on or solicit funds for any political committee, club, or organization, reported it with amendments and submitted a report (No. 103) thereon.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. NORRIS:

A bill (S. 3001) to change the homestead and preemption laws in certain cases; to the Committee on Public Lands.

By Mr. BACON:

A bill (S. 3002) making appropriation for expenses incurred under the treaty of Washington; to the Committee on Foreign Relations.

By Mr. OVERMAN:

A bill (S. 3003) for the prevention of fraud, and for other purposes; to the Committee on the Judiciary.

By Mr. OWEN:

A bill (S. 3004) to carry into effect findings of the Court of Claims in the cases of Charles A. Davidson and Charles M. Campbell; to the Committee on Claims.

A bill (S. 3005) granting a pension to Eva E. White (with accompanying papers); to the Committee on Pensions.

AMENDMENT TO THE TARIFF BILL.

Mr. DILLINGHAM submitted an amendment intended to be proposed by him to the bill (H. R. 3321) to reduce tariff duties and to provide revenue for the Government, and for other purposes, which was ordered to lie on the table and be printed.

CONDITIONS IN MEXICO.

The VICE PRESIDENT. The Chair lays before the Senate the following resolution, coming over from a preceding day.

Mr. LODGE. In the absence of the Senator from Pennsylvania [Mr. Penrose], I ask that those resolutions relating to Mexico may go over without prejudice.

The VICE PRESIDENT. The resolutions will go over, then—all three. The morning business is closed.

THE TARIFF.

Mr. SIMMONS. I ask unanimous consent that the Senate proceed to the consideration of House bill 3321.

Mr. TILLMAN. I gave notice some days ago that I would address the Senate this morning.

Mr. SIMMONS. But let the bill be taken up first.
Mr. TILLMAN. I am willing that it shall be taken up first. The VICE PRESIDENT. The Senator from North Carolina asks unanimous consent for the present consideration of the bill (H. R. 3321) to reduce tariff duties and to provide revenue for the Government, and for other purposes. hears no objection, and the bill is before the Senate.

DR. BLEDSOE AND WOMAN SUFFRAGE.

Mr. TILLMAN. Mr. President, those Senators who served with me here before I was taken ill know that I never read speeches in the Senate, and I regret very much that my physical weakness compels me to do so now.

A few days ago I asked permission of the Senate to insert in the RECORD and to have printed as a public document an article entitled "The Mission of Woman," by Dr. Alfred Taylor Bled-When the Record appeared the next morning it was found that the article in question contained what many Senators thought was an unkind and unjust reference to northern women. I had not read the entire article before submitting it to the Senate. I had read only the first part, and was struck by the force of the historical references quoted in it as to the cause of the decay and fall of Rome. I felt that the article was very opportune just at this time, and that was why I wanted it given circulation in the RECORD and printed as a public document. On discovering the attitude of my brother Senators toward it, which I can readily see was natural, if not justifiable, I promptly joined them in requesting that it be stricken from the RECORD. I wished to avoid even the appearance of harboring mean thoughts or uncharitable sentiments toward the women of the North. Some of the very finest women I have ever known were northern women; and good women, thank God, are not confined to any section of our great country. They are to be found everywhere in the United States, and they will be the greatest factors in saving our civilization and institutions from degeneracy and destruction.

The expunging of the article from the Record did not prevent

its reaching every part of the United States, for the copies containing it had been mailed before the action of the Senate ordering it to be expunged and countermanding the order for it

to be printed as a public document had been taken

Comments more or less vitriolic, and some of them unjust and wholly unfair, have come to me through the mail. I have been astounded to see how much ignorance has been shown. Some of the most scholarly northern magazines and periodicals, like the Independent, whose editors ought to be ashamed of their ignorance, discuss "The Mission of Woman" as though it had just appeared, instead of having been published forty-odd years ago. I have received a number of requests for copies of "The Mission of Woman," and I am sorry that the Senate refused to have it printed as a public document, because the action of the Senate expunging it from the permanent Record only attracted attention to it the more and caused people to be curious to see what had stirred up all the row in Washington.

I have investigated the matter fully, and feel that in justice both to Dr. Bledsoe and to myself I ought to make a further statement. He was a profound scholar, a courteous gentleman, and a godly man; and I feel that it is due his memory to explain fully how the article came to be written and under what circumstances it was given publicity. Dr. Bledsoe died in 1877, so nothing that has been or will be said about "The Mission of Woman" here or elsewhere will affect him in the slightest. He has gone "somewhere past the sunset and the night," to a land where worldly praises can not please nor worldly censures wound or crush. But I want to clear his memory and his name from any suspicion of sectional narrowness of any kind, and above all of narrowness and bigotry toward the women of any part of our common country. A chief tenet of the school in which he was reared was chivalrous respect and reverence for women; and to him a good woman, wherever and under whatever circumstances she might live, was a superior being, a sort of divinity whose high and holy purpose on earth was to bear, to rear, and to mold man into the image of his Maker. In sadness, not in anger, he saw, or thought he saw, northern women surrendering their divinity and high privileges for mere human rights, and as an honest man, true to the training he had received from his own mother and to the ideals which that training had engendered, he kindly but firmly spoke his sentiments.

The article first appeared in print in 1871, in the October number of The Southern Review, one of the broadest and most scholarly periodicals of its day. It was the lineal descendant of the once famous DeBow's Review. From 1846 until the close of the Civil War, this latter magazine was a leading exponent of the hopes and aspirations of the South; and when it, mortally wounded, as it were, by the collapse and fall of the Southern Confederacy, suspended publication shortly after the end of the war, The Southern Review was founded to take its place. Dr. Bledsoe was chosen editor of the new periodical, and it was his review of the then newly published "History of Morals," by Lecky, which led him to write "The Mission of Woman." The last chapter of Lecky's history is a very brilliant and profound exposition of the condition, social rights, and political privileges of women in all ages. The criticism, as it appeared in The Southern Review, had been reprinted in pamphlet form under the title "The Mission of Woman" by some admirer of Dr. Bledsoe; and Senator Johnston of Alabama-now, alas! gone from us to his long resting place—had come into possession of a copy. He showed it to me and asked me to have it printed as a public document. I glanced through it hurriedly and was so forcibly impressed by the author's apt application of Lecky's facts to the question of woman suffrage, divorce, and materialism, now so apparent everywhere, that I asked to have it printed in the RECORD as well as a public document. I thought it could not be given too wide publicity, because the country needs educating along these lines more than any other just at this time.

But Lecky's history was only the occasion of "The Mission of Woman." The real reason for its being written was undoubtedly the deplorable condition of southern politics at that time. As Senators will remember, the reconstruction of the South was completed in 1868. Universal suffrage had been decreed by Congress, and men with Federal uniforms on their backs and rifles in their hands marshaled the newly freed negroes to the polls and directed how they should cast their ballots. Thus, under the leadership of Thad. Stevens and others, the northern fanatics sowed the seed, and by 1871 the harvest of evils and crimes began to ripen. The South, prostrate and bleeding at every pore, her past a hopeless memory of better times, her present a slough of despond, and her future a hideous nightmare—the South, I say, was literally wallowing in violence, corruption, dishonesty, and political debauchery. It was pitiful. The great South—

"Than which no fairer land hath fired a poet's lay"—
was become a loathsome region, full of hideous sights and sounds and things unholy. Negroes, very few of whom could defiled," that I shudder to think of the consequences to the

read or write, and some of them not three generations removed from the jungles of Africa, controlled our legislatures, while white scoundrels and thieves from the North ruled the negroes and robbed our people through them. Many of the magistrates and judges were negroes. The State colleges and universities of the South, maintained by taxation, were controlled by trustees elected by the negro legislatures. Carpet-baggers, scalawags, and negroes were among these trustees, and Dr. Bledsoe and other southerners like him were ready to cry out:

Ichabod! thy glory has departed.

At the thought of women anywhere, especially of the South, entering this monstrous and filthy arena, Dr. Bledsoe's chivalrous, sensitive spirit recoiled with horror. He pointed to the women of the North, not for what they were but for what they might become and would become if they persisted in their determination to abandon the sphere in which God had placed them. He lifted the kindly finger of warning; he drew the knightly sword of protection; he did not level the brutal pike of censure and condemnation. His scholarly mind appreciated the cause of the decay and rottenness of imperial Rome, and believing that history repeats itself he trembled for his country. I know from experience how hard it is for old men to adopt new notions or to accept new ideals. Visions are for young men; old men can only "dream dreams" and cling to their traditions. They dislike to be rudely awakened and are ever holding back against innovations and changes. The world moves forward, ever forward, because the young men will seek to progress. It is the ideal civilization or condition in society when the two forces are equalized, and the young and progressive visionaries are counseled and directed and held back by the wisdom of their seniors. Old men see the world rushing along pell-mell, helter-skelter, "going to the devil," so to speak, and we mourn in spirit.

"The old order changeth, yielding place to the new," and the transitions are so rapid and startling that they hurt us

I am led to make a few remarks on woman suffrage, although it is a dangerous topic to handle just at this time. myself, however, that my well-known reverence for good women will shield me from being misunderstood. The idea is fast be-coming a practical issue, and Senators will realize the importance of our obtaining as much accurate information in regard to it as the nature of the subject will permit. Much valuable data could be obtained in States where the experiment is now being tried. Vital statistics should by all means be gathered in those States where woman suffrage already obtains. We ought to have records made of the birth rate, death rate, divorces, and other things affecting the everyday social life of the people, which would in a hundred years, say, show us whether female suffrage has affected these things injuriously or not. Such a radical change as would be produced in the manners and customs of the people by woman suffrage would put in motion influences that would be bound to revolutionize society. It might be, and the woman suffragists claim it will be, beueficial in every way. But it is the duty of statesmen to see that no rash experiments are made; and we ought to watch care fully and study all the facts obtainable in order to reach just conclusions. We can only be enlightened in such matters by the study of history. It would take three or four generations of men and women under woman suffrage before any just conclusions could be reached as to what direction we were going, and then only guesses could be made as to ultimate results.

In Rome when the manners and customs with regard to women began to change, and they were given more privileges than they had ever enjoyed before, divorces were so largely increased that free love became the rule. The birth rate correspondingly decreased, as Lecky's history shows. Now it is a beautiful dream that female suffrage will purify politics, because our ideals of women are so high, and we regard them so absolutely as the sources of goodness and purity, that we can not conceive of their not elevating and helping anything they touch. But the really vital and important thing for us to consider is the effect on the women themselves. We had better endure the evils of corruption in politics and debauchery in our Government, rather than bring about a condition which will mar the beauty and dim the luster of the glorious womanhood with which we have been familiar, and to which we have been accustomed all of our lives. We can better afford to have degraded and corrupt politics than degraded and bad women. To have both in ever-increasing degree, as was the case in Rome, would make the world so unspeakably horrible, as well as so corrupt, that good men and women both would disappear from the face of the earth, and civilization be blotted out like it was in the Dark Ages after the fall of Rome. Indeed, I am so thoroughly a conwomanhood of America should suffrage become universal, taking in both sexes and all races. Yet the experiment is going to be

I know the demand for suffrage on the part of women is growing too fast for old fogies like me to stop it, except possibly in the South and New England, where conservatism is more strongly intrenched than anywhere else in this country. I believe religiously that whatever the women ask for the men will give them, even though it be to their ultimate injury; and the country will have to test and be tested along these lines in spite of all the theories and ideals which have governed us heretofore. Fortunately, the United States Supreme Court has declared that casting the ballot is a privilege—not a national right—and that the States alone can confer this right on their citizens.

Neither the suffragettes, nor the suffragettors—as Representative Heflin calls their masculine sympathizers—ever consider or seem to pay any regard to the effect of politics on women; but I sincerely believe that the usefulness and goodness of woman vary inversely as the extent of her participation in politics. I believe she will improve politics, but ultimately politics will destroy her as we know her and love her; and when good women are no longer to be found, and we have lost the breed, the doom of the Republic is near.

It may be contended that information such as I have described would be partial and fragmentary, and that any conclusions based on it would therefore contain a large factor of uncertainty. That may or may not be true. But there is at least one subject about which mathematically exact knowledge can be obtained. The number of divorces granted in a State with woman suffrage and the birth rate may be compared with the number in the same State before equal suffrage was adopted, and the relation between the two phenomena inferred.

I thank God that my lot was cast in a State where there is no such thing as divorce. To get married in South Carolina is the easiest thing imaginable. To get "unmarried" is impossible. "Once married, always married," is the rule. Literally and exactly we believe that "for better or for worse, in poverty and in wealth, in sickness and in health, till death do them

part," the twain are one.

It is true that, if life together becomes unbearable, a man and wife may separate and live apart, but even then the bonds that bind them are only stretched, not legally broken. In South Carolina we tie a matrimonial knot that baffles alike the skill of legal logic, the dexterity of sophistry, the nimble fingers of a false expediency, and the brute strength of a statute. The knot we tie holds faster than the fabled "Gordian knot" of antiquity. Ingenuity can not unfasten nor force destroy it. The skeleton fingers of death alone can loose it.

We in South Carolina do not believe in the modern idea so prevalent in this day and time of permitting a man to marry a woman in her youth and beauty and then, when her neck begins to grow skinny and shrunken, her face sallow and splotched, and her eyes dim, to search out among his women acquaintances some young and buxom girl who suits his lustful eyes better and straightway set to work, systematically, to treat his old wife so that she in self-defense and to maintain her selfrespect seeks a divorce to get rid of him. There have been glaring cases of this kind of world-wide notoriety wherever the divorce evil flourishes,

When we contrast this type of man and woman with the glorious picture drawn by Burns, those men who have souls are bound to recoil from the one type and bow down and worship the other. Lest you have forgotten the verses, I will recite them for you:

John Anderson my jo, John.
When we were first acquent,
Your locks were like the raven,
Your bonie brow was brent;
But now your brow is beld, John,
Your locks are like the snaw,
But blessings on your frosty pow,
John Anderson my jo! John Anderson my jo:
John Anderson my jo. John,
We clamb the hill thegither,
And monie a cantie day, John,
We've had wi' ane anither;
Now we maun totter down, John,
And hand in hand we'll go,
And sleep thegither at the foot,
John Anderson my jo!

This song, one of Robert Burns's best, is the very apotheosis of married life among the virtuous and good people of the

In thinking about the widespread, progressive character of the divorce evil, like all thoughtful men, I have been led to consider the cause of it and the great demoralization which has followed it. The law of sexuality is the most powerful law in

nature, and it is the wise provision of the good God who created us with it to compel reproduction, the perpetuation of the race. Wherever the marriage bond is regarded as a sacred one women are virtuous, and virtuous women nearly always make virtuous men, just as good mothers are more apt to raise up brave and noble sons than bad ones. As long as Rome had women of the type of Virginia and Lucretia the Romans conquered all their neighbors and all other nations in Europe. When the women grew to be loose in their virtue, and lost it altogether in many cases, and the women came to be of the type of Nero's mother, who committed incest with her own son, as the historians tell us, Rome rapidly decayed and ceased to be mistress of the world. Therefore, it can be safely claimed that civilization itself is dependent on good women, and by good women I do not mean only amiable women, I mean virtuous women. The divorce evil does not directly affect South Carolina, but

our State is the only one that does not permit divorce in some form. North Carolina and Georgia, States on our borders, both grant them, and on increasingly trivial grounds, if report be true.

Mr. BACON. I hope the Senator will permit me, in order

that what I say may go out in connection with his speech, as he specially mentions my State, to say two things. In the first place, divorce is not respectable in Georgia

Mr. TILLMAN. The Senator means divorced people are not

respectable.

Mr. BACON. I mean the institution of divorce.

Mr. TILLMAN. How is it that anything the Legislature of Georgia has enacted into law is not respectable?

Mr. BACON. Will the Senator permit me to make a remark? I do not want to enter into a colloquy with him.

Mr. TILLMAN. I will sit down while the Senator proceeds,

Mr. BACON. If it excites the Senator at all, I will not interrupt him.

Mr. TILLMAN. The Senator knows my weakened condition, and I have been hurrying to get through. The Senator can make his explanation after I have finished.

Mr. BACON.

Mr. BACON. I beg the Senator's pardon. Mr. TILLMAN. My State is a lonely isle, surrounded on all sides by a turbid flood of raging, maddened waters; and lest we, too, be submerged, I would see the waters subside and the dry land appear, and under the blessed rays of God's moral sunshine would behold once again over our whole country the fruits and flowers of domestic peace, love, and affection, confi-

dence, joy, and contentment.

I beg the pardon of Senators for having digressed. But as I was going on to say, statistics on the number of divorces granted in States where women have the vote would be very valuable. It would enable us to see the connection between woman suffrage and family life. It appears to me that the relation between "votes for women" and divorce, if not one of cause and effect, is at least one of mutual acceleration. I am no pessimist, but I am enough of a scientist to accept the truth wherever I find it, be it pleasant or unpleasant, and I have read history to no purpose if it has not taught me that the purity and stability of the family has in all ages been the surest bulwark of the State. It has ever been that when the marriage relation became in-secure and women quitted their own sphere to enter that of man, the decay and fall of States followed. So often has this happened that I must believe that the one set of events is the result of the other. I have, therefore, sounded this feeble note of warning. As Hannibal gazed mournfully on the bloody head of his dead brother, Hasdrubal, which the Romans threw over the wall into his camp, and prophetically exclaimed, "Carthage, the wall into his camp, and propheteany exclaimed, Cartinge, I see thy fate," so I, looking at the growing craze of woman suffrage and the rapid increase in the number of divorces granted in this country, sadly think, if I do not say, "America, thy race is almost run unless something is done to check thy headlong speed.

The demoralization and consequent degradation which have been produced by the divorce evil are illustrated by the notorious Diggs-Caminetti affair in California. The ease with which divorces are obtained in Reno led to that place being selected as the one to carry the two once respectable girls from Sacramento, and the promise to marry these women after divorces were obtained no doubt had much to do with overcoming their scruples. Such a tragedy in domestic life could not happen at all in South Carolina. It could not happen anywhere in the South, even in those States where divorces are obtained, and I

say it in no boasting spirit.

We have bad women in South Carolina and throughout the South. But the habits of our people and their customs, inherited from our forefathers, all make it dangerous to "monkey with men's womankind." Some northern people call us barbarians because we shoot the seducer and lynch the rapist. If the California men had our customs Diggs and Caminetti would

not be alive now, because they would have been shot like dogs, and the fathers of the girls they have ruined would be acquitted almost without the jury leaving the box. The "unwritten law," as it has been called, is the best law to protect woman's virtue that I have ever heard of, though there have been abuses of it and men at times have gone scot free who ought to have been punished. The more I think about the Diggs-Caminetti case, the more outraged I grow at the state of morals and society which not only permits such crimes but encourages them. I am too much of a savage myself to think upon such things with calmness and equanimity. However, this case is now being tried, and perhaps I ought not to comment on it. But I am speaking as I do, not for the purpose of influencing the jury or public opinion for or against the men who are indicted. I am only using the case to illustrate the argument I am making on the demoralizing effects of woman suffrage and easy divorces.

Among our very rich people in America degeneration and bestiality have gone so far that swapping wives is a common Family life is no longer what it ought to be and once was, and the watering places by the seaside and hotel resorts in the mountains afford opportunities for getting acquainted with other men's wives and other women's husbands. Lust takes the place of love, with the result that divorces are soon arranged and the swap is perfected under the forms of law.

The women are just as bad as the men and divorce their husbands on any slight pretext if they come across a man they

like better who makes love to them.

A most disgraceful and mortifying fact which every American must blush for is to see how the American millionaires are buying their daughters titled husbands. Some count, baron, or lord, no matter how much of a debauchee and scoundrel he may be, but always with an empty purse, is looked up by the rich father and purchased in the open market just as he would purchase a bull or a stallion. The woman submits to legal prostitution for a time. Then the titled debauchee whose relatives have sneered at the plebeian wife all along are relieved of her presence. She finds a title a poor substitute for manhood and love and tires of her bargain. A divorce follows, and the unnatural alliance between money and scoundrelism is ended. O, the shame of it! but that is the way modern society is "progressing." God save the mark!

To me such people seem to be going straight to hell, and I am no stickler for religion either. I only abhor from the bottom of my soul the degradation and rottenness now becoming

too common in society.

The danger, if danger there be, in giving woman the ballot at all is increased by the cowardice of public men everywhere. Politicians the world over have always had a keen eye to see which way they think the people are going; and it seems to me that the men politicians are trying to make peace with the women politicians and get on their good side now while it is fair weather. I noticed in Saturday's paper that the headlines threatened dire consequences hereafter to any public man who dared oppose the demand for woman suffrage now. I am afraid some of the weak-kneed men will be influenced in their attitude on this momentous subject by this fear. No man who is a man worth standing in shoe leather will be influenced by any such motive, and only cowards will yield their convictions and vote to give the women the ballot unless they believe honestly that it is for the best interests of the women and of the country. The history of the world is full of "crazes," or what they now call obsessions. The crusades are an illustration of what I mean.

Peter the Hermit, a fanatical monk, who was very eloquent, aroused the religious fervor of the Christians in western Europe to such a pitch that hundreds of thousands enlisted for the holy war against the infidels. No doubt this fervor was necessary to prevent the crescent from supplanting the cross. It was like two storms coming from opposite directions and meeting. The Saracens overran Egypt and northern Africa and crossed the Strait of Gibraltar into Spain. They crossed Spain and invaded France, and were only beaten back by Charles Martel, who defeated them at the Battle of Tours. It was six centuries before the Moors were expelled from the Spanish

Peninsula and compelled to return to Africa.

Later when the Turks had conquered Constantinople the followers of the crescent overran southeastern Europe up to the walls of Vienna, where the rising tide of Mohammedanism was checked and beaten back by John Sobieski, the hero King of Poland. After centuries of enslavement to the followers of the crescent, Christianity triumphed and the so-called Christian peoples of the Balkan Peninsula with the aid of Russia regained their independence. The liberty of Greece and the restoration of its kingdom came about in 1820 largely through the help of England.

The recent war in the Balkans has wrested almost all of that peninsula from the Turks, but there was so little Christianity, patriotism, and sense among the allied nationalities that racial and religious prejudices and hatreds brought on a fratricidal strife among themselves to the disgust and horror of all Christendom. Patriotism and love of liberty drove them to combine against the Turk, and their preparedness and valor surprised the world. After winning great victories, each of the four small nations covering itself with glory, peace was forced upon Turkey, with the loss of all but a small slice of her territory in Europe. Then the pitiable spectacle was presented of their fighting each other like cats and dogs over the carcass they had brought down together. This last war cost more blood and treasure, perhaps, than the first one, but there was no glory in it for anybody. It is probable that another will soon break out, for those peoples seem hardly half civilized.

In one of the crusades the children were crazed by the priests and tens of thousands of them gathered and began to march toward the East. What they could do after they got there never seemed to enter their minds at all. They were simply lunatics frenzied with the religious idea, and thus made

into fanatics.

First and last, historians tell us that upward of 1,100,000 people perished. The pitiful story is told that five shiploads of these children who started for Palestine were sold into slavery to the infidels by their so-called Christian leaders. The greater part of the rest of the children died from exposure and starva-

It may not be worth while to recall these things, and I only mention them for the purpose of directing attention to the dangerous forces which are being set in motion by those who

are preaching and agitating for female suffrage.

Priests and princes for their own selfish purposes appealed to the religious instinct of the people and produced a thousand years of war, bloodshed, and horror; selfish and sordid politicians of to-day, by appealing and yielding to the beautiful but fatuous idea of "woman's rights," may usher in another thousand years of moral blight and sexual depravity and degrada-

I am aware that in reciting all these horrid and cruel things I am chargeable with making a jeremiad or lament for the decay of our civilization. To others there may be no appearance of decay at all. I may be blinded or giving way to vain imaginings, but it seems to me very real, and I speak my thoughts frankly and bluntly as I have always done, for I was taught by my mother long ago to always tell the truth and to shun anything like hypocrisy, falsehood, or double-

"Of man's whole terrestrial possessions and attainments, unspeakably the noblest are his symbols," says Thomas Carlyle, and his highest earthly symbol is woman. She is his goddess of innocence and purity, and if ever she steps down, or man removes her from her high place at our altars, then God have mercy upon us, for the golden bowl of purity will be broken; the silver chord of chastity will be loosed; the sound of mourning will be heard in the streets; and the "reign of Chaos and old Night" will have come.

I pray God my foreboding of evil and prophecies of disaster may never come true. I would depart when my time shall come with much more confidence in the future of my country if I could believe that the women of our great land would always remain as pure and as high as most of them now are.

Mr. OVERMAN. Mr. President, I wish to say right here that the Senator from South Carolina has been misinformed in regard to North Carolina. I doubt if there is a State in the Union, except South Carolina, that has so few legal causes for divorce as North Carolina. I wish to say to the Senator, also, that several years ago, I regret to say, we did have many causes for divorce. Some, in the language of the Senator, were trivial. They have all been repealed except two Mr. TILLMAN. Thank God!

Mr. OVERMAN. And now there are but two legal causes for divorce in my State-impotence and adultery.

Mr. TILLMAN. Mr. President, I ask unanimous consent that the original article of Dr. Bledsoe, edited by TILLMAN, be again inserted in the RECORD and published as a document.

Mr. CHAMBERLAIN. Mr. President, I object.

Mr. GALLINGER. I must object, Mr. President.
Mr. TILLMAN. I will assure the Senators that I will leave
in it nothing that is objectionable to anyone.
The VICE PRESIDENT. Is there objection?

Mr. CHAMBERLAIN. I object.

Mr. GALLINGER. If it is to be considered at all, it ought to be referred to the Committee on Printing.

Mr. TILLMAN. I am willing it shall be referred to the Committee on Printing, if the Senator wishes that done.

Mr. GALLINGER. I shall not object to that.
The VICE PRESIDENT. The matter will be referred with the request of the Senator from South Carolina to the Committee on Printing.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 3321) to reduce tariff duties and to provide revenue for the Government, and for other purposes. The VICE PRESIDENT. The Secretary will resume the

reading of the bill. The reading of the bill was resumed, at page 64, line 15, and the Secretary proceeded to read the first paragraph of Schedule

-spirits, wines, and other beverages.

Mr. President, I was requested by my col-Mr. GRONNA. league [Mr. McCumber] to offer a substitute for Schedule G, the agricultural schedule. I have just been informed that he has arrived in the city and will be here this afternoon, perhaps in a very few minutes. I will ask the Senator from North Carolina if he will kindly agree to let the schedule be pending, so that my colleague, when he returns, may offer his amendment to the schedule?

Mr. SIMMONS. Mr. President, my understanding has been that we are now reading the bill principally for the committee amendments, and that any Senator could offer hereafter any amendment that he might desire. I should think that would

meet the situation.

Mr. GRONNA. Will it be in order, then, to return to Schedule G and offer a substitute at any time before we have finished the bill?

Mr. SIMMONS. It probably would be in order; but I would prefer, and I think the committee would prefer, after we leave a schedule not to return to it until we have finished the other schedules imposing duties, and the free list. Then we can return to any schedule to which any Senator may desire to offer an amendment.

Mr. GRONNA. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. GRONNA. If the amendment proposed by my colleague should be offered now would it be pending and could it be taken up and voted upon at any time before we conclude the reading of the bill?

Mr. LODGE. The Senator can offer it at any time, Mr.

President.

The VICE PRESIDENT. The Chair will state to the Senator from North Dakota that the committee amendments in Schedule G have not yet all been passed upon. There are one or two paragraphs which have been referred back to the com-In the usual and ordinary course of parliamentary procedure, as the Chair understands, the committee amendments have precedence. The Senator can offer the amendment now, as far as that is concerned, or later, after the committee amendments have been disposed of.

Mr. LODGE. If I may make a parliamentary inquiry, the Chair has just stated that certain clauses and paragraphs have been referred back to the committee. Of course, until those are disposed of the schedule as a whole is not closed.

The VICE PRESIDENT. Certainly not. That is what the Chair was trying to explain to the Senator from North Dakota. The Senator will lose nothing by waiting until his colleague comes into the Senate Chamber.

Mr. SIMMONS. The Senator's colleague will not lose the

opportunity to offer his amendment.

Mr. GRONNA. Very well.

Mr. SIMMONS. I ask that Schedule E, relating to sugar,

molasses, and manufactures thereof, be taken up.

Mr. SMOOT. Mr. President, will the Senator consent to going on with Schedule H at the present time? The senior Senator from Michigan [Mr. SMITH] is absent from the Chamber, and I know the last time he spoke to me about the matter he stated that he was preparing to speak upon Schedule E. I really do not know whether or not he is prepared to go on now. will make no difference to the Senator from North Carolina, we can take up Schedule H at this time.

Mr. SIMMONS. I should prefer not to take up that schedule at present, because I do not believe there is much in the schedule that will be the subject of controversy except the last paragraph; and the committee has been considering that paragraph, and has been having some hearings upon it. have finished the hearings, and have reached a decision, I should rather not take up the schedule. I will say to the Senator, further, that there are some other matters in connection with the schedule that I wish to look into.

I do not think there will be any trouble about the Senator from Michigan having abundant time, as there are other Senators ready to go on with the sugar schedule. The Senator from Michigan is in the city, and I think he will get here in time to speak upon the sugar schedule. At any rate, it was put over-week before last with the understanding that it was to be taken up last week; and last week, as we were not quite ready, we went on with the agricultural schedule.

Mr. SMOOT. I did not so understand. I thought it went over just the same as any other paragraphs that have been

passed over.

Mr. SIMMONS. No; it went over by a sort of agreement. Several Senators asked that it go over for their convenience. One of the Senators from Nebraska, I think, suggested that he had to be away for a day or two, and would like to have it go over; and other Senators made the same suggestion, so that it went over by consent until the agricultural schedule was finished

Mr. BRISTOW. Mr. President, do I understand that Schedule E is now before the Senate?

Mr. SIMMONS. I had requested that the Senate proceed to the consideration of Schedule E; yes.

Mr. BRISTOW. I desire to offer an amendment to the first

paragraph of Schedule E. I send it to the desk and ask that it may be read.

The VICE PRESIDENT. The amendment will be read.

The Secretary. It is proposed to strike out all of paragraph 179, with the committee amendment, and paragraph 180, in the following words:

following words:

179. Sugars, tank bottoms, sirups of cane juice, melada, concentrated melada, concrete and concentrated molasses, testing by the polariscope not above 75°, seventy-one one-hundredths of 1 cent per pound, and for every additional degree shown by the polariscopic test, twenty-six one-thousandths of 1 cent per pound additional, and fractions of a degree in proportion; molasses testing not above 40°, 15 per cent advalorem; testing above 40° and not above 56°, 2½ cents per gallon; testing above 56°, 4½ cents per gallon; sugar drainings and sugar sweepings shall be subject to duty as molasses or sugar, as the case may be, according to polariscopic test: Provided, That the duties imposed in this paragraph shall be effective on and after the 1st day of March, 1914: Provided further, That on and after the 1st day of May, 1916, the articles hereinbefore enumerated in this paragraph shall be admitted free of duty.

free of duty.

180. Maple sugar and maple sirup, 3 cents per pound; glucose or grape sugar, 1½ cents per pound; sugar cane in its natural state, or unmanufactured, 15 per cent ad valorem: Provided, That on and after the 1st day of May, 1916, the articles hereinbefore enumerated in this paragraph shall be admitted free of duty.

And in lieu thereof to insert:

179. Sugars, tank bottoms, sirups of cane juice, melada, concentrated melada, concrete and concentrated molasses, testing by the polariscope not above 75°, nine-tenths of 1 cent per pound, and for every additional degree shown by the polariscopic test, twenty-five one-thousandths of 1 cent per pound additional and fractions of a degree in proportion; from and after June 30, 1916, testing by the polariscope not above 75°, nine-tenths of 1 cent per pound, and for every additional degree shown by the polariscopic test, two one-hundredths of 1 cent per pound additional and fractions of a degree in proportion; from and after June 30, 1919, testing by the polariscope not above 75°, nine-tenths of 1 cent per pound, and for every additional degree shown by the polariscopic test fifteen one-thousandths of 1 cent per pound additional and fractions of a degree in proportion; molasses testing not above 40°, 20 per cent ad valorem; testing above 40° and not above 56°, 3 cents per gallon; testing above 56°, 6 cents per gallon; testing ab And in lieu thereof to insert:

Mr. BRISTOW. Mr. President, I have prepared a summary of what I desire to say on this amendment in manuscript form. I would prefer to read it and not to be interrupted until I have concluded the manuscript. After I have finished the manuscript, I shall be glad to answer any questions that I can, and then I expect to present some tables which I intend to ask to have printed. So, if Senators will kindly wait until I am through with the manuscript, which I think it will take probably about 40 minutes to read, I will appreciate it.

Napoleon Bonaparte may properly be called the father of the beet-sugar industry. Its success really dates from his famous decree of 1811, when he ordered approximately 79,000 acres of land planted to sugar beets and sent out a corps of instructors to teach the farmers how to grow them. He established six schools for instruction in the processes of the production of beets and the manufacture of sugar. In fact, a century ago he established agricultural schools and experiment stations for sugar-beet culture similar in many respects to the efforts we are now making along general agricultural lines. It is true that German scientists more than half a century before had discovered the process of extracting sugar from beets, and an occasional feeble effort had been made in Germany and France to establish factories for that purpose. But they all failed.

When Napoleon read the report of Chaptal, who had been designated by the French Institute to inquire into the process

of extracting sugar from beets, his active mind grasped the possibilities of such production. He became intensely interested and visited a factory where the experiment was being made. With his usual promptness, he determined to develop the production of beet sugar in France and thereby make his empire as far as possible independent in the production of this great commodity of universal consumption. His detailed attention to the establishment of this industry in France in the years 1811-1813, when he was struggling with such tremendous military and political problems, is another striking illustration of the marvelous versatility of that wonderful man. After half a century of failure in Germany and many futile efforts in France he commanded its production, and within two years France was furnishing her people more than 2,000 tons per annum of refined sugar from her beet-sugar factories.

The impetus which Napoleon gave the industry made France for 50 years, despite the industrial disturbances that followed the vicissitudes of her turbulent history, the leading country in the development of beet-sugar production. About 1835 Germany began to realize the great advantage to any country in producing its own sugar, and she adopted in various forms the Napoleonic method of developing the industry. Since that time every important European nation, with the exception of Great Britain, has adopted a policy for promoting domestic sugar production. Practically all of them for years imposed heavy impost duties on imported sugar, to stimulate the home industry, and they also provided a bounty on sugar that was exported.

While Germany moved slowly in the early stages of the development of this resource, during more recent years she has made great progress. She not only levied high-tariff duties on made great progress. She not only levied high-tarin duties on imported sugar, but also paid bounties upon that exported by her factories. These bounties were first provided in a very ingenious way. In 1869 it was estimated that in round numbers it required 12 tons of beets to make 1 ton of sugar. Nearly all European nations levy an excise tax on sugar production and consumption. Germany's method of levying this tax was to impose it upon the number of tons of beets that were sliced by the factories. Then she provided that for every hundred pounds of beet sugar exported the Government would give a drawback; but the drawback was on the weight of the sugar, not on the weight of the beets. The excise tax was first fixed at approximately 17 cents per hundred pounds of beets sliced. mated that 1,200 pounds of beets would produce 100 pounds of This tax therefore produced a revenue of approximately \$2 per hundred pounds of sugar.

The result was that when the German factory sliced 1,200 pounds of beets it paid an excise tax of \$2 to the Government, and when it exported 100 pounds of beet sugar it received from the Government a drawback of \$2. The excise tax being levied upon the number of tons of beets sliced upon the ratio of 12 tons of beets to 1 ton of sugar, and the drawback being on the pounds of sugar exported, it offered a great inducement to the German factory to increase the saccharine strength of the beet and also to improve the method of extracting the sugar from the beet so as to have the smallest waste and secure the largest number of pounds of sugar that it was possible to get from the beets sliced. If the German factory could increase the productiveness of the beets so as to get a hundred pounds of sugar out of 1,000 pounds of beets instead of 1,200 pounds, it would pay an excise tax of 17 cents per hundred, or \$1.70 on the 1,000 pounds sliced from which it would secure 100 pounds of sugar; and when it exported that 100 pounds of sugar it would receive a drawback of \$2, or 30 cents more than the excise duty paid, which was equivalent to a net bounty of 30 cents per 100 pounds. This great inducement for increasing the saccharine strength of the beet and improving the methods of extraction of the sugar from the beet resulted in a rapid development along both lines, so that for several years Germany led the world in the saccharine richness of her While the German Government was offering this skillful and enticing inducement to the beet growers to increase the fertility of their product she was protecting them from competition in the home market by an excessive customs duty of \$2.59 per 100 pounds of raw sugar and \$3.24 per 100 pounds on

This system of export bounty was adopted in modified form by Austria, Russia, and other great sugar-producing countries. At the same time they protected their domestic market from foreign competition by high import duties. Austria's tariff was \$2.76 per 100 pounds on raw and \$3.68 on refined," while Russia at times imposed a duty as high as \$4.28 per 100 pounds on raw and \$5.71 on refined. It was by such radical policies

 1 U. S. Dept. of Agriculture, Bureau of Statistics, p. 27. 2 Ibid., pp. 40, 41. 2 Ibid., p. 114.

that these countries became great sugar-producing nations. The ingenuity and the industry of the German people have been manifested by the wonderful development of their sugar production. for while France had pointed to her the way and for years led in the amount produced, Germany in time outstripped her rival. France has finally attained the dreams of Napoleon and is now producing her entire sugar consumption, but Germany not only produces the entire amount of her consumption but is exporting about 1,000,000 tons per annum. There is no doubt but that the European nations imposed excessive burdens on their people in the development of the sugar industry. That fact, however, emphasizes the importance they have attributed to the policy of domestic sugar production. After their supply was sufficient for their home demands there began among them intense competition for foreign markets.

The fierce rivalry that developed between these nations during the last decade of the nineteenth century in their struggle for a market for their surplus led in 1902 to a commercial treaty, known as the Brussels convention, whereby it was agreed that bounties for exports should be abandoned and that none of the countries that were parties to the convention should charge more than 52 cents per 100 pounds import duty. Russia did not become a party to this convention at that time, but later joined with the other European countries under a specific clause that she might continue her bounty system and be permitted to export within five years a million tons. This convention was recently renewed, and the amount Russia was permitted to ex-

port was increased to 950,000 tons in the years 1911, 1912, and 1913, and 200,000 tons a year thereafter.

Great Britain did not join the Brussels convention originally because her people were the beneficiaries of the struggle on the Continent for supremacy in sugar production, but later she did become a member of the convention under certain conditions, being induced to do so because of her vast colonial cane-sugar interests. She is not a party, however, to the last agreement. I should add that the export limitation imposed on Russia by

the Brussels convention only applied to the countries that were parties to the agreement. She is at liberty to export all that she can to countries that are not parties to the convention.

I refer to these historical facts to show that the statesmen of the greatest nations of the civilized world, since the process of extracting sugar from beets has been known, have thought it wise to encourage the development of sugar production by various systems of taxation. Great Britain has not sought to develop sugar production at home. Her climate and soil are not adapted to beet culture, but her colonial possessions produce vast quantities of cane sugar, and her leading statesmen have believed that the Empire's interests are better served in the encouragement of commerce with her colonies by purchasing from them her sugar supply and in turn providing them with manufactured commodities from her mills and factories. the exception of Great Britain, every great civilized country has encouraged the development of beet-sugar production as a domestic industry wherever it was practicable, and in most of them their factories are now able to supply the sugar necessities of their own people.

Since the establishment of our Government, with the exception of one brief period, from 1891 to 1894, sugar has been a source of taxation for revenue, and a part of the time heavy protective duties have been imposed for the purpose of develop-

ing the industry in our own country.

For almost a hundred years we feebly followed the plan of European nations with indifferent success, but in 1897 began our effective development of the production of beet sugar. In the Dingley bill a duty of 95 cents per 100 pounds was imposed on sugar testing 75 degrees pure, and 3½ cents more was added for each additional degree of purity, making pure sugar carry a duty of \$1.821, and on sugar that had gone through the process of refining there was added 121 cents as a refiner's differential, making the full duty on refined sugar such as is produced in beet-sugar factories \$1.95 per hundred. These duties, as compared to those imposed by European countries, were very low, yet our experience has shown that they were sufficient. the passage of the Dingley bill beet-sugar production in the United States has developed faster than it ever developed in any country in the history of the industry. It took France almost 75 years to bring her sugar production up to an amount sufficient to supply her demands, approximately 1,000,000 tons per annum.

Germany started later but made more rapid progress; yet it required about 60 years for her to develop the industry so as to supply her domestic consumption. During the 16 years that have passed since the Dingley bill was enacted the production of beet sugar in the United States has increased from approximately 40,000 tons in 1897 to 698.952 tons in 1913, and the estimated crop for this year is 715,000 tons. If this ruinous legislation which is now proposed could be defeated, in my humble judgment, within less than 20 years from this hour we would be producing within our own borders every pound of sugar which the American people consumed. Since the enactment of the Dingley bill a reciprocity treaty has been entered into with Cuba which gives her a discount of 20 per cent from our tariff duties; 300,000 tons have been admitted free from the Philippines, and Porto Rico has been annexed to the United States, so that there is practically no longer any sugar imported upon which the full duty is paid.

The great increase in our own production, plus that from Porto Rico, the Philippines, and Cuba, supplies our demands. The duty of \$1.90 is in fact a fiction, there being no importations of consequence at that rate, the real protection to our domestic sugar being the Cuban rate. The standard grade of imported Cuban sugar is 96 per cent pure, the duty on which is \$1.348 per hundred pounds. In commenting on this fact Willett & Gray's Sugar Trade Journal, on May 1 of this year, said:

Gray's Sugar Trade Journal, on May 1 of this year, said:

Accepting as fact that Cuba centrifugals can not be produced below 2 cents cost and freight without loss, it is evident that the production of sugar in our domestic and insular possessions has already increased to an extent to bring about competition between these several crops without any influence felt from the 18,000,000 tons total crops of the world, 14,000,000 tons of which are outside our own privileged crops, which are now estimated to reach about 4,000,000 tons to meet our year's consumption of about 3,600,000 tons. Under these conditions the United States is entirely independent of European values and 0.73 cent per pound beneath the parity of the world's price as fixed at Hamburg.

The Cuban reciprosite

The Cuban reciprocity agreement in 1904 and the free sugar from Porto Rico and the Philippine discount were equivalent ultimately to a reduction in the duty of 20 per cent from the rates fixed in the Dingley bill.

As a result of that agreement there has been developed a sugar production in Cuba, Porto Rico, Hawaii, and the Philippines which, added to that produced in continental United States, supplies our demand independent of the world's production, as stated in the quotation that I read.

The immediate effect of this treaty was to somewhat retard the development of our beet-sugar industry, yet by 1906 it recovered and has since made marvelous growth. I submit herewith a table showing the sugar production in the United States for each year, both beet and cane, since 1897, and the estimated production for this year. I will not read the table, but ask that it be printed.

Mr. LODGE. What is the total?

Mr. BRISTOW. The total for this year in the United States of the estimated crop is 715,000 tons of beet sugar. There is no estimate on the cane sugar, or I have not been able to get an estimate on the amount of the cane sugar. On account of the floods in Louisiana the cane production has been comparatively small for last year and this year. Last year it amounted to only 188,000 tons.

Mr. SMOOT. That is, in the United States proper?

Mr. BRISTOW. In the United States proper.
Mr. LA FOLLETTE. What was the tonnage of the beetsugar production last year?

Mr. BRISTOW. It was 698,952 tons.

Mr. LA FOLLETTE. For 1912?

Mr. BRISTOW. For the sugar year of 1912-13.

Mr. LA FOLLETTE. Part of that is estimated, is it not?

Mr. BRISTOW. No; the figures for 1912-13 are complete, because the sugar year of 1912 extends into 1913 before all the product is ground and marketed. The yield, as I have said, was 698,952 tons.

Mr. PERKINS. Does the table to which the Senator from Kansas refers show the production of the different States?

Mr. BRISTOW. No; it merely shows the total in the United

The VICE PRESIDENT. The table referred to by the Senator from Kansas will be printed in the RECORD in the absence of objection. The Chair hears none.

The table referred to is as follows:

Cane and beet sugar produced in the United States 1897 to 1914.1

Cane sugar.	Beet sugar.
Short tons. 322, 088 354, 126 284, 394 161, 275 311, 887 364, 325 372, 903	Short tons. 42,040 45,241 36,36; 81,722 86,08; 184,600 218,400
	322,088 354,126 284,394 161,275 311,887 364,325

1897 to 1912 from Statistical Abstract of the United States, 1910, p. 218; and 1912,

pp. 254 and 772.

The periods relate to sugar-production years.

Cane and beet sugar produced in the United States, etc .- Continued.

Year.	Cane sugar.	Beet Sugar.	
1905	Short tons. 392,000 383,040 272,160 394,240 414,490 375,200 355,040 361,920 188,200	Short tons. 242, 113 312, 921 483, 612 463, 628 425, 884 512, 469 510, 172 599, 500 698, 952 716, 800	

From Willett & Gray's Sugar Trade Journal, July 24, 1913.
 Estimate from Willett & Gray's Sugar Trade Journal, June 26, 1913.

Mr. BRISTOW. It costs more to produce beet sugar in the United States than it does in Europe. The increased cost in this country consists principally in the higher price that is paid to the farmers for the beets. The average price of beets in Germany per short ton for the years 1907 to 1911 was \$4.49²; in France, 1907-1910, \$4.06²; in Russia, 1911-12, \$3.90³; and in the United States, 1907-1911, \$5.11⁴. The statistics cited show that for the years referred to the farmers in this country received 62 cents per ton more than they did in Germany; \$1.05 more than in France; and \$1.22 more than in Russia. Mr. Roy I. Blakey, in his admirable work on the United States beet-sugar industry, published by the Columbia University, written in 1911, said:

Although on the average the German grower gets 50 cents to 75 cents per ton less for his beets than the American grower, he gets from \$7 to \$8 more per acre on account of the greater yield, and the sugar in the beet costs the German factory about 50 cents to 80 cents less per hundred pounds of granulated sugar, owing to lower prices per ton and higher sugar content of the beets.

The prices paid for beets in our country for 1912 and 1913, since this book of Mr. Blakey's was written, are above the average for the years submitted, being about \$5.90 per ton. Some of the factories in California are paying \$7 and over. In Colorado the price is from \$5 to \$6; in Nebraska, from \$5 to \$5.85; in Kansas, from \$5 to \$5.50; in Wisconsin, from \$5.50 to \$6.50; and in other States similar advances have been made. From the most accurate information I have been able to procure it appears that for the last two years the American farmer has been receiving about \$1 per ton more for his beets than has the German farmer. The beet is the largest element of cost in beet-sugar production. There is not so wide a difference in the cost of extraction between American and European factories as there is in the cost of beets, showing that a large percentage of the additional cost for the production of beet sugar goes direct to the grower of the beet. That can not be successfully contradicted and will not be by anyone who is informed.

Russia I regard as a more dangerous competitor for our sugar factories than Germany because of the cheapness of her labor and her almost unlimited beet-producing area. I believe, however, that \$1 a hundred pounds would be abundant protection for the American producer as against European competition.

The real menace, however, of free sugar to the sugar producers of our country is not the beet-sugar production of Europe, but the came-sugar production of the Tropics. In the cane-sugar-producing countries there is an entirely different civilization from ours. The wages paid labor in those countries are very small. The necessaries of life are few and the character of the civilization is low. To force the American sugar producer to compete on equal terms with the cane producer of the Tropics is to force him out of business. This I believe is largely conceded by the advocates of free sugar. Cane sugar can be produced in Cuba, San Domingo, Java, and other tropical islands for amounts ranging from \$1.25 to \$2.10 per 100 pounds, depending upon the conditions surrounding the immediate factory. Add to that the cost of refining and transporta-tion, and we have an actual cost of refined sugar at New York at from \$2.10 to \$2.80 per 100 pounds, while the cost of producing beet sugar in our country ranges from \$2.70 to \$5.14, showing the difference in the cost of production to range from 60 cents to \$2.34 per 100 pounds. So it readily appears that free sugar

² From quarterlies of German imperial statistical office.

² From bulletins of statistics of minister of finance.

³ From figures of minister of finance.

⁴ From Hardwick committee hearings. These figures are averages as compiled from the reports of 33 factories.

⁶ Willett & Gray, in 1910, give cost price of Cuban sugar at average f. o. b. Cuba \$1.85 per 100 pounds, and at average c. i. f. New York \$1.95 per 100 pounds.

⁶ H. C. Prinsen Geerligs, in The World's Cane-Sugar Industry, p. 194, gives cost prices of sugar prepared in the more modernized factories at \$1.25 per 100 pounds, and in the old-fashioned factories at \$1.80 per 100 pounds. 100 pounds.

TH. C. Prinsen Geerligs, ibid., p. 139, gives cost price of sugar Nos.

11-13 D. C. at \$1.63 per 100 pounds.

8 Hardwick hearings, p. 2379.

from the Tropics will practically destroy our domestic sugar industry. A few factories might survive, such as the Spreckels factory at Spreckels, Cal., and possibly some of those in Colorado and Utah, but the great majority of them will be closed.

I believe that the duty of \$1.95 per 100 pounds, when it was imposed in 1897, was justified. Since that time we have developed the saccharine strength of our beets and improved the methods of extraction so that now the cost of producing 100 pounds of beet sugar in the United States has been reduced, and as large a duty as was necessary in 1897 is not now needed. I submit herewith a table showing the increase in the saccharine strength of our beets and the improvement in the methods of extraction.

Beet sugar produced in the United States 1901 to 1911,1

Crop year.	Average sugar in beets.	Average extrac- tion of sugar based on weight of beets.
1901 1902 1903 1904 1904 1905 1906 1907 1908 1909 1909	Per cent. 14.8 214.6 215.1 15.3 15.3 14.9 15.8 15.74 16.10 16.35 15.89	Per cent. 10. 95 11. 59 11. 69 11. 69 11. 74 11. 42 12. 30 12. 47 12. 56 12. 61 11. 84

¹ Source, Statistical Abstract of United States, 1912, p. 254. ² These averages are not based on data for all the factories, as some of them failed to report results of tests, but it is believed that they fairly represent the character of the total best cross.

Believing that the present duties should be lowered, I have submitted an amendment which reduces the general duty on the refined sugar from \$1.90 per hundred, as now provided for in the law, to \$1.521. It then provides for additional reductions in periods of three and six years until the duty is finally reduced to \$1.27\frac{1}{2}. It leaves the Cuban 20 per cent preferential stand as it is now, because I do not think it wise at this time to disturb the reciprocal relations we have with Cuba; and under this amendment the duty on Cuban 96, which is the real protective duty the American producer receives, will be reduced immediately to \$1.14 and ultimately to 97.2 cents. In my opinion our relations with Cuba and the reciprocity agreement which we entered into should not at this time under any circumstances be disturbed. It would possibly bring about additional inter-national complications that would be exceedingly embarrassing. I believe these reductions can be made with absolute safety to our sugar industry and that it would continue to grow and prosper. If this should prove to be true, then we will have developed a domestic sugar supply at a less cost than has any other country in the world's history. I invite the attention of anyone who is interested in the subject to investigate this matter. It will be found that the statements which I make will prove to be not only true but highly interesting. As I said, we shall have developed the production of sugar in our own country sufficiently to satisfy our ultimate and complete demands with the least possible burden that has ever been imposed upon any people in the history of civilization.

Since I have been in the Senate I have contended for a reasonable reduction in the existing sugar duties; a reduction that could be made without materially impeding the development of the industry, and that would not permit the local producers to charge the American people excessive prices. But I have never favored free trade. I can not understand how anyone can believe that it is for the best interests of our country to destroy our home production of sugar. First, it will lessen the amount of the sugar supply of the world and result in an increased price everywhere. This is clearly demonstrated by the great advance in the price of sugar in 1911. The world produces about 18,000,000 tons of sugar per year; we consume approximately one-fifth of the entire world's production. In the sugar year 1911–12 there was a shortage in the world's production of about a million tons, and the price of sugar in the United States went up as high as \$7.50 per 100 pounds, an advance of about \$3 per hundred.

The enactment of free-sugar legislation would reduce our production at least a half million tons. A shortage of a half million tons in our own production would inevitably have a corre-

sponding influence upon the world's price and the benefit expected by the advocates of this bill in sweeping reduction in prices would not be realized. The greatest objection to the destruction of the American industry, however, is that it would give the cane-sugar refiners a monopoly of our sugar market. Tropical sugar is produced in a raw state, shipped to the United States, and there refined, and then put upon the market last refined or granulated sugar. The refining business is controlled by three concerns, with headquarters in New York. They co-operate in fixing prices. Their only competitor in our market is the American beet-sugar producer. When the refiners con-trol the market they fix the price as high as the market will stand, regardless of the cost of production to them. Their resources are so tremendous and their financial strength so great that no cane-sugar producer in any country would have the hardihood to fight them in a commercial warfare for the control of the American market. So with the beet-sugar producer eliminated they would be supreme in the sugar markets of this country. A few years ago, when they learned of the possibility of beet-sugar production in our country under the protective duties that existed, they started this campaign for free sugar. Their purpose is to destroy the beet-sugar industry. It is their only competitor in this market. The legislation proposed in this bill will destroy that industry in the United States, and the refiners are for it. And it should not be forgotten that it was the cane refiners that robbed the United States Treasury a few years ago of millions by a system of false weights. They will profit more by this legislation than all others, for it will put out of the way their only competitor in our market, and then they will raise the price as high as they can. In fact, up to this time the greatest advantage which the beet-sugar producers have been to the people is in beating down the excessive prices which the refiners charge when they control the market. This is illustrated by the rise in the price of refined cane sugar when the beet product is exhausted and the decline in the price whenever the beet sugar is being put upon the market in large quantities

To illustrate, in March of this year heavy quantities of beet sugar were being sold, and the refiners' margin between the raw sugar duty paid in New York and the wholesale price of refined sugar in New York ranged from 581 to 681 cents per 100 pounds. That represented the difference between what they paid for the raw and what they received for the refined. It was the amount of toll which the refiner took for refining and marketing sugar. During the months of April, May, and June, as the pressure of beet sugar on the market grew less, the price of refined was advanced by the refiners until their margin of profit in July reached 96.8 cents per 100 pounds, an increase of about 40 cents per hundred. There was absolutely no justification for the increase, because the refiners paid no more for their raw sugar in July than they did in March. They increased the price to the American people 40 cents a hundred pounds simply because our domestic beet-sugar supply had been exhausted, and it was within their power to do it. Let me repeat, they sold the refined sugar for 40 cents a hundred more profit, because there was no beet sugar in the market, although they were paying exactly the same for the raw sugar from which this refined was made. This has been their invariable practice. In June of last year they ran the price up until the margin reached as high as \$1.176; that is, they took from the American people about 60 cents per 100 pounds more than they could when our markets were supplied with the beet-sugar product. I submit herewith a table showing for the last five months the weekly New York prices on raw and refined cane sugar and the refiners' margin:

Weekly New York prices of raw and refined cane sugar and refiners' margin.1

[United States beet crop begins in July and October.]

1913	Raw.	Granu- lated, net cash.	Mar- gin.
July 24. July 17. July 10. July 2 . June 26. June 19. June 12. June 5. May 28.	\$3.54	\$4,508	2 \$0.968
	3.57	4,508	.938
	3.54	4,41	.87
	3.36	4,41	.93
	3.36	4,214	.854
	3.33	4,116	.786
	3.33	4,116	.786
	3.33	4,116	.786

¹Above figures from Willett & Gray's Sugar Trade Journal for weekly quo'ations, ²Willett & Gray say "Domestic beet granulated of the old crop is practically all contracted for, as is also the early production of the new crop, which has begun in California."

Weekly New York prices of raw and refined cane sugar and refiners' margin-Continued.

1913	Raw.	Granu- lated, net eash.	Mar- gin.
May 22.	\$3.30	\$4.018	\$0.718
May 15	3.33	4.116	.786
May 8	3.36	4.116	.726
May 1	3, 39	4.116	.726
Apr. 17	3, 36	4,067	.707
Apr. 10.	3, 36	4, 067	.707
Apr. 3	3 45	4.165	.715
Mar. 27	3.48	4, 165	1.685
Mar. 19	3.58	4.165	2.585
Mar. 13	3.58	4.214	. 634
Mar. 6	3.54	4, 214	.674

1 Willett & Gray say "American beet-sugar factories have finished their cam-

paigns."
² Lowest margin for year.

When you place sugar on the free list you place in the hands of these sugar refiners the weapon with which to destroy their competitor; and, having destroyed their competitor, they will exploit this market to their heart's content. However worthy may be the motives of those who vote for free sugar, they are, in fact, voting directly in the interests of the Sugar Refining Trust and handing over to it, for exploitation and pillage, the greatest market for refined sugar on the earth.

A further illustration of the power of the sugar refiners over the American market, if the beet-sugar industry is destroyed, is the difference in the price of American sugar as compared with foreign sugar at the time that our beet-sugar production is being marketed. In March and April this year the refiners sold their refined sugar at from 47.6 cents to 62.3 cents per 100 pounds less than the Hamburg price plus the duty and freight. That is, they were selling at about 60 cents a hundred pounds under the world's parity. During that period it can not be said that the American consumer was paying all the duty, for he was not. In July this year, when the supply of beet sugar had been marketed, the refiners raised their price until they came to within 8 cents of the Hamburg price plus duty and freight, demonstrating beyond question that our beet-sugar supply forces down the price, and that during such periods the consumer does not pay the full duty, as is so confidently alleged by those who have not taken the time to study the subject. Indeed, at one time last year, before the beet-sugar crop came upon the market, the refiners put the price of granulated sugar in the United States up as high as 31 cents per 100 pounds above the Hamburg price plus freight and duty. That was in October last year, and when the beet-sugar supply came upon the market the price went down from 31.1 cents above the world's parity to a point 62.3 below it, a reduction of almost \$1 per 100 pounds, which was the direct result of the pressure on the market of the domestic production. Yet, in the face of this showing, men will stand here upon the floor of the United States Senate and advocate a policy that will place the American sugar market absolutely in the control of these refiners, and unwit-tingly become the agents of this giant combination in its efforts to monopolize our sugar supply.

Willett & Gray's Sugar Journal of April 17, 1913, in commenting on this subject, said:

The consumer gets cheaper sugar under the protection of duty to the home industry than he will without such protection against the European speculative sugar exchanges. To-day sugar is 74 cents per hundred pounds below world's prices. This is equivalent to a duty of 61 cents per hundred pounds on Cuba raws, instead of \$1.348, because our free and privileged supplies of sugar have so increased under protection that we are independent of European prices and now under the influence of competition among the sugar producers at home.

The sugar refiners being aware of the fact set forth in the quotation from Willett & Gray, knowing that duty-paid Cuban 96 sugar was selling only sixty-some cents above the world's price, have nevertheless distributed broadcast throughout the country millions of circulars stating that with free sugar the American consumer would be able to buy his supply about 2 cents a pound less than he is now paying. This statement was circulated persistently by men who knew it to be false, by the men who put the price of sugar up as high as the market will stand as soon as the domestic supply is exhausted. In this campaign for free sugar the refiners are just as dishonest in their methods as they were when they robbed the Government Treasury by their system of false weights.

I herewith submit table showing the weekly New York prices of granulated sugar, the prices of sugar from Hamburg laid

down in New York, and the differences, for the past five months, demonstrating the accuracy of my statements:

Weekly prices, granulated sugar, New York and Hamburg.

[New York duty paid equivalent for Hamburg prices given. United States beet crop begins in July and October.]

Date.	New York granu- lated, net cash.	First marks German granu- lated equals New York duty paid.	New York sells below Ham- burg parity, per 100 pounds.
1913.			
July 24.	\$4,508	\$4.59	2 \$0. 082
July 17	4,508	4.62	.112
July 10	4.41	4.65	.24
July 2.	4.41	4.65	.24
June 26	4.214	4.67	. 456
June 19	4.116	4.68	.584
June 12	4, 116 4, 116	4.67	.554
June 5	100000000000000000000000000000000000000	4.64	.524
May 28 May 22.	4,018	4.64	.622
May 15.		4, 64	.524
May 8	4.116	4, 67	.554
May 1.		4.71	.594
Apr. 24	4,116	4.72	.604
Apr. 17	4,067	4,60	.623
Apr. 10	4,067	4.68	.613
Apr. 3	4, 165	4.71	. 545
Mar. 27	4. 165	4, 69	. 525
Mar. 19	4. 165	4, 69	.525
Mar. 13	4.214	4.69	.476
Mar. 6	4, 214	4, 69	.476

¹ Weekly quotations are taken from Willett & Gray's Sugar Trade Journal.
² Willett & Gray say: "Domestic beet granulated of the old crop is practically alt contracted for, as is also the early production of the new crop, which has begun in California."

As I have said, in 1897 we produced about 40,000 tons of beet sugar. Since then there has been a rapid increase in the amount of beet-sugar production. It has grown step by step until now we are producing approximately 700,000 tons per year, an increase in 16 years of 1,650 per cent.

This is an unprecedented increase. You may search the history of the sugar industry in every nation on the earth and you will not find anywhere else such a rapid development of sugar production as there has been in our country within the last 16 years.

This large production of beet sugar has stimulated many other lines of business. It has made a market for millions of dollars worth of machinery, which has been manufactured in American factories and made by American workmen, who in turn have been fed by the American farmer and gardener. It has produced a market for millions of dollars worth of lime, an important ingredient in the clarification of the beet juice, and a hundred other items, such as tools for the farmers who grow the beets, machinery for the construction of irrigation ditches, fuel for the factories, bags for the sugar, and labor of many kinds and varieties. It touches our whole industrial life and stimulates practically every line of American business.

Villages have grown up in the sugar-beet producing regions; farms have been developed for that specific purpose, and men have engaged in various occupations that are necessary for the comfort and happiness of the people who compose the communities that are engaged in the production of this great commodity. These communities were founded and millions of dollars invested in beet-sugar production upon the invitation of the United States Government when it paid bounties to encourage the production of domestic sugar or imposed heavy import duties for the same purpose.

The sugar industry is not a local enterprise; it is nation wide in its influence, and its destruction will be a national calemity.

I believe that a reduction of approximately 20 per cent of the present duty can be made immediately, and additional reductions made later without materially impeding the progress of our sugar development. But instead of making such reductions, which would be just to the sugar producer and fair to the consuming public, it is proposed to abolish the duty, which will not only stop the development of the industry, but close a majority of the factories that are now in operation. Such a blind and seuseless policy has never been followed by any nation in the history of civilized government without disaster. And the astounding thing is that there can be found in the American Congress patriotic men so blind to the interests of their country as to advocate such a policy.

We consume about 3,600,000 tons of sugar per annum. We reduced last year about \$50,000,000 worth of sugar. This produced last year about \$50,000,000 worth of sugar. This value is based upon the price of raw. If we had not produced the \$50,000,000 worth at home, we would have been compelled to send out \$50,000,000 more of our resources into foreign lands to purchase the sugar which our people consumed. We would therefore have been \$50,000,000 poorer than we are to-day. Our resources would have been impoverished to that amount. It will be said by some that our farmers should have grown corn, wheat, and other crops. But I answer that we now have a full supply or surplus of the cereals. To abandon beet culture and produce more corn, wheat, and potatoes is to further glut our markets with these staple articles. One of the greatest needs of our agricultural life to-day is diversified crops, and for that reason we should encourage the production of beets. We imported something over \$115,000,000 worth of sugar last year; that is, we sent out of the country more than \$115,000,000 for If next year we could ourselves produce the \$115,000,000 worth that we imported last year, if we could take out of our own soil and gather from our own atmosphere that amount of additional wealth by the employment of our own labor and the utilization of our rains and sunlight, we would as a people be approximately \$115,000,000 richer than we would otherwise be. Is not it desirable for a nation to develop its own resources, to bring into activity its dormant wealth, to produce the things from its own soil which its people need, and thereby husband its financial and industrial strength? If such a policy is desirable, then the policy proposed in this bill is deplorable. But the statesmen who by accident have been put in temporary control of the affairs of this country, in the face of the facts heretofore presented, propose by this bill to destroy our sugar industry. Such a policy in France, Austria, or Germany would be regarded as industrial treason, and this is the first time that it has been seriously proposed in our history. But a school of false political economists, unfortunately, are in command here, and from the debates that we have listened to in this Chamber during the last two months we must infer that they have a malignant hatred toward certain American industries and American producers. They seem to regard the beetsugar producer and the sheep grower as public enemies. say that the woolman has been coddled for a century and that he is a failure and deserves no further consideration. malign him because he has not grown sufficiently while he has been the recipient of public favor; then they turn and denounce the beet-sugar man because he has grown and established a virile and thriving industry. They propose to cripple the woolman because he has not prospered and to kill the beet-sugar man because he has. But the amazing thing to me is that men who know that this bill is wrong are not only willing to acquiesce in its passage, but are actually supporting it. If every Senator in this body should vote his honest judgment on this schedule, it would be defeated. There are many Senators here who believe that free sugar is wrong and not for the best interests of their country, yet they will vote for it. They say that they do this for the sake of party harmony and regularity. obeying the decree of a party caucus against their consciences, the interests of their constituents, and the welfare of their country.

This leads me to suggest that while I believe the bill itself to be imperfect and unjust I regard the manner of its preparation as infamous. Four years ago, with all the vehemence of which I was capable, I denounced the stiff-necked and arbitrary methods of the Republican leaders then in control of the National Legislature, and I hold the same views now. Mr. Aldrich, at the very apex of his political power, when he dominated the proceedings of this Chamber as few men have in the history of this country, never had the hardihood to propose such outrageous and unwarranted methods in the making of his tariff bill as have been followed by the majority in control of this Congress. Bold as Mr. Aldrich was in the execution of his desires, he never undertook to perfect legislation in the secret sessions of a partisan caucus, where debate was muffled and wily statesmen with impunity could conceal their attitude on vital questions from their constituents. The public knows nothing of the positions taken by its representatives in the star-chamber proceedings of a secret caucus except as information leaks out through the keyholes.

The political caucus has been one of the most corrupting influences in American politics. It is the agency through which ward heelers have risen to power, and through them sinister influences have controlled the legislation of the country. It has been most potent in the slums of our cities, but its baneful influence has extended to the village and the township.

The political system which rested upon the caucus has become so hateful to the American people that they have outlawed it in a majority of the States of the Union. But while an in-

dignant public was abolishing by the enactment of direct primary laws the caucus in the States the friends of this foul system have found a place of refuge for it here in Washington at the National Capitol.

By the caucus process less than 20 per cent of the Members of this body can control its action, and I have been informed that in the making of this bill that has actually occurred. full-grown, self-respecting men will not only tolerate such a

system, but actually defend it.

To frame a great bill like this, affecting thousands of industries and the welfare of millions, in a secret party caucus, where the people of the country are not permitted to know the position taken on such measure in detail by the men sent here to represent them, is a menace to free government, and the party or the administration that is responsible for the establishment of such a system of legislation merits the unmeasured condemnation of the American people.

Personally, in considering the schedules of this tariff bill, I am standing to-day where I have stood during the last four years. I believe that we should have protective duties that will measure the difference in the cost of production at home and abroad; duties that will preserve legitimate American industry and maintain the standard of American wages and at the same time protect the American people from exorbitant The amendment which I offer to this paragraph, I prices.

believe, meets that requirement.

Mr. LODGE Mr. President—
The PRESIDING OFFICER (Mr. ASHURST in the chair). Does the Senator from Kansas yield to the Senator from Massahusetts

Mr. BRISTOW. Certainly.
Mr. LODGE. Would the Senator mind my asking him a question before he takes his seat?

Mr. BRISTOW. I shall be very glad to have the Senator

Mr. LODGE. I have listened with great interest to the very concise and admirable statement of this case made by the Senator from Kansas. I noticed that he said that the reduction of the world's supply of sugar as a probable result of the passage of this bill, assuming that it results in the destruction of a large part of the American production, will be about 500,000

Mr. BRISTOW. That is the lowest estimate I would make.

I think it will be more than that.

Mr. LODGE. In that connection is it not true that in order to make an estimate we should have to take the normal crop of Louisiana? Of course last year, as the Senator pointed out, it was not a normal crop. That is in the neighborhood of it was not a normal crop. 300,000 tons.

Mr. BRISTOW. Between 300,000 and 400,000 tons.
Mr. LODGE. In Porto Rico, which had a production of 60,000 tons at the time we took over the island, the production has risen to 367,000 tons. A decline in that production has begun already, owing to the fear that has been created by the pendency of this bill, and the smaller producers there are going out of the business. Many of the smaller plantations are in the hands of receivers already. So there will be a reduction in the Porto Rican production also, and I suppose some, perhaps, in Hawaii. It seemed to me the Senator was putting it very low when he said there would be a reduction of 500,000

Mr. BRISTOW. I think I am. Mr. LODGE. I think it will be nearly a million tons.

Mr. BRISTOW. That is probably true. I think it will be at least 500,000 tons within the continental United States. course, there will necessarily be a reduction in Porto Rico, because since Porto Rico became a part of the United States, and has had the advantage of the American protective laws, the production has advanced from about 60,000 tons to 367,000 tons, and in Hawaii the production has more than doubled.

Mr. LODGE. Yes; and, of course, we should lose the whole

of the Louisiana production.

Mr. BRISTOW. Yes. I think there will be a greater reduction than that in our domestic production, considering the outlying territory which is under our jurisdiction.

Mr. LODGE. Which, of course, would have an immediate

effect on the price of sugar.

Mr. BRISTOW. An immediate effect; yes. I think that is true.

Mr. LODGE. There are two other points to which I should like to refer, if the Senator will allow me.

The Senator spoke of the \$115,000,000 sent out of the country for the purchase of foreign sugar during the past year, and what he said is quite true. It would be, in my judgment, a great benefit if we kept that sum at home for our own sugar, as I think we should do in a comparatively short time if the beet-sugar industry were given assurance as to its future. But the Senator omitted, I think, the point that on that \$115,000,000 we now get a certain compensation, because a large portion of the sum goes in articles of American production to Cuba, where they have a special market under a preferential rate. Of course the moment we have free sugar the Cuban treaty falls and we cease to have that preference.

Mr. BRISTOW. Yes. Mr. LODGE. We do get now a certain recompense for that

Mr. BRISTOW. I think that is true. I have not undertaken to estimate the value of the Cuban trade, but there is no doubt that we will lose a lot of it and that every business man, every factory, every farmer, every producer of any article that is sent to Cuba will have his business that much curtailed.

Mr. LODGE. Precisely.

The other point is this: I know the Senator could not cover everything; but there is one point that he did not touch upon, or at least I did not hear him, which is, I think, an important element. I refer to the improvement which has been effected by beet culture in the productiveness of land. The Senator may have referred to that subject when I was out of the Chamber.

Mr. BRISTOW. I did not deal with it in the manuscript, but I have here an article directly on that line that I think I shall read into the Record. It is a little illustration which shows that beet culture is of great use to the land. I probably should have dealt with that matter in the part of my address where I was discussing the value of diversified crops, because there is nothing that American agriculture needs more than diversified crops. That is known to every man who has given any study to our agricultural industries. The farmers appreciate that the beet agricultural industries. production as a change of crops is of the greatest value.

Mr. LODGE. It has had the effect in Germany certainly of

increasing the productivity of land in other crops.

Mr. BRISTOW. I think that has been one of the features of agriculture that has induced European nations to strive so persistently to develop the sugar production within their own

Mr. SMITH of Michigan. Mr. President— The PRESIDING OFFICER. Does the Senator from Kansas yield to the Senator from Michigan?

Mr. BRISTOW. I do.
Mr. SMITH of Michigan. Mr. President, of course, every Senator on this side of the Chamber understands that we have been treated to a most excellent discussion of the great ques-tion that is now before the Senate. In detail, in fairness, in candor, and in unanswerable logic it is difficult to conceive a better presentation than has been made by the Senator from Yet I desire to call his attention and the attention of Senators to the fact that during that discussion of an important question, vital to the American people, the other side of this Chamber has been practically without representation.

During all the time of this discussion there were but three or four Senators on the other side of the Chamber. The Senator from Louisiana [Mr. THORNTON] sits here before me and his colleague [Mr. RANSDELL] sits upon my left. The Senator from [Mr. THOMAS] has honored the speaker with his presence; the Senator from Mississippi [Mr. WILLIAMS], the Senator from Kansas [Mr. Thompson], the Senator from Texas [Mr. Sheppard], and the Senator from New Jersey [Mr. MARTINE], with the Senator from Arizona [Mr. ASHURST] in the chair. Beyond that there has not been the slightest attention or consideration given to the unanswerable argument of the Senator from Kansas.

I think it is a very sad commentary upon the deliberation of our membership and the importance of the work that is going on here that Senators upon the other side will content themselves with a caucus declaration and then absent themselves from the Chamber during an argument which many on this side of the Chamber believe to be unanswerable and vital to the interests of the American people.

Mr. President, I desire to express my mortification and shame that they should have thus abandoned their seats during this able address. I am afraid that our efforts to save this industry are hopeless, no matter how strong the argument of Senators who favor the American sugar industry.

Mr. NORRIS. Mr. President—
The PRESIDING OFFICER. Does the Senator from Kansas yield to the Senator from Nebraska?

Mr. BRISTOW. I do. Mr. NORRIS. I should like to have the Senator explain the effect of his amendment and the effect of the bill as it is now before the Senate shorn of all technicalities. Will be just give all the obligations of our reciprocity treaty with Cuba, in so far

the amendment and the provision of the bill itself in plain terms so that an ordinary person may understand what the bill means as it is now before the Senate and what the Senator's amendment means?

Mr. BRISTOW. My amendment would reduce the duty on refined sugar from \$1.90 to \$1.521 per hundred pounds. As explained in the address which I delivered, that duty is merely a fiction, and the protection of Cuban sugar in this market is its real purpose

Mr. NORRIS. The real effect would be to still lower the duty, taking into consideration the 20 per cent preferential to

Cuba.

Mr. BRISTOW. Taking into consideration the 20 per cent preferential to Cuba, it reduces the duty on 96 centrifugal, which is the Cuban sugar we import, from \$1.348 immediately to \$1.14, and then again another reduction is made after three years to \$1.07, and in three years more to 97½ cents. So it reduces the duty on sugar to something less than \$1 per hundred pounds in stages.

Mr. NORRIS. What is the real duty provided for in the bill now before the Senate. How much does it reduce the present

Mr. BRISTOW. It reduces it approximately to \$1, and then,

after three years it places sugar on the free list.

Mr. NORRIS. I understand the bill reduces it to \$1, taking into consideration the 20 per cent reduction that we have in reference to Cuban reciprocity?

Mr. BRISTOW. Yes. Mr. NORRIS. Now, I should like to ask the Senator what, in his judgment, would be the effect after three years, when sugar goes on the free list, upon our treaty with Cuba?

Mr. BRISTOW. That is a pretty big question. The lawyers and the diplomats of the Senate will have to figure it out. I think it nullifies the treaty, but others may see that different.

Mr. LODGE. Mr. President-

The PRESIDING OFFICER. Does the Senator from Kansas yield to the Senator from Massachusetts?

Mr. BRISTOW. I am very glad to yield.

Mr. LODGE. If the Senator will allow me, the reciprocity treaty with Cuba provides that if either party to the treaty comes to the conclusion that the arrangement is not advantageous owing to tariff changes-I am stating it in general language—they are at liberty to terminate the treaty with a notice of six months. Of course, the only advantage to Cuba in the treaty is the sugar preferential. She gives us entry into her markets for a great many articles which are specified. Now, if sugar goes on the free list, of course a preferential becomes impossible and Cuba ceases to have any advantage whatever from the treaty. Therefore she would, I assume, give notice from the treaty. Therefore she would, I assume, give notice that the treaty having ceased to become advantageous to her she terminates it.

Mr. NORRIS. That is the point I thought ought to be brought out in connection with the admirable address of the Senator from Kansas. Whatever benefits we get we would lose if we put sugar on the free list.

Mr. BRISTOW. I think that is a very important subject for consideration.

Mr. CUMMINS. Mr. President-

I will yield to the Senator from Iowa. Mr. BRISTOW.

Mr. CUMMINS. That is a very interesting question as well as an important one. There is a curious conflict, as it seems to me, presented in the bill before us. I have little doubt that the bill itself abrogates the treaty with Cuba, because it is in conflict with it. But there is a paragraph the effect of which may very well be considered. It is in the administrative part of the proposed law, which provides

Mr. LODGE. Before the Senator takes that up-I know he has examined the treaty with care-would he mind my asking him if he does not agree with my statement as to the practical

effect of free sugar?

Mr. CUMMINS. Oh, undoubtedly, Mr. President. But I am inclined to go a little further. I am inclined to the opinion that in the absence of the paragraph I am about to read the law which we are now about to enact would be an abrogation of the treaty instantly. However, I want to call the attention of the diplomats and the lawyers upon the other side of the Chamber to this provision in the proposed law. It will be found on page 250. It is paragraph B. I quote:

That nothing in this act contained shall be so construed as to abrogate or in any manner impair or affect the provisions of the treaty of commercial reciprocity concluded between the United States and the Republic of Cuba on the 11th day of December, 1902, or the provisions of the act of Congress heretofore passed for the execution of the same.

I take it, therefore, inasmuch as the act specifically reaffirms

as the terms of that treaty are in conflict with the specific provisions of this law the treaty will prevail and the provisions

of the law will be nugatory and of no effect.

If that be true, I should like to know from some of the students of the subject whether the supposed advantages of the reduction in the duties upon sugar will be realized, because it is specifically declared that no part of this bill when it becomes a law shall be construed to impair or affect any of the provisions of the Cuban treaty. I am at a loss to understand how the proposed duties on sugar and finally free sugar can be reconciled with the Cuban treaty, and if they can not be reconciled, whether the treaty is to prevail or the law is to prevail. Undoubtedly the law would prevail if the paragraph I have just read had not been put into the law, because we can abrogate a treaty by legislation as effectually as we can in any other manner; but I do not know just what our friends upon the other side hold with respect to this point, whether they concede that the sugar schedule does violate the Cuban treaty. Before any of them will answer that question, I beg to call their attention to the treaty itself. The second article of the treaty provides-I quote-that-

During the term of this convention all articles of merchandise not included in the foregoing Article I and being the product of the soil or industry of the Republic of Cuba imported into the United States shall be admitted at a reduction of 20 per cent of the rates of duty thereon as provided by the tariff act of the United States approved July 24, 1897, or as may be provided by any tariff law of the United States subsequently enacted.

Again, I read from Article VIII:

The rates of duty herein granted by the United States to the Republic of Cuba are and shall continue during the term of this convention preferential in respect to all like imports from other countries, and, in return for said preferential rates of duty granted to the Republic of Cuba by the United States, it is agreed that the concession herein granted on the part of the said Republic of Cuba to the products of the United States shall likewise be, and shall continue, during the term of this convention, preferential in respect to all like imports from other countries.

The bill before us declares that the obligation which I have just read shall not be impaired by anything in the bill, but shall continue in full force and effect. However, I have not read the entire provisions of Article VIII.

Provided-

This follows what I have just before read-

Provided, That while this convention is in force, no sugar imported from the Republic of Cuba, and being the product of the soil or industry of the Republic of Cuba, shall be admitted into the United States at a reduction of duty greater than 20 per cent of the rates of duty thereon as provided by the tariff act of the United States approved July 24, 1897, and no sugar, the product of any other foreign country, shall be admitted by treaty or convention into the United States, while this convention is in force, at a lower rate of duty than that provided by the tariff act of the United States approved July 24, 1897.

Again I remind my friends upon the other side that the bill about to be passed declares that that provision shall remain in full force and effect, not in the least impaired or affected by

any of the specific items or paragraphs of the bill.

I will not pursue the matter further at this time. time I may feel warranted in expressing my views at greater length, but I think that when we are dealing with a subject like this, which affects our relations with Cuba, which may determine whether they be friendly or unfriendly, which may determine whether Cuba will admit to her markets our products under a preferential ranging from 25 to 60 per cent, as I remember it, we might very well have the opinions of the distinguished lawyers upon the other side. I confess there is great difficulty in my mind in reaching any conclusion as to just what shall be our

relation to Cuba after we pass this bill.

Mr. NELSON. Mr. President, will the Senator yield to me?

The PRESIDING OFFICER. Does the Senator from Kansas

yield to the Senator from Minnesota?

Mr. BRISTOW. I do. Mr. NELSON. This Cuban reciprocity was an agreement between two countries, was it not?

Mr. CUMMINS. It was.

Mr. NELSON. Can the mere fact that we declare on our side that that treaty remains in full force while we change the fundamental element of it bind the other side of that treaty? Can we modify it and change the conditions and still maintain the treaty in force without the consent of the other side?

Mr. CUMMINS. Unquestionably not: but I went further and pointed out that in the very act it does modify the treaty and does give to Cuba the right to abrogate it; we expressly say that no part of the treaty shall be changed; that whatever obligation, in other words, we have undertaken toward Cuba shall continue and be in full force and effect. I shall wait with a great deal of interest and curiosity an elucidation of that interestical situations. that international situation.

Mr. LODGE. Mr. President-

The PRESIDING OFFICER. Does the Senator from Kansas yield to the Senator from Massachusetts?

Mr. BRISTOW. I do. Mr. LODGE. Mr. President, it so happened that I drafted the proviso which has just been read in the Cuban reciprocity treaty. The treaty was on the eve of failure on account of the opposition coming from the sugar interests of the United States, and a compromise was made by the insertion of that proviso, which, as I said, I drafted.

In this bill, on page 250, as the Senator from Iowa has

pointed out, it is stated-

That nothing in this act contained shall be so construed as to abrogate or in any manner impair or affect the provisions of the treaty.

Of course abrogation must be distinguished from the right reserved in a treaty to terminate the treaty, which is a wholly different thing. It is, that nothing in this act contained shall of itself and of its own force and effect abrogate the treaty and make it cease the moment it becomes a law.

Mr. BRISTOW. Mr. President-

Mr. LODGE. Just a word more and I will yield to the Senator. He has been very kind. It will be observed that the proviso of which I speak says:

That while this convention is in force no sugar imported from the Republic of Cuba, and being the product of the soil or industry of the Republic of Cuba, shall be admitted into the United States at a reduction of duty greater than 20 per cent of the rates of duty thereon as provided by the tariff act of the United States approved July 24, 1897.

Now, the reduction on the tariff rates of the act of 1897 amounted to a reduction of 3.8 cents in round numbers. This bill makes a reduction, we will say, in round numbers, assuming the rate fixed for the next three years is one and the same, from \$1 to 80 cents a hundred pounds. That is not a greater reduction than was made by the reduction on the Dingley rate; it is a less reduction. The proviso was directed only against a greater reduction; that is, it was a provision that if we raised the duty to 3 cents the Cuban should still receive a reduction of only 3.8 cents, but if in our bill here, or at any other time, we reduce the amount-and it was slightly reduced in the Payne-Aldrich bill-if we reduce the amount so that it is not greater than the reduction effected by the 20 per cent off the Dingley rate, which is merely the standard by which it is to be measured, we have not abrogated the treaty.

That is a totally different question, of course, from the question whether by our change of tariff we have created a situation which the other party to the treaty thinks is disadvan-

tageous. Article X provides:

It is hereby understood and agreed that in case of changes in the tariff of either country which deprive the other of the advantage which is represented by the percentages herein agreed upon, on the actual rates of the tariffs now in force, the country so deprived of this protection reserves the right to terminate its obligations under this convention after six months' notice to the other of its intention to arrest the operations thereof.

That is a special privilege for termination. Of course the general privilege of termination involves a year's notice, but

each side is given a special privilege of termination.

Now, if Cuba is dissatisfied with getting her sugar in at 80 cents instead of a dollar, as compared with the present preferential where she gets it at \$1.348 a hundred pounds instead of \$1.90, she has nothing to do but give us a notice under the treaty. I differ from my friend from Iowa, with whom I have had some talk upon this subject, as to the construction of the proviso. I think only one construction is possible. It certainly was drawn with that intention. I can testify to that.

Mr. CUMMINS. I gave no interpretation to the proviso. I

read the proviso.

Mr. LODGE. I did not mean to misrepresent the Senator, of course.

Mr. CUMMINS. I did not attempt to interpret it. The earlier part of Article VIII, however, contains an obligation on the part of the United States that we will maintain a preferential rate of duty in favor of Cuba. I have no doubt about the power of Congress to abrogate the trenty by the passage of a law, but in the very measure which we have before us, which does destroy the preferential rate of duty, we reenact the treaty and declare that Cuba still shall have a preferential rate of duty. To me there is an irreconcilable conflict between those provisions.

Mr. LODGE. Mr. President, we do not destroy the preferential for three years to come. Then we do destroy the preferential

beyond a doubt.

Mr. CUMMINS. Yes; but we are destroying the preferential to take effect three years hence.

Mr. WILLIAMS. It will be destroyed as to one article when sugar goes on the free list. That would not destroy the treaty. Mr. LODGE. Of course, the Senator knows that is all that

Cuba gets.

Mr. WILLIAMS. Cuba has a right to give notice. She has that right anyhow.

Mr. LODGE. She has a right at any time, if she thinks it is not to her advantage. Of course, practically the only thing of value in the treaty to Cuba is the preferential on sugar, and that will perish when sugar is made free, of course. But for the next three years I am not able to see that we abrogate the treaty at all, because that proviso limits our powers only in the direction of making the reduction greater; that is, it was a protection to us; it was not a guaranty of anything to Cuba.

Mr. WILLIAMS. I understand that that provision was put in

at the request of our own sugar producers.

Mr. LODGE. Certainly. It was put in on account of the opposition of the beet-sugar interests to the treaty.

Mr. WILLIAMS. Of course, in order to get it through in this

country, not in order to get it through in Cuba.

I want to say that there is a point about the treaty, if the Senator will pardon me, that has challenged our attention and which we are considering. There is nothing in this that violates the treaty, but there is the point that when sugar goes upon the free list perhaps Cuba might come to the conclusion that although the differential on only one article had been destroyed that was an article of such great importance with her as compared with all these other articles that she had practically ceased to get any benefit from the treaty and might take advantage, therefore, of her right to give notice to abrogate it.

Mr. LODGE. We do not import anything else substantially

from Cuba.

Mr. WILLIAMS. I say it is a matter of such great importance in comparison with the balance of what she sells us she might say substantially you have put aside all the advantage we have. I wish to say to the Senator that that matter will be under consideration by the committee, and it will be submitted-and I do not want to throw a red flag in the face of the Senator from Kansas, either, when I say it—to the wisdom of a Democratic caucus, where it will be freely discussed and debated and fairly decided upon. I hope that will not hurt the Senator's feelings.

Mr. SMOOT. Mr. President-

The PRESIDING OFFICER. Does the Senator from Kansas yield to the Senator from Utah?

Mr. BRISTOW. Will the Senator let me finish and then take the matter up, unless it is something he wants to put into the RECORD at this point?

Mr. SMOOT. I want to state the reductions proposed in the amendment offered from the present law.

Mr. BRISTOW. All right.

Mr. SMOOT. The Senator from Nebraska [Mr. Norris] asked what the reductions were in the Senator's amendment. figured them out hurriedly, and this is what they are:

Ninety-six per cent sugar, as that is the Cuban sugar imported, has a rate of duty under the present law of \$1.348. Under the amendment of the Senator from Kansas the rate on 96 per cent sugar until June 30, 1916, will be \$1.14, or a reduction of 20.8 cents per hundred. After June 30, 1916, the Cuban rate on 96 per cent sugar will be \$1.056, or a reduction from the present rate of 29.2 cents per hundred. After that time the Cuban rate on 96 per cent sugar will be 92 cents, or a reduction from the present rate of 37.8 cents per hundred pounds.

Mr. BRISTOW. Mr. President, there has been a great deal of discussion in regard to the wages paid in the different sugar-producing countries. I do not think that the scale of wages can be used as an accurate argument in regard to the cost of sugar production, because the producing power of one man varies greatly as compared with that of another. In my address this afternoon I set forth in a brief form the facts gathered from the most reliable statistics that are to be had. I now desire to read from some tables that I have here statements of fact as to the wages that are paid, so that the information may go into the RECORD for what it is worth.

In Santo Domingo the wages in American money-that is, gold-vary from 50 cents to 75 cents per day of 12 hours. In Cuba the wages are from \$1 to \$1.50 a day.

I desire to say that the best wages paid in any tropical country in the world, so far as I have been able to ascertain, are paid in Cuba, and wages have gone up materially in Cuba since Cuba has had the advantage of the American market for her sugar. The 20 per cent preferential that was given to Cuba has

had a wonderfully stimulating effect upon the production of sugar in Cuba, and also a corresponding effect upon the wages paid in the cane fields, so that while we have been giving Cuba only 20 per cent protection, that 20 per cent protection has been of inestimable value to her wage earners.

In the British West Indies wages are from 261 cents per day for men to 16 cents per day for women; in the Fiji Islands, from \$6 per month for men to \$4.80 per month for women; piecework, 24 cents per day for men to 18 cents for women. In British India wages are about 4 cents a day; in the Straits Settlements they are from 8.4 to 11.2 cents.

As I have said, these wretched wages that are paid are, of course, paid to people who can not produce anything like that which can be produced by our wage earners, who receive in our sugar-beet fields from \$1.75 to \$2.50 a day.

Mr. SMITH of Michigan. Mr. President— The VICE PRESIDENT. Does the Senator from Kansas yield to the Senator from Michigan?

Mr. BRISTOW. Yes. Mr. SMITH of Michigan. Has the Senator from Kansas finished?

Mr. BRISTOW. I have finished my statement in regard to

this phase of the matter.

Mr. SMITH of Michigan. On that point I wish to say that, under date of August 12, Vice and Deputy Consul General De Witt C. Poole, jr., of Berlin, sends a report, which is published in the Daily Consular and Trade Reports. Has the Senctor that report before him?

Mr. BRISTOW. No; I have not that. Mr. SMITH of Michigan. Then, if the Senator will permit me, I should like to make an observation right here.

Mr. BRISTOW. I shall be very glad to have the Senator

Mr. SMITH of Michigan. The daily wages in the sugar-beet fields of Germany are reported by our consul to be, in Saxony, for a man, 59 cents per day; for a woman, 39 cents a day; and for a child, 19 cents a day. In Silesia, for a man, 51 cents a day; for a woman, 34 cents a day; and for a child, 18 cents a day. In Mecklenburg, for a man, 78 cents; for a woman, 46 cents; and he was unable to get the wages of children. This is the latest report, under date of August 12, and gives the exact wage conditions in the Province of Saxony, Prussia, and in Mecklenburg.

Mr. BRISTOW. I have here a statement of the wages paid in French factories to factory help for the years 1902, 1903, 1904, 1905, 1906, 1907, 1908, 1909, and 1910 in tabular form. The table shows that the wages of men in those factories—this is factory help, and not the beet-field employees-run from 76 cents per day to 83 cents per day for men; for women, from 42 cents per day to 46 cents per day; and for children, from 33 cents to 35 cents per day.

I also have a table showing in detail the wages in a number of German factories, the wages for each particular occupation, and a comparison. I will read some of them merely for the infor-

mation of the Senate, because it is quite interesting.

In Hungary the wages run for unloading beets from 24 cents to 50 cents per day; in Austria they average 48 cents, and in Belgium 48 cents. In Germany they are paid by the ton. corresponding wages in the United States average \$2.18. wages of beet feeders in Hungary run from 50 to 60 cents; in Germany from 48 to 52 cents; and in the United States the wage is from \$2.10 to \$2.40. Beet cutters in Belgium, from 50 to 60 cents; Germany, from 43 to 84 cents; and in the United States from \$2.10 to \$2.88, and the table goes on giving the compensation in each occupation.

Take machinists. Machinists in Hungary are paid from 40 to 50 cents; in Austria 50 cents; in Belgium 60 cents; in Germany \$1.02; and in the United States from \$4.20 to \$4.80, showing a great difference in the wages paid to labor in this country and in our competing countries. I believe it is a fact that American labor is far more efficient than is the labor that is worked such long hours and paid such low prices in these competing countries, and this great disparity of wages does not mean such a wide difference in the cost of producing the sugar. I have given that, I think, with as absolute accuracy as it can be ascertained in the address which I have delivered.

There is a great difference in the cost of producing sugar, and I have selected here statements from a wide range of authority as to the cost of producing sugar in Cuba, which is really the competitor of the American sugar producer.

Col. Tasker H. Bliss, of the United States Army, who was collector of the Port of Habana in 1902, gave the cost delivered at Habana at the seaboard at \$2.25 per 100 pounds.

Mr. Lacosta, the Cuban secretary of agriculture, the same year gave it at \$2.20; Mr. Edward P. Atkins, interested in Cuban plantations and also connected, I think, with the Sugar Refining Trust, gave it at \$2.25 per hundred; the United States Department of Labor in 1905 gave it at 2 cents f. o. b. Habana; Truman G. Palmer, representing the Association of American Beet Sugar Manufacturers, gave it at \$1.50; Horace Havemeyer, interested in Cuban sugar plantations and in American beetsugar plantations, gave the cost at \$2, including freight to New York; Henry T. Oxnard, of the American Beet Sugar Co., gave it at from a cent and a half to 2 cents per pound; Edw. F. Dyer, builder of beet-sugar factories, gave it at from 11 cents per pound up, without giving the maximum. He gave that as the minimum. Joseph H. Post, president of the National Sugar Refining Co. of New Jersey, gave it at 2 cents per pound f. o. b. at Habana; Moriz Weinrich—his occupation I have not here gives it at 1½ cents per pound, under the most favorable conditions. I think that is the lowest estimate that has ever been made so far as I have observed for Cuban sugar.

Mr. D. P. Machado, sugar planter at La Grande, Cuba, gives it at the Cuban port at \$2.06 per hundred.

George R. Fowler, sugar planter at Santa Clara, Cuba, places it at \$2.13.

J. W. De Castro at \$1.31. That was in 1900, while Mr. Fowler's estimate was given in 1905 and in 1906. De gave it at \$1.35 in 1900 and Mr. Fowler gave it at \$1.31. De Castro

George Bronson Rea, a resident of Cuba for 13 years, places it at \$2.25. That is the highest point at which it has been placed by any experienced man that I have noticed.

Edward Atkins, owner of the Soledad Central near Cienfuegos,

nt 2% cents.

Hugo Kelly, of the Central Teresa Co., Manzanillo, at \$2.16 per hundred pounds.

Miguel Mandoza, of the Central Santa Gertrudis, Banaguises, at 0.021.

Mr. Armstrong, in the Cuban reciprocity hearings, at 0.02.

R. B. Hawley, who is an ex-Member of the House of Representatives, from Galveston, Tex., at 0.02.

C. F. Saylor, special agent, United States Department of Agriculture, who wrote annual reports on "The Progress of the United States Beet Sugar Industry," placed the Cuban production cost at 1½ cents a pound.

Dr. H. Paasche, a German scientist, placed it at 1.94. Dr. Julius Wolf, another German statistician, placed it at 1.94. The German consul general in Santiago placed it at 1.784. Sereno E. Payne, of the Ways and Means Committee, placed it

at 2 cents.

Hon. George B. McClellan, a former member of the Ways and Means Committee, placed it at 2 cents f. o. b. Habana. H. C. Prinsen Geerligs placed it at \$2.03 per hundred pounds.

Willett & Gray placed it at \$1.85 per hundred pounds.

Roy G. Blakey, professor of political science in Cornell Uni-

versity, placed it at 2 cents a pound.

I put these statements in the Record because it seems to me that they cover every phase of the sugar discussion. They are the opinions of men looking at it from every phase of sugar production-those who are interested in the trust, those who are interested in beet-sugar factories, those who were producing in Cuba, and the statisticians of the British and German Governments, who were investigating Cuban production with a view of ascertaining the effect that it might have upon sugar industries in their own countries and in the countries that are under their jurisdiction.

Mr. CHILTON. Mr. President-

The PRESIDING OFFICER. Does the Senator from Kansas yield to the Senator from West Virginia?

Mr. BRISTOW. I do.

Mr. CHILTON. I have listened with a great deal of interest to the very entertaining discussion of the Senator from Kansas. I was in the Chamber a little while ago when the senior Senator from Michigan [Mr. SMITH] was calling the roll of the Democratic Senators who were present. I dislike to see this very interesting part of the discussion go on in the absence of the senior Senator from Michigan. Possibly the Senator from Kansas has not noticed his absence and would want him present while the discussion is going on. I have been here practically all of the time, and was just going to call attention

Mr. WILLIAMS. Why not ask a page to go for the Senator? Mr. CHILTON. That is a very appropriate suggestion.

Mr. CHILTON. That is a very appropriate suggestion.
Mr. TOWNSEND. Mr. President, the senior Senator from
Michigan is taking lunch at this moment. He has been here all morning.

WILLIAMS. No one ought to sacrifice a speech for

Mr. BRISTOW. Mr. President, I have some other data here which are of interest to me, and I think will be of interest to the discussion, being the latest that I have been able to collect in regard to the prices paid for beets in the United States now and last year. The figures are not given in any of the statistical books I have examined; but I have searched all of the data that is available, and examined various journals, and I find the following as to the prices paid for beets in our country, which I think is of interest: The price in Arizona in 1912 was \$5 a ton; in Ventura County, Cal., the average was \$6.95 a ton—some of the California general factories paid as high as \$7.25 a ton, and very few less than \$6 a ton-Nebraska, Scottsbluff Sugar Co., \$5, with 50 cents per ton additional for siloing, if a hundred thousand tons are delivered 25 cents per ton additional, and if 135,000 tons are delivered 50 cents additional to each farmer; Michigan, Menominee River Sugar Co., \$6 a ton, flat rate; Nevada, Fallen factory, \$5 per ton-that was in 1912; this year they have increased it to \$6 a ton-California, Spreckels, \$5 per ton for 11 to 14 per cent beets, with an increase of 25 cents for each additional per cent over 14; Colorado, National Sugar Manufacturing Co., \$6 a ton-from \$5 to \$5.50 was paid last year, \$6 being paid this year—some Colorado factories pay \$5 per ton and a half interest in the profits over 10 per cent; Kansas, Garden City, \$5.50 per ton; Montana, Billings, \$5 for beets containing over 12 per cent and under 15 per cent, \$5.50 for 15 and 16 per cent beets, and 25 per cent advance for each per cent over 17; Wisconsin, 1913, \$5.50 per ton for beets delivered before December 1, \$6 for those delivered in December, and an additional 50 cents per ton if Congress does not pass adverse sugar legislation this year; in Montana the average price this year is \$6; in 1912 Montana had a graduated scale and it averaged about \$5.50, this year the price is up a little; in California the Visalia factory, \$5 per ton for 15 per cent beets and 30 per cent advance for each 1 per cent of sugar. I thought those figures would be of some interest.

I have here the average cost of 31 German factories, as given

in the official monthly of the industry for 1907, page 45, from the hearings of the Senate Committee on Finance, and also statistics of 8 German factories for 1909 and 1910, which I ask

to incorporate in the RECORD.

The PRESIDING OFFICER. In the absence of objection it will be so ordered.

The matter referred to is as follows: .

Average cost of 31 German factories as given in the official monthly of the industry, 1907, page 45.

Year.	Price per ton of beets.			Total expenses, including de- preciation.	
rear.	Mini- mum.	Maxi- mum.	Aver- age.	Per ton.	Per 100 pounds, raw.
1897 1898 1899 1900 1901 1901 1902 1903 1904	\$3.03 3.37 3.33 3.67 2.98 3.16 3.08 4.06 3.33	\$4.20 4.80 4.80 4.93 4.72 4.84 4.72 6.01 4.84	\$3.85 4.17 4.16 4.39 3.81 4.13 3.82 4.80 4.08	\$5.58 6.00 6.13 6.12 5.48 6.28 5.53 6.77 5.71	\$2. 18 2. 24 2. 25 2. 17 2. 01 2. 15 1. 95 2. 27 1. 94
Average			4.14	5.96	2.13

Statistics of 8 German factories, 1909 and 1910.

[From hearings before the Senate Committee on Finance on H. R. 21213, first print, pp. 379, 381.]

No.	Name.	Capital.	Daily capac- ity.	Beets sliced.	Sugar in beet.	Raw sugar ob- tained.
1 2 3 4 5 6 7 8	Salswedel. Linden Nakel Wabern Pelplin Demmin Bruschwits Haynan	\$257,000 136,000 266,000 490,000 178,600 591,000 143,000	Tons. 1,250 1,060 610 700 1,000 1,000 894 2,023 515	Tons. 96,810 60,440 28,800 43,500 72,860 63,200 146,000 34,750	P. ct. 16.45 17.00 15.20 17.90 16.30 17.05	P. ct. 17.11 16.0 15.5: 14.8(17.1: 15.7: 16.6: 17.4:
	TotalAverage			546,380		16.47

Statistics of 8 German factories, 1909 and 1910-Continued.

No.	Name.	Sugar pro- duced.	Expenses, in- cluding depreciation.		Re- ceipts for by-
			Total.	Per ton.	prod- ucts.
1 2 3 4 5 6 7 8	Salswedel	Tons. 16,555 9,676 4,470 6,438 12,474 9,954 24,280 6,057	\$693,000 432,750 204,000 340,900 455,380 357,000 956,300 257,700	\$7.16 7.16 7.08 7.81 6.25 6.30 6.55 7.42	\$16,710 16,325 6,750 9,810 16,473 8,673 68,360 7,910
	Total	89,904	3,697,030 1 2,05	6.767	151,021

1 Per 100 pounds.

\$3, 546, 009, 00 6, 49 1, 97 2, 21

Mr. BRISTOW. I have here very interesting information as to the sugar produced per acre in the United States and a number of European countries, and the tons of beets produced per acre. It covers a period of three years, and, of course, is the average. In the United States we have produced on an average of 2,790 pounds of sugar per acre, with an average production of 10.19 tons of beets; Germany produces an average of 3,803 pounds of sugar per acre, being about 900 pounds per acre of sugar more than we get, and 11.74 tons of beets per acre; Russia, 2,346 pounds of sugar per acre, and 7.35 tons of beets per acre; Austria-Hungary, 3,235 pounds of sugar per acre, and 10.82 tons of beets per acre. So it goes on. Denmark produced a larger amount of sugar per acre than any other sugar-producing country, and she also produced the largest number of tons of beets per acre, Denmark's production being 3,943 pounds of sugar per acre, or 13.96 tons of beets—approximately 14 tons per

The great advantage which the European countries have over us is due to the long period during which they have been developing the fertility of their sugar beets. They have employed very ingenious devices, such as I indicated in my address this For instance, they would put an excise tax on the number of Beets sliced and then give a drawback on the amount of sugar exported. Austria not only did that, but she had a similar device for encouraging the improvement of machinery for extracting the sugar from the beet. The countries that resorted to these legislative inducements secured the desired result; that is, a very high production of sugar per ton and of beets per Of course the smaller European countries have a system

of intensive cultivation which would be very material aid.
Mr. THOMAS and Mr. RANSDELL addressed the Chair. The PRESIDING OFFICER. Does the Senator from Kansas

yield; and if so, to whom?

Mr. BRISTOW. I yield to the Senator from Colorado, and then I will yield to the Senator from Louisiana.

Mr. THOMAS. I understood the Senator awhile ago, in given ing the price paid for beets, to mention, among other places, the price paid at Durango, Colo.

Mr. BRISTOW. Yes. Mr. THOMAS. I think there is no sugar factory there, and

I suggest that perhaps the Senator meant some other place.
Mr. BRISTOW. Probably the wrong town was mentioned in transcribing the notes. I read from the notes. I will look it up and correct it.

Mr. RANSDELL. Mr. President— The PRESIDING OFFICER. Does the Senator from Kansas yield to the Senator from Louisiana?

Mr. BRISTOW. I do, very gladly.
Mr. RANSDELL. The Senator made a very interesting statement during his address about the effect of the cultivation of beets upon the production of other crops, and he promised to give us more extended information on that subject. In connection with what he has just said about the yield of beets in Germany and in other countries I wish to ask him if it is not a fact that in Germany and the countries of Europe generally they get a yield of practically twice as much wheat, barley, and rye per acre as we get in this country, and if it is not thought to be due more to the cultivation of beets than to any other one cause? I should also like to have the Senator state in that connection what, in his judgment, would be the effect upon the gen-

eral production of wheat and other cereals in this country if we

were to encourage and fully develop the beet industry?

Mr. BRISTOW. I believe that feature of the development of our sugar industry should be given more consideration than has been given it in the past. There is at Garden City, Kans., in my own State, a small sugar factory which during recent years has enlarged its capacity; has extended the area for beet production, and has been testing the different parts of the State as to qualities of soil, and so forth. It induced a number of farmers of Lyon County, Kans., some few years ago to experiment in beet production; and I have clipped from a copy of the Emporia Gazette a write-up of the experience of those farmers and some interviews with them, which I will read:

Mr. Fowler, whose farm is 4 miles southeast of Emporia, had three plats of land, all the same soil and adjoining, in wheat, sugar beets, and corn in 1912. This year he had all of this land in wheat and had changed his beet field to one of larger acreage. The 13 acres of land that was in corn last year and in wheat this year did not grow a good crop. In fact, he plowed up 3 acres and had but 10 acres to harvest—

That is 10 acres of wheat on his former corn land-

That is 10 acres of wheat on his former corn land—
The 20 acres he had in wheat in 1912 and again this year, at harvest time presented the average looking field of grain, and on this field Mr. Fowler used 2 pounds of binding twine to the acre.

When Mr. Fowler's binder went into the 7 acres of wheat growing on land that raised a sugar-beet crop in 1912, he found that the binder used 5 pounds of binding twine to the acre. This caused Mr. Fowler to think a bit. He decided that he would thrash the crop from the three fields separately, and find out just what was the difference in the yields.

So the crop from the different fields went through the separator at

yields.

So the crop from the different fields went through the separator at different runs and a careful account was kept of the yield. It was found that the 10 acres of wheat on land that was in corn last year produced 5 bushels of wheat to the acre. The 20 acres that was in wheat in 1912 and in the same crop again this year yielded 16 bushels of wheat per acre. The 7 acres of wheat grown on land that was in sugar beets in 1912 thrashed out 40 bushels of wheat per acre.

Mr. Fowler, after this demonstration, thoroughly believes the statements of the sugar-beet experts that the root crop is most valuable in preparing land for other crops, and that the deep rooting of the beets acrates the soil and deposits valuable humus and that the intense tillage of the fields greatly improves the soil. Mr. Fowler has demonstrated the value of sugar beets in crop rotation.

Mr. REED. Mr. President

The PRESIDING OFFICER. Does the Senator from Kansas yield to the Senator from Missouri?

Mr. BRISTOW. Certainly.
Mr. REED. I did not quite hear all that the Senator read, but did I understand him to say that the ground that had been in corn produced only 5 bushels of wheat the next

Mr. BRISTOW. Yes; 5 bushels.

Mr. REED. And the ground that had been in wheat produced 16 bushels.

Yes. Mr. BRISTOW.

Mr. REED. And the ground that had been in beets produced 40 bushels?

Mr. BRISTOW. Yes; that is the statement made here

Mr. REED. Does not the Senator, as a farmer, think it rather remarkable that ground that had been in corn the year before produced only one-quarter as much wheat as ground that had been in wheat the year before?

Mr. BRISTOW. Yes.

Mr. REED. There is something the matter with that experiment.

Mr. BRISTOW. Of course, I do not know a thing about it, except what I am reading from this statement. My judgment would be that the corn land was either plowed with the stalks not having been raked and burned, and a dry spring, with the stalks turned under, caused the wheat to dry out, or the wheat was drilled in the rows and a good stand not secured. That would be my judgment in regard to the matter. I do not know. I am simply guessing at it from my limited experience in farm-

ing in the prairie country.

Mr. REED. I did not rise to interrupt the Senator, but does the Senator know whether these interviews or statements were just given to the paper by farmers who happened to be inter-

ested, or whether they were inspired in some way?

Mr. BRISTOW. I do not know. This is an article that is taken from the Emporia Gazette, which comes to my office, and this was clipped out. I know that at Emporia they have been trying to get the farmers to grow sugar beets, although they get only \$5 per ton, it being necessary to transport the beets quite a long distance to the factory. I think this is a friendly write-up on the part of this paper, which believes it to be for the best interests of the county to develop this diversified crop there instead of growing wheat and corn continually. That is my judgment about it.

Mr. REED. My reason for asking the question is that from some testimony that was produced before the Hardwick com-

mittee and some which was produced before the lobby committee, I have been led to believe that the sugar-beet factory owners are engaged in a systematic effort to fill the newspapers with just such matter as the Senator is reading. I thought possibly there were some earmarks by which the Senator could judge as to that.

Mr. BRISTOW. I do not know a thing about this, and I will say that I have not personally interviewed these gentlemen. am simply reading from this newspaper article. Whether these are interviews that have been sought or are wholly voluntary I do not know. I am giving the names and addresses of the men, and if anyone cares to write to them I shall be very glad to have him do so.

I do not know whether these experiments can be verified or whether they will be denied. I do not vouch for this at all. I have not made a personal inquiry into the matter. But I know the paper-it is a most reliable journal-I know the community, and I know there has been a great deal of interest in that community in recent years in the development of beet-sugar produc-The most energetic and progressive citizens of the county believed that if they could develop this agricultural industry there in connection with what they had it would add to the wealth and the prosperity of the community.

I believe, of course, that these are genuine and honest expressions of sentiment. I believe it from what I know of the community and of the paper. But of course I do not vouch for it as a matter which I have personally investigated by having conferred with these men themselves.

Mr. TOWNSEND. Mr. President—
The PRESIDING OFFICER. Does the Senator from Kansas yield to the Senator from Michigan?

Mr. BRISTOW. I yield.

Mr. TOWNSEND. I had not supposed anyone would seriously dispute the proposition that the growth of beets upon land prepares the land and makes it better for other crops. I know it is a notorious fact in Michigan, and I suppose it applies everywhere else in the same way. As to the proportion of benefit I am not prepared to state, but I know it to be a fact that crops rotating after beets are much more productive, the yield is much greater than where beets have not been grown. As I said, I have never known that that was disputed.

Mr. REED. Mr. President, may I ask a question of the Sen-

ator from Michigan?

The PRESIDING OFFICER. Does the Senator from Kansas further yield to the Senator from Missouri? Mr. BRISTOW. Certainly.

Mr. REED. I will ask the Senator from Michigan whether it is not true that crops rotated with alfalfa, crops rotated with cowpeas, and crops rotated with crimson clover, also produce these remarkable results?

Mr. TOWNSEND. There is not any question but that where alfalfa can be grown or where cowpeas can be grown, as the Senator suggests, and are plowed under to fertilize the soil, they are great fertilizers. But there are places in Michigan, as I suppose there are in other States, where neither alfalfa nor red clover will grow, but where beets will grow as well as in certain other sections which seem to be naturally fitted for that particular product. Clover, of course, and all crops of that kind that grow largely with roots, if plowed under, will produce a fertilizer that is of great value.

Mr. WILLIAMS. Mr. President-

The PRESIDING OFFICER. Does the Senator from Kansas yield to the Senator from Mississippi?

Mr. BRISTOW. I do.
Mr. WILLIAMS. I do not intend to go into the question of alfalfa, red clover, crimson clover, cowpeas, and all that. By the way, however, cowpeas do not need to be plowed under. They furnish a very rich fertilizer without that, and can be cut for hay and still improve the land.

I want to say in this connection, leaving all that aside, that it is true of sugar beets that they do put the land in a condition which brings a larger production of wheat or some other crop. It is also true of turnips; it is true of cabbage; it is true of kale; it is true of truck farming of any description. I want to add to that the fact that England, which produces no sugar beets at all, makes a larger yield of wheat per acre than Germany, in the sugar-beet country, one being about 32 bushels per acre and the other something less than 30. So that what the Senators are attributing to sugar beets, as if sugar beets in them-selves added something of fertility to the soil, is not true. The cultivation of sugar beets does it, because the land has to be so carefully cultivated to put it in condition for the sugar-In England, where they raise no beets at all but beet crop.

for the feeding of cattle, sheep, and so forth, the same result

Mr. BRISTOW. I will read an interview with just one more person. There are a number here. I will read this at the suggestion of the Senator from Louisiana.

A Mr. Wingert, whose farm is about 5 miles from Emporia.

Beets make the best crop we have. They are no harder to care for than corn, except the thinning. I don't know what I could put land into that would make as much profit as beets. I had two thin cows last year and fed them for 40 days on the beet tops and sold the cows for \$137. I am convinced that the beet tops make the best of feed. The work done on the land in cultivating the beets is worth \$2 per acre per year in putting the land into a higher state of cultivation.

I read those because of the suggestion of the Senator from Louisiana [Mr. RANSDELL]

Mr. MARTINE of New Jersey. Mr. President, will the Sena-

tor permit me to say one word? Mr. BRISTOW. Certainly.

Mr. MARTINE of New Jersey. I can speak from experience in this matter. That is true of all the root crops. A crop of potatoes demands high cultivation and a rich, loose subsoil. It is true with the sugar beets as with the mangelwurzel beets. The sugar beet and the mangelwurzel beet are both of similar character, except that one is of a yellow character and the other is of a red character. The mangelwurzel beet is used for cattle food and makes the same general demand upon the soil, and the process of subsoiling is that from which it derives its fertility. It loosens up the soil, aerates it, and readily permits the permeation of the air and the moisture.

The same result that is accomplished with the sugar beet would be accomplished with any other beet. I think, however, that the instance given by the Senator from Kansas, where only 5 bushels were raised on the soil following a crop of corn, and then a crop of 40 bushels on the immediately adjoining plat that raised beets, if the soil was absolutely alike and the seeding was done at the same time, is a little

extravagant.

Mr. BRISTOW. I think that would be very unusual. It would be due, in my judgment, to some such circumstance, as I

suggested to the Senator from Missouri.

The Senator also spoke of alfalfa. In certain sections of the prairie country an alfalfa field plowed under may not produce well the next year at all. I have known of a practical failure on an alfalfa field plowed under, because the roots seemed to make the ground too loose, and it would have to be cultivated a year or two before it got at its best. But, of course, in countries where there is an abundance of rainfall that would not be the case; it would have just the opposite effect.

I have here a statement of the cost of manufacture of beet sugar as reported by the factories. It is a statement compiled from the Hardwick committee hearings, and given from 33 factories. I ask leave to insert it in the Record. I think it will be of interest.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The matter referred to is as follows:

Cost of manufacturing beet sugar as reported by the factories. [Hardwick committee hearings. These figures are averages compiled from the reports of 33 factories.]

	1906-7	1907-8	1908-9	1909-10	1910-11
Tons of beets sliced	81,371	71,845	65, 647	73,012	70,043
Sugar extracted per ton of beets	235.2	269.9	248.5	252.7	262, 2
Average price paid per ton of beets	\$4.95	\$5.01	\$5.08	\$5.12	\$5,41
factory per ton of beets	\$5.71	\$5.73	\$5,86	\$6,00	\$6, 49
Cost of manufacture per 100 pounds of granulated sugar: (a) Raw material (mostly beets) (b) Factory cost (c) Overhead and administration charges (d) Taxes and in- surance.	\$2, 439 \$1, 153 \$0, 156 \$0, 075	\$2, 268 \$1, 217 \$0, 208 \$0, 093	\$2,339 \$1,215 \$0,267 \$0,104	\$2.431 \$1.243 \$0.253 \$0.098	\$2, 621 \$1, 120 \$0, 242 \$0, 117
Total	\$3.823	\$3.786	\$3,925	\$4.065	\$4,100
Total, including 10 other fac- tories	\$3.94	\$3.56	\$3.87	\$3.73	\$3,89

Mr. BRISTOW. I also have here another statement of a parresort to the same sort of cultivation in order to raise turnips tial list of beet-sugar factories and their location, the cost per pound of producing sugar in each, and the selling price per pound. This was taken from the reports of the beet factories, an interest in which was formerly owned by the Havemeyer Sugar Co. Since it is the report of the managers to the stockholders as to the cost of production, I give it a great deal of weight, because I do not think the factories would undertake to deceive their stockholders as to excessive costs. I should think these would be probably the minimum costs. I ask to have this matter inserted in the Record.

The PRESIDING OFFICER. In the absence of objection, it will be so ordered.

The matter referred to is as follows:

Partial list of beet-sugar factories in the United States, their location, cost per pound of producing sugar at each factory, and selling price per pound.

Name.	State.	Cost.1	Selling price.2
Michigan Sugar Co. Great Western Sugar Co. Billings Sugar Co. Sectsbluff Sugar Co. Amalgamated. Lewiston. Utah-Idaho Alameda. Spreckels. Menominee. Continental Iowa. Carver County	Michigan. Colorado. Montana Nebraska Utah and Oregon Utah Utah and Idaho California do Michigan Michigan Michigan and Ohio Iowa Minnesota	3. 49 3. 85 3. 05 3. 03	5. 327

¹ As shown by reports of these companies to the American Sugar Refining Co., p. 2379 of the hearings before the special committee on the investigation of the American Sugar Refining Co. and others, campaign of 1910-11.

² As shown on p. 3149 of the same hearings, the above prices being the average net wholesale price in each case for the season of 1911, up to Nov. 1, 1911.

Note.—When the production of each of these factories is considered, the average cost is 3.54 cents per pound. Average of cost by factories—production not considered—3.71 cents per pound. As above, Mr. Truman G. Palmer says cost of production of beet sugar per pound in this country in 1909 was 3.67 cents per pound. (H. Rept. 331, 62d Cong., 2d sess., p. 23.)

Mr. BRISTOW. I have here a large amount of data that I shall not ask to have inserted now, but as the discussion runs on, if I find it necessary to answer any further inquiries I shall be glad to use the matter. I shall not burden the RECORD with it now.

Mr. WILLIAMS. Mr. President, I desire to answer what the Senator from Iowa [Mr. Cummins] had to say about this bill violating in some manner the treaty with Cuba.

Mr. BRISTOW. If the Senator will pardon me, I have not had my lunch yet; so the Senator will excuse me if I do not

remain during the entire time of his discussion.

Mr. WILLIAMS. Why, Mr. President, I thank God for the fact that there is nothing either in the law or in the Constitution of the United States compelling us to listen to one another. It would be the most miserable life in the world if we had to stay here all the time and hear one another. I am speaking, as all of us do, chiefly for the RECORD and the country. I know the Senator would not intentionally commit any sort of impoliteness

of any description to anybody.

The Senator from Iowa has sought to find in this bill something which brought about a necessary conflict between it and the reciprocity treaty with Cuba. He sought to find that especially because this bill, in a part of it, provides that nothing in the bill shall abrogate or violate anything contained in the reciprocity treaty with Cuba. Then he sought to find certain provisions which prevented us from changing our laws.

I am anxious to get this matter in the RECORD, so that Senators may be saved the trouble of making the investigation themselves to a large extent and chiefly for use upon this side of the Chamber.

Article I of the Cuban reciprocity treaty has nothing to do with the question.

Article II has nothing to do with it. After providing that articles of merchandise imported from Cuba into the United States shall bear a preferential of 20 per cent of the rates provided by the tariff act of the United States of July 24, 1897, this article goes on very significantly and adds these

Or as may be provided by any tariff law of the United States subsequently enacted.

Article III, which provides for a preferential of 20 per cent upon all articles coming into Cuba from the United States, after providing for the preferential adds this significant lan-

At a reduction of 20 per cent of the rates of duty thereon as now provided or as may hereafter be provided in the customs tariff of said Republic of Cuba.

There is nothing else, then, that has a bearing upon the question until you come to Article VIII. The other articles following Article III are the schedules in the main part. Article provides that regulations to prevent fraud, and so forth, if they have the effect of decreasing or increasing, shall not violate the treaty.

Article VI deals with tobacco, and says that that shall not be one of the articles covered by the treaty, but shall be ex-empt. Importations of tobacco into Cuba do not enjoy the

differential.

Article VII is a provision that each country shall receive equal treatment in regard to its importations into the respective ports of the other country.

Article VIII has a slight bearing upon this matter. I will read it:

The rates of duty herein granted by the United States to the Republic of Cuba are and shall continue during the term of this convention—

Mark the significant language, now-

preferential in respect to all like imports from other countries, and in return for said preferential rates of duty granted to the Republic of Cuba by the United States it is agreed that the concession herein granted on the part of the said Republic of Cuba to the products of the United States shall likewise be, and shall continue during the term of this convention, preferential in respect to all like imports from other

Then follows the proviso that has a somewhat direct bearing in the minds of some people, which seems to have had it in the minds of the Cuban legation, because the Cuban legation has made representations to the State Department, and the State Department has communicated those representations to the chairman of the Finance Committee,

This proviso at the end of Article VIII, following the part I

have just read, says:

Provided, That while this convention is in force no sugar imported from the Republic of Cuba and being the product of the soil or industry of the Republic of Cuba shall be admitted to the United States at a reduction of duty greater than 20 per cent or the rates of duty thereon as provided by the tariff act of the United States approved July 24, 1897.

I will stop reading for a moment to make a comment. This is another illustration of the manner in which special interests influence not only our laws, but our treaties with foreign powers. The Senator from Massachusetts [Mr. Lodge] this morning confessed that this language was put in the treaty at the demand or at the request of the sugar interests of this country. It was put in not to advantage Cuba, but to advantage them, so that we should not make another and a later reciprocity treaty with Cuba making a differential even greater than 20 per cent. So that in order to get votes enough for the treaty it was put in—votes enough in this country, not in Cuba. In other words, this special interest had to be begged and bought to give consent to the Cuban reciprocity treaty.

Now, I shall continue to read from where I left off. repeat part of my reading, so that I may get the connection:

Shall be admitted into the United States at a reduction of duty greater than 20 per cent of the rates of duty thereon as provided by the tariff act of the United States approved July 24, 1897.

As the Senator from Massachusetts well said, this does not fall within that description. But here follows this language, which seems to have deceived the Cuban Legation, and seems to be what they are relying upon:

And no sugar the product of any other fereign country shall be admitted—

They seem to have read itshall be admitted into the United States.

But it reads:

And no sugar the product of any other foreign country shall be admitted by treaty or convention into the United States while this convention is in force at a lower rate of duty than that provided by the tariff act of the United States approved July 24, 1897.

It does not say that no sugar shall be introduced into the United States while this convention is in force at a lower rate of duty, but that it shall not be introduced by convention or treaty at a lower rate of duty. The evident intention was to prevent Cuba, which had gone into a reciprocity treaty with us, being forced to surrender all of her advantages under that reciprocity treaty by some reciprocity treaty we might make with some other sugar-producing country. The insertion of the lan-guage "by treaty or convention" is very significant, because it leaves the balance of the language of the treaty undisturbed, and leaves us, of course, free to permit imports of sugar into the country by law and by a change of our customs duty at a less rate than under the law of 1897.

Article IX has no bearing upon this subject.

Article X has no hearing upon the subject. Article XI has no bearing upon the subject.

I have quoted this from Senate Document No. 357, treaties, conventions, and so forth, 1776 to 1909, volume 1, being a document of the Sixty-first Congress, second session, 1909 to 1910. The treaty from which I have quoted begins on page 353 and goes down to the middle of page 357.

Mr. CUMMINS. Mr. President, I think the Senator from

Mississippi did not clearly understand the point I made. me say, in the beginning, that I have no well-settled conviction with regard to the interpretation that should be given to the treaty in connection with the law that is about to be passed.

I give only my first impression.

I agree with the Senator from Mississippi with respect to the meaning and application of the last clause of the proviso. I am not prepared at this moment to dispute the construction given to the first clause of the proviso by the Senator from Massachusetts, and now reasserted by the Senator from Mississippi, although it is very difficult for me to reach that conclu-It is very hard for me to understand how a government would deliberately agree, or attempt to agree, to foreclose itself from the exercise of a power which would continue and which could be exercised at any moment. We will all agree that after the treaty was entered into it was within the authority of the Congress of the United States to admit Cuban sugar at a rate of duty the equivalent of more than the reduction provided in the Cuban treaty

Mr. WILLIAMS. The Senator means a preferential rate.

Mr. CUMMINS. We could do that at any time; and, as it seems to me, it was a useless and futile thing for us to agree that we would not do so. I thought when first reading it that there must be some other obligation in the first clause of the proviso than simply an obligation by which we undertook to bind our own action with regard to our own affairs. If that was the purpose, I can hardly understand its mission, or how it could be applied, at any time or under any circumstances.

Those things, however, were not the things in my mind when I rose to ask the Senator from Kansas a question.

Disregarding entirely now the proviso in Article VIII, let us

see how we stand toward Cuba.

We have agreed in the treaty that the rate of duty on Cuban sugar into the United States should be a preferential rate. have agreed that it should be not more than 80 per cent of the full rate. If the treaty means anything at all, it means that we have undertaken to allow Cuba to come into our markets so that she would have an advantage over the other countries of the world

I agree with the Senator from Mississippi that we have not stipulated that the rate upon sugar should be a specific rate. We have not stipulated that it should be the rate announced in the law of 1897; but we have agreed with Cuba that she should have a preference of 20 per cent in our market. Any duty that we attach to sugar which will not permit Cuba to avail herself of this preference is a violation of the treaty. There can be no doubt about that. We have reserved to ourselves the right to change the duty from time to time. No one disputes that. But we have not reserved to ourselves the right to deny Cuba the preference we granted to her unless we do it through the abrogation of the treaty, against the terms of the treaty. That is perfectly evident.

Mr. WILLIAMS. Mr. President-

Mr. CUMMINS. If the Senator from Mississippi will allow me to read one sentence which he himself has read, I will then yield to him. It is the beginning of Article VIII:

The rates of duty herein granted by the United States to the Republic of Cuba are and shall continue during the term of this convention preferential in respect to all like imports from other countries.

It goes without saying that if we admit sugar without duty Cuba has not a preferential rate, and therefore I can reach no other conclusion than that when we deny to Cuba the preference we gave her above all other nations with regard to sugar we have violated our stipulation or agreement with her upon this subject. We have a perfect right to violate it. I do not mean that we have an ethical or moral right to violate it, but it is within our power to violate it. If Congress should pass a law admitting sugar free, in my opinion, hastily formed, it is a violation of this treaty, but the act of Congress is valid. It is the treaty which falls, not the act of Congress. Therefore we would have free sugar.

Now, all that is upon the assumption that this bill contains nothing more than a declaration for free sugar; that is, a bill for the admission of sugar without duty. If it had ended there, I would have no doubt about the validity of the law. I would have no doubt that sugar would come in from all the world free at the end of three years. But the part of the proposed law which I am unable to reconcile with the conclusions I have just

stated is found in the administrative provisions of the bill, page 250. Therefore I have said that if the act proposed to be passed contained nothing else than the legislation regarding sugar, its validity would be undoubted, its effect would be unquestioned. But in the same law, in connection with the same legislation, we

That nothing in this act contained shall be so construed as to abrogate or in any manner impair or affect the provisions of the treaty of commercial reciprocity concluded, etc.

When you put the paragraph I have just read with the paragraphs relating to sugar it is my opinion, open, of course, to re-consideration, because I have not reflected upon it as carefully as I shall do in the future, that it will be the treaty that will stand and the statute will fall.

The only question I have is whether the entire sugar schedule, in so far as it disturbs Cuba, will become invalid or whether only that provision of the sugar schedule which provides for free trade in sugar. But if it is true that by reaffirming the treaty and reasserting that it shall stand in every part and that all its obligations shall still remain we lift the treaty above the law, then the law which is in conflict with it must necessarily fail, and the courts will declare either the entire sugar schedule void because it conflicts with the treaty thus reasserted and reestablished or they will declare that part of the law which provides for free sugar after three years void and of no effect.

Mr. THOMAS. Mr. President-

The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from Colorado?

Mr. CUMMINS. I do.
Mr. THOMAS. I merely wish to say that on that last conclusion the Senator would be correct, because the last paragraph of the last section of the act expressly provides that-

If any clause, sentence, paragraph, or part of this act shall for any reason be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder of said act, but shall be confined in its operation to the clause, sentence, paragraph, or part thereof directly involved in the controversy in which such judgment shall have been rendered.

Mr. CUMMINS. I am very much obliged to the Senator from Colorado for calling that to my attention. I had it in mind. I am not clear, however, whether even under that provision the sentence which establishes free trade will be eliminated or whether it will be the entire sugar paragraphs or schedule. But it is impossible for me to avoid in my reasoning one or the other of those conclusions.

Now, it can very well be retorted on me that I ought not to be very much concerned, inasmuch as I am opposed to free sugar. But I am looking more to the effect it will have upon our relations with Cuba. I think before we pass a law of this sort we ought to have an understanding with Cuba, or we ought to proceed in the way in which the treaty points out to de-nounce and to abrogate the agreement. Common courtesy and good faith between nations would seem to me to require a course of that kind.

Mr. WILLIAMS. Mr. President, the Senator from Iowa has merely repeated the argument which he made this morning, and to which I undertook to reply. His argument proceeds altogether upon the assumption that there is a conflict between the treaty and the act. That is just what I undertook to prove does not exist. What the Senator seems to leave out of sight is that there is an immense difference between the violation of a treaty by an act of the United States and the doing of something by the United States which under the terms of the treaty may give to the other power a right to abrogate or to give notice of abrogation. He makes the entire argument as if this treaty were made about sugar. The treaty was made about all the imports into the United States from Cuba, including tobacco and a great many other things as well as sugar, and the guaranty is that the rates shall remain preferential.

The other provisions which I read to the Senate a moment ago fix limitations and conditions as to sugar itself. limitations fixed upon sugar itself are simply two: First, that it shall not be admitted at a reduction of duty greater than 20 per cent of the rates of duty imposed under the act of July 24, 1897; and, secondly, that no sugar the product of any other foreign country shall be admitted by another reciprocity treaty while this provision is in force at a rate of duty lower than that provided by that act, thereby inferentially there, and I presume elsewhere, providing that this does not effect a reduction by a law.

Now, Mr. President, there is another clause of the treaty with regard to the right of abrogation. That treaty says:

It is hereby understood and agreed that in case of changes in the tariff of either country which deprive the other of the advantage which

is represented by the percentages herein agreed upon, on the actual rates of the tariffs now in force, the country so deprived of this protection reserves the right to terminate its obligations under this convention after six months' notice to the other of its intention to arrest the operations thereof.

That is what the Senator is getting mixed up with the viola-on of the treaty. That this undoubtedly will give to Cuba, if tion of the treaty. she wanted to take that view of it, the right to give the notice to us that she desires to have the treaty terminated is, of course, true. But I rose to defend ourselves from the charge of bad faith and violation of a treaty obligation, which is a totally different thing from the cause and reason to abrogate it.

Now, as Cuba gets her tobacco in at a differential of 20 per

cent and some other things at a differential of 20 per cent-I started to say iron ore, but we have put iron ore on the free list; if this free sugar is a violation of the treaty, so is free iron ore-she may conclude, as she gets a great many other things at a differential of 20 per cent, and especially tobacco, which is a very valuable export, it is to her interest to maintain this treaty anyhow. She may conclude that as some seventy-odd per cent, I believe, of her exports to the United States consist of sugar, and that is such a great part of the advantage she reaps from the bargain, she would prefer to enter into renewed negotiations for a new treaty, and give notice of the abrogation of the old one.

But I rose to defend this bill and to defend the House from the charge of bad faith involved in the idea that the bill is a violation of a treaty, which is a totally different thing, as every student of international law knows, from making changes of legislation which may give to the other side a right to ask an abrogation and a refashioning of an existing convention.

Mr. CUMMINS. Mr. President, I understood that difference, and had it in my mind. If there was nothing else in this bill except the adjustment of tariff duties there would be much in

the argument of the Senator from Mississippi.

Mr. WILLIAMS. The Senator sees the point is that the courts will take no notice of it, because it is a violation of the treaty.

Mr. CUMMINS. I do not think it can be so looked upon, inasmuch as the bill itself confirms the treaty, perpetuates the treaty, and, as far as an act of legislation can, it declares that nothing in it shall be held to be an impairment of any privilege granted by the treaty. The present bill provides:

That nothing in this act contained shall be so construed as to abrogate or in any manner impair or affect the provisions of the treaty.

It can not be said that if we eliminate from the act every thing that either abrogates the treaty or impairs or affects any of its provisions there will be anything left in the bill that will give good cause to Cuba to recede or withdraw from the treaty. But let me ask the Senator from Mississippi-

Mr. WILLIAMS. Of course I admit that under this clause about the abrogation clause of this treaty or any change of tariff duties in Cuba or any change here expressly under the abrogation clause, the matter is relegated to the respective parties to say whether or not they shall abide by or abrogate the treaty. That is a totally different question from a violation of the treaty

Mr. CUMMINS. The Senator from Mississippi did not mention, nor did I, the original Article I. A question with regard to that article may shed some light upon this matter. It provides that-

During the term of this convention all articles of merchandise being the product of the soil or industry of the United States which are now imported into the Republic of Cuba free of duty, and all articles of merchandise being the product of the soil or industry of the Republic of Cuba which are now imported into the United States free of duty shall continue to be so admitted by the respective countries free of duty.

At that time bananas were on the free list. This bill puts a duty upon bananas. I am not arguing about bananas, I do not care very much whether there is a duty on bananas or whether they are free, but we agreed with Cuba that we would

Mr. WILLIAMS. The Senator was arguing the question as to whether reducing the duty or putting sugar on the free list impairs the treaty, and now the Senator's argument is whether taking the duty off bananas abrogates the treaty. I think there is more soundness in the last argument than in the first,

Mr. CUMMINS. I am applying bananas to the agreement with Cuba. We agreed with her that bananas should come in free, and there were no conditions upon that agreement save a final condition that the treaty might be abrogated. We put bananas on the dutiable list and at the same time we assert in the most solemn manner that we do not intend in this enactment to impair or affect in any manner our agreement with Cuba made in 1902. I should like to know whether the Sena-

tor from Mississippi believes that that is a mere violation of the treaty.

Mr. WILLIAMS. Article II and Article III say what I shall read. I will not read both, for they are the same language. But the language is significant. I understand this language was drawn by the Senator from Massachusetts [Mr. Lodge]. It is pretty carefully worded, whoever drew it:

During the term of this convention all articles of merchandise not included in the foregoing Article I—

That is, not included in the free list-

and being the product of the soil or industry of the Republic of Cuba imported into the United States, shall be admitted at a reduction of 20 per cent of the rates of duty thereof as provided by the tariff act of the United States, approved July 24, 1897, or as may be provided by any tariff law of the United States subsequently enacted.

The VICE PRESIDENT. The question the Chair thinks is first to be taken on the committee amendment to perfect the paragraph before the amendment of the Senator from Kansas [Mr. Bristow] is in order.

Mr. SMOOT. Mr. President, I had no idea that Schedule E was to be taken up this morning or I would have been prepared to go on this afternoon and discuss the pending paragraph. I will, however, be ready to go on to-morrow morning. I know there are a number of other Senators who desire to speak upon this paragraph, I believe, on both sides of the Chamber.

Mr. STERLING. Mr. President, I confess I was in some doubt whether to say anything upon this question or not, but my interest in the principle involved, as well as my interest in an industry which I think would be a great benefit to my State if established there, impels me, almost against my will, to say a few words.

In my mind, no subject under discussion in the consideration of this tariff bill so well illustrates the beneficent and wholesome results of the protective principle as the question of the sugar industry, and especially the beet-sugar industry.

Referring for a moment to the principle underlying all this discussion and the discussion of nearly every feature of this bill. I think we can for a moment consider the ideas and beliefs of some of the fathers of the Republic. The men of 1787, as we know, gave us that great instrument under which we have maintained all these years our political independence. Alexander Hamilton was one of these. But in his great report on manufactures he gave us another constitution. Upon the observance of the principles laid down in that constitution has rested in great degree our economic independence-our independence of foreign nations in regard to the things that we con-

Briefly I wish to recur to a few statements by two of the founders of our Government. Alexander Hamilton in this report on manufactures, when discussing the question of protecting manufactures and as to whether such protection should be by means of duties imposed on imported goods or whether the protection should be by means of a bounty, said:

But it is to the interest of the society in each case (whether of duty or bounty) to submit to a temporary expense, which is more than compensated by an increase of industry and wealth, by an augmentation of resources and independence, and by the circumstance of eventual cheapness, which has been noticed in another place.

I quote from page 230 of the work entitled "Official Reports on Public Credit," and in which is found his report on manufactures, made by him as Secretary of the Treasury to Congress

in 1790.

The "other place" in this report to which he refers is at page 212, where he discusses at length the benefits that will come to the people under a protective system, although possibly involving a present sacrifice, by reason of the ultimate cheapening of the product.

I recall the idea expressed by the Senator from Ohio [Mr. Burton] in his address delivered early in this discussion to the effect, or in substance, that while we were in a sense old and while in the older parts of the country we might have some industries of long standing which were well developed and were equipped with all the modern facilities, yet in this great country of ours we are ever new, in the fact that we are continually opening up new portions of this great domain of ours to new industries. In the development of these new resources we are a little like or, by analogy, like what was said by the old philosopher when they were trying to find out something about the origin of being, of the world, of the cosmos, and who held it not either "being" or "not being," but the coexistence of both, or, in other words, a "becoming," as it were, and so in our development, taking the industries that we have and considering the possibilities of the future as relates

to this development of ours, we are always becoming.

Is Alexander Hamilton in the statement of his to which I have referred corroborated in any degree? I want to call attention to expressions by that father of modern Democracy, that great patriot and statesman whose memory I love and revere because he could rise above some of the technicalities of the time and some of the ideas in regard to the strict construction of the Constitution which otherwise hedged him in, to do what he did for the welfare and for the glory of this country in the Louisiana purchase.

I say that the principles advanced by Hamilton and afterwards supported by Jefferson are as applicable to-day, in a degree, as they were away back at the beginning of our Government. Mr. Jefferson, discussing this question and what we should do with reference to the protection of our manufacturers, in a letter to a friend, Benjamin Austin, Esq., the letter being written at Monticello, January 9, 1816, said:

We must now place the manufacturer by the side of the agriculturist. The former question is suppressed, or rather assumes a new form. Shall we make our own comforts, or go without them, at the will of a foreign nation?

We may ask ourselves the question, as we go along here, as to the applicability of this statement to the subject under immediate discussion, the protection of our sugar industry—a home industry—it having been demonstrated, I think, beyond doubt, that within the short period of 10 years, by proper protection and encouragement, we shall have arrived at that stage in our development which Hamilton and Jefferson said we should ever have in view, namely, the production of those things upon which we must depend as necessaries of life independently of the other nations of the world.

He, therefore, who is now against domestic manufacture must be for reducing us either to dependence on that foreign nation or to be clothed in skins and to live like wild beasts in dens and caverns. I am not one of these. Experience has taught me that manufactures are now as necessary to our independence as to our comfort, and if those who quote me as of a different opinion will keep pace with me—

Note this, involving as it does, the very idea expressed by Hamilton, one which I think we can all afford, in the development of the industries of this great Nation, to have in mind; and it is but the part of patriotism and the part of having a proper sense of the welfare and growth of this Nation that we do have it in mind, namely, the ability and the willingness to make a little temporary sacrifice in order that we may profit in the end and produce in greater quantity and at a cheaper price to the ultimate consumer in whose welfare we are concerned.

If those-

Says Jefferson-

who quete me as of a different opinion will keep pace with me in purchasing nothing foreign where an equivalent of domestic fabric can be obtained, without regard to difference of price, it will not be our fault if we do not soon have a supply at home equal to our demand and wrest that weapon of distress from the hand which has wielded it.

Further on he shows how he would fit protection to new conditions, as, Mr. President, we want to fit protection to new conditions in this country, and if by reason of the cost of labor in this country, if by reason of added and increased facilities of production there is no difference between the cost of production here and abroad, we may then as a general proposition, and not till then, afford to do without protection to that industry.

Here, however, is the principle which I think well worthy of consideration. Suppose in all these questions of per cents, in all this close figuring now as to whether or not protection is needed for a particular industry, that industry being one which supplies a great demand on the part of our people, there remains a doubt, how should we as patriots and public-spirited citizens—I will put it on that high ground—resolve that doubt? I for one would resolve the doubt in favor of protecting and developing that industry which will mean so much to the country. This is how Jefferson himself viewed it:

If it shall be proposed to go beyond our own supply, the question of '85 will then recur, will our surplus labor be then most beneficially employed in the culture of the earth, or in the fabrications of art?

This splendid development of ours could never have been had we pursued the policy hoped for by England and other nations of the world, for they would have kept us a nation of farmers. While we know what the 35,000,000 now engaged in farming mean in the stability and in the progress of our country, our greatness lies partly in the fact that we are not a nation of farmers, in other words, that agriculture is not our only great industry.

But a few words more from Thomas Jefferson:

We have time yet for consideration, before that question will press upon us; and the maxim to be applied will depend on the circumstances which shall then exist; for in so complicated a science as political economy, no one axiom can be laid down as wise and expedient for all times and circumstances, and for their contraries. Inattention to this is what has called for this explanation, which reflection would have rendered unnecessary with the candid, while nothing will do it with those who use the former opinion only as a stalking horse—

He evidently refers to the opinion some had had of him, that he stood for free trade instead of for protecting our infant industries. He proceeds:

to cover their disloyal propensities to keep us in eternal vassalage to a foreign and unfriendly people.

So much, Mr. President, for the foundation principle and for those who stood for it. As I have said, in the course of our development with these successive industries of a new kind coming into being there is still the need and the demand for the application of that principle.

Mr. President, I have said that my interest in this industry, which will be so important to my own State, is one, if not the main, consideration that led me to say a word or two here. I desire now to briefly call attention to a statement made in my remarks which were delivered in the Senate on the 29th of July last. I at that time submitted a letter with some tables received from the head of the chemistry department of our agricultural college.

Talk about the production of beets and the per cent of saccharine matter in them. We have heard much about it this morning. There is no State in this Union, according to the report of this chemist, who has devoted almost a lifetime to the service of the State, which excels the State of South Dakota in the qualities of soil and climate adapted to the raising of sugar beets.

I will merely read the result of a series of about 16 tests made to ascertain the per cent of sugar contained in beets in that State in 1911. They run all the way from 16.2 per cent, as the lowest, up to 22 per cent, as the highest. In all those 16 tests as to the pounds of sugar beets produced to the acre the quantity runs all the way from 26,515 pounds per acre up to 48,510 pounds, all except the first one I have named being considerably over 30,000 pounds per acre.

Another word—and I here quote from the letters to which I referred, written me by Prof. Shepard, which are so applicable to this discussion. He says:

Again, sugar beets will add immensely to the yield of our regular grain crops, owing to their beneficial effect on the soil itself. They are subsoilers and open up the soil for the penetration of water. They are a cultivated crop and so will clean the ground from weeds. If the tops and pulp are returned to the soil, little exhaustion takes place, since sugar comes wholly from the afr.

In corroboration of what has already been said on the floor of the Senate this morning, reference has been made to the other kinds of root crops which we may produce instead of beets. Reference has been made to turnips and to potatoes, both valuable as improving and conserving the soil, so that better crops of wheat and barley and rye and oats may thereafter be raised. I have seen, after a well-cultivated crop of potatoes in South Dakota, the three successive crops of wheat raised on that well-cultivated potato ground; and because they were better you could readily distinguish those crops of wheat for the three years from the wheat raised alongside on the same kind of land and otherwise as well farmed. To a greater degree will sugar-beet culture improve and conserve the soil than will the potato crop.

Do we want, as suggested by the Senator from Mississippi, to compare the raising of turnips, as in England, for example, with sugar beets in this country as it relates to the preparation of the soil for other crops? Granting that the turnips are to be fed to cattle, you have in the tops and in the pulp of the sugar beet as good, if not a better, food for the stock than you have in the turnip, a more nutritious food, with, of course, the added consideration that while you are raising the sugar beet you are also favoring this great industry, which will mean in the comparatively short time I have mentioned the production of all the sugar which this country consumes. But we will not have it, we can not have it, with sugar to go on the free list within three years from this time. Prof. Shepard says in regard to that:

I am anxiously watching the sugar-tariff proceedings. We were scheduled to have two or more factories in our State next year. I honestly believe that no State can raise better sugar beets, and I know that the advent of sugar-beet culture means the greatest prosperity to our State.

Prosperity, Mr. President, in the mere development of that industry itself, in the diversity in industry which the beet-sugar factories will make in our State. In what other respect will there be benefit? There will be benefit in the additional amount of stock we shall produce in South Dakota.

The claim is made that this bill and our labors here are for the purpose of reducing the high cost of living. How shall we bring down the price of cattle? By encouraging an industry which in turn will encourage every farmer in the raising of more cattle and give a new impetus to mixed farming and stock raising.

The cattle from the ranges are fast going. A letter from a friend the other day indicated that out in the great plains country in South Dakota west of the Missouri River, where formerly hundreds of thousands of cattle could have fed and did feed, he thought there were not to exceed 25,000 head now. That is on account of the opening up of all that country to homestead settlement within the last 8 or 10 years.

How may we best supply the deficiency except by giving such protection directly, in the first place, by a moderate tariff on cattle, and, indirectly, in the second place, by so treating the beet-sugar industry as to encourage every farmer in South Dakota to maintain on his farm of 160 acres all the stock which he can raise and feed? With such a policy we would soon hear less of the dearth of cattle or the high price of cattle; farmers would be induced to raise more of them, and with the greater cheapness and facility with which cattle would be grown there would be a corresponding increase in quantity. The greater number which he thus will be led to produce will keep the farmer as well off, or better off, than he will be with the present higher prices. And as with cattle so with other farm stock. It all means the bringing of the farm up to its highest efficiency.

I will not stop to read further from this letter of Prof. Shepard; but the justice of the claims of the beet-sugar industry seems to me so evident that I am almost inclined to plead with the Members of the Senate on the other side on behalf of South Dakota, believing as I do in the possibilities of

this one industry for our State.

I think the Senator from Montana [Mr. WALSH] said in the Senate the other day that free sugar would mean the prevention of the establishment of another beet-sugar factory in Montana. It certainly will mean the prevention of the establishment of any beet-sugar industry in South Dakota. Why do we want the beet-sugar industry there? We want it, as I have said, primarily that we may diversify our industries, but the indirect beneficial results will be even greater than the direct benefits. Granting that they include eventually a lower price for sugar than now obtains, the added crops— Mr. WALSH. Mr. President, inasmuch as the Senator from

South Dakota has referred to the Senator from Montana, let me inquire of the Senator from South Dakota, with all the advantages which that State possesses in the matter of beet-sugar culture, why should they not have had beet-sugar factories in

that State all these years?

Mr. STERLING. I think the answer is obvious. Our State lies wholly to the west; it is a newly settled State, and the people have been absorbed and interested in the opening up of the farms, the cultivation of wheat, corn, and so forth, and have not as yet established any beet-sugar industry on that account. Capital as yet, so far as that is concerned, has not found that a favorable field for investment, and I think perhaps a doubt as to what eventually might happen to the tariff on sugar has had within the last year or two an influence in preventing the establishment of the beet-sugar industry.

Let me say further to the Senator that, according to Mr.

Shepard, at least two sugar factories were scheduled for South Dakota, and the only thing, as he indicates in another part of his letter, that will prevent their establishment will be the put-

ting of sugar on the free list in three years.

Mr. WALSH. I thought possibly, Mr. President, that it might be due to the same fact that has prevented the multiplication of beet-sugar factories in Montana. I might say, likewise, that we have had at least half a dozen beet-sugar factories scheduled for Montana for 10 years, but we have not got them. When all the preliminaries were arranged for the construction of another beet-sugar factory in the Gallatin Valley, the powers that be in that industry put their veto upon it, and it was not built. Exactly the same conditions exist in the Bitter Root Valley; and I thought possibly some of those influences might have operated to prevent thus far the establishment of factories in South Dakota.

Mr. STERLING. I will say to the Senator that I do not know to what he refers when he says "the powers that be in that industry put their veto upon it." It might be that some such powers would try to prevent for the present the establishment of sugar factories in South Dakota, but I have never heard that they were seeking to prevent their establishment.

Mr. WALSH. For the information of the Senator, then, I will say that if he examines the testimony before the Hardwick

committee, he will learn that the establishment of a beet-sugar factory at Bozeman, in the heart of the Gallatin Valley, than which there is no greater agricultural valley in all America, was prevented by the combination of Mr. Morey, representing the Great Western Sugar Co., and Mr. Havemeyer, the head of the Sugar Trust.

Mr. STERLING. There may be an occasion now and then when that is true, when influences of that kind have been brought to bear against the establishment of any beet-sugar factories; but I will say that I do not know and never heard of any such happening in South Dakota. Further, I will say to the Senator—and I think he will agree with me—that, taking South Dakota as a whole, in the matter of the "lay of the land, the character of soil, and the quantity of land adaptable to beet-sugar raising, it excels his State of Montana, although here and there there may be valleys in Montana well adapted to sugar-beet raising.

Mr. SUTHERLAND. Mr. President-

Mr. SUTHERLAND. Mr. President
Mr. STERLING. I yield to the Senator from Utah.
Mr. SUTHERLAND. Mr. President, I desire to remind the
Senator from Montana as well as the Senator from South Dakota that the sugar-beet industry in the entire country is a new one; it has only been in operation for about 16 years in any part of the country. It began about 1897, as I recall, and has been going ahead very rapidly, more rapidly, as the Senator from Kansas [Mr. Bristow] very well showed in his admirable address this morning, than it has developed in any other civilized country in the world.

It began in my State about the year 1897 with a single small factory. We have now some five or six extensive factories, and but for the threat of the passage of this bill we would have had other factories. The industry has been extended into Idaho within the last six or seven years, and it has been extended into Montana within the last few years, where a single

factory has been built.

The Senator from Montana himself conceded the other day, as I understood him, that but for the pending legislation other factories would be established in Montana; at any rate, he said that, in his judgment, the effect of putting sugar on the free list would be to discourage the establishment of additional fac-

tories in his State.

Mr. WALSH. Mr. President, for the sake of accuracy in the history of this matter, lest any misunderstanding might arise. I desire to state that the beet-sugar factory in Montana has been in operation for seven years. It has been operated during all of that time with most marked and distinguished success-with such success as ought naturally to have invited the establishment of other factories at other places within the State, but they have not been built, and I have indicated one of the principal reasons

why they have not been built.

Lest any error might arise from anything that has been said by myself, I answered the Senator the other day that if the present immense subsidy to the beet-sugar industry is continued as a matter of course factories are more likely to be built than if you take that subsidy away. It would be the height of absurdity for anybody to assert anything to the contrary; but I said, in the same connection-and I have been endeavoring to give some attention to offsetting the cost to the people of this country of protecting this industry against the advantage which accrues—and I said in that connection that it was not a mere matter of a gift to have that beet-sugar factory, but that my State was paying a subsidy—not to speak of the rest of the Nation—in the aggregate, as I calculated, of at least \$250,000 a year to sustain the industry; and I questioned whether, after all, it was wise to continue that subsidy.

Mr. SUTHERLAND. Mr. President, if the Senator from

South Dakota will pardon me just a moment further-

Mr. STERLING. Certainly. Mr. SUTHERLAND. There is not anything in the world more timid than a dollar except two dollars. I think that has been said before. The Senator from Kansas this morning called attention to the effect which Cuban reciprocity had upon the sugar-beet industry in the western part of the country, and he was entirely correct about that. When that measure was pending before the House of Representatives I was one of the Republicans who opposed it, and so was my friend the Senator from Michigan [Mr. SMITH]. I think there were some thirtyseven Republicans who, although we did not go into a caucus, went into a conference, declined to be bound by the judgment of the majority of our colleagues, and refused to follow the importunities of the then President of the United States upon that subject.

I was not afraid at that time that the beet-sugar factories were going to be closed, but I was fearful that the passage of the Cuban reciprocity bill would retard the further development of the industry. That is precisely what happened. In my judgment, if it had not been for the Cuban reciprocity bill, instead of producing in the neighborhood of 700,000 tons of beet sugar per annum, as we are to-day, we would have been producing over a million tons. The industry received a setback of two or three years from that legislation; capital was timid about investing. If you pass this legislation it will cause a setback for a score of years, for, when the Republican Party comes back into poweras it will do in four years from now-and this work is undone still, we can not undo the effect of it and the development of the whole sugar-beet industry will have received a setback from which it will take it many years to recover.

Mr. President-

Mr. STERLING. I yield to the Senator from Utah.

Mr. SMOOT. As my colleague [Mr. SUTHERLAND] well says, Cuban reciprocity had a great deal to do with retarding the growth of the sugar industry of this country. I want also to call attention to the fact that from that time until the present there has been a constant agitation for a change in the sugar duty or for free sugar. In 1911 we had such a proposition pending in the House of Representatives; in 1912 we had it again; we have had it in every campaign, and, of course, men are not going into an industry if they know that by one simple act of Congress that industry can be destroyed. They do not propose to put their money into that or any other industry without at least some chance of ultimate success.

Mr. WILLIAMS. If the Senator from South Dakota will pardon me, I should like to ask the Senator from Utah if he ought not, in frankness, to confess that in spite of Cuban reciprocity and in spite of the agitation, there is not in the world any occupation or any industry that has developed and prospered and has been so profitable in this country as that of beet sugar during the very years he has been talking about?

Mr. SMOOT. No, Mr. President; I do not agree with the Senator; but I can say to the Senator that if it had not been for Cuban reciprocity and the eternal agitation which has been going on all the time, instead of making 700,000 tons of beet sugar to-day we would be making a million and a half tons of

Mr. WILLIAMS. Still, as compared with other industries, cotton and a dozen other things that other people are interested in, that are not bolstered up at all and have not been hurt by the agitation of Cuban reciprocity, people engaged in the raising of beets and making beet sugar have made greater progress

than almost anybody else.

Mr. SMOOT. Mr. President, that comes about from the very fact that as soon as sugar is made it finds a ready market. There is an immense demand in this country for it that in the past it has been absolutely impossible, and is to-day impossible, to fill without importations of sugar. As long as that extreme demand exists, as long as we do not produce the amount of sugar that we consume in this country, there will always be money to invest in this industry if there is a likelihood or a chance of legislation not being passed that will destroy it. I do not mean cripple it; I mean destroy it. No one wants his sugar investment absolutely wiped out. I say to the Senator that just as soon as a sugar mill closes, all it is worth is for old junk, old iron. It can not be used for any other purpose on earth, and it is a total loss. That is why the industry has not increased even more than it has. There is a great, broad field for it to increase now. We are using in this country 4,000.000 tons of sugar every year, and continental America and Hawaii and Porto Rico and the Philippines altogether produce only something like 2.000,000 tons.

Mr. SMITH of South Carolina. Mr. President-

The PRESIDING OFFICER (Mr. James in the chair). Does the Senator from South Dakota yield to the Senator from South

Mr. STERLING. I do.

Mr. SMITH of South Carolina. Will the Senator from South Dakota allow me to ask a question? As I understood his argument, he said that wherever the sugar beet was planted, on account of the cultivation of it and the by-product from it in the form of pulp, there was an increased production of wheat;

the land was greatly enriched.

Mr. STERLING. Yes, sir.

Mr. SMITH of South Carolina. That there was also an increase in cattle feed, and therefore that would encourage cattle raising and cattle production.

Mr. STERLING. Yes, sir.

Mr. SMITH of South Carolina. And a lot of other by-products. Now, if that be true, it view of the high price that wheat is now bringing and the contention on the other side that the consumption is rapidly catching up with the production, and in view of the abnormally high price of meat, does he not think that the beet growers might cultivate the beet for the meat product and the wheat that might grow afterwards?

Mr. STERLING. I will say, as has been suggested here, that it is a pretty dear fertilizer. Here is an opportunity to serve

the two purposes.

Just a few words, in conclusion, Mr. President, in regard to this industry; and here, it seems to me, is the situation, first, from the standpoint of a State: The establishment or the nonestablishment of a great productive industry that will mean, by rotating the sugar-beet crop with oats and wheat and barley, a vastly increased production of those several grains. I think it has been demonstrated beyond doubt that in Germany and France, where they have rotated crops of wheat and barley and oats and rye with sugar beets, the increased yield of these grains has been 80 per cent in a comparatively short period of

So what is involved here? Instead of producing 13 or 14 bushels of wheat to the acre, as the farmer is doing in South Dakota now without the advantage of this rotation of crops or the inducement to it, he will with such rotation produce 25 or 30 bushels of wheat to the acre. Instead of 30 or 35 bushels of oats to the acre, he will produce on sugar-beet ground 50 to 60, or even 70, bushels of oats to the acre.

Mr. SMITH of South Carolina rose.

Mr. STERLING. If the Senator will permit me just a moment, what does that mean? What does it mean in the world's production and in feeding the consumers of the world? greater abundance of these staple crops, the necessaries of life. Will the farmer be any poorer by it? No, no. He will have increased riches. In the additional number of cattle and of sheep he produces, in the added quantity of wheat, of barley, of rye, and of oats he raises, he will be the gainer, and he will make more than at the present higher price because of his increased production, while at the same time the larger supply will mean a lower price to the consumer.

Mr. SMITH of South Carolina. Mr. President, will the Sena-

tor permit me to ask him a question?

The PRESIDING OFFICER. Does the Senator from South Dakota yield to the Senator from South Carolina?

Mr. STERLING. I yield; yes. Mr. SMITH of South Carolina. Will those sugar beets grow without the tariff?

Mr. STERLING. Oh, I suppose the sugar beets will grow

without the tariff, but they will not grow—

Mr. SMITH of Michigan. They never have grown before without it.

Mr. STERLING. But the industry will not be encouraged in

our part of the country without it.

Mr. SMITH of South Carolina. According to the Senator's own figures as to the vast increase in wheat and in meat, it seems to me it would be a pretty good compensation to grow beets for increasing the meat and wheat revenue rather than for the purpose of being enriched on the beets.

Mr. STERLING. I grant the Senator that it is some com-pensation—in fact, great compensation—and ought to be some inducement, as I believe it is; but so far it has not proven to be sufficient inducement. I think it is taken for granted that there is nothing which so enriches or conserves the soil as the growing of the sugar beet.

So much for the situation locally and the good the sugar industry will do for a State. What does it mean nationally?

I can not help but think that we are pursuing anything but a farseeing and wise policy when we put sugar on the free list and thus cripple, if not prevent, the further growth and development of this industry.

Mr. BRISTOW. Mr. President-

The PRESIDING OFFICER. Does the Senator from South Dakota yield to the Senator from Kansas?

Mr. STERLING. I yield.

Mr. BRISTOW. I will not disturb the Senator; but before he goes on to that branch of this question, I was interested in statement made by the Senator from Montana [Mr. Walsh] that his State was levied upon each year for a subsidy or a contribution of about \$250,000 to maintain this industry. I should like to know how he arrives at that conclusion or how he obtains those figures.

Mr. WALSH. Mr. President—
The PRESIDING OFFICER. Does the Senator from South Dakota yield to the Senator from Montana?

Mr. STERLING. Certainly.

Mr. WALSH. I do not like to duplicate what I said. If the Senator will do me the honor to read an address that I had the honor to present to the Senate here two weeks ago, he will find a direct answer to the question. But I shall be very glad to state it briefly now, if the Senator is desirous of knowing.

Mr. BRISTOW. Yes; I heard the address, but I do not re-

member just what the Senator refers to.

Mr. WALSH. It was a very simple calculation. If sugar goes on the free list the importer will not have to pay a duty of \$1.34 a hundred pounds, as he does now.

Mr. BRISTOW. But if the Senator will just wait a moment, does not the Senator from Montana know that the importer does not pay \$1.34 more per hundred pounds for his sugar than is paid for the same sugar in the European market as a result of this duty? Does he not know that the statistics of importations show that during the greater part of the year he pays only about 60 or 70 cents more than the European parity, and that the Cuban sugar sells far under the European parity in the New York market?

Mr. WALSH. He pays for every pound of sugar he imports 1.34 cents more than he would pay if he did not have to pay

Mr. BRISTOW. Does not the Senator know that the importer in New York gets his sugar for from 60 to 70 cents per hundred pounds less than the European price, plus the \$1.34, for exactly the same quality of sugar in the European market?

Mr. WALSH. He would get his sugar for \$1.34 per hundred

pounds less if he did not have to pay the duty.

Mr. BRISTOW. But the Senator shows that he is not informed upon the price of sugar-its import price in New York and its price in Europe.

11r. WALSH. That may be; but the Senator has been dili-

gently endeavoring to inform himself.

If the Senator will examine the statistics BRISTOW. I submitted this morning, he will learn that there is not paid for the sugar at New York \$1.34 per hundred pounds more than that same sugar will bring in Europe, but it was only about 60 or 70 cents more during the last year.

Mr. WALSH. The Senator can not possibly learn that he will get it for a cent less than \$1.34 more than he otherwise

Mr. BRISTOW. Just a moment. If it sells for but 60 or 70 cents more in New York than it sells for in the European mar-kets on the same day—the same sugar from the same country, Cuba-does not that show that the New York price is but about 60 or 70 cents more than the European price? And does not that represent the additional cost which the New York importer pays, instead of \$1.34?

If it was \$1.34 more in New York than it is in Europe, the exact amount of the duty, I will agree that it would be an increased price of \$1.34; but when quotations in New York and in Hamburg show that instead of being \$1.34 more it is only about 60 or 70 cents more, does not that show that the price is not increased by the amount of \$1.34 per hundred pounds?

Mr. WALSH. There is nothing that can show that the price

paid for the Cuban sugar can be one penny less than it otherwise

would be and \$1.34 per hundred.

Mr. BRISTOW. It simply shows that the Senator from Montana has made his statements without examining the facts, as shown by the prices paid on importations in New York. should advise him to look up the facts before he makes on the floor of the Senate statements that can not be verified by the records affecting a great industry of the people of the United States.

Mr. WALSH. The Senator from Montana has made no statement that the record will not justify, and no statement that can be controverted, namely, that Cuban sugar costs the import

price plus \$1.34.

Mr. BRISTOW. I am willing to leave it to the record and the importer's price in New York, and invite any man who is interested to investigate the statements made by the Senator from Montana and myself. He will find that time after time sugar from Cuba has sold in New York as much as 73 cents

below the European price plus the duty.

If the Senator from South Dakota will pardon me further, the Senator from Montana seems to think that there has been a very slow and sluggish increase in the development of beetsugar production in our country; and he has asked the Senator from South Dakota his opinion as to why, with these wonderful possibilities, there have not been factories established long before this in South Dakota. With the permission of the Senator from South Dakota, I desire to give the number of factories that were manufacturing beet sugar in the United States in 1897, when the Dingley bill was enacted. In 1897 there were 7 factories manufacturing beet sugar in

the United States. In 1898 there were 9. In 1899 there were 15. In 1900 there were 31. In 1901 there were 34. In 1902 there were 39. In 1903 there were 44. In 1904 there were 53. 1905 there were 51; there was a decline when Cuban reciprocity came in and disturbed the development of the industry. In 1906 there were 53, the same as in 1904. In 1907 there were 63. In 1908 there were 63. In 1909 there were 63. In 1910 there were 65. In 1911 there were 63. In 1912 there were 67. In

1913 there were 73. So the number has increased, since the Dingley bill was passed, from 7 to 73.

Mr. WILLIAMS. And yet the same industry has been ruined by the agitation and the passage of the Cuban reciprocity bill. Mr. WALSH. I simply wished to inquire for information

from the Senator from South Dakota why the factories did not come to his State, and I was wondering whether it was for the same reason that they have not multiplied in my State. Per-

haps the Senator from Kansas can inform us as to that.

Mr. BRISTOW. If the Senator from South Dakota will permit me, in the opinion of the Senator from Kansas, since this industry requires a large investment of capital in the establishment and the erection of a mill or a factory, running in the neighborhood of \$1,000,000, it is necessary to present to the minds of men who are to invest their capital in such an enterprise conclusive proof that it is to be profitable. With the development of an industry that has only been of recent origin the Senator must know that it takes time to bring about that degree of certainty in the mind of the investor that the invest-ment will be a safe and a wise thing. The experiment has not been tried extensively in South Dakota, since we have been advancing gradually to ascertain where the soil and the climate will produce beets most successfully. I think it has been alto-gether reasonable that there should not have been any more rapid advancement in the establishment of this industry than there has been. As I said this morning, we have advanced more rapidly in our country since we began than any other country that has ever developed a domestic sugar supply.

Mr. STERLING. Mr. President, it may be well, from a national standpoint, to refer briefly to the average price per pound at wholesale in New York during the years between 1870 and 1910; this simply for the purpose of showing that, comparatively speaking, no great burden is now imposed upon any class of people on account of the price of sugar. It has been cheap-

ening all the while.

In 1870 the price per pound at wholesale in New York-the average price for the year-was 13.51 cents per pound. In 1880 it was 9.80 cents. In 1890 it was 6.27 cents. In 1900 it was 5.32 cents. In 1910 it was 4.97 cents. Take the consumption of sugar in the United States as another proof that the price of sugar is not proving any great burden upon any class of con-sumers in this country. In 1830 the consumption per capita was 10.2 pounds. In 1840 it was 12.9 pounds per capita. In 1850 it was 19.8 pounds per capita. In 1860 it was 29.6 pounds per capita. In 1870 it was 32.7 pounds per capita. In 1880 it was 39.5 pounds per capita. In 1890 it was 50.7 pounds per capita. In 1900 it was 50.9 pounds per capita. In 1910 it was 79.9 pounds per capita of consumption,

The broad assertion is frequently made that each individual in the United States consumes 80 pounds of sugar each year. Literally construed, that would mean that every man, woman, and child in the United States consumed each year 80 pounds of sugar. Of course we realize that this can not be true. from the use of sugar in the manufacture of candies, I think a

little over 50 pounds per capita is consumed.

Mr. SUTHERLAND. Mr. President, will the Senator permit me there?

Mr. STERLING. Yes. Mr. SUTHERLAND. In connection with the figures which he has given showing the decline in price, I wish to remind the Senator that relatively the fall in the price of sugar has been very much greater than his figures would indicate, because while during the last 10 or 15 years the price of every other food commodity has been going up the price of sugar has been going down. So if we were to measure it by the other articles of food, we would find that the fall in the price of sugar has been very remarkable, indeed.

Mr. STERLING. I realize that, and I thank the Senator for

calling attention to that fact.

The sugar industry appeals to me, from the national standpoint, because of the prospect within 10 years from now of producing in this country every pound of sugar we use with the establishment of the beet-sugar industry, or with the retention of the tariff, such as is suggested by the Senator from Kansas, that will afford reasonable protection to the industry. that worth considering? Meanwhile, we shall not have increased the price of sugar in any degree whatever, nor shall we have burdened any part of our population to whom payment for the ordinary comforts of life is any burden at all. On the contrary, if a tariff increases the price at all, this lower tariff proposed by the Senator from Kansas will reduce even the present low price. We shall in no event have burdened the con-sumer with any additional cost of sugar, and the eventual result will be the production of all the sugar we consume and of making sugar cheaper than it is now.
So I can not help but think, as I said at the outset, that here

is one of the finest examples in all the tariff bill of the proper,

just, reasonable application of the protective-tariff principle; and I appeal to the same principle now and to-day that Hamilton and Jefferson invoked in their time.

Mr. SMITH of Michigan. Mr. President, I should like to ask the Senator from Montana a question. I think I understood him to say that the growth of the domestic sugar industry in Montana was prevented by the Havemeyers and some one else whose name I did not quite catch. Is that correct?

Mr. WALSH. That they did intercept the building of a factory at Bozeman I understood to be quite a well-established

historical fact.

Mr. SMITH of Michigan. That they prevented the building of a factory?

Mr. WALSH. That they prevented the building of a factory. Mr. SMITH of Michigan. How did they do it? What was

Mr. WALSH. I shall be very glad to-morrow morning to put the letters again in the Record—letters from Mr. Morey to Mr.

Havemeyer and from Mr. Havemeyer to Mr. Morey.

Mr. SMITH of Michigan. I think they are trying to prevent the growth and development of the sugar industry now, aided by the Democratic Party. My mind was refreshed by the statement of the junior Senator from Utah [Mr. SUTHERLAND], who was a Member of the House, as was my friend from Mississippi [Mr. Williams], at the time reciprocity with Cuba was perfected. I resisted that attempt because I believed it would tend to arrest the development of our domestic sugar industry, which I regarded as of the utmost importance to the economic welfare of the American people. The effect of that legislation, in my judgment, was instantaneous and harmful.

The industry was instantaneous and natural.

The industry was growing rapidly and private individuals were investing in the domestic sugar business. The moment that legislation was passed—indeed, during the preliminary agitation—many of those men took to cover and sold their interest in these local sugar factories. That interest, in many instances, was acquired by the men who had strongly opposed the development of the industry in this country, and by the very trust of which the Senator from Montana complains, until they acquired quite a considerable holding in the sugar-beet industry of

my State; I do not know exactly how extensive.

Mr. WALSH. So that the Senator may understand fully, the Mr. Morey that I spoke of is the president of the Great Western Sugar Co., which is distinctly a beet-sugar company. the Senator understands.

Mr. SMITH of Michigan. What composes the Great Western

Mr. WALSH. The Great Western Sugar Co. is a company that owns a large number of factories in the State of Colorado and adjacent territory. It owns all of the stock of the Billings Sugar Co., which owns the factory at Billings, in my State.

Mr. SMITH of Michigan. Is it connected with the American

Sugar Refining Co. or the Havemeyer interests?

Mr. WALSH. It is connected in just the same way that those in the Senator's State are.

Mr. SMITH of Michigan. By the ownership of a minority

Mr. WALSH. The testimony before our committee the other

day was to the effect that the same interests own 33½ per cent of the stock of the Michigan Sugar Co.

Mr. SMITH of Michigan. That is the Michigan Sugar Co.?

Mr. WALSH. The Michigan Co. In the same way the same interests own 33\footnote{1}{3} per cent of the stock of the Great Western Sugar Co., which owns all of the stock of the Billings factory.

Mr. BRISTOW. Mr. President, will the Senator from Mich-

igan permit me an interruption?

Mr. SMITH of Michigan. Certainly.

Mr. BRISTOW. I have here a statement taken from the hearings of the Committee on Finance, giving the exact interest of the Havemeyer Co. in the beet-sugar plants. It gives the names of the plants, the kind of stock owned, the par value of the shares, the total issue, and the percentage owned by the Havemeyer interests.

Mr. SMOOT. I will ask the Senator the date of that.

Mr. BRISTOW. This is under date of May 23, 1911. I have been informed that the Havemeyer interests have sold quite largely of this stock. I may add, if the Senator will permit, that at the time this stock was acquired it evidently was the purpose of the sugar-refining trust to get control of the beetsugar industry by the purchasing of shares of stock in as many factories as it could throughout the country; but in recent years it has concluded that it would be cheaper and easier to destroy the industry by free sugar than to control it by owning any interest in the stock. So it started on this campaign for free sugar some three or four years ago.

Mr. WALSH. I wish to make a slight contribution to the facts, because the Senator from Kansas might draw an erroneous inference. The representative of the Michigan Beet Sugar Co. testified before our investigating committee only the other day that at the time the Hardwick testimony was taken they owned, my recollection is, 42 per cent of the stock of the Michi-

gan Beet Sugar Co.
Mr. BRISTOW. It is given here as 35 per cent common and 55 per cent preferred. So I presume, as to the average, that is

about right.

Mr. WALSH. Let me finish. He went on to say, however, not that they were dissatisfied with the investment, but they were afraid of the Sherman Act, and they disposed of their stock down to 331-not because they thought they could accomplish any end by getting free sugar, but they were afraid of the enforcement of the Sherman Act.

Mr. SMITH of Michigan. That is just the point I want to When they undertook to pass this Cuban reciprocity they discouraged individual investments in that great enterprise, and as a result the representatives of the refining company set their agents to work and acquired a holding. Michigan Sugar Co., however, does not mean the entire Michigan sugar industry. It means eight factories with an investment of probably \$5,000,000, but there is \$20,000,000 invested

in the sugar industry of Michigan alone.

Mr. WALSH. My recollection is that they own nine fac-

tories in that State.

Mr. SMITH of Michigan. Eight, I think, although I would not dispute the Senator.

Mr. BRISTOW. If the Senator from Michigan will permit

me, I will have this printed in the RECORD.

Mr. SMITH of Michigan. I should like to have it printed in the RECORD.

Mr. BRISTOW. For information I will say the statement shows that of the Billings (Mont.) Sugar Co., referred to by the Senator, the trust owned 26 per cent of the common and 38 per cent of the preferred, the Alameda Sugar Co. owned 49 per cent, the Spreckels Sugar Co. 50 per cent, the Utah-Idaho Sugar Co. 49 per cent, the Amalgamated Sugar Co. preferred 50 per cent, the Lewiston Sugar Co. 37 per cent, the Iowa Sugar Co. common 75 per cent, the Carver County Sugar Co. 80 per cent, the Menominee River Sugar Co. 36 per cent, and the Continental Sugar Co. 35 per cent,

The table submitted by Mr. Bristow is as follows:

TRUST'S INTEREST IN BEET SUGAR.

[From briefs and statements filed with the Committee on Finance, United States Senate, first print, p. 409. See Hardwick hearings, p. 100.]

The American Sugar Refining Co.'s interests in beet-sugar companies May 23, 1911.

	Capital stock.							
Names of companies.	Kind of stock.	Par value of issued.		Owned by American Sugar Re- fining Co.	Per cent owned.			
Alameda Sugar Co Spreekels Sugar Co Utah-Idaho Sugar Co Amalgamated Sugar Co	Common do	\$25.00 100.00 10.00 10.00 10.00	\$745,825 5,000,000 9,449,090 1,470 2,551,400	\$371,250 2,500,000 4,650,500 1,275,700	+49 50 +49			
Lewiston Sugar Co Great Western Sugar Co., including Billings Sugar Co., and Scottsbluff.	Common do Preferred	10.00 100.00 100.00	606, 430 10, 544, 000 13, 630, 000	225,000 2,735,500 5,159,200	+37 26 38			
Michigan Sugar Co Iowa Sugar Co Carver County Sugar Co. Menominee River Sugar	Common Preferred Commondo	100.00 100.00 100.00 100.00	7,471,107 3,703,500 550,000 600,000	2, 607, 400 2, 043, 800 416, 500 483, 700	35 55 +73 +80			
Co Continental Sugar Co	do	10.00 100.00	825,000 1,200,000	300,000 415,440	+36 -35			
Total			56, 883, 617	23, 183, 990	-41			

Mr. SMITH of Michigan. I am very glad, indeed, that the Senator from Kansas has presented these figures.

I desire to direct the attention of the Senate to this singular coincidence. Those are figures gathered in 1911, and I venture the assertion, although I am not prepared to sustain it in detail, that the American Sugar Refining Co. or any of its owners have not purchased a share of stock in a domestic sugar company since the Democratic Party came into power pledged to free trade in sugar, and they will not buy any of that stock until you have passed your bill and the three years of strangulation depresses its value to the point at which they are willing to buy.

It would not surprise me at all if, discouraged and disheartened as the owners of these industries now are, they should dispose of their stock at any price to any purchaser, whether it be

the American Sugar Refining Co. or anyone else.

I dislike to think that this vast investment of \$20,000,000 of money invested by the people of my State is to be thus dissipated by a bare majority of the Democratic caucus. If that industry is throttled, as I believe it will be, the stock will be picked up by its arch competitor, the Sugar Trust, and competition in the field of domestic sugar production will have disap-

peared entirely.

Mr. WILLIAMS. Mr. President—
The VICE PRESIDENT. Does the Senator from Michigan yield to the Senator from Mississippi?

Mr. SMITH of Michigan. Yes; of course. Mr. WILLIAMS. I understood the Senator from Michigan to say that the Sugar Trust will pick up this stock at their own price. I have understood him on a previous occasion to say that if sugar went on the free list there would not be any industry. Then would the Sugar Trust have any temptation to take it at nothing?

Mr. SMITH of Michigan. Yes.

Mr. WILLIAMS. Why should they pick it up then?

Mr. SMITH of Michigan. They will be tempted to do it because the country will understand, indeed it is understood now, that the lease of power the Democratic Party is enjoying There will be a reaction perhaps in the is but temporary. value of this stock when the right of the public is again

Mr. WILLIAMS. If the power of the Democratic Party is temporary and we are not going to stay in long enough to bring on this calamity, and it is so certain that the Sugar Trust is going to pick it all up, why spend all this time demurring and debating and talking and describing the calamity and telling what great distress there is going to be, and suffering, and so forth? Why not just pass the bill and then turn us out of power and reestablish your lines and go ahead?

Mr. SMITH of Michigan. The Senator from Mississippi is the last man on the other side of the Chamber who should make

such an observation,

Mr. WILLIAMS. Why?

Mr. SMITH of Michigan. The Senator from Mississippi in a formal statement over his own signature, in which he was joined by the Senater from Texas and several other Senators

Mr. WILLIAMS. Oh, yes; in other words— Mr. SMITH of Michigan. Absolutely promised that the condition we confront to-day in this bill would never exist.

Mr. WILLIAMS. But the Senator says that we are not going to confront these conditions, and it is going to be merely temptation

Mr. SMITH of Michigan. We are confronting it now. The industry is suffering to-day.

Mr. WILLIAMS. Merely a temptation to the Sugar Trust to get rich by picking up beet-sugar factories

Mr. SMITH of Michigan. Yes; you confront that situation

Mr. WILLIAMS. The Senator from Mississippi has a perfectly distinct recollection of what he said. Mr. SMITH of Michigan. I know he has.

Mr. WILLIAMS. But the Senator did not say in one breath that an industry was going to be devastated and in the next breath that there was a bunch of financiers in the country that was going out to buy it up.

Mr. SMFTH of Michigan. The Senator from Mississippi never

says anything in one breath, and I did not accuse him of that

Now, Mr. President, I say that the domestic sugar industry to-day is discouraged; that the value of its stock has dropped from nearly par to less than 50 cents on the dollar because of this unfavorable legislation; and when it gets to the point where the trust conceive it to be to their advantage to pick it up they will do it and thereafter monopolize the sugar business

WILLIAMS. But if it is totally ruined, could it ever

Mr. SMITH of Michigan. Yes; just the moment you dispose of the domestic competition in sugar every intelligent man knows that the trust can regain what it has spent by adding the merest

fraction to the cost of sugar.

I do not believe that the course which our friends upon the other side are urging will give the consumer cheaper sugar, at least permanently, but it will give the consumer one source of supply and the price will depend largely on caprice. The Senator from Mississippi and all other Senators upon that side of the Chamber know that this bill will restrict the field of competition, One of the most consistent men upon that side of the Chamber in his attitude regarding this question is my distinguished friend from Kentucky [Mr. James]. He does not undertake to reconcile what you are about to do with the past history of your party or your individual professions, but he acts upon the theory that there are more sugar users than there are sugar producers. Therefore he will open the door for them to get their supplies from any part of the world, little realizing that the most gigantic Sugar Trust in the world has bent its every endeavor to bring about this result.

Not long ago I was in southern California, and two farmers took me to a sugar factory which had been built at Santa Ana. That factory cost \$700,000, and it was built by the farmers in that vicinity; not only the men who owned the soil from which

the beets could be produced, but other farmers.

They had no relation with any trust in the world. They believed it to be a desirable business and they went into it as an investment. It is not too much for me to say that since the party to which you belong has triumphed and your free-trade purpose has been understood these enterprising men have be-come discouraged and feel that the money they have put into this industry has been largely wasted, at least for the time being. If divisions in our party are reconciled, and I am hopeful they will be, this will be your last tariff law for a generation. and the party of protection to American industry and labor will again assert its dominance in American affairs. How idle it is to curtail the world's sugar production by putting a prosperous and growing industry out of business for the sole purpose of again trying out an old and exploded theory of Government that has never worked successfully in any part of the world. If the world's supply of sugar is diminished those that are left in the business can raise the price to suit their convenience and necessities. The fall of these industries in Michigan and other States will enable the American Sugar Refining Co. to recoup all it spends in achieving the result, and that expense will ultimately be paid by the American people.

Mr. SMOOT. Mr. President-

Mr. SMITH of Michigan. Just one moment and I am going to suspend, because I had no thought of making any extended remarks.

I have just been reading the speech of a distinguished leader of the Democratic Party in the past, the author of the last Democratic tariff bill, one of the most brilliant men and one of the best informed men, I think, who has ever had leadership in your party—I refer to the late Congressman from West Virginia, Hon. William L. Wilson. While Prof. Wilson's economic training tended toward free trade he did not hesitate to say that sugar, above all things, should not be put upon the free list.

He did not hesitate to say that it was a mistake in the tariff bill of 1890 when sugar went upon the free list, even bountyized as it was, and he restored the sugar duties in the Wilson-Gorman bill. Whether he did it because he foresaw that we could produce sugar here, that it would diversify the employment of our people and retain the vast sums that we expended for it from year to year in the circulating medium of the country, thus stimulating other industries, I do not know, but I do know that he deprecated the idea of placing sugar upon the free list, as many Senators on the other side of the Chamber now do in their hearts. If he desired to maintain a duty upon it, either for protection or revenue, he was wiser than the leaders of the Democratic Party to-day, because this vast revenue that you are sacrificing, these industries that you are imperiling, this doctrine that you are establishing, I think, almost for the first time in the history of the Republic, will bring disaster.

While many investors in my State were driven to sell their holdings in sugar factories, I would not have you believe that the American Sugar Refining Co. is a copartner in all these I have a letter before me now from the German-American Sugar Co., of Bay City, in which they say that they have had no representative in Washington; that they are identified with no combination of sugar producers; that they have attended no meetings of such an organization; but that they are intensely and deeply interested in preserving their property.

Mr. President, I think it is idle for us to even hope that the

other side will favorably consider the suggestions made by the Senator from Kansas. His suggestions have not always met my favor. I am not always in accord with the Senator from Kansas. That perhaps is not to his discredit; possibly it is to mine. But upon this proposition, which he has studied with so much care, I think as he thinks, that if Senators on the other side of the Chamber were freed from an iron-bound caucus rule under which they seem to be operating, they would accept

the suggestions of the Senator from Kansas and protect these industries, and thus make certain that a million of dollars a week would come into the Treasury of the United States at a time when, in my judgment, that revenue is most sadly needed.

Mr. WILLIAMS rose. Mr. SMITH of Michigan. No; I am not going to yield to I see in his eye a spirit of deviltry which the Senator now. I see in his eye a so often characterizes him on the floor.

Mr. WILLIAMS. I just want to ask a question.

Mr. WILLIAMS. I just want to ask a question.

Mr. SMITH of Michigan. Yes; I know. In one breath?

Mr. WILLIAMS. Just a plain question, that is all.

Mr. SMITH of Michigan. Oh, I know it will be very embarrassing to me; but all right. What is the question?

Mr. WILLIAMS. Probably it will be. The Senator is now

advising us to take the advice of the Senator from Kansas. understand that the proposition of the Senator from Kansas now is just what it was at the last Congress. I want to ask the Senator from Michigan if he then took the advice of the Senator from Kansas?

Mr. SMITH of Michigan. Yes; I voted with him.

Mr. SMITH of Michigan. 1es; I voted with him.
Mr. WILLIAMS. You did?
Mr. SMITH of Michigan. Yes; I voted with him, and I am
very glad to acknowledge that he displayed great wisdom in
what he did. The Senator surely did not want to embarrass
me by saying I was a recent convert to the teachings of the Senator from Kansas?

Mr. WILLIAMS. If I had not known that the Senator voted for it at the last session of Congress, I would not have asked him the question, to be perfectly frank with him.

Mr. SMITH of Michigan. I voted for his amendment because I saw in it a compromise which I thought would be helpful and would proceed the industry.

would preserve the industry.

I did not intend to say even so much as I have said. for the purpose of putting into the Record a letter written to me by the German-American Sugar Co., of Bay City, Mich. This independent company has stated its case so aptly that I feel I can not add to the discussion better than by having the letter read, and I send it to the Secretary's desk for that purpose.

The VICE PRESIDENT, Is there objection? The Chair

hears none

Mr. SMITH of Michigan. I want merely to say a word before the Secretary reads the letter. I have also a letter, under date of May 31, from the German-American Sugar Co., in which

That this company has never authorized any person other than its own executive officers to represent it at Washington.

That during the pending of the present tariff bill before Congress this company has had no representative at Washington.

That this company is not affiliated in any way with other manu-

It relies implicitly upon the intelligence and patriotism of Congress to protect it in its rights. Now, if the Secretary will

read the letter, that is all I care to say.

The VICE PRESIDENT. The Secretary will read as re-

quested.

The Secretary read as follows:

GERMAN-AMERICAN SUGAR Co., Bay City, Mich., April 26, 1913.

Hon. WILLIAM ALDEN SMITH, Senate Chamber, Washington, D. C.

Senate Chamber, Washington, D. C.

Dear Sir: In protesting against the removal of or a drastic cut in the present sugar tariff the German-American Sugar Co. desires to state that it is a corporation organized under the laws of the State of Michigan. It owns and operates two beet-sugar manufacturing plants, one at Bay City, Mich., with a capacity of 1,400 tons of beets per day, and one at Paulding, Ohio, having a dally capacity of 800 tons. It is absolutely independent of any of the eastern refiners or beet-sugar manufacturers by ownership of stock or otherwise.

With our factory equipment and general organization we believe this company is in a position to manufacture sugar as cheaply as any of the 16 factories in this State or of the 5 in Ohio. During the last eight years the net profits of this company, including all by-products, have averaged per 100 pounds of sugar only a trifle in excess of 50 per cent of the present tariff on Cuban sugar.

Free sugar would absolutely kill the beet and cane sugar industry in the United States, as we can not compete against the cheap labor of foreign sugar-producing countries, where the farm and factory wages are less than one-half of what they are in this country and where the cost of beets per 100 pounds of sugar is from \$1.14 to \$1.23 less than American sugar manufacturers are paying American farmers.

The intense farming necessary to the successful growing of sugar beets improves the land and increases the yield of other crops grown in rotation with sugar beets. This increase is estimated by eminent French and German agricultural scientists to be not less than 50 per cent, and the value of the industry is recognized by foreign Governments by the protection which they give it. The average duties of all European countries on sugar is 4.43 cents per pound. The United States duty on Cuban sugar factory will leave the congested cities and go to the farms to work in the beet fields. A large percentage of these Jaborers purchase farms and become valuable acquisitions to the co

munities into which they move, thus affording substantial assistance to the "back-to-the-farm" propaganda.

There has been no important movement on the part of the people of this country in favor of free sugar. The agitation for free sugar was started and has been continued by the eastern refiners of foreign raw sugars solely for the purpose of annihilating the domestic beet-sugar industry and putting out of business their only competitors.

The elimination of the beet and cane sugar industries of this country would reduce the world's production of sugar by approximately 1,000,000 tons per year, the effect of which must necessarily be for ultimately higher prices to the consumer.

Pound for pound the manufacture of refined sugar from beets in this country is worth infinitely more to our farmers, our laborers, our banking and industrial institutions, and our railroads than is the process of refining the foreign raw sugar imported into this country by the eastern refiners.

Found for pound the manufacture of reined sugar from beets in this country is worth infinitely more to our farmers, our laborers, our banking and industrial institutions, and our railroads than is the process freining the foreign raw sugar imported into this country by the eastern. Domestic beet sugar reduces the cost of sugar to the consumer, as it is always sold at least 10 cents per 100 pounds under the price of eastern refiners. This difference in price frequently is 20 cents, and at times has been as great as 40 cents per hundred pounds. During October of 1911 beet sugar was put on the market at over \$1 less per hundred pounds than the eastern refiners were asking.

In 1898 there were produced in the United States 36,368 short tons of beet sugar. In 1911 the production was 600,033 short tons. The rapid growth of the industry during these years is evidence that the domestic industry, if not stopped by adverse tariff legislation, will soon continuation of low sugar pace. If the part of the part of the price of standard graunited sugar for the year 1880 was 9.8 cents per pound. Willett & Gray, in their Daily Sugar Trade Journal of April 19, 1913, say: "All refiners now asking 4.20 cents less 2 per cent."

The increase in the United States wholesale prices of 33 articles of farm and food products for the 10 years beginning with the year 1900 ranges all the way from potatoes, at 14.4 per cent, to sait pork, at 89.9 per cent, including sugar beets at 26.8 per cent, while sugar, during the same period, decreased in price 7 per cent.

Sugar is only to a small extent a necessity, as about 40 per cent of the asker chemical price. Therefore 40 per cent of the manufacture of the asker chemical price. Therefore 40 per cent of whatever revenue is lost to the Government through a reduction in the praint of sugar rates, free sugar in 1916, and an income tax to make up the deficiency.

The present spear rates, free sugar in 1916, and an income tax to make up the deficiency.

The present spear rates, free sugar in 1916, and

consumer."
Yours, very truly,

E. WILSON CRESSEY, Secretary and General Manager.

Mr. LODGE. Mr. President, in the last Congress, when we were dealing with the sugar schedule sent over as a separate measure from the other House, I discussed the question at length. I then went very elaborately into the history of the sugar industry and gave reasons, which seemed to me conclusive, for the maintenance of a duty upon sugar. I have no in-tention, therefore, of detaining the Senate with a repetition of those detailed arguments; but I do desire, before we take a vote upon this schedule, to summarize the reasons which lead me to believe that it is perhaps—although I am aware this may sound like a very extravagant statement—the most entirely indefensible proposition in this entire bill.

The portion of the country from which I come has no interest whatever in the sugar industry in the United States. By that statement I mean that we have no beet-sugar industry at all there. Therefore my feeling regarding this matter is in no de-gree local; and I shall discuss it simply from the standpoint of proper revenue taxation, of proper protection, and of a wise policy in regard to a great industry.

First, let me speak of the sugar duty as a revenue raiser. Every civilized country in the world, I believe without exception, raises revenue by a duty or by an internal-revenue tax, or both, on sugar. Even England, which is the one free-trade country and which maintains the system to which I assume the Democratic Party desires to attain as soon as possible—even England now imposes a duty of 39 cents per hundred pounds on sugar. The reason for the universal acceptance of sugar as a revenue raiser is because it fulfills all the conditions which economists have laid down as desirable in the imposition of taxation. It is easily collected; it is collected with certainty; it yields a large revenue; it imposes a burden that is but little felt by the consumer; and naturally it distributes the tax with a reasonable approach to fairness over all the community in proportion to the amount that each person is able to pay. these reasons all the civilized world, as I have said, uses sugar as a revenue producer. This bill casts it aside entirely. It not only abandons, in round numbers, \$60,000,000 of revenue, but it declines to raise any revenue from sugar at all. I can see absolutely no defense for the complete abolition of the duty if we are approaching this question merely from the standpoint of taxation upon consumption.

Mr. President, I pass to the question of beet sugar. If all the duties and all the bounties and all the advantages that are given to beet sugar throughout the world were to be abolished and it were to be left in competition with tropical cane sugar, and neither should receive any help from any government at all, tropical cane would extinguish the beet-sugar industry throughout the world in a comparatively few years. The beet-sugar industry can not be maintained without certain tariff advantages or bounties against tropical cane sugar. That has been demonstrated by the experience of a hundred years. Everywhere the beet-sugar industry has been developed either by duties or bounties, or both, and has received and does receive to-day protection wherever it exists and flourishes. Therefore the reason for the establishment of the great beet-sugar industry of the world—for it has become a very great industry, indeed—must be sought elsewhere than in the narrow ground of protection to a domestic industry alone.

It found its origin, as we all know and as has been repeatedly stated here, in the belief of the first Napoleon, that it was absolutely necessary that France should be independent in regard to this great necessary of life. The control of the seas, which had passed into the hands of England, prevented France drawing her sugar supply from the islands of the West Indies, and sugar advanced to a fantastic price throughout France. It was this condition which led the first Napoleon to believe that it was absolutely necessary for the safety of the country, wholly apart from the question of developing an industry, to make the country independent of foreign sugar. There the beet-sugar cultivation began.

After many fluctuations it not only was thoroughly established in France but also in Germany, in Russia, and in other European countries. It was established, as in France, by a system of protective duties and bounties, and in many cases by very large bounties.

It was discovered after a time that the development of the beet-sugar industry led to an immense increase in productivity in the land for other agricultural products; that it had a value which probably was not anticipated by those who started the industry with a view simply to the industrial independence of the country. Only then, by Government aid, either direct, in the form of bounties, or by protective duties, has the beet-sugar industry anywhere been raised to its present proportions.

The only countries which for many, many years gave no assistance to the beet-sugar industry were England and the United States. England, indeed, carried her free-trade principles so far that she permitted the practical ruin of her West Indian Islands by the bounty-fed beet sugar of the continental countries.

In the United States no help was given to the beet-sugar industry until comparatively recent times; or, rather, there was no attempt to benefit it by the sugar duties which were imposed in this country for the maintenance of the sugar industry in Louisiana, and also for revenue; but comparatively recently the beet-sugar industry in this country was taken up and largely developed. The development of that great industry in this country has been thoroughly covered to-day by the Senator from Kansas [Mr. Bristow], and there is no need of my entering upon any repetition of what he has said. It has now come to the point of producing, in round numbers, 700,000 tons of sugar per same

No beet-sugar industry anywhere has ever lived in competition with tropical cane sugar; and if we do not confer any advantage

upon it ours will not live in competition with tropical cane sugar. That is the whole case so far as the beet-sugar industry is concerned. There is no need to go into the details of how much it costs to produce a pound of sugar here or there. The broad, historic fact remains that the beet-sugar industry, unhelped and unprotected, can not live against the competition of the tropical cane sugar. Therefore, if we throw it open to that competition, it is doomed; and, of course, with it goes the Louislana cane sugar, which probably costs more per pound to produce than does beet sugar; and the production of our islands of Porto Rico and Hawaii will be very greatly injured.

To sacrifice \$60,000,000 of revenue; to cause the extinction of a great and valuable industry, valuable primarily to the agricultural interests of our country; to take away that competition which has acted to control the price of cane sugar, surely ought not to be done without representation.

not to be done without very conclusive reasons.

Who will be benefited by it? The consumer will not be benefited by it, and there never has been the slightest indication that the consumers of the country have taken the slightest interest in the movement for free sugar. When there is a popular movement for the removal of a duty or a tax on an article of general consumption, the signs and manifestations of such a movement are entirely unmistakable. If you will take the trouble to turn back to the history of the corn-law agitation in England in the first half of the last century, you will see at a glance what a real popular agitation is against a tax on an article of food of prime necessity. There has been nothing of that sort in this case. There has been no demand from the public in regard to this article.

The reason for the indifference of the public to it is twofold: In the first place, the revenue collected through sugar is but slightly felt by the consumer—so slightly that it would not in the least stimulate him to make any movement against the duty. In the second place, the consumer knows, from the daily purchases of his household, that sugar almost alone has not shared in the great rise which most of the articles of daily consumption have shown during the last 10 or 15 years.

I have here the average wholesale prices of sugar, taken from the Statistical Abstract of the Government, beginning in 1882 and coming down to 1912. The price of sugar, like the prices of all commodities largely dealt in, fluctuates from day to day, from week to week, from month to month, and from year to year, according to the crop conditions; but when you take a period of 30 years, and the average price of the article during each of those years, you get a trend in the price which is unmistakable. It will show you that the price is either rising or falling, and that the conditions of the commodity are such that a rise or a fall in the future may be with some confidence predicted.

If you will examine the figures, which I will print in full, you will see that the whole movement of the price of sugar has been downward. As I have said, it fluctuates; it may rise from one year to another, but the general movement over 30 years is downward. These figures begin in 1882 when sugar was selling at wholesale at 9.35 cents per pound. It has come down gradually to the present time. In 1883 it was 8 cents; then comes a period when it sold at 6 cents, then a period of 7 cents, then of 6 cents; then comes a long period when it was rather more than 4½ cents, on an average. In 1900 and 1901 it went to something over 5 cents. Then it went back again to 4 cents and a fraction; in 1905 it went to a little over 5 cents; then it went down and remained at 4 cents and a fraction until 1911; in 1911 the average price was 5.34 cents; in 1912, 5.04 cents; and the quotation of August 7, 1913, is 4.60 cents.

Mr. BRISTOW. Mr. President—
The VICE PRESIDENT. Does the Senator from Massachusetts yield to the Senator from Kansas?

Mr. LODGE. Certainly.

Mr. BRISTOW. I desire to suggest to the Senator from Massachusetts that during this year it has been as low as 4.6 in New York when the domestic beet-sugar supply was being marketed, which is the lowest on record.

Mr. LODGE. Precisely. In other words, it is absolutely demonstrated that the price of sugar has declined; and there is no indication of any substantial rise, which is probably owing to the fact that in good years the production of sugar, both beet and cane, has outrun the consumption, and that it continues to do so. Therefore it is impossible to advance as an argument for placing sugar on the free list that it would tend to lower the high cost of living, for sugar has declined and not advanced in price.

As to sugar being cheapened to the consumer even below the present price, I see no reason to suppose that there will be, or indeed that there can be, any material reduction in the price of sugar under any circumstances.

I do not believe you can push the world's price of sugar very much lower than it is to-day. But what would be the direct effect in our own country? In the course of a comparatively few years you would remove the one competitor within the borders of the United States of tropical cane sugar coming to us through the refineries. Anyone who will study these figures and prices vill see at once the truth of the proposition which was so well stated by the Senator from Kansas to-day, and which I need not repeat, that the moment the beet-sugar crop appears on the market it lowers the price of sugar in the United States.

If this demand for free sugar did not come from the consumer-and it certainly did not-whence did it come? I have been able to discover only one active supporter of free sugar, and that is the Federal Sugar Refining Co. For a long time the American Sugar Refining Co. was the one great refinery, which had absorbed all the small refineries which formerly existed and came to be known as the Sugar Trust, and we are apt to speak of it in that way; but there are now two other great refineries which started up as rivals of the American Sugar Refining Co. One is known as the Arbuckles and the other is the Federal Sugar Refining Co., which, I believe, we owe to the efforts of some members of the Spreckels family.

The interests of those three great refineries-the old American Sugar Refinery Co., commonly known as the trust, and the two other refineries-are identical. So far as the duty on sugar is concerned, there is nothing to choose between them. It is for the interest of every one of those refineries to have sugar come here free, or with a very small duty, to put a stop to the beet-sugar production, or, if they can not extinguish it, to check its growth, and then they will be in command of the

market with the tropical cane sugar.

I do not regard the agitation carried on by the Federal Sugar Co. as being in the interest of the consumer. They have never seemed to me to be philanthropists, but to be engaged in making as much money as possible. In the year 1911 there was a shortage in sugar, and the price rose very sharply. All the sugar refineries advanced their price; but this friend of the consumer, which has been putting in its sugar barrels pathetic appeals in red print, saying how much benefit it would be to the man who bought sugar to have free sugar, put its price higher than that of the American Sugar Refining Co. the American Sugar Refining Co. raised its price to 7.25 cents per pound, while the Federal Refining Co.'s price went up to I suppose that was to indicate its particular affection for the consumer. It was said, and I believe truthfully, that the American Sugar Refining Co. cleared something like \$14,000,000 that year and the other two companies in proportion. The companies making these great increases in the price of sugar were not checked in their disinterested work until the beetsugar crop got on the market, and you can take the price list and see how then the price that they had made dropped under the competition of beet sugar, even in that year of scarcity.

Mr. WILLIAMS. I wish to ask the Senator from Massachu-setts if he is willing to state that he believes that if refined sugar had been at that time upon the free list these refiners

could have effected that increase in the price?

Mr. LODGE. Unquestionably.

Mr. WILLIAMS. Now, I wish to ask the Senator whether he thinks putting refined sugar on the free list will help the refiners of the United States?

Mr. LODGE. I think it will help them enormously. Those three great refineries control all the refining of sugar in the United States.

Mr. WILLIAMS. We have been proceeding hitherto upon the theory that wherever you let in a finished product from abroad as against a finished product in the United States you hurt the producer of the finished product within the United States. Now, the Senator is taking the position that letting the finished product come in free will help the producer of the finished product in the United States.

Mr. LODGE. Mr. President, general economic principles are all very well if you leave out of sight all the conditions. The Senator forgets the Brussels convention; he forgets that all the markets of the civilized world are tied up in conventional territory and nonconventional territory, and that they settle how much shall go into them and what the price of sugar shall be. They do not want to break down the refineries.

Mr. WILLIAMS. I do not think I forget that. If I did forget it, I forgot it unconsciously, nor did I forget the ordinary stock argument of protectionists in connection with questions generally. For example, that it costs so much more for labor in an American refinery than it does in a German or English refinery; that it costs so much more for the standard of living

here, and various other things. This is the first time I have heard the doctrine-and I am not quarreling with it-that the free entrance of a finished product does not necessarily put the American producer of that finished product out of business because of the higher wages that he must pay, and for other reasons.

So far as concerns there being any world agreement with regard to sugar, the Senator must know as well as I do that these so-called conventions are founded upon existing tax laws, and when the tax laws are abolished and the whole world is permitted to refine sugar from Cuba and the Danish possessions, as well as from the balance of the world, those conventions can not be upheld and continued.

Mr. LODGE. Mr. President, we are not in that convention. That was a convention made by the beet-sugar producing countries of Europe. They were finally forced into it by Great Britain, which began to see the direction in which bounty-fed sugar was leading her. I have not any question that the rates of wages in foreign refineries are more than they are here; but as to the business of refining sugar, of course what our sugar refineries deal with is the raw sugar, imported, in the main, from Cuba. They take that raw sugar and refine it here; that is all they do. Their source of supply is near at hand; there are only three of them in the field; they are in close connection with the sugar interests abroad; and I think it will be found that they will remain in control of the market; I have not any question that they will. I do not believe for one moment that they would advocate free sugar if they did not think it was for their profit. I do not think it would be quite as profitable to them as very low duty.

Mr. WILLIAMS. I notice the Senator uses the plural pro-noun and says "they." I believe the evidence shows that the Federal Refining Co. advocated free sugar and the American Refining Co., generally known as the Sugar Trust, testified that

they were opposed to it.

Mr. LODGE. No; none of them were opposed to it. The American Sugar Refining Co. did not meddle at all. Arbuckles took occasion to write me a letter, after I drew the report on the last tariff bill, to say they were earnestly for it. I am certain the American Sugar Refining Co. desire the reduction. I believe a very low duty would suit them a little better, but I think they can get along without a very low duty.

Mr. WILLIAMS. My impression was from the testimony

and what they said that the American Refining Co. and Arbuckles wanted a very low duty on raw sugar and a reduction on refined sugar, with a differential that would render them

secure.

Mr. LODGE. Oh, yes; that is an ideal situation, but they are practical men and they are anxious to get the best they can, and the best they can get is free sugar. Of course, in the early days, the American Sugar Refining Co., being alarmed and knowing what was happening, started in to get a large interest in the beet-sugar industry for their own protection. At one time they owned nearly half the stock in many of the refineries. Either because they found it was impossible to continue that policy, or because of late years they had hopes of better arrangements for themselves, I think they have not of late pursued it, but, of course, it would be of profit to them to close all the beet-sugar refineries which are now scattered through the West and supply the local market and have the benefit of freight protection against the refined sugar of the eastern refineries.

I can not see, Mr. President, that this can be of any benefit except to the refiners. It leaves them without a domestic competitor; it leaves them to take full advantage, as they did in 1911, of any temporary shortage and keep it up. In those four months of that shortage the refineries made more money just on that turn than was made by all the beet-sugar factories in the country. They have this great control. Two of them are They are just as called independents. One is called a trust. like as three peas in a pod, there is no difference, they are equally interested, and they are equally determined to get just as much for their sugar as the traffic will bear. They have made this agitation simply because they thought there was money in it. The repulsive thing about the Federal Sugar Co. is the hypocrisy of their whole campaign.

Now, Mr. President, I wish to say a word in closing.
Mr. BRISTOW. Mr. President—
The VICE PRESIDENT. Does the Senator from Massachu-

setts yield to the Senator from Kansas?

Mr. LODGE. Certainly; with pleasure.
Mr. BRISTOW. Speaking of the Federal Sugar Refining
Co., the Senator from Massachusetts will remember that this

Cents per pound.

year, indeed at this very time, I do not have in mind the exact quotation, but I have it up to within a week, that company is charging about 40 cents a hundred pounds more for refined sugar than it did last March, though it is not paying any more for raw sugar at all.

There is no beet sugar on the market now, and they simply put up the price 40 cents a hundred pounds higher than it was then, although they are paying exactly the same for their raw

Mr. LODGE. I do not in the least blame the man who is engaged in the business for making as much profit as he honestly can on the product which he manufactures; but when he travels down here and spends thousands and thousands of dollars in getting up imaginary associations and sending out circulars on the ground that what he wants to do is not to make money, but to help the consumer and make sugar cheaper to the people on whom he raises the price the instant he gets a chance-that

phase of the thing, I think, is simply repulsive.

I wanted to speak of the effect on trade and commerce, something which I think is a good deal overlooked. In three years sugar goes on the free list under this bill. The Cuban treaty becomes valueless to the Cubans and they undoubtedly will give us notice and the treaty will be abandoned. I take the figures for 11 months. They are not the figures for a year. The trade with these islands has not been as good during the past year as it was the previous year. I will take the 11 months from June 30, 1912, to May 31, 1913. There has been some falling off. One hundred and twenty million dollars were the imports from Cuba, almost all sugar. Our exports to Cuba were \$61,000,000. Our total trade with that island was \$181,000,000.

With Porto Rico, that small island of our own, our imports were \$42,000,000 in 1912, our exports \$37,000,000, making a total of \$80,000,000. For the 11 months ending May 31 of this year the imports from Porto Rico were \$35,000,000, the exports \$29,000,000; in all, \$65,000,000 was our trade with Porto Rico

for the 11 months.

Our total trade with Austria-Hungary for an entire year was only \$45,000,000, and the trade of the little island of Porto Rico alone with this country is \$20,000,000 more than the trade with Austria-Hungary; it is \$20,000,000 more than our trade with Spain; it is \$23,000,000 more than our trade with Russia.

Our trade with Cuba far exceeds our trade with Italy. trade with Cuba more than equals our entire trade with Aus-

tria, Spain, and Russia.

With Hawaii our total trade for the 11 months ending May

31 last was \$65,000,000, the same as with Porto Rico.

With the Philippines our total trade was \$42,000,000, a falling off from the previous year. I will print the statement for the previous year. It was then \$46,000,000. Forty-two million dollars was our total trade with those islands. They took \$23,000,000 of our exports. Hawaii took \$28,000,000, Porto Rico \$29,000,000, and Cuba \$65,000,000 of American products. The total trade for the 11 months ending May 31, 1913, with Cuba, Porto Rico, Hawaii, and the Philippines was \$353,000,000. That is larger than our trade with all the European countries put together, except France, Germany, and England. It is a very large trade.

Now, the Cuban trade you are going substantially to kill in three years. You have cut down already the trade with Porto The sugar crop there is going to be reduced. It is falling off this year, owing to the fact that the small planters and growers, with the prospect before them of this bill and free sugar, can not borrow the necessary money from the banks to carry on the business. If you will look over the court records in Porto Rico you will find that a great many small sugar producers have already gone into the hands of receivers. That means, of course, a reduction in their ability to buy from us. Their trade will be reduced. The same thing is true of Hawaii, and the same thing will be true of the Philippines.

Mr. President, to put sugar on the free list in three years you give up for nothing all that revenue about the imposition of which no one complains, and in a few years destroy a great beet-sugar industry in this country which is not only valuable to the consumer but valuable to the agricultural interests of the whole country. You benefit only three great refineries and dam-

age a great and growing trade with these islands which want to trade only with us, and must trade practically only with us.

I think, Mr. President, it is not only cruel to the industries involved, but I think economically it is the most indefensible action that can possibly be taken in any revenue bill.

I suggest that these two little tables be printed in the RECORD.

The VICE PRESIDENT. Is there objection? The Chair hears none.

The tables referred to are as follows: Imports and exports.

	Imports.	Exports.	Total trade.
Cuba Porto Rico. Hawaii. Philippines	\$120, 154, 326 42, 873, 401 55, 055, 816 23, 257, 199	\$61, 133, 985 37, 424, 545 24, 418, 671 23, 703, 935	\$181, 288, 311 80, 297, 946 79, 474, 487 46, 961, 131
Grand total			388, 021, 878
Austria Italy Spain Russia	22, 713, 794 48, 028, 529 21, 961, 134 20, 666, 923	22, 388, 930 65, 261, 268 25, 057, 490 21, 515, 660	45, 102, 724 113, 289, 797 46, 988, 624 42, 182, 583
ELEVEN MONTHS E	INDING MAY	31, 1913.	
Cuba Porto Rico. Hawaii. Philippines.	\$114,606,277 35,047,466 37,548,299 19,989,501	* \$65,030,372 29,967,455 28,070,427 23,007,858	\$179,636,646 65,014,921 65,618,726 42,997,358
Grand total			353, 267, 653

Wholesale sugar prices (Statistical Abstract).

	Cents per p
1882	
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Mr. SMOOT. Mr. President, I wish to call the attention of the Senator from Massachusetts to one fact. Canada, our neighbor on the north, produces very little sugar. There is only one factory, I think, in Alberta. She has a duty on sugar only two-thirds of what our duty is. Yet the price of sugar in Montreal is nearly always higher than it is in New York. The reason of that is on account of the home production of sugar in the United There can be no other reason.

Mr. LODGE. There can be no other reason.

Mr. BRISTOW. Mr. President, the Senator from Massachusetts [Mr. Lodge] spoke of sugar being an article of universal In this connection I have a table showing the tax that is levied on sugar by the various countries. It represents the tax that was levied in 1912. I should like to incorporate it in the RECORD. I might call the attention of the Senator from Massachusetts to some of the amounts that are levied as taxes by the various countries. On pure sugar England's tax is 40 cents per hundred pounds.

Mr. LODGE. I think I said 39. Mr. BRISTOW. It is approximately 40 cents; it is 39.9 Mr. BRISTOW. It is approximately 40 cents; it is 53.0 cents. Switzerland, 79 cents; the German Empire, \$1.51; Belgium, \$1.75; Denmark, \$1.90; France, \$2.36; Norway, \$2.43; Russia, \$2.49; Spain, \$3.27; Austria-Hungary, \$3.49; Sweden, \$3.64; Bulgaria, \$4.15; the Netherlands, \$4.91; Greece, \$4.98; Servia, \$5.24; Roumania, \$5.67; Italy, \$6.21; Portugal, \$7.09; Turkey has a 10 per cent ad valorem; Canada, \$1.26, on sugar from the English colonies, 84 cents; Australia, foreign, \$3.04, from the English colonies, \$1.95; East Indies has a 5 per cent ad valorem; Egypt an 8 per cent ad valorem; the United States has \$1.90 as a general duty and \$1.52 from Cuba. I ask that this table giving the details may be printed in the

RECORD.

The VICE PRESIDENT. Without objection, it will be so ordered.

The table referred to is as follows:

TAXES

Respective duties for sugar for consumption in 1912.

[From Die Zuckerproduction der Welt und ihre Statistik von Siegmund Ziegler, Zuckerfabricksdirector, Mähren, Osterreich, p. 11.]

	Impo	ort duty.	Intern	nal taxes.	Figured per 100 pounds in United States money.			
	Weight.	Rate.	Weight.	. Rate.	Im- port.	In- ter- nal.	Total con- sump- tion tax.	
Englandewt	1	1s. 10d			\$0.40		\$0.40	
Switzerlandkg German Empire, kg	100	9 francs [4.80 marks] 126 marks		14 marks	.79 { .52 2 .81	\$1.51	1.51	
Belgiumkg	100	6 francs	100	20 francs	1 .52	1.75	1.75	
	0.000	20 francs			11.75			
Denmarkkg Francekg	100	10 crowns.	100	5.7 crowns. 27 francs.	1.21	2.36	1.90 2.36	
Norwaykg.	100	20 crowns.	100	21 Hanes	2,43	2.00	2, 43	
Russiapud	1	6 rubles	1	1.755 rubles		2.49	2.49	
Spainkg	100	85 pesetas.	100	37.50 pese- tas.	7.43	3.27	3.27	
Austria-Hun-	} 100	(5.70 crowns 126 crowns 1		38 crowns	1.52	3.49	3.49	
garykg Swedenkg	100	14.5 crowns	100	15.5 crowns		1.88	3, 64	
Bulgariakg.	100	27.50 francs		20 francs		1.75	4. 15	
Netherlands lig	100	6 francs	100	27 gulden	. 52	4.91	4.91	
Greeceoka	100	73.91 drach- mas.			4.98		4,98	
Serviakg	100	30 dinar	100	30 dinar	2.62	2.62	5.24	
Roumaniakg	100	35 francs	100	30 francs	3.05	2.62	5.67	
Italykg	100	99 lira	100	71.15 lira		6.21	6.21	
Portugalkg	100	14.5 milreis	100		7.09		7.09	
Turkey		10 per cent ad valo- rem.						
Canada:	200	2000		18 -	-		1 2000	
Foreignlbs English coio- nies, lbs.	100	\$1.26			1.26		1.26	
Australia: Foreignewt	1	103	1	45	2.17	.87	3.04	
English colo- onies, lbs.	î	6s	î	3s	1.30	.65	1.95	
East Indies		5 per cent ad valo- rem.						
Egypt		8 per cent ad valo-						
United States:	18	rem.	1	155		LAVI	130,6	
Foreignlbs	100	\$1.90	accessors		1.90		1.90	
Cubalbs	100	\$1.52			1.52		1.52	

¹At expiration of Brussels sugar convention.

Mr. THOMAS. May I ask a question of the Senator?

Mr. BRISTOW. Certainly. Mr. THOMAS. Has not the Senator added the consumption tax of those countries to the import duty?

I said it is the consumption tax. It is the Mr. BRISTOW. tax that is levied by those countries on sugar, including all

Mr. THOMAS. The consumption tax is collected alike on the home production and on the foreign importation?

Mr. BRISTOW. Yes; that is, the tax on sugar. It is the consumption tax.

Mr. LODGE. They may put on a surtax, too. Mr. BRISTOW. That is included.

I have some more data here that I think would be of interest. The average selling price of refined sugar in England for the first six months of 1913 was \$3.387 per 100 pounds. The average in New York was \$4.203 per 100 pounds, making a difference of 81.6 cents. If sugar was selling in the United States for the full European price plus the duty, as is alleged by my friend from Montana [Mr. Walsh], it would be \$1.50 more than the price in London; but the average price shows that it is only 81.6 cents more, making approximately 70 cents less than the parity between the two countries.

I have here a table showing the English tariff duty, and I

ask that it may be incorporated into the RECORD.

Mr. SMITH of Michigan. Will the Senator from Kansas

state what the English duty is at present?

Mr. BRISTOW. It is a graduated duty, very much like ours, not exceeding 76° pure by the polariscope test, in our money 20 cents per hundred.

Mr. SMITH of Michigan. If the Senator will pardon me one word, even that duty has had the effect to stimulate the domestic sugar industry in England. The question recently arose in the British Parliament as to whether even that duty ought not to be repealed in order to be consistent with the policies of the

English Government. It has operated to stimulate quite a considerable industry, amounting to several thousand tons, as a result of this small duty, which was never intended for protection at all.

Mr. BRISTOW. I have been advised that there is a movement in the British Isles now to undertake the development of the beet-sugar industry, and a proposition was made that rather than go to the American system of protection and the German and French systems of protection, it might be well to repeal this duty so that it would not stand as a protective duty in favor of this production, and to be consistent, as the Senator from Michigan has said, with the English system of tariff. But I understand that Lloyd-George has opposed any such movement as that.

I have here a table showing the quantity of sugar imported into the United States from Hawaii, Porto Rico, the Philippines, and all other countries. I think it will be of some interest to have it incorporated in the RECORD. I have the statistics from 1898 to 1912 showing the development of sugar production in those countries with which we have such close commercial relations, referred to by the Senator from Massachusetts [Mr. Lodge]. It makes a remarkable showing. Since 1898 the importations of sugar from Hawaii have increased—I will speak in round numbers—from 249,000 tons to 602,000 tons in 1912, showing a remarkable development in those islands. From Porto Rico we imported, in 1898, 49,000 tons in round numbers; that has increased in 1912 to 367,000 tons, a growth of approximately 320,000 tons since Porto Rico became a part of the United States. From Cuba we imported in 1898 but 220,000 tons, in round numbers, while in 1912 we imported from Cuba 1,593,000 tons. From the Philippines, in 1808, we imported 14,000 tons, and in 1912 we imported 217,000 tons. From all other countries-to show the influence of the preferential duties to Cuba and of incorporating these other possessions within our area-in 1898 we imported 811,000 tons, while last year we imported but 241,000 tons. I ask that this table be incorporated in the RECORD.

The VICE PRESIDENT. In the absence of objection, permission to do so is granted.

The table referred to is as follows:

Sugar imported into the United States from Hawaii, Porto Rico, Cuba, the Philippines, and all other countries. [Short tons.]

Fiscal year.	Hawaii.	Porto Rico.	Cuba.	Philip- pines.	All other countries
1898		49,226	220, 113	14,745	\$11,010
1899		53,604	331,772	25,813	1,347,790
1900 1901		36,279 68,601	352,728 549,702	24,745	1,392,934
1902	1 10 000 mare	91,909	492, 108	5.712	1,435,454
1903		113.072	1, 197, 964	9.387	930, 703
1904		129,616	1,409,779	30, 785	967, 842
1905		135,660	962, 421	38,999	774, 706
1906	. 373,301	205, 272	1,261,295	34,687	578,676
1907	410,507	204,075	1,583,082	12,582	548, 183
1908		234,603	1,154,595	19, 204	512, 200
1909		244, 226	1,436,130	41,824	621,725
1910	10 2 2 2 2 4 7 2 2 2 7	284,520	1,754,829	87,935	204, 468
1911	. 505,608 602,733	322, 917 367, 145	1,673,803	115,176 217,785	179, 989 241, 183

Note.—Computed from Foreign Commerce and Navigation of the United States, published by the Department of Commerce and Labor, and from the Statistical Abstract of the United States, and other official

Mr. BRISTOW. I will ask that the English tariff be incorporated into the RECORD as I have figured it out here. It might be of some interest to those who care to study it:

The VICE PRESIDENT. Is there objection? The Chair hears none.

The table referred to is as follows:

Tariff of the United Kingdom on sugar. [From Kelly's Customs Tariffs of the World, 1913.]

Articles.	Rates of duty.	Equiva- lent in United States.
Sugar:  Not exceeding 76° polarization ewt.¹  Exceeding 76° and not exceeding 77° do  Exceeding 77° and not exceeding 78° do  Exceeding 78° and not exceeding 78° do  Exceeding 78° and not exceeding 79° do  Exceeding 80° and not exceeding 80° do  Exceeding 81° and not exceeding 82° do  Exceeding 81° and not exceeding 82° do  Exceeding 82° and not exceeding 82° do	8. d. 0 10.0 0 10.9 0 11.2 0 11.6 0 11.9 1 .3 1 .6 1 1.0	Cents. 20.0 21.8 22.4 23.2 23.8 24.6 25.2 26.0

Tariff of the United Kingdom on sugar-Continued.

	. Articles.		Equiva- lent in United States.
Exceeding	ned.  83° and not exceeding 84°.  84° and not exceeding 85°.  85° and not exceeding 85°.  86° and not exceeding 87°.  87° and not exceeding 88°.  88° and not exceeding 89°.  89° and not exceeding 90°.  90° and not exceeding 91°.  11° and not exceeding 92°.  12° and not exceeding 93°.  30° and not exceeding 94°.  40° and not exceeding 94°.  94° and not exceeding 94°.  96° and not exceeding 98°.  96° and not exceeding 98°.	.do	26. 8 27. 6 28. 4 29. 2 30. 0 30. 8 32. 0 33. 0 34. 0 35. 2 36. 2 37. 2 38. 2 40. 4

Mr. WILLIAMS. Mr. President, as all Senators know, my private opinion has been somewhat adverse to putting sugar on the free list, even at the end of three years. I was led to that opinion because of certain revenue reasons and also because of a plank in the Democratic platform that we would not destroy any legitimate industry. Without caviling about the word "legitimate," I thought the Louisiana cane-sugar industry might be permitted to be called a "legitimate industry," but I want now to say that the Senator from Massachusetts [Mr. Lodge] has reminded me of that quotation in the Scriptures, "Almost thou persuadest me." If I thought as the Senator from Massachusetts thinks, or as he says he thinks, about sugar, I would never have had the slightest hesitation in the world about putting it upon the free list, because its importation from all the world can not possibly hurt anybody in the United States, if his argument is correct

The Senator went on to say that we will kill our trade with Cuba by putting sugar on the free list. Our chief importations of sugar have been from Cuba all the time, with a high tariff or with a low tariff, simply because Cuba produces the cheapest sugar in the world. Here is the Senator from Massachusetts, a scholar, a political economist, and all that, who absolutely wants the Senate and the country to believe that reducing the duty on sugar, which now applies to Cuba, and nothing will stop the importations of sugar from Cuba, because 80 per cent of our trade with Cuba is of sugar, and the Senator says we will kill our trade with Cuba by permitting the Cubans to send their sugar here free,

Then, the next position he takes is that our refiners will be able to master the entire market by reason of the fact that we will permit refined sugar to come from all the world to American shores—from far off Sumatra and Java and Holland and England and Cuba and Jamaica and all the balance of the world—that they will be permitted, after three years, to send refined sugar to the American market without paying a dollar of tax, and a Republican stands here and tells us that we are going thereby to kill our trade with Cuba and to destroy our trade or reduce it with Porto Rico, the Hawaiian Islands, and the Philippines.

A moment before that the Senator said that beet sugar and Louisiana sugar could not stand the competition with tropical cane sugar. Then a minute afterwards he said Cuban tropical cane sugar, raw and refined, could not compete with the American refiners; that Sumatran sugar can not do it; that Javan sugar can not do it; that none of the sugar of the balance of the world can do it. I suppose, judging by what the Senator said, that the people out in the country, not so wise as he is and not so learned, some few ignorant people may imagine that Porto Rico is not a tropical island; that Hawaii is not a tropical island; and that they do not raise tropical sugar there. They may imagine that their labor is so high that they can not

I have heard a great many remarkable arguments here, but we are now faced with a situation that I declare confuses my intellect. If it be true that we are going to kill our trade with Cuba and reduce our trade with the tropical islands under our flag by permitting the free entry of sugar, then what a won-derful "love's labor lost" has been the task of the Senator from Kansas and the Senators from Louisiana. You are going to have less competition after you get free sugar than you had before; our trade with Cuba is to be killed; our trade with our tropical islands is to be depressed and reduced, and all on account of free sugar!

Mr. LODGE. Mr. President, will the Senator from Mississippi allow me to interrupt him a moment? The VICE PRESIDENT. Does the Senator from Mississippi yield to the Senator from Massachusetts?

Mr. WILLIAMS. Certainly.

Mr. LODGE. We shall lose the preference in the Cuban mar-

ket, which, of course, will reduce our trade.

Mr. WILLIAMS. That brings me to the next point. Here is the thing that confuses my intellect. Here are a lot of people who opposed giving the preference to Cuba, in the first place, when we had the Cuban reciprocity treaty under consideration, because, they said, it would hurt our own people-no; our own producers, not our own people. I do not believe they ever said that; or, if they did, they did not mean it. Then they were opposing our grant of right to the Cuban producer to send his sugar here free; and then, in the next breath, they tell us what an immense injury we are going to do to Cuba by permitting the Cubans to send their sugar here free.

Mr. LODGE. Mr. President, will the Senator allow me there

a moment?

The VICE PRESIDENT. Does the Senator from Mississippi yield to the Senator from Massachusetts?

Mr. WILLIAMS. Yes.

Mr. LODGE. I was a strong supporter of the reciprocity treaty with Cuba.

Mr. WILLIAMS. I knew the Senator was.

Mr. LODGE. Of course under this proposed legislation sugar will come here free instead of as now under a reduction.

Mr. WILLIAMS. Yes.

Mr. LODGE. In my judgment it will not alter the sale of Cuban sugar here.

Mr. WILLIAMS. Not at all.

Mr. LODGE. But we now receive, in return for our preference to Cuba, a preference for all of our manufactures in her market. That preference we shall lose for our articles.

Mr. WILLIAMS. Well, it has been a long standing Demo-cratic argument that just in proportion as you hampered imports you always hampered your exports to the country from which you imported, and I am glad to also have a recognition of that doctrine from the Senator from Massachusetts.

Mr. LODGE. A recognition of what doctrine?

Mr. WILLIAMS. It is as true as twice two are four.

Mr. LODGE. What is it that is so true?

Mr. WILLIAMS. Why, the doctrine that just in proportion as you hamper imports from a country to your market you necessarily hamper the exports from your country to their

Mr. LODGE. Mr. President, I am afraid the Senator from Mississippi did not hear what I said.

Mr. WILLIAMS. You said the result of this would be that we would decrease our exports to Cuba.

Mr. LODGE. I said we would decrease our exports into

Cuba, where we now have a preference.

Mr. WILLIAMS. Mr. President, that may or may not follow. If the Senator means that by the destruction of the preferential in sugar, Cuba will, under the abrogation clause of that treaty, give notice of her intention to abrogate the entire treaty, then the Senator is necessarily and mathematically correct. We must necessarily lose some of our trade with Cuba in the shape of our exports to Cuba.

Mr. LODGE. That is all I meant.
Mr. WILLIAMS. But under another clause of this bill there is also a provision that the President may, when, in his

opinion, any country is acting unfairly, raise some duties.

Mr. LODGE. Mr. President, does the Senator suggest that Cuba will be acting unfairly toward us if she should terminate the treaty when we take from her the only value the treaty has to her?

Mr. WILLIAMS. We do not take away the only value. The Senator is mistaken.

Mr. LODGE. It has no other value to her. Mr. WILLIAMS. If the Senator had said "the major part," he would have been correct.

Mr. LODGE. Well, the major part.

Mr. WILLIAMS. But we have given, without considering sugar, vast advantages to her tobacco and some other products. The advantage goes to her tropical fruit; the advantage goes to everything which she raises and may export from her shores to ours. If Cuba chooses to take that position, of course, what the Senator says will be true; but it will not flow from the economic principle of granting free entry of sugar, it will flow from the fact that there exists a treaty which contains a clause giving the right to abrogate it upon a change of duty in either country which, in the opinion of the other, changes the original conditions in a manner unfavorable to it.

Mr. LODGE. If the Senator will allow me, he is, of course, aware that we make no concession on tobacco.

Mr. WILLIAMS. The Senator is mistaken as to that.

Mr. LODGE. I will read from the treaty. I mean that under the language of the treaty Cuban tobacco gets no con-

Mr. WILLIAMS. Cuban tobacco gets a concession now.

Mr. LODGE. There is no preferential at all on tobacco.

Mr. WILLIAMS. Find the clause.

Mr. LODGE. I read from the Cuban treaty:

It is agreed that the tobacco, in any form, of the United States or of any of its insular possessions, shall not enjoy the benefit of any concession or rebate of duty when imported into the Republic of Cuba.

Mr. WILLIAMS. That is right.

Mr. LODGE. The next article of the treaty provides:

It is agreed that similar articles of both countries shall receive equal

And so forth.

Mr. WILLIAMS. I do not know whether that concludes that question or not, but I have been under the impression, and I am under the impression now, that a differential is actually granted to Cuban tobacco coming into the United States, and that the treaty is construed in accordance with Articles II The only thing I remember being exempted-

Mr. LODGE. If I am wrong, this table will show in a moment, and if I am wrong I will very gladly say so. I will look

at it to see.

Mr. WILLIAMS. I do not know whether the Senator is wrong or not. Speaking frankly, I arrived at the conclusion I have stated from what I have heard. I have not hunted up the figures at all, but I understood that everything either way had a differential except our tobacco exported to Cuba, and, of course, articles on the free list.

Mr. LODGE. Mr. President, the Senator is right.

Mr. WILLIAMS. I thought so.

Mr. LODGE. Cuba does get a preferential on tobacco.

Mr. WILLIAMS. I have not examined the figures.

LODGE. I thought that a subsequent article pre-

Mr. WILLIAMS. Cuban tobacco is granted a concession in our markets, but by express clause in the treaty American

tobacco exported to Cuba receives no concession. Mr. LODGE. I was under the impression that Article VII, providing that similar articles of both countries shall receive

equal treatment, prevented a concession to Cuban tobacco. Mr. WILLIAMS. The question of Cuban tobacco is construed

according to the second article instead of by the seventh.

Now, one other matter. The Senator says that several trusts in this country have been advocating free trade in sugar. think the Senator is mistaken. One of them has been doing so; there is no doubt about that. The Federal Refining Co. have not only been advocating it, but they have been keeping a lobby here; I do not understand why; it is one of the things that has been confusing this poor intellect of mine that has already been confused twice in this short speech; but Mr. Atkins came down here on January 15, appeared before the Ways and Means Committee, and said that he favored and that his company favored the retention of the duty on sugar.

Mr. SMOOT. Mr. President, not the present duty. Mr. WILLIAMS. But he favored the retention of either the present duty on sugar or a duty.

Mr. SMOOT. A duty.

Mr. THOMAS. No specific duty was mentioned.
Mr. WILLIAMS. My recollection is that he used the words
"favored the retention of the duty," although he may have said he favored the retention of a duty.

Mr. SMOOT. A duty. Mr. WILLIAMS. Very well. He said furthermore that his company had no connection with the Federal Sugar Refining I do not remember what the Arbuckles want.

Mr. LODGE. When I said in my speech a year ago that the Arbuckles and the American Sugar Refining Co. were not favorable to it. they wrote to me and said they were.

Mr. WILLIAMS. Who did that?

Mr. LODGE. The Arbuckles. Mr. WILLIAMS. The Arbuckles wrote and said they were.

I said I did not know where the Arbuckles stood.

Mr. President, this proves one thing—and it is the only thing it does prove—it proves that Senators on the other side are wrong all along the line; it proves that the great refiners, paying twice as much for their labor, but for highly organized, efficient labor, are willing to take their chance against the world in importing free sugar and refining it upon the American continent.

Mr. BRISTOW. Mr. President— Mr. WILLIAMS. It proves that you are wrong about your idea that the cheaper the labor is per diem or per man the more protection you have got to have. That is the first proposition.

The next proposition is that if you are not wrong about that, then you are wrong about their not being undersold by foreign refiners; and if you are not wrong about that, then you are wrong about refined sugars not being cheaper, even if raw sugar costs as much; but every one of you admits that raw sugar will cost less.

I say that one of the effects of free trade in sugar is going to be that in a few years there will be refineries in Cuba; there will be refineries in the tropical islands; and the gloom and the cloud that have gone over all of the tropical islands because of the fact that the world tried to hothouse into existence sugars that were not naturally produced at a profit, having been destroyed in the market of 90,000,000 people, there will be a revival of the old-time prosperity in the cane fields of the West

I did not want to give away \$30,000,000 of revenue on sugar; would rather have reduced the revenue upon the people's clothing, their hats, and other things. I did not want to give it away, because I think the Senator from Massachusetts is right when he says that Louisiana cane sugar being an exotic can not stand in the face of the competition of tropical cane sugar. I also believe that the beet-sugar people will be checked up for some time; but if I believed, as the Senator says he believes, that there will be no reduction in the price of sugar, that the refiners of the world can not compete with the refiners of the United States, and if I furthermore believed that it would raise the price of sugar in the American market, then I would owe an apology to everybody with whom I have differed upon this particular question.

Mr. BRISTOW. Mr. President-

The VICE PRESIDENT. Does the Senator from Mississippi yield to the Senator from Kansas?

Mr. WILLIAMS. Certainly.

Mr. BRISTOW. So that there may be no misunderstanding as to the position which I have taken in regard to the American refiners being able to compete with the foreign refiners, I desire to say that I have not believed for four years that the American sugar refiners needed any protective duty. I offered to the tariff bill under consideration four years ago an amendment removing the differential which they had as a protective duty; that is, the  $12\frac{1}{2}$  cents as it was in the Dingley bill and the  $7\frac{1}{2}$ cents as it is in the present law. I did that because I believed that the American sugar refiners can refine sugar as cheaply in this country as can the refiners of any country in the world.

If the Senator will remember, in the data that I submitted this morning I included a table in fegard to wages in the different foreign countries as compared with the wages paid in our country. I stated at the time that I did not think the difference in the cost of production was measured accurately by this very wide difference in the wages paid; but, taking everything into consideration, I undertook to summarize and state what, in my opinion, was approximately the difference in the cost of production. I do not want to have it understood that I believe the American Sugar Refining Co., the Arbuckles, or Spreckels—that is, the Federal Co.—need any protection whatever in meeting any competition in refined sugar-that is, for the process of refining.

Mr. WILLIAMS. Mr. President, I am glad to have that admission, even from a Republican not of the stand-pat variety. I am glad to have an admission that a manufacturing enterprise in the United States can produce at a cheaper price and can successfully compete with a foreign manufactured product. Sugar is a manufactured product of the highest character, involving not only the ordinary industrial processes, machinery, and all that, but chemistry, and all the balance of it. I am glad to have the Senator admit that they are not dependent for their power to compete upon the price of labor per day or per week; in other words, that the cost of labor entering into a product is not to be measured by the price of the labor by the day or by the week, but by the efficiency with which the labor is handled, the amount of machinery which is brought to help it, the intelligence in the administration of the business, the overhead part of it, and a dozen other things; in other words, that the cost of production is not fixed by the price per week of labor, except in the things closest to the very ground itself, like chopping wood in the forest, or something of that sort.

Mr. BRISTOW. If the Senator will permit me again, I do not want him to take the statement which I made as to the refining

of sugar and apply it as a general proposition.

Mr. WILLIAMS. Ah!
Mr. BRISTOW. There are occupations and there are products that are produced in this country where the difference in the wages does make a difference in the total cost of production. I was dealing wholly and exclusively with the question of protection for the sugar refiners. Indeed, I might say that the hearings show that these refiners have stated that they believe they can refine as cheaply here as the refiners in any country in the world. They do not claim, as I have read the record, that

they need any protection for the process of refining.

Mr. WILLIAMS. Mr. President, that is just the quarrel.

The quarrel is that whenever you are arguing one way you argue as if the price of labor were everything, and when you argue the other way you argue as if the price of labor were a subordinate factor in the cost of production. Everybody knows, of course, without any instruction from the Senator from Kansas or from me, that there are products in which the price of labor is the main factor. When I go out and promise to deliver 100 cords of wood to the Senator from Iowa, everybody knows that in a primitive, primeval pursuit like hiring men to cut down trees and chop them up the price of labor is the main factor. But whenever I go into a silk mill, a sugar refinery, a cotton factory, a woolen factory making the finer classes of goods, with an immense amount of machinery used, where the efficiency of labor, the intelligence of labor, the amount of labor performed by a man in a day, the amount of machinery used, the character of the administration of the business, and all that, count, then you come into a business where the mere manual part cuts hardly any figure.

I am willing to bargain with you Republicans now, as far as I am concerned. I am willing to leave out this whole thing of the cost of production, because nobody can tell what it is. can not tell it from day to day in the same business. But I should be willing to find out what the labor cost is per yard, per bushel, per ton, per bale, of everything in the world and compromise with you on a tariff to cover it, because I would have the lowest tariff America has had since 1815.

Mr. BRISTOW. If the Senator will yield for a moment, the illustration which the Senator gave as to cutting wood, of course, is a very apt illustration. Does be not think that the difference in the wage scale in the production of a ton of beets would influence very materially the cost of producing that ton of

Mr. WILLIAMS. That depends upon the character of the labor in the two localities. If you are given equally efficient or equally inefficient labor, of course it does. If you are given equally efficient or equally inefficient management, of course it does. If you are given equally high or equally low priced lands, of course it does.

Mr. BRISTOW. The data which I submitted here this morning show that the wages in an American beet field were from two to three times more than they were in Germany; yet when you take into consideration all the elements, they show that the cost of producing a ton of beets was not three or four times as much in America as in Germany, but only from 50 cents to

Mr. WILLIAMS. I did not intend to get off into all those things. I was just calling attention to some of these inconsistencies. I do not agree with the Senator about that as applied to beet culture in this country. It requires highly intelligent labor, and still more highly intelligent management. We are beginning to make the inventions, and the balance of the world looks to us for them. We have passed the stage where they make them and we look to them. But the general proposition will not do.

Take the simple process of cotton cultivation. I suppose that has more labor in it, in proportion to the balance of the factors that enter into the price of the cotton, than almost anything else in the world. It is the sort of agriculture that can be carried on by very ignorant labor. Yet I pay from five to seven or eight times as much for my labor as they do in British India, and there is not a port in the world in which I can not beat them selling cotton by superiority of management and superior effi-

ciency of agriculture.

Mr. CUMMINS. Mr. President—
The VICE PRESIDENT. Does the Senator from Mississippi yield to the Senator from Iowa?

Mr. WILLIAMS. Yes.

Mr. CUMMINS. I am very much interested in the proposal just made by the Senator from Mississippi. I have an amendment pending to this bill in which it is proposed to do the very thing just suggested by the Senator from Mississippi. I should like to see a tariff bill made upon that basis, no matter how low the duties might go. I have here an amendment which provides for the creation of a commission-

Mr. WILLIAMS. The Senator must pardon me, but I do not wish to go into that.

Mr. CUMMINS (continuing). An independent, impartial, nonpartisan or bipartisan commission-

Mr. WILLIAMS. I do not wish to go into that.
Mr. CUMMINS. I know, but that amendment provides that s to any article in this bill-

Mr. WILLIAMS. The commission is to determine it.

Mr. CUMMINS (continuing). They may hear and decide on what the difference is between an efficiently conducted and welllocated enterprise in this country and a similar one abroad, and that thereafter the duty shall be that difference.

Mr. WILLIAMS. Mr. President, I do not want to go into five

or six discussions.

Mr. CUMMINS. That is the proposition just made by the

Senator from Mississippi.

Mr. WILLIAMS. My opposition to that is well known to every citizen in a freedom-loving country. In the first place, gentlemen talk about getting the tariff out of politics in that way. You can not get it out of politics in that way without having a row as to what standpoint, what viewpoint, your commission is going to take.

Mr. CUMMINS. I agree that you can not get it out of

politics. I agree to that.

Mr. WILLIAMS. That is the only reason I have heard for it. Mr. CUMMINS. But we can create a tribunal that is better calculated and better adapted than we are to find the difference between the costs.

Mr. WILLIAMS. I must decline to yield further. I want to sit down. The Senator admits that we can not get the tariff Mr. WILLIAMS. out of politics. The Senator from Minnesota [Mr. CLAPP] recently said that that was the reason for having a commissionto get it out of politics. Now the Senator admits that we can not get it out of politics. Now you are proposing, by your own admission, to take away from the elected representatives of the people a political question and surrender it to a commission appointed by somebody.

I do not believe any free country governed by commission could exist free for many years. We have too many commissions already. I am the commissioner from the State of Missions already. sissippi, or one of them, elected to sit in judgment on this question. I am not going to admit that my people made a mistake when they sent me here as a commissioner. I am a tariff commissioner now, and I am acting as one, with a full sense of my responsibilities. I am not going to turn over my duties to a bureau that works in secret and is influenced by God only knows

That is my opposition. It is a political opposition. It is a governmental opposition. It is an opposition from the standpoint of a citizen of a free and self-governing country, a representative Government.

It is a great mistake to suppose that the more nearly mechanically accurate you can make this or that or the other governmental operation the better Government you have. That is a secondary consideration. Mere efficiency of administration is a secondary consideration. The great, prime consideration is the education of the people in governing themselves. I would far rather live in a country where the Government was not quite so good than to live in a country like Prussia, where it was awfully efficient, but where the bureaucrats did the governing. I am one of the old-fashioned fellows who believe that the right of self-government carries with it the right of self-misgovernment at the same time.

But I was through with what I had to say five or six or seven minutes ago, and have been carried on by questions

from one thing to another.

Mr. SMOOT. Mr. President, I desire to ask the Senator if he understands that the sugar refiners want this low rate of duty—50 cents a hundred pounds—as suggested by Mr. Lowry

and others, for a protective duty?

Mr. WILLIAMS. I do not know. I confess that when one of them comes here wanting free sugar it confuses my intellect

about what they do want and what they are up to.

Mr. SMOOT. Certainly. They do not want the 50 cents as a protective duty. That is not what they want that low rate for. They want it so that the Cuban treaty will not be abrogated. They want a duty of 50 cents a hundred so that Cuba can have a preferential of 20 per cent, and they will speculate on the other 80 per cent, the same as they have done in the past-upon the difference between the 100 per cent to the world and the 80 per cent to Cuba. They know that if Cuban sugar is allowed to enter this market at a preferential rate they make the great part of that preferential rate. The refiners want to make millions out of handling Cuban sugar, and they can do so with a preferential rate against the other sugars of

the world. It is not protection they want the 50-cent rate for; it is for the reason I have stated that the sugar refineries of this country want a small rate of duty on sugar.

The VICE PRESIDENT. The question is on the amendment

proposed by the committee.

Mr. SMOOT. I will ask the Senator from North Carolina, as it is 5 minutes of 6 o'clock now, if he will not lay the bill aside?

Mr. SIMMONS. I think we have sufficient time to take a vote to-night.

Mr. SMOOT. Oh, no, Mr. President; there will not be sufficient time.

Mr. SIMMONS. Unless some Senator wants to speak there

Mr. WILLIAMS. Let us take a vote on the committee amendment.

Mr. SMOOT. Would it not be better to vote on the amendment to the committee amendment?

The Senator from Kansas [Mr. Bristow] has offered a substitute for the first two sections. Before that substitute is in order, as I understand, we must have an oppor-

tunity to perfect those two sections.

The VICE PRESIDENT. The Chair has been so ruling since

the commencement of the debate.

Mr. SIMMONS. I ask for a vote on the committee amend-

Mr. SMOOT. Do I understand that wherever there is an amendment to the bill offered here by the committee, and some Senator wants to offer an amendment to that amendment, it is not proper to consider it first?

The VICE PRESIDENT. It would be in order if it were offered as an amendment to the amendment.

That is what I understand this is.

The VICE PRESIDENT. It is not offered in that way. is offered as an amendment not only to paragraph 179, but also to paragraph 180. It proposes to strike out the paragraphs as they appear in the bill. The Chair has consistently ruled that the committee amendments are first in order.

Mr. BRISTOW. I think the way we have been proceeding has been to perfect the committee paragraph before the substitute was voted upon. Since mine is a substitute for this paragraph, I see no objection to voting first upon the committee amendment, unless some Senator wants to speak to that amend-

Mr. SMOOT. That was the point, Mr. President. The Senator from Kansas is perfectly correct in case of a substitute; but, as I understood, there was to be an amendment offered to

the committee amendment.

Mr. NORRIS. Mr. President, I think I can clarify the atmosphere as far as the Senator from Utah is concerned. He probably refers to me. I intend to offer an amendment to strike out the three-year clause—that is, commencing after the proviso. But I have no amendment to offer to the committee amendment, and I am perfectly willing to vote on the committee amendment.

Mr. SMOOT. Then I misunderstood the Senator from Nebraska. I thought he was going to offer an amendment to the committee amendment.

Mr. NORRIS. No.
Mr. SMOOT. I have not any objection to that.

Mr. BRISTOW. Is not the committee amendment the threeyear clause?

Mr. SIMMONS. No.

Mr. NORRIS. No. Mr. BRISTOW. O

Mr. BRISTOW. Oh, no; that is true. I see now. The VICE PRESIDENT. The committee amendment will be

The Secretary. On page 53, line 8, after the words "polariscopic test," it is proposed to insert:

Provided, That the duties imposed in this paragraph shall be effective on and after the 1st day of March, 1914.

Mr. BRISTOW. Mr. President, I desire to make a parliamentary inquiry. I have an amendment to offer after the amendment that is now pending is disposed of, and I will read it. I wish to inquire if it will be precluded if the amendment of the committee is adopted?

The amendment is as follows:

Provided, however, That so much of paragraph 216 of an act to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes, approved August 5, 1909, as relates to the color test denominated as No. 16 Dutch standard in color, shall be and is hereby repealed.

The committee amendment makes the bill take effect on the 1st of March next. My amendment will repeal the provision

in existing law relating to the color test, making the bill, so far as the color test is concerned, go into effect at once. inquiry is, Will it be in order for me to offer this amendment after the committee amendment has been adopted?

The VICE PRESIDENT. Where does the Senator from Kansas propose that his proviso shall enter the bill?

Mr. BRISTOW. If my amendment should be defeated, I will then move at the end of line 13, page 53, to insert the proviso.

The VICE PRESIDENT. It would undoubtedly be in order after the committee amendment shall have been agreed to or rejected. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The VICE PRESIDENT. The question is now on the amendment offered by the Senator from Kansas [Mr. Bristow].
Mr. Bristow. There are a number of Senators who want

to speak on the amendment before it goes to a vote. I take it for granted that the Senator from North Carolina will not insist on having them speak to-night. It is now 6 o'clock.

Mr. SIMMONS. If the Senator asserts that there are other

Senators who desire to speak-

Mr. BRISTOW. I have been so advised.

Mr. SIMMONS. The hour of 6 o'clock having arrived, of course in accordance with the understanding we have been many than the course of the course operating under I could not insist on going on. President, I wish to give notice that on Wednesday before we adjourn, if we have not made better progress than we have

adjourn, if we have not made better progress than we have made to-day, I shall move that the Senate meet at 10 o'clock instead of 11 o'clock as now.

Mr. SMOOT. I thought we made excellent progress to-day upon this schedule. I will say to the Senator that if I had known the schedule was coming up to-day I certainly would have been prepared to have voted on the schedule this afternoon. I think all the time has been warn profitably taken noon. I think all the time has been very profitably taken up, with no inclination on the part of anyone to filibuster in any way. Of course, if the Senator insists upon a vote upon it, then I would content myself by speaking when the schedule came into the Senate.

Mr. SIMMONS. I am not making the motion now. I said I would make it on Wednesday before we adjourn, so as to apply

The VICE PRESIDENT. By unanimous consent, the bill will be temporarily laid aside.

SENATOR FROM ALABAMA (S. DOC. NO. 165).

Mr. BANKHEAD. Mr. President, a situation exists in the Senate which will require the most careful and painstaking investigation. I allude to the vacancy which has occurred on account of the death of my late lamented colleague, Senator JOHNSTON.

I ask unanimous consent to print in the RECORD the opinions of the legal advisers of the governor of Alabama, upon which opinions he doubtless based his action in the appointment of Hon. H. D. CLAYTON to serve for the unexpired term of the late

Senator Johnston.

I wish to say to the Senate that the Governor of Alabama has no pride of opinion in the action that he has taken. When the vacancy occurred and the conditions were put up to him as to what action he would take, he called upon his legal advisers for opinions as to his legal and constitutional authority in the matter, and it is these opinions that I desire to have printed in the RECORD in order that the Senate before taking any action on the matter may have an opportunity to read and study the opinions upon which the governor acted.

The VICE PRESIDENT. Is there objection to the request

of the Senator from Alabama?

Mr. BANKHEAD. I shall ask the Senate for permission to print the opinions, which are not very long, in the RECORD, and I shall also ask to have them printed as a public document, because if printed as a public document it will be much more convenient for Senators to examine them in that form.

Mr. SMITH of Michigan. Mr. President—
The VICE PRESIDENT. Does the Senator from Alabama yield to the Senator from Michigan?

Mr. BANKHEAD. I yield to the Senator.
Mr. SMITH of Michigan. For information I desire to know whether the credentials of the appointee have been presented to the Senate.

Mr. BANKHEAD. They have not. Mr. SMITH of Michigan. Then, as a matter of fact, the

Senate has no jurisdiction over the matter.

Mr. BANKHEAD. The Senate can give its consent to the publication of the opinions in order that it may have the opinions before them when they come to act upon the question, That is what I am asking.

Mr. SMITH of Michigan. Probably for the information of Senators; but the governor of that State is privileged to change his mind at any moment and withdraw the appointment, leaving no question for us to consider.

Mr. BANKHEAD. It is not a question here of jurisdiction, It is a matter of information. I will say to the Senator from Michigan that there is not a possibility that the governor of Alabama will change his mind, as he now sees the situation. I hope the Senator from Michigan will not object to the publication.

Mr. SMITH of Michigan. I do not ordinarily object to matters of this kind, and I am especially loath to object to anything that is requested by the Senator from Alabama, but that our Record should be encumbered by the views of the governor of Alabama upon a question that has not yet been presented to the Senate, and in the absence of jurisdiction over the subject matter, seems to me of doubtful wisdom. If the Senator from Alabama is seeking to justify the governor of his State for some hasty or precipitate action concerning the vacancy which exists in this Chamber from Alabama, I would seriously object.

Mr. OVERMAN. I suggest to the Senator from Michigan that we are all interested in this question. I understand it is only a lawyer's brief, and we should like to read it as lawyers to know the reasons which have been given for the appointment. I do not think the question of the appointment of a Senator has come up, or that it will come up to-day.

Mr. SMITH of Michigan. This is more than a question of courtesy to the governor of Alabama and one that we ought to consider. The Senate should take no part in the local politics of Alabama.

Mr. BANKHEAD. Will the Senator yield to me for a

Mr. SMITH of Michigan. I would not be willing at this time to consent to the request in its present form. If it is the earnest wish of the Senator from Alabama that this informa-tion should be printed as a public document at the Government expense in order that we may know the views of the chief executive of Alabama, well and good; I am not going to object to it, but it does not strike me that it is desirable or proper at this time

The VICE PRESIDENT. Is there objection to the request

of the Senator from Alabama?

Mr. CUMMINS. Mr. President, I look at it from another point of view than that occupied by the Senator from Michigan. If the Senator from Alabama says to the Senate that the credentials of Mr. Clayron, who has been appointed by the governor, are to be presented to the Senate, then I think we ought to consent to the printing of the argument in the Record or as a public document, because we will all be interested in the conclusion to which an examiner or student must come. But unless he gives the Senate the assurance that the credentials are to be presented, then I would think that this argument ought not to be either made a public document or embodied in the RECORD.

Mr. BANKHEAD. There is not a particle of doubt of the fact that the credentials will be presented to the Senate.

Mr. CUMMINS. With that assurance, Mr. President, I make no objection myself, nor do I think anyone should make an objection to the printing.

Mr. SMOOT. Does the Senator from Alabama ask that it be printed as a public document and also go into the RECORD?

Mr. BANKHEAD. Yes; I ask that it be printed as a public

document, because it will be very much more convenient to Senators to have it on their desks in a form in which they can refer to it at all times.

Mr. SMOOT. That is what I thought. If the Senator will request that it be printed as a public document I have no objection, or if he desires to have it printed in the RECORD let it be printed in the RECORD, but let him state his choice as to one course or the other, and not have it printed in both forms.

Mr. BANKHEAD. I have no objection that it be printed as a public document and that it be omitted from the RECORD. My only purpose was to have the opinions printed as a matter of convenience to Senators, and the document will be more convenient in that form.

The VICE PRESIDENT. The Chair hears no objection, and the opinions will be printed as a public document.

## EXECUTIVE SESSION.

Mr. BACON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After six minutes spent in executive session the doors were reopened, and (at 6 o'clock

and 18 minutes p. m.) the Senate adjourned until to-morrow, Tuesday, August 19, 1913, at 11 o'clock a. m.

### NOMINATIONS.

Executive nominations received by the Senate August 18, 1913. SECRETARY OF LEGATION.

John Van A. MacMurray, of the District of Columbia, now Chief of the Division of Near Eastern Affairs in the Department of State, to be Secretary of the legation of the United States of America at Peking, vice Edward T. Williams.

COMMISSIONER OF IMMIGRATION.

Henry M. White, of Washington, to be commissioner of immigration at the port of Seattle, Wash.

## CONFIRMATIONS.

Executive nominations confirmed by the Senate August 18, 1913. UNITED STATES DISTRICT JUDGE.

William H. Sawtelle to be United States district judge for the district of Arizona.

UNITED STATES ATTORNEY.

William G. Barnhart to be United States attorney for the southern district of West Virginia.

POSTMASTERS.

COLORADO

Joseph W. Beery, Saguache. A. J. Horan, Crested Butte. Henry Clay Monson, jr., Steamboat Springs. Michael F. O'Day, Lafayette.

MICHIGAN.

Frank M. Ennis, Baraga.

NEW MEXICO.

Walter P. Wilkinson, Santa Rita.

NEW YORK.

Anthony J. Beck. St. James. Clarence Fox, Cobleskill.
Charles H. Huntting, Smithtown Branch,
Cornelius T. Seaman, Hewlett.

Frank T. Campbell, Marion. Edwin E. Curran, New Straitsville. Charles C. Fowler, Canfield. Orange V. Fritz, West Alexandria. William B. Meyer, Oxford.

PENNSYLVANIA.

Harry W. Fee, Indiana. Albert H. Fritz, Quarryville. Robert H. Gracey, Glenside. William H. Gruber, Palmerton. C. Steck Hill, Hughesville. John Orth, Marietta.

# SENATE.

## TUESDAY, August 19, 1913.

The Senate met at 11 o'clock a. m. Prayer by the Chaplain, Rev. Forrest J. Prettyman, D. D. The Journal of yesterday's proceedings was read and approved. LABOR CONDITIONS AT PATERSON, N. J.

Mr. JONES. I have a resolution here from citizens of Spokane, Wash., asking for an investigation of the strike conditions at Paterson, N. J., and especially with reference to the imprisonment of Alexander Scott. It is accompanied by a copy of a statement printed in one of the New York papers purporting to give the facts in connection with this matter. I have not offered any resolution in reference to the matter, and I do not intend to do so, but if the statements contained in the article are correct it would seem that the authorities have come very near a violation of the constitutional rights of individuals.

I move that the petition together with the statement be referred to the Committee on Education and Labor, and I ask that committee to look into the matter very carefully to see whether or not any action should be taken by the Senate.

The motion was agreed to.

CALLING OF THE ROLL

Mr. PENROSE. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll. The Secretary called the roll, and the following Senators answered to their names:

Ashurst Bacon Bankhead Brady Brandegee Bristow Bryan Burton Cetron Fall Fletcher Gallinger Gronna Nelson Simmons Smith, Ariz. Smith, Ga. Smith, S. C. Norris O'Gorman Overman Owen Smoot Page Penrose Perkins Pomerene Sterling Johnson Johnson
Jones
Kenyon
Kern
Lane
Lewis
Lippitt
Lodge
McCumber
McLean
Martine, N. J. Stone Sutherland Swanson Thomas Catron Chamberlain Reed Robinson Chilton Clapp Clark, Wyo. Clarke.Ark. Thornton Tillman Vardaman Walsh Saulsbury Shafroth Sheppard Crawford Cummins man Weeks Williams Shields

I wish to state that my colleague [Mr. Brad-Mr. JAMES. LEY] is detained from presence here by reason of illness. He has a pair with the Senator from Indiana [Mr. Kern]. I will allow this announcement to stand for the day.

Mr. SHEPPARD. I wish to state that my colleague [Mr. CULBERSON] is necessarily absent and that he is paired with the Senator from Delaware [Mr. DU PONT]. I will let this announcement stand for the day.

The VICE PRESIDENT. Sixty-four Senators have answered to the roll call. There is a quorum present. The presentation of petitions and memorials is in order.

#### PETITIONS AND MEMORIALS.

Mr. FLETCHER. I have received a letter in the nature of a memorial, signed by sundry wholesale fruit dealers of Florida, remonstrating against the imposition of a duty on bananas. I move that the memorial be referred to the Committee on Finance.

The motion was agreed to.

Mr. PERKINS presented petitions signed by sundry citizens of Los Alamitos, Artesia, Norwalk, Anaheim, Buena Park, Hynes, and Santa Ana, all in the State of California, praying for the adoption of the proposed tariff referendum, which were ordered to lie on the table.

Mr. SMITH of Michigan. I have received a letter from the secretary of the senate of my State transmitting resolution adopted by that body relative to proposed changes in the tariff. I ask that the letter and resolution be printed in the RECORD.

There being no objection, the letter and resolution were ordered to lie on the table and to be printed in the RECORD, as follows:

SENATE OF THE STATE OF MICHIGAN, Lansing, Mich., April 9, 1913.

Hon. WM. Alden Smith, United States Senate, Washington, D. C.

MY DEAR SENATOR: By direction of the senate I hand you herewith copy of the resolution this day adopted by the senate relative to proposed changes in the tariff.

Very respectfully,

DENNIS E. ALWARD.

DENNIS E. ALWARD, Secretary of the Senate,

SENATE OF THE STATE OF MICHIGAN, Lansing, Mich., April 9, 1913.

Mr. Smith offered the following resolution:

Senate resolution 72.

Senate resolution 72.

Whereas there are located and have been in operation in the State of Michigan during recent years 17 beet-sugar factories, which factories represent an investment of about \$12,000,000, and which factories have paid out to the farmers of the State of Michigan during recent years about \$7,000,000 per annum for sugar beets; and Whereas the beet-sugar industry in the State of Michigan employs a large amount of labor, both in raising sugar beets and in manufacturing said beets into sugar, and said industry has resulted in largely increasing the value of the farm lands in the State of Michigan, and any injury to said beet-sugar industry in this State would be a serious blow to the State; and
Whereas the sheep and wool industry in this State is an important one, the number of sheep now owned by the farmers of Michigan being approximately two and one-half millions and their value more than \$10,000,000; and
Whereas both the beet-sugar industry and the sheep and wool industry above mentioned are of great importance to the farmers of the State of Michigan, as well as to other classes of its people, and any reduction of the tariff upon either sugar or wool would be a great blow to both said industries and a great injury not only to the farmers of the State, but also to the laboring classes: Therefore be it

Resolved by the State Senate of the State of Michigan, That the President and the Congress of the United States be, and they are hereby, respectfully requested not to take off or reduce the tariff upon sugar or upon wool, as by so doing they will be striking a heavy blow at the State of Michigan; and be it further

Resolved, That a certified copy of this resolution be mailed by the secretary of the senate to each of our United States Senators, to each of our 13 Representatives in Congress, and to the President of the United States.

I hereby certify that the foregoing resolution was adopted by the senate this 8th day of April, 1913.

DENNIS E. ALWARD, Secretary of the Senate.

Mr. SMITH of Michigan presented a memorial of sundry citizens of Sand Lake, Mich., remonstrating against the enactment of legislation compelling the observance of Sunday as a day of rest in the District of Columbia, which was referred to the Committee on the District of Columbia.

Mr. JOHNSON presented a memorial of Local Union No. 179, Cigarmakers' International Union of America, of Bangor, Me., remonstrating against the importation of cigars free of duty from the Philippine Islands, which was ordered to lie on the table.

#### BILLS AND JOINT RESOLUTION INTRODUCED.

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows

By Mr. NORRIS:

A bill (S. 3006) authorizing the President of the United States to appoint certain persons in the Regular Army and place them upon the retired list; to the Committee on Military Affairs.

By Mr. BURTON: A bill (S. 3007) granting an increase of pension to Thomas Greer; to the Committee on Pensions.

By Mr. SMITH of Michigan:
A bill (S. 3008) granting an increase of pension to Josiah F. Gifford (with accompanying paper); to the Committee on Pensions.

By Mr. JOHNSON: A bill (S. 3009) granting an increase of pension to Charles Burns

A bill (S. 3010) granting an increase of pension to Peter

Prock; and A bill (S. 3011) granting a pension to Mary J. Gooding; to the Committee on Pensions.

By Mr. JOHNSON (for Mr. BURLEIGH):

A bill (S. 3012) granting an increase of pension to Arthur L. Brown; and

A bill (S. 3013) granting a pension to Abbie Brann; to the Committee on Pensions.

By Mr. McLEAN:
A bill (S. 3014) granting an increase of pension to Anna Deforest (with accompanying papers); to the Committee on Pensions.

By Mr. SHIELDS:

Joint resolution (S. J. Res. 65) to amend Senate joint resolution No. 8, approved May 4, 1898, entitled "Joint resolution providing for the adjustment of certain claims of the United States against the State of Tennessee and certain claims against the United States"; to the Committee on Claims.

## IMPORTATIONS IN AMERICAN VESSELS.

Mr. JONES. I submit a resolution and ask for its immediate consideration.

The resolution (S. Res. 165) was read, as follows:

The resolution (S. Res. 165) was read, as follows:

Resolved, That the Secretary of State be directed to transmit to the Senate copies of all protests filed against paragraph J, subdivision 7, of Section IV (V as amended), of H. R. 3321, "An act to reduce tariff duties and to provide revenue for the Government, and for other purposes," together with copies of all correspondence that has passed between this country and any foreign country relating thereto, and copies of any report or reports prepared or made thereon by any officer of the United States; the subject referred to being the provision in the tariff bill providing for a discount of 5 per cent on all duties on goods, wares, and merchandise imported by vessels admitted to registration under the laws of the United States.

The VICE PRESIDENT. The Senator from Washington asks unanimous consent for the present consideration of the resolution.

Mr. KERN. I object.
The VICE PRESIDENT. On objection, the resolution goes

Mr. WILLIAMS. I did not notice whether the resolution contains the words "if not incompatible with the public interest."

Mr. JONES. No; that clause is not in the resolution. I do not think it ought to be.

Mr. WILLIAMS. I think it ought to be in every resolution. It would not do any harm to insert it.

### RAILWAY LAND GRANT IN IOWA.

Mr. CUMMINS submitted the following resolution (S. Res. 166), which was read:

Resolved, That the Secretary of the Interior, the Secretary of War, and the Attorney General be, and they hereby are, requested to furnish to the Senate, as soon as practicable, copies of all letters, maps, and other documents found in their respective departments and not included in Senate Executive Document No. 124, Forty-ninth Congress, second session, in any manner relating to the land grant under act of Congress of May 12, 1864. (13 Stat., 72.)

Mr. CUMMINS. I ask for the present consideration of the resolution.

Mr. WALSH. I should like to ask the Senator from Iowa to

what matter the resolution relates?

Mr. CUMMINS. It calls for a copy of certain maps and other documentary matter connected with a land grant to a railway company in my State.
The VICE PRESIDENT.

Is there objection to the present

consideration of the resolution?

Mr. SIMMONS. I shall not object to it unless it leads to debate. I should like to reserve the right to object; but I do not presume that it will lead to any debate.

Mr. CUMMINS. I can not imagine that it will lead to debate. Mr. SIMMONS. No; I do not suppose it will. The resolution was considered by unanimous consent and

agreed to.

FEES OF CLERKS OF DISTRICT AND CIRCUIT COURTS.

Mr. CHAMBERLAIN. Some days ago I introduced a resolution authorizing the appointment of a committee of five Senators to examine into the question as to the fees and compensations paid to clerks of the district and circuit courts of the United States, and it was referred to the Committee to Audit and Control the Contingent Expenses of the Senate. That committee reported the resolution back without amendment and with the recommendation that it be referred to the Judiciary Committee. It is on the calendar, however, and I request that the resolution be taken from the calendar and referred to the Judiciary Committee.

The VICE PRESIDENT. The Senator from Oregon asks that Senate resolution 155 be taken from the calendar and referred to the Committee on the Judiciary. Is there objection? The Chair hears none, and that action will be taken.

#### CONDITIONS IN MEXICO.

The VICE PRESIDENT. Resolutions coming over from a

previous day the Chair lays before the Senate.

Mr. PENROSE. I ask to have both resolutions I submitted go over for a day. I stated when I introduced them that I would probably want three or four days to have matters de-

The VICE PRESIDENT. The resolutions will go over. The Senator from Washington [Mr. Poindexter] has a resolution coming over.

Mr. GALLINGER. I ask consent-

Mr. JONES. My colleague [Mr. Poindexter] is not present, and therefore I will ask to have the resolution go over.

The VICE PRESIDENT. It will go over. The morning business is closed.

# THE TARIFF.

Mr. SIMMONS. I ask unanimous consent that the Senate proceed with the consideration of House bill 3321.

There being no objection, the Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 3321) to reduce tariff duties and to provide revenue for the Government,

and for other purposes

Mr. LIPPITT. Mr. President, a little out of the regular routine I wish to call attention to some questions of language that are used in the textile schedule. I presume those textile schedules will be before the Senate within a few days, and I want to bring the matter up at this time, so that the gentlemen who have particular charge of the schedules can give the matter a little consideration.

In all those four schedules—cotton, wool, flax, and silk—the products interlock and overlap each other, because sometimes they are composed wholly of one material and sometimes composed in part of many of them, and sometimes of all of them. The usual provision is that the duty shall follow the material which has the greatest cost in the product, but the language which is used to describe that situation in this bill is so varied that it seems to me it opens a very dangerous situation and one that is almost contain to lead to litigation. that is almost certain to lead to litigation.

In the present law-the Payne-Aldrich law-the language which is used is that in a fabric composed of cotton, or of which cotton is the component material of chief value, the product follows the cotton schedule; and where it is composed of silk, or of which silk is the component material of chief value, it follows the silk schedule. That language is uniformly used—I think without a variation—through all the provisions of the cotton, flax, and wool schedules. But in this bill that language is sometimes used, sometimes they have used the expression composed wholly or in chief value of cotton, some-times they have used the expression made of cotton or of which cotton is a component material of chief value, sometimes they

have used the expression made wholly or in chief value of cotton, sometimes they have used the expression made wholly, and sometimes they have used the expression made in whole or in part. In all there are six different forms of language in the textile schedules as they are now proposed that are used for the purpose, I presume, of conveying exactly the same idea.

The natural inference of anyone studying the bill is that when different language is used a different idea is sought to be conveyed, and I think it is very bad practice to use entirely different forms of expression in this way where I suppose there is no question about the fact that the meaning meant to be conveyed is always the same. These schedules are going to be subjected to the most exacting and careful scrutiny by some of the most skillful customhouse lawyers in the world the instant they are put into practice. Every word and every punctuation point will be studied for the purpose of seeing if the meaning can not be twisted in some way. I want to call the attention of Sena-tors on the other side who have these particular schedules under consideration, and to ask them if they will not give that matter their attention, for the purpose of seeing whether it should be corrected before the bill becomes a law?

The other day, in the course of some remarks, I spoke about the method by which the language of previous tariff laws had been twisted, and I referred to fabrics that were largely colored which, by the ingenuity of customhouse lawyers, have been classified as white goods. I have a sample to show exactly to what I refer, and I use it now simply to show the ingenuity with which it is possible for technical language to be twisted from its proper meaning. Certainly nobody would suppose that a fabric like that [exhibiting] could be classified as white goods. Nevertheless in the course of the litigation over the Dingley law that was what occurred. I am sure that if these varied expressions, two of which are sometimes used in the same paragraph in following sentences, the inference being natural that there must be some different purpose meant by the use of different language—I say, that if those are allowed to continue it merely gives an opening for litigation that I am sure neither side of the Chamber would care to have inaugurated.

Mr. WALSH. Mr. President, on yesterday I promised to have read from the desk to-day some letters which it seemed to me might throw some light upon the question as to why there were not more sugar-beet factories built in my State and in the State of the Senator from South Dakota [Mr. Sterling]. I now send those letters to the desk and ask that they may be read.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Secretary will read as requested. The Secretary read as follows:

THE GREAT WESTERN SUGAR Co., Denver, Colo., June 8, 1996.

Mr. H. O. HAVEMEYER, New York. Mr. H. O. HAVEMEYER, New York.

Dear Sir: The inclosed letter from Mr. Boettcher explains itself. Would like to know if you see any way to check this kind of competition. I sometimes think it is a mistake not listing our stock and offering it for sale; if people want to buy common stock we ought to give them a chance to come in. This is simply a suggestion. We are doing everything we can to discourage the building of any more factories until the matter of tariff legislation is more settled than it is at present. We are using that as a basis of argument against the building of any more factories.

Promoters like the Garden City and the Sheridan people are claiming that trusts have made great profits out of the business and in that way selling their stock.

Respectfully, yours,

C. S. Morey.

THE GREAT WESTERN SUGAR CO.,

Denver, Colo., June 27, 1996.

My Dear Mr. Morey: I had an interview to-day with the Colorado Springs people in reference to their contemplated factory to be built at Sheridan, Wyo.

Sheridan is situated on the Burlington route, a distance of 140 miles from Billings. If this factory is built, of course they will come in direct competition with our local points of the Billings factory. I was in hopes that I would be able to have these Colorado Springs people take an interest in our Billings factory and keep them from building this contemplated plant, but I fear I will not be able to do anything with them, as they tell me they have sold their common stock of the Garden City plant, which they are now building, at \$50 per share and upward. They frankly admit that this common stock is all water and does not represent anything—that is the way they are making their money. They feel they can do the same thing in Sheridan, and claim they have a ready sale for their common stock. Most of their stock is sold. They also expect to make a large profit on land they have purchased, and expect to build a number of ditches and sell out the land at a large profit.

chased, and expect to build a number of ditches and sell out the land at a large profit.

There is nothing I can say to them that would be attractive enough for them to discontinue their building the Sheridan factory, and I fear they will build a plant to be ready for the crop of 1907. The promoters of the scheme put in very little money of their own, as they seem to have the faculty of having their people put up the money, and they are getting the benefit of the common stock for themselves.

I understand Mr. McKinnle is going to Sheridan latter part of next week, and as I expect to go to Billings about the 5th of next month will stop off at Sheridan and look over the territory, and if there is

anything more I can do with these people to keep them from building a factory I will do so, although I have very little hopes.

I am just calling your attention to these items so you will know they raise the money for their new factories.

Very truly, yours, C. BOETTCHER.

Mr. C. S. Morey, Denver, Colo.

FEBRUARY 27, 1905.

Mr. T. R. CUTLER, Salt Lake City, Utah.

Salt Lake City, Utah.

Dhar Sir: Referring to yours of February 21, bearing upon Boutelle and his projects, I wired you to buy a tract of land in any town where Boutelle or his crowd buys one with a view and determination of building a competing factory. Boutelle is a very unreliable man; he represents a very unreliable crowd, and he is in it for the commission which the promotion gives him. He can be very easily knocked out.

If any territory about us is suitable and ready for a factory, we should be on the alert and provide it, and if you find any company having bought a tract of land in view of building a factory, do not hesitate to buy a tract in the same place and let the people understand that we are in earnest.

You should have an active man following him and his crowd up. Outside of the promotion feature they have no interest whatever, and so many of their enterprises have proved unsuccessful that it would be an advantage to the community to knock them out.

Yours, truly,

H. O. Havemeyer.

H. O. HAVEMEYER.

THE BILLINGS SUGAR Co., Denver, Colo., August 27, 1906.

Mr. C. S. MOREY, Harbor Springs, Mich.

Mr. C. S. Morey, Harbor Springs, Mich.

Dear Sir: * * * I tried to arrange with Mr. Cutler to have him agree to stay out of Montana points and we will stay out of Idaho, but he seems to think there are so few places in Idaho that we can reach that he would not agree to that, but they have agreed to stay out of places where our rate is less than theirs. I have also called on Mr. Eccles in reference to his building a factory in Bozeman. Mr. Eccles, however, did not return to meet my appointment, but I met Mr. Rolapp, and we talked the matter over, and they seem to calculate to build a factory at Bozeman. I explained our side of the case very fully, stating that everything was very high in Montana, that labor was exceptionally high, and if we had to make sugar at the Montana points to be shipped to Missouri River it certainly would be a losing scheme, as it would cost considerably more to make sugar in Montana than it would in Utah or Colorado, and our factory was large enough to supply all the local territory. He seemed to realize that fact and made a statement that they had not looked at it in that light and it was a new point to be brought up, and agreed that as soon as Mr. Eccles returned he would do any work.

ne would take it up with him and would probably see us before they would do any work.

Now, it seems to me foolish for our people in New York to agree to take a half interest with Mr. Eccles and come into direct competition with the Billings factory. Our people in New York should take the stand, and stay with it, not to put a dollar into these factories, and I feel satisfied that Mr. Eccles will not build this factory if our New York people take that stand.

Yery truly, yours,

C. Boettcher, President.

SALT LAKE CITY, April 11, 1905.

SALT LAKE CITY, April 11, 1965.

H. O. Havemeyer, Esq.,
117 Wall Street, New York, N. Y.

Dear Sir: * * Referring now to the question of western Idaho. I informed you that Boutelle and Hoover had been operating in the vicinity of Payette, and it was with extreme difficulty I was able to overcome their operations. After they decided to move their operations they went on to the vicinity of Nampa and tried to get in there, but I had forestalled them. There were also other parties operating in that field, and I have been working for the last 30 days to get these matters adjusted so that we could control the situation, because these people were effering \$5 for beets, and it would have upset our entire Idaho operations.

Yours, very truly,

Thomas R. Cutler,
General Manager.

THOMAS R. CUTLER, General Manager.

Mr. WALSH. Mr. President, I should say in explanation of these letters that they were introduced in evidence in the pending suit brought by the Government against the American Sugar

Refining Co. to adjudge it to be a trust.

The distinguished Senator from Kansas [Mr. Bristow] on yesterday addressed a question to me, but did not permit me to I desire to say this morning that I was not unaware of the fact to which he invited our attention-the difference between the European price and the New York price of sugar. I express my very great gratification at the view expressed by so good an authority as the Senator from Kansas that the price of sugar will be reduced only 60 cents a hundred pounds by the removal of the duty, because if our manufactory in Montana suffers no greater detriment or loss-in other words, if the price is not reduced more than that amount-it will be so much easier for it to meet the conditions which are about to confront us

Mr. SMOOT obtained the floor. Mr. BRISTOW. Mr. President, if the Senator from Utah will pardon me a moment, I wish to say that I am very glad, indeed, that the Senator from Montana has had incorporated into the Record the letters which have been read at the desk. They show very conclusively the efforts which the Sugar Refining Trust made to prevent the development of the beet-sugar industry; and the development of that industry in the face of this determined opposition on the part of Havemeyer and the trust shows that they failed in their efforts in attempting to control the beet-sugar production. Now, they have taken the other tack and are undertaking to destroy it by free sugar in lampton, Mass., in 1838, but due to lack of technical knowledge

stead of by undertaking to prevent the establishment of beet-sugar factories and controlling those already established.

Will the Senator from Utah yield to me for a Mr. REED.

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Missouri?

Mr. SMOOT. Certainly.

Mr. REED. Mr. President, I hardly think the statement made by the Senator from Kansas [Mr. Bristow] should go unchallenged in view of the fact that all the evidence thus far produced tends strongly to show that the so-called Sugar Trust and their allies exercise practically a control over the beet-sugar factories of this country to-day or, at least, a majority of them; so that if they are engaged in destroying the beet-sugar factories they are engaged in destroying a business in which they have a heavy financial interest. I do not say they hold a controlling interest in all, but the evidence very recently taken shows that they have a very large interest, if not a controlling interest, in a great number of them.

Mr. BRISTOW. The Senator unfortunately was engaged yesterday on other matters and was not present during the debate when I submitted a list of the factories in which the trust has an interest and the extent of the interest of the trust in each factory. That is to be found on page 3865 of the RECORD. I will advise the Senator that the trust does not now own anything like a majority of the stock in a majority of the factories; indeed, its percentage of stock in the beet-sugar factories to-day is very much less than it was at the time the effort was being made concerning which the Senator from Montana

has introduced letters this morning.

Mr. REED. I think the Senator is in part in error in his statement. There has been some juggling of this stock—a very suspicious juggling, so far as the evidence taken by the committee of which I happen to be a member is concerned—and it looks very much to me as though the stock was being handled by straw men, and that the controlling interest, or something near a controlling interest, does still exist in the trust. I think I can demonstrate that as to a large number of these factories; but I am not going to trespass further on the courtesy of the Senator from Utah at this time. If, however, that is to be an issue, I shall have something to say on it in the future.

Mr. BRISTOW. Of course I do not care to go into the arguments which I made yesterday and repeat them; but I think that it, was demonstrated yesterday that the beet-sugar production in this country was not controlled by the trust, and that the beet-sugar producer is the only competitor which the trust has in this market. I believe that has been demonstrated

beyond question.

Mr. WALSH. Mr. President-

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Montana?

Mr. SMOOT. Does the Senator from Montana want to make

any extended remarks?

Mr. WALSH. I merely desire to make a correction; that is all. Simply in the interest of accuracy, Mr. President, in view of the statement made by the Senator from Kansas, I think it due to the Senate to say, so that it may not be misled about the matter at all, that the Mr. Morey who writes and is written to in this matter is the president of the Great Western Sugar Co. One-third of the stock of that company is owned by the American Sugar Refining Co., as suggested by the Senator; one-third by the Havemeyer family, and the remaining third by other individuals represented by Mr. Morey. It appears that he was in conjunction with the American Sugar Refining Co. in the effort. The Mr. Eccles referred to in one of the letters was connected with the Utah Sugar Co., and I think was the president of that organization. He died a short time ago.

Mr. BRISTOW. If the Senator from Utah will pardon me again, the data which I submitted yesterday show that the trust owned 26 per cent of the common stock and 38 per cent of the preferred stock of the Great Western Sugar Co., of Colorado.

THE WILSON-UNDERWOOD BILL AND THE AMERICAN SUGAR INDUSTRY. Mr. SMOOT. Mr. President, in discussing the subject of the tariff on sugar and the effect which the removal of the duty on that commodity will have on the domestic sugar industry, it is essential to revert to the early history of and the vicissitudes through which the industry passed for several decades after its inception in this country. But this phase of the subject has been so ably presented upon the floor of this Chamber and elsewhere that I will not take the time of the Senate except to refer briefly to the first unsuccessful attempts to establish the industry in the United States.

The first beet-sugar factory in this country which succeeded in producing a small quantity of sugar was erected at North-

in both field and factory the plant operated but one season. At about this time the world production of beet sugar was 36,408 tons, of which France produced 25,000 tons and Germany 1,408 tons. Both in France and Germany, but more especially in the latter country, economists had begun to realize the direct and indirect value of the beet-sugar industry in increasing the national wealth, and these Governments gave every aid and assistance possible to encourage the expansion of the industry. From this meager beginning the production of these two countries gradually has increased until in the past year Germany produced 2.728,000 short tons of sugar and France 966,000 tons. If the same encouragement by the Government had been given to the industry in the United States that was given to it in Germany, instead of the early pioneers becoming discouraged and the expansion of the industry being allowed to lapse for decades, we long ago would have been producing all the sugar we consume, thereby saving the hundreds of millions of dollars which we have sent abroad for our sugar requirements, and in those sections of the country adapted to sugar-beet culture would be producing two bushels of cereal crops where we now produce but one.

The next attempt to establish the beet-sugar industry in this country forms what we believe to be an important economic event in the history of Utah, the State which I have the honor

in part to represent.

In 1852 Hon. John Taylor, one of the pioneer leaders in the attempt to establish a self-sustaining community in the untrodden wilderness west of the Rockies, far beyond the farthest outposts to which population had then penetrated, conceived the idea of introducing the culture of sugar beets and the manufacture of beet sugar. Established in France under the guidance of the great Napoleon the industry had proved its worth, both through its direct economic return and through the increase which it brought about in the yield of other crops. To France, therefore, an order was sent for the machinery necessary to equip a beet-sugar factory. It was shipped by a sailing vessel to New Orleans, there transferred to a river boat and carried the Mississippi and the Missouri to Fort Leavenworth. Thence it was hauled by ox teams across the plains and mountains a thousand miles farther, and finally it was set up in Salt Lake City in a building which still stands—an object of historic interest.

But while those early pioneers had the courage and the indomitable spirit to overcome the obstacles of distance and lack of transportation in bringing the equipment for their factory 7,000 miles, they lacked the knowledge and experience necessary to the successful conduct of this industry. They knew nothing of the proper methods of growing beets or of manu-racturing sugar. The factory could produce nothing but sirup, being unable to crystallize the juice, and so the attempt was soon abandoned. It passed into history as the third serious effort to establish the industry of sugar making from beets in the United States. Aside from its historic bearing it is of little present importance and I mention it here merely to call attention to the conditions of hardship, danger, and loss under which early attempts were made to establish this so-called "hothouse" industry which it is now proposed ruthlessly to destroy. I mention it also to call attention to the fact that the State which I have the honor to represent was one of the pioneers in the attempt to introduce an industry in the finally successful establishment and expansion of which she since has played a leading part, and which, if permitted to continue at the rapid growth which it has enjoyed for the past few years, would confer the greatest blessings upon the people of the whole United States.

Subsequently several unsuccessful attempts were made to establish the industry in Illinois, Wisconsin, New Jersey, and Maine, and it was not until 1879 that success was wrested from failure by Mr. E. H. Dyer, who erected a small plant at Alvarado, Cal., in that year. This factory since has been enlarged from time to time and is still in operation. American energy and perseverance now began to assert themselves, and from 1879 to 1891 five additional small but successful factories were

erected.

In 1890, with the adoption of the McKinley tariff bill, an effort was made to give direct support and encouragement to the production of sugar in the United States by the payment of a bounty of 2 cents a pound. This system has been employed with great success by European countries in the building up of the beet-sugar industry, which had added millions of dollars yearly to their farm wealth. It had been used by France, the early home of sugar-beet culture, by Germany, which had adopted and improved upon the French system, by Austria-Hungary, and by the smaller countries of northern Europe. An indirect bounty system is to-day in force in Russia, which has

been increasing its production at a very rapid rate and promises ultimately to become the greatest producer of beet sugar in the world.

With the example of these foreign nations before us, it was felt that the bounty system would lead to a more rapid development of this valuable industry in the United States than could

be achieved in any other way.

There was another reason for the adoption of the bounty system for the upbuilding of the industry rather than to attempt to rely upon the encouragement of a protective tariff on foreign importations. As the result of a long period during which the Republican Party had been in control, the Nation had emerged from the financial difficulties of Civil War days into a period of the greatest prosperity it had ever experienced up to that time. With economy in administration and with careful management of the revenues the Federal Government had accumulated a surplus, the disposition of which became one of the pressing questions of the day. With no need of the revenue that would be yielded by a duty on importations of sugar, the bounty plan was particularly attractive. I believe that it was a Republican Member of Congress—Hon. J. H. Gear of Iowa—who first suggested the bounty plan as the best solution of the problem presented by a growing surplus in the Treasury and a desire, which in that unenlightened age was considered commendable either in a Democrat or a Republican, to build up the domestic sugar industry. At any rate, the bounty plan was adopted. It provided for the payment of 2 cents directly from the Federal Treasury for every pound of sugar grown in the United States. In addition, certain States of the Union added a bounty of their own. I am proud to be able to say that my own State of Utah was again in the forefront of the effort to build up this great industry and placed a State bounty of a cent a pound on all beet sugar produced within its borders.

The enterprise and energy of Utah citizens responded to this appeal, and in 1891 a company was organized and started the manufacture of sugar from beets at Lehi, Utah. This factory, enlarged, improved, and greatly extended, is still in operation, and is one of the oldest factories in the United States that has

been continuously in operation.

The early years of the industry in Utah, as in other States, were years of desperate struggle to keep alive. Many times it seemed inevitable that the attempt must end in disastrous fail-The Federal bounty, pronounced unconstitutional, was cut off in two years. A period of Democratic administration, disaster, and panic followed. On every hand the industries of the country—industries that had been long established and had enjoyed a flourishing course for years, as well as these of more recent origin—were plunged into bankruptcy or existed under a pall of stagnation and loss. The rich Treasury surplus was no longer a source of embarrassment. It had disappeared soon after the Democratic Party came into power, and the Government was forced to the expedient of borrowing to meet its ordinary obligations. With such conditions prevailing throughout the country, it would seem that there could be slight hope for the struggling sugar industry. As a matter of fact, little impetus was given to the domestic sugar industry by the legislation of 1890; or, perhaps, it would be more accurate to say that it remained in effect for too short a time to yield any appreciable results. In spite of all discouragements, however, and in face of a long period of continuous and disheartening losses the pioneers of the industry in Utah continued their efforts. No chapter in the whole glorious record of American industrial achievement presents a brighter record of persistence in the face of almost overwhelming discouragements than does the early his-

tory of the beet-sugar industry in the Western States.

Thus down to 1897 the total net results of the attempt to establish the beet-sugar industry in the United States had been the erection of six small factories, each of which was making a desperate struggle for existence and was doomed apparently to early extinction. In that year the Republican Party, which had been definitely commissioned at the preceding election with the task of restoring prosperity to the calamity-ridden Nation, applied the policy of protection to the domestic sugar industry. The tariff rate placed on imported raw sugar was one calculated to yield a large amount of revenue and at the same time it fully equalized the difference between the rate of wages paid in the United States and in the beet-growing countries of Europe. It enabled the manufacturers of beet sugar to pay to American farmers a price for their beets sufficient to make the cultivation of the crop attractive and to pay to the labor employed in the fields and factories the rate of wages demanded by American standards of living. Those who entered upon the new business still had to face the hazards inseparable from the inception of a new industry. They had to learn efficient methods of operation. They had to teach the farmers how to

grow beets successfully and to show them the manifold advantages of the crop. Technical men, sufficiently trained in the management of the complex machinery, were not available in this country, and while foreign experts at first were employed, they were unable to adapt themselves to existing conditions, and difficulties in the management of the business were manifold. The business was an unusually hazardous one, but the assurance was held out to those who embarked upon it that if they persisted, if they followed a progressive course and brought it to the high plane of efficiency characteristic of American industry, that they would be enabled to place it upon a permanent basis of reasonable prosperity, subject to the competition of others working and producing under like conditions. That is all the assurance the leaders of American business enterprise ever have asked, and it was sufficient for the men who were struggling to establish this important addition to the agencies of our national prosperity. The record of growth and development recorded by the beet-sugar industry since that time is one to The record of growth and development challenge admiration.

The 6 struggling factories of 1897 have increased to 73, some among the largest in the world, others of more modest dimensions, but all important factors in promoting the business activities and the prosperity of important sections of the country. The output of sugar has advanced from 36,000 tons in 1898 to 700,000 tons in 1912, an increase of over 1,800 per cent. The culture of sugar beets has spread from a few localities in three States until it reaches out over 17 States, ranging all the way from Ohio to the Pacific coast. The number of farmers engaged in beet growing has increased from a few hundred to 60,000 to the pacific coast. or more and the number of workers engaged in various branches

of the industry to 150,000.

Mr. GALLINGER. Mr. President—
The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from New Hampshire?

Mr. SMOOT. I do.

Mr. GALLINGER. I was interested in the Senator's statement as to the enormous increase in the production of beet sugar in this country during the last 10 years, I believe. I will ask the Senator if it has been practically a progressive increase?

Mr. SMOOT. With one or two exceptions, Mr. President, which I will call attention to later in my remarks.

Mr. GALLINGER. But practically it has increased from year

Mr. SMOOT. From year to year, with exceptions noted.

Yet we are told that the beet-sugar industry has not made good; that it has enjoyed years of protection; that it has had its chance and, since it is not yet able to meet the competition of all the world, that it must be extirpated as a "hothouse" product and a failure. I maintain that in all industrial history, whether it be the history of the United States or of any other nation, you will find few industries that have made such rapid progress as this, that have so well repaid the extension of a measure of public encouragement, or that have given such clear proof as has the beet-sugar industry that, with a continuation of such attention and encouragement over a reasonable period, it would repay to the American people a thousandfold of all that it had received from them. What other industry can you name, one-half so difficult and complex of mastery as this, that in so brief a period of time has spread over a territory comprising nearly two-thirds of the agricultural area of the United States or that has multiplied its output at a pace anywhere approaching this same "hothouse" industry?

This record of growth is all the more remarkable when we consider that it has been made in the face of almost constant tariff agitation and of repeated reduction in the extent of protection accorded it. While it is true that only once before in the 16 years since 1897 has there been a general overhauling and reduction of tariff rates, it also is true that, so far as sugar is concerned, there have been successive material reductions. There has not been a year, there has been scarcely a moment, in all that period when the beet-sugar industry of the United States has not had to face either a reduction in the degree of protection accorded it or, what is equally or even more demoralizing, the constant agitation for tariff revision or reduction in

one form or another.

First of all, there was the Spanish-American War. came in 1898, the very first year after the definite application of the policy of protection to the beet-sugar industry of this country. It added new and important sugar-producing areas to the territory of the United States-Porto Rico and the Philipand for a time it seemed likely that Cuba, with its great possibilities for the production of sugar cane, might also become a permanent addition to our territory. In that same year another sugar-producing territory was added to this country by the annexation of Hawaii. While that act made no immediate

change in the conditions confronting the sugar producers of the continental portion of the United States, since Hawaiian sugar previously had been coming in duty free, it did make it certain that henceforth Hawaii was to be an integral part of our Nation, and that whatever policy of encouragement or devasta-tion was adopted by the dominant political party would be shared by the continental beet grower and the Hawaiian cane grower alike. Thus, in a single year there was added to the area

of the country these three insular territories.

The following table shows the imports of sugar into the United States from these three islands for the fiscal years 1898 and 1912, together with the percentage of increase during that

	. 1898	1912	Increase.
Hawaii Porto Rico Philippine Islands	Short tons. 249, 884 29, 226 14, 744	Short tons. 602, 732 367, 144 217, 785	

Next came the agitation for Cuban reciprocity. It began almost as soon as we had struck the shackles of Spanish dominion from our island neighbor, and it continued until the final adoption of the reciprocity act in 1904. The American people, so far as they took any interest in the matter, were for Cuban reciprocity because their hearts were full of kindness for the people of Cuba, whom we had set free and started on a career as an independent nation. They wanted to see Cuba succeed and prosper, and they were willing that out of the abundance of our strength we should aid their weakness. But the force that kept alive the agitation for Cuban reciprocity, that supplied the funds to keep it going and made possible the activities of societies with fine-sounding titles to fight for it was sugar; that is to say, it was the determination of the great seaboard refiners to secure an advantage in obtaining their supplies of raw sugar. to acquire a permanent differential against foreign competition. and to arm themselves with a new and powerful weapon with which to combat the growing beet-sugar industry of the United States, an industry which even then they had begun to see contained possibilities of seriously interfering with their future control of the sugar supply of the American people. told before a committee of this Senate within the past few weeks-I know not how true the charge is-that the Sugar. Trust in a single year spent \$750,000 to further the cause of Cuban reciprocity. Whatever the amount may have been, the adoption of Cuban reciprocity has been worth many millions of dollars to the big refiners, by making it possible for them to bring in the greater part of their raw material at less than the full rate of duty imposed by the Dingley law and by helping to hold back the growth of the beet-sugar in-That it had this effect may be clearly seen by the fact that in 1903, the year before Cuban reciprocity, the number of new beet-sugar factories projected in the United States was 94 and that in 1904 this number had fallen to 50, while the number of factories actually in operation had decreased by

The enactment of the Cuban reciprocity act, providing a reduction of 20 per cent of the full tariff rate on all sugar imported from Cuba, made it inevitable that that island would in time supply all the sugar required by the American people, aside from that of domestic production. It amounted, therefore, to a permanent reduction of the rate on 96° sugar from 1.685 cents a pound, the rate prescribed by the Dingley Act, to 1.348, a cut of roundly a third of a cent a pound in the rate of protection accorded to the domestic sugar producer. And it is to be noted that the condition of affairs which I have just said was made inevitable by the adoption of Cuban reciprocity actually has come into existence and that during the present year the sugar output of Cuba, added to that of the American producers, not only has equaled but actually has exceeded by half a million tons the total requirements of the American people.

With the protection which we have extended to Cuba the sugar production of the island has increased already to the point where it supplies the entire demand of the American market, aside from that portion of it supplied by the domestic sugar grower. The struggle between Cuba and the American grower of beet and cane for the control of that particles demand now supplied from our own soll is just beginning. Its effect on the producer can not be predicted with certainty. Its effect on the consumer, however, is not open to question. With the sugar schedule left as it stands to-day the struggle between these two contending forces is certain to keep the price of sugar to the consumer at the low level where it is to-day or to send it still lower. The fierce competition that will be waged between

the American sugar producer on the one side and the Cuban planter who reaches the American market through the great seaboard refiners is certain to provide cheap sugar for the

American people.

In any event Cuban reciprocity has served to thwart the growth of the domestic industry and has checked the building of many new beet-sugar factories in this country. Certainly this year has demonstrated the present rate is a competitive rate and that, we are told, is the goal of this proposed tariff legislation. Certainly the wise, the businesslike, and statesmanlike course to follow would be not to make too radical a change until we see the result of competition under it which is now reaching an acute stage.

Following the adoption of Cuban reciprocity by less than three years—in 1906—came the second American occupation of Cuba as the result of internal strife in the island. That action resulted in a well-grounded fear, which in some quarters became a strongly urged desire, that Cuba might become an American territory. Happily the exercise of firmness and tolerance made such a result unnecessary, but the possibility of it was sufficient to check again the expansion of the beet-sugar industry.

Two years later the national campaign of 1908 was waged with the tariff as the chief issue and in 1909 followed the actual revision of the tariff. The reduction made in the tariff rate on sugar was slight and in no way injured the domestic industry, but the uncertainty of that period as to the actual course that would be followed was sufficient to apply another brake to its development. As everyone knows the past three years have been years of constant agitation over the tariff, an agitation that is about to be crowned by the final act of destruction, if this bill which we are now discussing is adopted, if reason and conviction among the men who sit on the other side of this Chamber fail to rise superior to the command of a party caucus.

Thus, as I have said, throughout the entire period since 1897 the beet-sugar industry of the United States has been menaced by the prospect or the actual application of a reduction in the tariff duty upon sugar. That it has been able, in spite of this handicap, to spread from the shores of the Pacific to the slopes of the Alleghenies to multiply its production twentyfold is a record that challenges the admiration of the world, and that affords the most complete vindication of the policy and efforts of those who placed the present protective sugar tariff upon the statute books and of those who, in the face of repeated failures and discouragements, have helped to bring the industry to its

present stage of development.

The American people believe in this industry. They want to see it enabled to grow and develop until every pound of sugar consumed in the United States is grown from American soil. The American people have no especial fondness for the big sugar refiners nor have the refiners ever shown that they deserved any marks of particular favor from the public. great body of American citizens are not anxious to advance the interests and to enrich the pockets of the Sugar buckles, and Spreckels, or to do the bidding of Spreckels's man Friday, even though the leaders of the Democracy are ready to give ear to their claims and to follow their counsel, while the honest men who have the interests of the industry and of the people as a whole at heart are denied a hearing, and the attempt is made to hold them up to obloquy and scorn. do not expect that this warning will be heeded to-day, but the time will surely come when you Democratic Senators will realize its soundness and when you will regret in bitterness of spirit that you ever permitted yourselves to be bound to the chariot wheels of the great refiners.

I believe in the principle of protection to American industry. Under its benign application the United States has grown to greatness and prosperity as has no other nation in a similar space of time. Our wealth and progress, the high standards of living of our people—of those who labor with their hands no less than those who direct the labor of others—have become at once the marvel and the envy of the world. I believe, and I say unhesitatingly and without fear of successful contradiction, that in the whole range of tariff legislation, in the whole field of American industry, no better demonstration of the working out of the theory of the protective tariff can be found, no more complete vindication of the soundness of that theory can be asked than is afforded by the course of the domestic sugar industry during the past 15 years. That theory holds, if I understand it correctly, and I think that I do, that in the beginning, when protection is extended to a new industry the full amount of the duty imposed will be added to the price of the protected product. The people of the whole country—all of those, at least, who use the particular commodity in question—will pay something for the upbuilding of the new industry. The individual

contribution is a negligible amount. It is unfelt. But in the aggregate it provides the stimulus necessary to induce hundreds, perhaps thousands, perhaps tens of thousands, of producers to embark upon a new field of business that otherwise never could have been opened to them. As time goes on the industry expands; the number of domestic producers is multiplied; competition begins to be felt among them; it becomes more and more keen; under its influence prices come down; and at length we have a situation where we are wholly independent of the outside world and where prices are at the same level as though no customs duty had ever been levied or as near to that level as American standards of wages and American standards of living will permit.

So it has been with the domestic sugar industry of the United States. In the early part of the period to which I have referred the placing of a duty upon foreign-grown sugar undoubtedly operated to increase somewhat the price of sugar to the American consumer by almost the full amount of duty. The domestic producer of sugar then gauged his price-or, rather, the price was gauged for him—by the world price of sugar plus the dury, plus the charge for refining, plus transportation. The domestic plus the charge for refining, plus transportation. producer simply had to cut below this price sufficiently to get his product into any particular market that he might be seek-His profit was measured by the extent to which he could reduce his cost of production and selling below the figure thus established. This was the first stage of development. In that stage the cost of domestic production was higher than it is today, much higher than it will become in the future if the industry is permitted to continue its natural and orderly course of development. It was higher because the beet-growing farmers had not gained the experience necessary to the production of a high grade of beets and because the managers and employees of the sugar factories had not gained the practical skill necessary to securing the highest possible extraction of sugar from the beets. In the establishment of any industry in a new field new and special problems arise and the solution of these problems is a matter of time, expense, and effort. Even with a relatively high selling price, therefore, most of the beet-sugar factories made little or no money in these earlier years. Many of them were complete failures and the capital invested was a total loss.

Next we come to the second stage contemplated in the development of a domestic industry under a protective tariff-the stage of expansion and the building up of domestic competition. How did this work out in the case of the American production of sugar under the protective tariff? We are told as part of the attempt to justify the removal of the duty at this time that the American sugar industry has not grown; that it never could supply the amount of sugar required by the American people. Let us see about that. I have referred heretofore to the marvelous growth of the beet-sugar industry, but we must bear in mind that there also was the cane industry in Louisiana, Hawaii, and in Porto Rico likewise enjoying the stimulative influence of the protective policy. There was also the Cuban industry, which for the past nine years also has received the benefit of the same stimulus to the extent of enjoying a preferential entry into our market for her sugar equivalent to a protection of a third of a cent a pound against the rest of the world. Let us see whether the production of sugar has grown or not in these various sections during this period. I quote herewith the production for each of these Territories in 1903-4 and also in 1912-13. The figures are given in long tons:

	1903-4	1912-13
American beet-sugar territory Hawaii Louisiana and Texas Porto Rico. Philippines Cuba	Long tons, 208, 135 328, 103 215, 000 130, 000 84, 000 1, 040, 228	624,000
Total protected and partly protected sugar.  Total consumption of the United States.	2,005,466 2,767,162	4, 162, 000 3, 504, 182

Note.—It should be noted that the Louisiana crop was far below normal in 1912-13 on account of extensive flood damage in the State, The average production of Louisiana and Texas may be placed at 323,581 tons.

It thus will be seen that the production of sugar in purely American territory increased from 965,000 tons in 1903-4 to 1,787,000 tons in 1912-13 and this in spite of the destruction of a large part of the Louisiana crop in the latter year. In the same period the Cuban output advanced from slightly over 1,000,000 to more than 2,000,000 tons. Thus in each case there has been an increase of roundly 100 per cent.

Mr. SUTHERLAND. Mr. President-

The VICE PRESIDENT. Does the Senator from Utah yield to his colleague?

Mr. SUTHERLAND. My colleague has, I think, shown by the figures that the Cuban production of sugar has more than doubled since 1904.

Mr. SMOOT. In the nine years.

Mr. SUTHERLAND. That has been under the stimulation afforded by a reduction of the duty by 20 per cent. My colleague is familiar with the conditions in Cuba, and I ask him to state what he thinks will be the effect upon the production of sugar in Cuba of taking the duty entirely off—whether or not the production will not be vastly increased?

Mr. SMOOT. Mr. President, it is my opinion that the production of sugar in Cuba will greatly increase, although I must frankly state that I believe that the best sugar lands in Cuba are now being cultivated; but if domestic production in the United States were entirely eliminated, with this market right at Cuba's door, there is no question that its production of sugar would be increased.

Mr. SMITH of Michigan. Mr. President—
The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Michigan?

Mr. SMOOT. I do.

Mr. SMITH of Michigan. I have read recently the opinion of an eminent French statistician, who has made a very careful compilation of the sugar possibilities of Cuba, and he estimates, without any reservation whatever, that Cuba is capable of producing an annual crop of sugar aggregating more than 5,000,000 tons

Mr. SMOOT. I have no doubt, Mr. President, that the Cuban lands that are fitted for the production of sugar could

produce at least that amount or more.

It is interesting to compare with these figures the total consumption of sugar in the United States. In 1903-4 this was 2,767,162 tons, or 661,696 tons more than the total production of the domestic industry plus Cuba. In 1912-13 the estimated sugar requirements of the American people were 3,504,182 tons, 657,818 tons less than the combined production of the United States and Cuba. Thus we already have reached the position where protected and partially protected sugar supplies all the sugar required by our people. If we leave Cuba, our most important single source of supply at present, entirely out of account, the rate of growtl which the American sugar industry has shown in the past nine years would enable it to overtake the present sugar requirements of the American people in another decade. This effectively disposes of the claim that it is impossible even with adequate protection to satisfy our own needs in the matter of sugar from our own soil. Why, Senators, we have it on the authority of the Department of Agriculture that there are 274,000,000 acres of land in the United States adapted to sugar-Leaving entirely out of our reckoning the canegrowing portion of the United States, the utilization of only 1 acre in 50 of this available beet-growing area one year in four would provide all the sugar needed by the American people. Any one of a dozen States is capable of producing enough sugar to supply the whole country. It is ridiculous to assert that there is any insuperable obstacle, or any obstacle at all except that which the Democratic Party proposes now to erect, in the way of the American production of the entire American supply of sugar.

Thus we have seen that the protective tariff has been effective in building up the domestic sugar industry, in greatly expand-ing the output of sugar within American territory. Now, let us see how sugar has responded to the final test imposed by the protective theory as given by me a few moments ago. Has the policy of protection led to domestic competition? Has it reduced the cost of sugar to the consumer? These are the ques-

tions for us to decide.

As I have already explained, it was true during the early years of the development of the domestic sugar industry that the price at which beet sugar was sold in any part of the counwas determined by the price of refined cane sugar in New k. This was modified only by the fact that, owing to the prejudice against beet sugar which has been carefully and systematically fostered among the public and the grocery trade, the producer of beet sugar is compelled to dispose of his product at all times below the prevailing market price of cane re-The difference usually is 20 cents a hundred pounds, This has become a trade custom, although there is no sound reason for it. Pure beet sugar and pure cane sugar are chemically identical. Each will satisfy every use that the other can Each will satisfy every use that the other can be put to. With the present perfection of the manufacturing processes of beet sugar they are indistinguishable even by an

I am reminded, Mr. President, in this connection of an experience that I had when I was the manager of one of the mercantile establishments in Utah. I sold a sack of sugar to a lady in my home town. She saw the name "Lehi" and immediately sent it back and said that she did not want beet sugar, that she wanted cane sugar, because she could not make cakes and pastry so well with beet sugar as with cane. She happened to be a very close relative of mine, so I merely took the same sugar, put it into a cane sugar bag, and sent the same sugar back to her. About a week after she met me and said, "Now, don't you ever send me any more beet sugar; you send me the kind of sugar you sent me the last time-[Laughter.] That is about all the difference there is sugar." in it—the brand upon the sack, and nothing more.

With this modification, however, it was broadly true in earlier years that the price of beet sugar was determined by the price of cane sugar. Yet even during this early period the beet exercised an important influence upon the price of cane, for it has long been a phenomenon familiar to the trade that whenever beet sugar comes upon the market the wholesale price of refined cane sugar is reduced by the refiners and whenever beet sugar is off the market the price of the cane product is advanced by the refiners. Those who have perused the testimony taken by the Hardwick committee of the House of Representatives are aware that this condition was certified to alike by beet-sugar manufacturers, by the cane refiners, and by such expert authorities as Dr. Harvey W. Wiley.

Except in California, beet sugar is practically all manufac-

tured within a period of three months, extending from the be-ginning of October to the end of December. Usually the manu-facturers have found it necessary to sell their output as fast as they made it, so that until very recently almost the entire beet-sugar ouput for any one season had passed into the channels of trade by the end of the calendar year. During that three-month period, however, beet sugar has regularly per-formed the service for the American people of bringing about a reduction in wholesale prices. That reduction was forced upon the refiners in order to enable them to meet the competition of the domestic product that was being turned out by the various beet-sugar factories all the way from Michigan to California. In fact, the reduction in prices thus forced upon the refiners gave rise to bitter complaints on their part and explains the animosity with which they have pursued the domestic sugar industry in recent years, seeking to destroy it by the aid of Congress, since they could not do so by fair and open competition.

The proceedings of the Hardwick committee contain the testimony of the representatives of the various big refining interests—the American Sugar Refining Co., Arbuckles, Spreckels, and the rest-each admitting that the growing competition of beet sugar from American factories made it difficult, and in some cases impossible, for them to operate at a profit during the three-month period already referred to. I will not attempt to quote all these different witnesses, since their statements were in practical agreement, but I will give you the refiners' position in the words of Edwin F. Atkins, acting president of the American Sugar Refining Co., who summed up their situation in the following words:

Eastern refineries, not only the American Sugar Refining Co. but the others, have to reduce or close down until the beet sugars are out of the way. Any refining that is done between the 1st of October and the 1st of January is done without any profit and very often at a loss.

The influence of domestic beet sugar in reducing the price of sugar to the public and in preventing the refiners from squeezing the consumer at will was well illustrated during the year 1911. In that year, due to a general shortage resulting from crop failures in various parts of the world, the price of sugar became very high. The refiners, though handling stocks which they had purchased at much lower figures, took advantage of the impending shortage to run up their quotations during the summer months before the domestic crop came upon the market. Seeing a chance to make enormous profits they promptly forgot their solicitude for the consumer and proceeded to exact every cent that they could. It is noteworthy and instructive that in the very forefront of this movement was the man who has made the greatest parade and the loudest protest of his philanthropic desire to help the consumer. This man was Claus A. Spreckels, of the Federal Sugar Refining Co., working as usual through his sales agent, Frank C. Lowry, who figures in Washington as secretary of a phantom committee of wholesale grocers, but in New York becomes an active and energetic seller of his emplovers' sugar.

Between July 1 and September 20, 1911, the wholesale price of sugar in New York, as fixed by the refiners who were at that time in full control of the market, advanced from 5 cents a pound to figures varying from 6.75 cents to 7.50 cents. Appar-

ently the highest quotation of the American Sugar Refining Co., established toward the end of this period, was 6.75 cents, but patriots Spreckels and Lowry, the men who were devoting their money and time to the cause of free sugar in order to "help the consumer," were exacting a full half cent more than this, or 7.25 cents a pound, while the house of Arbuckle, headed by another gentleman who had dedicated himself to the cause of free sugar in the interest of the American consumer, put the price up still higher, to 7.50 cents.

The sugar which these refiners were handling during this period had all been produced, of course, during the preceding sea-The sole excuse for advancing the price was the threatened shortage for the approaching season, but so well did this excuse serve the refiners' purpose that they were able to reap tremendous profits during this brief period and to put into their pockets undoubtedly many times the amount that they have since expended so altruistically in promoting the cause of free sugar "in behalf of the consumer."

At the end of September, with the coming upon the market of American-grown and American-made beet sugar, the situation quickly changed. Sugar which had been selling at wholesale at 7.5 cents a pound and at retail in some instances as high as 10 cents a pound, began to drop back in price. The beet sugar was sold at prices ranging from 5½ to 5½ cents, and it forced the refiners down to the same level for their product during the period while the beet-sugar supply lasted. During this period of three months the wholesale price of sugar had advanced 2½ cents per pound, but the rise was checked when the beet-sugar product came onto the market, and within 10 weeks from this time the wholesale price of sugar was lowered 12 cents per pound. After January, 1912, when beet sugar was off the mar-ket, the refiners marked up the prices again; but during the time while the beet-sugar output was being produced it saved to the consuming public millions of dollars on their sugar bills. Without the domestic industry the American people would have been forced to go on paying the abnormal price of the summer for their sugar to the further enrichment of the refiners. one service entitles the domestic sugar industry to the gratitude and support of the American people rather than to an edict of decapitation.

Now let us turn to the situation during the past year. The beet-sugar crop of 1912-13 was by far the largest ever produced in this country. It exceeded by nearly 100,000 tons the best previous crop. When this 1912 beet-sugar crop came upon the market it did more than to force a mere temporary reduction in the prices made by the refiners. It put an end, for the time being at least, to the domination of sugar prices by the refiners. It put an end to the system by which price of sugar in other parts of the country were based on the New York prices, with the cost of transportation added, as a result of which it had become a trade axiom that the wholesale price of sugar always was lower in New York than in any other part of the country. With more than threescore beet-sugar factories competing among themselves, and competing also with the output of the cane refineries, the dominance of New York in price making was shattered. Throughout the autumn months, when the lowest quotation of the refiners in New York was 4.9 cents wholesale, sugar was being laid down in Chicago at 4.4 cents-a full half cent below the New York price-by the beet-sugar manu-It was placed on the St. Paul and Minneapolis market at 4.65 cents, and at the principal competitive points throughout the great central and western sections of the country the beet-sugar producers were providing sugar for the consumer at prices which were lower for the first time in history than the prices prevailing at the seaboard. In the face of this competition the big refiners not only were driven back to their strongholds along the coast, but the beet sugar even followed them Many of the refineries were closed down. Others continued to operate on part time. Mr. Spreckels, who talks loudly of cheaper sugar for consumers but shows a strange reluctance to do anything in a business way to lighten the consumer's burdens, closed down his establishment to await the time when beet sugar should be out of the way and he could operate more profitably.

Owing to the greater extent of the beet-sugar crop it was not as formerly entirely disposed of by January 1. It was the estimate of Mr. W. P. Willett, the expert employed by the Hardwick committee to aid its investigation and the man who is recognized as the foremost statistical authority on sugar in the United States, that about 60 per cent of the crop was carried over the first of the year. It was further estimated by Mr. Willett that the beet sugar produced by American farmers and manufactured in American factories had operated to save to consumers half a cent a pound in 1912, and that it would have the

effect of continuing this saving throughout 1913. If this be true, and I have not observed that anybody has attempted to con-trovert his statement, it means that the American beet-sugar industry has saved to the American people some \$75,000,000 in these two years over what they would have paid if the control of their sugar supply had been entirely in the hands of the big refiners, where the Democratic Party is now attempting to place it.

In this connection I wish to call the attention of the Senate to an article entitled "United States versus United Kingdom" in the issue of August 7, 1913, of Willett & Gray's Weekly Statistical Sugar Trade Journal, the effect of which is to show that the competition between our domestic sugar producers as compared with the world's market has caused a saving to the sugar consumer in the United States of \$25,500,000 during the first six months of the present year, and that this benefit is the equivalent of a reduction in the duty on sugar of 0.633 cent per pound, which means that the present effective Cuban duty of 1.348 cents has been reduced through open competition to 0.715 cent per pound. The article is as follows:
UNITED STATES VERSUS UNITED KINGDOM.

The saving to United States consumers by reason of refiners having abundant supplies of free and preferential raw sugars instead of having to go abroad for full-duty sugars in the world's markets is well shown by an analysis of the business of the first six months of 1913, as follows:

1. The average cost of 96° centrifugals to refiners was 3,433 cents per round.

1. The average cost of some control of the average selling price of refiners for standard fine granulated refined sugar was 4.203 cents per pound.

3. The average difference between raws and refined was 0.770 cent per pound.

4. The average cost of European beet sugar landed in the United States, at the parity value of 96° centrifugals, was 4.066 cents per pound.

9. The average cost of European beet sugar landed in the United States, at the parity value of 96° centrifugals, was 4.066 cents per pound.

5. No European beet sugars were needed and only small quantity imported bought last year. The refiners had a full supply of local sugars at cost of 0.633 cent per pound less than the world's price at Hamburg. Competition of local sugar producers lost to them not only the 0.337 cent per pound reciprocity advantage to Cuba but 0.296 cent per pound additional. Except for this competition our refiners must have paid 4.066 cents per pound for raw sugar at the world's basis, and, adding the same difference of 0.770 cent per pound for cost of refining and profit, our sugar consumers would have paid 0.633 cent per pound, or, say, about five-eighths cent per pound more (4.836 cents) than they did pay. This represents a saving to consumers of \$25.500,000 under our present protective duty from the competition between our domestic sugar producers and those of our island possessions and of Cuba. This benefit to consumers might also be considered as the equivalent of a reduction in the duty on sugar of 0.633 cent per pound, or, say, to a duty of 0.715 cent per pound on Cuban sugar.

6. On basis of world's value, our consumers received their sugar at world value plus a duty of 0.715 cent per pound on 96° test sugar.

7. The refiners of Great Britain during the same six months paid duty of 0.346 cent per pound on 96° sugar and bought beet sugar, 88° analysis, 94° test, at world's price, which averaged 2.10 cents per pound f. o. b. Hamburg. Adding freight and insurance to United Kingdom, 0.12 cent per pound, against American refiners' price of 4.203 cents per pound less duty than our full duty of 1.685 cents per pound, as an our full duty of 1.685 cents per pound less duty than our full duty of 1.685 cents per pound less duty than our full duty of 1.685 cents per pound on 96° test, so that our consumers paid 0.186 cent per pound less duty than our full duty of 1.685 cents per pound on 96°

There is another phase of this situation to which I desire to call your attention. Awhile ago I quoted the figures for production and consumption of sugar during the present year. figures show that the combined sugar output of Cuba and the United States was greater than the American people could con-Consequently some of this sugar must find a market Naturally the sugar to go to other markets is that elsewhere. of Cuba, since Cuba's product still pays 13 cents a pound to get into the United States. When the Cuban sugar crop of the current year began seeking the American market, about the 1st of January, the refiners, facing the necessity of meeting the competition of the domestic beet product, forced the prices of raw sugar down to 2 cents a pound. They cut their own charge for refining, which had stood at \$1.07 a hundred pounds at the beginning of the year, until it touched a lowwater mark of 58.5 cents a hundred pounds on March 19, 1913. By so doing they were able to place refined sugar on the market at practically 4 cents a pound. This situation prevailed through-out the early months of the year, but as the beet sugar gradually passed into consumption the refiners have increased their

margin until it stood on July 2 at 93 cents a hundred, while they still hold the Cuban planter down close to the 2-cent level. Does any reasoning being suppose for one instant that any power except the competition of American-grown beet sugar, which they could not control, would have induced these powerful refiners to lower the rate of toll which they exact from the sugar passing through their hands? Does anyone pretend to say for one moment that the refiners gave the American public the benefit of 25 or 35 cents a hundred pounds on the sugar entering into trade channels over a considerable period purely because of their love and affection for the public? Did they do it in 1911, when the price of sugar went up and there was no beet sugar on the market? Their whole past record gives instant refutation to such a supposition. The one single factor that has supplied cheap sugar to the American consumer during the past nine months-the only factor that could supply it-has been the American beet-sugar industry through the vigorous competition that it has forced the refiners to meet through the check that it has imposed upon the ability which the refiners otherwise would possess to manipulate sugar prices at will.

That sugar has been cheap during the period to which I am referring nobody, I suppose, will venture to deny. Housewives all over the country know that it has been cheaper than during any time for 15 years past. Merchants in every section have been advertising to sell sugar over their counters at from 4 to 4½ cents a pound. I hold in my hand an advertisement taken a few months ago from one of the newspapers published here in the city of Washington which quotes the best granulated sugar at 41 cents a pound. While the prices of other food products have continued to mount higher and higher, adding to the cost of living, sugar alone has shown a steady and material decrease in This is a service rendered to the consumers of the country to which the American beet-sugar industry has contributed. It is an important service. If you, the responsible legislative representatives of the Democratic Party, destroy competition; if you destroy the opportunity to secure cheap sugar through the destruction of this American industry, the people of the United States will remember your action. They will resent it and they

will repudiate you and your party.

But, some may say, even though the domestic sugar industry be destroyed by the removal of the tariff, may not we still have cheap sugar? Will not sugar refined in England or Germany or other countries come in here and force the refiners to reduce

prices? Let us see about that.

Sugar refining, as everyone knows, is probably the most highly concentrated business in the country. It is all in the hands of a few men, a few great concerns of enormous capitalization and resources. The report of the Hardwick investigating committee made the statement that half a dozen men absolutely dominated the business of refining sugar. I believe the number might safely be placed at even less than that. It is generally recognized that three big companies rule the industry, and of these three one is so much larger than the others that it completely overshadows them. The situation was aptly expressed by one of the witnesses before the Hardwick committee when he testified that "the independents"—meaning the so-called independent refiners-"go along under the umbrella of the trust." It is safe to say that that umbrella is not going to be extended to accommodate any newcomers, and that those who are now under it will act together to exclude any who may seek its protection.

I do not say that there is any illegal combination among the various sugar refiners to-day. I do not know whether there is or not. But I do say that there is no real, effective competition between them. That is self-evident from the fact that the big refiners, the larger of the so-called independents as well as the trust, at no time operate to the full melting capacity of their plants; the average, as shown by the brief of the United States district attorney, is 60 per cent. The manufacturer in any line of business who is engaged in real, aggressive competition runs his factory to its capacity, whenever trade conditions make such a course possible. He makes a fight for all the business he can handle, and is not content, as are these alleged independent refiners, to follow one big concern, not only in prices but even

to the extent of reducing output.

If the refiners who have been filling the ears of the public with the promises of what they will do for the relief of the poor downtrodden sugar consumer, who is getting his sugar to-day cheaper than at any time since the general rise in the cost of food products began, were earnest in their protestations, they had a wonderful opportunity to demonstrate their faith by works in 1911. With raw sugar on hand bought at a low price they could have stayed the rise that took place during the summer of that year before the beet sugar of the West arrived to stop and to reverse the movement. Did they do it? On the contrary, these alleged independents outstripped the trust itself in their race to extort the last possible penny from the pockets l

of the consumers. And when the Moses of free sugar, Mr. Frank C. Lowry, was confronted with these facts before a committee of this very Senate, he dropped for a moment his pose of philanthropic friend of the masses and brazenly admitted that he

was in business to get all he could out of it.

As I have said, I do not know that there exists to-day any actual agreement among the sugar refiners, but I certainly believe that before the ink is dry upon the signature to this bill, if it becomes a law, there will be an effective understanding among them, if it does not already exist, by which they will act together to drive out any attempt at outside competition and to preserve the American sugar market for their joint ex-

Shortly after this pending bill was brought forward at the present session of Congress Mr. Claus A. Spreckels was quoted in a published interview as making the boast that the refiners had nothing to fear from free sugar, because sugar could be refined here more cheaply than anywhere else in the world. claim is probably well founded. I am willing to give the re-finers full credit for having the most complete and perfect equipment, for maintaining a most effective organization in their industry, and for paying the lowest possible wages to their With the advantages which they now enjoy from their control of the domestic trade, modified only by the competition of home-grown beet sugar, with the additional advantages which they enjoy through their control of the chief sources of their raw material supply in Cuba, with unified and harmonious action among themselves, they will be able to repel all attempts at invasion and to preserve the sugar market of 100,000,000 people for themselves.

Mr. SMITH of Michigan. Mr. President—
The PRESIDING OFFICER (Mr. Hughes in the chair). Does the Senator from Utah yield to the Senator from Michigan?

Mr. SMOOT. I do.

Mr. SMITH of Michigan. I do not know whether the Senator intends to touch upon the dual aspect of that situation or not, but I recall that during the hearings before the House Committee on Ways and Means, of which I happened to be a member, about the time of Cuban reciprocity, this Mr. Atkins, whom the Senator from Utah characterizes as the head of the American Sugar Refining Co., told of very large holdings of sugar lands in Cuba; and I have not any doubt at all but that their holdings have been increased rather than diminished during the

years of their prosperity.

Mr. SMOOT. I do not believe there is a person who knows anything about the sugar industry who has ever denied it. I have never heard it denied that they have increased their holdings in Cuba. I wish I had here a statement which was handed to me, showing the amount of acres they do control.

Mr. SMITH of Michigan. My ears still tingle with a statement I heard from the lips of Mr. Atkins; but the Senator from Utah says he never heard anybody deny it. The difficulty is it is not asserted often enough; at least it has not been asserted often enough to reach the ears of the Democratic Party, who seem to be cooperating with them at this moment.

Mr. SMOOT. Mr. President, should a foreign refiner attempt to gain a foothold here, it will be easy for them to depress prices temporarily until he is driven out. Should any body of men attempt to operate a genuinely independent and competing refinery here, it will be easy for them to ruin such an enterprise, as others have been ruined, and that by the mere manipulation of prices without exposing themselves to any danger of the law. We would simply have over again on a larger scale the conditions that prevailed in the early days of the upbuilding of the Sugar Trust, when brief periods of cutthroat competition were followed by long periods of monopoly and high prices. have again the situation described by Henry O. Havemeyer, when he declared that there never was a war in the sugar trade for which the public did not pay the bill three or four times over.

Therefore I say to you, Senators, that the hope of competition arising from outside to replace the laboriously secured competition now afforded by the domestic sugar industry which you propose to strike down is a vain delusion and a snare. say that if this bill were honestly labeled it would be described, as to Schedule E, "A bill for the destruction of the domestic sugar industry and for the enrichment of the refuers beyond the dreams of avarice." That would be a just title, because I defy anybody to point to a single interest or to a single person in the whole United States who will derive any permanent and lasting benefit from its enactment save and except only the great seaboard sugar refiners.

I know that the claim has been made by Democratic Members of Congress, taking their inspiration and their facts from the disingenuous Mr. Lowry, in his rôle of friend of the consumer, that the removal of the tariff duty on sugar will save vast sums to the consumers of the country. The amounts named at different times and by different speakers have varied widely. I have seen it placed at \$150,000,000 a year and I have seen it placed at \$115,000,000. A few millions more or less in these claims does not matter, for they are all so extravagant and so ridiculous as scarcely to deserve attention. The greatest possible reduction in the cost to the consumer under conditions of the most genuine and active competition for our market by all the world would not amount to anything like this.

I am glad to say that no such figures have been seriously contended for on the floor of the Senate. Whatever may have been said in the heat of the campaign, when the Democratic national committee guilelessly circulated Mr. Spreckels's statements on this subject by the million, any Democratic Senator who repeats them in this Chamber challenges the judgment of the most distinguished of his colleagues, the very men composing the committee in charge of this bill. In their report of 1912, the Democratic members of the Finance Committee, then the minority members, state emphatically that very much the major part of the tax levied upon the consumer of sugars and sweets goes into the United States Treasury and only a minor part into the pockets of the producers. I am sure, therefore, that any assertion that the \$50,000,000 of revenue is only the minor fraction of the cost to the American consumer will be repudiated as quickly on that side of the Chamber as on this.

It is easy to demonstrate the falsity of the extravagant figures I have referred to and the correctness of the conclusion reached by the Democratic members of the Finance Committee in their

report last year.

To begin with, the maximum possible saving to the consumer under the conditions which I have suggested, conditions which never will be realized, is not to be reckoned by taking some arbitrary figure like 1.90 or 1.685 or 1.34 and multiplying the total sugar consumption by this amount. The true theo retical figure is to be obtained by taking the difference between the world price of sugar of a certain grade and the American price for sugar of the same grade. This measures the maximum amount of difference chargeable under any conceivable conditions to the tariff. That difference now never amounts to 1.90 cents a pound, practically never to 1.685 cents, seldom even to 1.348 cents. In other words, under existing conditions in the sugar industry of the United States, sugar sells at most times below parity, the term parity meaning in this connection the world price of sugar, registered by quotations at Hamburg, Germany, with the duty added. I have compiled from the weekly journal of Willett & Gray, the official organ of the sugar trade, a statement of New York and Hamburg quotations for the period from January 1, 1913, to July 1, 1913. This shows that during this entire period the New York price averaged 60 points below parity. In other words, the portion of the price paid by American consumers of sugar that could under any possible course of reasoning be charged to the tariff during this period was 1.08 cents. If all the sugar consumed by the American people were subject to this reduction, the maximum possible saving would be not \$150,000,000 nor \$115,000,000, but in round figures \$85,000,000, or about 88 cents a year for each consumer.

As to a great proportion of the sugar used by the American people, however, no saving of any sort would be possible under any circumstances so far as the consumer is concerned. Nearly one-third of the average annual consumption of sugar reaches the consumer indirectly through use in manufactured articles. An investigation of the cost of living in a large number of American families conducted in 1901 by the Department of Labor disclosed the fact that of the average per capita consumption of sugar in this country but 70 per cent reached the consumer directly as sugar, the other 30 per cent being used in various manufactured articles, such as candy, bread, bis-'cuits, and so forth.

Nobody will seriously contend that a reduction in the price of sugar amounting even to a cent and a half or 2 cents a pound would affect the retail price of these articles. It would amount at the utmost only to a fraction of a cent on the quantity of these commodities ordinarily purchased, and this slight difference would be promptly absorbed before it had a chance to reach the ultimate purchaser. It is not seriously contended that we would get a larger can of condensed milk for 10 cents, more sticks of chewing gum for a nickel, or that a 50-cent box of candy would sell for 49 cents if sugar were put on the free list.

Mr. JAMES. I should like to ask the Senator a question. The Senator argues that placing sugar on the free list would american not cheapen it to the consumer. Is it not a fact that when sugar by them.

was placed on the free list in 1890, within 30 days from that time the price of sugar fell 2 cents per pound to the consumer? Mr. SMOOT. Nearly so; and I hope the Senator will just wait and listen to me, and I will explain the reason why so

clearly I think that he himself must see it. Mr. JAMES. But, as a matter of fact, though, that is true,

is it not?

Mr. SMOOT. Yes; practically so; and, as a matter of fact, Mr. President, I want to say when sugar goes on the free list again it will immediately drop in price. There is no doubt about it. And it will remain there until the home producers are destroyed and the refiners have the market in their hands, and then will be the time when they will levy tribute on the consumers in this country and they will have to pay their demands.

Mr. JAMES. In other words, the argument of the Senator is that if 100,000,000 more consumers are given for the consumption of the world's production of sugar, those who are now interested in producing sugar for the consumption of the world will do, because we give them 100,000,000 more consumers, what they never have done, monopolize the price of sugar.

Mr. SMOOT. The Senator is absolutely mistaken, I say.

Mr. JAMES. The Senator is not mistaken.

Mr. SMOOT. I was speaking of the 100,000,000 consumers of American-produced sugar. I was discussing the local production of sugar. I do not care for the producer of sugar in I am not concerned in him. Let the Russian Government look after him, and that is what it is doing now, by paying him a bounty. I do not care for the German producer of sugar. I am only interested in the American producer of sugar.

Mr. JAMES. I should judge from the Senator's argument that that is true, and that he is not interested, either, in the

American consumer of sugar.

Mr. SMOOT. The Senator is absolutely wrong again, and I will explain to him before I get through why he is wrong.

Mr. JAMES. It will be interesting.

I hope the Senator will listen, and his patience Mr. SMOOT. will be rewarded.

Continuing at the place I was interrupted, I will state that a deduction of this portion of our natural consumption reduces the total possible saving from free sugar to \$59,500,000, or about

62 cents a year for each consumer.

But it must be remembered that the tariff on sugar is the greatest revenue producer on the entire list of dutiable articles. Sugar turns into the Treasury of the United States, roundly, \$50,000,000 a year. That sum is paid now by the people of the country about in proportion to their means. The rich consume more sugar than the merely well-to-do, and the family of moderate means uses more than the very poor family. This always has been one of the great advantages of sugar as an object of taxation; the tax is paid more nearly in proportion to ability to pay than is almost any other. If we cut off from the Treasury this \$50,000,000 a year, it is obvious that the money must be raised by some other form of taxation. This leaves but \$9,500,000, or about 10 cents per capita per year, as the amount that could be actually saved by the removal of the tariff on imported sugar, assuming that the consumer got the full benefit of it.

Now, Senators, while I do not for one moment admit that even this paltry saving, amounting to about 10 cents a year per capita, will be realized by the consumers of this country as the result of the removal of the tariff from sugar, I have no hesitation in saying that if the consumer were forced to pay that amount, or even ten times that amount, additional for his sugar in the course of a year that sum would be a small price indeed to pay for the benefits which every class of American citizens, no matter whether they live in beet or cane growing States or in States where not an ounce of sugar is or ever is likely to be produced, have derived from the upbuilding of this American industry, and which they will continue to derive in far greater measure if it is permitted to live and to expand until it supplies all the sugar required by the American people. The domestic sugar business to-day, though it is only on the threshold of its potential development, distributes to American industry, in round figures, \$150,000,000. That outlay is not confined to the sugar-growing sections of the United States nor to the people directly engaged in the production of sugar. It is used to buy all sorts of supplies-foodstuffs, dry goods, implements and machinery, animals, fertilizer, and everything else that is produced or dealt in in this country. It enriches the volume of trade in a thousand directions. It helps to pay the wages of American workmen employed in 10,000 different shops and factories. It is a vital part of the great interdependent scheme of American industry, helpful to its fellow industries and helped

Moreover, we are still putting into the pockets of foreigners \$100,000,000 every year for the sugar we still import from abroad. Permit the domestic industry to continue in existence and in healthful progress and in the course of a few more years that \$100,000,000 will no longer go into the pockets of foreigners but it will go into the pockets of American farmers and mer-chants and workmen. Then we shall have not \$150,000,000 but \$250,000,000 distributed by this industry through the varied channels of American industry and trade. Destroy the domestic industry and you divert this vast golden stream to the labor and capital of other lands, and the great sugar refiners will take toll of every dollar of it, for it will all pass through their hands. That is why I say that if it were conclusively proved—though it can not be proved—that the upbuilding of the industry of sugar growing in the United States would cost the consumers of the country all that the most ardent free trader claims that it costs in increased payment for their sugar it still would be the best investment they could possibly make. And the consumers of the United States would make it willingly, for they know that it would all be returned to them many times over. sumers of the United States are not demanding the sacrifice of this great and growing industry. The voice of the consumer has not been raised to demand the removal of this duty. He knows that sugar is the cheapest thing he buys, that it is the one thing entering into his living account that has been getting cheaper while all things else that he purchases have been growing dearer. It is true that all of us have received scores, perhaps hundreds, of little printed slips ostensibly representing the voices of consumers, but, as has been fully shown by his own admissions, they are but the disguised voice of Frank C. Lowry, the tool and agent of the refiners. His brain conceived them, his hand and Spreckels's money sent them here, and they are absolutely worthless as expressions of public sentiment.

I have already given reasons why the consumer will not save anything at all by the adoption of free sugar. If you remove the duty on sugar, destroy the domestic sugar industry, and hand the control of the sugar supply over to the little coterie of seaboard refiners—as you will if you pass this bill—the consumer not only will not secure his sugar more cheaply but he will pay more for it at most times and on the average than he

does to-day.

I do not mean to say that there will be no reduction at any time. I expect to see the price of sugar decline very sharply and materially soon after this bill goes into effect. I expect to see it continue at a low figure until the domestic sugar industry is driven out of existence or is crippled beyond hope of recovery When that point is reached I expect to see it advance again and to remain permanently at a high level except at such times as the refiners may find it necessary to scare off threatened competition or to annihilate would-be competitors. That is what every man who has studied trade conditions carefully and who is honest in the expression of his opinions expects to see as a

result of the adoption of this measure.

It is true that the proponents of this measure have denied that it involves the destruction of the beet-sugar industry of the United States. They began with the positive assertion that it would not harm any branch of the domestic sugar industry. In the face of governmental reports showing that the Louisiana cane industry could not survive under free sugar, in face of universal testimony to this effect, including the testimony of their guides and mentors, the big refiners, they were forced to abandon this position. They then conceded that the Louisiana cane industry would be destroyed root and branch, and they took the position that Louisiana had no claim to consideration; that if its chief industry, which has been the life work of a great proportion of its people, the only business that they know, and in which they have invested \$100,000,000, relying upon the fact that almost from the very inception of the American Government, with the exception of the brief interval of the direct bounty, there has been at least a revenue duty upon sugar-the advocates of free sugar calmly told these American citizens that if their one great industry could not withstand the chilling blasts of free trade then it was fit only for dissolution. ana is to be outlawed. Its people are to be cast beyond the pale. That is Louisiana's reward at the hands of the Democratic Party for generations of unswerving loyalty to that party through long years of adversity as well as in its rare seasons of prosperity and power.

In the face of further accumulating evidence that it costs 3 cents a pound and upward to produce sugar in Hawaii and in Porto Rico under the conditions of rising wages, better standards of living, and increased cost of transportation that have come to prevail in these islands since they came under the American flag, the free-sugar advocates have come to the point of admitting that the sugar industry of Hawaii and Porto of growing the beets themselves, the situation is entirely dif-Rico—the one industry on which the people of those islands ferent. Here it is a matter of labor, hard, toilsome labor

chiefly depend, the industry that provides their revenues and is the source of such prosperity as they enjoy-also will be totally destroyed. Some of them still insist, however, that the beetsugar industry can in large part survive free trade, that the farmers and workmen of the West engaged in this industry must be taught to meet the competition of the cheapest labor on the face of the globe. They adnit, with an airy dismissal on the face of the globe. They admit, with the beet-sugar fac-of the subject as one of small moment, that the beet-sugar fac-tories which are not "advantageously located," those that are not "efficiently managed" are doomed to go under. But they insist that others will be able to survive. "Be efficient," they say, "introduce economies in the growing of your beets and in the management of your factories, and you will be all right." It is easy to settle the most desperate of human problems if one relies serenely upon a preconceived theory and waves aside all unpleasant facts that contradict that theory. Gentlemen, I know the sugar-beet industry of Utah, and Utah, I believe, is one of the States which these free-trade theorists regard as favorably located for the perpetuation of this industry. A very simple examination of easily accessible facts will show that not one single beet-sugar field or factory in any part of the United States can long survive the removal of the duty on sugar. lowest cost of producing sugar from beets that ever has been reported from any part of the country was 2.70 cents a pound. That was reported from a single factory in California. The cost reported by every other factory in that or other States ranges from 3 to 4 cents a pound. And we have it on the authority of the greatest sugar experts in America; we have it on the thority of the cold, hard facts of the cost of production in Cuba, in Java, and in other countries employing the lowest grade of black and brown and yellow labor; we have it on the undisputable evidence of the price at which Cuban sugar is seeking the American market to-day that any locality that can not com-pete with raw sugar landed at New York at a cost of 2 cents a pound can not continue in the sugar business after this bill goes Why, Senators, there is not a beet-sugar factory in into effect. the United States to-day that is not paying the farmers of their territory more than 2 cents a pound for raw sugar in the beet before ever it enters on any of the factory processes for the extraction of the sugar contents.

I know that in putting into plain words this one fact I am but confirming in the mind of the free-trade theorist, who views all things through the misty veil of his theory and regards the practical experience of the business world with supreme disdain, the conviction that the sugar-beet industry deserves no other fate than prompt annihilation. We have heard his voice raised in discussion of this subject. We have heard him declare that if any American industry can not exist without a tariff, if it can not meet the competition of the lowest-paid labor in the world, then that one fact is proof positive that God Almighty did not intend that industry to exist in this country.

I do not agree with that view. If that theory had governed

us from the beginning, we would be a hundred years behind where we are to-day. We would not have that splendid array where we are to-day. We would not have that splendid array of great industries that dots our land from border to border. We would not be shipping to other nations that vast volume of manufactured articles the totals of which are announced with such just pride by the Department of Commerce. Many of these industries may not need the tariff to-day, but there are few, very few, of them that would have risen to a position where they could contend for foreign markets, or even for the home market, except for the intelligent, progressive application of the protective principle in the earlier period of their develop-

It is well enough to say to the farmer and the manufacturer: Be efficient; introduce economies; reduce the cost of your product. There are many farms and factories, no doubt, possibly there are whole industries, in which more efficient and economical methods could be introduced without any sacrifice of the interests of American labor; but how in the name of common sense are you going to reduce cost in an industry in which the one great item of cost is labor unless you reduce the reward of labor itself?

That is the condition in the beet-sugar industry. labor. Eighty per cent or more of the cost of producing sugar goes for labor. The work of sugar extraction in the newer The work of sugar extraction in the newer beet-sugar factories of the United States is as efficiently conducted as it is anywhere in the world. The workers in these factories are paid four times the wages paid to those in similar employment in Europe. But factory labor cost is relatively a small part of the cost of extracting sugar. The processes by which it is accomplished are mainly processes of wonderfully ingenious and perfect machinery.

But when we come to the field and the farm, to the process

during the long summer days from the time when the seed is put into the ground until the crop is harvested and shipped to The time may come when, through the discoveries of science and the application of inventive genius, much of this labor now performed by hand will be carried on by machinery that will greatly lighten the burden of the tiller of the fields. That day is not yet. When it arrives, if it ever does, it will be time enough to talk about the removal of the tariff on sugar. It is true that the American beet farmer receives a far higher price for his product and the beet-field worker from five to ten times the wage for his toil that is paid to the peasants who perform the same labor in Europe or to the peons who work in the cane fields of the Tropics, but he lives on a far higher plane; he must conform to a higher standard of living to be a fit citizen of this Republic, and no self-respecting American will ask or concede that he be ground down for the further enrichment of a mere handful of wealthy sugar refiners.

I know it has been charged that the labor in American sugarbeet fields is labor of an inferior grade, that it is recruited from all the countries of Europe and that it is not entitled to the consideration due to genuine Americans. Here again I might quote from the report submitted last year by the distinguished members of the Finance Committee, who are in charge of this bill, in which they specifically contrast the "in-telligent, efficient, white labor," engaged in the production of beet sugar with the unintelligent and inefficient labor producing foreign cane sugar. Further than this, however, I can say of my own knowledge that so far as the State of Utah is concerned, that claim is part and parcel of the numberless false assertions put out by those who would destroy this industry at any cost of truth or honesty, for their own profit. The beets grown in Utah are grown by native American farmers on their own little farms and the labor devoted to the task is their own labor and the labor of their sons and hired helpers, the latter, too, being mostly of American stock. If in other sections there is a larger proportion of those who have come to us but recently from the other side of the ocean, seeking here a better living and a better opportunity, I say that so long as we receive these people, so long as we permit them to come, we have got to give them an opportunity to earn good wages, to rise to the level of those who have preceded them, and to rear their children as good Americans should be reared. We have got to do it in de-fense of those who are already here and in defense of popular government.

I for one will never ask of the farmers and wage earners of this country, whether they be descended from those who first landed on our shores or whether they be among those who have most recently sought the haven of America, that they shall place themselves upon the level of the half-naked and halfbarbarous workers in the cane fields of foreign tropical lands, wearing but a single garment, living in miserable huts, without fire and without light, subsisting upon the uncooked food that kindly nature provides about them. I will not ask them to descend to the level of the blacks of Cuba or the brown men of Java, who toil in the cane fields for 8 cents a day, or the yellow men of Formosa, who labor under conditions forced upon them by their cruel masters of Nippon, conditions that no American laborer for a single moment would accept. Nor will the American people ask or permit any such thing. Yet only by such means, if their application were conceivable, would it be possible to compete with that very labor in this industry.

The evil and disaster inflicted by the sugar schedule of this bill will be general and widespread. It will destroy the prosperity and blast the progress of Louisiana, Hawaii, and Porto Rico. Its malign influence will extend to every industry and every factory that finds a market for any portion of its product among the people of any of these sections. The one feature of it to which I wish to refer briefly at the present time, however, is its effect upon the prosperity and development of the West. And in doing this I do not desire to put forward any claim for preferential treatment for my own part of the country. I do not believe that sectional lines should play any part in the construction of a tariff bill. I never have asked any consideration for the people and the industries of Utah that I was not willing to ask for New England or New Jersey or Alabama, or any other State in the Union. It is only because I believe that the welfare of all sections of our country and of all of our people should be the governing factor in legislation so directly affecting their prosperity as does tariff legislation that I am moved to make any reference to the gross inequalities of this bill in its treatment of different sections of the country.

It is no secret that the burdens of this bill will bear with particularly onerous weight upon the people and the industries of the West. Distinguished Senators upon the Democratic side have given damning and convincing proof of this fact. They

have made eloquent but ineffectual protest against the sacrifice of their people on the altar of the impractical and outworn theory of free trade. I do not charge that this measure was conceived in a spirit of hostility to the West. But I do say that if hostility to the West and a wanton desire to tear down the structure of hard-earned prosperity that has been reared in that great section of our country within the past few years had been the impelling motive, it is difficult to conceive of any means by which the work could have been made any more complete than it is in this bill as it stands to-day. And while this applies to many sections of the bill, it applies especially to Schedule E, not only for the reason that the Western States from the beginning have led in the development of the beet-sugar industry, but also because the sugar beet plays a part in the economy and progress of the West that no other product does or can play.

It would be difficult, and it is unnecessary to attempt to compute the vast additions to the wealth of the United States that have been made by the application of the policy of reclamation to what was once described as the arid West. Before the inception of this policy land as rich and fertile as any on the face of the globe lay idle because of lack of water. Of the transformation that has been wrought as a result of remedying that lack through vast governmental and private works of irrigation I do not need to speak. The wisdom of that policy has been demonstrated so fully and convincingly by its practical results that nobody now would publicly advocate its abandonment. It has added and is destined in the future to add enormously to the food-producing power of the United States.

mously to the food-producing power of the United States. Reclamation of and by itself, however, has not been able to solve the problems or to remove the handicap of the West. The great handicap of the West has long been its distance from the great markets of the country, or, since the measure of distance in this matter of marketing is cost rather than miles, we may describe it as the high cost of transporting its products to market. The ordinary products of the farm are bulky; it is necessary to change them into forms that are more easily handled. Corn and hay can not be shipped profitably for long distances, but when converted into beef and wool they can be. It is because of its adaptability to conversion into small bulk and weight that the sugar beet has proved such a boon to the West, and especially to those regions in which the use of irrigation is necessary.

The very first State in which the attempt was made to grow sugar beets on irrigated land, I am proud to say, was my own State of Utah. The results obtained there and in other places since that time have shown that sugar beets are one of the crops best adapted to growth under the conditions that surround the reclaimed lands of the West. For purposes of transportation the weight of a ton of beets can be compressed into about 15 per cent of its original amount. Furthermore, the crop is one that responds liberally to the methods of intensive cultivation necessary for the proper utilization of irrigated lands. This tariff bill, if enacted, will strike a serious blow to the development of the reclaimed areas of the West and will cripple the magnificent results accomplished by some of the great works that already have been constructed.

I want to say in passing that one feature of this bill as it applies to sugar betrays a degree of political cunning and astuteness, I might even say a species of political trickery, that I believe can not be matched in any other tariff measure that ever has been proposed in this country. I refer to the date at which the free-sugar provision of this measure is to take effect. It is to go into force not immediately or in the near future but nearly three years hence, just before the opening of the next national campaign, just at a time when the reduction in prices which the refiners must permit in order to destroy their domestic competitors can be pointed out with greatest political force and effect, just too late for the full extent of the destruction and loss resulting from its enactment to be realized by the people before they are called upon to pass judgment upon the present administration. It was no mere statesman seeking to promote the welfare of the people, no mere economist in love with a theory and determined to put it into effect at any cost to himself, who fixed that date. That was the wily act of a shrewd political manipulator seeking to fool the American public for the perpetuation of his party's power. And while the domestic producers of sugar doubtless are grateful for this three-year respite in which to wind up their affairs and turn to some other occupation, if such they can find, I do not believe that they are under any delusions as to the impelling motives behind this act of seeming grace.

Aside from this one purpose of a possible advantage in serving the political fortunes of the Democratic Party, aside from its great and very definite material advantages to a small group of wealthy and powerful sugar refiners and a few Louisi-

ana money lenders, it is impossible to find any reason, any excuse, any palliation even, for the enactment of the sugar schedule of this bill. It is not demanded by the political principles of any political party, not even of the Democratic Party, so far as the past records and public declarations of that party reveal. proposes to destroy a great and growing industry in which the welfare, the prosperity, the very livelihood of hundreds of thousands of American citizens are bound up. Its effect will be to lay waste smiling farm lands and thriving communities as no purely physical scourge ever visited upon any part of the country has done. It proposes to partially devastate our in-sular possessions. Their people have no voice here in the decision of this matter, so vital to them, but they have intrusted their lives and their possessions to our keeping with full confidence of receiving honorable and just treatment at our hands. That confidence the Democratic Party is about to shatter and betray. The enactment of this bill will hand over to the tender mercies of a little group of sugar refiners the absolute control of the sugar market of 100,000,000 American sugar consumers. It is a bill to promote monopoly, to destroy competition. contravenes the established economic policy of every civilized nation in the world. It serves the interests of a handful of men at the expense of the whole body of citizens of this Republic. It is without a single redeeming feature. It is so indefensible that the crack of the party whip, promises and threats, all are reputed, if reports are true, to have been expended upon the able, experienced, and statesmanlike members of the majority in a desperate effort to hold them in line for this one provision, which is so much worse than other portions of a bad measure that their sense of decency revolts at the prospect of voting for it.

It is not my place nor inclination to show that the action contemplated by this bill in relation to sugar is a base betrayal of the pledges given to the people by the Democratic Party through its platform and through the public and private utterances of its party defenders during the last national campaign. That task has been performed more convincingly, with more intimate information and with greater ability than I possess, by Democratic Members of this Congress. It has been told how the committee that framed the Democratic platform refused specifically and definitely to grant the requests showered upon them by the representative of the refiners to place a free-sugar plank in that platform. I recall that just about a year ago the distinguished Senator from Mississippi stood upon this very floor defending the report to which I have previously referred, the report that rejected the free-sugar bill passed by the Demo-cratic majority of the House of Representatives—and passed, as was admitted at the time, only because it was certain not to become law. It substituted for that bill a reduction in the existing duty, a reduction that I believed then was too drastic for the safety and progress of the domestic sugar industry, but still a reduction that preserved two-thirds of the existing rate of duty. In defense of that action the report declared:

It seemed to us that this

The entire removal of the sugar duty-

was not in keeping with the promise of the Democratic platform to reduce present protective duties "gradually" toward and finally to a revenue basis. We have seen no reason why sugar should have been excepted from the general policy advocated by the Democratic Party and believed by us to be right.

Mr. SMITH of Michigan. From what is the Senator quoting? Mr. SMOOT. This is the report that was made by the Democratic members of the Finance Committee on the sugar schedule of a year ago.

Mr. SMITH of Michigan. By whom was it signed? Does the

Senator recall? Mr. SMOOT. By the Senator from Mississippi [Mr. WII-LIAMS], by the Senator from North Carolina [Mr. SIMMONS], by the Senator from Missouri [Mr. STONE], and by the Senator

from Maine [Mr. Johnson].

Mr. SMITH of Michigan. The then Senator from Texas, Mr. Bailey, also signed it, I believe.

Mr. SMOOT. Perhaps so.

Mr. GALLINGER. Will the Senator reread that, please?

Mr. SMOOT. Yes. There were also one or two other Democratic Senators who signed the report. I can not recall them at this time. I repeat the statement made in their report:

It seemed to us that this-

That is, the action of the House in providing for free sugarwas not in keeping with the promise of the Democratic platform to reduce present protective duties "gradually" toward and finally to a revenue basis. We have seen no reason why sugar should have been excepted from the general policy advocated by the Democratic Party and believed by us to be right.

Mr. SMITH of Michigan. Is the Senator still quoting from the report?

Mr. SMOOT. Yes; what I have read is a part of the report. Mr. SMITH of Michigan. If the Senator will pardon me, I should like to place in the RECORD a couple of names he did not

The PRESIDING OFFICER. Does the Senator from Utah yield for that purpose?

Mr. SMOOT.

To do so is perfectly satisfactory to me. Mr. SMITH of Michigan. John W. Kern, of Indiana, seems to be in the list, and Joseph W. Bailey.

Mr. SMOOT. I knew there were two names that I had forgotten.

Mr. SMITH of Michigan. As well as the chairman of the Finance Committee [Mr. Simmons], a member of the Finance Committee [Mr. Stone], and the Senator from Mississippi [Mr. WILLIAMS], to whom the Senator has referred.

Mr. SMOOT. I recall, as I say, that the Senator from Mississippi upheld that position, which he had taken in company with other leaders on the Democratic side, with his customary great ability, and that he then made the statement-

There is not the slightest anticipation in the mind of any intelligent man that sugar will be placed upon the free list, not even if a Democratic Senate and a Democratic House and a Democratic President come into power.

Mr. NORRIS. Mr. President—
The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Nebraska?

Mr. SMOOT. I yield. Mr. NORRIS. I should like to inquire of the Senator where that statement was made.

Mr. SMOOT. It was made on the floor of the Senate.

Mr. NORRIS. Can the Senator give me the page? Mr. SMOOT. Page 9744, on July 27.

Mr. NORRIS. July 27 last? Mr. SMOOT. No; a year ago, 1912.

Mr. MARTINE of New Jersey. Mr. President, I should like to say that in the opinion of very many people in this country the fact that they have changed their minds is an evidence of intelligence.

Mr. SMITH of Michigan. Not too often, however. Mr. SMOOT. I have heard the Senator from New Jersey make that statement frequently. I think he must change his mind quite often

Mr. MARTINE of New Jersey. The Senator should not

delude himself with that idea.

Mr. NORRIS. If the Senator will permit me, I should like to suggest that at least the Senator from Mississippi [Mr. WIL-LIAMS] has not changed his mind, unless he has done so within the last 24 hours.

Mr. MARTINE of New Jersey. I am not talking about the Senator from Mississippi. I say that in the opinion of very many people in this broad land it is an evidence of intelligence that these gentlemen may have changed their minds; and some of them have.

Mr. NORRIS. As an abstract proposition, that is true. statement the Senator read was a statement made by the Sena-

tor from Mississippi, as I understood.

Mr. SUTHERLAND. If they change their minds too often, it is an evidence of instability.

Mr. GALLINGER. It seems to me, whether it is an evidence of intelligence or not, depends upon the direction in which they change their minds.

Mr. MARTINE of New Jersey. They have changed their minds in the direction of the relief of the people, thank God.

Mr. SMOOT. The fact that they have changed their minds in this particular case is, to me, an evidence of instability, to say the least.

Mr. President, I believe that the Senator from Mississippi was absolutely sincere and correct in making that declaration. I believe that there was no anticipation in the minds of men in public or private life throughout the country generally that the Democratic Party would make the abject betrayal of American sugar producers and consumers into the hands of the refiners which it is now preparing to make. Certainly there was nothing in its platform or in the speeches of its candidates to give rise to any such anticipation.

Throughout the campaign, wherever the Democratic orators spoke upon the tariff issue, whether they spoke in those vague general phrases which they so much delight in, whether they referred to general revision or specifically to action upon the sugar schedule, they gave no hint of any such purpose as is now taking place in this Senate. On the contrary, when this issue of sugar was presented squarely to them they gave assurances which, however they may have construed them, they knew would be construed by their hearers as a declaration to reduce the sugar duties moderately and gradually, if at all. This happened not once but many times. The whole tenor of their public utterances was that any revision of the sugar duties would be so moderate and so gradual as not to injure or retard the domestic sugar industry. In the language of the report prepared by the Democratic members of the Senate Finance Committee of the Sixty-second Congress, from which I have previously quoted, there was to be "a gradual reduction toward a revenue basis." Is the absolute removal of all duty on this product, the placing of it on the free list, to be construed as reduction "toward a revenue basis"? I think not. Not until the votes were safely counted, not until the electoral college had met and acted, not until after the Democratic nominee was actually an occupant of the White House was there the slightest hint that free sugar was to be demanded as a part of Democratic tariff revision.

I shall not venture to characterize this course as it might be characterized. I shall not attempt to fathom the motives that led many of the campaign speakers of the Democratic Party to declare themselves against free sugar in October, before election, and for free sugar in March, after election. I will say that if the placing of sugar upon the free list was contemplated, if any candidate for public office sincerely believed that to remove this duty was a matter of moral right or public policy, the brave, the manly, and the honest thing for him to do would have been to declare his purpose in terms not to be misunderstood, regardless of the effect upon his personal political fortunes.

Why mince words? Senators—you who sit upon the other side of this Chamber—I believe, I think you believe, the whole country believes that if many of you vote according to your honest convictions and sincere beliefs this schedule will be greatly modified or overwhelmingly rejected. You who represent the great sugar-producing States of the West and South know that it will inflict injury and loss upon the people who sent you here. If reports are true, some of you have given pledges and promises to your own people to oppose any such measure as this, and your people know that opposition to be anything but a sham must manifest itself by acts and not merely by words. What account are you going to give of your stewardship? Are you going to be true to the welfare and the interests of the sovereign States whose ambassadors you are? Are you going to vote your own honest convictions or are you going to accept dumbly and with averted faces this iniquitous provision, which is violative of the preelection promises of the great party which you honor by your allegiance, this provision which emerges here not from the commingling of minds in any legislative council, but which is reported to the Senate under caucus instructions like an imperial ukase from the throne of a czar, and which you are commanded to accept without protest. without change, and without discussion? The American people await your answer.

Mr. President, last evening, just before the adjournment of the Senate, a question arose as to what sugar refiners were in favor of free sugar and what refiners were not. I have here verbatim extracts taken from the testimony of the representatives of the big refining interests before the special committee on the investigation of the American Sugar Refining Co. and others. It shows that the refiners are united in seeking either free sugar or a drastic reduction. I do not care to take the time of the Senate to read these statements, but will ask that they may be printed in the RECORD without reading.

The PRESIDING OFFICER. Unless there is objection, it will

be so ordered.

The matter referred to is as follows:

# APPENDIX A.

FREE SUGAR IS DEMANDED BY THE SUGAR REFINERS AND WILL BENEFIT THEM DIRECTLY.

EDWIN F. ATKINS, ACTING PRESIDENT OF THE AMERICAN SUGAR REFINING CO.

The CHAIRMAN. Is it really on account of the competition, Mr.

The Charman. Is it really on account of the competition, Mr. Atkins?

Mr. Atkins. I think so * * * the beet sugars are taking away the trade of the refiners year by year (p. 48).

Mr. Madison. So you can hardly ascribe it to the fierce competition by the beet-sugar people?

Mr. Atkins. Certainly. All that beet sugar comes on the market at a certain season of the year. It is all produced in about three months' time. They all want to market it just as rapidly as possible, and in order to do that they come to the eastern points. California sugar comes into Chicago and the Michigan sugar into Buffalo and Pittsburgh; and eastern refineries, not only the American Sugar Refining Co. but the others, have to reduce or close down until the beet sugars are out of the way. Any refining that is done between the 1st of October and the 1st of January is done without any profit and very often at a loss.

Mr. Madison. Then, as a matter of fact, your competition with the beet-sugar people only exists during a few months of the year?

Mr. Atkins. Three months; and that is 25 per cent of the whole time (p. 49).

Mr. ATKINS. Three months; and that is 25 per cent of the whole time (p. 49).

Mr. Hinds. As a matter of fact, does your minority holding in these beet companies give you any actual control in their management?

Mr. ATKINS. It does not; it does not. We have no control whatever over the prices, and there is a continual conflict in regard to the prices at which the beet-sugar companies are selling. They enter into the

eastern territory and compete with us. Competition at certain seasons of the year is so great that the refineries of the Atlantic coast have to either reduce their meltings or close down (p. 80).

Mr. HINDS, So that a reduction of the tariff passing beyond a moderate amount would tend to the prosperity of the refiners and to the detriment of the beet-sugar people?

Mr. ATKINS. Take the independent refiners, outside of our concern at all, that represent more than half the supply of the United States. They say, and I think they say truly, that it is for the refiners' interest to have a low rate of duty rather than a high rate of duty and reduce the basis of value upon which they can sell.

WASHINGTON B. THOMAS. CHAIRMAN BOARD OF DIRECTORS, AMERICAN SUGAR

WASHINGTON B. THOMAS, CHAIRMAN BOARD OF DIRECTORS, AMERICAN SUGAR REFINING CO.

Mr. Malby. You have to-day competition among the beet-sugar industries of the United States, have you not?

Mr. Thomas. We have.

Mr. Malby. And good, sharp competition, say, with the Michigan Sugar Refining Co.?

Mr. Thomas. We have (p. 2013).

Mr. Malby. So that, reverting to the question once more, if the beet-sugar industry was wholly destroyed, then you would get in there, would you not?

Mr. Thomas. We would extend our sales, undoubtedly.

Mr. Malby. Let us be frank about it. You would extend your sales to every single household where beet sugar is now sold, which would pay the price, would you not?

Mr. Thomas. Oh, yes. It would take the place of beet sugar (p. 2014).

Mr. 2014).

CHARLES R. HEIKE, FORMER SECRETARY AMERICAN SUGAR REFINING CO. CHARLES R. HEIKE, FORMER SECRETARY AMERICAN SUGAR REFINING CO.

Mr. FORDNEY. If the duty were removed on foreign imported sugar, would the benefits inure to the beet-sugar industry and not the refiners that refine foreign imported raw sugar?

Mr. Heike. The refiners would have the advantage.

Mr. FORDNEY. That is what I meant.

Mr. Heike. The beet-sugar companies probably would find great difficulty in making beet sugars at all (p. 208).

Mr. FORDNEY. Now, if the duty were removed absolutely on sugar, could we produce either cane or beets in this country?

Mr. Heike. I doubt it very much.

Mr. FORDNEY. Then that would destroy the industry absolutely in this country?

Mr. Heike. Yes.

Mr. FORDNEY. And you would approve of that?

Mr. Heike. Yes (p. 292).

WILLIAM G. GILMORE, PARTNER, ARBUCKLE BROS., SUGAR REFINERS.

WILLIAM G. GILMORE, PARTNER, ARBUCKLE BROS., SUGAR REFINERS.

Mr. Madison. In other words, you think the thing to do is to take off the duty, and that it would be to your advantage to take it off, as a refiner of came sugar?

Mr. Gilmore. Yes, sir.

Mr. Madison. And you would advocate the taking off of the duty?

Mr. Gilmore. I would personally. I am only speaking now personally (p. 1169).

Mr. Gilmore. The refiner of cane sugar is not making enough

Mr. GILMORE. The renner of cane sugar is not making money. * * * * Mr. Madison. Would you adopt the suggestion of the gentleman as to the beet-sugar industry?

Mr. GILMORE. The home beet-sugar industry, of course, is curtailing the sale of the cane-sugar products. You can not sell it twice.

Mr. Madison. In other words, if they were out of the way, you would make more money?

Mr. GILMORE. We would have more employment, I suppose, for our output, for our capacity—our refining capacity.

Mr. Madison. And the ultimate conclusion is you would make more money?

money?

Mr. GILMORE. I think we would (p. 1167).

Mr. MADISON. Suppose, as a matter of fact, they get to a point where, instead of producing about 600,000 tons of sugar a year, they actually produce a million and a half tons of sugar, what effect would that have?

Mr. GILMORE. It would shut down most of the eastern reflueries for a part of the season.

Mr. MADISON. You would have to quit the business:

Mr. GILMORE. Yes (p. 1168).

WILLIAM J. JAMISON, PARTNER, ARBUCKLE BROS.

WILLIAM J. JAMISON, PARTNER, ARBUCKLE BROS.

Mr. RAKER. How would it affect you if there was no tax on the importation of sugar—raw sugar?

Mr. JAMISON. I think it would enable us to run more constantly.

Mr. RAKER. What do you mean by that, now?

Mr. JAMISON. To keep up the capacity.

Mr. RAKER. Will you explain it?

Mr. JAMISON. I mean we would be able to sell more sugar.

Mr. RAKER. Do you not have a supply all the time?

Mr. JAMISON. Well, we are not able to run full at all times.

Mr. RAKER. Because of the way raw sugar is shipped into the United States?

Mr. Harre. Decade V.
States?

Mr. Jamison. Oh, no; on account of the beet product. If there was no duty I do not think the beet would be so prosperous and we would probably sell more sugar. If the duty was removed, I mean to say (p. 1195).

Mr. Barre. What would you think would be a fair compensation?

Mr. RAKER. What would you think would be a fair compensation?
Mr. Jamison. I think there should be a cent a pound taken off at
the present time at least, and later—
Mr. RAKER. A little more?
Mr. Jamison. Yes; until it is entirely removed (p. 1196).

CLAUS A. SPRECKELS, PRESIDENT FEDERAL SUGAR REFINING CO.

Mr. Hinds. Mr. Spreckels, you have been carrying on a campaign to reduce the tariff as beneficial to the cane-sugar refiners?

Mr. Spreckels. I have.

Mr. Hinds. Of course, that will be damaging to the beet-sugar refiners?

refiners'

finers?

Mr. Spreckels. To some extent it will (p. 2275).

Mr. Hinds. In other words, perhaps, you would take it (the tariff) 1 off, would you not, and have free trade?

Mr. Spreckels. I would have free trade (p. 2277).

Mr. Hinds. You would have free trade in sugar?

Mr. Spreckels. Absolutely (p. 2278).

Mr. SMOOT. I also have here a table showing the comparative prices of various food products for the years 1904 to

1913. I will state that the average price from 1890 to 1899 is used as a basis. I ask that that may be inserted in the RECORD without reading

The PRESIDING OFFICER. In the absence of objection, it will be so ordered.

The matter referred to is as follows:

#### APPENDIX B.

COMPARATIVE PRICES OF FOOD PRODUCTS, 1904-1913. . [The average price 1890-1899 is used as a base and equals 100.]

	1904	1905	1906	1907	1908	1909	1910	1911	1912	1 1913	Aver- age.
Sirloin steak	111.0	110.6	114.2	116.7	119.9	126. 1	134.0	134. 9	153.0	160.8	128.
Round steak	120.8	120.0	124.4	128, 4	135.5	140.6	149.9	152.6	174.3	184.5	143.
Rib roast											133.0
Pork chops											155.
Bacon, smoked											153.
Ham, smoked											140.
Lard, pure	116.3	115.8	127.3	133.5	134.3	150.5	172.9	145.3	154.3	162.3	141.5
Hens	120.6	123.6	128.0	131.3	134.9	145.7	155.0	151 6	158.3	166.6	141.
Flour, wheat	118.3	118.6	108.3	118.2	127.1	138.1	135.9	127.9	132.9	127.4	125.
Corn meal	122.9	125.5	124.5	133.5	142.6	145.7	147.9	147.2	160.3	156.1	140.
Eggs, strictly fresh	131.1	131.3	134. 2	138.2	142.8	154.7	158. 2	150.2	162.5	156.0	145.
Butter, creamery	108.1	111.4	118.3	127.3	127.9	134.3	139.9	131.3	147.4	163.5	131.9
Potatoes, Irish	119.0	109.3	114.6	122.2	129.8	133.4	119.5	157.0	168.2	123.6	129.
Sugar, granulated	100.4	101.8	97.2	98.7	101.3	100.3	102.5	111.1	108.8	95.1	101.
Milk, fresh	107.4	108.1	110.0	118.9	123. 2	126.2	131.6	132.7	135.6	140.1	123.

1 February.

Mr. SMOOT. The above table is compiled from statistics collected by the Department of Labor. It gives the prices of 15 leading articles of food selected as representative by the department for the past nine years and for February, 1913. As these figures show, the average price of every article on the list, with the exception of sugar, has been continually higher than its average in the period from 1890 to 1899, which is taken as 100 for the purpose of comparison. In the case of sugar the price in 3 of the 10 years has been below the average of 1890-1899. With the exception of the abnormal year of 1911, the average price of sugar since 1904 has been almost exactly the same as the average during the 10-year period 1890-1899, the actual figure being 100.6. In the case of the other products quoted the average increase has been 38 per cent. These figures show conclusively that sugar now is relatively the cheapest food product that the American people use, that it is the only product that has not advanced greatly in price during the past decade, and that it plays no part in the increased cost of living.

Mr. THOMAS. Mr. President, before the Senator takes his seat I should like to make one inquiry. I understood the Senator to say that the bounty of 2 cents a pound on sugar produced in the United States, provided for by the McKinley bill, was declared unconstitutional. I should like to have a citation to the case in which that decision was made.

Mr. SMOOT. Mr. President, I have always understood that that was the case. In my hurry in preparing the remarks I have submitted I did not look up the matter; but if it is not the case, then I have been mistaken in my understanding of it

Mr. THOMAS. The Senator is nearly always accurate in his memory and in his statements of facts and figures. It was a surprising statement to me, however. Consequently my curiosity was aroused and I wanted a reference to it. My understanding had been that there was a controversy in the courts over the subject and that the decision was just the other way. I think the ther Senator from Kentucky, Mr. Carlisle, afterwards Secretary of the Treasury under Mr. Cleveland, represented the side of the case which contended for the unconstitutional nature of the bounty.

Mr. SMOOT. What became of the provision of the law? Mr. THOMAS. I think it was sustained, but my memory on

that point is not entirely reliable.

Mr. WILLIAMS. Under Cleveland's second administration, if my memory is correct, the man in the Treasury Department who had to indorse certain papers in order that the payments might be made—I have forgotten his name—refused to indorse them, and they were not indorsed. Up to that time, however, the payments had been made; and the matter was pending, I think, when the bounty provision was repealed. I believe the man's name was Bowers.

Mr. SMOOT. As the Senator says, I hardly ever make a statement on the floor of the Senate unless I look up the facts before making it. In this particular case I did not, for I felt certain of the history of the case, and I was extremely busy last evening.

Mr. THOMAS. The Senator may be correct.

Mr. SMOOT. I will not say that I am correct, but I will look the matter up. I will say that if I am not correct, I have been

mistaken in my opinion for a number of years.

Mr. SMITH of Michigan. Mr. President, perhaps the situation in our State may have had some effect on the mind of the Senator from Utah. We had a sugar-bounty law in Michigan. Mr. THOMAS. I think the State courts did hold the bounty

provision to be unconstitutional, and the cases were not appealed.

Mr. SMITH of Michigan. Our supreme court held the law to be unconstitutional, as I recollect. And it failed, although it was the means of stimulating the sugar industry considerably in our State; yet when the legislative act reached the court of final jurisdiction, it declared the law to be unconstitutional. do not know whether the Federal law was ever so declared or not.

Mr. SMOOT. I will look the matter up. Mr. RANSDELL. Mr. President, I should like to ask the Senator from Utah a question, if I may, before he concludes. noticed that in the Senator's very interesting address he stated that the average yield of sugar in Louisiana was about 300,000 tons. I will ask him to correct that and state exactly what it is. I have here, from the Department of Agriculture, a statement showing that while the crop of the past year was very short, owing to excessive overflow, the average yield for the past 10 years was 323,581 tons.

Mr. SMOOT. Mr. President, I do not know whether the Senator was in the Chamber or not when I referred to the fact that the small yield for 1912 was on account of the floods.

Mr. RANSDELL. Yes.

Mr. SMOOT. Then, speaking in round numbers as I was, I said that the Louisiana crop as a general thing was about 300,000 tons.

Mr. RANSDELL. I should be very glad if the Senator would publish the figures I refer to, because I think they would show that our yield is a good deal larger than the average person thinks it is. For instance, it runs in 1907, 380,000 tons, the next year 397,000, the next year 364,000, the next year 342,000, then 353,000, and drops down to 153,000 last year because of the overflow. I shall thank the Senator very much if he will insert those figures.

Mr. SMOOT. I assure the Senator that in my published remarks I will simply say what the average yield is, and put in the 323,000 instead of saying "about 300,000 tons."

Mr. RANSDELL. I thank the Senator.
Mr. President, I wish to give notice that when the bill reaches the Senate I shall offer an amendment proposing to strike out the provision for free trade in sugar after the lapse of three years. My amendment would strike out portion of paragraph 179, beginning with the words "Provided further," in line 11, page 53, and closing with the words "free of duty," in line 13 of the same page. The effect of that would be to leave a duty of about 1 cent a pound on importations of sugar from Cuba.

Mr. NORRIS. Mr. President, will the Senator yield to me

for a moment?

Mr. RANSDELL. Certainly.

Mr. NORRIS. I will state to the Senator that I had myself given notice that I was going to offer that amendment as soon as this particular amendment is disposed of. I do not, of course, wish to interfere with any plan the Senator may have in reference to the matter; but it was my intention to offer that amendment as soon as the amendment offered by the Senator from Kansas [Mr. Bristow] had been voted upon, and to submit some observations in regard to it.

Mr. RANSDELL. Mr. President, I do not wish to have any conflict between the Senator and myself. I had decided that it would be better, from my point of view, to offer this amendment when the bill reaches the Senate, and to make some observations on it at that time, though, of course, I can not control the action of the Senator from Nebraska.

Mr. NORRIS. I will say to the Senator that if he has any objection to my offering that amendment now and would prefer

to have me wait, I shall be glad to do so.

Mr. RANSDELL. I have no objection, but I believe it would be better for the friends of sugar if the amendment were offered

Mr. NORRIS. My own judgment is that there is nothing contrary to parliamentary usage or the practice of the Senate in having the amendment offered then, even though it had been offered in the Committee of the Whole.

Mr. RANSDELL. I understand that is correct, and that it can be offered in the Senate again, even if offered in Committee of the Whole.

Mr. NORRIS. That is my own judgment. Mr. RANSDELL. Mr. President, I do not intend to discuss the sugar schedule at any length at this time. I shall refrain from full discussion until I speak in support of my amendment. I deem it my duty, however, to call the attention of the Senate to the deep-seated resentment existing in the State of Louisiana at this proposed legislation. It is a very serious question with us in Louisiana. In placing sugar upon the free list at the end of three years this bill will destroy in the most ruthless, cruel, unwarranted, unjustifiable, and un-Democratic manner the greatest industry in my State, which has given more employment than any other single avocation to the people of Louisiana for 125 years, in which there are \$100,000,000 invested, which sup-norts at least half a million couls which progressing the supports at least half a million souls, which produces crops that sell annually for from \$25,000,000 to \$30,000,000, one which everyone who has studied the subject admits can not exist without some degree of duty in competition with the sugar of the Tropics, and an industry which has been the greatest revenue producer of any in the entire schedules. And yet, without rhyme or reason, without excuse or justification, without even explanation from anyone authorized to give an explanation, the party is about to destroy this industry. No one has even tried to defend or explain this action. In the speech of the chairman of the Committee on Finance and in the report accompanying this bill not a word is said in explanation, no word in defense.

My people feel very deeply on this subject. They resent this proposed action very strongly. They have been Democrats, and good Democrats, for a long time. They have borne the brunt of the Democratic battle, along with their sister Southern States, when practically the only Democracy was in the South; and now they have been singled out for slaughter, for absolute ruin, by their own household. I can not foretell what the political effect will be, but I wish to call to the attention of the Senate the resolutions of a great mass meeting held in the interior of Louisiana, at the city of New Iberia, on the 2d of this month, the largest and most enthusiastic gathering ever held within the history of the State at any interior point, a mass meeting attended by seven to ten thousand voters, gathered together from all the surrounding parishes, addressed by 12 speakers, representing every element of factional Democracy. There was not a single Republican orator. These speakers were the ablest men in the State, and all their addresses echoed the sentiments that appear in the resolutions, which I shall now read to you and ask you to consider carefully:

men in the State, and all their addresses echoed the sentiments that appear in the resolutions, which I shall now rend to you and ask you to consider carefully:

We, citizens of Louislana, in mass meeting assembled, declars:

We, citizens of Louislana, in mass meeting assembled, declars:

The iffth and last paragraph specifically mentions by name with the conditions and not with theories, and recognizing the fact that many of the great industries of this country had been, in part or in whole built upon the polley of protection, declared that such revision should make the provider of the control of the protection of the series of the provider of the protection of the series of the provider of t

the last 10 years, the price of sugar has steadily gone downward, and in the efforts of the party to reduce the tariff in order to cheapen the cost of living it is manifestly unjust that the chief industry of our State should be segregated for destruction by scheduling it for the free list, when that article is the cheapest article of food now in the American market and the duty on the same has always been recognized by all the leaders of the party to come within the Democratic doctrine of tariff for revenue. Our Senators are elected, as it were, ambassadors from a sovereign State, not only to protect and care for the interests of the people of the Union, but to watch over and protect the interests of the people of their own State. They can not delegate the great trust confided to them to another. In the performance of their high duties to the people of their own State and of their country they must exercise their own independent judgment and be guided by their own consciences and not by the action of any political caucus. They can not transfer that judgment, nor can they commit their consciences to the keeping of other Senators. Especially is this true with regard to the Senators and Representatives from our own State. Prior to their election they made certain promises and pledges to the people. Their pledges and promises to the electors of this State were unequivocal, open, and aboveboard. In their public addresses they declared that they would never vote for a tariff bill ruinous to the industries of the State. This was their platform. They were elected upon that platform, and that platform was not hostile or antagonistic to the Democratic platform at Baltimore, and as honorable men there is no other course for them to pursue than to stand to and be guided by the pledges that they made to the electors of this State. It is unfair and unjust to them, not only as honorable men but as Senators, to ask or expect them to pursue any other course than that which they promised the people to follow when they were soli

tives, whether in the their king, the people.

The fifth and last paragraph specifically mentions by name

the committee on resolutions voted down a free-sugar plank, and when Mr. Wilson was elected President and promised that his tariff policy would not strike down a single industry.

In the Daily Picayune of August 3, 1913, I find an editorial entitled "The New Iberia rally," from which I quote:

entitled "The New Iberia rally," from which I quote:

"" This outpouring of the people of southern Louisiana to do honor to two great public servants who have boldly announced their purpose to vote against a party measure overwhelmingly indorsed by the Democratic caucus because it strikes at the prosperity of their own State should give the weak-kneed Democrats in the Senate who oppose free sugar, yet tamely submit to the commands of the party leaders, serious food for reflection. The fact should never be forgotten that Senators, unlike Representatives, represent their States and not individual districts or sections of States. It is therefore eminently proper and fitting that Senators should permit no consideration of party or public expediency to divert them from the obligation they are under of considering the State they represent before all other matters whatsoever. Men who would be willing to sacrifice vital interests of their respective Commonwealths to party expediency or on demand of party leaders are unworthy to hold their seats in the highest legislative chamber of the Nation.

I shall next read from an editorial in the New Orleans Item

I shall next read from an editorial in the New Orleans Item of the 3d instant on "Louisiana, the tariff, and the bitter lesson of political tariff tinkering":

of political tariff tinkering. The period here in Louisiana beyond all recent times is one of political unrest, of self-questioning, of thought, of new alignment. Louisianians know that the charge that the sugar planters and the sugar interests of Louisiana are "bloated beneficiaries of special privilege" is cruelly false. They know that the sugar planters, the brokers, and the handlers of sugar have prospered on the average hardly to the same extent as the agricultural interests of the Middle West and North.

Indeed, Senators, the editorial writer might have said that, owing to awful freezes in the latter part of 1911, which nearly ruined the crop, and to the most disastrous overflow on record in 1912, which destroyed nearly one-half of the growing crop of sugar cane in Louisiana, many of the sugar planters are to-day mortgaged up to their very necks, and a number of the sagar plantations have been sold under foreclosure of mortgage within the last few months.

To resume the quotation:

If the national Democratic Party continues to declare that support of a tariff bill drawn upon the lines of the Underwood-Wilson bill now pending is the ultimate test of Democracy, if such a bill is declared to express and to enunciate the fundamental principle of the party, fust so surely will the national Democratic Party take the final step which must result in the disruption of Louisiana's "solid Democracy" unless the words uttered at New Iberia and the words heard on every street corner and in every countingroom are empty and meaningless.

Mr. President, being confined here as I have been since the 4th day of March, in attendance upon my duties in the Senate, I have had no opportunity to visit Louisiana so as to come in contact with her citizens and ascertain from personal talks with them their real sentiments; but these expressions are taken from the four great daily newspapers of New Orleanstaken from the four great daily newspapers of New Orleans—the only great dailies we have there—and I repeat that if you can believe what they say, if you can believe the solemn expressions of that great mass meeting in New Iberia, there is not a good state of feeling toward the national Democracy on the part of the people of Louisiana. It is for Congress to say whether that feeling shall continue and grow; it is for us to decide whether or not a soothing balm shall be applied.

Mr. President, let me reiterate what I said before, that Louisiana is not asking any unfair privilege. Her people ask no favors; they ask that the same treatment be meted out to them which is measured to every other section of the country; they ask that their great industry-sugar-which has produced more revenue than any other article, the revenue upon which is more easily collected than that on any other; sugar, which is the cheapest article of human food; sugar, which is the one article which has gone down steadily in price for the last 20 years, shall continue to bear at least a reasonable rate of duty, shall be treated somewhat the same as manufactured articles of steel, cotton, wool, and many others.

They are not asking the retention of the present Payne-Aldrich rate. They are willing to accept a cut in proportion to the average cut made on other articles in this tariff bill; but they are not willing to have their greatest industry sacrificed, and their Senators will fight until the last minute to keep it

from being completely, ruthlessly, and needlessly destroyed.

The VICE PRESIDENT. The question is on the amendment

offered by the Senator from Kansas [Mr. Bristow].

Mr. Bristow. I ask for the yeas and nays on that amendment, Mr. President.

The yeas and nays were ordered, and the Secretary pro-

ceeded to call the roll.

Mr. CHILTON (when his name was called). mr. CHILTON (when his name was called). I have a general pair with the junior Senator from Maryland [Mr. Jackson]. As he is not present, I withhold my vote.

Mr. KERN (when his name was called). I have a general pair with the senior Senator from Kentucky [Mr. Bradley].

In his absence, I withhold my vote. If I were at liberty to vote, I should vote "nay."

Mr. SMITH of Maryland (when his name was called). have a general pair with the senior Senator from Vermont [Mr. DILLINGHAM], and therefore I withhold my vote, If I were at liberty to vote, I should vote "nay."

Mr. THOMAS (when his name was called). eral pair with the senior Senator from New York [Mr. Root]. I therefore withhold my vote. If I were at liberty to vote, I should vote "nay."

Mr. TILLMAN (when his name was called). I have a general pair with the Senator from Wisconsin [Mr. Stephenson], and therefore withhold my vote.

The roll call was concluded.

Mr. McCUMBER. I have a general pair with the Senator from Nevada [Mr. Newlands]. I transfer that pair to the junior Senator from Maine [Mr. BURLEIGH] and vote. I vote

Mr. CHAMBERLAIN. I have a general pair with the junior Senator from Pennsylvania [Mr. OLIVER]. In his absence, I

withhold my vote. If permitted to vote, I should vote "nay."

Mr. CHILTON. I transfer the pair which I have just announced to the senior Senator from Virginia [Mr. Martin] and vote. I vote "nay."

Mr. THOMAS. I transfer my pair with the senior Senator from New York [Mr. Root] to the Senator from Georgia [Mr. Bacon] and vote. I vote "nay."

Mr. JONES. I desire to announce that my colleague [Mr. Poindexter] is necessarily detained from the Chamber. I am satisfied that if he were present he would vote "yea."

Mr. SMOOT. I desire to announce that the senior Senator from Delaware [Mr. DU PONT] and the junior Senator from Wisconsin [Mr. Stephenson] are detained from the Senate on account of illness.

The result was announced-yeas 34, nays 39, as follows:

- 1	Y	EAS-34.	
Borah Brady Brandegee Bristow Burton Catron Clapp Clark, Wyo.	Crawford Cummins Fall Gallinger Groma Jones Kenyon La Follette Lodge	McCumber McLean Nelson Norris Page Penrose Perkins Ransdell Sherman	Smith, Mich Smoot Sutherland Thornton Townsend Warren Weeks
	N	AYS-30.	
Ashurst Bryan	Johnson Lane	Pomerene Reed	Smith, Ga. Smith, S. C.

Ashurst	Johnson	Pomerene	Smith, Ga.
Bryan	Lane	Reed	Smith, S. C.
Chilton	Lea	Robinson	Stone
Clarke, Ark.	Lewis	Saulsbury	Swanson
Fletcher	Martine, N. J.	Shafroth	Thomas
Gore	Myers	Sheppard	Thompson
Hitchcock	O'Gorman	Shields	Vardaman
Hollis	Overman	Shively	Walsh
Hughes	Owen	Simmons	Williams
James	Pittman	Smith, Ariz.	

James James	Pittman	Smith, Ariz.	Williams
	NOT '	VOTING—22.	
Bacon Bankhead Bradley Burleigh Chamberlain Culberson	Dillingham du Pont Goff Jackson Kern Lippitt	Martin, Va. Newlands Oliver Poindexter Root Smith, Md.	Stephensor Sterling Tillman Works

So Mr. Bristow's amendment was rejected.

Mr. NORRIS. In paragraph 179, page 53, line 11, after the date "1914." I move to strike out the proviso down to and including line 13.

The VICE PRESIDENT. The amendment proposed by the Senator from Nebraska will be stated.

The Secretary. In paragraph 179, page 53, beginning with line 11, it is proposed to strike out the following proviso:

Provided further, That on and after the 1st day of May, 1916, the articles hereinbefore enumerated in this paragraph shall be admitted free of duty.

Mr. NORRIS. Mr. President, the amendment which I have just offered does not change any rate of duty or schedule in the bill; it leaves the tariff on sugar exactly as it is in the bill; but it strikes out that provision of the bill that after three years the product named in the schedule-sugar-shall be free of any duty. I shall not detain the Senate more than a few moments in the discussion of the amendment. I approach it and discuss it from the standpoint of the consumers of sugar.

In round numbers there are in the United States engaged in the production of sugar, both cane and beet, between one million and one million and a half of American citizens; and I am willing to concede that if free sugar would reduce the price of sugar to the consumer by the amount of all the duty, we would not be

justified in retaining that duty. If I believed now that the removal of the duty on sugar or, in other words, the placing of sugar on the free list would permanently reduce by the amount of the duty the cost to the sugar consumer, I would have no hesitancy in voting for free sugar. I do not believe we have a right to ask the other 89,000,000 people to pay an increased price for sugar in order to give employment and to keep up the business of the million or the million and a half who are directly interested in the production of sugar; but to me it seems like a plain proposition that the placing of sugar upon the free list will mean ultimately the paying of a higher price for sugar by the American consumer. I have a great deal of sympathy for the man who honestly believes that the removal of the duty would reduce by the amount of the duty the cost of sugar to the consumer; and, as I have said, if I believed that way I would unhesitatingly support that kind of a proposition.

In the first place, Mr. President, before I undertake briefly to give my reasons why I think it is necessary for the protection of the consumer of sugar to retain a duty on it, I want to

say just a few words about the present schedule.

I believe that the sugar schedule in the present law can not be defended from any standpoint. I am particularly opposed to what is ordinarily known as the Dutch standard color test. That I believe to be a joker, the effect of which has been nothing else than to put money into the pockets of American refiners of sugar—the Sugar Trust. In addition to that, I think the tariff itself is entirely too high, and that all those engaged in the production of sugar can stand a reasonable and fair reduction of the tariff.

The Dutch standard color test has been with us a great many years; it is in the present law; it was in the Dingley law; it was in the Wilson law. There was a time in the past, before the invention of the polariscope, when it was necessary, but since that time it has been of no more use, in my judgment, in

a tariff schedule than a fifth wheel to a wagon.

The present Democratic majority of the Senate in revising this schedule, in my judgment, would have done well if they simply had omitted from it the particular proviso which my motion seeks to strike out. I am not going to discuss at the present time, Mr. President, the position of the majority on the question and how I think it has changed since the last general election and how it has been manipulated by secret caucus methods; but I am going to content myself with a few suggestions as to why it seems to me every fair-minded man, having in view the ultimate good to the consumers of sugar, ought to favor the retention of a reasonable tariff upon that product.

I have no sympathy with those economists who say that there ought to be a revenue tariff on sugar, except in so far as that revenue tariff might have a tendency to protect the industry in this country and thus continue what I believe would be real competition in sugar. I want to make sugar just as cheap as possible to the consumer. It is a necessary of life, and I want to lessen the burdens upon the poor as much as possible.

From the Bureau of Statistics of the Agricultural Department I learn that they have estimated that the world's production of sugar for the year 1912–13 is 18,000,000 tons. This bureau informs me that for quite a number of years the world's production of sugar and the world's consumption of sugar have been practically equal, and that the consumption of sugar during this year will equal the production, in round numbers, of 18,000,000 tons. From my viewpoint, it is important for us to bear in mind that fact, which I think will not be disputed by anyone, that the production and the consumption of sugar, taking the world over, taking the world as a whole, has been

practically equal for quite a number of years.

I think it will also be conceded that free sugar will drive out of existence and out of business nearly all, if not all, of the beet-sugar factories; it will drive out of business the canesugar industry of Louisiana and of the adjoining States; it will curtail the production of sugar in Porto Rico to quite a large extent; it will cut down the production of sugar in Hawaii to quite a large extent, and also in the Philippine Islands. not give, and no man so far as I know can give, any definite figures as to just how great will be the destruction along the lines I have indicated; but I believe it is practically conceded by all those who have studied the question that the cane-sugar industry in the United States will be entirely wiped out, and that practically the same thing will happen to the beet-sugar industry; that from a third to two-thirds of the production of sugar in Porto Rico will be eliminated; that about one-third of the production in Hawaii will be eliminated, and something less of the production in the Philippine Islands.

I have no desire, Mr. President, to do anything except to reach a fair and honest conclusion. I believe that I am conservative in my statement when I say that free sugar would practically reduce the production of sugar in the United States and its dependencies from 1,000,000 to 1,500,000 tons. Let us for just

a moment think of the effect that that would have. Suppose it reduced it only 1,000,000 tons—and I do not believe there is anyone who has studied this subject who will not agree that it will reduce it more than that—considering now that the production in the world and the consumption in the world are equal and that at one stroke of the pen you cut down the production of sugar a million tons, is there any man who will deny that it would have a very perceptible effect upon the world's price of sugar? I do not believe anyone will seriously dispute that proposition. There is no doubt but what this alone would increase the world's price of sugar regardless of the tariff.

From the same bureau I learn that we produced in the year 1912–13 beet sugar in the United States to the amount of 618,354 tons and cane sugar to the amount of 145,155 tons, making a total production of sugar in the United States proper for the present year of 763,509 tons. That is less than the production would have been had it not been for the destructive floods that almost wiped out the production this year of Louisiana sugar. Louisiana produced in the year before 322,209 long tons of sugar. More than half of that was swept away by disastrous floods. We produced in Porto Rico 340,000 tons of sugar during this year, we produced in Hawaii 500,000 tons, and in the Philippine Islands 175,000 tons.

The duty provided in the pending bill, as I understand, shorn of its technicalities—and if I am wrong I should like to be corrected—on refined sugar, in round numbers, is \$1.25. The real

tariff, however, is 20 per cent below that.

I call attention to the fact that in our reciprocity treaty with Cuba we have provided, among other things, that her sugar shall be admitted into the United States at a reduction under the regular tariff rates of 20 per cent. While refined sugar has to pay under the present law a duty of \$1.90, Cuban sugar can

come in for 20 per cent less.

It has been conceded, I think, and will be conceded now, that just as soon as the sugar which we produce this side of the tariff wall—that is, in the United States proper—and in our dependencies, which, added to the sugar that is produced by Cuba, amounts to more than the sugar we consume, then the consumer will get the benefit of the reduced tariff on sugar. In other words, the bill which is now before the Senate, while it provides for a duty, speaking in round numbers, of \$1.25 on refined sugar, as a matter of fact the real duty would be just around a dollar—I cent a pound—because Cuban sugar, having a preferential rate, enjoying the right to come into the United States at 20 per cent less than sugar from the balance of the world, and Cuba producing enough sugar, added to our domestic production, to constitute more than we consume, the result is that no sugar comes in that pays a tariff at all, except from Cuba, and that pays the reduced rate.

There were produced in Cuba this year 2,250,000 long tons of sugar. That amount, added to the amount which we produced ourselves, made, as I have said, more sugar than we consumed. Altogether the Cuban sugar and the sugar produced in the United States, Hawaii, Porto Rico, and the Philippines amounted to 4,028,509 long tons, while our consumption of sugar was considerably less than 4,000,000 tons; so that, for practical purposes, this bill provides that the tariff on refined sugar shall be about 1 cent per pound, running down from that according to the degree of saccharine matter contained in the sugar.

Now, let us see, Mr. President. If we make sugar free and drive out of existence practically all of our production in the United States proper, and reduce that which comes from some of our dependencies by at least one-third, or, in some instances, perhaps more, it appeals to me as being reasonable that we shall have subjected our sugar market to the absolute control of the sugar refiners. The sugar that will come in will come into this country in the shape of raw sugar from Cuba. The American people can not use the sugar as it is brought in. It will first have to be refined. Every man concedes that if the refining interests should be controlled, if they should be manipulated, the sugar market of the United States would be manipulated and would be absolutely under the control of the refining interests, or the Sugar Trust.

I do not mean to say that what is now known as the Sugar Trust would necessarily refine or buy all the raw sugar that came in. As the testimony in all these investigations shows, however, the independent refiners, whatever number there may be—and there are but a few of them—would naturally come under the umbrella of the American Sugar Trust. That was the testimony of one of the independent refiners before the Hardwick committee.

It is not necessary to charge them with any ulterior motive or anything of the kind. It is perfectly natural. It seems to me it is a universal law of business that the man who is engaged in the sugar-refining business shall try to get all he can out of the product. If he had no competition here, and five or six concerns could combine to control the refining of sugar, the result would be that just as soon as these competing sugar industries were driven out of business they would raise the price as high as the market would stand. They would have control of the situation, and could put the price almost anywhere they pleased.

Did it ever occur to you that when the price of sugar is raised just 1 cent a pound for one year just in the American market it means, in round numbers, \$100,000,000? They could raise the price of sugar 1 cent a pound over night. The combination would be, to a great extent, beyond the control of Congress in its legislative capacity and beyond the jurisdiction of the courts to enforce laws against it, even if Congress had power to pass laws that were applicable. The price of sugar would undoubtedly go down for a year or so, until the beet-sugar industry was completely driven out of business and until the canesugar industry was entirely stranded.

It will not do to say that if afterwards the price of sugar were put up these industries would again spring up. It would take millions and millions of dollars to do that. No man would invest a single penny in the business if he knew that it was within the power of such a combination to put the price of sugar down below what it would cost him to produce it and drive him out of business the second time. It will never do to think for a moment that these men will be driven out of business twice.

Mr. President, much has been said about the attempt, several years ago, of the Sugar Trust to buy up the beet-sugar factories in the United States. I have no sympathy with that great I have no sympathy either with the men who in years past have put millions of water into the beet-sugar business. To me it is not so material what becomes of them. worrying about what will happen to the men who have their money in the sugar business, although I should like, if I could, to protect all those who have honestly invested in it. But I believe there is a greater duty that we owe here, and that is to the men and the women, the millions of citizens, who have to buy their sugar daily, most of them poor. The poor man needs as much sugar per capita as the wealthy man. It is not, perhaps, a tax that is paid equally, but there are more poor people than there are others, and they have the greater burden in this particular respect.

It is not, therefore, because some men who have invested their money in some of these enterprises may lose it that I am opposing this provision of the bill. It is not so much for that reason, but in the interest of the men and the women who in the future will have to buy their sugar from what I believe will

become a great world monopoly in the sugar business.

As I said, Mr. President, I have looked upon the question entirely from the consumer's standpoint. Looking at it from that standpoint, I do not desire to subject the consumers of the United States to the certainty of the control of this product by the American Sugar Refining Co. I do not believe, considering the matter from the standpoint of the consumer alone, that we can afford to do it.

There are, however, other considerations. I have thus far argued the matter entirely from the viewpoint of the consumer. As I intimated a while ago, however, I do not wish to have it understood that I would entirely eliminate other things. I believe that should be the controlling factor, and that is the controlling influence as far as my vote on this schedule is concerned. I should like to support this schedule that has been brought in here by the majority if they would eliminate the clause providing that in three years sugar shall be upon the free list. I believe the duty provided in this particular schedule, if that clause were eliminated, is sufficient to retain the operations of the beet-sugar industry and the cane-sugar industry of the South. Coming in that form from a Democratic Congress, there would be no fear that a further cut would be made in the near future. In my judgment we should then see this industry advance and spread at a more rapid rate than at any previous time in its history.

As I said, however, there are some other considerations. Most of them have been mentioned in this discussion. There is no doubt but that the cultivation of beets improves the soil. This and other suggestions which I shall now proceed to mention, if standing alone, would not be sufficient to warrant us in retaining a tariff on sugar; but I do contend that they have a direct bearing upon the question and ought to be taken into consideration for what they are worth. I shall not offer them as being, in my judgment, sufficient in themselves to sustain a vote in favor of a tariff on sugar, but they do throw light upon the question of future possibilities in beet-sugar production. There are great possibilities of improving and cheapening the

production of beets and of cheapening the methods of extracting sugar from beets, and all these things should receive due consideration in deciding whether we are justified in destroying the industry by the removal of the tariff.

The beet-sugar industry has not developed as fast as I should have liked to see it, although I believe its development has been wonderful. I have gone through the beet fields. I have gone through the beet-sugar factories. In a general way, I know something about the way the farmer raises beets, and the way the factory converts the beet into sugar. It has seemed to me, as I have gone over the fields and have seen them work, and have gone through the factories and have seen them work there, that there are yet vast possibilities for improvement of the methods now in vogue.

In the first place, when the farmer plants the beets he plants a great many more seed than could possibly grow upon the ground if they all grew. The idea is to get the beets spaced in the row as nearly equal in distance apart as possible, and to leave no vacant places, so as to get as large a yield as possible. To get them too close means that the beets will not be so good, and to get them too far apart in the row means that they will not be getting from the land the amount of beets that they ought to get. So that brings about the necessity of thinning the beets, which is a very tedious process. Men, women, boys workers in the fields-have to get down on their knees and take each row of beets by itself and thin them out by hand. That is a kind of labor that is very distasteful to the American. I do not doubt but that the ingenuity of the Yankee will yet invent some way by which all of that will be done by machinery. It is not only a kind of work that is distasteful to the American workman, but it is very expensive. It is hard work. It costs great deal of money to go over an acre of beets and thin them out properly.

I know that several years ago the Agricultural Department was working on a scheme of putting up beet seeds in paper strings and rolling them into balls. The idea was to put the ball in a machine, drive it across the land that was ready for the planting of beets, bury the paper cords, and every so many inches in that paper cord there was a beet seed. If every beet seed grew, and if every beet seed gave only one sprout, they would have had a perfect system of planting beets by machinery, but so far the efforts have not been successful. The Agricultural Department is now trying to get a beet seed that will produce only one plant.

These are fields of uncertainty, I admit. It may be that they will never develop into all that it seems to me the indications warrant, but there are great possibilities ahead in that respect.

But that is not all. After the farmer has raised the beets, they are pulled by hand. They have a machine first that loosens them, but men must go through the field and pull each beet by hand. That is very hard work, expensive work, and the American does not like to engage in it. After the beets are pulled by hand they are topped, as it is called, by hand. Every top is cut off with a knife.

I stood in my home town a year ago, outside of a blacksmith shop, and saw them repairing a machine that a man had invented, and thought at the time he had a perfect machine that he could drive across a row of beets, pull the beets by machinery, cut off the tops, and elevate the beets into a wagon that was driven alongside. Not a human hand touched the beet at any time until it reached the factory, and I presume very seldom there. It was all done by machinery,

But that machine has not yet been fully developed. They are still working on it. They may never make a success of it;

But that machine has not yet been fully developed. They are still working on it. They may never make a success of it; but to me it looks like a very probable thing that in some, if not in all, of these respects the raising of beets will be greatly improved and the cost greatly reduced.

When we come to the machinery after the beet is in the factory, we find it very expensive. In the last 10 years it has been very much improved. They have been able to extract more of the saccharine matter from the beet than they did before. There are vast possibilities in the improvement of machinery after the beet gets to the factory.

Then there are vast possibilities in improving the quality of the beet itself. Our Agricultural Department is working along that line. Experiments are being made along that line.

So it seems to me that if you take all these things into consideration—especially if you believe, as I do, and as I think every reasonable man who studies the question must believe, that the retention of this business in this country is absolutely necessary in order to keep down the price of sugar to the consumer—it is well for us to consider the vast possibilities of improvement that may come about, and undoubtedly will come about, if we continue to permit our people to engage in the business by retaining a reasonable tariff upon sugar.

There is a vast amount that might be said in addition to the things I have suggested; but it seems to me that, taking everything into cons'deration, a fair view of the entire subject must lead any reasonable man to the conclusion that unless we are moved by some motive, some caucus, some political control, or some other influence that causes us to do what our better judgment tells us we ought not to do, there can hardly be a dissenting opinion as to the desirability of keeping this industry alive, and this, too, entirely in the interests of the consumer.

I believe that even our Democratic friends, if they voted their real conscientious convictions on this schedule, would carry the motion that I have made by a majority, even though no one else were permitted to vote. I have been able to find but few who in conversation do not admit, some from one viewpoint and some from another, that it is desirable that this industry should not be driven out of existence. We ought to keep it, not particularly because we owe it anything, but because we owe it to ourselves. We owe it to the consumers of sugar that we shall not subject them to the possibility of the control of the price by a great trust that will, I believe, manipulate the price of sugar if the beet-sugar industry is driven out of existence just as surely as the sun will rise to-morrow.

When we vote on this amendment I am not going to ask for a roll call at this time, because the Senator from Louisiana [Mr. RANSDELL] has given notice that he will make the same motion when the bill gets in the Senate, and I have agreed with him, so far as we are concerned, that we will ask for a roll call at that time and not at this time.

Mr. TOWNSEND. Mr. President, I think probably this question has been discussed from all standpoints, so that every Senator thoroughly understands the situation. Yet it is such an important matter that I should feel that I had not performed my full duty if I did not briefly, at least, voice my protest against the proposed action of the Senate.

I have no doubt that a majority of the Senators believe that the provision of the Senate bill, if it does not destroy, will certainly cripple the sugar interests in the United States. If this is accepted as a fact, there ought to be some good reason

for the action which you propose to take.

It has been stated authoritatively that we produce in the United States something over 700,000 tons of sugar annually. At the market price of sugar that is worth something like between sixty and seventy million dollars, a very considerable item in itself and one that should be given very careful consideration before we destroy it.

The question naturally comes to the mind of every Senator, Why is this thing done? A Democratic change of duty can be justified on only two grounds—one for revenue and the other to reduce the price of the article to the people. Of course, the item of revenue is eliminated, because this bill destroys revenue, the most prolific source of revenue which the country knows.

Senators have argued—and, to my mind, logically and with irresistible force—that we can not hope to reduce the price of sugar eventually to the American consumer by destroying domestic production. Every Senator who heard it must have been convinced beyond any possibility of doubt by the argument of the Senator from Kansas [Mr. Bristow] yesterday that the duty on sugar is never added in its entirety to the cost of sugar to the American consumer. All must be equally convinced that because of the production of domestic sugar the price of sugar has been less to the American consumer than it would have been if there had been no production in the United States. Because of American competition the price of sugar has been reduced.

Sugar is one of the clearest examples of the benefits of a protective tariff of any article that is produced in the United States. There was a time when the protective principle was applied in the production of tin plate. When the foreigner had complete control of the American market the price of tin plate was very high. But when a duty was placed upon that article and its production was encouraged in the United States the price of tin plate went down to a lower point than was ever

known before.

It is possible in the United States, and no one disputes the statement, to produce all of the sugar which our people consume. A demonstration is being made of that fact. It is not simply a theory. We can produce sugar, and we are producing it. Under very many discouraging circumstances sugar production has grown until to-day it is one of the great and important industries in the United States. Not only will this bill deal a blow to the consumer, as demonstrated by the Senator from Nebraska [Mr. Norris], who has just taken his seat, but we are, as it seems to me, ruthlessly and without any hope of advantage destroying the investments of people who are contribut-

ing to the wealth and general welfare of our people throughout the United States.

This industry, I repeat, has been advancing. I have not seen anything that more clearly demonstrates this than a letter which I received the other day from a man who has been interested in the establishment of the sugar-beet industry. As he puts it, he is neither a laborer nor a capitalist, but he has taken a course as hundreds of other young men of this country have taken courses in our institutions of learning with a special reference to fitting themselves for this great industry—the growth of sugar beets and the extraction of sugar from them.

He states that in 1898 he left college, having fitted himself with special reference to the work; that he has devoted his life to the sugar-beet business. He established factories, around which whole communities have centered. He states that in 1904 the average mill cost of manufacturing beet sugar in the United States was \$2.08 a hundred. By reason of inventions, experiments, and practical work in the production of sugar the cost has been reduced from \$2.08 to \$1 a hundred, and in some cases to as low as 90 cents. In the meanwhile the price of beets to the farmer, to the producers of this country, has increased \$1 a ton. In other words, the cost of sugar manufacture has been reduced more than a dollar a hundred pounds, while the cost of the beets to the manufacturer has increased a dollar a ton for the beets, and sugar to the consumer has decreased 75 cents a hundred. During those years from 1904 to 1913 other food products have increased, while sugar has decreased in

So I repeat, this is an industry which is not only practicable, but it is also one in the interest of the consumer. The price of sugar has been going down, while the price of the raw material, if we can call the beet the raw material, and it is the raw material to the factory man, has been going up to the American farmer.

It would seem to me, Mr. President, that with these facts clearly before us we ought to hesitate before we strike this blow.

It is a fatal mistake for any nation to put itself in a position where it is dependent for a necessity of life upon foreign countries. Sugar is one of the necessities of life. It can be produced here, and both in time of war and in time of peace our people ought to be self-reliant and independent so far as necessities are concerned.

Mr. President, I felt that it was a duty I owed to the people of my State to say this much. I wish it were possible for me to say something which would induce Senators to consider this question divorced from any restraint of caucus or from any consideration of party necessity; that it might be considered in the light of its economic bearing upon the American people.

I think that Congress is making a serious mistake. This is an industry that, as my colleague [Mr. SMITH of Michigan] well said yesterday will be destroyed, so far as its profitable operation is concerned, so far as the interests of the small stock owners and growers are concerned. If it survives, it will survive in the hands of the men who, perhaps, can hold it in idleness for the next two or three years, and in the end the people who have built up the industry will have been defrauded of their rights; their property will have been taken from them. The people in the meanwhile will have been placed at the mercy of three great monopolistic concerns. Three sugar refineries are at the bottom of free sugar. They will furnish the only market for raw sugar, and upon their tender mercies the American consumer is to be thrown for refined sugar. These refiners are big and powerful, and they do not need this benefaction from Congress. With their source of supply all from abroad, what will prevent them from forming gigantic foreign trusts and combinations which can not be reached by this Government? This measure might properly be termed a bill in the interest of monopoly and against the American people. It is unwise and un-American.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from Nebraska [Mr. Norris].

The amendment was rejected.

Mr. BRISTOW. I desire to offer the amendment which I send to the desk.

The VICE PRESIDENT. The Senator from Kansas offers an amendment, which the Secretary will read.

The Secretary. On page 53, line 11, after the word "four-teen," insert the following words:

Provided, however, That so much of paragraph 216 of an act to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes, approved August 5, 1909, as relates to the color test denominated as No. 16 Dutch standard in color, shall be, and is hereby, repealed.

Mr. BRISTOW. I hope the chairman of the committee will accept this amendment. It simply repeals the provision in the present law relating to the Dutch standard color test. Four years ago nine-tenths of the Democratic Members voted to strike that provision out of the bill. Last year I think nine-tenths voted to strike it out; indeed it went out by unanimous consent.

This amendment simply strikes it out as soon as this bill is enacted. The bill if it passes unamended will maintain that provision until March 4 next. I should like to have the Senator from North Carolina consent that this amendment shall go

through, if he will.

Mr. SIMMONS. I will ask the Senator if he has any objec-

tion to referring the amendment to the committee?
Mr. BRISTOW. Mr. President, if an amendment to a bill which was voted on four years ago by nine-tenths of the Democratic Members, if a provision which had practically the unanimous support of the Democratic membership last year, can not now be accepted without being referred to the Democratic caucus, I want to vote on it now on a roll call. If the United States Senate has become so subservient to a caucus domination that it can not accept the simplest amendment to a bill which nine-tenths of the membership of the body believes ought to be enacted, without waiting for a caucus to pass on its merits, then I think the American people ought to know it.

Mr. SIMMONS. Mr. President, I do not see any reason why the Senator should become so excited simply because I asked him a question. I asked him if he would be satisfied to pursue that course. The proposition was made suddenly, before I had any opportunity to confer with the chairman of the subcommittee in charge of the schedule. I simply asked him a very innocent question, and I do not see any reason why he should

become so excited about it.

Mr. WILLIAMS. Mr. President, I should like to have the amendment read.

On page 53, line 11, after the word "four-The SECRETARY.

teen," insert the following proviso:

Provided, however, That so much of paragraph 216 of an act to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes, approved August 5, 1909, as relates to the color test denominated as No. 16 Dutch standard in color, shall be and is hereby repealed.

Mr. WILLIAMS. Mr. President, that is a matter to which my attention was called after this was reported in its present shape. I had come to the conclusion—and I think I may speak for the others probably—that an amendment like the one which the Senator has proposed should be adopted. The Dutch standard is an iniquity that has met with universal condemnation. In postponing the date at which the new law should take effect-in other words, in continuing in existence the old law for the balance of this year—we were thinking only of the question of giving these people the receipts for this year's cane and beets upon the basis of their contracts, and things of that sort, but did not think about the question of the Dutch standard.

Later my attention was called to it, and I had intended to see the members of the subcommittee and of the committee and suggest that there ought to be an amendment for the purpose of abolishing the Dutch standard in the present law, even though the balance of the present law was continued, so that we might do justice to these people with regard to their con-

tracts.

If I may speak for this side—I am speaking for myself, at any rate—I am perfectly willing to accept the amendment. think it ought to be accepted, in fact; and if the Senator had not offered it I was, later on, going to offer one to accomplish the same purpose

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Kansas.

Mr. SIMMONS. I wish to say before the vote is taken that this matter had not been called to my attention at all.

Mr. BRISTOW. I read the amendment into the RECORD last

Mr. SIMMONS. The request I made of the Senator was simply to have an opportunity to ascertain whether the subcommittee had considered it.

The amendment was agreed to.

The next paragraph was read as follows:

180. Maple sugar and maple sirup, 3 cents per pound; glucose or grape sugar, 12 cents per pound; sugar cane in its natural state, or unmanufactured, 15 per cent ad valorem: Provided, That on and after the 1st day of May, 1916, the articles hereinbefore enumerated in this paragraph shall be admitted free of duty.

Mr. GALLINGER. Mr. President, I will inquire if there are any amendments now pending to the sugar schedule?

The VICE PRESIDENT. Not to this point.

Mr. GALLINGER. I had hoped, Mr. President, that this one

little, struggling industry, the manufacture of maple sugar,

would not attract the attention of Senators on the other side. The manufacture of maple sugar is confined to a few States. Last year there were 1,700,500 pounds imported, a very considerable amount, upon which duties were paid to the amount of \$68,000. I will ask the Senator in charge of this schedule why the necessity for interfering with this little industry, the manufacture of maple sugar.

Mr. WILLIAMS. I do not know that there was any necessity. We thought it advisable, however, to make the provision. I do not know how you expect to increase the growth of maple trees by putting a protective duty on maple sugar. It is not an infant industry at any rate.

Mr. GALLINGER. The Senator does not expect to either destroy or increase the trees by putting them on the free list either, does he?

Mr. WILLIAMS. No; I think not, I think the sap will continue to run.

Mr. GALLINGER. Probably so. Mr. WILLIAMS. Yes.

Mr. GALLINGER. The Senator does not offer any argument in that suggestion. He is always extremely witty, and this is a specimen of his wit.

Mr. WILLIAMS. I beg the Senator's pardon, but I think it was an argument.

Mr. GALLINGER. I fail to see it. Mr. WILLIAMS. It was an argument. It may have sounded

humorous, but at any rate it was an argument.

Mr. GALLINGER. The Senator knows that maple sugar made in this country is in competition with Canadian maple sugar, and American maple sirup is in competition with Canadian maple sirup. We imported 1.700,000 pounds of maple sugar last year, and the estimate that the Senator and his committee make is that next year we will import 1,800,000 pounds, a very small additional importation. I think the Senator is wrong in that estimate. I have an impression-

Mr. WILLIAMS. I would not be surprised.

make it.

Mr. GALLINGER. I have an impression that a great deal more than that will be imported. But, Mr. President, I know how futile it is to make a contest over this item.

Mr. WILLIAMS. No, seriously; if the Senator wants to talk

seriously about it

Mr. GALLINGER. I would like to do so.
Mr. WILLIAMS. There are no pauper maple trees in Canada
and there is no pauper labor in Canada. So upon the argument for protection itself even—and I am speaking from a protectionist standpoint now, because I want to assume the Senator's standpoint-it does not apply to maple sugar or to the labor that is engaged in collecting the sap and boiling it down and getting maple sugar out of it. Certainly, such protective reasons as might have been made plausibly for cane sugar and for beet sugar none of them apply to maple sugar, I do not suppose there are imports of maple sugar from any country in the world except Canada; and the conditions of labor there and here are substantially the same, and the trees are substantially the same. We have a little advantage I suppose in the weather, but that is about the only difference.

Mr. GALLINGER. I think the Senator is wrong on that

Mr. WILLIAMS. It may be so. Mr. GALLINGER. If he had lived in Canada he would know that the weather there is extremely favorable for the manufacture of maple sugar. I suppose, however, the proposed change is on the same principle that cane sugar and beet sugar are to be put on the free list, and maple sugar goes with the In other words, the tail goes with the hide. I suppose rest. that is it?

Mr. WILLIAMS. If it is any consolation to the Senator to express it in that way I am willing to close the debate or per-

mit it to be closed with that statement.

Mr. GALLINGER. The constant iteration and reiteration that labor conditions are the same in Canada and in the United States is perhaps as well known to me as to almost any Senator. I know that in the Province of Quebec labor conditions are not similar to those in the United States, and that as large wages are not paid in that Province.

Mr. WILLIAMS. In that single Province of Canada I think probably the Senator is correct, and the wages are somewhat

Mr. GALLINGER. I am absolutely correct.

Mr. WILLIAMS. If the Senator means the gross wages of those people, with a lower standard of living, more thrifty and more saving, which is a racial trait, and they are willing to take less wages. If the Senator means that the net wages, the amount that the man has after he has paid for what he needs or for what he thinks he needs, are greater in this country than in Quebec, I doubt it very much.

Mr. GALLINGER. I mean that wages are higher here than

in the Province of Quebec.

Mr. WILLIAMS. That is the real wage after all.

Mr. GALLINGER. What I mean is that the average day's labor, without reference to what a man eats or wears, is lower in the Province of Quebec than in the New England States.

Mr. WILLIAMS. But there are 3,000 miles of the border, you know, and this can not be tested simply by the difference

between New Hampshire and Quebec.

Mr. GALLINGER. Of course, the 3,000 miles, which includes all the States bordering on Canada, do not produce maple sugar. That industry is confined——

Mr. WILLIAMS. I am sure I do not know, but I expect

there is some maple growing all along the line.

Mr. GALLINGER. The Senator's humorous suggestion that the maple trees are similar in Canada with those in the United States equally applies to sugar beets and to cane sugar. So there is no argument in that. It would also apply to wheat or any other product of the farm.

Mr. WILLIAMS. We have heard from the beet-sugar men that they expected a greater amount of saccharine matter per ton in Germany than here. I am not discussing the question of the dissimilarity of beets as regards their capacity to make

sugar.

Mr. GALLINGER. This is not worth spending much time over. As I said in the beginning, I had hoped that this one little industry would escape the Argus eye of the Senator from Mississippi, but it has not. New England has had slaughter all along the line in the metal schedule and the chemical schedule, and we will be slaughtered in the textile schedule, and very likely maple sugar ought to go with the rest. I know there is no use contesting the case. I am making this simple statement, and with that will be content, except that I will ask for the yeas and nays on the amendment.

Mr. WILLIAMS. Mr. President, one word. The word "slaughter" strikes me as rather an extreme word. It is as if I were making a man a present of \$50 a month and then said to him, "I will reduce the bounty I am giving you to \$30," and then he would come to me and lodge a complaint that I was about to murder him. I think the word "slaughter" is a

little strong.

Mr. GALLINGER. Probably it is, and very likely I ought to have used a milder word, but the result will be disastrous to New England industries.

Mr. WILLIAMS. It involves the idea that you have a vested right in a tax. It may be true that you have enjoyed such great sectional advantages under the tariff laws of this country that when we make a reduction all along the line you do suffer somewhat more than those parts of the country that have not enjoyed the special privileges conferred upon you by law. If that be true, then the blame is to be laid upon those who extended the special privilege and not upon us, who are trying to prune the tree.

Mr. GALLINGER. Mr. President, we understand the attitude of the other side of the Chamber on this matter. We understand their economic attitude.

Mr. WILLIAMS. I think the Senator is right. We both understand one another's attitude, and I think we are wasting a great deal of language. The country will judge us by what we do and not by what we say.

Mr. GALLINGER. Having had such a lucid explanation from the Senator from Mississippi, I am willing that the vote shall be taken, and I ask for the yeas and nays on the proviso which

I move to strike out.

Mr. PAGE. I have been, Mr. President, a very insidious lobbyist in behalf of maple sugar for five years, and it seems that it is all going for naught. I only wish that the good Senator from Mississippi might go up to Vermont in March and April, when the snow is about 3 or 4 feet deep. If he would put on a sap yoke and go out and wade though anywhere from 2 to 4 feet of snow, sometimes so deep one can not get through, and bring in that sap to the sugar house, after boiling it down, he would think that we ought to have protection for that kind of labor if for none other.

Mr. WILLIAMS. If it is such hard work as all that, let us make the Canadians do it.

Mr. PAGE. We have the sugar maple; we know how to make sugar better than anyone else in the world; and we do not want to abandon that industry.

I want to say to the Senator, not that I expect the slightest consideration to be shown us, that that is an industry which is pretty much all work. We use a little weed and we have to chop the wood. We take the broken limbs that may be blown off during the winter for firewood. It is all labor, and I know that the farmer or the owner of the sugar bush does not get any more than he ought to have with the duty as it now is. The duty ought to be retained, but I am not very much given to wasting my breath and my strength in fighting where I know that I am absolutely buried and have no hope of winning. I simply say that I hope the amendment proposed by the Senator from New Hampshire [Mr. Gallinger] may prevail.

Mr. GALLINGER. My amendment seeks to strike out the proviso. That would leave a reduction of the duty on maple sugar from 4 cents a pound to 3 cents a pound, and glucose from 1½ cents to 1½ cents. By the adoption of the proviso those articles would not be put on the free list at the end of three years. I think we ought to be allowed to continue the industry upon the basis of the reduced duties, so long as we may do so to the advantage of the American people.

The VICE PRESIDENT. The question is on the amendment

proposed by the Senator from New Hampshire.

Mr. GALLINGER. I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CHAMBERLAIN (when his name was called). I have a general pair with the junior Senator from Pennsylvania [Mr. OLIVER], and in his absence I withhold my vote.

Mr. CHILTON (when his name was called). I have a pair with the junior Senator from Maryland [Mr. Jackson], which I transfer to the senior Senator from Virginia [Mr. Martin] and vote. I vote "nay."

Mr. KERN (when his name was called). I have a general pair with the senior Senator from Kentucky [Mr. Bradley], and therefore withhold my vote.

Mr. SMITH of Maryland (when his name was called). I have a general pair with the senior Senator from Vermont [Mr.

DILLINGHAM], and therefore withhold my vote.

Mr. SUTHERLAND (when his name was called). I am paired with the Senator from Arkansas [Mr. Clarke]. That Senator seems to be absent, and I will transfer my pair with him to the Senator from California [Mr. Works] and vote. I vote "vea"

vote "yea."

Mr. THOMAS (when his name was called). I again announce my general pair with the Senator from New York [Mr.

Roor] and withhold my vote.

Mr. TILLMAN (when his name was called). I have a general pair with the Senator from Wisconsin [Mr. Stephenson], and therefore withhold my vote.

The roll call was concluded.

Mr. KERN. I transfer my pair with the senior Senator from Kentucky [Mr. Bradley] to the junior Senator from Tennessee [Mr. Shields] and vote. I vote "nay."

Mr. GALLINGER (after having voted in the affirmative). I inquire if the junior Senator from New York [Mr. O'GORMAN]

has voted?

Bacon

Bryan Chilton Fletcher

Gore Hitchcock Hollis Hughes James

The VICE PRESIDENT. The Chair is informed that he has not.

Mr. GALLINGER. I have a standing pair with that Senator, but I will transfer it to the junior Senator from Maine [Mr. Burleigh] and allow my vote to stand.

Mr. McCUMBER. I have a general pair with the senior Senator from Nevada [Mr. Newlanns], which I transfer to the junior Senator from Washington [Mr. Poindexter] and vote. I vote "vea"

The result was announced—yeas 35, nays 37, as follows:

### YEAS-35.

Brady Cummins McCumber Brandegee Fall McLean Bristow Gallinger Nelson Burton Gronna Norris Catron Jones Page Clapp Kenyon Penrose Clapp Kenyon Penrose La Follette Perkins Coit Lippitt Ransdell Crawford Lodge Sherman NAYS—37.

Ashurst Johnson Pomerene

Lea Lewis Martine, N. J.

Myers Overman Owen

Pittman

Kern Lane S—37.

Pomerene
Reed
Robinson
Saulsbury
Shafroth
Sheppard
Shively
Simmons
Smith, Ariz.
Smith, Ga.

Smith, Mich, Smoot Sterling Sutherland Thornton Townsend Warren Weeks

Smith, S. C. Stone Swanson Thompson Vardaman Walsh Williams NOT VOTING-23.

Bankhead Borah Bradley Burleigh Chamberlain Clarke, Ark.

Culberson Dillingham du Pont Goff Jackson Martin, Va. Newlands O'Gorman Oliver Poindexter Smith, Md. Stephenson Thomas Tillman

So Mr. Gallinger's amendment was rejected.

Mr. GALLINGER. Mr. President, I can not let the opportunity pass without expressing extreme gratification over the large affirmative vote that was cast in behalf of maple sugar. It shows that there is an inclination on the part of the Senate to give consideration to some of the little industries in which New England is interested. I will renew the motion when the bill gets into the Senate in the hope that two more of our Democratic friends may relent and vote with us at that time.

The reading of the bill was resumed,

The next amendment of the Committee on Finance was, in paragraph 182, on page 53, line 23, after the word "less," to strike out "and sugars after being refined, when tinctured, colored, or in any way adulterated," and on page 54, line 1, after the words "per pound," to insert "and chewing gum," so as to make the paragraph read:

182. Sugar candy and all confectionery not specially provided for in this section, valued at 15 cents per pound or less, 2 cents per pound; valued at more than 15 cents per pound, and chewing gum, 25 per cent ad valorem. The weight and the value of the immediate coverings, other than the outer packing case or other covering, shall be included in the dutiable weight and the value of the merchandise.

The amendment was agreed to.

Mr. CUMMINS. Mr. President, before we pass to the next schedule I should like to ask a question of the chairman of the Committee on Finance. It may be very clear to him, but I am a little uncertain about it. Under what duty is sugar to enter between the date of the passage of this bill and the 1st of March, 1914?

Mr. SIMMONS. Under the existing duties. I will state to the Senator that it is probable that it will be necessary for us to bring in an additional amendment to make that more certain.

Mr. CUMMINS. Mr. President, in my opinion, if the bill is

passed as it now is, sugar will come in free from the date of the passage of the bill until the 1st of March of next year.

Mr. SIMMONS. I am aware, Mr. President, that that contention has been made, and I have said to the Senator that the committee has in view the probability of framing an amendment to remove any doubt about that matter.

Mr. CUMMINS. I am very glad that the committee has it in mind, because I have assumed that it did not intend that we should have free sugar during that period.

The VICE PRESIDENT. The Secretary will proceed with the

reading of the bill.

The Secretary proceeded to read Schedule H-spirits, wines,

and other beverages.

Mr. SIMMONS. Mr. President, there are in Schedule H probably but one or two controverted matters, the schedule being practically the same as the present law, with the exception of the amendments in paragraphs 254 and 2541. If there is no objection to passing that over at the present time, I should somewhat prefer to take up the cotton schedule.

The VICE PRESIDENT. Is there objection?

Mr. BRISTOW. Mr. President, I should like to inquire if the Senator from North Carolina has advised the Senator from Wisconsin [Mr. La Follette] as to his desire in regard to the cotton schedule? I think the Senator from Wisconsin has given that a great deal of attention, and I do not see him in the Chamber.

Mr. SIMMONS. No: I have not advised him; but I think he is in the cloakroom.

Mr. BRISTOW. I do not think he expected the cotton sched-

ule to come up at this time.

Mr. SIMMONS. Well, Mr. President, we can proceed with the wine and spirits schedule until we get to the amendments, which I am not ready to ask the Senate to act upon this after-

The VICE PRESIDENT. The Secretary will read.

The reading of the bill was resumed with Schedule H-spirits, wines, and other beverages, paragraph 242-and continued down

to paragraph 253, page 68.

Mr. BRISTOW. Mr. President, I wish to inquire of the Senator in charge of this part of the bill if paragraph 252 includes

grape juice? I see it covers prune juice and cherry juice.

Mr. SIMMONS. If the Senator will turn to paragraph 2541, I think he will find that that covers grape juice.

The reading of the bill was resumed.

insert "containing each not more than one-half pint, 12 cents per dozen," so as to make the paragraph read:

per dozen," so as to make the paragraph read:

253. Ginger ale, ginger beer, lemonade, soda water, and other similar beverages containing no alcohol, in plain green or colored, molded or pressed, glass bottles, containing each not more than one-half pint, 12 cents per dozen; containing each not more than three-fourths of a pint, 18 cents per dozen; containing more than three-fourths of a pint each and not more than 1½ pints, 28 cents per dozen; but no separate or additional duty shall be assessed on the bottles; if imported otherwise than in plain green or colored, molded or pressed, glass bottles, or in such bottles containing more than 1½ pints each, 50 cents per gallon, and in addition thereto duty shall be collected on the bottles, or other coverings, at the rates which would be chargeable thereon if imported empty. Beverages not specially provided for containing not more than 2 per cent of alcohol shall be assessed for duty under this paragraph.

The amendment was agreed to.

The next amendment of the Committee on Finance was, in paragraph 254, page 69, line 5, after the words "provided for in this section, in," to strike out "bottles or jugs containing not more than one-half pint, 10 cents per dozen bottles; if containing more than one-half pint and not more than 1 pint, 15 cents per dozen bottles; if containing more than 1 pint and not more than 1 quart, 20 cents per dozen-bottles; if imported in bottles or in jugs containing more than 1 quart, 18 cents per gallon; if imported otherwise than in bottles or jugs, 8 cents per gallon; and in addition thereto, on all of the foregoing, duty shall be collected upon the bottles or other containers at one-third of the rates that would be charged thereon if imported empty or separately," and to insert "plain green or colored, molded or pressed, glass bottles, or in jugs, containing not more than onehalf pint, 10 cents per dozen; if containing more than one-half pint and not more than 1 pint, 15 cents per dozen; if containing more than 1 pint and not more than 1 quart, 20 cents per dozen; but no separate or additional duty shall be levied on the bottles or jugs. If imported in bottles or jugs containing more than 1 quart, 18 cents per gallon; if imported otherwise than in bottles or jugs, 8 cents per gallon; and in addition thereto duty shall be collected on the bottles or other containers at the rates that would be charged thereon if imported empty or separately," so as to make the paragraph read:

so as to make the paragraph read:

254. All mineral waters and all imitations of natural mineral waters, and all artificial mineral waters not specially provided for in this section, in plain green or colored, molded or pressed, glass bottles, or in jugs, containing not more than one-half pint, 10 cents per dozen; if containing more than one-half pint and not more than 1 pint, 15 cents per dozen; if containing more than 1 pint and not more than 1 quart. 20 cents per dozen; but no separate or additional duty shall be levied on the bottles or jugs. If imported in bottles or jugs containing more than 1 quart, 18 cents per gallon; if imported otherwise than in bottles or jugs, 8 cents per gallon; and in addition thereto duty shall be collected on the bottles or other containers at the rates that would be charged thereon if imported empty or separately.

Mr. CLARK of Wyoming. Mr. President I wish to call the

Mr. CLARK of Wyoming. Mr. President, I wish to call the attention of the Senator in charge of this schedule of the bill to what appears to me to be a fact, that this amendment as prepared admits duty free all mineral waters in quart bottles or less unless they are in colored bottles. I do not suppose that was the intention of the committee. The error seems to have been made in an attempt to consolidate the law of 1909 and the House bill. I think there should be some sort of change there, because we have something like \$400,000 revenue under that paragraph, and it might be very greatly in danger as it now

I submit that to the Senator in charge of this part of the bill. Mr. HUGHES. I will call the Senator's attention to the fact that this language was copied from another paragraph in the

bill that seems to include all possible containers.

Mr. CLARK of Wyoming. No; not at all. It does not include plain glass containers. If the Senator will look at the law of 1909 he will find that the first part of the paragraph refers to mineral waters imported in colored containers, and the last part of the paragraph refers to mineral waters imported in other containers than colored ones.

Mr. BRANDEGEE. Mr. President, it occurred to me that possibly in line 16 a comma had been omitted after the word "plain." I do not know

Mr. CLARK of Wyoming. No. Running all through the laws as we have had them heretofore the colored bottles are referred to as plain green or colored bottles; and then the last half of the section in the laws heretofore has covered bottles other than plain green or colored. Of course, it might be remedied, as the Senator from Connecticut has suggested, by inserting a comma after the word "plain."

Mr. HUGHES. The same language appears in the ginger-ale

paragraph.

Mr. CLARK of Wyoming. Of course, I am not particularly interested in this matter. My suggestion is only for the pur-The next amendment of the Committee on Finance was, in paragraph 253, page 68, line 15, after the word "bottles," to intended to be preserved. I have no question at all in my own mind that under this section all mineral water imported in quart receptacles or less than quarts, unless the bottles were colored green or some other color, would come in absolutely free. have assumed that that was not the purpose of the paragraph. I think it is worthy of the consideration of the committee before they finally pass on it.

Mr. SIMMONS. Does not the Senator think that if there were a comma inserted after the word "plain" his criticism would be eliminated?

Mr. CLARK of Wyoming. I think that would remedy the criticism, but it would make the sentence inartistic if you should say "plain" and then "green or colored." I think probably that would meet it, but I think it would not be a very artistic way

Mr. SMOOT. I will say that the word "plain" would not meet it, because if the word "plain" and nothing else were used all the importers would have to do would be simply to put some kind of wording upon the bottle, and then it would not be a plain bottle. The mistake of the Senator having the schedule in hand comes from the fact that he has used, in paragraph 254, words that were used in old paragraph 311 as to ginger ale, and so forth.

Mr. CLARK of Wyoming. But the difficulty is that he has not used them all.

Mr. SMOOT. I was going to say that the Senator from Wyoming is certainly correct. I believe that just as soon as the Senator studies the wording of paragraph 254 he will admit it.

Mr. SIMMONS. I am inclined to think the Senator from Wyoming is right about it. It is just a question of how it may be remedied.

Mr. CLARK of Wyoming. Of course, I have no amendment to suggest. I leave that to the consideration of the committee.
Mr. BRANDEGEE. Does not the same criticism apply to paragraph 253?

Mr. SMOOT. No; it does not.

Mr. SMOOT. No; it does not.

Mr. BRANDEGEE. It uses exactly the same language.

Mr. CLARK of Wyoming. But down below, in line 21, if the
Senator will notice, it says that if imported otherwise than in plain green or colored bottles it shall be taxed at a different rate of duty than that imported in uncolored bottles.

Mr. SMOOT. If they had followed up paragraph 254 with the same words with which they followed up paragraph 253, providing for mineral water coming in in bottles other than those named in the paragraph, there would be no question but that it was correct. As it is now, it is incorrect.

Mr. SIMMONS. I think if the words "plain green or colored, molded or pressed," were stricken out, leaving only the words "in glass bottles, or in jugs," that would meet it.

Mr. CLARK of Wyoming. That would remedy the situation as far as my suggestion was consequent.

as far as my suggestion was concerned.

Mr. HUGHES. Then, Mr. President, I move to strike out the

words "plain green or colored, molded or pressed," including the comma, on line 16, page 69, of the bill. The VICE PRESIDENT. The amendment to the amendment

will be stated:

The Secretary. In the committee amendment, on page 69, line 16, it is proposed to strike out "plain green or colored, molded or pressed," and the comma after the word "pressed."

The amendment to the amendment was agreed to. Mr. SMOOT. Mr. President, I should like to ask the Senator upon what theory he provides in line 21 that "no separate or additional duty shall be levied on the bottles or jugs," referring of course to the half-pint and pint bottles stated in that clause, and then provides in line 24 that "duty shall be collected on the bottles or other containers at the rates that would be charged thereon if imported empty or separately"? Under the present law the Senator no doubt remembers that one-third of the value

is collected.

Mr. HUGHES. Yes; one-third of the value is collected. Mr. SMOOT. That applies to the whole of the paragraph. Mr. HUGHES. The pints and the quarts.

Mr. SMOOT. Everything. Mr. HUGHES. Yes.

Mr. SMOOT. But now you have separated it, and have said that the one-half pints and the pint bottles shall not pay any

Mr. HUGHES. Yes; because that makes it harmonize with the other items in the paragraph. If you take paragraph 253, you find the same situation there. The committee thought a duty of 25 per cent ad valorem upon mineral water was a sufficient duty, and deliberately left off the duty of one-third the value of the container, which had been assessed under the old law.

Mr. SMOOT. If the Senator speaks of the duty, he must remember that they have reduced the duty on bottles holding not more than one pint from 20 cents to 15 cents per dozen.

Mr. HUGHES. We have levied an equivalent ad valorem of 25 per cent on the items included in the paragraph, and thought that was sufficient.

Mr. SMOOT. I was wondering why you provided here for the collection of a duty on all bottles or other containers over and above the quarts.

Mr. HUGHES. I presume for the reason that it is done in other places in the schedule. We did not want any additional duty charged upon pint or quart containers. When it comes to other large containers, the situation may be entirely different; and the action that we took harmonized this particular para-

graph with the preceding paragraph.

Mr. SMOOT. Of course the result of this will be that importers of mineral waters, such as Apollinaris and other waters from Germany, hereafter will have to pay no duty whatever upon the bottles, but simply upon the water.

Mr. HUGHES. It comes to an ad valorem rate of about 25

per cent.

Mr. SMOOT. In the past, of course, they have paid the duty upon the bottles. It has been a great source of revenue to the United States. That class of water, as everybody knows, is used from one end of this country to the other upon the tables of the rich people of the country. The Senator must admit that he is throwing away that revenue. I can not see why it should be done. That is the reason I asked the Senator why the committee took that position.

If it had been a water that was used by the ordinary people in this country, and was a necessity in any way, there would be no complaint whatever, and no justifiable cause for questioning this language. But it is a water that is used only at banquets and by the rich people of the country, and there are millions of dollars' worth of it imported into this country. Under this paragraph all that revenue is to be thrown away. It will not do a single person in this country any good, because the water will be sold at the same price per dozen bottles, and whatever the Treasury of the United States loses the great water companies of Germany and France will make.

Mr. HUGHES. Mr. President, the change in this paragraph harmonizes it with the preceding paragraphs of the bill. The Senator is mistaken in regard to the quantity of mineral water covered by this paragraph that is imported. It is not anything like he said it was, according to the Treasury report. event, the committee decided that the rate of duty levied upon mineral water in this bill, the equivalent ad valorem of which is 25 per cent, was sufficient.

The VICE PRESIDENT. The question is on agreeing to the

committee amendment as modified.

Mr. SMOOT. Mr. President, the importations for 1912 of all mineral waters and all imitations of natural mineral waters and all artificial mineral waters not specially provided for, in bottles or jugs containing not more than 1 pint—that is the smallest size—amounted to \$429,375; or there were 835,591 dozen bottles of that class of water imported into the United States. In the same year, of mineral waters containing more than 1 pint and not more than 1 quart, the value of the importations was \$554,890.

Mr. HUGHES. The Senator can get the totals here in the table. It is less than a million. He said "millions." That is

what I referred to.

Mr. SMOOT. I did not say millions annually; I say that there are imported into this country millions of dollars' worth.

That is what I said.

Mr. HUGHES. Then I withdraw the statement.

The VICE PRESIDENT. The question is on agreeing to the amendment

Mr. SMOOT. I will not prolong the debate, but I was going to call the attention of the Senator—if he will just turn over the page and look at the items there I think they would cover the amount of a million or more. It follows that all that water will be imported into this country, simply giving to the importers of Apollinaris water and waters from the springs of Germany a benefit here of the duty upon one-third of the bottles that the water comes in.

If the Senator was in Congress four years ago, he knows that the employees of every concern manufacturing bottles in this country petitioned Congress to see that this provision was put into the law. The House provided in the law of 1909 that the rate should be collected upon the full value of the bottles, but when it came into the Senate there was a compromise made and there was one-third of that value taken. That is the history of it.

The VICE PRESIDENT. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The next amendment of the committee was to add a new paragraph, as follows:

The amendment of the committee was to add a new paragraph, as follows:

254. Every producer of pure sweet wines, other than those actually exported, is hereby required to pay to the Government as a revenue tax the sum of \$1.10 per proof gallon for the wine spirits or grape brandy or pure neutral alcohol used by him in the fortification of said wine, the same to be paid upon the removal thereof from the distillery or from any special bonded warehouse: *Provided, however, That it is time of the payment of said tax upon such wine spirits or grape brandy or pure neutral alcohol used in fortifying pure sweet wines may be extended not exceeding two years upon the producer of such pure sweet of said tax with sureties to the satisfaction of the collector of internal revenue of the district and the Commissioner of Internal Revenue conditioned upon the payment of said tax within said two years.

That so much of the act entitled "An act to reduce the revenue and equalize duties on imports, and for other purposes." approved October 1, 1890, as relates to the use, free of tax, of wine spirits or grape brandy in the fortifying of pure sweet wine, and all acts amendatory thereof, so far as they relate to the fortification of such wines and the charge therefor, which may be inconsistent with this paragraph are hereby to that extent repealed:

(other than distilled spirits) not made exclusively from fresh grapes, berries, or fruits, and upon all wines to which have been added spirits exclusively, except pure neutral alcohol, there shall be levied, collected, and paid before removal from the place of manufacture a tax of 25 cents on each and every wine gallon where the alcoholic strength of such wine does not exceed 22 per cent, by volume, and upon all such wines or liquors containing an alcoholic strength of over 24 per cent, by volume, and upon all such whice how the district in which such wine or liquor subject to tax under the provisions of this paragraph shall file with the collector of the district in which such wine or li

Mr. SIMMONS. I ask that that paragraph be passed over. I will state as a reason why I wish to have the paragraph passed over at present that the committee has been giving some hearings to a number of representatives of these industries from the Pacific coast and from the eastern section of the country. They have been before us for two or three days, and we wish to look into the matter further before action by the Senate. I ask that the paragraph be passed over.

The VICE PRESIDENT. If there be no objection, the para-

graph goes over.

Mr. SIMMONS. That finishes the schedule. I ask now that Schedule I be taken up.

The reading of the bill was resumed at line 7, page 73, Sched-

ule I, cotton manufactures.

The next amendment of the Committee on Finance was, to strike out paragraph 255, in the following words:

strike out paragraph 255, in the following words:

255. Cotton thread and carded yarn, combed yarn, warps, or warp yarn, whether on beams or in bundles, skeins, or cops, or in any other form, except spool thread of cotton, crochet, darning and embroidery cottons, hereinafter provided for, shall be subject to the following rates of duty: Nos. 1 to 9, inclusive, 5 per cent ad valorem; Nos. 10 to 19, inclusive, 7½ per cent ad valorem; Nos. 20 to 39, inclusive, 10 per cent ad valorem; Nos. 50 to 59, inclusive, 10 per cent ad valorem; Nos. 50 to 59, inclusive, 20 per cent ad valorem; No. 100 and over, 25 per cent ad valorem. Cotton card laps, roping, sliver, or roving, 10 per cent ad valorem; cotton waste and flecks manufactured or otherwise advanced in value, 5 per cent ad valorem.

And in lieu thereof to insert:

255. Cotton thread and carded yarn, warps, or warp yarn, whether on beams or in bundles, skeins, or cops, or in any other form, not combed, bleached, dyed, mercerized, or colored, except spool thread of

cotton, crochet, darning and embroidery cottons, hereinafter provided for, shall be subject to the following rates of duty:

Numbers up to and including No. 9, 5 per cent ad valorem; exceeding No. 9 and not exceeding No. 19, 75 per cent ad valorem; exceeding No. 19 and not exceeding No. 19, 175 per cent ad valorem; exceeding No. 39 and not exceeding No. 49, 15 per cent ad valorem; exceeding No. 59 and not exceeding No. 79, 20 per cent ad valorem; exceeding No. 59 and not exceeding No. 79, 20 per cent ad valorem; exceeding No. 79 and not exceeding No. 99, 225 per cent ad valorem; exceeding No. 99 and not exceeding No. 190, 25 per cent ad valorem; exceeding No. 199, 20 per cent ad valorem; exceeding No. 19, 10 per cent ad valorem; exceeding No. 9, 75 per cent ad valorem; exceeding No. 19 and not exceeding No. 19, 10 per cent ad valorem; exceeding No. 19 and not exceeding No. 49, 175 per cent ad valorem; exceeding No. 39 and not exceeding No. 59, 20 per cent ad valorem; exceeding No. 49 and not exceeding No. 79, 225 per cent ad valorem; exceeding No. 79 and not exceeding No. 79, 25 per cent ad valorem; exceeding No. 79 and not exceeding No. 79, 25 per cent ad valorem; exceeding No. 79 and not exceeding No. 199, 275 per cent ad valorem; exceeding No. 199, 20 per cent ad valorem; exceeding No. 199, 20 per cent ad valorem. exceeding No. 199, 20 per cent ad valorem; exceeding No. 199, 20 per cent ad valorem. exceeding No. 199, 20 per cent ad valorem; exceeding No. 199, 20 per cent ad valorem. cent ad valorem

During the reading of the amendment,

Mr. SMITH of Georgia. I think the committee will ask to strike out the word "combed," but I do not do so at the present. However, I call attention to the fact that we do expect in all probability later to omit the word "combed."

Mr. LIPPITT. What is the reason for that omission? Mr. SMITH of Georgia. I would prefer that the reading should go on at present.

After the reading of the amendment was concluded,

Mr. SMITH of Georgia. We also desire to strike out the word "combed" as it appears later on in the same paragraph.

Mr. LIPPITT. Excuse me; I did not hear what the Senator

Mr. SMITH of Georgia. The subcommittee expect to ask the approval of the committee as a whole to strike out the word

"combed" in each place where it appears in the paragraph.

Mr. LIPPITT. I should think, of course, if that is going to
be done it would be inadvisable to pass on the paragraph at all, because I should not suppose that the gentlemen in charge of the bill would wish to pass a paragraph to which they wanted to make some amendment.

What I particularly wanted to call to the attention of the Senate is the substitution of an ad valorem stepping-stone system of duties made by this bill for what is perhaps the most perfectly graded specific duty there is in the entire tariff law. The duties as provided for in this amendment are represented on the chart which is hanging on the wall by the first column of figures, which is a gray cloth, but the classifications for colored yarn and for gray cloth are exactly the same. I simply use that to illustrate that the method of applying duties has been changed to what I consider to be a most imperfect system.

There is more than one thing to be considered in making a tariff law. Of course in the mind of the general public what particularly strikes them is the question of rates—whether the rates are high or low-but when it comes to making a law that can be called excellent or otherwise it is also most essential that those rates of duty shall be proportionately applied to the various articles they refer to.

You will see by looking at the table which is on the wall that on all yarns from 19 to 39, when colored, there is a duty of 12½ per cent ad valorem. From 39 to 49 there is a jump of 5 per cent, which is in the neighborhood of 40 per cent of the duty, making a rate of 17½ per cent. In other words, while the very proper principle is recognized in the classification that is used in the bill, that the finer the number of yarn the higher the duty should be from a protective standpoint, for as I examine the bill I suppose, of course, the variations of duty are so laid for the purpose of protection, the only question I am discussing is whether it is a good form of protection or not.

I say that in addition to the rates of duty it is necessary that the form should be perfect, and in the form which is here adopted we have the anomaly that while it is recognized that the duties should vary with the number from No. 19 to 39, which is a very large classification of cotton yarns, which in cludes probably 70 per cent of all the cotton yarns that are spun in this country, there is absolutely no variation in the duty at all. Nevertheless, when you jump from 39 to 39½ there is an increase of 40 per cent in the duty. is an increase of 40 per cent in the duty.

Mr. President, if it was necessary to make any such changes as that in order to make a good system of duties, I would not waste the time of the Senate in calling it to their attention. But it not only is not necessary but in the law as it stands to-day, and in the law as it has stood for very many years prior to the law now in force, a much more perfect system was adopted—a system by which the duty varied by a uniform differential for each variation in the number of the yarn. Under the present law, starting with the basis of 2½ cents a pound up to No. 15, one-sixth of a cent per number is added for each number up to No. 30, and one-fifth of a cent per number for each number from No. 30 up. In other words, there is a perfectly uniform differential applying to each number of yarn as the numbers grow finer.

I fail to see why with such a perfect system in form which had worked entirely satisfactorily it was necessary to adopt such an imperfect system as the stepping-stone one which is represented in the pending bill. If it was necessary and desirable in the minds of the gentlemen in charge of the bill to reduce the duties, they could have reduced them without in the slightest degree changing the system upon which they are It could have been reduced either by using an ad valorem duty or by using a specific duty as is in the present law, and that would have given a very much more even and uniform application of these duties.

Further, Mr. President, not only has the classification been changed from the uniform system now in existence, but also the method of applying the duty has been changed from a specific to an ad valorem basis. To use ad valorem duties on these cotton yarns necessitates, in the first place, finding the numbers of the yarns, which is not a difficult undertaking. then necessitates finding the value of the yarns and arranging the duties in accordance with those values. That opens up a very large range of new questions concerning undervaluation, concerning prices in different countries, concerning the different prices in the same number of yarn; for the price of No. 25 yarn, for instance, is not uniform. It is not simply because it is No. 25 yarn. There is an enormous variation in the price of No. 25 yarn according to the quality of stock out of which it is made, according to the twist that is put into it, and according to various other considerations.

In the present case we have a simple, uniform duty that can be easily administered, and we are substituting for it a duty that is going to be difficult to administer, certainly as compared with the present duty, that is not uniform in its applica-tion of varying duties, and I fail to see the justification for it.

I further want to say that so far as the question of specific and ad valorem duties goes as applied to these yarns, whereas the specific system now in force has been changed in the case of cotton yarn to an ad valorem duty, when it came to the silk schedule, where there is to-day a compound duty, substantially a specific duty, in force, and under the House provisions an ad valorem duty had been substituted, the Senate committee bill has returned to the specific form of duties now in existence, with different rates.

It seems to me that if it is desirable in the case of silk yarns that there should be a specific duty, it is certainly equally desirable in the case of cotton yarns that there should be a specific duty. There is no question about the ease of its col-

I hope, Mr. President, that there will be some explanation made of the reason why it is necessary or why it is desirable to make the changes I have referred to.

Mr. SMITH of Georgia. Mr. President, we agree with the view that has been adopted by the House as to the wisdom of changing the plan under which the yarn and the cloth schedules are prepared. They are made to a large extent to harmonize with each other. One of the reasons, I have no doubt, for changing the yarn schedule was to make it conform to a similar plan with reference to the cloth schedule.

The cloth schedule as found in the Payne-Aldrich law is most complicated and has caused much trouble in its administration. It is based on the number of threads per square inch, the number of square yards per pound, and the value per square yard. All three of these elements enter into the plan of making the assessment or levying the tax. They become complicated and difficult. We have changed from that complicated plan to one which followed the numbers of the thread. The House simplified the mode of levying the tax.

Of course Senators understand that the difference in the number of yarns indicates the length of the thread. Beginning with No. 1, the smallest amount of thread is made from a pound. As you go on to higher numbers you increase the length of the thread made from the pound of cotton.

A study of the prices abroad and the prices here shows that the higher the number of the yarn the greater the competition from abroad with the productions here; the higher the number of the yarn the larger the tax which can be levied upon the yarn and yet leave competition from foreign spinners and thereby increase the revenue and bring about the result intended of competition.

So that the yarn numbers were adopted, starting with 5 per cent ad valorem for yarns from ones to nines, inclusive, and increasing from that on up to 25 per cent ad valorem for yarns from 100 to 200. Finally, at 200 and over, the rate was put at 20 per cent ad valorem, these yarns coming into this country almost exclusively to be handled for the purpose of making laces and not being yarns which enter into the production of cloth.

For the same reason that I have suggested, we wish to leave out the word "combed." The word "combed" is not found in connection with the cloth schedule, and the subcommittee that has had charge of this schedule do not think that there is any necessity for increasing the rate as to combed yarns. We think that the increases as to yarns should follow the increases as to cloth when dyed, mercerized, stained, painted, and so forth.

Mr. LODGE. Mr. President, this arrangement of duties on yarns is extremely complicated, and it seems to me somewhat unsystematic. I do not believe in ad valorems; I think the specifics are the proper method; but there is one question I should like to ask the Senator from Georgia, and that is, why there is a higher average duty on yarns than there is on the spool thread made from those yarns?

Mr. SMITH of Georgia. We shall reach the spool schedule after we dispose of this.

Mr. LODGE. I am aware of that; but they are closely connected.

Mr. SMITH of Georgia. I will, however, give my views on that now. As to the spool-thread paragraph, we have adopted the same classification of "spool thread, crochet, darning, and embroidery cottons" that is found in the existing law. perience has shown, and the report of the Tariff Board shows, that the thread coming into this country comes in largely at a duty under 20 per cent. The rate of 20 per cent is given the thread because the thread is of a character which under the specific duties of the Payne-Aldrich bill would be taxed less than 20 per cent ad valorem, and it therefore falls within the minimum provision that the rate in no case shall be less than 20 per cent. If the rate applicable to yarns had been placed upon thread, at least in some instances the Payne-Aldrich rates would have been increased.

Mr. LODGE. Mr. President, I understand that the sizes of yarns used by thread manufacturers range from 40 to 100, and that the sizes that are principally used in the manufacture of thread would be 50 and 60. That yarn gets, as I understand it, 20 per cent duty in the proposed tariff bill. That is 5 per cent more than is given to the finished material, which in this case is the thread.

Mr. SMITH of Georgia. I did not understand the Senator from Massachusetts.

Mr. LODGE. I say these yarns, of course, are the raw material of the spool cotton.

Mr. SMITH of Georgia. Yes.

Mr. LODGE. And it seems to me to put a duty on the average yarn used in the manufacture of spool cotton heavier than that placed upon the thread itself-

Mr. SMITH of Georgia. That seems illogical. Mr. LODGE. It seemed to me illogical,

Mr. SMITH of Georgia. Well, we took that subject up and investigated it, and we were surprised to find that the thread that now comes into this country comes in under the provision that in no instance shall the tax be less than 20 per cent. We find that the bulk of the thread which comes in takes the 20 per cent duty, because under the specific duty it would be below 20 per cent. This fact is particularly mentioned by the Tariff Board, and if we had adopted the yarn rates as to spool thread it would have carried the tax considerably above what it is under the Payne-Aldrich law.

Mr. SMOOT. I should like to ask the Senator this question: The statement that he makes in relation to the price of articles covered by paragraph 256, the low value of which the Senator speaks, is not spool cotton, but it is darning cotton and the reel or ball of cotton in skeins and cones.

Mr. LIPPITT. Crochet cotton.

Mr. SMOOT. The reel of cotton or the ball of cotton that comes here in cones is sometimes a pound and a half or two pounds in weight; and sometimes the large wooden cones weigh perhaps 5 pounds. It is that cotton which comes in this paragraph at the rate named by the Senator. If he will notice the importations of items under this particular paragraph, he will see that the equivalent ad valorem duty under the Dingley tariff, which was adopted in the year 1905, was 27.35 per cent. That included not only spool cotton, but it included all of the reel, the ball, and the skein cotton, which is a great deal cheaper than is the spool cotton. In the year 1910, under the present law, the equivalent ad valorem for articles named in that paragraph was 26 per cent and a little over; for the year 1912 it was 22.95 per cent, including all the items named in the paragraph.

If the Treasury Department had separated spool cotton from the reel cotton, the skein cotton, or the ball cotton, there would be no doubt that the ad valorem equivalent would have been higher upon the spool cotton than upon the cheaper varieties of cotton that I have mentioned in this paragraph.

Mr. LODGE. Mr. President, I merely desire to say that I have a letter from Mr. Charles B. Warren, of the Warren Thread Works, of Westfield, in my State, in which he says:

Please note that the proposed bill covering cotton yarn gives a higher average duty than is placed upon spool cotton. This seems to us an inconsistency, as yarn is the raw material from which our product is manufactured.

I simply read that statement from his letter to show the point I am trying to make.

As to the importations, the thread actually imported under the Payne-Aldrich tariff was very small in quantity; it was composed principally of fancy items and not staple sewing thread, on which the duty averaged about 23½ per cent, as stated in the handbook issued by the committee; but that gives an erroneous idea as to the staple thread which forms the great bulk of the production. It seems to me that, whatever rates are adopted, it is a mistake to put a heavier duty on the raw material than on the finished product which is produced from the raw material.

I have here some very carefully prepared tables with regard to wages and costs, which I will not read but which I will ask to have printed in the Record. Among them is one showing the imports of thread which seems to me to prove the point which I have been trying to make.

My only desire, Mr. President, is not to debate the matter at length but simply to call attention to the fact that this is another case where we do not put it on a revenue basis; we do not put it on a free-trade basis, but we give an actual benefit under our law to the foreign maker by imposing a lower rate

on the finished product than on the raw material of that product. I ask that the tables to which I have referred may be printed in the Record as a part of my remarks.

The VICE PRESIDENT. In the absence of objection, permission is granted.

The tables referred to are as follows:

SCHEDULE B.

Wages per week.

[Comparing the United States with European countries.]

	Hours per week.	High- est.	Lowest	Aver- age.
MALE.				
United States. Scotland England Italy Spain Russia, Russia, Maritime Provinces. Russia, Poland Belgium Switzerland Germany Austria. Hungary Japan, skilled Japan, unskilled	58 633 60 664 644 66 58 584 57 60	\$21.00 12.97 14.55 11.58 8.67 5.58 7.72 7.86 6.78 8.52 14.00 9.88 10.42 3.00 1.70	\$5.50 3.89 3.88 .98 1.38 1.78 1.95 1.78 4.22 1.82 3.40 1.30	\$9.50 5.36 7.76 2.80 3.65 3.43 3.55 2.83 4.78 3.87 4.39 3.91
FEMALE.		TO THE	1	11 13
United States. Scotland. England Italy Spain. Russia, Maritime Provinces. Russia, Poland Belgium. Switzerland Germany. Austria. Hungary. Japan.	49 55 58 63‡ 60 66½ 64½ 66 58 58½ 57 60	12.50 5.83 7.66 3.47 4.51 3.93 2.96 3.43 3.25 3.90 4.98 5.28 2.83 1.00	5.00 1.52 1.70 1.15 1.04 1.58 1.40 1.53 .74 1.93 1.18 1.53 65 .60	8. 50 3. 05 3. 46 1. 59 2. 43 2. 54 2. 29 2. 29 2. 07 2. 74 2. 43 3. 25 1. 81

Wages-Rates per week.

[Compiled from various documents published by Congress and by the Department of Commerce and Labor.]

	United States.	England and Scotland.	Germany.	France.	Belgium.	Spain.	Switzerland.	Italy.	Austria.	Japan.	Russia.
Hours per week Carding overseer	54-58 \$25.00-\$40.00	\$9.39-\$12.10	61-66	60	641	66	\$4.44-\$8.52	. 65	84.02-87.32	1 782 82, 40	66 \$5.10
Opening and mixing. Picker tenders Card tenders Card grinders	7.00- 9.00 8.00- 12.87	3.69- 7.50 2.90- 7.74 4.84- 7.50			3.33- 3.75		3.18- 4.44 3.48 3.72- 4.62	\$2.60-\$4.05 2.89- 4.05	2, 46- 3, 66 2, 94 2, 94- 4, 26	1.80 1.80	\$2.76- 3.84 2.46- 3.12 2.16- 3.84
Combers Collect waste Drawing tenders	7.00- 8.00 6.50- 7.50	2.84- 3.87 3.02- 4.94						2.32- 2.89	1.92- 4.38 2.28- 3.00	.87	1.86-3.0 1.26-1.5 2.16-2.7
Slubbers tenders Speeder tenders Speeder helpers		3.15- 4.84 3.45- 5.44	2.15- 3.15 1.71- 2.15	3.76		2,50- 2,86	3.00- 3.90	1.43-2.60 2.32-3.47	3. 25- 4. 46 2. 28- 5. 28 1. 80	\$0.96-1.02	2.16-2.7 2.16-3.0 1.56-1.8
Ring spinning over- seer Frame tenders Deffers		10.06 3.63	5.36- 7.38 2.15- 4.98 2.18- 2.86				5. 22- 6. 96 1. 86- 3. 36 1. 86- 1. 98	1. 43- 2. 95 1. 55	3.06- 9.12 1.86- 2.94 1.50- 2.10	2.70 .78- 1.30	1.98- 2.7
Mule spinning over- seer	18.00- 20.00	10.34- 14.52 8.71- 12.10	9.00- 14.00 4.76- 7.26	5. 22- 7. 54	5.81-6.78	4.30	5.48- 7.62 3.90- 5.46	11.58 4.05- 7.24	4.86- 9.72 3.66- 6.54		6.18- 7.8
Piecers	7.00	3.99- 4.43 2.88	3.57- 5.00 2.10	3.49- 5.22 2.90- 3.49		100 mm 100 mm	2.64- 3.96		1.44- 2.82		2.16- 2.4
Cop winders, women. Twisters tenders: Men	9,10-11.00	2.78- 3.99			2,50		3.06	3, 24	1000		
Women Creelers and doffers Rewinding	7.00- 8.50 6.00- 7.50	2.10- 2.78			9.50			1.70			
Reelers, women Warpers, women Gassing-frame tenders	8,00-12,50 7,50- 9,00	3.33- 3.87		3, 04 4, 61	2.30	2.16- 2.75	2, 46- 3, 36 3, 84	1.73- 2.89 2.32- 2.89		1.12	
Dresser tenders Dyers and bleachers. Swift spoolers	14, 00- 15, 00 11, 00- 14, 33	3.27- 7.66 5.40- 6.78 3.02- 4.29		6, 88			0.01	2, 32- 5, 79			2.7
Winders	8, 00- 11, 50 20, 00- 35, 00			7.33	2.75	6,92	4.44- 5.10	2,50 7,24	3.18- 4.56		
Firemen	15.41- 18.13 16.75- 21.90	7.79- 8.76 8.80- 9.57 4.38- 5.35	6.33- 7.79 6.55- 7.60 4.38- 5.35	6.14 5.84-7.02 5.84-7.36 3.79-4.66	4.81-5.56 4.91-6.14 3.14-3.95	5. 20 4. 32 4. 32 3. 22- 3. 58	4. 26- 5. 10 4. 38- 6. 72 4. 44- 6. 72 2. 76- 4. 62	5.79 4.63-6.95 2.32-3.47	3.06-4.56 3.54-5.34 3.42-5.10 2,46-3.30		
MasonsBricklayers Plasterers	23. 42- 26. 77 26. 77- 30. 42 24. 33- 29. 00	9.05- 9.57 9.12- 9.85 8.88- 10.14	6.55- 7.60 6.55- 7.60	5. 25- 7. 02 5. 25- 7. 02 5. 78- 7. 06	5.05- 5.84					2,82-3,12	
Plumbers Painters Blacksmiths	15.82- 20.68	8.60- 9.67 7.66- 9.12	5.84- 6.93 5.84- 7.22	5.84- 7.02 5.21- 6.43	4.91- 5.70 4.56- 5.25						

Wages-Piece ra	tes.	-	2
	Yarn count.	United States.	England.
Mule spinning, per 100 pounds	20 24 26 30 40	\$1.65 1.80 1.84 1.86 2.70	\$0.63 .75 .81 .94
Winding two or three ends of singles from a cop or from a ring-spinning bobbin to a spool, per 100 pounds.	48 20 24 26 40 50 60 80	3.17 .87 .95 1.02 1.45 1.54 1.78 2.09	1.77 .53 .60 .63 .67 .81 .77
Winding two ends of 2-ply from twister bobbins to a spool, per 100 pounds. Winding three ends of 2-ply from twister bobbins to a spool, per 100 pounds.	100 20 50 40 48 58	2.62 .49 .80 .69 .80 .88	1.44 .29 .37 .32 .35 .36
Reeling, per 100 pounds	76 96 20 24 26 40 50	1.03 1.20 .42 .45 .47 .70 .81	. 58 . 19 . 21 . 22 . 28
Winding from a skein or hank to a spool, per 100 pounds.	60 26-2 30-2 18-3 20 24 40 50 60 80 100	. 92 1. 40 1. 50 . 80 . 90 1. 00 1. 40 1. 60 1. 90 2. 50 3. 00	.39 .83 .92 .50 .55 .59 .87 .96 1.14 1.54
FINISHED THREAD.		173370	
Winding from a supply bobbin to the spool ready for sale, per gross of spoolsyards	100 150 200 300 500	6.00 \$5.76- 6.26 5.76- 6.26 12.00 12.00	2.02 \$2.12-2.42 2.42-3.02 3.02-3.73 4.03-5.04
Ball winding, in form of a ball with spool cen- teryards.	100	5.94	2. 27

## ROVING FRAMES.

England, 10 hank roving: Girl runs 2 frames, 162 spindles each, 324 spindles; speed, 1,158 revolutions per minute; earns, 68 hanks, at 2.85d, 168, 2d. (\$3.96) per 55 hours; produces, 68 hanks, 1,102 pounds; for \$3.96, equals \$0.0035 per pound.
United States, 10 hank roving: Girl runs 2 frames, 200 spindles each, 400 spindles; speed, 1,250 revolutions per minute; earns, 68 hanks, at \$0.135, \$9.18 per 54 hours; produces, 68 hanks, 1,360 pounds; cost, 1,360 pounds, for \$9.18, equals \$0.0068 per pound.

\$0.135, \$9.18 per 54 hours; produces, 68 hanks, 1,360 pounds; cost, 1,360 pounds, for \$9.18, equals, \$0.0068 per pound.

RING SPINNING.

England, on 24s: Girl runs 1 frame on 24s and 1 frame on finer count; earns, 41 hanks of 24s, at 2.2d., 7s. 6d., equals \$1.82; 40 hanks finer at 2.4d., 9s. 5½d., equals \$2.28; \$4.10 per week of 55 hours; produces, 41 hanks, 603 pounds, per 55 hours; cost, 603 pounds, for \$1.52, equals \$0.0030 per pound.

United States, on 24s: Girls run 2 sides on 24s, at \$0.86½, equals \$1.73; 5 sides finer, at \$1.50, equals \$7.50; earns, \$9.23 per week of 54 hours; produces on two sides, 298 pounds per 54 hours; cost, 298 pounds, for \$1.73, equals \$0.0058 per pound.

England, on 40s: Girl runs 2 frames, 4 sides, at 8.500 revolutions per minute; earns, 80 hanks, at 2.84d., 18s. 11d., equals \$4.57 per 55 hours; produces, 80 hanks, 704 pounds; cost, 704 pounds, for \$4.57, equals \$0.005 per pound.

United States, on 40s: Girl runs 6 sides, at \$1.50, \$9 for 54 hours; speed. 8,400 revolutions per minute; produces, 670 pounds; cost, 670 pounds, for \$9, equals \$0.0134 per pound.

England, on 58s: Girl runs 2 frames, 4 sides; earns, 60 hanks, at 3.42d., 17s. 1d., equals \$4.13 per 55 hours; produces, 60 hanks, 364 pounds; cost, 364 pounds, for \$4.13, equals \$0.0114 per pound.

United States, on 58s: Girl runs 6 sides, at \$1.50, \$9 per 54 hours; produces, 434 pounds; cost, 434 pounds, for \$4.13, equals \$0.0104 per pound.

Winding 2 or 3 ends from cops to a spool: Speed, in England, 560 feet ner minute; in United States, 450 feet ner minute.

Winding 2 or 3 ends from cops to a spool: Speed, in England, 560 feet per minute; in United States, 450 feet per minute. Attend, in England, 14 to 25 drums; in United States, 20 to 87 drums.

Production, rates, and earnings.

	Production per week.		Piece rates per pound.		Earnings per week.	
	Eng- land (55 hours).	United States (54 hours).	England.	United States.	Eng- land (55 hours).	United States (54 hours).
24s, 2 ends	570 600 560 440 725 600	1,000 750 600 550 800 650	0.300d\$0.0060 .3330067 .3830077 .4930099 .3330067 .3830077	\$0.0098 .0136 .0169 .0202 .0129 .0159	\$3. 42 4. 02 4. 31 4. 36 4. 86 4. 62	\$9.80 10,20 10,14 11,11 10,32 10,33
Total Average of 6.					25.59 4.27	61. 90 10. 32

#### REWINDING.

Winding 2 or 3 ends from twister bobbins to a spool: Speed, in England, 400 feet per minute; in United States, 440 feet per minute. Attend, in England, 17 to 22 drums; in United States, 25 to 37 drums. Production, rates, and earnings

	Production per week.		Piece rates per	Earnings per week.		
	Eng- land (55 hours).	United States (54 hours).	England.	United States.	Eng- land (55 hours).	United States (54 hours).
40s, 2 ply, 3 ends. 58s, 2 ply, 3 ends. 76s, 2 ply, 3 ends.		1,250 1,000 850	0.158d.=\$0.0032 .180 = .0036 .228 = .0046	\$0.0069 .0088 .0103	\$2, 40 2, 16 2, 53	\$8, 63 8, 80 8, 75
Total Average of 3.					7.09 2.36	26, 18 8, 73

Winding from a skein to a spool: Speed in England, 600 feet per minute; in United States, 450 feet per minute. Attend in England, 12 drums to each winder; in United States, 18 to 24 drums to each winder. Production, piece rates, and earnings.

	Production.		Piece rate	Earnings per week.		
	Eng- land (55 hours).	United States (54 hours).	England.	United States.	Eng- land (55 hours).	United States (54 hours).
24, 3	600 400 340 270	840 650 500 390	0.295 d.=\$0.0059 .430 = .0087 .565 = .0114 .765 = .0154	\$0.0100 .0140 .0190 .0250	\$3.54 3.48 3.88 4.16	\$8.40 9.10 9.50 9.75
Total Average of 4.					15.06 3.77	36.75 9.18

#### POLISHING.

Speed in England, 22 feet per minute; in United States, 60 feet per minute. Attend in England, 200 ends; in United States, 196 ends.

Production, piece rates, and earnings.

	Prod	uction.	Piece rate	Earnings per week.		
	Eng- land (55 hours).	United States (54 hours).	England.	United States.	Eng- land (55 hours).	United States (54 hours).
1, 3 620 1, 600 1, 3 425 1, 450 1, 3 370 1, 350 1, 3 203 1, 200		0.350d. = \$0.0071 .525 = .0106 .625 = .0126 .725 = .0146	1 \$0.0094 1.0104 1.0111 1.0125	\$4.40 4.51 4.66 4.42	\$15.00 15.00 15.00 15.00	
Total Average of 4.					17.99 4.50	15.00

¹ Day work; rates obtained by dividing production into wages.

#### SELF-ACTING SPOOLERS.

Winding from a supply spool to spool ready for the trade: Speed, in England, 4,500 rotations per minute: in United States, 4,000 rotations per minute. Attend, in England, 8 spindles; in United States, 8 spindles.

Production piece rates and earnings

	Production.		Production. Piece rates.		Earnings per week.	
	Eng- land (55 hours).	United States : (54 hours).	England.	United States.	Eng- land (55 hours).	United States (54 hours).
200 yards 500 yards 1,000 yards 1,200 yards	Dozens. 2,300 1,050 960	Dozens. 2,400 1,050	0.125d.=\$0.0025 .250 = .0050 .333 = .0067	\$0.00475 .0100	\$5.75 5.25 6.43	\$11.40 10.50

SCHEDULE C.

	United States exceeds England.	
	Per co	ent.
Coal		64
Oils, lubricating		34
Bleach		25 37
Dyestuff's		25 23
Soap		23
Papers		0

The lubricating oils are less (-) in the United States than in England.

#### SCHEDULE D Cost of machinery.

[Compiled from various Government documents.]

	United States.	Eng- land.	Ger- many.	Spain.
Openers	1,750	1,447		1,528
Lappers	750	510		818
Cards	C60	315		496
Sliver laps.	454	339		
Ribbon laps	952	581		
Combers, nasmith with aspirator	1.368			
	\$75,00	\$28, 59		
Draw frames, per delivery	\$12.64	\$6, 33		
Slubbers, per spindle				
Intermediates, per spindle	\$9.92		*******	
Fine frames, per spindle	\$6, 80			
Ring spinning frames, per spindle	\$2, 43	\$1.63		\$2,65
Mules, per spindle	\$2, 25	\$1.121		
Winding frames, per spindle	\$10.00			\$3, 28
Twisting frames, per spindle	£4.66			\$3, 05
ing, power, machinery, and furnishings	\$10,83	\$7.92	\$13.09	

	Switzer- land.	Italy.	Aus- tria.	Rus- sia.
Openers		1,475		2, 264
Lappers			670 630	1,080
CardsSliver laps			000	772
Ribbon laps		mag		824
Combers, nasmith with aspirator		1,220		1,957
Draw frames, per delivery		48.90	\$49.00	\$77.00
Slubbers, per spindle		\$9.70	\$10.50	\$12.86
Intermediates, per spindle		\$7.77 \$5.54	\$8.12 \$6,50	\$9.90 \$7.16
Fine frames, per spindle		\$2.33	\$2.52	\$3.11
Mules, per spindle			\$1.67	\$2.11
Winding frames, per spindle		\$1.70		
Twisting frames, per spindle		\$2.01		\$3.73
ing, power, machinery, and furnishings	\$15.44	\$11.50-\$14.50		\$12.88

Spinning-mill machinery only 70 per cent higher than England. [Extracts from Tariff Board report.]

	United States	England.
Bale breaker	\$300.00	\$340.00
2 beater opener lappers	1,275.00	
1 beater opener lapper		730.00
1 beater finisher lapper	750.00	511.00
Card	575.00	316.00
Drawing, per delivery	75.00	29.00
Slubber, per spindle 11-inch lift	12.64	6.33
Intermediates, 9-inch lift	9.26	4.62
Roving, 7-inch lift	6.14	3.35
Spinning frames:		100
1)-inch ring.	2,50	
1g-inch ring		1.58
Sprinklers, per head	2,50	2,92
Boiler:	- 5000	
Water-tube, 200 horsepower	2,714.00	
Lancastershire, 30 feet by 8 feet.	-, 111.00	2,920.00
Economizer, per tube	10.86	5, 68
Economiser, per rave	10.00	0.00

Equipment of spinning mill. [Approximately 50,000 spindles spinning 32s warp; 50s filling.]

	United States,	England.
Buildings. Sprinklers and fire protection. Heating and humidifying. Lighting. Power plant. Transmission. Machinery. Furnishings and miscellaneous.	\$163, 985 7, 184 10, 183 3, 810 46, 628 7, 944 242, 595 61, 072	\$123, 122 4, 553 6, 570 2, 053 47, 132 5, 694 140, 054 67, 190
Total	543, 401	396, 368

Cost in England is 73 per cent of cost in United States, or cost in United States is 37 per cent higher than in England.

Total cost of machinery for a spinning mill is about 58 per cent of cost in United States. (See p. 463, Report of Tariff Board.) Thread importations.

	Quantity (dozens, 100 yards each).	Value.	Duty paid.	Value per dozen, 100 yards.	Per cent of duty.
Year to June-			7		
1906	1, 465, 611	\$248, 861, 00 289, 577, 66	\$87, 936. 71 112, 822, 74	\$0.170 .154	35.34 38.96
1908	2, 417, 401	400, 218, 42	145, 044, 05	.166	36, 24
1909	1,887,685	519, 330. 60	113, 261, 14	.275	21.81
1910	1,948,193	511,070.50	136, 106. 80	.262	26, 63
1911	2, 460, 550 4, 501, 627	717, 439. 79 1, 552, 734. 58	175, 005. 48 356, 330. 04	.292	24. 39 22. 95

#### Imports of thread-

ON SPOOLS OR REELS (AT 6 CENTS PER DOZEN OF 100 YARDS).

	Quantity (dozens, 100 yards).	Value,	Duty paid.	Value per unit.	Per cent of duty.
Year to June— 1906 1907 1908 1909	557, 669	\$67, 962, 00	\$33, 460. 18	\$0,122	49. 23
	558, 220	72, 117, 16	33, 493, 13	,129	46. 45
	291, 859	39, 494, 05	17, 511, 51	,135	44. 33
	533, 950	114, 807, 10	32, 037, 03	,215	27. 90
NOT ON SPOOLS OR	REELS (AT	6 CENTS PER	DOZEN OF	100 YAR	DS).
Year to June—  1906 1907 1908 1909.	907, 942	\$180, 899.00	\$54, 476, 53	\$0.199	30, 12
	1, 322, 159	217, 460.50	79, 329, 61	.164	36, 48
	2, 125, 542	360, 724.37	127, 532, 54	.169	35, 35
	1, 353, 735	404, 523.50	81, 224, 11	.299	20, 08

By the new law passed August 5, 1909, the classification was changed to the following divisions:

ON SPOOLS, REELS, OR BALLS, CONTAINING NOT EXCEEDING 100 YARDS EACH.

	Quantity (dozens, 100 yards).	Value.	Duty paid.	Value per unit.	Per cent of duty.
Year to June— 1910	777, 531	\$108, 914. 50	\$46,651.89	\$0.140	42.83
	892, 132	157, 039. 50	53,527.93	.176	34.09
	1, 624, 731	315, 845. 57	97,483.77	.194	30.86

IN SERINS COMES OF THESE CONTAINING THE WILLY SAS VIDES BACK

	Quantity (units of 100 yards).	Value.	Duty paid.	Value per unit.	Per cent of duty.
Year to June— 1910	7, 653, 180 8, 122, 417 9, 929, 254	\$146, 211. 00 156, 073. 00 190, 889. 00	\$38, 265. 91 40, 612. 10 49, 646. 27	\$0.019 .019 .019	26, 17 26, 02 26, 01
OTHERS ON WHICH THE	SPÉCIFIC D	UTY DOES NO	T AMOUNT	0 20 PI	R CENT.
Year to June— 1910	6, 394, 769	\$255, 945, 00	\$51,189.00	\$0.040	20.00

404, 327. 29 1, 046, 000. 01 

Mr. SMITH of Georgia. Mr. President, there is this further reply to that suggestion: These products are very much more valuable, and the same ad valorem will raise a very much greater revenue. Now, I want to read from the report of the Tariff Board with reference to paragraph 314 as it appears in the Payne-Aldrich law:

It is also provided that none of the goods covered by paragraph 314 shall pay a less rate of duty than 20 per cent ad valorem. During the last fiscal year, of spool thread cotton imported, that paying the minimum rate of 20 per cent exceeded that liable to the specific rate both in quantity and value.

And they give the figures, which show \$404,000 worth below

20 per cent and \$313,000 worth above it.

Mr. SMOOT. Mr. President, the Senator knows that the items in paragraph 256 of the pending bill, in which spool thread cotton is provided for, are the same items exactly as those covered by the present law under paragraph 314, which

Spool thread of cotton, crochet, darning, and embroidery cottons, on spools, reels, or balls, containing on each spool, reel, or ball not exceeding 100 yards of thread, 6 cents per dozen.

And then it provides specific rates as to the number of yards on a spool, and so forth, and contains the proviso, as stated by the Senator:

That none of the foregoing shall pay a less rate of duty than 20 per cent ad valorem.

I have not examined the report made by the Tariff Board in regard to spool thread, but I do know that cotton on reels, ball cotton, and skein cotton generally come in as single thread, and are a great deal less valuable than spool cotton. If the spool cotton came under the 20 per cent duty, as stated by the Tariff Board, I can not understand why the Treasury reports show that during the year 1905 the equivalent ad valorem was 27.35 per cent; that during 1910 the equivalent ad valorem was 26.63 per cent, and last year the equivalent ad valorem on all of the

items in the paragraph was 22.95 per cent.

Mr. SMITH of Georgia. Yet the Treasury report shows that of the importations for the fiscal year ending June 30, 1912, \$1,046,000, instead of the figures two years previous, came in on which the specific duty did not amount to 20 per cent.

Mr. SMOOT. For what year is that? Mr. SMITH of Georgia. The year ending June 30, 1912. The first figures I gave were the figures from the Tariff Board and they applied to a prior year, the year 1911. The subsequent figures from the Treasury show an increase to over a million dollars of goods that came in paying the 20 per cent minimum, because the character of the goods was such that the specific duties would have been less than the minimum of 20

While I am on my feet I wish to suggest to the Senator this thought: Does it not show that a high class of goods came in, instead of a cheap class, as the Senator suggests, and that so expensive were the goods that the specific rate provided in the

law did not reach the 20 per cent?

Mr. SMOOT. Mr. President, the higher the price of the goods of course the lower the specific ad valorem.

Mr. SMITH of Georgia. That is just what I say.
Mr. SMOOT. So it can not apply to the higher-priced goods.
I should say that the mere fact that the goods were higher priced can not answer the situation. In answer to what the Senator said in relation to importations in 1912, I call his attention to what the Treasury Department reports. I do not know what the Tariff Board has reported, and I do not know as to what year they reported; I have not the figures for the year 1911; but the figures for 1910 and 1912 I have here. The importations under that paragraph—that is, under paragraph 314 of the present law, which is the corresponding paragraph to the one we are now discussing, paragraph 256—the value of the importations for 1910 was \$511,071, the duties collected were \$136,107, and the equivalent ad valorem rate was 26.63. per cent. In the year 1912 the import values were \$1,552,735, the duties collected were \$356,330, and the equivalent ad valo-rem therefore would be 22.95 per cent. The reports of the Treasury Department, according to the figures that I have before me, show that the lowest equivalent ad valorem for importations of goods in this paragraph was 22.95 per cent.

Mr. SMITH of Georgia. What did the Senator say were the

importations for 1912?

Mr. SMOOT. In 1912 the importations were \$1,552,735, the amount of duties collected for that year was \$356,330, and the equivalent ad valorem was 22.95 per cent. That is the lowest equivalent ad valorem on that particular paragraph of this schedule of any year for which I have the figures before me.

So, Mr. President, I do not understand how the Tariff Board

could have made such a report. It may be that the report was made upon the year 1911, and it may be that that particular year there was some phenomenon that we do not know of now, or at least that I do not know of. But certainly it is not the case as far as the year 1910 or the year 1912 is concerned. do know, and I believe the Senator knows, that cotton that is shipped into this country in skeins and balls and cones is far less in value than any spool cotton that is ever shipped into this

I know that cotton comes in in cones—as I stated before, cones 14 inches in length—and I believe that many times there are 2 or 3 pounds of cotton upon one cone. It is all single. It never comes in double unless it is fancy yarn. In the case of spool cotton it is the finest of thread, the finest spun thread that it is possible to make in this country. Not only that, but it is doubled and twisted besides and put upon a little spool; and there is no man, whether he belongs to the Tariff Board or anyone else, who can say that cone cotton and yarn is of a higher value than spool cotton.

Mr. SMITH of Georgia. Evidently they do not refer to the character of yarns that the Senator from Utah has in view. I do not claim at all to be an expert in these matters. I have simply used the information which seemed to be at hand. I hope the Senator from Rhode Island was right when he said that I know more about my own profession than I do about this. have sought to do the best I could with the responsibilities upon me and using the information that was at hand.

I find this in the Tariff Board report:

The decline in the ad valorem duty, while the specific rate has remained practically the same, is due to the increase in the value of the thread imported.

Mr. SMOOT. Absolutely; and that is true. It could not be otherwise. It is because with a specific rate upon a given value the equivalent ad valorem will always be the same, and as the price rises the equivalent ad valorem declines, and as the price declines the equivalent ad valorem rises.

Mr. SMITH of Georgia. The cheaper the goods the higher the ad valorem on a specific basis, and the dearer the goods the

lower the ad valorem.

Then, I call attention again to the fact that the Treasury report for June 30, 1912, shows \$1,046,000 of these goods which came in so high in value that the specifics did not amount to 20 per cent, and therefore they did not take the specific duty, but were taxed at the minimum rate of 20 per cent ad valorem.

Mr. SMOOT. I say the only way that could be accounted for is that that is for the fiscal years 1911 and 1912, and not for the fiscal years 1912 and 1913. I am reporting now the year 1912, in which the importations amounted to \$1,552,735, and the equivalent ad valorem was 22.95 per cent. There is no question about that amount being right. But if the fiscal years 1911 and 1912 are the years that the Senator is reporting. I can not say what the importations are, because I have not the figures before me. But if it did fall below 20 per cent it is the only year it has fallen below that figure. Does the Senator admit that the figures I have read for the years 1905, 1910, and 1912 are correct?

Mr. SMITH of Georgia. I have not followed the years very far back, but I find this observation by the Tariff Board:

This increase in value, as in the case of other cotton goods to which attention has been called, is explained by two causes, the fact that our imports tend toward finer grades from year to year, and the increase in price of yarn for the same goods.

So the Tariff Board treated it as an accepted fact that this was to be the condition.

Mr. SMOOT. Mr. President, I do not think that part of the report refers to yarns.

Mr. SMITH of Georgia. This follows thread. It follows im-

mediately after what I have just read before.

Mr. SMOOT. Yes; but the word "goods" does not apply

to yarns. Mr. SMITH of Georgia. But this language is used just after

the language which reads as follows:

The decline in the ad valorem duty, while the specific rate has remained practically the same, is due to the increase in the value of the thread imported.

The Tariff Board were discussing this very question, and it is from the Tariff Board report that I derived the information that I have presented to the Senate.

Mr. SMOOT. I understood the Senator to say "goods." Of course "goods" means piece goods and not thread. I may have misunderstood him in reading that.

Mr. SMITH of Georgia. In their next sentence they do

This increase in value, as in the case of other cotton goods-

They simply treat thread as other cotton goods to this extent: They state the tendency is toward the importation of the finer qualities, and as in goods the highest class goods may be competitive to some extent under existing prices, so in threads the highest-priced threads may be. That is what they mean.

Mr. SMOOT. Of course, in speaking of cotton goods, that means piece goods. Thread or any condition of cotton less

than cloth itself is never referred to as "goods."

Mr. LIPPITT. Mr. President, I have been listening very interestedly to this discussion. I understood the Senator from Georgia [Mr. SMITH] to state that the only reason for putting a duty of 15 per cent on thread, when there is in many cases a duty of 271 per cent upon the yarn out of which that thread is made, is because the figures of importation show that the imports of thread only pay a duty in the neighborhood of 20 per cent. Therefore he figured that if he put a duty of more than 20 per cent upon thread he would be raising the duty.

I should like to say to the Senator from Georgia that to argue in any way at all from importations of an unimportant amount and the rates of duty that are paid on that unimportant amount to the rates of duty that are applied under the present law to the thread that is manufactured but that is not imported at all is not a proper method. The facts are, and the Senator seems to be surprised about it, that of course the thread is imported at the point where it will pay the least duty. You do not import thread that pays the most duty. The kind of thread that under the classification of the law is such that the duty is the smallest amount will come in, and that is exactly what has happened under the thread classification.

I have here the prices of several different kinds of foreign thread. There is the Arkwright thread, so called—these are brands—made in Manchester, England. The net price per brands-made in Manchester, England. dozen is 29.86 cents. The present duty per dozen is 12 cents. In the case of the Alost thread, made in Belgium, the present price is 28 cents per dozen and the duty 12 cents per dozen. In the case of the Shamrock thread, made at Belfast, Ireland, the present price is 31.54 cents per dozen and the duty 12 cents per dozen.

I shall not read them all, but the result of that is that the duty on those five or six well-known brands of thread is not 20 per cent; it is 41.85 per cent.

In other words, under the present law the thread that is not imported because the duty is too high to permit it to be imported, which has no representation in the figures the Senator from Georgia [Mr. SMITH] has been reading, is protected not by a duty of 20 per cent but by more than double that, or a duty of over 40 per cent.

I am glad this subject has come up, because I really think this duty upon thread is perhaps one of the most unjust duties there is in this whole schedule. I am not referring alone to the textile schedules, but to all of the schedules. I say that because it is so entirely out of proportion to the other duties on similar articles. I simply want, in the very fewest words, to

explain to the Senate how thread is made.

It is a very simple thing. Thread made from No. 100 yarn, which is a very common number and of which very large amounts of sewing thread, what is called domestic thread, are made-such thread as you buy at the retail stores-is simply the result of taking two or three or four or more threads of No. 100 yarn and twisting them together, the resultant product being what is known commercially as thread.

The labor cost and other costs of turning cotton into No. 100 yare, as compared with the increased cost of turning that No. 100 yarn into thread, are about the same. In other words, it costs twice as much to take cotton and make thread out of No. 100 yarn as it does to make the No. 100 yarn itself. Therefore, on any relative basis of duty, at least the duty should be as But what has happened is that while in this bill the duty is 271 per cent on the No. 100 yarn, the duty is only 15 per cent upon the thread made out of that yarn.

Certainly that is an anomaly; and I am very largely interested in it, because I expect the largest manufacturers of thread in this country are located in the State of Rhode Island, in the city of Pawtucket. I refer to the representatives in this country of the J. & P. Coates Manufacturing Co. There is another very considerable thread concern in the town of Westerly, R. I.

There are also a number of small makers of thread in Rhode Island. The product is one that requires the very best class of

help to produce it satisfactorily.

When a person goes and buys thread he wants something that is as near perfection from one end of its length to the other as it is possible to have it. The slight difference that there is in the cost of making thread is as nothing compared to the annoyance that would come from using a thread that was not perfect. Therefore the very highest quality of yarn that there is in this or any other country is what is put into the manufacture of thread for sewing purposes.

Not only, therefore, is this duty unfair, because it is only slightly over one-half the duty upon the raw material of which the thread is composed, but it is unfair because while the raw material is called No. 100 yarn, the same as much other raw material is called No. 100 yarn, the quality of the thing that is described by that same name is very much higher in the case of what is used for thread than what is used for the ordinary

manufacture of cotton goods.

If a duty of 27½ cents is fair for No. 100 yarn, a duty of 15 per cent for thread made out of No. 100 yarn is manifestly unfair. If a duty of 15 per cent is fair for No. 100 yarn when it is in thread, then a duty of 27½ per cent for that No. 100 yarn before 100 per cent more cost has been put on it is manifestly unfair. As I understand, that is the whole situation.

The imports to which the Senator refers are very largely of crochet yarns. I spoke the other day of fancy yarns, of yarns with nubs on them that might be called decorative yarns. These crochet yarns are used for the purpose of making things of that kind. They are an entirely different product from thread, although they come in under the thread schedule. is nothing in the figures the Senator has read to indicate in the slightest degree what proportion of those imports are thread proper, and what are crochet yarns, which are also described under the same paragraph.

Therefore it seems to me manifestly unfair to attempt to argue from the rates of duty that are paid on that small amount of importations. It is small. I think the Senator said it was a million dollars or thereabouts, whereas the value of the whole product of thread in this country is in the neighborhood of \$30,000,000, much of which is not represented in the importations at all. The only effect, so far as I can see, of putting this duty of 15 per cent upon thread is going to be that operatives of the very highest class of expertness and skill are going to have their positions put in just twice the peril from foreign importations that operatives are who are making a product that requires somewhat less skill.

Mr. REED. Mr. President, will the Senator enlighten us as to the wages paid to these very high-class operatives?

Mr. LIPPITT. The wages are somewhat higher.

Mr. REED. About what are they? Mr. LIPPITT. What does the Senator mean? Mr. REED. How do they range ber week?

Mr. LIPPITT. The wages were all put upon record some little time ago. I can not carry all those things in my head. will say, however, that a statement was made a few years back of the wages that were received by the laborers in the J. & P. Coates factory in Pawtucket, R. I., and in the J. & P. Coates factory in Paisley, Scotland; and those figures showed that the earnings in this country were just about double those in Scotland. They simply accord with thousands of other figures of the same kind.

Mr. REED. I am not interested in what the wages are in Scotland. I want to know what they are in this country.

Mr. LIPPITT. The wages in Scotland are about one-half what they are in America.

Mr. REED. What are the wages in this country for the highly skilled men that the Senator says will suffer?

Mr. LIPPITT. I can not say accurately; but if the Senator asks me for a guess, I think in the case of mule spinners they probably make \$16 to \$18 a week.

Mr. REED. An ordinary brick mason, who is not protected,

gets about \$6 a day.

Mr. LIPPITT. What does the Senator mean by saying that the brick mason is not protected?

Mr. REED. I say that simply because he is not protected.
Mr. LIPPITT. I differ from the Senator entirely on that
statement. What is protected in the case of the laborer engaged in making cotton cloth is the cloth that he makes. is a certain duty put upon that cloth which makes it impossible to import it except by the payment of that duty. In the case of the brick mason and the stonemason and in the case of all the men occupied in the building trades there is no duty upon their product because it is physically impossible to import their product; and the protection that is upon the men engaged in that trade is not merely a protection that sometimes allows importations to come in, but it is a protection made by the powers that made this world, which makes it absolutely impossible for the products of

gaged in England or France, or wherever it may be. Mr. REED. I submit there is free trade in labor, and if these men who lay the brick and are not taxed get \$6 a day, and the very highest class in this particular branch for whose benefit we pay tribute get \$16 a week, it shows just how much real

their labor to compete with the products of men similarly en-

benefit this protection was to the spinners.

Mr. LIPPITT. It enables them to get 100 per cent— Mr. JAMES. If the Senator will permit me, the argument he now makes that we can not import brick, does not-

Mr. LIPPITT. I did not say that we can not import brick. Mr. JAMES. It does not harmonize with the argument made last week that they would import granite and run the granite

quarries of New England out of business if we reduce the tariff.

Mr. LIPPITT. The Senator certainly could not have been listening to what I said. I did not in the slightest degree say that you could not import brick. I said you could not import the products of the bricklayer. The bricklayer does not make the products of the bricklayer. The bricklayer does not make brick; he makes a house. What I was claiming was that we could not import a house, and I never yet have heard of one being imported. These are theoretical-

You can import granite such as is quarried in Mr. JAMES.

New England.

Mr. LIPPITT. Certainly. The Senator knows that a stonemason is not a quarryman.

Mr. JAMES. I know; but the Senator was making an argument that leads to the conclusion I suggest.

Mr. LIPPITT. I beg to differ from the Senator. Mr. President, I was led astray into a discussion of theoretical protection and free trade, not particularly in line with this subject. I would much rather speak to the particular subject. It is 6 o'clock.

Mr. SMITH of Georgia. Mr. President, I would like to put into the Record in this connection another extract from the report of the Tariff Board upon this subject. It reads as follows:

The trade in cotton thread is controlled largely by one company with manufacturing establishments in the United Kingdom, the United States, Canada, Russia, Austria-Hungary, Germany, France, and Spain. The local market in each country is supplied directly through the factory located within the country. The smallness of the international trade, as shown in Table 25, is probably due to the fact just stated.

Mr. SMOOT. In this connection I wish to call the Senator's attention to one other item. I am not going to offer an amendment to-night, but I ask him to take it into consideration.

No matter what the rate may be, I do not believe it is going to affect the price the ultimate consumer pays for spools of

thread. But there is another item of the present law that I do believe ought to be in this law to protect the purchaser in case of fraud, and guarantee to him that when he pays for 600 yards of cotton thread he will get it. I call the Senator's attention to this section in the present law:

That in no case shall the duty be assessed upon a less number of yards than is marked on the spools, reels, comes, tubes, skeins, or balls.

I feel quite confident that if those words are not included in the proposed law foreign manufacturers in many cases will ship spools of thread here having perhaps each 25 or 30 yards less than the number to-day upon spools of cotton. I bring this to the attention of the Senator because of the fact that before this provision was put in the law that was the case. I think if cotton thread is imported into this country the purchasers ought to have every yard they pay for the same as we are compelled to put upon a spool of cotton the number of yards in the spool

The VICE PRESIDENT. The question is on agreeing to the

amendment of the committee.

Mr. LIPPITT. I do not know whether it is in order now, but I have an amendment which I should like to propose to one of the later paragraphs of Schedule I. I should like to offer it now, so that it may lie on the table and be printed.

The VICE PRESIDENT. The amendment will be printed and

lie on the table.

Mr. GALLINGER. I would suggest to the Senator from North Carolina that we have run a little beyond the usual hour. Senators are in the habit of making engagements, with the understanding that we are to adjourn about 6 o'clock.

Mr. SIMMONS. I am willing that the bill shall be laid aside. I do not know whether an executive session is desired or not.

Mr. BACON. There is some executive business that has to be attended to. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After 5 minutes spent in executive session the doors were reopened, and (at 6 o'clock and 10 minutes p. m.) the Senate adjourned until to-morrow, Wednesday, August 20, 1913, at 11 o'clock a. m.

## CONFIRMATIONS.

Executive nominations confirmed by the Senate August 19, 1913. CONSTRUCTOR IN THE REVENUE-CUTTER SERVICE.

Frederick Allen Hunnewell to be constructor with the rank and pay of a first lieutenant.

ASSISTANT ATTORNEY GENERAL.

Preston C. West to be Assistant Attorney General, to be assigned to the Department of the Interior.

POSTMASTERS.

Norman P. Cormack, Wasco. Frederic S. Harrison, Patterson. Esther B. Hensel, Portola. David C. Hyer, Susanville. J. B. Laufman, Santa Paula. William K. McFarland, Jackson. Frederick B. Nichols, McCloud. Warren Rodgers, McKittrick.

John E. Dargan, Riceville. Owen Hourihan, Salem. C. S. Shanklin, Marion. J. G. Winter, Sioux Center.

KENTUCKY.

P. C. Mayhugh, Eddyville.

MISSOURI.

J. S. Walker, Marceline.

OHIO.

John E. Taylor, Crooksville.

PENNSYLVANIA.

Rush B. Miller, North Girard.

SOUTH DAKOTA.

John Debilzan, Andover. G. L. Kirk, Platte. T. J. Sullivan, Iroquois.

## HOUSE OF REPRESENTATIVES.

Tuesday, August 19, 1913.

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the fol-

Imbue us, O God, our heavenly Father, plenteously with grace divine, that we may possess a susceptible mind, a live con-science, and an earnest desire to know and do Thy will. To this end be with our President and his advisers, that he may be able to peacefully and amicably adjust all the problems 'twixt us and other nations. And Thine be the praise, through Jesus Christ our Lord. Amen.

The Journal of the proceedings of Friday, August 15, 1913,

was read and approved.

ADJOURNMENT UNTIL FRIDAY NEXT.

Mr. UNDERWOOD. Mr. Speaker, I ask unanimous consent that when the House adjourns to-day it adjourn to meet on Friday next.

The SPEAKER. The geatleman from Alabama [Mr. Under-WOOD] asks unanimous consent that when the House adjourns to-day it adjourn until next Friday. Is there objection? [After a pause.] The Chair hears none, and it is so ordered.

COMMISSIONS IN RELATION TO INDIAN AFFAIRS.

The SPEAKER. The Chair desires to make an announcement two. The last Indian appropriation bill provided for the or two. or two. The last Indian appropriation bill provided for the appointment of two commissions. One of them is to investigate the Bureau of Indian Affairs, to be composed of three Senators and three Representatives. The Chair appoints on the part of the House the gentleman from Texas [Mr. Stephens], the gentleman from Oklahoma [Mr. CARTER], and the gentleman from South Dakota [Mr. BURKE].

The Indian appropriation bill also provided for the appointment of a commission of two Members from each House to investigate the question of tuberculosis among the Indians in connection with an inquiry into the necessity and feasibility of establishing, equipping, and maintaining a tuberculosis sani-tarium in New Mexico, and to make an inquiry into the necessity and feasibility of procuring impounded waters for the Yakima Indian Reservation. The Chair, believing that the business can be transacted more cheaply by appointing two of the same Members on that commission, appoints on the part of the House the gentleman from Texas [Mr. Stephens] and the gentleman from South Dakota [Mr. BURKE].

INTERNATIONAL CONGRESS ON BILLS OF EXCHANGE (S. DOC. NO. 162).

The SPEAKER laid before the House the following message from the President of the United States, which was read and, with the accompanying documents, referred to the Committee on Foreign Affairs and ordered to be printed:

To the Senate and the House of Representatives:

I transmit herewith a report by the Secretary of State covering the report of the American delegate to the International Congress on Bills of Exchange, which was held at The Hague in the summer of 1912 and at which the United States was represented by the authority of Congress.

WOODROW WILSON.

THE WHITE HOUSE, August 13, 1913.

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted as

To Mr. CAMPBELL, indefinitely, on account of the illness of his

To Mr. HAMLIN, indefinitely, on account of illness in his family; and

To Mr. Wilson of Florida, for the day, on account of illness. ORDER OF BUSINESS.

Mr. ADAMSON. Mr. Speaker, there are on the Calendar of the House, reported by the Committee on Interstate and Foreign Commerce, seven bridge bills which appear to be uncontested. I would like to ask unanimous consent for their consideration. Shall I ask for their consideration one at a time or ask unanimous consent at once that all seven be considered?

The SPEAKER. The Chair thinks that in that kind of a case a blanket unanimous consent would be proper. The gentleman from Georgia [Mr. Adamson], chairman of the Committee on Interstate and Foreign Commerce, asks unanimous consent for the present consideration of certain bridge bills. Is there objection?

Mr. FLOOD of Virginia. Reserving the right to object, Mr. Speaker, I would like to ask the gentleman how long he thinks this will take?

Mr. ADAMSON. There is no opposition to any one of them. Mr. FLOOD of Virginia. Then it ought not to take more than a few minutes.

Mr. ADAMSON. They are uncontested bridge bills. Mr. FLOOD of Virginia. Why not have the regular order, and let us have a call of committees?

Mr. ADAMSON. I submit the request, Mr. Speaker, subject, of course, to the will of the House. It will take only a few

Mr. FLOOD of Virginia. If it will take only a few minutes, I shall not object.

The SPEAKER. Is there objection?
Mr. RAKER. Mr. Speaker, reserving the right to object, under the order made several days ago the bill H. R. 7207 had the right of way, commencing on Friday last. On that day there was no quorum present, and I understand that the taking up of these bridge bills by unanimous consent will not replace or vacate the order heretofore made relative to H. R. 7207. Is

The SPEAKER. That was a continuing order. Mr. RAKER. Very well. I have no objection.

BRIDGE BILLS.

The SPEAKER. The gentleman from Georgia [Mr. ADAMsonl is recognized.

Mr. ADAMSON. Mr. Speaker, do I understand that consent has been given for the consideration of all seven bills?

The SPEAKER. Is there objection?

Mr. MURDOCK. Mr. Speaker, I would like to know if the request of the gentleman from Georgia is that these bills are to be considered all together.

Mr. ADAMSON. Oh, no; just an order that all of them be considered.

Mr. MURDOCK. One at a time? Mr. ADAMSON. One at a time. The SPEAKER. Is there objection?

There was no objection.

BRIDGE ACROSS MONONGAHELA RIVER, FAIRMONT, W. VA.

Mr. ADAMSON. The first bill is H. R. 6582, to authorize the city of Fairmont to construct and operate a bridge across the Monongahela River at or near the city of Fairmont, in the State of West Virginia.

The SPEAKER. The Clerk will report the bill.

The bill was read as follows:

Be it enacted, etc., That the city of Fairmont, a municipal corporation under the laws of the State of West Virginia, is hereby authorized to construct, maintain, and operate a bridge and approaches thereto across the Monongahela River at or near the city of Fairmont, in Marion County, W. Va., at a point suitable to the interests of navigation, in accordance with the provisions of an act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906: Provided, That said bridge shall be so constructed, maintained, and operated as to permit of its continuous use by the public as a highway bridge, to be used for all kinds of highway traffic and travel, as well as for the operation of street cars on and over the same.

same. SEC. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

With the following committee amendment:

On page 2 strike out the colon and all of the section after the word "six" in line 1.

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, and was accordingly read the third time and passed.

BRIDGE ACROSS WHITE RIVER, NEWPORT, ARK.

Mr. ADAMSON. The next bill is H. R. 5891, authorizing the construction of a bridge across the White River at Newport, Ark.

The SPEAKER. The Clerk will report the bill.

The bill was read, as follows:

The bill was read, as follows:

Be it enacted, etc., That S. Heinemann, his associates and assigns, be, and they are hereby, authorized to construct, maintain, and operate a wagon and foot bridge and approaches thereto across White River at or near Newport, Jackson County, Ark., at a point suitable to navigation interests, in the State of Arkansas, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

Sec. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

With the following committee amendment.

With the following committee amendment:

Amend, page 1, line 5, by striking out the words "wagon and foot." The amendment was agreed to.

Also, the following committee amendment:

Amend, page 1, line 7, by striking out the word "navigation" and insert in lieu thereof the word "the."

The SPEAKER, The question is on the amendment. Mr. COOPER. Mr. Speaker, I have been unable to get a copy of the bill. Will the gentleman please explain the effect of that amendment striking out the word "navigation"?

Mr. ADAMSON. It is entirely a matter of verbiage. The language used in the bill was "navigation interests." always used is "interests of navigation."

Mr. COOPER. Suitable to the interests of navigation.

Mr. ADAMSON. Yes; the committee took the liberty to apply the proper form, "the interests of navigation," instead of "navigation interests."

Mr. MOORE. Mr. Speaker—

The SPEAKER. Does the gentleman from Georgia yield to the contleman from Paparagraphic?

the gentleman from Pennsylvania?

Mr. ADAMSON. Certainly.
Mr. MOORE. I have not been able to obtain a copy of this bill, but I presume the stream over which this bridge is to be built is a navigable stream.

Mr. ADAMSON. I think that presumption is well founded. Mr. MOORE. I observe that the right to build the bridge is awarded to a private concern or to individuals.

Mr. ADAMSON. Yes. I admit that that is subject to criticism, and I have always maintained that it ought never to be granted except to a corporation authorized by local law; but there were precedents for this, and, as we thought this enterprise was straight and bona fide, we did not make any objection.

Mr. MOORE. Suppose the bridge should fall into decay and that it should become necessary, for the purposes of navigation, to remove the obstruction created by the bridge. At whose expense would that be done?

Mr. ADAMSON. I think the general bridge act makes full

provision for taking care of that contingency.

Mr. MOORE. The expense, then, would fall upon the Government, would it not?

Mr. ADAMSON. Of course, if the private individuals were utterly insolvent, it might; but it might be the same with a rotten corporation.

Mr. MOORE. But there is nothing in this bill or in the general bridge act that makes these individuals responsible for repairs to that bridge or for the removal of obstructions to navigation if it should develop that this bridge subsequently should become an obstruction to navigation.

Mr. ADAMSON. The general bridge act contains a provision that the word "person" shall be held to mean anybody to whom the consent is granted, whether an individual, a mu-

nicipal corporation, or a private corporation.

Mr. MOORE. Will the gentleman answer this: Is there any responsibility at all upon these private parties to make good any loss that may occur to the people there by reason of the deterioration of that bridge?

Mr. ADAMSON. All the safeguards which are contained in the general bridge act, which we regard as ample, will apply

Mr. MOORE. Does that mean that any bond is to be given by the men who erect this bridge that they will make good

any expense which is incurred by the Government? Mr. ADAMSON. If the Secretary of War deems it proper to demand it, I think he can do so when he approves the specifi-

Mr. MOORE. The fact is that the award is made here to private parties to build this bridge, which may subsequently become an obstruction to navigation, and there is no remedy against the bridge becoming an obstruction to navigation or of removing it at the expense of the United States.

Mr. ADAMSON. The fact is that neither this bill nor any other bill passed by Congress awards anything to anybody. Congress merely consents that in so far as this paramount right of navigation is concerned this bridge may be erected, subject to the direction of the Secretary of War, under safe-guards provided in the general bridge act, that it never shall interfere with navigation.

Mr. MOORE. And he imposes no obligation on individuals

Mr. ADAMSON. He imposes anything he thinks proper.

Mr. MOORE. I want to ask the gentleman from Georgia if he does not think it is proper that this committee, which the Republican leader thinks the most important committee in the House, ought to take up the question of following up the men to whom these privileges are given, so that in the event subsequently that a loss occurs to the people, or there is inter-ference with navigation, some one may be held responsible? Mr. ADAMSON. The present Republican leader of the minor-

ity was at one time the chairman of that great committee, and , while he was with it he collaborated with the rest of us and we formulated a general bridge act, and if my genial friend from Pennsylvania will take the trouble to read the work of that distinguished Republican leader and the rest of us he will find

that all the questions he has asked are amply answered in that act.

Mr. MOORE. But if the distinguished leader of the Republicans erred in any way, the distinguished gentleman from Georgia, now chairman of the committee, follows valiantly in his

Mr. ADAMSON. I was there at the time to see that the distinguished gentleman, now Republican leader, did not commit any error. [Laughter.] We enacted a bridge act standardizing all acts of Congress, leaving the responsibility for the details with the Secretary of War to protect the interests of navigation.

Mr. MOORE. And the gentleman is satisfied to let the individuals have the privileges and mulct the Government with dam-

ages for removing obstructions.

Mr. ADAMSON. I do not want to embarrass the gentleman from Pennsylvania nor elicit any confession, but I want to ask him if he has ever read the general bridge act?

Yes. Mr. MOORE.

Mr. ADAMSON. Then I advise the gentleman to read it again.

Mr. MOORE. It leaves it discretionary with the Secretary of War

Mr. MANN. Mr. Speaker, will the gentleman yield?

Mr. ADAMSON. Certainly.
Mr. MANN. Mr. Speaker, as long as the general bridge act has been referred to, it may be proper to say that the general bridge act provides, in a case of this sort, first, a criminal responsibility; and, second, a civil liability on the part of the persons building the bridge. I do not see how we can go further than that, to pursue a man civilly and to put him in jail. [Laughter.

Mr. MOORE. Mr. Speaker, there are some bridges in this country and some dams that are obstructions to navigation which the Government will have to remove, notwithstanding the

general bridge and dam acts.

Mr. ADAMSON. I think the gentleman ought to give notice to the Secretary of War where those bridges and dams are.

Mr. MOORE. I can do it in a number of instances

Mr. ADAMSON. But I am not responsible; go to the Secretary of War.

Mr. MOORE. But the gentleman is here to provide a remedy for this state of things.

Mr. ADAMSON. We passed this law in 1906.
Mr. MANN. Mr. Speaker, my friend from Pennsylvania will find that the bridges he refers to were not constructed under the provisions of this act.

Mr. MOORE. The obstructions still remain and the people will have to pay for their removal when it comes time to re-

move them.

Mr. COOPER. Will the gentleman from Georgia yield?
Mr. ADAMSON. I will.
Mr. COOPER. I have just procured copies of the bills.

would like to ask him about one of the bills already passed

Mr. BARTLETT. That is the bill before the House, Mr. ADAMSON. That is the one now on deck.

Mr. ADAMSON. That is the one now on deck.
Mr. COOPER. I notice that by the amendment the words
"wagon and foot" are stricken out.
Mr. ADAMSON. Yes.

Mr. COOPER. This bill proposes to confer upon private individuals-Mr. Heinemann, his associates and assigns-certain rights. As originally introduced this was to private individuals a right to erect a wagon and foot bridge, but if they can assign those rights to a railroad company and the amendment strikes out the words "wagon and foot," then the railroad company would have a right to construct a railroad bridge.

Mr. ADAMSON. I will state to the gentleman that we strike those words out because they are words defining and limiting the uses of the bridge, and the general bridge act covers all those questions. The general bridge act provides that specificathose questions. The general bridge act provides that specifications and plans and the purposes of the bridge be placed before the Secretary of War, and the Secretary of War then shall examine and approve them, and it is further provided that any railroad can use any bridge by paying for the use of it.

Mr. COOPER. It does not provide that any foot passenger can use a railroad bridge by paying for it.

Mr. ADAMSON Yes

Mr. ADAMSON. Yes. Mr. COOPER. Does the gentleman believe that the community in Arkansas are going to the expense of raising enough money to establish a railroad bridge?

Mr. ADAMSON. These people who ask for this consent will undoubtedly lay before the Secretary of War a plan of the kind of bridge they want.

Mr. COOPER. But if we pass this bill in this form we indicate to the Secretary of War that in so far as Congress is concerned we are willing they should have a railroad bridge.

Mr. ADAMSON. No, sir—.
Mr. COOPER. Certainly we certify to the Secretary of War, on the face of the bill, that it is absolutely immaterial to Con-We leave it exclusively to the Secretary of War.

Mr. ADAMSON. On the contrary, the implication of the general bridge act and every inference to be drawn therefrom by the Secretary of War is that all of these bridges are for the purposes of pedestrians and vehicles because it is expressly provided that railroads which want to use them may apply and pay

for their use. That is the idea.

Mr. COOPER. Without any desire to criticize the committee I do not like to see a bill introduced conferring upon private individuals and their assigns the right to construct only a wagon and foot bridge and then have it reported with the words "wagon and foot" stricken out. Wherever it can, Congress itself ought to indicate the character of these structures over navigable streams and not put so much responsibility upon any mere executive officer.

The gentleman from Georgia knows, as does every Member of the House, what influences are brought to bear upon executive officers to secure privileges of this sort. The Secretary of War can not make a personal examination. People who are after assignments of this kind come with powerful influence and Congress always, when it can, ought to limit the authority and discretion of executive officers in the matter of granting concessions, especially important concessions, over navigable streams, Mr. ADAMSON. The trouble, Mr. Speaker, is in the concep-

tion of what we are doing. The language of which the gentleman from Wisconsin complains is that the grantee may sell to somebody else without depriving the project of the consent of Congress. We can not hamper or limit the power and right of

people to sell property.

Mr. COOPER. Why did not the gentleman leave those words "wagon and foot" in the bill and let them assign to the rail-

road company if they wish to do so?

Mr. ADAMSON. Because we have standardized these bridge acts in the general bridge act, in which we have expressed all the things that the gentleman from Wisconsin or anybody else could demand or desire, and under that general bridge act these people present specifications to the Secretary of War; and the general bridge act itself contemplates a popular bridge for pedestrians and vehicles, and the express provision follows saying that railroads can get on it by paying for it. That is the custom, that is the plan, that is the idea, and there is no trouble about it. The only objection I have to this bill is one which I have urged often and been overruled, that the grant should be to corporations only and not to individuals, so as to secure perpetuity and assurances that the State authorities have provided for it and permit it.

The SPEAKER. The question is on agreeing to the amend-

ment.

The question was taken, and the amendment was agreed to. * The Clerk reported the next amendment, as follows:

On page 1, line 7, strike out the word "navigation" and insert in lieu thereof the word "the," and after the word "interest" insert the words "of navigation."

The question was taken, and the amendment was agreed to. The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

BRIDGE ACROSS SABINE RIVER, ORANGE, TEX.

The SPEAKER. The Clerk will report the next bill. The Clerk read as follows:

The Clerk read as follows:

A bill (H. R. 3406) to authorize the construction of a bridge across the Sabine River at Orange, Tex.

Be it enacted, etc., That the Orange Commercial Club, its successors and assigns, be, and they hereby are, authorized to construct, maintain, and operate a bridge and approaches thereto across the Sabine River at a point suitable to the interests of navigation at the city of Orange, Tex., in accordance with the provisions of an act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

SEC. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

The SPEAKER. The question is on the engrossment and

third reading of the bill. The bill was ordered to be engrossed and read a third time, was read a third time, and passed.

BRIDGE ACROSS RED LAKE RIVER, MINN.

Mr. ADAMSON. Mr. Speaker, I next call up the bill (H. R. 1681) to extend the time for constructing a bridge across the Red Lake River in township 153 north, range 40 west, in Red Lake County, Minn.

The SPEAKER. The Clerk will report the bill. The Clerk read as follows:

The Clerk read as follows:

A bill (H. R. 1681) to extend the time for constructing a bridge across the Red Lake River in township 153 north, range 40 west, in Red Lake County, Minn.

Be the enacted, etc., That the time for commencing and completing the construction of the bridge authorized by the act of Congress approved February 27, 1911, to be built across the Red Lake River, at or near the section line between sections 28 and 29, township 153 north, range 40 west, in the county of Red Lake, in the State of Minnesota, is hereby extended to one year and three years, respectively, from date of approval hereof.

SEC. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read a third time, and passed.

#### BRIDGE ACROSS TUG FORK, W. VA.

Mr. ADAMSON. The next bill I wish to call up is bill H. R. 6378, a bill to authorize Robert W. Buskirk, of Matewan, W. Va., to bridge the Tug Fork of the Big Sandy River at Matewan, Mingo County, W. Va., where the same forms the boundary line between the States of West Virginia and Kentucky.

The SPEAKER. The Clerk will report the bill.

The Clerk proceeded to read the bill as follows:

A bill (H. R. 6378) to authorize Robert W. Buskirk, of Matewan, W. Va., to bridge the Tug Fork of the Big Sandy River at Matewan, Mingo County, W. Va., where the same forms the boundary line between the States of West Virginia and Kentucky.

to bridge the Tug Fork of the Big Sandy River at Matewan, Mingo County, W. Va., where the same forms the boundary line between the States of West Virginia and Kentucky.

Be it enacted, etc., That it shall be lawful for Robert W. Buskirk to construct and maintain a footbridge and approaches thereto across the Tug Fork of the Big Sandy River at Matewan, Mingo County, W. Va., where the same forms the boundary line between the States of West Virginia and Kentucky, as he may deem suitable for his purposes, subject to the approval of the Secretary of War.

SEC. 2. That any bridge authorized to be constructed under this act shall be a lawful structure, and shall be recognized and known as a post route, and shall enjoy all the rights and privileges of other post roads in the United States, upon which also no higher charge shall be made for the transmission over the same of the mails, or for through passengers, or freight passing over said bridge and approaches than the rate per mile paid for transportation over the railroads leading to said bridge; and the United States shall have the right of way for postal, telegraph, and telephone purposes, without charge therefor, across said bridge and approaches thereto. Said bridge shall be built and located under and subject to such regulations for the security of navigation as the Secretary of War shall prescribe; and to secure that object the said Robert W. Buskirk shall submit to the Secretary of War, for his examination and approval, a design and drawing of the bridge, and a map of the location thereof, giving for the space of 1 mile above and 1 mile below the proposed location, the high and low water lines upon the banks of the river, the direction and strength of the current at all stages of the water, with the soundings, accurately showing the bed of the stream, and the location of any other bridge or bridges, such map to be sufficiently in detail to enable the Secretary of War to judge of the proper location of said bridge, and shall furnish such other information as ma

Nouses, SEC. 4. That this act shall be null and void if actual construction of the bridge herein authorized be not completed within three years from the date hereof.

SEC. 5. That the right to alter, amend, or repeal this act is hereby expressly reserved.

During the reading, Mr. ADAMSON. Mr. Speaker, two or three sections in the bill down to the end of section 3 and one or two lines in section 4 are stricken out, because the matter is incorporated in the general bridge act and is already the law. I ask unanimous consent that the matter so stricken out be not read.

The SPEAKER. The gentleman from Georgia [Mr. ADAMson] asks unanimous consent that the matter stricken from the bill be not read. Is there objection? [After a pause.] The Chair hears none.

The Clerk concluded the reading of the bill.

The SPEAKER. The Clerk will report the first amendment. The Clerk read as follows:

Amend, page 1, line 4, by striking out the first word "and."

The SPEAKER. The question is on agreeing to the amend-

The amendment was agreed to.

The Clerk read the next amendment, as follows:

Amend the same line by inserting after the word "maintain" the words "and operate."

The amendment was agreed to.

The Clerk reported the next amendment, as follows:

Amend, line 4, by striking out the word "footbridge" and inserting in lieu thereof the word "bridge"

The amendment was agreed to.

The Clerk reported the next amendment, as follows:

Amend, page 1, by striking out all of line 8 after the word "Kentucky" and all of line 9.

Mr. MANN. Mr. Speaker, I did not hear just how the amendment was reported. Is that the amendment on page 3,

The SPEAKER. The Clerk will report the amendment again. The Clerk read as follows:

Amend, page 1, by striking out all of line 8 after the word "Kentucky" and all of line 9.

Mr. MANN. Well, Mr. Speaker, that amendment should be although the Clerk very naturally reports it from the way the bill is printed—to strike out those two lines and insert the language on page 3, lines 18 to 22, in italics, because that becomes a part of section 1.

Mr. ADAMSON. That is the purpose of it. It is to be stricken out and reinserted at the end of the bill.

It should be at the end of the section.

The SPEAKER. The Clerk will read the amendment.

The Clerk read as follows:

Amend, page 1, by striking out after the word "Kentucky" all of lines 8 and 9 and insert in lieu therof the following: "At a point suitable to the interests of navigation, in accordance with the provisions of an act entitled 'An act to regulate the construction of bridges over navigable waters,' approved March 23, 1906."

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

Mr. ADAMSON. Mr. Speaker, by changing 'he number of the section that would make it "section 2" instead of "section 5." Mr. MANN. Sections 3 and 4 have not been stricken out yet.

Mr. ADAMSON. Mr. Speaker, I move to amend by striking out sections 3 and 4.

The SPEAKER. The gentleman from Georgia [Mr. ADAMson] moves to amend by striking out sections 3 and 4. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. ADAMSON. Mr. Speaker, I move to amend by substituting for the figure "5" the figure "2."

The SPEAKER. The question is on agreeing to the amendment of the gentleman from Georgia, that the figure "2" be substituted for figure "5."

The amendment was agreed to.
The SPEAKER. The question is on the engrossment and third reading of the amended bill.

The bill as amended was ordered to be engrossed and read a third time, was read the third time, and passed.

BRIDGE ACROSS OKANOGAN RIVER, WASH.

The SPEAKER. The Clerk will report the next bill.

The Clerk read as follows:

An act (S. 1853) to authorize the board of county commissioners of Okanogan County, Wash., to construct and maintain a bridge across the Okanogan River at or near the town of Malott.

the Okanogan River at or near the town of Malott.

Be it enacted, etc., That the board of county commissioners of Okanogan County, Wash., its successors and assigns, be, and is hereby, authorized to construct, maintain, and operate a bridge, with approaches thereto, across the Okanogan River, at a point suitable to the interests of navigation, at or near the town of Malott to a point opposite on the Colville Indian Reservation. Said bridge shall be constructed in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

Sec. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

Mr. MANN. Mr. Speaker, I do not desire to be too technical, yet I think it would be well to follow the approved form. Will not the gentleman from Georgia [Mr. ADAMSON] propose an amendment striking out the period in line 9 and inserting a comma, and striking out the words, "Said bridge shall be con-

structed "? Mr. ADAMSON. I confess, Mr. Speaker, that the committee was fully as critical as the gentleman from Illinois [Mr. MANN], but we thought that inasmuch as the other body of this Congress had passed the bill in this way and it came so near to being right, we would not cast a criticism on the work of the other body and cause the bill to require further action there by making these slight corrections.

Another error that the gentleman from Illinois [Mr. Mann] might have mentioned is that they omit the word "operate" in the title. In our committee we discussed the propriety of amending the title so as to put in the word "operate" and transpose the word "and," and also to remove the period in line 9 and

strike out the words "Said bridge shall be constructed," so that it would be in accordance with the approved form.

Mr. MANN. Let us make it according to the form.

Mr. ADAMSON. The committee decided that it would not give cause of offense to the dignity of the other body on account of such slight errors, but for my part I am willing to amend the language and think it ought to be done, just as the gentleman from Illinois suggests.

The SPEAKER. Does the gentleman from Illinois [Mr.

MANN] offer an amendment?

Mr. MANN. No.

Mr. ADAMSON. I will ask unanimous consent, Mr. Speaker, that these changes be made.

The SPEAKER. Without objection, the Clerk will report the amendment.

Mr. ADAMSON. Instead of breaking the sentence into two parts, remove the period in line 9 and strike out the words, "Said bridge shall be constructed."

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

Amend, page I, line 9, after the word "Reservation," by striking out the period and inserting a comma, and striking out the words "Said bridge shall be constructed," so that the line will read "the town of Maiott to a point opposite on the Colville Indian Reservation, in accordance with the provisions of the act," etc.

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. ADAMSON. When the bill is passed, Mr. Speaker, I shall move to correct the title and make it perfect.

The question is on the third reading of the The SPEAKER. amended Senate bill.

The Senate bill as amended was ordered to be read a third

time, was read the third time, and passed.

The title was amended so as to read: "An act to authorize the board of county commissioners of Okanogan County, Wash. to construct, maintain, and operate a bridge across the Okanogan River at or near the town of Malott."

BRIDGE ACROSS THE MISSISSIPPI RIVER, MINN.

Mr. ADAMSON. Mr. Speaker, there is one more bill. The SPEAKER. The Clerk will report it.

The Clerk read as follows:

A bill (H. R. 1985) to authorize the county of Aitkin, Minn., to construct a bridge across the Mississippi River in Aitkin County, Minn.

Minn.

Be it enacted, etc., That the county of Aitkin, a municipal corporation organized and existing under the laws of the State of Minnesota, is hereby authorized to construct, maintain, and operate a bridge and approaches thereto across the Mississippi River at a point suitable to the interests of navigation, at or near one of the points where the said Mississippi River is crossed by the section line between sections 23 and 26 in township 49 north, range 25 west, of the fourth principal meridian, in the county of Aitkin, in the State of Minnesota, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906,

SEC. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

The bill was ordered to be engressed and read a third time.

The bill was ordered to be engrossed and read a third time, and was accordingly read the third time and passed.

On motion of Mr. Adamson, a motion to reconsider the several votes by which the various bills were passed was laid on the table.

## LEAVE TO ADDRESS THE HOUSE.

Mr. CLARK of Florida. Mr. Speaker, some weeks ago I in-troduced a resolution (H. Con. Res. 14) reaffirming the Monroe doctrine. I desire now to ask unanimous consent that I may address the House upon that resolution for 45 minutes on next Friday after the approval of the Journal.

The SPEAKER. The gentleman from Florida [Mr. Clark]

asks unanimous consent that on next Friday, after the approval of the Journal and the transaction of routine business, he be permitted to address the House for 45 minutes on his resolution touching the Monroe doctrine. Is there objection?

Mr. FOSTER. Mr. Speaker, reserving the right to object, is this to be an order regardless of the state of public business in the House at that time?

The SPEAKER. The Chair stated the request of the gentleman from Florida as he made it.

Mr. FOSTER. Then I object, Mr. Speaker.
Mr. CLARK of Florida. I will state to the gentleman that
if there are any committee reports or if there is anything of that kind, I shall surely not insist upon displacing important public business

Mr. FOSTER. Mr. Speaker, it occurs to me that at this particular time it is probably not best that we should take up a discussion of this question in the House for reasons that are

ought to forego his desire of making a speech here on this subject at this particular time.

The SPEAKER. Is there objection?

Mr. FOSTER. I object, Mr. Speaker. The SPEAKER. The gentleman from Illinois objects.

ORDER OF BUSINESS.

Mr. FLOOD of Virginia. Mr. Speaker, I demand the regular order.

The SPEAKER. The regular order is the Hetch Hetchy bill. Mr. MANN. Mr. Speaker, when the House adjourned on account of the death of Senator Johnston there was a special order granting permission to the gentleman from Oklahoma [Mr. Morgan] to address the House for 30 minutes. I ask unanimous consent that the gentleman be permitted to address the House now for 30 minutes.

The SPEAKER. The gentleman from Illinois [Mr. MANN] asks unanimous consent that the gentleman from Oklahoma [Mr. Morgan] be permitted to address the House for 30 minutes at

Is there objection?

Mr. FLOOD of Virginia. Mr. Speaker, reserving the right to object, I will say to the gentleman that there are one or two bills on the calendar, reported from the Committee on Foreign Affairs, that we are exceedingly anxious to have considered, and I do not think they will take more than a few minutes. After that I shall have no objection whatever to the request of the gentleman, but to delay these bills for half an hour may run us up to the time of adjournment.

Mr. MANN. I hope the gentleman will not call up any bill to-day which will involve a discussion of the situation in Mex-

ico, because I think that would be a bad policy.

Mr. FLOOD of Virginia. I certainly have no bills in ref-

erence to Mexico.

Mr. MANN. I take it that any bill affecting our foreign relations is almost sure just at this time to lead to a discussion of the Mexican situation; and, in my judgment, the best thing that Congress can do on this subject is to be patient, keep still,

and keep cool. [Applause.]
Mr. FLOOD of Virginia. Mr. Speaker, I can not conceive how either one of the bills on the calendar, reported from the Committee on Foreign Affairs, can lead to a discussion of the

Mexican question.

Mr. MANN. The gentleman knows that these bills will be considered in the Committee of the Whole House on the state of the Union, where any subject is in order to be discussed. One gentleman has already indicated a desire this morning to discuss a subject which would inevitably lead to a discussion of the Mexican situation, even if it were not involved in his own speech. It seems to me it is wise, just at present, to avoid any discussion in Congress, and certainly in the House, in reference

to that situation. I think we ought to be willing at present to keep still and keep cool.

Mr. FLOOD of Virginia. Mr. Speaker, there is certainly no disposition on this part of the House to precipitate a discussion of the Mexican question here, and certainly the Foreign Affairs Committee has shown its disposition to keep quiet and keep cool, and it and every member of that committee has done so. [Applause.] But this is a matter that has no earthly relation to the Mexican situation. I was going to call up first a bill creating a legation in the Republic of Paraguay.

Mr. MANN. A South American Republic?
Mr. FLOOD of Virginia. A South American Republic. We have no American representative there at present.

Mr. MANN. It involves the whole Monroe doctrine.

Mr. FLOOD of Virginia. I should not think it would involve any discussion of the Monroe doctrine, or any discussion of anything beyond the very merits of the question whether or not it is wise for us to accredit a diplomatic representative to this South American Republic.

Mr. FOSTER. Will the gentleman permit me for just a mo-

ment? I think under the circumstances, in view of the conditions that exist at this particular time, my colleague from Illi-

nois [Mr. MANN] is correct.

It is not a pleasant thing for me to object to any Member making a speech on the floor of the House. I objected to the gentleman from Florida [Mr. Clark] speaking on next Friday, and while I bear only the kindlest feelings toward him I believe it proper and right that these matters should go over for the present. I hope the gentleman from Virginia, the chairman of the Committee on Foreign Affairs, will see fit to permit this matter to rest for a little while, because I do not believe there is any great necessity for the passage of this bill for at least 30 days longer. I think under the circumstances that ought to be probably apparent to every Member, and I think the gentleman done. The chairman of the Committee on Foreign Affairs well knows that if this discussion comes up in the Committee of the Whole any Member has a right under the rules to discuss not only affairs pertaining to the South American Republics, but all sorts of subjects that they may feel that they want to discuss at this particular time. I think the matter ought to go over as suggested by the gentleman from Illinois.

The SPEAKER. The question pending is the request of the

gentleman from Illinois that the gentleman from Oklahoma be

allowed to address the House.

Mr. FLOOD of Virginia. Mr. Speaker, I reserved the right to object, because I wanted to bring this bill before the House. I realize, however, that under the freedom of debate in the Committee of the Whole House on the state of the Union some Members who are not willing to sit quietly and keep cool, notwithstanding the strained relations that exist between this country and Mexico, might precipitate this question in debate, and therefore I will withdraw the objection I had to the gentleman from Oklahoma proceeding with his speech.

The SPEAKER. Is there objection?
Mr. CLARK of Florida. Reserving the right to object, I would like to know on what subject the gentleman from Oklahoma is going to address the House.

Mr. MORGAN of Oklahoma. On the subject of the tariff bill

now before Congress.

Mr. CLARK of Florida. Then I object.

Mr. SMITH of Minnesota. Mr. Speaker, I ask unanimous consent to introduce in the RECORD an analysis of the Glass currency bill, written by William T. Coe, of Minneapolis, Minn., who has been a member of the State legislature and is a prominent lawyer in our city.

The SPEAKER. The gentleman from Minnesota asks unanimous consent to extend his remarks in the Record by inserting

the document he speaks of.

Mr. BORLAND. Mr. Speaker, I dislike to object, but I am

going to do it.

Mr. SMITH of Minnesota. It will make about three pages of the Congressional Record.

The SPEAKER. Is there objection?

Mr. BORLAND. I object. Mr. BRITTEN. Mr. Speaker, I ask unanimous consent to extend some remarks in the RECORD applying to a resolution introduced by me last Friday, which was referred to the Committee on Naval Affairs.

The SPEAKER. The gentleman from Illinois asks unanimous

consent to extend his remarks in the RECORD.

Mr. BORLAND. Mr. Speaker, reserving the right to object, I would like to ask the gentleman if these are his own views or the views of some one else?

Mr. BRITTEN. I will say that they are my own views. Mr. BORLAND. Then I have no objection.

Mr. MURDOCK. Reserving the right to object, Mr. Speaker,

I would like to ask the gentleman on what subject?

Mr. BRITTEN. My statement will apply directly to a resolution introduced by me last Friday, with a view to making an appropriation for three battleships.

Mr. SAUNDERS. Mr. Speaker, I object.
The SPEAKER. The gentleman from Virginia objects.
Mr. BRITTEN. Will the gentleman withhold his objection

for a moment? [Cries for the regular order.]

The SPEAKER. The regular order is the Hetch Hetchy bill. Mr. MANN. Mr. Speaker, the regular order is to make a point of no quorum, which I do.

## ADJOURNMENT.

Mr. FOSTER. Mr. Speaker, I move that the House do now

The question was taken, and the motion was agreed to: accordingly (at 12 o'clock and 58 minutes p. m.) the House, under the order previously agreed to, adjourned until Friday, August 22, 1913, at 12 o'clock noon,

## EXECUTIVE COMMUNICATION.

Under clause 2 of Rule XXIV, a letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, report of preliminary examination and survey of Brazos Santiago Harbor, Tex. (H. Doc. No. 200), was taken from the Speaker's table, referred to the Committee on Rivers and Harbors, and ordered to be printed with illustration.

#### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, Mr. SHARP, from the Committee on Foreign Affairs, to which was referred the bill (H. R. 6382) to provide for representation |

of the United States in the Fourteenth International Congress on Alcoholism, and for other purposes, reported the same with amendment, accompanied by a report (No. 53), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

#### CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 2327) granting a pension to Edward Coffee; Committee on Pensions discharged, and referred to the Commit-

tee on Invalid Pensions.

A bill (H. R. 3788) granting an increase of pension to Olaf Volkerts; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

# PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. NORTON: A bill (H. R. 7494) granting 200,000 acres of land to the State of North Dakota for the use of a State normal school to be located in said State west of the Missouri River and for the use of the State normal school located at Minot, N. Dak.; to the Committee on the Public Lands.

By Mr. GARRETT of Texas: A bill (H. R. 7495) for the erection of a public building at Huntsville, Tex.; to the Committee

on Public Buildings and Grounds.

By Mr. WILSON of Florida: A bill (H. R. 7496) to designate Port St. Joe, Fla., as a port of entry; to the Committee on Ways

and Means.

By Mr. HARRISON of New York: A bill (H. R. 7497) to promote the efficiency of the customs service and establish the customs guards; to the Committee on Ways and Means.

By Mr. RAKER: A bill (H. R. 7498) for the erection of a building at the city of Alturas, State of California, to be used for quarters for day-school teachers under the Indian service, and for other purposes; to the Committee on Indian Affairs.

Also, a bill (H. R. 7499) for the support and education of

the Indian pupils at the Fort Bidwell Indian School, Fort Bidwell, Cal., and for repairs and improvements, and for other purposes; to the Committee on Indian Affairs,

Also, a bill (H. R. 7500) for the erection of a building at the town of Lookout, State of California, to be used for quarters for day-school teachers under the Indian service, and for other

purposes; to the Committee on Indian Affairs.

By Mr. BROUSSARD: A bill (H. R. 7501) to establish an agricultural, plant, shrub, fruit, and ornamental tree, berry, and vegetable experimental station at or near the city of New Iberia, Iberia Parish, in the State of Louisiana; to the Committee on Agriculture.

By Mr. ADAMSON: A bill (H. R. 7502) to provide for the erection of a public building in the city of Talbotton, Ga.; to

the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 7503) to provide for the erection of a public building in the city of Buena Vista, Ga.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 7504) to provide for the erection of a public building in the city of Greenville, Ga.; to the Committee on Pub-

lie Buildings and Grounds.

By Mr. BROWN of New York: A bill (H. R. 7505) appropriating money for the improvement of Sterling Basin, Greenport Harbor, N. Y.; to the Committee on Rivers and Harbors.

By Mr. MONDELL: A bill (H. R. 7506) for the repeal of the provisions of the agricultural appropriation act for the fiscal year 1914, providing for the custody and protection of migratory game and insectivorous birds by the Government of the United States; to the Committee on Agriculture.

By Mr. EAGLE: A bill (H. R. 7507) to provide for \$500,000,000 of United States notes and for the deposit of same by the United States with the National Banking Associations of the United States under certain conditions; to the Committee on Banking and Currency.

By Mr. MOORE: A bill (H. R. 7508) appropriating the sum of \$6,000 a year for the support and maintenance of the Permanent International Commission of the Congresses of Navigation,

and for other purposes; to the Committee on Foreign Affairs. By Mr. SMITH of Maryland: A bill (H. R. 7509) to authorize the Secretary of Agriculture to engage in the making of de-natured alcohol on the Arlington Experimental Farm or at such other place as may be determined; to the Committee on Agriculture.

By Mr. KENNEDY of Iowa: A bill (H. R. 7510) granting to the Inter-City Bridge Co., its successors and assigns, the right to construct, maintain, and operate a bridge across the Mississippi River; to the Committee on Interstate and Foreign Com-

By Mr. THOMSON of Illinois: A bill (H. R. 7511) to provide for the construction of the Patent Office of the United States, including a hall of inventions, and for other purposes; to the Committee on Public Buildings and Grounds.

By Mr. PETERS: A bill (H. R. 7512) relative to legislative

counsel and agents; to the Committee on the Judiciary.

By Mr. KIRKPATRICK: A bill (H. R. 7513) to provide for the remodeling or improvement of the post-office building at Ottumwa, Iowa; to the Committee on Public Buildings and

By Mr. HOWARD: A bill (H. R. 7514) to provide for a site and public building at Decatur, Ga.; to the Committee on Public Buildings and Grounds.

By Mr. FAISON: A bill (H. R. 7515) for the purchase of a suitable site and the erection of a Federal building for the United States post office at Morehead City, N. C.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 7517) providing for the survey of a proposed canal from the navigable waters of Goose Creek to the navigable waters of Jones Bay in Pamlico County, N. C.; to the Committee on Rivers and Harbors.

Also, a bill (H. R. 7518) to appropriate the sum of \$5,000 for equipping and maintaining a Weather Bureau observatory at Newbern, N. C.; to the Committee on Agriculture.

Also, a bill (H. R. 7519) appropriating the sum of \$20,000

for repairs and improvement of the roadway to the national cemetery at Newbern, N. C.; to the Committee on Military Affairs.

Also, a bill (H. R. 7520) for the survey of Neuse River, N. C.;

to the Committee on Rivers and Harbors.

Also, a bill (H. R. 7521) to provide for terms of the United States district court at Goldsboro, N. C.; to the Committee on the Indiciary

Also, a bill (H. R. 7522) for the erection of a monument to Gen. James Moore upon Moores Creek battle ground, N. C.; to

the Committee on the Library

By Mr. ESCH: A bill (H. R. 7523) to authorize the Secretary of War to furnish one condemned cannon to T. J. Hungerford Post, No. 39, Grand Army of the Republic, Department of Wis-consin, at Spring Green, Wis.; to the Committee on Military Affairs

By Mr. KINDEL: Resolution (H. Res. 228) to investigate the alleged dissolution of the Union Pacific-Southern Pacific Railroad merger, and other matters; to the Committee on Rules.

By Mr. MONDELL: Resolution (H. Res. 229) directing the Postmaster General to inform the House what steps have been taken toward readjustment of compensation of star-route and screen-wagon contractors on account of the establishment of the parcel post, etc.; to the Committee on the Post Office and Post Roads.

By Mr. TOWNER: Concurrent resolution (H. Con. Res. 15) proposing mediation under the provisions of The Hague convention between the contending forces in the Republic of Mexico, on the part of the Governments of the Republics of Brazil, Argentina, and the United States; to the Committee on Foreign

By Mr. STEPHENS of Texas: Joint resolution (H. J. Res. 120) providing for the appointment of a joint committee from the Senate and House of Representatives to consider the questions of banking and currency; to the Committee on Rules.

### PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ASHBROOK: A bill (H. R. 7524) granting a pension to Lovina Hissong; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7525) granting a pension to Francena Brokaw; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7526) granting an increase of pension to John T. Collins; to the Committee on Invalid Pensions.

John T. Collins; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7527) granting an increase of pension to George Brenizer; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7528) granting an increase of pension to George Van Atta; to the Committee on Pensions.

By Mr. BROWNING (by request): A bill (H. R. 7529) authorizing the appointment of Joseph Westesson, a professor of mathematics, with the rank of lieutenant, United States Navy, on the retired list; to the Committee on Naval Affairs.

By Mr. FAISON: A bill (H. R. 7530) granting an increase of

pension to Joseph A. Scott; to the Committee on Invalid Pen-

Also, a bill (H. R. 7531) granting a pension to Elza Lawrence; to the Committee on Pensions.

Also, a bill (H. R. 7532) granting a pension to Zebulon A.

Pyatt; to the Committee on Pensions. Also, a bill (H. R. 7533) for the relief of Salem Methodist

Episcopal Church South, Wayne County, N. C.; to the Committee on War Claims.

Also, a bill (H. R. 7534) for the relief of the trustees of Presbyterian Church, Newbern, N. C.; to the Committee on War Claims.

Also, a bill (H. R. 7535) for the relief of R. W. Williamson, administrator de bonis non of the estate of William Ward, de-

ceased; to the Committee on War Claims.

Also, a bill (H. R. 7536) for the relief of the trustees of Salem Church, Wayne County, N. C.; to the Committee on War Claims.

Also, a bill (H. R. 7537) for the relief of the heirs of Nancy Barfield, deceased; to the Committee on War Claims.

Also, a bill (H. R. 7538) for the relief of the heirs of Mary

Everitt, deceased; to the Committee on War Claims.

Also, a bill (H. R. 7539) for the relief of the estate of Benjamin C. Smith, deceased, W. W. Smith, administrator; to the Committee on War Claims.

Also, a bill (H. R. 7540) for the relief of the estate of Seth Waters; to the Committee on War Claims.

Also, a bill (H. R. 7541) for the relief of Samuel J. White; to the Committee on War Claims.

Also, a bill (H. R. 7542) for the relief of W. T. Hawkins; to

the Committee on War Claims.

Also, a bill (H. R. 7543) for the relief of Frederick Pate; to the Committee on War Claims.

Also, a bill (H. R. 7544) for the relief of Faris Nassef, a naturalized citizen of the United States; to the Committee on

Immigration and Naturalization.

Also, a bill (H. R. 7545) for the relief of the heirs of John B.

Wolf; to the Committee on War Claims.

Also, a bill (H. R. 7546) for the relief of Zadock Paris; to

the Committee on War Claims. Also, a bill (H. R. 7547) for the relief of Maj. Paul C. Hutton,

United States Army; to the Committee on Claims.

Also, a bill (H. R. 7548) to correct the military record of

James B. Waters: to the Committee on Military Affairs

Also, a bill (H. R. 7549) to carry into effect the findings of the Court of Claims in the matter of the claim of the estate of George W. Perry, deceased; to the Committee on War Claims.

Also, a bill (H. R. 7550) to carry into effect the findings of the Court of Claims in case of Methodist Episcopal Church South, of Beaufort, N. C.; to the Committee on War Claims.

Also, a bill (H. R. 7551) to carry into effect the findings of the Court of Claims in the matter of the claim of the Methodist Episcopal Church South, of Morehead City, N. C.; to the Committee on War Claims.

Also, a bill (H. R. 7552) to carry into effect the findings of the Court of Claims in the matter of the claim of the Hood Swamp Baptist Church, of Wayne County, N. C.; to the Committee on War Claims.

By Mr. FOWLER: A bill (H. R. 7553) for the relief of the

estate of Moses M. Bane; to the Committee on Claims. By Mr. GOOD: A bill (H. R. 7554) granting a pension to

Mary E. Brady; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7555) granting an increase of pension to

Ford Cusey; to the Committee on Invalid Pensions. By Mr. GRIFFIN: A bill (H. R. 7556) granting a pension to

George F. Flinn; to the Committee on Pensions.

Also, a bill (H. R. 7557) for the relief of Charles L.

Schroeder; to the Committee on Claims.

By Mr. JACOWAY: A bill (H. R. 7558) for the relief of George W. Beavers; to the Committee on Military Affairs.

By Mr. KELLY of Pennsylvania: A bill (H. R. 7559) granting an increase of pension to Gustav Shultz; to the Committee on Pensions.

By Mr. KIRKPATRICK: A bill (H. R. 7560) granting an increase of pension to Mary J. Cole; to the Committee on Invalid Pensions.

By Mr. McKENZIE: A bill (H. R. 7561) granting an increase of pension to Eliza Cooper; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7562) granting an increase of pension to William Wippow; to the Committee on Invalid Pensions.

By Mr. MONDELL: A bill (H. R. 7563) granting an increase of pension to Rachel L. Foster; to the Committee on Invalid Pensions.

By Mr. PEPPER: A bill (H. R. 7564) granting an increase of pension to George D. Washburn; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7565) granting an increase of pension to Ben van Steinburg; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7566) granting an increase of pension to

Oliver M. Evans; to the Committee on Invalid Pensions.
Also, a bill (H. R. 7567) granting an increase of pension to

John M. Duncan; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7568) granting an increase of pension to

William Ellis: to the Committee on Invalid Pensions

Also, a bill (H. R. 7569) granting an increase of pension to Cornelia S. Greenwood; to the Committee on Pensions

Also, a bill (H. R. 7570) granting an increase of pension to Mary Anna Yohum; to the Committee on Pensions.

Also, a bill (H. R. 7571) granting an increase of pension to

Lee Henning; to the Committee on Pensions.

Also, a bill (H. R. 7572) granting a pension to Virginia Dick-

inson; to the Committee on Pensions. Also, a bill (H. R. 7573) granting a pension to Emma E.

Stacey; to the Committee on Pensions.

Also, a lill (H. R. 7574) granting a pension to Bert E. Lock-

wood; to the Committee on Pensions.

Also, a bill (H. R. 7575) granting a pension to Annie Twiggs;

to the Committee on Pensions. Also, a bill (H. R. 7576) granting a pension to Addie M. Mun-

roe; to the Committee on Pensions. Also, a bill (H. R. 7577) granting a pension to Belle S. Gould;

to the Committee on Pensions.

Also, a bill (H. R. 7578) granting a pension to Carrie Record;

to the Committee on Pensions.

Also, a bill (H. R. 7579) granting a pension to Lucy Coleman; to the Committee on Pensions.

By Mr. ROUSE: A bill (H. R. 7580) granting an increase of

pension to Martha York; to the Committee on Invalid Pensions. By Mr. RUSSELL: A bill (H. R. 7581) granting an increase

of pension to Benjamin L. Sheppard; to the Committee on Invalid Pensions Also, a bill (H. R. 7582) granting an increase of pension to

Benton Braden; to the Committee on Invalid Pensions By Mr. STEPHENS of Texas: A bill (H. R. 7583) granting a pension to Tela K. Jones; to the Committee on Pensions.

By Mr. WILSON of Florida: A bill (H. R. 7584) to relinquish and quitclaim to L. J. Anderson, of Pensacola, Fla., his heirs and assigns, and Eva M. Anderson, of Pensacola, Fla., her heirs and assigns, respectively, all right, title, interest, and claim of the United States in, to, and on certain properties in the city of Pensacola, Escambia County, Fla.; to the Committee on the Public Lands.

By Mr. WINSLOW: A bill (H. R. 7585) for the relief of George E. Mansfield; to the Committee on Military Affairs.

Also, a bill (H. R. 7586) granting a pension to James A. Gaffney: to the Committee on Pensions.

Also, a bill (H. R. 7587) granting a pension to Julia Ward; to the Committee on Pensions,

Also, a bill (H. R. 7588) granting a pension to Joshua H. Brackett; to the Committee on Pensions.

Also, a bill (H. R. 7589) granting a pension to Clarence E. Cook: to the Committee on Pensions

Also, a bill (H. R. 7590) granting a pension to Kate B. Wheeler; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7591) granting an increase of pension to Charles A. Barlow; to the Committee on Invalid Pensions,

# PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. ESCH: Petition of the Brotherhood of Locomotive Firemen and Enginemen, of Peoria, Ill., favoring improvement in living conditions of our seamen; to the Committee on the Merchant Marine and Fisheries.

Also, petition of the Society of Automobile Engineers, protesting against the passage of the Oldfield bill; to the Committee on Patents.

Also, petition of the North Carolina Pine Association, protesting against the passage of House bill 5773; to the Committee on Interstate and Foreign Commerce.

Also, petition of the Brotherhood of Locomotive Firemen and Enginemen, of Peoria, Ill., favoring restriction of immigration;

to the Committee on Immigration and Naturalization.

By Mr. JOHNSON of Washington: Petition of the Anacortes Chamber of Commerce and Manufactures of Anacortes, Wash., favoring the passage of legislation making an appropriation for the improvement of the Edison Slough; to the Committee on Rivers and Harbors.

Also, petition of the city council of Vancouver, Wash., asking permission to build an electric railway through Vancouver Barracks without requiring the paving of the roadway; to the Committee on Military Affairs.

Also, petition of the South Bend Commercial Club of Wash-

ington, favoring the fortification of Willapa Harbor; to the Committee on Naval Affairs

By Mr. KALANIANAOLE: Petition of the Japanese residents of Hawaii, protesting against the removal of the duty on sugar; to the Committee on Ways and Means.

By Mr. LOBECK: Petition of the Friends of Bird Protection, of Omaha, Nebr., protesting against the Senate amendment for plumage proviso and favoring House proviso; to the Committee

By Mr. LONERGAN: Petition of the Association of German Authors in America, of No. 1 Broadway, New York, protesting against the 15 per cent import duty on books published in foreign languages; to the Committee on Ways and Means.

By Mr. UNDERHILL: Petition of the Order of Railway Conductors of America, Cedar Rapids, Iowa, protesting against the passage of the workmen's compensation law; to the Committee on the Judiciary.

Also, petition of the Brotherhood of Locomotive Firemen and Enginemen, of Peoria, Ill., relative to legislation to extend the authority of the locomotive boiler inspection division of the Interstate Commerce Commission; to the Committee on Interstate and Foreign Commerce.

Also, petition of the Inventors' Guild, protesting against the passage of the Oldfield bill; to the Committee on Patents.

Also, petition of the Brotherhood of Locomotive Firemen and Enginemen, of Peoria, Ill., favoring restriction of immigration; to the Committee on Immigration and Naturalization.

Also, petition of the Brotherhood of Locomotive Firemen and Enginemen, Peoria, Ill., favoring the passage of legis-lation requiring headlights of a certain candlepower on all locomotives; to the Committee on Interstate and Foreign Commerce.

Also, petition of the Brotherhood of Locomotive Firemen and Enginemen, Peoria, Ill., favoring the passage of legislation to improve the living conditions of our seamen in the merchant marine; to the Committee on the Merchant Marine and Fisheries.

Also, petition of the Switchmen's Union of North America, protesting against the passage of any of the proposed workmen's compensation bills now before the House; to the Committee on the Judiciar;

Also, petition of the Interstate Cottonseed Crushers' Association, Chicago. Ill., protesting against the Austria-Hungary duty on cottonseed oil; to the Committee on Ways and Means.

Also, petition of the Buffalo Chamber of Commerce, Buffalo, N. Y., favoring the passage of legislation exempting associations not organized for profit, but for the general good of a community, from the income-tax bill; to the Committee on Ways and Means.

Also, petition of the New York Zoological Society, New York, favoring the passage of legislation preventing the importation of wings, plumes, skins, etc., of wild birds for commercial use; to the Committee on Ways and Means.

By Mr. WALLIN: Petition of Orts-Verband, of Amsterdam, N. Y., protesting against a duty on books in foreign languages; to the Committee on Ways and Means.

By Mr. WILSON of New York: Petition of the Central Labor Union of Brooklyn, N. Y., favoring Government manufacture of armor plate for the battleships; to the Committee on Naval Affairs.

# SENATE.

# Wednesday, August 20, 1913.

The Senate met at 11 o'clock a. m. Prayer by the Chaplain, Rev. Forrest J. Prettyman, D. D. The Journal of yesterday's proceedings was read and approved. MESSAGE FROM THE HOUSE,

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the Speaker of the House had appointed, in accordance with the provisions of the Indian appropriation act approved June 30, 1913, Mr. Stephens of Texas and Mr. Burke of South Dakota members of the commission to investigate the question of tuberculosis among the Indians in connection with an inquiry into the necessity and feasibility of establishing, equipping, and maintaining a tuberculosis sani-tarium in New Mexico, and an inquiry into the necessity and feasibility of procuring impounded waters for the Yakima Indian Reservation.

The message also announced that the Speaker of the House had appointed, in accordance with the provisions of the Indian appropriation act approved June 30, 1913, Mr. Stephens of Texas, Mr. Carter, and Mr. Burke of South Dakota members of the joint commission to investigate Indian affairs.

The message further announced that the House had passed the bill (S. 1353) to authorize the board of county commissioners of Okanogan County, Wash., to construct, maintain, and operate a bridge across the Okanogan River at or near the town of Malott, with amendments, in which it requested the concurrence of the Senate.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the

H. R. 1681. An act to extend the time for constructing a bridge across the Red Lake River, in township 153 north, range 40 west, in Red Lake County, Minn.;
H. R. 1985. An act to authorize the county of Aitkin, Minn., to

construct a bridge across the Mississippi River in Aitkin County,

H. R. 3406. An act to authorize the construction of a bridge across the Sabine River at Orange, Tex.;

H. R. 5891. An act authorizing the construction of a bridge

across White River at Newport, Ark.;

H. R. 6378. An act to authorize Robert W. Buskirk, of Matewan, W. Va., to bridge the Tug Fork of the Big Sandy River at Matewan, Mingo County, W. Va., where the same forms the boundary line between the States of West Virginia and Ken-

H. R. 6582. An act to authorize the city of Fairmont to construct and operate a bridge across the Monongahela River at or near the city of Fairmont, in the State of West Virginia.

#### MEMORIALS.

Mr. SMITH of Michigan presented a memorial of Local Union No. 205, Cigar Makers' International Union of America, of Battle Creek, Mich., remonstrating against an increase in the internal-revenue tax on cigars, which was ordered to lie on the table.

He also presented memorials of Local Unions Nos. 22, 340, 46, 167, and 69, Cigar Makers' International Union of America, of Three Rivers, Detroit, Traverse City, Grand Rapids, and Owasso, all in the State of Michigan, remonstrating against the importation of cigars free of duty from the Philippine Islands, which were ordered to lie on the table.

#### BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. JONES: A bill (S. 3015) designating certain lands as "The Parthe-

non"; to the Committee on the Library.

A bill (S. 3016) granting permission to Capt. Dorr F. Tozier to accept a gift from the King of Great Britain; to the Committee on Foreign Relations.

## COMMITTEE SERVICE.

On motion of Mr. Kern, it was

Ordered, That Senator John F. Shafroth, of Colorado, be appointed a member of the Committee on the Philippines in place of Senator Martine of New Jersey, who has resigned therefrom.

### AMENDMENTS TO THE TARIFF BILL.

Mr. PENROSE. I desire to submit an amendment to the pending tariff bill in the nature of a substitute for Schedule K. I will take this opportunity of saying that this amendment is the same as the one introduced by me in the last Congress, which received nearly all the then majority votes in this Chamber. I ask that the amendment may lie on the table.

The VICE PRESIDENT. The amendment will lie on the

table and be printed.

Mr. PENROSE. I submit also an amendment to the same bill relative to the hosiery paragraph of the cotton schedule.

ask that it may lie on the table.

The VICE PRESIDENT. The amendment will be printed

and lie on the table.

#### CONDITIONS IN MEXICO.

The VICE PRESIDENT. The following resolutions come over from the preceding day.

The Secretary. Senate resolution 162, by Mr. Penrose:

Resolved, That the President be requested-

Mr. PENROSE. I ask that those two resolutions may lie on the table until I call them up, if there is no objection.
The VICE PRESIDENT. That action will be taken.

The Secretary. Senate resolution 164, by Mr. Poindexter.
Mr. JONES. My colleague [Mr. Poindexter] is not present,

same request the Senator from Pennsylvania has made. that the resolution may lie on the table until called up by my colleague

The VICE PRESIDENT. That action will be taken.

IMPORTATIONS IN AMERICAN VESSELS.

The VICE PRESIDENT. The Chair lays before the Senate resolution 165, coming over from yesterday.

Senate resolution 165, submitted yesterday by Mr. Jones, was read, as follows:

Resolved, That the Secretary of State be directed to transmit to the Senate copies of all protests filed against paragraph J, subdivision 7, of Section IV (V as amended), of H. R. 3321, "An act to reduce tariff duties and to provide revenue for the Government, and for other purposes," together with copies of all correspondence that has passed between this country and any foreign country relating thereto, and copies of any report or reports prepared or made thereon by any officer of the United States; the subject referred to being the provision in the tariff bill providing for a discount of 5 per cent on all duties on goods, wares, and merchandise imported by vessels admitted to registration under the laws of the United States.

Mr. JONES. It was suggested by the Senator from Mississippi [Mr. Williams] yesterday that the words "if not incompatible with the public interest" should be inserted.

Mr. SIMMONS. I was going to make that suggestion.
Mr. JONES. I have no objection to the insertion of those words.

The VICE PRESIDENT. The resolution will be so modified. The question is on agreeing to the resolution as modified.

The resolution as modified was agreed to.

#### THE SUGAR SCHEDULE.

The VICE PRESIDENT. The morning business is closed. Mr. SIMMONS. I ask unanimous consent that the Senate proceed with the consideration of House bill 3321.

The VICE PRESIDENT. The Senator from North Carolina asks unanimous consent that the Chair lay before the Senate

House bill 3321.

Mr. MARTINE of New Jersey. Mr. President, may I ask the Senator from North Carolina if he will defer just a moment? I desire to state, Mr. President, that I was very much impressed with the intense earnestness of the address of the distinguished Senator from Utah [Mr. Smoot] yesterday on the sugar schedule. I have thought over in my mind a good many times the picture of desolation and sadness that was depicted for the western plains that are now or recently have been in the culture of beets. I realize and appreciate that it was the voice of an honest, conscientious, and earnest man in the behalf of that which he deemed right. That that address was the opinion and judgment of one with patriotic purposes I have no doubt, yet of one who was prejudiced in favor of the theory as well as the practice of protection.

Lest this thought shall go to the public and find lodgment in their minds and hearts without the least thought of contradiction, a matter has come to me within a few hours that I deemed it but fair to the people of the United States should be stated to them. Within the past few hours I have been in conversa-tion with a gentleman largely versed in the western interests, largely versed in both the culture and planting of sugar beets and sugar cane and the manufacture thereof, a man whose judg-

ment certainly should be taken for something.

I have realized the criticisms that my friend from Utah made, but within a few hours it has been my privilege to have been in conversation with no less a gentleman than Rudolph Spreckels. Mr. Rudolph Spreckels had just arrived here from the Pacific coast. I asked him what he felt was the feeling of the people in the West and in California and on the Pacific coast with reference to the tariff bill. His statement to me was in these words, plain and flat: "I feel that the bill will be well received and thoroughly appreciated by the people of California. It is in line with that which you have promised and in line with

that which the people had reason to anticipate."

I then said, "Mr. Spreckels, I want to ask your judgment. I have heard and we all have heard and the Senate has heard pictures of the doleful conditions that would take place from the abandonment of beet-sugar planting. I want to ask if, in your judgment, that will be the case?" He said, "I can see nothing of the kind." I asked him if he felt that the sugar mills would close in dearth of beet culture. He said they would not, that there are some mills which should close, there is no doubt. Then I asked him as to the situation in Louisiana. He said, 'I feel that in Louisiana they have had no legitimate and just

I then said, "Now, Mr. Spreckels, as to Hawaii, what is the situation there?" He said, "I am glad you have raised that question. I used to be an owner and a planter in Hawaii." I asked, "Are you still not an owner and planter and refiner?" He said, "No sir: I am out of sugar, and have been." and I ask that the resolution may go over. I will make the He said, "No, sir; I am out of sugar, and have been for a number of years." He said Hawaii will prosper, anyway; their profits are inordinate; that whatever the tariff, the conditions, and the soil are such that their profits are inordinate, and will represent in many instances as high as 80 per cent.

Mr. PENROSE. Will the Senator permit a question at this

point?

Mr. MARTINE of New Jersey. Certainly, Mr. PENROSE. The Senator has quoted a very distinguished gentleman. In order that the Senate may know the impartiality of this witness, I would be glad if the Senator from New Jersey could inform the Senate what was the amount of his cam-

paign contribution to Mr. Wilson's candidacy.

Mr. MARTINE of New Jersey. I know nothing of that. I know the fact, however, that he has been the greater part of his life a most staunch and stalwart Republican. I believe, that as God gave him wisdom he saw the light of day and he did vote for Woodrow Wilson. I believe I have heard-I do not know of my own knowledge-that he may have contributed some money to the Democratic campaign. But be that as it may, the position is pretty well established, I feel, in the minds of the people that there can be no justification for taxing 100,000,000 people inordinately in order to enrich a few. I believe the public will indorse and sustain the action of the Democratic Party in this very controversy for a lower tariff.

Now, this is a view that many of us now have, and I present it in contrast with the desperate picture that has been drawn for us day after day, and the desperate picture that was drawn by the distinguished Senator from Utah, I am willing to admit patriotically in his own judgment and conscience. many things I feel in common with him. I love your earnestness and I love your intensity. I would not give a rush for a man who had no convictions, and I would give less for a man who had convictions and had not the courage to stand up and defend them. But I do believe that the Senator from Utah has been misguided. I want that the public may know that there is another side to this question, and that gentlemen who are in close touch with this great sugar industry and who can view it as readily as can the Senator from Utah see no result of desolation and sadness and woe.

Mr. SMOOT. Mr. President, just one word. I wish to say to the Senator from New Jersey that I appreciate his kind reference to me, and I do want to say that I have the highest respect for the Senator from New Jersey, because I believe him absolutely honest in his belief in free trade on many, many

of the items produced in this country.

Mr. MARTINE of New Jersey. I thank the Senator. Mr. SMOOT. There is not a Senator on the other side of the Chamber who is so consistent in his politcial views affecting

the tariff as is the Senator from New Jersey.

However, Mr. President, I do believe that the people of California have just as much confidence in the judgment of her two Senators as they have in that of Mr. Spreckels, a man who is directly interested in seeing that we have free sugar.

I do not know the situation in California as well as I do in the State of Utah, but I want to say to the Senator from New Jersey if ever I spoke the truth in my life as I understand it and as I see it I presented it yesterday to the Senate on the

I am not going to discuss the question any further. I will let the people of California judge between the views expres by the two Senators from that State and those of Mr. Spreckels,

expressed through the Senator from New Jersey.

Mr. PENROSE. Mr. President, since the Senator from New Jersey has seen fit to raise this question I desire to call the attention of the Senate to the fact that Mr. Spreckels, whom he has cited as a witness, is distinctly a beneficiary of this tariff bill. We have heard a great deal, with much unction, of consultation and conferences in past years with the beneficiaries of tariff legislation.

I had not intended to bring it up, but since the Senator from New Jersey has been consulting with Mr. Spreckels for the last

two or three days, I happen to have here

Mr. MARTINE of New Jersey. Quite to the contrary, sir, I only saw him a few hours ago.

Mr. PENROSE. I have seen the Senator in his company a

number of times.

Mr. MARTINE of New Jersey. I think the Senator's vision

must be utterly in error. I have met him but once in my life.

Mr. PENROSE. The Senator seemed to be on very intimate terms with him when I saw them together yesterday.

Mr. MARTINE of New Jersey. That is very possible. I was reasonably close to him and trying to gather what information I could to offset the unfortunate stories of calamity which have been stated by the distinguished Senator from Pennsylvania [Mr. Penrose].

Mr. PENROSE. I should like to know from the Senator from New Jersey whether Mr. Spreckels authorized him to repeat the conversation which he has given to the Senate this morning.

Mr. MARTINE of New Jersey. I will say that first Mr. Spreckels told me this, and a few moments afterwards I thought how bright in comparison with the clouds that have been depicted; and I said to myself, "Great heavens, a thousand men and women in our land who are interested would love to hear that story!" Then I went back to Mr. Spreckels, and it may be the Senator-

Mr. PENROSE. Then the Senator has seen him twice?

Mr. MARTINE of New Jersey. You may have it so, but it was within a few minutes, and perhaps the Senator was near by, and through the crack of a door heard the conversation.

Mr. PENROSE. I saw the Senator talking with him in the

corridor.

Mr. MARTINE of New Jersey. Now, this is my authority and authorization. Then it was that I said, "Mr. Spreckels, I have been impressed with that which you told me, which is so in contradiction to those things we have heard. I want to know if I may use that." I recited it over and over, and his acquiescence was entire and complete. If the Senator needs any further evidence, God knows where he will get it.

Mr. PENROSE. Then the Senator admits that instead of

seeing Mr. Spreckels once, he has seen him twice?

Mr. MARTINE of New Jersey. Call it what you may. Mr. PENROSE. When I saw them together there was evi-

dently an affinity of two kindred souls that had long been parted and now had met and talked in mutual interest.

Mr. MARTINE of New Jersey. I am very fond of kindred souls. It is a good part of my make-up. I have met the Senator sometimes pleasantly and kindredly and I would love to meet

him more.

Mr. PENROSE. Since the Senator from New Jersey has seen fit to cite the testimony of Mr. Spreckels against the unanimous testimony of the growers of Louisiana, who are threatened with destruction and will be destroyed, and against the unanimous testimony of the beet-sugar growers and manufacturers of the western country, whose industry has been started after so much experiment and so much labor and trouble, with the encouragement of the Federal Government; since he has seen fit to cite the case of this one man, distinctly a beneficiary under the bill, I desire to call his attention and that of the Senate in this connection to Mr. Spreckels's record. It will not take long.

The agitation for free sugar has been conducted for a number of years by Mr. F. C. Lowry, acting as the secretary of an alleged organization known as the Committee of Wholesale Gro-Mr. Lowry was the sales agent for the Federal Sugar Refining Co., the head of which is Mr. Claus A. Spreckels. Mr. Lowry admitted that \$16,000 had been expended by him in the

effort to work up a sentiment for free sugar.

Mr. MARTINE of New Jersey. "By him." By whom?

Mr. PENROSE. By Mr. Lowry—

Mr. MARTINE of New Jersey. That is all ri Mr. PENROSE. Representing Mr. Spreckels. That is all right

Mr. MARTINE of New Jersey. You are saying "representing Mr. Spreckels." He does not say that he represents Mr. Spreckels.

Mr. PENROSE. In other words, this spontaneous sentiment coming from the American consumer was aroused at an expense of \$16,000, admitted to have been expended, and how much more has been expended we are not informed.

Mr. OVERMAN. Did he say he was the agent of Claus

Spreckels?

Mr. PENROSE. Yes, sir.

Mr. MARTINE of New Jersey. I was not talking about Claus Spreckels; I was talking and distinctly stated that it was Rudolph Spreckels.

Mr. JAMES. The Senator from Pennsylvania has the wrong

Spreckels.

Mr. PENROSE. I want to give the history of the whole Spreckels connection.

In the last political campaign, Mr. Spreckels contributed \$5,000 to the Democratic campaign fund toward the election of President Wilson. In California, Rudolph Spreckels, brother of Claus A. Spreckels, had charge of the California Republican Wilson organization. He contributed large sums in financing it and had numerous meetings under its auspices throughout the State. I should say that fully \$5,000 was expended by Mr. Rudolph Spreckels in his efforts in behalf of Mr. Wilson in California. This is a horrible narrative of beneficiary tariff legislation. [Laughter.]

Mr. MARTINE of New Jersey. I am not responsible for anything Claus Spreckels says. I simply stated what Rudolph

Spreckels told me.

Mr. PENROSE. The Senator will get acquainted with Claus

Mr. MARTINE of New Jersey. Yes; but the Senator will

just confine himself to Rudolph.

The Senator will get Claus in due time. Mr. PENROSE. Both these brothers believe in free sugar-at \$5,000 apiece. They are antagonistic to their two elder brothers, John D. Spreckels and Adolph B. Spreckels. In fact, there has been a family feud among these brothers that extends over a period of years. At one time their father, Claus Spreckels, sr., disowned his two younger sons. He had presented them with some stocks in Hawaiian sugar companies and for some reason he became dissatisfied with the action of his younger sons regarding these stocks and brought a suit in the California courts to recover the stocks upon the ground that the gift of the stock was not joined in by his wife and that under the California law this failure on the wife's part to join in the gift invalidated the gift. The Supreme Court, however, held that the law which had been relied upon applied only to real estate.

Toward the close of his life Claus A. Spreckels, sr., made up with his younger sons and disinherited his two elder sons. The will is still in litigation. It is an interesting family, Mr.

It is within the range of possibility that the bitter fight that is being waged by these younger sons of Claus Spreckels, sr., against their elder brothers is due to family hatred and a desire to ruin the two elder sons by the two younger sons. two elder sons are interested in Hawaiian plantations and in the beet-sugar mills of California. I am informed and I believe that the two elder sons are not interested in any refineries whatever.

The testimony that was brought out before the Hardwick committee shows that if the duty on sugar were removed absolutely we could produce neither cane nor beets in this country; that this removal of the duty would absolutely destroy the industry in this country, and that the people interested in the refineries would approve of such a course. You will find something to this effect on page 292 of the Hardwick committee hearings; you will also find some evidence of this kind on pages

1195 and 1196 of the same hearings.

There is no doubt in my mind that this bitterness on the part of Claus A. Spreckels and Rudolph Spreckels against John D. Spreckels and Adolph B. Spreckels has a good deal to do with the action of the former in trying to break down the beet-sugar industry of this country and the cane-sugar industry of Hawaii. It would mean practically ruin for John D. and Adolph B. Spreckels if such a law were passed. The fact that Claus A. Spreckels contributed \$5,000 toward the Wilson campaign and Rudolph Spreckels probably spent as much for the election of Wilson in California, it seems to me, would indicate that the attitude of the administration in supporting free sugar so energetically after the President's partisans had accepted these contributions is more reprehensible than is the action of those men whose money is invested in the sugar industry in this country and the Hawaiian Islands, and whose presence in Washington to protect their investments has been denounced as sidious lobby."

Mr. MARTINE of New Jersey. I only desire to say, Mr. President, that if I had any thought of working up a family tree I would never look any further than to the Senator from Pennsylvania. He certainly has worked up the Spreckels family tree and its finesse; but I want to know who signed this communication. You know signing a communication means everything. Only a few days ago I presented a communication with reference to Pennsylvania, and the distinguished Senator from Pennsylvania asked that it be expunged from the Record and. if possible, obliterated from the hearing of the Senate, simply

because it came here without a signature.

I do not care what Mr. Claus Spreckels may say, nor do I care about the family alliances and connections, nor the quarrels that the Spreckels family have had; but I do say that what I have stated was the statement of Rudolph Spreckels, and in his desire for free sugar he is not alone. Many other people, and there were a great many in Pennsylvania-

Mr. PENROSE. I never heard of one. Mr. MARTINE of New Jersey. Oh, well, your hearing was poor at times. You have lived so long in the clang and the riveting of the boiler and in the clang of the machine shop that you know of nothing else of the cry of humanity. The welding of a plate and the riveting of a boiler had more charms for you than the cry of struggling and of suffering humanity. [Laughter.]

Mr. PENROSE. The boilers that are being riveted in Penn-

sylvania are daily growing fewer in number.

Mr. MARTINE of New Jersey. Are they? Just let me read something to you which I have here.

Mr. PERKINS. Mr. President, I will state for the information of the control of t tion of the Senator from New Jersey [Mr. Martine] that California has 11 beet-sugar factories, which have been erected at a cost of \$20,000,000, and the disbursements for labor and beets have aggregated \$15,000,000 a year, thereby giving a market to many farmers and employment to many laborers. factories have been projected, which will not be built if this bill passes in its present form, and it will be impossible for those now in existence to continue to manufacture beet sugar under prospective conditions.

#### THE TARIFF.

Mr. SIMMONS. Mr. President, I ask that the Senate proceed with the consideration of the tariff bill.

Mr. MARTINE of New Jersey. One moment—
The VICE PRESIDENT. The Senator from North Carolina asks unanimous consent for the consideration of the tariff bill. Is there objection?

There being no objection, the Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 3321) to reduce tariff duties and to provide revenue for the Government,

and for other purposes.

Mr. President, I desire to say that I hope Mr. SIMMONS. we shall go on with the cotton schedule. In that connection wish to add that so anxious are Senators on this side of the Chamber to make progress with the bill that on yesterday, when we had the sugar schedule under consideration, we refrained from any discussion, and I hope that we shall not now go back to the sugar schedule and enter into a discussion of it I ask that we proceed with the reading of the bill, Schedule I being the one under consideration, as I understand.

Mr. GALLINGER. Mr. President, I did not understand the statement made by the Senator from North Carolina, my atten-

tion being diverted for a moment.

Mr. SIMMONS. I stated that on yesterday we were so anxious on this side to proceed with the bill that a number of Senators refrained from speaking when the sugar schedule was up, and that I hoped we would not go back to it to-day.

Mr. GALLINGER. Then there is a "conspiracy of silence"

on the other side of the Chamber?

Mr. SIMMONS. Oh, Mr. President, the Senator can characterize it as he pleases. I have just made a plain statement that we did not consume the time of the Senate yesterday in discussing the sugar schedule.

Mr. GALLINGER. Mr. President, I think that is agreeable

to this side.

The VICE PRESIDENT. The Secretary will state the pending amendment.

The Secretary. On page 73, after line 7, the committee propose to strike out paragraph 255, as follows:

255. Cotton thread and carded yarn, combed yarn, warps, or warp yarn, whether on beams or in bundles, skeins, or cops, or in any other form, except spool thread of cotton, crochet, darning and embroidery cottons, hereinafter provided for, shall be subject to the following rates of duty: Nos. 1 to 9, inclusive, 5 per cent ad valorem; Nos. 10 to 19, inclusive, 7½ per cent ad valorem; Nos. 20 to 39, inclusive, 10 per cent ad valorem; Nos. 40 to 49, inclusive, 15 per cent ad valorem; Nos. 50 to 59, inclusive, 17½ per cent ad valorem; Nos. 60 to 99, inclusive, 20 per cent ad valorem; No. 100 and over, 25 per cent ad valorem. Cotton card laps, roping, sliver, or roving, 10 per cent ad valorem; cotton waste and flocks manufactured or otherwise advanced in value, 5 per cent ad valorem.

And in lieu thereof to insert:

And in lieu thereof to insert:

255. Cotton thread and carded yarn, warps, or warp yarn, whether on beams or in bundles, skeins, or cops, or in any other form, not combed, bleached, dyed, mercerized, or colored, except spool thread of cotton, crochet, darning and embroidery cottons, hereinafter provided for, shall be subject to the following rates of duty;

Numbers up to and including No. 9, 5 per cent ad valorem; exceeding No. 9 and not exceeding No. 19, 7½ per cent ad valorem; exceeding No. 19 and not exceeding No. 39, 10 per cent ad valorem; exceeding No. 39 and not exceeding No. 49, 15 per cent ad valorem; exceeding No. 49 and not exceeding No. 59, 17½ per cent ad valorem; exceeding No. 59 and not exceeding No. 79, 20 per cent ad valorem; exceeding No. 79 and not exceeding No. 99, 22½ per cent ad valorem; exceeding No. 199 and not exceeding No. 199, 25 per cent ad valorem; exceeding No. 199, 20 per cent ad valorem; exceeding No. 39 and not exceeding No. 10, 10 per cent ad valorem; exceeding No. 19 and not exceeding No. 19, 10 per cent ad valorem; exceeding No. 19 and not exceeding No. 19, 17½ per cent ad valorem; exceeding No. 39 and not exceeding No. 49, 17½ per cent ad valorem; exceeding No. 59 and not exceeding No. 59, 22½ per cent ad valorem; exceeding No. 59 and not exceeding No. 99, 25 per cent ad valorem; exceeding No. 59 and not exceeding No. 99, 25 per cent ad valorem; exceeding No. 99 and not exceeding No. 99, 25 per cent ad valorem; exceeding No. 99, and not exceeding No. 190, 27½ per cent ad valorem; exceeding No. 190, 20 per cent ad valorem. Cotton waste and flocks, manufactured or otherwise advanced in value, cotton card laps, roping, sliver, or roving, 5 per cent ad valorem.

The VICE PRESIDENT. The question is on agreeing to the amendment reported by the committee.

Mr. BRANDEGEE. Mr. President, if I understood the Senator from Georgia [Mr. SMITH] correctly, yesterday afternoon he announced that it was his intention, or it might be his intention later on, to offer an amendment to the committee amendment, and in view of that fact-

Mr. SMITH of Georgia. We have determined not to offer it. On looking into the matter further we do not think it necessary.

Mr. BRANDEGEE. Then I have nothing further to say.
Mr. SMITH of Georgia. We were doubtful whether the
word "combed" properly fell into the class where it appears;
but we now think it does, and for that reason we leave it.
The VICE PRESIDENT. The question is on agreeing to the

committee amendment.

The amendment was agreed to.

The reading of the bill was resumed, and paragraph 256 was read, as follows:

256. Spool thread of cotton, crochet, darning, and embroidery cottons, on spools, reels, or balls, or in skeins, cones, or tubes, or in any other form, 15 per cent ad valorem.

Mr. SMITH of Georgia. Mr. President, the committee has authorized me to offer, after the word "form," in line 14, an amendment reading:

Not exceeding 600 yards in length.

Mr. SMOOT. Mr. President, will the Senator please repeat the suggested amendment?

Mr. SMITH of Georgia. In line 14, after the word "form," to insert the words "not exceeding 600 yards in length."

It was believed that longer threads would cause trouble in classification and that by limiting the number of yards covered by this section it would simplify the enforcement of the section and prevent an effort to bring in under this section yarns that

were not really intended to be covered by it. Mr. SMOOT. Then, all darning cotton and embroidery cottons or cottons on spools or reels or balls or skeins, in order to come in under this paragraph, must be under 600 yards?

Mr. SMITH of Georgia. Yes; the others will take their classi-

fication under the general yarn count.

Mr. SMOOT. Mr. President, the present law applying to these same items contains the clause, "containing less than 600 I think the amendment ought to be adopted. In this connection I will ask the Senator if he has taken into consideration the suggestion which I offered last night adding the proviso:

That in no case shall the duty be assessed upon a less number of yards than is marked on the spools, reels, cones, tubes, skeins, or balls.

Mr. SMITH of Georgia. Our inquiry led us to conclude that this was not necessary, for the reason that most of these goods are shipped in by standard houses; they are sold under the names of the houses and on their reputation, and we were advised that there is no danger of the trouble feared by the Senator

Mr. SMOOT. Really the insertion of the words in this bill can do no harm.

Mr. SMITH of Georgia. This amendment will carry the paragraph into conference; and if, on further inquiry, we conclude that it is necessary to do so, we can provide for it in

Mr. SMOOT. I desire to say to the Senator that even in conference that provision can not be incorporated if it be not placed in the bill in the House or in the Senate.

Mr. SMITH of Georgia. I have not taken up that further

proposition for the reason stated.

The VICE PRESIDENT. The Secretary will state the amendment proposed by the Senator from Georgia on behalf of the committee to the paragraph.

The Secretary. On page 75, paragraph 256, line 14, after the word "form," it is proposed to insert "not exceeding 600 yards in length."

The VICE PRESIDENT. The question is on agreeing to the

Mr. LIPPITT. Mr. President, I also desire to offer an amendment to be inserted after the word "form," in paragraph 256.

The VICE PRESIDENT. The Senator from Rhode Island will kindly suspend for a moment. It is impossible for the Chair to hear anything that the Senator from Rhode Island has been saying, on account of the disturbance in the Senate Chamber.

Mr. LIPPITT. Mr. President, I said that I also desired to offer an amendment to paragraph 256, to be inserted after the word "form," in the following words: "Shall pay the same rate of duty as the single yarns of which they are composed, but not less than," so that it would read, "but not less than 15 per cent ad valorem."

The VICE PRESIDENT. The Chair is of the opinion that the committee amendment would first be in order. The question

is on agreeing to the amendment offered by the Senator from Georgia on behalf of the committee.

The amendment was agreed to.

The VICE PRESIDENT. Now, the amendment proposed by

the Senator from Rhode Island is in order.

Mr. LIPPITT. Mr. President, the adoption of that amendment, I think, would make it necessary for me to move that paragraph 256 be stricken out and that in place of it there be inserted:

Spool thread of cotton, crochet, darning, and embroidery cottons, on spools, reels, or balls, or in skeins, cones, or tubes, or in any other

And here are the words I wish to insert—
The VICE PRESIDENT. The Chair is of the opinion that the Senator's amendment is perfectly germane to the paragraph of the bill under consideration, but his amendment would strike out the words "not exceeding 600 yards," which have been inserted on motion of the Senator from Georgia.

Mr. LIPPITT. I do not ask to strike out those words.

The VICE PRESIDENT. The Chair understands that: but the adoption of the amendment proposed by the Senator would have the effect of striking them out.

Mr. GALLINGER. Mr. President, would not this be the parliamentary situation: The amendment of the committee agreed to and then the Senator from Rhode Island moves to substitute the provision he has read for the committee provision as amended as a substitute for that paragraph?

Mr. LIPPITT. I think on further consideration, Mr. President, the amendment offered by the Senator from Georgia somewhat confused me, and I will offer the amendment to follow the words inserted on motion of the Senator from Georgia.

The VICE PRESIDENT. The amendment will be stated. The Secretary. After the word "length," in the amendment just agreed to, it is proposed to insert:

Shall pay the same rate of duty as the single yarns of which they are composed, but not less than.

Mr. LIPPITT. Mr. President, in explanation of the amendment which I have offered, last night at the time the session adjourned I was discussing the discrimination exhibited in this paragraph against threads as compared with all other forms of cotton yarns. I had shown that thread was composed of what is ordinarily known as cotton yarn by taking two or more single strands of yarn and twisting them together to form a thread; that in the great majority of cases the single yarns paid a higher rate of duty than 15 per cent, and that the cost of twisting the single yarns into thread was, in most instances, as large

as the total cost of changing cotton into yarn.

On the subject of discrimination, of which the duty on yarns is one of the most glaring instances to be found in the cotton schedule, I want to take this opportunity of calling the attention of the Senate to a very remarkable memorial which was sent to this body a few days ago, signed by 96 of the leading distributors of textile fabrics in New York and elsewhere, pro-testing against the discrimination in this schedule. They represent, in a large measure, the wholesale textile trade of the United States. They are importers; they are commission merchants; they are jobbers of all kinds of textile fabrics. Among them are many of the best-known names in the United States. I will only instance one of them as a sample of the whole-the firm of H. B. Claffin & Co .- which is one of the largest importers of textile fabrics in this country, which is one of the largest users of all classes of textiles, and not of cotton alone. I mention that name as a sample of the signers of the petition.

What I wish to call attention to is what they are protesting against. They are not protesting against a change in the duty, in the case of the silk schedule, from 55 per cent to 45 per cent, although they are large users of slik goods. They are not protesting against a reduction of the protective duty upon woolen goods from in the neighborhood of 50 or 60 per cent to 35 per cent. They are protesting in this emphatic way solely on account of the gross discrimination which has been made with regard to these three sister industries in reducing the duties on cotton fabrics from between 50 and 60 per cent to 16 per cent. They are protesting against the injustice of treating so differently one industry, as is done in this bill, by putting upon cottons a duty of only one-half of what is put upon woolens, and only one-third of what is put upon silks.

I offer this amendment, not for the purpose of putting the labor that is employed in the manufacture of cotton thread on a parity with the labor that is employed in making cotton yarn, but simply so that the duty shall not be less than the duty on the raw material of thread. I think it is a subject that ought to have material of thread. I think it is a the consideration of the committee.

Mr. SMITH of Georgia. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll. The Secretary called the roll, and the following Senators answered to their names:

Ashurst Bacon Bankhead Gallinger Nelson Smith, Md. Smith, Mich. Gronna Hitchcock Hollis Hughes Norris Overman Smoot Sterling Borah Brady Brandegee Page Penrose Stone Sutherland James
Jones
Jones
Kenyon
Kern
La Follette
Lane Perkins Pittman Pomerene Reed Robinson Bristow Bryan Burton Swanson Thomas Thompson Thornton Burton Chamberlain Clapp Clark, Wyo Clarke, Ark. Colt Crawford Fall Fletcher Saulsbury Shafroth Sheppard Tillman Townsend Vardaman Walsh Lane
Lea
Lewis
Lippitt
Lodge
McLean
Martine, N. J. Sherman Warren Weeks Williams Shively Simmons Smith, Ga.

Mr. JAMES. My colleague, the senior Senator from Kentucky [Mr. Bradley], is detained from attendance here by reason of illness. He has a general pair with the junior Senator from Indiana [Mr. Kern]. I wish this announcement to stand for the day.

Mr. SHEPPARD. My colleague [Mr. Culberson] is unavoidably absent. He is paired with the senior Senator from Delaware [Mr. DU PONT]. I ask that this announcement may stand

for the day.

VICE PRESIDENT. Sixty-eight Senators have answered to the roll call. A quorum of the Senate is present. The question is on the amendment proposed by the Senator from

Rhode Island [Mr. LIPPITT].

Mr. CLARK of Wyoming. Mr. President, before the vote is taken I should like to ask the Senator in charge of this schedule whether or not the intimation made by the Senator from Rhode Island is correct—that without his proposed amendment and with the duty as carried in the bill the duty upon these completed products will be less than the duty on the constituents that enter into them?

Mr. SMITH of Georgia. The Senator probably was not here yesterday afternoon when we discussed this subject. That is true in some instances, but it is also true under the present

law, under the specifics.

Mr. CLARK of Wyoming. I am not speaking of the present law. Attention has now been directed to the fact; and it occurs to me that if it is a fact this amendment or some amendment ought to be placed in the bill. It hardly seems the right levying of a duty that the duty upon a raw product that enters into a manufactured product should be more than the duty upon the manufactured product itself.

Mr. SMITH of Georgia. The statement of the Senator is correct, that in some instances this duty is less than the duty on the yarn, and the same is the case now. The articles that come in are principally of the highest character, and there is more competition where the duty is less than 20 per cent under the specifics. We went into that matter pretty fully yesterday

afternoon.

Mr. GALLINGER. Mr. President, while this schedule has a very important bearing upon a great industry in my own State. I do not propose to occupy more than a minute or two in discussing it. I wish to put in the RECORD, however, a couple of statements which came to me some time ago regarding the industry and which I think are of interest.

Mr. A. Barton Hepburn, the well-known New York banker, who had recently been in England, gave out this statement:

Business activity in England is at the high-water mark and there are no apparent signs of recession. Undoubtedly her manufacturers are rushing the making of goods in the expectation of finding a profitable market in the United States when the Underwood tariff bill becomes a law.

Mr. Frank S. Turnbull, director of the Rogers-Peet Co., of New York, who has been consulting prominent manufacturers in Yorkshire, Scotland, and other places, said to the correspondent of the New York Sun in regard to the Underwood tariff bill:

The feeling of manufacturers here is one of surprise that the cut in textile duties is so radical. They would have preferred a bill which was less drastic, for such a measure would have indicated permanency and stability. The English and Scotch manufacturers would like a 35 per cent ad valorem duty. They will sell a much greater quantity of goods in the United States, but they will not put themselves to the expense of increasing their plants until they are certain that the new tariff is to last. It would please them greatly if they were sure of that, and they would not have to hesitate to increase their plants.

It seems from this testimony, which I give for what it is worth, that even the manufacturers in Great Britain are somewhat alarmed at the tremendous cut that is made in this schedule, because they think that in the future, if another party comes into power, the present duties will be overturned and much larger duties imposed. Their feeling apparently is that if a less radical cut had been made it might have resulted in

a law that would have been permanent so far as this industry is concerned.

Personally I greatly regret that our Democratic friends have seen fit to strike so severe a blow as they have at this industry. I think I know what the result will be; but we are powerless on this side of the Chamber to prevent that result. All we can do is to record our votes, when we have an opportunity, against the provisions that have been incorporated in the bill regarding the different articles in this schedule.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from Rhode Island [Mr. LIPPITT].

Mr. LIPPITT. On that I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. BRISTOW. Mr. President, I ask th may be stated, so that we may understand it. Mr. President, I ask that the amendment

The VICE PRESIDENT. The Secretary will state the amend-

ment.

The Secretary. On page 75, line 14, after the word "form" and after the comma, the Senate has already agreed to an amendment, proposed by the Senator from Georgia, adding the words "not exceeding 600 yards in length." After the word "length" the Senator from Rhode Island proposes to insert:

Shall pay the same rate of duty as the single yarns of which they are composed, but not less than—

So that, if amended, it would read: Not less than 15 per cent ad valorem.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary proceeded to call the roll.

Mr. CHAMBERLAIN (when his name was called). general pair with the junior Senator from Pennsylvania [Mr. OLIVER]. I transfer that pair to the senior Senator from Maine [Mr. Johnson] and will vote. I vote "nay."

Mr. GALLINGER (when his name was called). general pair with the junior Senator from New York [Mr. O'GORMAN]. I transfer that pair for the day to the junior Senator from Maine [Mr. BURLEIGH] and will vote. I vote

Mr. KERN (when his name was called). I transfer my general pair with the senior Senator from Kentucky [Mr. Bradley] to the junior Senator from Arizona [Mr. Smith] and will vote. I vote "nay."

Mr. SMITH of Maryland (when his name was called). have a general pair with the senior Senator from Vermont [Mr. Dillingham]. Therefore I withhold my vote.

Mr. THOMAS (when his name was called). I have a general pair with the senior Senator from New York [Mr. Root]. I transfer that pair to the Senator from Virginia [Mr. MARTIN] and vote "nav.

Mr. TILLMAN (when his name was called). I have a general pair with the Senator from Wisconsin [Mr. Stephenson]. I

therefore withhold my vote.

The roll call was concluded.

Mr. McCUMBER. I transfer my general pair with the senior Senator from Nevada [Mr. Newlands] to the junior Senator from California [Mr. Works] and vote "yea."

Mr. JONES. I desire to state that my colleague [Mr. Poin-DEXTER] is necessarily detained from the Chamber and that he is paired with the Senator from Oklahoma [Mr. Owen]. I will state that with reference to the votes yesterday my colleague was paired with the Senator from Oklahoma [Mr. Owen],

although I did not know it at the time.

Mr. SMITH of Maryland. I transfer my pair with the Senator from Vermont [Mr. DILLINGHAM] to the Senator from South

Carolina [Mr. SMITH] and vote. I vote "nay."

Mr. GALLINGER. I have been requested to announce that the Senator from Delaware [Mr. DU Pont] is paired with the Senator from Texas [Mr. Culberson]; that the Senator from West Virginia [Mr. Goff] is paired with the Senator from Alabama [Mr. BANKHEAD]; that the Senator from Pennsylvania [Mr. OLIVER] is paired with the Senator from Oregon [Mr. CHAMBERLAIN]; and that the Senator from Maryland IMr. JACKSON] is paired with the Senator from West Virginia [Mr. CHILTON

Mr. BANKHEAD. I transfer my pair with the junior Senator from West Virginia [Mr. Goff] to the Senator from Louisiana [Mr. RANSDELL] and vote "nay."

The result was announced-yeas 33, nays 39, as follows:

YEAS-33.

Borah Brady Brandegee Bristow Burton Catron Clapp Clark, Wyo.

Crawford Fall Gallinger Gronna Jones Kenyon La Follette Lippitt Lodge McCumber McLean Nelson Norris Page Penrose Perkins Sherman Sherman Smith, Mich.

Sterling Sutherland Townsend Warren

NAYS-39.

Ashurst Bacon Bankhead Bryan Chamberlain Clarke, Ark. Fletcher Hitchcock Hollis

Bradley Burleigh Chilton

ulberson

ummins

Hughes James Kern Lane Lea Lewis Martine, N. J. Myers Overman

du Pont

Goff Jackson Johnson

Pomerene Reed Robinson Saulsbury Shafroth Sheppard Shields Shively Simmons Smith, Ga. NOT VOTING-23.

Smith, Md. Stone Swanson Thomas Thompson Thornton Vardaman Williams

O'Gorman Oliver Owen Poindexter Ransdell Root Smith, Ariz. Smith, S. C. Stephenson Tillman Works

Martin, Va. Newlands Dillingham So Mr. Lippitt's amendment was rejected.

The next amendment of the committee was to strike out para-

graph 257 in the following words:

graph 257 in the following words;

257. Cotton cloth, not bleached, dyed, colored, stained, painted, printed, Jacquard figured, or mercerized, containing yarn the highest number of which does not exceed No. 9, 7½ per cent ad valorem; exceeding No. 9 and not exceeding No. 19, 10 per cent ad valorem; exceeding No. 19 and not exceeding No. 39, 12½ per cent ad valorem; exceeding No. 39 and not exceeding No. 49, 17½ per cent ad valorem; exceeding No. 49 and not exceeding No. 59, 20 per cent ad valorem; exceeding No. 59 and not exceeding No. 99, 22½ per cent ad valorem; exceeding No. 99, 27½ per cent ad valorem. Cotton cloth, when bleached, dyed, colored, stained, painted, printed, Jacquard figured, or mercerized; shall be subject to a duty of 2½ per cent ad valorem in addition to the rates otherwise chargeable thereon.

And in lieu thereof to invert.

And in lieu thereof to insert:

And in lieu thereof to insert:

257. Cotton cloth, not bleached, dyed, colored, stained, painted, wovenfigured, or mercerized, containing yarns the highest number of which does not exceed No. 9, 7½ per cent ad valorem; exceeding No. 9 and not exceeding No. 39, 12½ per cent ad valorem; exceeding No. 19 and not exceeding No. 39, 12½ per cent ad valorem; exceeding No. 39 and not exceeding No. 49, 17½ per cent ad valorem; exceeding No. 59 and not exceeding No. 59, 20 per cent ad valorem; exceeding No. 59 and not exceeding No. 79, 22½ per cent ad valorem; exceeding No. 79 and not exceeding No. 79, 22½ per cent ad valorem; exceeding No. 79 and not exceeding No. 99, 25 per cent ad valorem; exceeding No. 99, 27½ per cent ad valorem. Cotton cloth when bleached, dyed, colored, stained, painted, printed, woven-figured, or mercerized, containing yarn the highest number of which does not exceed No. 9, 10 per cent ad valorem; exceeding No. 9 and not exceeding No. 9, 15 per cent ad valorem; exceeding No. 39 and not exceeding No. 39, 15 per cent ad valorem; exceeding No. 49 and not exceeding No. 49, 20 per cent ad valorem; exceeding No. 59 and not exceeding No. 59, 22½ per cent ad valorem; exceeding No. 59 and not exceeding No. 79, 25 per cent ad valorem; exceeding No. 59 and not exceeding No. 79, 25 per cent ad valorem; exceeding No. 79 and not exceeding No. 79, 25 per cent ad valorem; exceeding No. 79 and not exceeding No. 79, 25 per cent ad valorem; exceeding No. 79 and not exceeding No. 79, 25 per cent ad valorem; exceeding No. 79 and not exceeding No. 79, 25 per cent ad valorem; exceeding No. 99, 30 per cent ad valorem;

Mr. SMITH of Georgia. Mr. President, the committee desires to change the amendment in two respects, in line 8 to substitute the word "average" for the word "highest," so the estimate the word "average" for the word inglies, so the estimate will be made by the average number of the yarns instead of the highest, and in line 22 again to substitute the word "average" for the word "highest."

The VICE PRESIDENT. The Secretary will state the pro-

posed amendment to the amendment.

The Secretary. On page 76, line 8, before the word "number," strike out the word "highest" and insert the word "average," and the same on line 22.

The VICE PRESIDENT. If there be no objection, the pro-

posed change will be made.

Mr. LIPPITT. Mr. President, I wish to speak on that sub-ject. I should like to ask the Senator from Georgia if he has figured or has any information upon how much he is reducing the duty upon cotton cloth by the amendments which he now proposes as compared with the duty which that same cloth would pay under the original amendment?

Mr. SMITH of Georgia. Coupled with the amendment suggested, we desire also to amend paragraph 258, by adding in the seventeenth line, after the word "included":

In counting the threads all ply yarns shall be separated into singles and the count taken of the total singles.

The factors of count, length, condition, and weight shall be taken as found in the fabric as imported.

We have had the estimate made to which the Senator refers. We find that in the large majority of the instances, even in the higher class goods, it makes no substantial effect upon the rate. The only goods upon which it affects the rate to any extent are the novelty goods. Later on we expect in connection with the damask paragraph to bring in an amendment, although we may have to pass it over to-day, making a special provision for those novelty cloths. I have quite a lengthy sheet here in which that estimate has been made, which I will be glad to submit to the Senate. The proposed amendment is largely for administrative purposes. It simplifies administration vastly beyond what it is under the present law and also under the pending bill.

Mr. LIPPITT. Mr. President, of course I appreciate the personal compliment which is paid in this amendment. In the remarks which I made to the Senate upon this question I pointed out that, although the method of classifying goods which is contained in the original amendment had been the policy of the

Democratic Party for more than two years, it was an impossibllity of administration. The substitution of the simple word "average" for "highest" is a recognition of the fact that for two years they have been trying to put before this country something which they could not do; and there was no evidence of any change of that policy, if I may go so far as to say it, until I brought it to the attention of this bedy.

But I also pointed out at that time that if they were going to adopt the policy which I suggested, and which is a very simple and a very much more perfect method of classification than the one they originally had, they should also accompany it by a differential between the duties that cloth pays and the duties that yarn pays as compared with the one they have. Between the duties on yarn in the bill reported to the Senate by the Finance Committee there is a difference of 21 per cent in each classification as represented in the chart which hangs against the wall. Where the duty on cloth is 10 per cent on cloth com-

posed of No. 9 to 19, it would be 7½ per cent for yarn, and so on.

It is a matter of great practical difficulty to determine the fineness number of yarn in cloth. It is not a very difficult proposition to discover the average number of yarns in a piece of cloth, but when they classify their goods by the fineness number of which the fabric was made, as is very commonly the case, the yarn of the warp would be No. 35 or 33 and the filling would be No. 42 or 43 or 44, which are very common constructions, the rate of duty on that piece of cloth would be in the gray 20 per cent. Under the amendment which they have now proposed the rate of duty would be 17½ per cent. In other words, by making the amendment in this form and without perfecting it, as I took the liberty of indicating in my speech should be done, they are reducing the duty over the duty that they have proposed to levy.

The occasion and reason for using the average number is because that is simple to administer. In addition to making that average number and taking advantage of that easy administration, which is very proper, they should also increase the differential between cloth and yarn 21 per cent more than now exists. In other words, I am not asking for any more duty than they have proposed, but I do ask that if they adopt one suggestion of mine they will not destroy its effect and purpose by not adopting the companion suggestion that is a necessary

and integral part of it.

As I pointed out, in their method of applying the duty not merely would the duty be raised 2½ per cent, but in some cases, by the presence of a very small amount of fine yarn cloth on which the average duty would not exceed under the now proposed change  $17\frac{1}{2}$  per cent, would pay as high a duty as 25 per I do not think that those cloths are entitled to the change, but I think it is very plain to anybody who will study this question that if they are going to make at this late hour, without adequate study of the question, a change in the plan they have steadily pursued for two years, they at least ought to accompany it with the other changes that will make the rate of duty they propose to pay on cotton cloth the equivalent of what they proposed to this body before they made this change.

Mr. President, I have pointed out here over and over again

that the duties on cotton fabrics are only one-third the duty of their sister industries of silk and wool, and now by putting in

their sister industries of sik and wool, and now by putting in this amendment they propose to reduce those duties another 2½ per cent. That is not a fair way of perfecting a bill.

Mr. SMITH of Georgia. Mr. President, I desire to take issue with the Senator from Rhode Island with reference to the feasibility of determining the highest yarn count. It has been discussed by the Bureau of Standards and fully sustained by them, and also by a number of writers upon textiles in publications on that subject. It seemed, however, scarcely just that a product which might have only 5 per cent of a very high-class yarn and the balance of a low-class yarn should follow the 5 per cent instead of following the average whole. It is conceded by all that the average yarn count is the simplest of all plans. Our officers in the customhouses so believe.

It can be explained, after working out a mathematical problem which is somewhat difficult, that there is a simple and easy formula for applying the test as to the average number of yarns. The officers of the Government have also been at work for some time upon the effect on the rate of taking the average yarn. I furnished the Senator quite a detailed statement made by them on the subject.

It does reduce somewhat the duty, but, Mr. President, the report of the Tariff Board shows that the duties on cotton goods can be reduced and must be reduced very substantially to bring

them to a competitive basis.

It is surprising to find how many of our cotton products are sold at the mills in the United States as cheap as they are in England. The chief benefit perhaps to the public from these reductions will come through a suspension of the system of sales after they leave the mill. So far as the mill owners are concerned, they will be perhaps less effective than they will be upon the trade where trade agreements exist that have carried

the cost to the final consumer at high prices.

Mr. LIPPITT. Mr. President, I should like to ask the Senator if he has submitted this proposed change in its partial form to anybody who could be called a textile expert? In asking that question I do not mean by a textile expert a member of the board at the customhouse. They are not experts in the methods of applying tariff laws that have been written; they are not experts in the sense of knowing about the cost of cotton cloth and textile fabrics or the various changes in cost which come about in changes of fabric. Whom has the Senator consulted?

Mr. SMITH of Georgia. Mr. President, we have not considered it from the standpoint of the cost of conversion, because anyone who examines the report of the Tariff Board must be satisfied that it is practically impossible to handle fairly the subject from that standpoint. The varying cost of production of the same goods in this country at different mills is so great that when we go from the highest cost of production to the cheapest cost of production, the variation is startling. The matter has been considered, however, in connection with the relative selling prices abroad and here, and it has been considered with reference to the character of threads in many of the cloths. The result worked out has been what I submitted to the Senator on the lengthy sheet that I gave him. The work has been done, of course—

Mr. LIPPITT. I will ask the Senator from Georgia if he will tell me whether he has consulted with any experts?

Mr. SMITH of Georgia. I was just going on to state that the work was done for us by representatives of the Government in the customhouse in New York and by the utilization of the reports of the Tariff Board.

Mr. SMOOT. Mr. President, I understood the Senator from Georgia to say that he recognized the fact that the amendment

offered reduces the duties.

Mr. SMITH of Georgia. In some instances.

Mr. SMOOT. Is it not a fact, Mr. President, that in nearly every instance it would reduce the duty about 2½ per cent outside of the first bracket?

Mr. SMITH of Georgia. No; not as the figures were worked out and given to me. Of course, I do not pretend to have any

personal knowledge on the subject.

Mr. SMOOT. Mr. President, of course the Senator knows, if he has had his attention called to it, that most of the cloths are made with the filling of one number and the warp of another number, and when the filling is finer or vice versa, it is to obtain a certain effect or finish upon the clothes. It seems to me, this being true, it will in many cases—I will not say in every case, but at least in a great many cases—bring the cloth, if the amendment offered by the Senator is adopted, to a lower bracket than the provision in paragraph 256 with the word "highest" used. If it does bring it within a lower bracket, then, of course, the Senator from Georgia must admit that it would be 2½ per cent reduction.

Mr. SMITH of Georgia. Of course if it lowers it, it lowers it.
Mr. SMOOT. Mr. President, if the Senator would look it up I
believe he would find by taking the average size of the yarns
in a piece of cloth, in the warp and the filling, that in a majority
of cases this would bring it into a lower bracket than the word
"highest" would bring it under the paragraph as it stands

to-day.

Mr. SMITH of Georgia. As worked out for me by the experts, there are few cases in which it brings it to a lower rate. As to those I took the Tariff Board's report, and as to all except two or three I found the relative selling prices in England and the United States such that I felt that the reduced duty

would only be competitive.

Mr. SMOOT. Mr. President, just take the case the Senator from Rhode Island [Mr. Lippitt] called attention to, which is an ordinary one. The warp of 35s and the filling of 42s—the average of those two would be 38½s. Paragraph 257, as originally reported, would bring the duty based upon a 42 thread within another bracket from ?8½, as the Senator knows. Those are very common numbers used in this country in the manufacture of cotton goods. As I think the Senator has already stated upon the floor, 70 per cent of them fall within this very bracket or the two brackets in which these sizes fall. If that is the case—and I have no doubt but that it is so—the change is going to result in a decreased duty of 2½ per cent on the great bulk of American manufactured goods.

Mr. TOWNSEND. Mr. President, I was interested in one statement made by the Senator from Georgia [Mr. SMITH]

which he did not make entirely clear to me. I have come to the same conclusion that he has from reading the Tariff Beard report, that not only are many cotton goods sold as cheaply abroad as they are here, but that in some cases they are sold cheaper here than they could be manufactured abroad to-day. What I was not clear in was the statement of the Senator as to what benefit he expected would accrue to the American consumer by reducing those duties.

Mr. SMITH of Georgia. I stated that I found from the Tariff Board report that there were many instances in which the real loss to the consumer took place between the factory and the final sale to him; that it was due to trade agreements in this country, which increased the price to the consumer even where the manufacturer here sold at prices that were entirely competitive and in some instances cheaper than those of the English manufacturer, yet that through trade agreements, incident to subsequent sales, the consumer here finally received his goods at a higher price than that at which the consumer received them in England—

Mr. TOWNSEND. I understood that.

Mr. SMITH of Georgia. By bringing competition between the factory abroad and the factory here, the result would be that these trade agreements would be abandoned and the consumer would naturally be relieved of some of the increases now placed upon him.

Mr. TOWNSEND. I can not follow that very clearly myself; but it would indicate to me that there was the very closest kind of competition now between the producers abroad and the producers here if the price here was less than the foreign price, or at least even the cost of the foreign article was less.

Mr. LODGE. Mr. President, I do not care to go into the details, which are very many and very complicated, of this matter, but I do want to call attention to certain general considerations, which I think are very serious, in regard to the arrangement adopted in this bill. I am not now speaking of rates of duty whether low or high, but of the adjustment of the classes. If we are to have duties at all, whether revenue duties or protective duties or duties for any other purpose, they ought to be properly classified and adjusted with relation to the different productions of an industry so very complicated as is the cotton industry.

There can be no question whatever that the coarser weaves are better treated in this bill than the finer weaves. I do not for a moment intend to suggest that that was done intentionally, or with a view of striking at New England or other northern mills which are the chief producers of the fine goods; but there can be no doubt of the fact. I can not suppose that it is intentional, because it would be a short-sighted policy if it be thought that the interests of the makers of coarse goods would be safeguarded by leaving them a sufficient protection and allowing the fine goods to suffer. Of course if the fine-goods mills are compelled to cease the manufacture of fine goods and are forced to go to the manufacture of print cloths, sheetings, and the coarser goods, inevitably an intensity of competition will be created which will drive the domestic coarse goods below the point of profitable production.

point of profitable production.

We had such a situation some years ago when the southern mills and the northern mills alike suffered from the intensity of competition in the same lines of goods. Speaking broadly, that condition, which is certainly not desirable to the industry either North or South, was greatly relieved by the increasing tendency on the part of the longer established mills in the North to devote themselves to the manufacture of fine goods. I think the industry of the finer goods and the manufacture of the finer yarns has been also begun in the South and is developing there. Nothing is more important to a healthy condition of the cotton industry in this country than the greatest possible diversification of their product.

Mr. SMITH of Georgia. Mr. President, will the Senator from Massachusetts allow me?

The PRESIDING OFFICER (Mr. POMERENE in the chair). Does the Senator from Massachusetts yield to the Senator from Georgia?

Mr. LODGE. Certainly.

Mr. SMITH of Georgia. I should like to say that the men engaged in manufacturing the coarser goods who appeared before our committee all came to urge rates for the high-class goods, taking exactly the position the Senator has taken, that their interest in the matter was that the high-class goods should receive a tariff that was satisfactory to them—

Mr. LODGE. Which would encourage their production.

Mr. SMITH of Georgia. And encourage their production. There was no contest before our committee between the producers of the coarser grade goods and the higher grade goods,

so far as I can recall. The low-grade-goods people were as warmly the friends of the high-grade-goods people as they were of themselves.

Mr. LODGE. That was my own conclusion from my own experience; but the fact remains that in the bill— Mr. LODGE.

Mr. SMITH of Georgia. So that whether the goods are high class or low class or are produced in one section or the other the manufacturers, whether of high-grade or low-grade goods, were all more interested in the rates on high-grade goods than they were in the rates on low-grade goods.

Mr. LODGE. I have no question that the manufacturers in all parts of the country, whether they make the coarse goods or the fine goods, take the view of what is best for the industry

as a whole which I have tried to express.

Now, as I have said whether intentionally or not, it seems to me to have been demonstrated-I will not go over the arguments-that the fine weaves have suffered unduly, and that the inevitable tendency of the bill, owing to the maladjustment of the rates among the different classes, will be to bring about an oversupply of the coarse goods, due to the compulsion which it will exercise on many of the fine-goods mills to return in whole or in part to the making of print cloths, plain cloths, or the coarser fabrics, such as sheetings.

I think the fact that the duties are not properly adjusted is a fatal objection to the scheme. I am saying nothing about the rates, whether they are too high or too low; I am simply speaking of the adjustment. On that adjustment rests, in the first place, fairness to the industry, and, in the second place, it prevents the industry from becoming overweighted or one sided along certain lines of production. It is for the interest of the whole industry, in a word, to encourage the fine weaves.

The Tariff Board report has been frequently referred to during the debate, and I want to call attention to their statement that we can make goods here at a lower cost than they can be made in England. That is true of some fabrics, but I do not think attention has been sufficiently paid to precisely what the Tariff Board did say. Here is their report on Schedule I, page 12. The Tariff Board says that the weaving cost of the fabrics produced on automatic looms, which are more common in this country than in England, is no greater here than abroad; but they go on to say:

In the case of finer goods, however, especially figured goods with complicated weaves, the cost of weaving is higher here than in England. This is due largely to the fact that the difference in the number of looms tended per weaver is less than in the case of plain goods. On a large part of these fancy goods (those requiring more than one kind of filling) the automatic loom can not be used. Even disregarding the question of automatic looms, the difference in the number of looms tended per weaver on such fabrics is less than in the case of plain cloths. Consequently the comparatively small difference in output per weaver does not offset the higher wages paid in this country.

That is the statement of the Tariff Roard and I think in sub-

That is the statement of the Tariff Board; and I think in substance that it is correct. The reason why weaving done on the automatic looms reduces the cost of production in the United States is simply because it reduces the labor cost per unit, showing incidentally that the labor cost is the key of the situation in the cotton industry, where labor is a very large part of the cost of the fabric produced. One man can attend to 20 or more of these automatic looms—that is, we have a man multiplied by 20, we will say, by the automatic loom-and as we use a great many more of those looms than they do in England we reduce the labor cost, the labor unit, just that much, because in England, where they do not use them on the coarser goods, a man is multiplied by 6 or 8 by his machinery, and they are putting a man multiplied by 6 or 8 in competition with a man multiplied by 20.

Mr. SMOOT. Mr. President—
The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Utah?

Mr. LODGE. Certainly; with pleasure.

Mr. SMOOT. Not only as to the greater number of looms that can be attended to by one man, but wherever an automatic device is used upon a loom it runs continuously, with the exception of when there is a thread broken in the warp or a break in the filling requiring the stopping of the loom.

Mr. LODGE. Certainly.

Mr. SMOOT. If the automatic device is not on a loom, it must stop to change the shuttle every time a bobbin runs out.

Mr. LODGE. When we come to the finer weaves the automatic loom can not be used, and that, of course, fundamentally changes the whole situation. In the manufacture of the finer weaves our weavers use substantially the same kind of machinery as the English weavers. So the weaver is no longer multiplied by 20 by his machinery, but only by the same amount as the English weaver; and therefore our labor cost immediately rises when you pass from the coarser goods to the finer goods.

The increase in cost is shown by the following extract from the Tariff Board report, Schedule I, page 456. I take their figures. I am not sure that they are right in all respects in regard to cotton; but I will take them, because they have been the basis of so much argument.

The Tariff Board say :

The labor cost of the plain weaves varies from 3.5 cents to slightly over 6.5 cents per pound, constituting from 8 per cent to 21.5 per cent of the total cost. * * * The conversion cost on the same cloths varies from 29.5 per cent to 35.8 per cent of the total cost. * * *

cost. * * *
Treating the three fancy-weave groups as a whole, we find that the labor cost varies from 15.2 cents to 29.3 cents per pound, constituting from 20 per cent to 42.7 per cent of the total cost. The conversion cost forms from 35.7 per cent to 58.6 per cent of the total cost.

That shows clearly, on the authority of the Tariff Board, the immense difference between the fine weaves and the coarse weaves. I do not see how it is possible to have a fair schedule where the arrangement is practically reversed from what it ought to I repeat that I am not arguing the rate. Make your figure what you please on the coarse weaves; but build it up proportionately, so as to give the fine weaves the same chance that the coarse weaves have so far as they are affected by the tariff. That seems to me the fundamental difficulty with this whole schedule, without going into the details.

Mr. SMITH of Georgia. Mr. President

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Georgia?

Mr. LODGE. Certainly; I yield. Mr. SMITH of Georgia. I should like to ask the Senator if he has made a study of the English selling prices of the factories of these finer goods and the American selling prices of the factories, to see whether it is not true, relatively speaking, that the increases provided by this bill about represent the difference in the selling price of the various classes of goods at the factories?

Mr. LODGE. Mr. President, I have not examined those prices. I have at times gone into the cost of distribution with some thoroughness. While I have not the figures here now, I am very sure, broadly speaking, that I am correct when I say that what the Senator states about the cost at the factory in America as compared with the English factory cost applies chiefly to the coarse goods. I do not think it is true of the fine weaves. I think the fine weaves cost more. The factory cost is more, speaking broadly. There may be exceptions; but speaking broadly, I think the fine weaves cost more at the factory.

Mr. SMITH of Georgia. I was not referring to the cost of

production. I was referring to the selling cost of the factory.

Mr. LODGE. Precisely. Let me take a single case about which I think I am correctly informed, though I am speaking

from memory of a year ago.

In the case of the Amoskeag Manufacturing Co. of New Hampshire, the great makers of ginghams, while I have not compared the figures, I have no doubt their gingham costs at the mill are no higher than the costs of the factories making ginghams in England. I think they could probably meet them on that basis. I am speaking only of their coarse goods. But I was told, and I think correctly, by one of the officers of the mills some time ago when the subject was under discussion— I may not have the figures exactly right, but if I am very far wrong the Senator from Rhode Island will correct me—that they sold their ginghams in the neighborhood of 3½ cents a yard, and by the time they went over the counter in department stores, dry-goods stores, and so forth, some of them had climbed up to 9 or 10 or 12 cents a yard. There is not any question the monstrous additions that are made to the factory costs. In the past, in the debate on the Payne-Aldrich bill, we tried to show that it was not the manufacturers' cost from which the people were suffering, because the cost at the factory was in many cases very low; but to it there were added these huge costs of distribution, which present another problem. I am aware of that; but I am very sure, speaking broadly, that the fine weaves made in America can not be sold at the factory door or anywhere else in competition with the English fine weaves without some protection or without some duty favorable to the American

I will frankly say that, of course, I have a great interest in this particular matter of fine goods. Their manufacture has grown enormously in my State within a comparatively short time. The great city of New Bedford, which now has 100,000 inhabitants, has been built up on the fine-goods industry. It is, therefore, a very serious matter, in the interest of the business of my State, to have such a change made—I do not mean in the rates, but a change of classification-which, I believe, would be fatal to many of the establishments.

I am not sure as to the exceptions made in fancy weaves. Unfortunately I am so little of a practical man on the question

of cotton spinning that I am not sure I am right when I say that I find only one exception. There may be some other smaller ones on the Jacquard tapestries that have been put in by the Senate committee, but the only exception I find is the cotton damasks. I think the others are all treated in the general schedule.

Mr. SMITH of Georgia. Mr. President—
The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Georgia?

Mr. LODGE. Certainly.

Mr. SMITH of Georgia. The Senator probably was not in the Chamber when I stated that the committee desired to add to the cotton-damask schedule a provision including certain classes of novelties, but we are not prepared to present it this morning. When that paragraph is reached we wish to pass over it. Upon examining some of those novelty cloths we found they have a small proportion of very fine threads, perhaps a fourth of very fine yarns or threads, and a large proportion of very coarse threads, and we thought they ought to be classed by themselves. We have in view a classification for novelty cloths which we are not prepared to submit this morning; so that when we reach the damask paragraph we shall ask to

I desire to add that I have prepared a statement showing a large number of producers of table damask or towel damask. Towel damask, just in the next paragraph, will take the same 25 per cent rate. I should have regretted it if we had been in the attitude of bringing in a measure that took care of a single industry, even if it was by inadvertence. It certainly would have been by inadvertence if we had done so, but I should have regretted the inadvertence. Table damask always

has been classed by itself.

When we reach that paragraph I will give the Senate a list of a large number of firms, both in Philadelphia and in Massachusetts, that produce damask. I am glad to say that my investigation has relieved us of what would have been an embarrassment, through inadvertence, if the Senator's suggestion, made a few days ago, had been correct, that this bill singled out cotton table damask made by one firm only for a special

rate of duty.

Mr. LODGE. I am very glad the committee is considering a reclassification of what are known as the fancy weaves and novelties. I really think it is only just that they should be classed together, and not that one division should be set off by

itself.

Mr. LIPPITT. Mr. President—
The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Rhode Island?

Mr. LODGE. Certainly.

Mr. LIPPITT. The Senator from Georgia has suggested that he is going to bring in some other changes in this schedule. The change which he has brought in this morning, and which we are now discussing, is a very radical change. I understand he has other changes that are also very radical. It seems to me under the circumstances that it would be a very wise thing for the Senators in charge of the bill to withdraw this paragraph until such time as they can present it to us with at least a day's notice of the radical revisions they are making, so that we may have a reasonable time in which to consider them. The changes about which the Senator is talking go to the root of the whole matter. They can not be discussed here offhand without consideration and without warning.

Two years have been spent on this bill, and particularly on the

cotton schedule. Now, at the very last moment, when the Senators in charge of the schedule are going to urge us to take a vote perhaps within an hour or two, they come in and propose radical changes to it. Mr. President, that is not the way to put before this body a matter of such importance as this paragraph. I think it only reasonable that the whole thing shall be passed over until it can be reported to the Senate at least with a day or two of notice of what is going to be proposed.

Mr. LODGE. Mr. President, although I think it would have been better if we could have had them all to consider beforehand, I am not disposed to find fault with any method which has resulted so far in what seems to me very marked improve-But when the Senator from Rhode Island says this schedule has been under consideration for two years, I wish to say that I think it has been under intelligent consideration for only about two months, or perhaps two weeks; certainly not more than two months. I will go further than that, and say only since the day it went before the subcommittee of the Finance Committee. However I may differ from the members of that subcommittee in some of their conclusions, I have no hesitation in saying that I know they made every effort to inform themselves in regard to this schedule. While I never had

occasion to go before them about anything, I know they made every effort to inform themselves about it and to try to deal intelligently with it. In the case of the earlier efforts to which the Senator refers, which came to us from the House, dealing with the cotton schedule alone, intelligence was conspicuous chiefly by its absence.

In view of the changes which the Senator from Georgia predicts, I shall not say anything more at this time in regard to the matter of the fancy weaves or novelties, but shall wait until I learn what is proposed along that line.

Mr. SMITH of Georgia. I will state the proposed change. Mr. LODGE. The Senator said he was going to ask to have that clause passed over.

Mr. SMITH of Georgia. I will read the amendment that I hope to propose later to the paragraph dealing with damasks or

Cotton cloth composed of threads or plied yarns made of singles of different numbers.

We are still considering whether or not that is a proper definition of the cloth intended to be covered.

Mr. LIPPITT. Mr. President, will the Senator kindly read that again?

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Rhode Island?

Mr. LODGE. Mr. President, if I may make a suggestion, I do not wish to hold the floor indefinitely; but if this clause is to

be passed over Mr. SMITH of Georgia. Yes; that clause will be passed over, Mr. LODGE. The amendment which the subcommittee de-

cides upon, I think, ought to be printed, so that the Senate can see it for a day before it is taken up. In the meantime the clause which the Senator has just read as a tentative amendment will be printed in the RECORD to-morrow, so that we can examine it then.

Mr. SMITH of Georgia and Mr. SMOOT addressed the Chair, The PRESIDING OFFICER. Does the Senator from Massa-

chusetts yield, and to whom?

Mr. LODGE. Certainly; I yield to the Senator from Georgia, Mr. SMITH of Georgia. I stated that when the damask paragraph was reached we intended to ask to have it passed over. We hope to dispose of the balance of the schedule but to leave that paragraph undisposed of. I stated at the time that we probably should bring in an amendment of the character I read a few moments ago.

Mr. LA FOLLETTE. Mr. President, will the Senator kindly

repeat the language he has just read?
Mr. SMITH of Georgia. Yes; I will read it in a moment. The difficulty about the matter, so far as our labor upon it is concerned, has been to reach a description—to put into words something that would cover the particular class of goods in-tended to be covered and not also cover a good deal else that we did not intend to cover. Two or three times we have worked out a description and then have found that we were also describing something else that ought not to have been covered. The duty that we contemplated would have put the goods in a position where there would have been no competition at all from abroad.

The language which we have in view is:

Cotton cloth composed of threads or plied yarns made of singles of

We contemplate adding that to the paragraph dealing with

table damask cloths, with a duty of 25 per cent.
Mr. LIPPITT. Exactly where would it come in?
Mr. SMITH of Georgia. It would just be added to the paragraph dealing with damask cloths. The damask paragraph puts a duty of 25 per cent on table damask. What we were contemplating was to add this description of these novelty cloths, with 25 per cent duty.

Mr. SMOOT. Mr. President-

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Utah?

Mr. LODGE. Yes; I yield to the Senator from Utah. Mr. SMOOT. I wish to call the Senator's attention to paragraph 257, the one now under consideration, if it is contemplated adding those words to the damask paragraph, because in paragraph 257, on line 7, he uses the words "woven figured," and on lines 21 and 22 he also uses the words "woven figured." Does not the Senator think "woven figured" should be stricken from this paragraph if he is going to add those words to the damask paragraph?

Mr. SMITH of Georgia. No; because it applies to other goods besides these. These are not the only woven figures, and these woven figures should remain with the  $2\frac{1}{2}$  per cent duty as to woven-figured goods generally. In the damask paragraph, if we carry out our present view upon further studying the subject, we will impose a specific duty upon a particular class of novelty The work is largely done on the thread. The thread itself, as shown by the Senator from Rhode Island, has the novelty attached to it. I think the Senator from Rhode Island had here a little package of the threads and presented them to the Senate. They are largely made from that class of thread, as I understand.

Mr. SMOOT. Of course, I do not quite catch the full meaning of the amendment suggested, and therefore I will wait to see it

Mr. LODGE. Mr. President, in regard to this matter of the yarns I believe it is a mistake administratively to abandon the count of the threads per square inch and come to the number of the yarns in the fabric as the test for the imposition of a There must be a necessary uncertainty if you base it on the number of the yarns. The Senator from Rhode Island [Mr. LIPPITT] has shown to the Senate the imperfection and the uncertainties in determining the number of the yarns even when done by the Bureau of Standards. But the average customhouse inspector, without all the means and appliances which the Bureau of Standards possesses, on looking at a piece of cotton cloth, of course with a microscope, and telling the number of the yarns from looking at it, it is impossible that he should come within three or four numbers of the correct number, except by luck or guess. It is an uncertain way of determining the value of the goods on which the duty is to be levied. It is certain to lead to undervaluation and to the escape of the importer from the payment of the duties which the law intends to collect.

Mr. President, if we must have the number of the yarns as the basis of the duty, I think it is a great advance to adopt the amendment proposed by the Senator from Georgia to-day to make it the average number in a piece of cloth instead of the highest, as was the former test. But if the addition that is proposed by the Senator from Rhode Island is not made, when that perfecting amendment is adopted, the result will be a reduction in the duty which the committee have decided to be fair, and they are not likely to have erred on the side of lenity. They have fixed a certain rate of duty. Now, they put in a desirable amendment, and without a further provision the effect of that desirable amendment, as I understand it, will be to lower the duties through these schedules, without any intention on their own part of lowering the duties, as I understand it.

I really think the committee ought to take that into consideration; when they change from highest to average they ought to make such additional amendment as is necessary in order to secure the rate of duty which they have themselves reported as

proper to be imposed.

Now, Mr. President, I pass to another point. I do not suppose my protest will have the slightest effect, but I want to make it. You will find in the bill, on page 76, line 21, and so forth, "cotton cloths, when bleached, dyed, colored," and so on. There are Senators who know-and if I blunder they will correct me-but I understand there is a much wider gap between the bleached and dyed, and so forth, than there is between the gray cotton cloth and the bleached. Am I wrong?

Mr. LIPPITT. No. Mr. LODGE. In a brief presented to the committee it is stated that the number of operations in a cotton-printing establishment is about 23—that is, in the print works. Of these 23 operations only 6 appear in the process of bleached goods. That is, up to the point of producing the bleached goods there are 6 processes and there are 17 that follow in order to produce the dyed and printed fabric. Yet bleached goods are given the same rates as all these other goods, dyed, colored, stained, painted, printed, woven, figured, or mercerized. It can not be right to put bleached goods on the same plane with the others.

Mr. SMITH of Georgia. The only difference would be in the ad valorem. The difference would have to depend on the rela-

tive value of the goods. That is where it leads to.

Mr. LODGE. I understand the ad valorem, but unfortunately I do not think it will quite work out in that way. I think there ought to be a distinction drawn and they should not be given the same rate. The dyed, colored, stained, painted, printed, figured, woven, or mercerized should be put together. There is no fault to find with that. But I think the bleached should be separated from them and separated from the gray cloth in order to make a proper adjustment between the different processes.

I reiterate what I have said many times. I am not now contesting the rates at all. You make the rates too low, in my judgment; but whether you make them-low or high I want them to be adjusted so that they will be fair to all the different grades

of manufacture.

Mr. SMOOT. Mr. President-

The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Utah?

Mr. LODGE. Certainly. In fact, Mr. President, I yield the floor, for I have concluded all that I desired to say. What I have said is mostly in the way of protest against what I think are mistakes in the framing of the bill in the administrative I am very glad to hear that there are to be even some slight improvements. I will not say slight, for if properly arranged they will be very important improvements. If the Senator will unite with his average number some provision that will prevent that average number from making a general reduction of all the rates, I think it would be a very great improvement upon the bill. I think he is contemplating a very great improvement administratively and in every other way by the change which he suggested in the cotton damask schedule. sincerely hope those changes will be made.

Mr. SMOOT. I was simply going to call the Senator's attention to a further fact in connection with the statement he has just made. Where the cloths are dyed they are dyed with col-

ors carrying a rate of duty of 30 per cent.

Mr. LODGE. Certainly, and the bleached—
Mr. SMOOT. I am only speaking of dyed cloths now. Of course, printed and mercerized-

Mr. LODGE. Bleached cloths, obviously, do not have to bear

that expense.

Mr. SMOOT. In the low numbers of cloths dyed a rate is provided of only 10 per cent ad valorem. The Senator's objection is a protest against putting the bleached cloth at the same rate as the dyed cloth, while the dye that is used for the dyeing of the cloth carries a rate of 30 per cent.

Mr. LODGE. It is an incitement to bring in the dyed cloth. Mr. SMITH of Georgia. A large part of the dyes are put on

the free list.

Mr. SMOOT. All that are put on the free list are the alizarins and indigoes. All the coal-tar dyes that are imported into this country carry a rate of duty of 30 per cent.

Mr. SMITH of Georgia. All vat dyes are put on the free

list.

Mr. SMOOT. The Senator can not say that alizarin is a vat dye.

Mr. SMITH of Georgia. It is so classified in the trade.

Mr. SMOOT. Alizarins are used in dyeing cloth in the same way as coal-tar dyes, whether they be brown, red, scarlet, or any other color.

Mr. SMITH of Georgia. But the dyes that are used, I understand, in the finest goods are the dyes that we put on the

The sulphur dyes are not on the free list.

Mr. SMOOT. What does the Senator mean by sulphur dyes? Mr. SMITH of Georgia. I am not sure that I know beyond the fact that the classes of people who make the cheaper goods in addressing us said that we left their dyes taxed and the tariff is the lowest on their goods and the dyes used for the finer goods we put on the free list. I am repeating the statement some-what like a parrot, as it has been presented to me in communications and discussions of the subject, because I know nothing about it from the standpoint of being inside of a factory and seeing the work performed.

Mr. SMOOT. The very finest color and the most delicate shade of cloths are dyed from coal-tar dyes provided for in paragraph 21 of the bill carrying a rate of 30 per cent. It is true that alizarin and colors obtained from alizarin are on the free list. So is indigo on the free list. The reason why indigo was put on the free list was because it is used in the cotton mills of the South in dyeing denims. The fine cloths are dyed generally with coal-tar dyes enumerated in paragraph 21.

Mr. GALLINGER. Mr. President, the interest that I have felt in this schedule and the inquiries that I have made concerning it have led me to the conclusion that no subcommittee of the Democratic side gave more patient and intelligent consideration to the problems they had in hand than the subcommittee on this schedule. It gives me pleasure to publicly express my appreciation of the industry, the courtesy, and the intelligence the Senator from Georgia [Mr. SMITH] brought to the consideration of these problems. I realize how difficult it would have been for me, with a much longer legislative experience than the Senator from Georgia has had, to be able to master even to any considerable extent the rates and the classifications that are required to reach fair and just conclusions.

I think I am safe in saying that the Senator from Georgia appreciates to-day, as he did not when he took up this question, the great difficulties he had to contend with, and I think I am justified in saying now what a distinguished Democratic Senator suggested to me, that a very much abused former Member of this body, a Republican, deserves great credit for the grasp he had of these difficult and perplexing problems.

There is trouble more or less in adjusting fairly matters connected with the paragraph now under consideration. I wish to say that when we reach paragraph 267 I will want to call the attention of the Senator from Georgia to what I think are some very serious mistakes in that paragraph.

Mr. JOHNSON. Mr. President-

The PRESIDING OFFICER. Does the Senator from New Hampshire yield to the Senator from Maine?

Mr. GALLINGER. I do. Mr. JOHNSON. The Senator refers to the industry in Keene, N. H.?

Mr. GALLINGER. Yes; and also in Barnstead, N. H.

Mr. JOHNSON. We have it under consideration.
Mr. GALLINGER. I am glad to know that. I have correspondence and I have samples. I do not want to use a single unnecessary moment now in discussing even this schedule, because I am anxious that this bill will be proceeded with as rapidly as possible; but I was going, when that paragraph was reached, to ask the subcommittee if they would not take what I have in my possession and give fresh consideration to the paragraph, because I feel sure that unintentionally an injustice has been done to one phase of that manufacture.

In view of that, Mr. President, I want to ask the Senator from Georgia, inasmuch as he proposes changes in the paragraph now under consideration, if it might not be well to pass over, perhaps not all the schedule but all controverted paragraphs, so that the subcommittee could give a little further attention to them, and come in here very likely with propositions that would meet the acquiescence of us all. I do not want to be factious or obstructive, or to undertake to force my individual views upon the other side, which I know would be futile, but I think probably we would make more speed if the committee would pursue that course rather than ask us to

vote upon these matters at the present time.

Mr. SMITH of Georgia. The only change, Mr. President, I believe, in the paragraph under consideration is the one I have When we reach the damask paragraph we wish to attach, if we can, certain specialties with a specific rate, and for the present I will ask to have it passed. I believe to have the balance out of the way will make it easier for us to work on the damask paragraph. The other changes that we make are not material. When we reach the final paragraph we will ask to restore the words "whether composed in part of," which are stricken out. These changes are very simple. The important additions we will probably make will be on damask. I should like very much to get rid of the balance of the schedule and save that one paragraph for our special study.

Mr. PENROSE. Mr. President, I introduced an amendment this morning to the hosiery paragraph, concerning which I should like to make a few explanations to the Senate. I will not have my data ready until to morrow, and I would ask the Senator from Georgia to kindly pass over the hosiery paragraph, as I shall be out of the Chamber when it is reached.

Mr. SMITH of Georgia. When we reach the hosiery para-

graph I will do so.

Mr. PENROSE. I will be prepared to go on with it to-morrow.

Mr. SMITH of Georgia. I am perfectly willing to pass it over to-day

I wish to ask the Senator from Georgia if the specialties which he refers to as those which they have under consideration in the damask paragraph are the products of the Jacquard loom?

Mr. SMITH of Georgia. I think the work is done on the

threads before they are woven.

Mr. LIPPITT. Mr. President, I must confess that the situation in which this paragraph is now left is one that gives me perplexity. I had given it some consideration, and I thought was prepared to discuss it in some way, but the changes that have been suddenly made here are revolutionary. the damask paragraph, I have an amendment, which I proposed yesterday, which I had intended to offer for the consideration of the Senate. Whether I do it or not in the form in which I proposed it depends upon what is done with some of these other things.

It is so evident to my mind that the difficulties and, if I may say so, the inconsistencies of this cotton schedule as it has been drawn up and presented to the Senate have appeared so plainly to the minds of the gentlemen particularly in charge of it that I do feel it would be very much fairer for everyone if the committee would take the whole thing under consideration, digest it, and bring in to us here for our consideration and discussion a settled policy. How can anybody undertake to discuss intelligently a long and intricate schedule like this, the component parts of which overlap and interlock each other in many different ways, when we are told they think they are going to change it in this way and perhaps may be changed in some other ways. Of course the gentlemen on the other side have the power way? Of course the gentlemen on the other side have the power to go ahead with it as they think it wise, but the situation

seems to have reached a point where I should think it needed

further digestion.

The PRESIDING OFFICER (Mr. CHILTON in the chair). The question is on the amendment of the Senator from Georgia to the amendment of the committee.

Mr. GALLINGER. Let it be stated, Mr. President.

The PRESIDING OFFICER. The amendment will be stated.

The Secretary. On page 7, line 8, strike out "highest" and insert "average," and in line 22 strike out "highest" and insert "average."

Mr. LIPPITT. Before that question is put I should like to ask the Senator from Georgia whether among the other changes there is any possibility of his also changing the differential between yarn and cloth, as has been suggested here. It would make all the difference in the world as to how we should vote on this amendment. If the differential is to be taken under consideration and possibly changed, I should vote for this amendment. If there is to be no change in the differential, I think it is a very unjust amendment.

Mr. SMITH of Georgia. It is not our purpose to change the differential. The differential stands at 2½, the difference be-

tween the cloth and the yarn.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The question recurs on agreeing to the amendment of the committee as amended.

Mr. LIPPITT. I have an amendment which I have offered to paragraph 268, which includes the amending of paragraph 57 by striking out the words "woven-figured."
The PRESIDING OFFICER. Does the Senator offer that

amendment now?

Mr. LIPPITT. I was going to offer it when we came to paragraph 268. I presume I will not find myself in any parliamentary difficulty if it is left until that time?

The PRESIDING OFFICER. The Chair should think not. Mr. LIPPITT. I would prefer to leave the amendment until we get further along in the bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee as amended.

The amendment as amended was agreed to.

The next amendment of the Committee on Finance was, in paragraph 258, page 77, line 12, after the word "piece," to strike out "or cut in lengths," so as to make the paragraph read:

258. The term cotton cloth, or cloth, wherever used in the paragraphs of this section, unless otherwise specially provided for, shall be held to include all woven fabrics of cotton, in the piece, whether figured, fancy, or plain, and shall not include any article, finished or unfinished, made from cotton cloth. In the ascertainment of the condition of the cloth or yarn upon which the duties imposed upon cotton cloth are made to depend, the entire fabric and all parts theref shall be included. The number of the yarn in cotton cloth herein provided for shall be ascertained under regulations to be prescribed by the Secretary of the Treasury.

The amendment was agreed to.

The Secretary. In this paragraph, after the word "included," page 77, line 17, the Senator from Georgia offers an amendment.

Mr. SMITH of Georgia. It is a committee amendment.

The Secretary. It is proposed to insert:

In counting the threads all ply yarns shall be separated into singles and the count taken of the total singles.

The factors of count, length, condition, and weight shall be taken as found in the fabric as imported.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

Mr. LIPPITT. Does that mean that a thread that is weighted shall be weighed without any attempt to remove the weighting material from the thread? I do not know whether the Senator is aware to what an extent in the manufacture of cotton cloth, in England particularly, weighted materials are used. They are very uncommon in this country, but it is usual in the South American trade and in the trade in other parts of the world. The English cloth is frequently weighted to the extent, I am told, of 20 and 25 per cent. By "weighted" I mean that mate-

rial other than cotton is used to produce the weight.

I know that not long ago some people in New England sent a representative to South America to investigate the possibilities of an export trade with those countries. The gentleman who went was a very efficient expert in the business. He spent two or three months in a careful examination of the situation, and his report was that unless the people in New England were prepared to weight their goods artificially they would have no chance in competing with the English products in those countries. There are some cases-I am very sorry I have not the samples here; I have some over at my office-in which the goods are filled with materials so that while the weight of the thread as it actually appears in the cloth might be No. 30 thread, it would easily be as coarse, perhaps, as No. 20. I think

the customary way in all such cases is simply to wash or boil the fabric a little, so that any extraneous material may be removed. I think the gentlemen who are familiar with the customhouse could explain that to the Senator in such a way that he would see the point and not insist on an amendment that would prevent manifestly foreign material from being removed from the cloth before the size of the thread was determined.

Mr. SMITH of Georgia. Mr. President, I will ask to pass over that paragraph for the present.

The PRESIDING OFFICER. Without objection, the para-

graph will be passed over.

Mr. SMITH of Georgia. I will say to the Senator and to the Senate that the object of that provision was to facilitate the measurement of the average thread so that an inch of cloth or more than an inch of cloth which was to be measured could be handled without separating the thread.

The suggestion of the Senator that the boiling process, or the process which could be had without unraveling the thread to make a complete removal of the foreign matter, is one that we may wish to take under consideration. There was no purpose intentionally to add the weight, but to facilitate the measurement by space without unraveling.

Mr. LIPPITT. I presumed that was the case.
Mr. SMITH of Georgia. I think it very probable that a slight addition will obviate that trouble. I ask that that para-

Mr. BRANDEGEE. Mr. President, is that paragraph 258? The PRESIDING OFFICER. That is passed over.

Mr. BRANDEGEE. Is that the paragraph that has just been passed over?

The PRESIDING OFFICER. Yes; it is passed over for the time being.

Mr. BRANDEGEE. That was what I meant by the phrase " passed over." passed over." It was not passed or adopted by the Senate? Mr. SMITH of Georgia. No; the paragraph just passed over

is paragraph 258—the definition of cloth.

Mr. BRANDEGEE. That is what I thought. In connection with that, if the paragraph is not going to be considered at this time, I want to ask the Senator what is the effect of changing the language in line 10, on page 77, from the language of the old law, which was "in the paragraphs of this schedule," while in the proposed law the language is "in the paragraphs of this section"? This paragraph reads:

The term cotton cloth, or cloth, wherever used in the paragraphs of this section, unless otherwise specially provided for, shall be held to include all woven fabrics of cotton.

Mr. SMITH of Georgia. I thank the Senator from Connecticut for the suggestion. I think that should be "this schedule." As we have passed over the paragraph, I will look into it. In a number of instances we found it necessary to correct language of that sort.

Mr. BRANDEGEE. As I looked at it at first blush, if that language stands it would lead to utter absurdity, because it would result in cloth, which might be woolen cloth, spoken of in this section, which is the dutiable list, being classified as

Mr. SMITH of Georgia. I think the word should be "schedule" instead of "section."

Mr. BRANDEGEE. I think so.

Mr. SMITH of Georgia. But I will look at it, as we shall return to this naragraph.

The reading of the bill was resumed.

The reading of the bill was resided.

The next amendment of the Committee on Finance was, in paragraph 259, page 78, line 2, after the word "fiber," to strike out "whether composed in part of" and to insert "or of which cotton or other vegetable fiber is the component material of chief value or of cotton or other vegetable fiber and," and in line 5, after the word "rubber," to strike out "or otherwise," so as to make the paragraph read:

259. Cloth composed of cotton or other vegetable fiber and silk, whether known as silk-striped sleeve linings, silk stripes, or otherwise, of which cotton or other vegetable fiber is the component material of chief value, and tracing cloth, 30 per cent ad valorem; cotton cloth filled or coated, all olicloths (except silk olicloths and olicloths for floors), and cotton window hollands, 25 per cent ad valorem; waterproof cloth composed of cotton or other vegetable fiber, or of which cotton or other vegetable fiber is the component material of chief value or of cotton or other vegetable fiber and india rubber, 25 per cent ad valorem.

The amendment was agreed to.

The next amendment was, in paragraph 260, page 78, line 7, after the word "section," to strike out "whether in the piece or otherwise and," and in line 8, after the word "unfinished," to insert "not hemmed, 25 per cent ad valorem; hemmed, or

hemstitched," so as to make the paragraph read:
260. Handkerchiefs or mufflers composed of cotton, not specially provided for in this section, whether finished or unfinished, not hemmed, 25 per cent ad valorem; hemmed, or hemstitched, 30 per cent ad valorem.

The PRESIDING OFFICER. The question is on the amendment proposed by the committee.

Mr. SMOOT. Mr. President, I hardly understand the reason of that change. Can the Senator from Georgia explain why that change was made?

Mr. SMITH of Georgia. Does the Senator refer to striking out the words "whether in the piece or otherwise and"?
Mr. SMOOT. Yes; and inserting the words "not hemmed,

25 per cent ad valorem."

Mr. SMITH of Georgia. The object was to make a difference in the duty between hemmed handkerchiefs and mufflers, which go into a higher class, and the ordinary handkerchiefs, which fall in the cheaper class. We thought that on the cheaper handkerchief 25 per cent was an ample duty, and that that difference should exist between the two.

Mr. SMOOT. That is true so far as the handkerchief is concerned, but my question to the Senator was in reference to the original paragraph which reads "whether in the piece or otherwise," while the paragraph as proposed to be amended reads:

260. Handkerchiefs or muffers composed of cotton, not specially provided for in this section, whether finished or unfinished.

Does that mean that a dozen or more of handkerchiefs could not enter in the piece?

Mr. SMITH of Georgia. It was to avoid any confusion in regard to cloth coming in in bolts of handkerchief cloth.

Mr. SMOOT. What I am trying to get at now is to ascertain whether you have not changed the law and allowed that very thing. Let me call the Senator's attention again to the language. It now reads:

Handkerchiefs or mufflers composed of cotton, not specially provided for in this section, whether finished or unfinished.

Mr. SMITH of Georgia. It is the handkerchief itself, whether finished or unfinished.

Mr. SMOOT. It is the handkerchief or muffler whether it is finished or unfinished. Will not that allow the handkerchief to be imported in the bolt or piece—a piece of goods that could be cut up into handkerchiefs?

Mr. SMITH of Georgia. I do not think so. I think that would fall under the ordinary cloth duty, and the words "fin-ished or unfinished" refer to hemmed or not hemmed.

If that were the case, it would be an unfin-Mr. SMOOT. ished handkerchief.

Mr. SMITH of Georgia. The unhemmed handkerchief would be cut up into handkerchiefs.

Mr. SMOOT. Hemmed is another step in the progress of the finishing of the handkerchief. You provide "not hemmed, 25 per cent ad valorem"; and if the handkerchiefs are hemmed or hemstitched you provide a duty of 30 per cent ad valorem. Mr. SMITH of Georgia. Well, the paragraph applies to them finished or unfinished; but when not hemmed the duty is 25

per cent, and when hemmed it is 30 per cent.

Mr. SMOOT. Of course I can see, Mr. President, what the original paragraph meant; that is, that handkerchiefs or mufflers coming into this country, whether in the piece or other-

Mr. SMITH of Georgia. In the piece or in the bolt.

Mr. SMOOT. Certainly-whether they are in the piece or in the bolt or come in in any other form.

Mr. LIPPITT. Will the Senator from Utah yield to me?

Mr. SMOOT. Certainly.

Mr. LIPPITT. The language "whether in the piece or otherwise" does not mean in the piece or in the bolt, but means in

the piece or cut, or cut into small lengths. The term "length" is usually considered synonymous with "piece."

Mr. SMOOT. I understand the word "piece" to mean an individual handkerchief, one piece; but, in the broad sense, I suppose the Senator from Rhode Island is correct in saying that "piece" means "bolt," otherwise it might be construed to cover a bolt that might be cut into single handkerchiefs.

Mr. SMITH of Georgia. The paragraph as we have it, as I

understand, applies to handkerchiefs cut.

Mr. SMOOT. In the way the paragraph stands, it will apply

to them anyway; it will apply to handkerchie's in the bolt or in the piece, and I do not believe it will make any difference in

the meaning of the paragraph by making the proposed change.
While I am on this subject, Mr. President, I will ask, Does
the Senator believe that the 5 per cent differential between the
cloth itself and the hemstitched handkerchief is sufficient?

Mr. SMITH of Georgia. We found them just the same in the House bill, and we made a difference of 5 per cent.
Mr. SMOOT. You found them?

Mr. SMITH of Georgia. Yes; we found a duty of 30 per cent on each, and we reduced the unhemmed 5 per cent, so as to make a difference in the rate of duty between the hemmed and unhemmed handkerchiefs.

Mr. SMOOT. I am not talking about the unhemmed hand-kerchief. I am talking about the hemstitched handkerchief. The cloth which comes into this country, out of which hemstitched handkerchiefs are made, under the Senate amendment carries a rate of 25 per cent ad valorem. You have retained upon hemmed handkerchiefs the House duty. The most highly finished handkerchiefs, those hemstitched, you only provide 30 per cent on the handkerchiefs made from the same cloth.

Mr. SMITH of Georgia. We thought 5 per cent was a proper difference to be provided for in the bill, it having come to us

from the House with no difference between them at all.

Mr. SMOOT. That evidently, as the Senator himself admits, was an error. There is not any question about that.

Mr. SMITH of Georgia. If we had not thought we were im-

proving the bill by the change we would not have made the change.

Mr. SMOOT. Mr. President, the committee have not increased the duty on the hemstitched handkerchief; they leave the hemstitched handkerchief just as it was provided for in the House bill, but they did on the unhemmed handkerchief reduce the duty from 30 to 25 per cent; or, in other words, the unhemmed handkerchief that is made from Irish linen-and the cloth is not made in this country-carries exactly the same rate as the cloth itself, while in the highly finished hemstitched handkerchiefs there is only a 5 per cent differential allowed, which every manufacturer of those goods in this country asserts is not sufficient to equalize the difference in cost between making the handkerchief in Ireland and making it in this coun-The case would be a little different if the cloth were made in this country; but it is not made here, nor can it be made here. Therefore, Mr. President, it seems to me that we shall at least partially sacrifice this business upon the higher and the finer grades of hemstitched handkerchiefs.

I am not, however, going to offer an amendment. I simply

call the attention of the Senator to these facts.

The PRESIDING OFFICER (Mr. Hollis in the chair). The question is on agreeing to the amendment of the Committee on Finance in paragraph 260, which has been stated.

The amendment was agreed to.

The next amendment of the Committee on Finance was, in paragraph 261, page 78, line 14, after the word "value," to insert "or of cotton or other vegetable fiber and india rubber."

The amendment was agreed to.

The next amendment was, in paragraph 261, page 78, line 18, after the words "ad valorem," to insert:

All of the foregoing when composed of cotton in combination with flax, hemp, or ramie, or of cotton with flax, hemp, or ramie and india rubber, 35 per cent ad valorem.

Mr. SMOOT. Mr. President, I desire to read that before we pass upon it to see if I understand it properly. I was wondering if the amendment will not conflict with another portion of the paragraph. The Senator will see that the paragraph begins:

Clothing, ready-made, and articles of wearing apparel of every description, composed of cotton or other vegetable fiber-

Now note-

or of which cotton or other vegetable fiber is the component material of chief value.

That clothing may be made from a vegetable fiber of which cotton is the component material of chief value and the balance of the component part of that cloth may be rubber or hemp or ramie; and if so, under the first part of this paragraph it will carry a duty of 30 per cent ad valorem.

The committee proposes an amendment, beginning in line 18, after the words "ad valorem," rending:

All of the foregoing when composed of cotton in combination with flax, hemp, or ramie, or of cotton with flax, hemp, or ramie and india rubber, 35 per cent ad valorem.

Under the first part of the paragraph clothing made in combination with flax or made in combination with hemp or ramie or with india rubber would carry 30 per cent, whereas under the second part of the paragraph if the cloth is composed of cotton in combination with the enumerated articles it would carry a duty of 35 per cent.

When a raincoat, for instance, enters this country and the customhouse officer examines it and finds that the component material of chief value in it is cotton and, therefore, that it falls under paragraph 261, what is he going to do? Is he going to assess it at 30 per cent under the first provision in the paragraph or is he going to assess it at 35 per cent under the second provision?

Mr. GALLINGER. Mr. President—
Mr. SMITH of Georgia. It would bear the rate named—35
per cent—if made in combination with flax, hemp, or ramie.

Mr. SMOOT. But the first part of the paragraph is just as specific, because it provides that if-

composed of cotton or other vegetable fiber, or of which cotton or other vegetable fiber is the component material of chief value, or of cotton or other vegetable fiber and india rubber—

It shall bear a duty of 30 per cent.

Mr. GALLINGER, Mr. President—
The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from New Hampshire?

Mr. SMOOT. Certainly; I yield to the Senator. Mr. GALLINGER. Mr. President, it is so refreshing to find an increase of duty proposed in this bill that I hope the Senator from Utah will not make any trouble about it. For my part I am very glad to see the increased rate, and even though there may be a little conflict, why not let it go?

Mr. SMOOT. Mr. President, I am not worried about the increase, but I do not want the manufacturers of this country to think that they are going to get 35 per cent duty when they are not going to get it, because under the first provision of the paragraph the very items which it is subsequently provided shall carry 35 per cent will come in at 30 per cent.

Mr. GALLINGER. Mr. President, the Senator from Utah must know that there are pleasures in anticipation. Let the manufacturers imagine that they are going to get a little addi-

tional duty and learn afterwards that they are not.

Mr. SMITH of Georgia. We are now assured that there are fibers besides the three named that are used with cotton. The first portion applies to fibers other than those subsequently specifically named, and was so intended. It was left there because we were told by officers of the Government that there were a number of other fibers besides the three named which are united with cotton and come in in that way. Cotton in combination with the fibers specifically named will carry a duty of 35 per cent, and the first part of the paragraph providing a duty of 30 per cent will apply to other fibers.

Mr. SMOOT. The trouble with that is that in the first part of the paragraph there is a specific provision put there by an amendment of the Finance Committee of the Senate covering "cotton or other vegetable fiber and india rubber"; and in the second part of the paragraph is inserted the words, "or ramie

and india rubber."

Mr. President, I only call attention to the fact, and am not going to make any further observation regarding it.

The PRESIDING OFFICER. The question is on agreeing to

the amendment reported by the committee.

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in paragraph 261, page 78, line 22, after the word "section," to strike out "25" and insert "30," so as to read:

Shirt collars and cuffs of cotton, not specially provided for in this section, 30 per cent ad valorem.

The amendment was agreed to.

The next amendment of the Committee on Finance was, in paragraph 262, page 78, line 24, after the word "velvets," to insert "plush or velvet ribbons"; and in line 25, after the word "corduroys," to insert "chenilles," so as to read:

262. Plushes, velvets, plush or velvet ribbons, velveteens, corduroys, chenilles, and all pile fabrics, cut or uncut, whether or not the pile covers the entire surface, etc.

The amendment was agreed to.

The next amendment was, in paragraph 262, page 70, line 2, after the word "composed," to insert "wholly or in chief value.

Mr. LIPPITT. Mr. President, I should like to ask the Senator from Georgia whether he does not think it would be wise to make the language of this bill uniform in regard to what is here proposed? So far in this schedule wherever the idea conveyed by the words "wholly or in chief value" is expressed, it has been expressed by saying, "composed of cotton, or of which cotton is the component material of chief value." I took occasion yesterday to point out that in the textile schedules there had been six different forms of language used to express the

Mr. SMITH of Georgia. Mr. President, I am perfectly willing to accept the suggestion of the Senator from Rhode Island.

Mr. LIPPITT. I only make the suggestion for the sake of avoiding litigation. There are several other places throughout the bill where I think it would be much improved by having the language uniform.

The PRESIDING OFFICER. The Chair will inquire if the Senator from Rhode Island has offered an amendment?

Mr. LIPPITT, I did offer an amendment, and I understood the Senator from Georgia to accept it, that there should be sub-

stituted for the words "wholly or in chief value" the words of cotton, or of which cotton is the component material of chief value.'

Mr. HUGHES. The language should be "composed of cotton or other vegetable fiber, or of which cotton or other vegetable fiber is the component material of chief value.'

Mr. LIPPITT. The Senator from New Jersey is quite cor-

rect; that is the way in which it should be stated.

The PRESIDING OFFICER. The Secretary will state the

amendment to the amendment. Mr. SMITH of Georgia. Mr. President, the reason for the change in language there was to make clear the exception just

following, "except flax, hemp, or ramie." Mr. SMOOT. I take it for granted that the reason for excepting flax, hemp, or ramie was that they are provided for in

Mr. SMITH of Georgia. Yes; they are provided for elsewhere.

Mr. SMOOT. In paragraph 289?
Mr. SMITH of Georgia. I think that is the paragraph.
The PRESIDING OFFICER. The Secretary will state the amendment offered by the Senator from Rhode Island.

The Secretary. In place of the amendment proposed by the committee, in line 2, after the word "composed," it is proposed to insert the following words:

Of cotton or other vegetable fiber, or of which cotton or other vegeta-ble fiber is the component material of chief value.

Mr. SMITH of Georgia. I will ask the Secretary to read the whole sentence, including the words "except flax, hemp, or ramie."

The Secretary read as follows:

Any of the foregoing composed of cotton or other vegetable fiber or of which cotton or other vegetable fiber is the component material of chief value, of cotton—

Mr. HUGHES. The words "of cotton or other vegetable fiber" should be stricken out and it should go on "except flax, hemp, or ramie."

Mr. SMITH of Georgia. Mr. President, I am afraid the proposed amendment will not carry the meaning desired.

Mr. LIPPITT. I think, Mr. President, it would correctly carry the meaning if it were put in the proper form. If you say "composed of cotton or of which cotton or other vegetable fiber, except flax, hemp, or ramie, is the component material of chief value," I think that would cover it.

Mr. SMITH of Georgia. Then the words "except flax, hemp,

or ramle" would not apply to the expression in the preceding part of the paragraph, "composed wholly or in chief value of

Mr. LIPPITT. Certainly if it is composed wholly of cotton it carries the duty, or if cotton is the component material of chief value it carries the duty, but otherwise it does not. I should think those words might be inserted there subject to further consideration.

Mr. SMITH of Georgia. Mr. President, I do not object to the usual language. The change of the language in this paragraph as we have made it was to have the exception of flax, hemp, or ramie apply both to the article when cotton was the material of chief value and also to apply to it when cotton or other vegetable fiber was the material of chief value. I am inclined to think that we have expressed it better as it is than we would by adopting the change suggested. I believe if the Senator from Rhode Island will write out just what he suggests and will compare it with the language in the bill, he will see that we have it more clearly expressed here than we can express it by the usual language. That was why we deviated from the usual language; so that "flax, hemp, or ramie" would apply to the article composed wholly or in chief value of cotton or other vegetable fiber.

Mr. LIPPITT. Why is it necessary when you say "if the article is composed wholly of cotton" also to have a provision that the duty does not apply if the article contains flax, hemp, or ramie?

Mr. SMITH of Georgia. That is not necessary. It is the next provision to which the exception applies—"or in chief value of cotton."

The PRESIDING OFFICER. As the Chair understands the situation, the amendment suggested by the Senator from Rhode

Mr. SMITH of Georgia. I think we had better hold to the

present language.

The PRESIDING OFFICER. The Chair understands that the amendment has been withdrawn, and the question recurs on the amendment offered by the committee.

The amendment was agreed to. The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in paragraph 262, page 79, line 3, after the word "flax," to insert hemp, or ramie."

The amendment was agreed to.

The next amendment was, in paragraph 262, page 79, line 6, after the word "corduroys," to insert "chenilles."

The PRESIDING OFFICER. The question is on agreeing to the amendment

Mr. GALLINGER. Mr. President, I ask for a division on that amendment.

The PRESIDING OFFICER. The Senator from New Hampshire asks for a division. Those in favor of the amendment proposed by the committee will rise and stand until counted.

Mr. HUGHES. I ask for the yeas and nays.

Mr. GALLINGER. I will withdraw my suggestion if the Senator from New Jersey withdraws his. I will add-

Mr. HUGHES. I withdraw my demand for the yeas and nays. Mr. GALLINGER. I will add that it grieves me to see only

two Senators on the other side of the Chamber.

'The PRESIDING OFFICER. The Chair will state that in that case it is proper to suggest the absence of a quorum.

Mr. GALLINGER. I do not suggest the absence of a quorum,

Mr. President.

Mr. HUGHES. I withdraw my demand for the yeas and nays.

Mr. BRANDEGEE. Counting the Presiding Officer, there are three Senators on the other side present.

The PRESIDING OFFICER. The demand for the yeas and nays is withdrawn. The question is on agreeing to the amend-

ment reported by the committee.

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in paragraph 262, page 79, line 8, after the word "flax," to insert "hemp, or ramie," so as to read:

Or other pile fabrics composed of cotton or other vegetable fiber, except flax, hemp, or ramie, 40 per cent ad valorem.

The amendment was agreed to.

The next amendment was, on page 79, to strike out all of paragraph 263, in the following words:

263. Curtains, table covers, and all articles manufactured of cotton chenille, or of which cotton chenille is the component material of calef value, tapestries, and other Jacquard figured upholstery goods, composed wholly or in chief value of cotton or other vegetable fiber; any of the foregoing, in the piece or otherwise, 35 per cent ad valorem; all other Jacquard figured manufactures of cotton or of which cotton is the component material of chief value, 30 per cent ad valorem.

And to insert:

263. Tapestries, and other Jacquard figured upholstery goods weighing over 6 ounces per square yard, composed wholly or in chief value of cotton or other vegetable fiber, in the place or otherwise, 35 per cent ad valorem.

Mr. SMOOT. Mr. President, I am glad to see that there is an amendment to the House provision; but I wish to call the Senator's attention to one thing that I think would be an improvement to this paragraph.

The provision in the House bill for Jacquard figured manufactures of cotton is dropped, as the Senator knows. This leaves only the provision for tapestries and other Jacquard figured upholstery goods. To bring this provision into harmony with the corresponding provision in Schedule J, paragraph 293, and Schedule K, paragraph 318, the term "Jacquard figured" should be amended to read "woven-figured." This applies only to tapestry now. In order to harmonize the wording of the bill, both in Schedule J and in Schedule K, instead of "Jacquard figured" the words should be "woven-figured."

Mr. HUGHES. I will say to the Senator that I was chiefly responsible for the use of the words "woven-figured" in the other paragraph. I know something about textiles in a prac-"Jacquard figured," and rely upon a description of that kind, would make several of the paragraphs extremely difficult of administration. That did not apply to tapestries. There is not administration. That did not apply to tapestries. the slightest objection, so far as I know, to the Senator's suggestion; but the application of the words "Jacquard figured" to tapestries, while it is out of harmony with the various other paragraphs, is sui generis in a way. So far as I know there are no figured tapestries that are not figured by a Jacquard machine. There are other figured textiles that are not figured by a Jacquard machine.

Mr. SMOOT. Mr. President, of course I know that there are woven figured cloths of many kinds, woven upon attachments to a good many different kinds of looms. But it does seem to me that if we are going to be consistent we ought to be consistent clear through the different paragraphs. If in the future tapestries can be woven on any but a Jacquard loom, it seems to me they ought to fall in this paragraph; and if you are going to use the words "woven figured" in one place, you ought to use them in another.

There is not much difficulty in determining Mr. HUGHES. whether or not the textiles made in the part of the country from which I come are Jacquard weave or not. There is great difficulty in determining that in other places. I did not appreciate it until we went into the investigation of the cotton As a matter of fact, as the Senator from Rhode Island knows, any kind of weave can be made on a Jacquard loom. You can weave absolutely plain cloth on it, and it is frequently done. So the word "Jacquard" is not descriptive of

Mr. SMOOT. Plain cloth is never woven on a Jacquard loom.

Mr. HUGHES. Yes; it is.

Mr. SMOOT. If it is done, it is done because they do not pay any attention whatever to cost. It is too expensive as a prac-

Mr. HUGHES. I will tell the Senator that it is done frequently, for this reason: Sometimes it is less expensive to run a short order through a Jacquard harness than it is to put up the harness and put in the shaft. For instance, an order might come in for 25, 50, or 100 yards of plain cloth, and the warp and the attachments already on the loom would be equal to turning it out. In such a case they might run that plain cloth through the Jacquard loom. I have frequently seen it done. There is a Jacquard-woven piece of cloth, absolutely plain, the same as if it were run through a shaft through which you could not weave anything but plain goods. Therefore I did not think the word was properly descriptive, and I suggested that the words "woven-figured" be substituted for "Jacquard figured," as being more descriptive. It is conceivable that in some instances it would be more difficult to weave in a figure by means of a shaft than it would be to weave in a figure by means of the Jacquard loom. So, as I say, the objection I had to it in the other paragraph did not apply to this particular paragraph, in my opinion. I can not see the slightest objection to making the change, though, so far as I am concerned.

Mr. SMOOT. Mr. President, I can not conceive of any condi-

tion in a mill where a plain piece of cloth would be woven on a Jacquard loom, unless it happened that the Jacquard loom stood idle when all of the other looms were in operation.

Mr. HUGHES. It would not necessarily follow that they

would do it even then.

Mr. SMOOT. I do not care whether the warp is 600 yards or whether it is 20 yards. Before a piece of cloth can be woven the warp has to be drawn through the heddles, and it has to be drawn through the reed, and it has to be tied to the cloth roller to begin the weaving of it.

Mr. HUGHES. But that may have been done already. Mr. SMOOT. Then, I say it would not have been done unless

the Jacquard looms were lying idle and all the other looms in

the room were busy.

Mr. HUGHES. No; the Jacquard loom might have been working on an order, and they might have come to the end of the particular order, and they might hand the weaver another order which instead of calling for a figure or a pattern simply called for a straight piece of cloth. It is true that it would not be done as a matter of practice, and the Senator is substantially right in saying that it would only be done on a loom for which they had not any use at that time. It would be an expensive proposition, too.

Mr. SMOOT. Very expensive indeed.

Mr. LIPPITT. If the Senator from New Jersey will yield to me for a minute, I only wish to say that I think he is quite correct in his general statement that ordinarily tapestry goods are of such a character of decoration that it requires the

Jacquard loom to make them.

Mr. SMOOT. Yes; but while the Senator has been speaking it has occurred to me that there are occasionally certain fabrics that are made for portière purposes, and things of that kind, where the figures certainly could be made on what is ordinarily known as a dobby or a shaft loom. Having used the words "woven-figured" over in the other clause, I should think probably it would be more uniform to do it here.

Mr. HUGHES. I am inclined to agree with the Senator. I had some difficulty in explaining my reasons for wanting to substitute "woven-figured" for "Jacquard," and I got tired of it after a while. I am perfectly willing to accept that suggestion. I think it is more accurately descriptive of the method

of making the cloth.

Mr. SMITH of Georgia. We really retained the word "Jacquard" here because we thought we were striking out the term "Jacquard" too much; and as it was claimed that the only way these goods were made was by means of the Jacquard loom, we were willing to recognize the term "Jacquard." But But

we are perfectly willing, as the Senator suggests, to put in "woven" in place of "Jacquard." With the approval of the Senator from New Jersey, we will change the word "Jacquard" to "woven."

Mr. JOHNSON. I think we had better consider that matter,

Mr. President

Mr. SMITH of Georgia. The Senator from Maine, who is also upon our subcommittee, has just come in, and he suggests that he would like to have the committee consider the matter further before we determine upon the change.

Mr. SMOOT. Then the Senator will ask that it be passed

over?

Mr. SMITH of Georgia. Yes; we will pass over that para-

graph.

Mr. WEEKS. Mr. President, before passing over the paragraph I should like to ask the Senator from Georgia what becomes of curtains, table covers, and other articles that were in paragraph 263 before it was amended?

Mr. HUGHES. The Senator will see that chenilles are car-

ried in paragraph 262.

I see that cotton chenilles are carried in para-Mr. WEEKS. graph 262; but I am not sure that table covers would come under that paragraph, and I am not sure that curtains would. A considerable industry has been developed in those articles.

Mr. HUGHES. They are covered as fully as I think they

were covered in the other paragraph, which read:

Curtains, table covers, and all articles manufactured of cotton chenille.

If they are manufactured of cotton chenille, they will be covered in the other paragraph. If they are not, they were intended to be covered in any event; and anything that is not specifically provided for, of course, will be classed as countable cotton.

Mr. WEEKS. Do I understand that this paragraph applies

only to chenille curtains?

only to chenille curtains?

Mr. HUGHES. No. Paragraph 262 applies to "chenilles and all pile fabrics, cut or uncut, whether or not the pile covers the entire surface. Paragraph 263, as it came from the House, applied to "curtains, table covers, and all articles manufactured of cotton chenille," meaning curtains of cotton chenille and table covers of cotton chenille, "and other Jacquard-figured upholstery goods."

Mr. WEEKS. I should like to make one more inquiry. bedspreads made on the Jacquard loom come under this paragraph, as the bill is now framed, or do they come under para-

graph 257?

Mr. HUGHES. Bedspreads come under paragraph 257.

Mr. WEEKS. Is it the intention that they shall come under paragraph 257?

Mr. HUGHES. That was the intention; yes. Mr. WEEKS. I desire to ask the Senator from New Jersey if he thinks they are given sufficient protection under that

Mr. HUGHES. There is not the slightest reason in the world so far as I know for differentiating between bedspreads and other woven-figured goods. I do not know of any. If the Senator does, I shall be glad to have him state it.

Mr. WEEKS. I supposed bedspreads were woven, not in the

piece, but as separate articles.

Mr. HUGHES. They are woven by the mile. [Laughter.] If they come in in the piece, they go into the basket clause and take a high rate of duty; but they are woven like every other kind of cotton cloth is woven. They are just ripped out in great quantities. While I do not wish to enter into the old controversy with the Senator as to the amount of protection necessary for American-made articles with reference to foreign importations, there is no reason that I know of for making a distinction between an ordinary piece of woven figured cotton cloth and a bedspread.

Mr. WEEKS. Is there not a material difference in the cost

of bedspreads, depending on the figures that the piece contains?
Mr. HUGHES. We allow 2½ per cent for decorating other cotton cloth, weaving a figure into it, and the only thing they do out of the ordinary with reference to a bedsprend is to weave a figure into it. It has been the custom hitherto, in the con-struction of tariff bills, to take some particular article and give it a special rate. It seems to me they must have done it for some particular man. In a great many cases those things per-sist throughout the various bills. Different tariff makers follow the old language, the old basis, the old method of construction. Occasionally Democrats fall into that error, too, I suppose in the interest of time and convenience. But just because you can designate this article eo nomine as a bedspread I never have been able to see why it should be given any different treatment than that accorded to any other piece of cotton cloth which is woven, figured, or jacquarded.

I am not taking issue with the Senator from Rhode Island, who says that all jacquarded cloths should be given a higher differential. That is not what we are discussing now. We are discussing whether or not bedspreads, because they can be conveniently named, should be treated differently.

Mr. WEEKS. I should like to ask the Senator from New Jer-

sey in what way he gives 2½ per cent differential in this par-

ticular case?

Mr. HUGHES. All cotton cloth which is woven or figured receives a differential of 2½ per cent over cotton cloth in the gray.

Mr. LIPPITT. I should like to ask, if it is bleached, whether

it pays any more duty than a plain piece of cloth?

Mr. HUGHES. No. Mr. LIPPITT. Then, I fail to see how the maker has any added duty for his product. He has in name, but in fact he

Mr. HUGHES. The Senator knows that bedspreads may come in with a figure woven into them with the fabric in the gray; and another piece of cloth coming in in that condition would pay a rate of duty of 2½ per cent less than a bedspread coming

in in the gray. That is true, is it not?

Mr. LIPPITT. That is true; but it is also true that the provision is so arranged that, manifestly, anybody would bring in fancy cloth in the finished condition, in which case he would pay absolutely no additional duty for the fancy figures. Instead of carrying out what I think was the manifest intention of the committee to make some distinction between figured cloth and unfigured cloth, in practice I fail to see how they have done

Mr. HUGHES. That is a general criticism of the bill, which, of course, I was not discussing with the Senator. The Senator has discussed that. I was simply trying to show the Senator from Massachusetts [Mr. Weeks] that there was not any reason for treating bedspreads in any different manner from that in

which we treated other fabrics.

Mr. WEEKS. I should like to ask the Senator from New Jersey if the department experts have advised the subcommittee that there is not an additional cost of manufacturing bedspreads, for instance, over the cost of other cotton cloth?

Mr. HUGHES. Oh, no; there could not be, in the nature of things. There could not be any greater cost in manufacturing bedspreads than certain characters of Jacquard goods, cotton goods. In fact, as the Senator from Rhode Island stated, I can think of a great many weaves which are far more entitled to consideration than mere Jacquard weaves.

Mr. WEEKS. Is not the cost greater than it would be in plain

cloths, for instance?

Mr. HUGHES. Oh, yes; it costs more. I do not say that it does not cost more to make Jacquard cloth than it does to make plain cloth. I did not intend to convey that impression.

Mr. WEEKS. My question was whether the tariff experts on cotton advised the subcommittee that bedspreads would be

sufficiently protected by being put in paragraph 257?

Mr. HUGHES. I do not know whom the Senator means by

"the tariff experts."

Mr. WEEKS. I assume that the committee has had the benefit of the advice of experts connected with the department.

Mr. HUGHES. The examiners at the ports watching importations state that there is not any particular reason for differentiating this article from any other. It has only been separated from the great body of cotton fabrics by a tariff bill. There is not any other reason on earth for it. It stands on precisely the same footing as every other piece of figured cotton cloth in the world, except that it has been treated in the tariff bill eo nomine; it has been called a bedspread. That is the only different treatment. That is the only thing that differentiates it from anything else. If there should be a higher duty upon a bedspread because of the fact that it is Jacquard woven, there should be a higher duty upon all Jacquard-woven goods; and there are weaves and fabrics which, from the standpoint of the Senator, are entitled to a great deal more duty than an ordinary Jacquard-woven fabric.

Mr. WEEKS. Have they been given it in this bill? Mr. HUGHES. They have been treated as Jacquard figured goods have been treated.

Mr. WEEKS. Just one more question. Why is it that they

are not entitled to as much duty as tapestry or damask? Mr. HUGHES. Speaking for myself, the reason I would urge

for the duty that is put on damask is that it should produce some revenue. I do not think there is any need, from the protective standpoint, of levying a duty upon damask; but I think more revenue will be produced there, perhaps, than at any other point. This is another instance of the survival of the old, old habit of treating commodities eo nomine. They get separate treatment for that reason. So far as I am concerned, I think

perhaps it would be better to let them all take their chances in

Mr. SMOOT. You would get more revenue in that way.
Mr. HUGHES. Probably.
The VICE PRESIDENT. Paragraph 263 will be passed over. The Secretary. Paragraph 264 and paragraph 265 are also passed over.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in paragraph 266, page 80, line 14, after the word "underwear," to insert "and wearing apparel"; and, in the same line, after the word "description," to insert "not specially provided for in this section," so as to make the paragraph read:

266. Shirts and drawers, pants, vests, union suits, combination suits, tights, sweaters, corset covers, and all underwear and wearing apparel of every description, not specially provided for in this section, made wholly or in part on knitting machines or frames, or knit by hand, finished or unfinished, not including such as are trimmed with lace, imitation lace or crochet or as are embroidered and not including stockings, hose and half hose, composed of cotton or other vegetable fiber, 30 per cent ad valorem.

The amendment was agreed to.

Mr. BRANDEGEE. Mr. President, cotton manufacturing is one of the chief industries of the portion of the State of Connecticut in which I reside. I have here a great many communications from the owners and managers of the mills engaged in that industry. I wish to read, briefly, a few extracts from a portion of the communications I have received.

The Falls Co., of Norwich, Conn., write me, through their

president, as follows:

As manufacturers of cotton goods, we wish to enter our protest against the passage of the tariff bill now before Congress.

We firmly believe that its enactment will paralyze the industry of cotton manufacturing for a long period.

How a set of intelligent men can believe for a moment that the country can stand such a radical change all at once and survive is be-

I have been in hopes that the Senate might stem the tide, but fear it hasn't the strength.

A director of the National Association of Cotton Manufacturers, a resident of my State engaged in the business, telegraphs me:

I believe the passage of the present Underwood bill would work incalculable harm to the cotton manufacturing industry of this country and all who are dependent upon it, and I urge you to do all in your power to defeat it.

The warden and court of burgesses of the borough of Danielson, Conn., write me inclosing a resolution which they adopted, as follows:

Resolved, That we urgently request the chairman of the Ways and Means Committee of the United States Senate and House of Representatives, and the Senators and Congressmen from our district, that the cotton and woolen schedules in the proposed national tariff legislation be maintained substantially as at present.

The Lawton Mills Corporation, of Plainfield, Conn., writes:

I want to enter our vigorous protest against the passage of the Underwood bill in its present form. If enacted, it means a 30 per cent reduction of wages and a loss to capital until business revives. We who are on the job know what we are talking about. History will repeat itself unless many changes are made on the cotton schedule before its passage.

passage.

I am inclosing a copy of a letter which I wrote some time ago to Mr. Lewis W. Parker, and requested that he send a copy of same to Mr. Underwood. Do everything you can to impress upon your colleagues the serious menace of this bill if it goes into effect, and beg to remain,

Yours, truly,

The Lawron Miles Congration.

THE LAWTON MILLS CORPORATION. H. LAWTON, General Manager.

I ask that the Secretary may read the letter which Mr. Lawton wrote to Mr. Parker, and a copy of which he inclosed to me, as it states very succinctly the position of these gentlemen upon this question.

The VICE PRESIDENT. Is there any objection? The Chair hears none, and the Secretary will read, as requested.

The Secretary read as follows:

MARCH 24, 1913.

Mr. LEWIS W. PARKER, Greenville, S. C.

Greenville, S. C.

Dear Sir: You will recall the writer as being the gentleman who spoke to you in the Merchants' Club in New York two or three weeks ago as having in mind a few thoughts and views touching the tariff question with which the Democratic Party at the present time seem anxious to make history of, either for the betterment of the textile industry or for the setting back of same. It would seem strange to the writer that this question should be left for settlement in the hands of so many of our Congressmen and Senators who are so unfamiliar with the real facts and conditions pertaining to the best interests of the textile industries of this country. This question should be left for settlement by any such body of men, but, rather, it should be left for settlement by any such body of men, but, rather, it should be left in the hands of a commission entirely unbiased politically, and this body of men should be composed of men who are familiar with the textile industries of this country and competent to take up such a broad question and to take sufficient time to come to a correct conclusion pertaining to every detail, and same should be settled in a businesslike way once and for all time.

Our people have been educated up to a certain standard of living, and if this standard is to be maintained, any interference by tariff changes

is going to work toward the setting back and not the uplifting of the American workingman.

is going to work toward the setting back and not the uplifting of the American workingman.

The scale of wages which is now paid in the textile industries of New England is so far in excess of that paid in any other country that protection for the working people, as well as for the capital invested in the textile industries, is absolutely necessary to the extent that the scale of wages now paid can be maintained and capital can receive a fair return and a liberal depreciation can be allowed, and the industry can be settled down to a fixed and steady condition, so that capital and labor may be allowed to prosper, which is their just right, without interference, politically or otherwise.

Why should we travel so close to the precipice when the road is broad enough so that all may travel safety and common the road is broad enough so that all may travel safety and common the road of the date of the context of the other? In no other country under the sun does the political barometer vary from one extreme to the other? In no other country under the sun does the political barometer vary from one extreme to the other? In the feat of the date of the context of the other? In no other country under the sun does the political barometer vary from one extreme to the other? The period of the country in this country has been a football long enough, and this sort of condition should cease and the industry should be allowed to thrive without any further political interference.

The Democratic administration and party, which have just come into power, have a great opportunity before them. Never has a party had such an opportunity; but the opportunity will be thrown away unless just and intelligent action is taken in the many questions that seem to be up for adjustment at the present time, and the adjustments can be made in many of these questions if intelligent and judicious procedure is the watchword of the Democratic Party. They can become a great steadying factor in the political situation of the future. Dring the past 50 year

I do not know as I have made myself plain, but I am speaking as a practical man who has been connected with the textile industry during a period of 40 years as a practical worker and who knows something of the real conditions, thus adding what little I can in bringing about a condition of industrial peace, and beg to remain,

Yours, truly,

H. LAWTON.

Mr. BRANDEGEE. Mr. President, I do not intend to read or to ask the Secretary to read the communications I have here. I have communications from the Briggs Manufacturing Co., of Voluntown, Conn.; the Shetucket Co., of Norwich, Conn.; and many telegrams from commercial bodies in my State to the same general effect.

I know that it is useless to offer any amendments to this The Senator from Rhode Island has offered some and has some pending. Other Senators have offered amendments. I have voted for those amendments wherever they tended to mitigate the asperities of the bill. They are promptly voted I shall content myself with voting against the provisions of the bill, the committee amendments, and the schedules from time to time as best I may. That is all I have to say.

from time to time as best I may. That is all I have to say.

The next amendment of the committee was, in paragraph 267, page 80, line 22, after the word "garters," to strike out "ribbons"; in line 23, after the word "braces," to strike out "tapes, tubing, and webs or webbing" and insert "and fabrics with fast edges not exceeding 12 inches in width"; and, in line 25, to strike out "any" and insert "all," so as to read:

Bandings, beltings, bindings, bone casings, cords, garters, tire fabric or fabric suitable for use in pneumatic tires, suspenders and braces, and fabrics with fast edges not exceeding 12 inches in width, all of the foregoing made of cotton or other vegetable fiber, or of which cotton or other vegetable fiber is the component material of chief value, or of cotton or other vegetable fiber, and india rubber.

Mr. GALLINGER. I made an inquiry a little while ago concerning that paragraph, and the Senator from Maine suggested

cerning that paragraph, and the Senator from Maine suggested that it was to be further considered.

Mr. SMITH of Georgia. I have two amendments which I wish to propose to it. After the word "belting," in the first line of the paragraph, I move to insert "belts," and after the word "cords," at the end of the line, to insert "and tassels."

Mr. GALLINGER. Are those the only amendments that he has to offer, I will ask the Senator?

Mr. SMITH of Georgia. No.

Mr. SMOOT. I do not think it ought to read "cords and tassels." I think we ought to insert just "tassels" and a comma, so that it will take in both, whether it be a cord or whether it be a tassel.

Mr. SMITH of Georgia. It is "cord, tassels." We wish to add the word "tassels."

Mr. HUGHES. Before the Senator finally accepts that, I wish to call his attention to the possibility of the article coming in as both cord and tassel.

Mr. SMOOT. If both are enumerated in the paragraph there is no question that they would both carry the duty. They are both at the same rate. So there would be no question about it.

Mr. SMITH of Georgia. Tassels have the same rate.

Mr. SMOOT. Tassels have a rate. There would be a conflict if each had a different rate, but they have not.

The VICE PRESIDENT. The amendment to the amendment

will be stated.

The Secretary. In line 21, after the word "beltings" and the comma, insert the word "belts" and a comma, and in the same line, after the word "cords," insert "tassels" and a comma, so as to read:

Bandings, beltings, belts, bindings, bone casings, cords, tassels, garters, tire fabric, etc.

The amendment to the amendment was agreed to.

Mr. SMOOT. The amendment proposes to strike out the word ribbons." Where has the Senator taken care of ribbons? Mr. SMITH of Georgia. That is taken care of.

Mr. SMOOT. In some other paragraph?
Mr. SMITH of Georgia. It is in the same paragraph.
Mr. SMOOT. The suggestion of the Senator from New Jersey [Mr. Hughes] brings to me what I was going to say. as well say it now. I suppose the Senate committee in making the amendment striking out "ribbons, tapes, tubing, and webs or webbing" and inserting the words "and fabrics with fast edges not exceeding 12 inches in width" intends that the last provision is to cover all those items.

Mr. SMITH of Georgia. Yes; I think so. Mr. SMOOT. That has never been done, of course, in any previous tariff act. These very items have been litigated on for years and years and decisions have been rendered time and time again.

Mr. SMITH of Georgia. I will say to the Senator that the representatives of the Government in New York advise that they are still the subject of litigation and still unsettled, and we made these changes because they said, as a matter of administration, it would stop the litigation. What I know about it is tration, it would stop the litigation. what I gather from that source.

Mr. SMOOT. If the Senator had not interrupted me, I would have come to the point I intended to make. It is true, as the Senator has stated, and as I stated beforehand, that they have had continued litigation over these items. In fact, the appraisers have had to rely entirely upon the testimony of the

importers.

The importers have proven that tapes were not tapes; they have proven that trimmings did not come under this paragraph; they have proven that webbing was not intended under the law to be what we commonly know to be webbing. I was going to ask the Senator if he thought those simple words would cover all that and in the future do away with the litigation which has been so prolific in the past.

Mr. SMITH of Georgia. My opinion on the subject is based

upon what I am advised by the Government representatives at the customhouse in New York. They suggested this language as language which would stop litigation, cover the subject, and simplify the future administration.

Mr. HUGHES. I will say to the Senator the difficulty I find with it is not that it fails to include various articles, but that it fails to include something that will be necessary

Mr. SMOOT. I was going to come to that. Mr. HUGHES. It will be necessary later on in another paragraph to take note of the fact that this language has been inserted. The Senator will notice that the specifications are very general, indeed; that anything with two fast edges under a certain width-

Mr. SMOOT. Under 12 inches. It does not make any difference whether it is silk; it does not make any difference what it is, of course, providing it is the component material of chief value.

Mr. HUGHES. Yes; the component material of chief value.
Mr. SMOOT. Then it comes in under this paragraph and talls under this rate. I thought that if all the rates were the same there would be no conflict at all and it would make no difference; but if some importation comes into this country with two fast edges and happens to be 11 inches wide it would fall under this paragraph, no matter what provisions it may fall under ordinarily.

Mr. SMITH of Georgia. The amendment we will offer a little later in this paragraph will be, in line 16, page 81, to insert "not specifically provided for in this section." The purpose was to specifically provide for them in the other portions of the

Mr. SMOOT. I wish to say to the Senator that amendment will help somewhat, but it does seem to me if we would enumerate the items we have already there, and then specifically state that it applies to the enumerated articles and that they shall not exceed 12 inches in width, and must have two fast edges, there could not be a question about what the law meant, and no importer or any other person could misconstrue its meaning.

Mr. HUGHES. My understanding of it is that, so far as bandings, belting, bindings, bone casings, cords, garters, tire fabrics, and the articles that we have enumerated here are concerned, there is not much difficulty, but there are a number of fabrics which it is claimed do not belong in those classes, and which give the Treasury Department a great deal of trouble, will be caught by this language. The only trouble is that some other fabrics would also be caught by it unless they are specifically provided for, and we propose to attempt to specifically provide for them.

Mr. SMOOT. I hope the result will be a little better than I anticipate, but if not I think I have simply done my duty by calling attention to this matter. If Senators will take it into consideration and in the meantime become convinced that the wording would be a little plainer if it were worded something as I suggested, of course the amendment can be made when the bill gets into the Senate.

Mr. GALLINGER. I ask the Senator from Georgia where he proposes to insert the words "not specially provided for in this

section "?

Mr. SMITH of Georgia. After the word "lace," in line 16, on

page 81.

Mr. GALLINGER. I will ask the Senator if the committee has considered the matter of amending paragraph 368 in any way?

Mr. SMITH of Georgia. Yes. Mr. GALLINGER. Will the Senator be kind enough to state the amendment which may be suggested to that paragraph? It may save some time. I will say to the Senator I have no desire to consume time unnecessarily.

Mr. SMITH of Georgia. We have not prepared the wording of that paragraph which we will recommend, but we have in

view, I am satisfied, what the Senator has in mind.

Mr. GALLINGER. The Senator, of course, knows what I

have in mind.

Mr. SMITH of Georgia. We are simply preparing to reach

that paragraph later on.

Mr. GALLINGER. I have samples, but I will not even perhaps exhibit them. They are very beautiful samples of classes of goods made in a little town in New Hampshire, and they propose to extend the industry to other towns. They were introduced by an Austrian.

Mr. HUGHES. That is one class which, strictly speaking, is

lace, but it falls within this broad and general classification of fabrics. Being under a certain width and having two fast edges it is one of the things included in the dragnet which were not intended to be included. It will make necessary other language later on. I will say to the Senator that I have seen the

Mr. GALLINGER. I presumed the committee had seen them. Mr. HUGHES. I think there is not any doubt but that this language will include them, and it was not intended that it should do so.

Mr. GALLINGER. I had hoped that the committee did not intend to include these fabrics with some others that are named; as an instance, tire fabric; the fabric suitable for use in pneumatic tires.

Mr. HUGHES. That is a lace.

Mr. GALLINGER. It would seem absurd to me. These are very beautiful goods manufactured, as I suggested, by a gentleman from Austria who established a little industry in Barnstead, N. H., a little interior town. I am going to read his letter; it is brief.

BARNSTEAD, N. H., July 1, 1913.

Hon. Jacob H. Gallinger, United States Senate, Washington, D. C.

Dear Sir: Please help us to keep the tariff for featherstitched braid, edgings, and corset trimmings like samples we inclose at 60 per cent duty, which we are manufacturing in Barnstead, N. H.

We have been the first in America who started to manufacture these goods nine years ago in Barnstead, N. H.

We have worked very hard, paid no dividends the first eight years, left the little profit we made in the company to develop the business, and now the tariff on these goods we manufacture shall be reduced from 60 per cent to 35 per cent and less, which can not be done without injury to our industry to such an extent that our very existence will be a question in future.

It is said that under a 60 per cent duty 90 per cent of these goods used in this country is imported to the United States from Europe; and we, the domestic manufacturer, can not compete with the foreign manufacturers.

They undersell us right and left now under a 60 per cent duty.

Note that these goods contain only from 35 to 40 per cent of material, 40 to 45 per cent labor, and 15 to 20 per cent overhead expenses.

The manufacturers in Europe get the material from 15 to 20 per cent cheaper; they pay only one-third to one-fifth as much wages as we pay, and their overhead expenses are only about one-half as much as ours.

How shall we be able to compete with the European manufacturers and make both ends meet when we have to pay from 15 to 20 per cent more for the material, from 65 to 80 per cent more wages, after we had to invest more than twice as much for the plant and machinery as the same factory and machinery would cost in Europe?

If the tariff is reduced to 35 per cent, then we will have to reduce the wages accordingly or go out of business.

I am born and brought up in Austria, and have since I am in America been in Europe twice, where I made a special study of our business, so that I know exactly what I am talking about.

New HAMPSHIEE ARTISTIC WEB CO.

F. ZECHA.

NEW HAMPSHIRE ARTISTIC WEB CO. F. ZECHA.

It will take but a few moments, and I want to put in the RECORD two more letters and then I will be done. Here is a letter from the secretary of the Keene Commercial Club. Keene is a city of 10,000 or 12,000 inhabitants.

The writer says:

KEENE COMMERCIAL CLUB, Keene, N. H., July 9, 1913.

The writer says:

Keene, N. H., July 9, 1913.

Hon. Jacob H. Gallinger,
United States Senate, Washington, D. C.

Dear Sir: I realize the seeming absurdity of expecting a tariff measure to be changed for the benefit of a New Hampshire industry, but there is one phase of the pending bill to which I would fain call attention in the hope that you may see your way to try to obtain at all events a partial modification, which will still effect a considerable reduction on the existing rate.

Recently there was incorporated the Keene Artistic Narrow Web Co., the term narrow web being applied to embroideries for corsets and other articles of ladies' underclothing. Manufacturers in this line are not numerous, as I am informed that 95 per cent of the total amount consumed comes from Austria and Germany, where the wages of operatives are so low that the existing protection has enabled American manufacturers to realize only a legitimate profit, while some of them have failed to achieve any substantial success. The existing tariff is 60 per cent, and it is proposed to reduce it to 35 per cent, the effect of which on an industry manufacturing 5 per cent of the total product sold in this country will be obvious. Either the industry must suffer very seriously or there will have to be a substantial readjustment of wages. Granted that 60 per cent may be too high a tariff, is not an abrupt drop to almost half too drastic a change? In the eastern part of the State, as well as in Massachusetts and Rhode Island, there are factories whose business will be seriously interfered with, and as regards our new local enterprise plans have been held in abeyance until it can be decided whether it is possible to operate at a profit. Personally I feel the necessity of tariff reform; but surely this is an instance of reform going too far, and I have been requested by the directors of the Commercial Club to ask you to use your best efforts to secure a modification of this schedule, on which it is felt that a reduction of 10 per cent would be a subs

I answered that letter asking for certain information, and the same gentleman writes me as follows:

KEENE COMMERCIAL CLUB, Keene, N. H., August 9, 1913.

Hon. J. H. GALLINGER, Washington, D. C.

Washington, D. C.

Dear Sir: I appreciate the courtesy of your letter of the 8th. As a result of what is undoubtedly an error of classification, the fabrics which it is proposed to manufacture in the projected new industry come under-section 267. In order to post myself I took up the matter at the appraiser's office in New York and learned that in consequence of expensive litigation with importers in the past the words "fabrics with fast edges, not exceeding 12 inches in width," had been used, so that the 30 per cent duty provided applies equally to a plain tape, such as is used for an apron string, as well as fancy ornamented fabrics, like the inclosed samples. By reference to section 368 you will see that 60 per cent provision is made for "braids made by hand or on any braid machine, knitting machine, or lace machine," though it so happens that the fabrics in which we are interested are not made on any of these machines, but on an elaborate loom with various attachments, although they are as elaborate as embroideries taking a higher duty and require highly skilled operatives.

As explained in my former letter, only 5 per cent of these goods are manufactured in the United States—at Pawtucket, R. I., Epsom and Barnstead, N. H.—so that the oversight to which I am calling attention will only benefit foreign manufacturers and importers. Not to bother you with technical details, I may state that the plain braids are made on machines running 120 to 200 picks to the minute, where one operator can attend to four to eight machines, while the looms making these fancy fabrics only run 40 to 120 picks to the minute, where one operator can not attend to more than two machines and sometimes only

one. The wages in the former case are from \$8 to \$12 per week; in the other, \$12 to \$25. The 30 per cent duty will not cover the labor differential between Germany and the United States.

The matter is a very serious one for Keene. The Barnstead concern proposes to establish a branch of their business here. A large sum of money has been deposited, land purchased, plans drawn, and proposals received, but unless a change is made in the bill the project will have to be abandoned, as otherwise it can not exist. This industry has been developed by some brothers of Austrian birth in the face of the greatest odds, and it seems tough that a promising industry should be throttled merely by reason of a question of grammatical construction or technical description.

These goods are known as fancy braids and trimmings, but in section

merely by reason of a question of grammatical construction or technical description.

These goods are known as fancy braids and trimmings, but in section 368 you will see the words "trimmings not specially provided for," and the appraiser holds that they are provided for in section 267 in the words "fabrics with fast edges not exceeding 12 inches in width," although I believe I am not violating any confidence in saying he agrees that these goods ought to be differently classified. I have talked with a large importer in New York, who feels that the ambiguity of this clause will lead to expensive litigation, and it is believed that a satisfactory adjustment would be reached by the insertion of the words interlined in the inclosed copies of sections 267 and 368. This would leave the former clause, as originally intended, to apply to plain fabrics, while these fancy articles, which are luxuries, would be covered by section 368 as amended. These words have been approved by experts in the New York appraiser's office, and men handling imports of this class of goods agree that they are adequately described as "braids loom woven and ornamented in process of weaving." Please note that this description is narrowed down to "braids," so that it could not possibly cause confusion.

My appeal is absolutely nonpartisan. The Keene Development Co., which proposed to erect this new factory, is made up of leading business men of various political beliefs, and they are a unit in feeling that the bill as it stands will work an undeserved injury to a promising project, though it is also felt that the error is one of omission and not of commission.

Telephoning a few minutes ago to the president of the Barnstead concern I learned that he mailed you samples of his product some weeks

commission.

Telephoning a few minutes ago to the president of the Barnstead concern I learned that he mailed you samples of his product some weeks ago, and I respectfully suggest that you refer to them. Then compare with a plain piece of braid and ask your colleagues whether it is equitable that they should have the same classification in view of the accepted facts as to the cost of production. The existing duty is 60 per cent. It is obvious what the effect will be if it is reduced to 30 per cent at one fell swoop.

Assuring you that we shall heartily appreciate your cooperation in this matter, I am,

Yours, very truly,

WM. LITTLER, Secretary.

That gentleman proposed two amendments, which I will read, to the section under consideration. He asks that the words not specially provided for in this section" should be inserted, which I understand has been done. He suggested that in para-graph 368, Schedule N, after the word "braids," there should be inserted "loom woven and ornamented in process of weaving I will ask the committee if that proposed amendment has been called to their attention?

Mr. SMITH of Georgia. That language, I think, was furnished to him by the Government experts whom we had assisting us in the matter. That was the language which we were considering to be sure that it covered these goods.

Mr. GALLINGER. Very likely that will go in? Mr. SMITH of Georgia. Yes.

Mr. GALLINGER. I thank the Senator. That is all I have to say.

Mr. SMITH of Georgia. It is our present purpose to put it in, if we are sure that the language covers the case. We are considering that question, the object being to cover it.

thought it should be in the other paragraph.

Mr. GALLINGER. That is exceedingly satisfactory to me, and I will not waste a moment more of time on the subject.

Mr. BRANDEGEE. Do I understand that the paragraph is recommitted or passed over?

Mr. SMITH of Georgia. No; we are undertaking to perfect it as we go on. We have only one other change to propose in the paragraph, and that is to insert, after the word "lace," in line 16, page 81, "and not specially provided for in this section."

Mr. BRANDEGEE. If that is the case, I should like to bring to the attention of the Senator a communication which I have received from the American Mills Co., in Waterbury, Conn.:

This company manufactures elastic webbing (used for belts, suspenders, garters, etc.), which under this bill would be admitted at 25 per cent duty (Schedule I, par. 267).

I suppose that was the House provision.

The duty under the present law is 60 per cent (Schedule J. par. 349). Our foreign competition is principally from England and Germany, in both of which countries the labor cost is one-fourth to one-third of what it is here, not only in the actual manufacture of the goods themselves, but in all other items, which are incidental; and also those which go to make up the so-called overhead.

In behalf of this entire industry I beg you to exercise all the power you can to have this bill so modified as to make the reduction more reasonable. I think a duty of 40 to 45 per cent would be reasonable.

I will move that on page 81, line 16

The VICE PRESIDENT. The Chair is compelled to announce to the Senator that we have not reached that point. Mr. BRANDEGEE. Which committee amendment is now

pending?

The VICE PRESIDENT. The one on line 22, page 80, and lines 23, 24, and 25, on the same page.

Mr. BRANDEGEE. Very well.

The amendment was agreed to.

The next amendment of the Committee on Finance was, in paragraph 267, page 81, line 2, after the word "rubber," to strike out the following:

And not embroidered by hand or machinery; spindle banding, woven, braided, or twisted lamp, stove, or candle wicking made of cotton or other vegetable fiber; loom harness, healds, or collets made of cotton or other vegetable fiber, or of which cotton or other vegetable fiber is the component material of chief value; boot, shee, and corset lacings made of cotton or other vegetable fiber; and labels for garments or other articles, composed of cotton or other vegetable fiber, 25 per cent ad valorem; belting for machinery made of cotton or other vegetable fiber is the component material of chief value, 15 per cent ad valorem.

And in lieu thereof to insert:

And in hell thereof to insert:

Not embroidered by hand or machinery, or wholly or in part of lace or imitation lace, 30 per cent ad valorem; spindle banding, woven, braided, or twisted lamp, stove, or candle wicking; loom harness, healds, or collets, boot, shoe, and corset lacings; labels for garments or other articles, all of the foregoing composed of cotton or other vegetable fiber, or of which cotton or other vegetable fiber is the component material of chief value, 25 per cent ad valorem; belting for machinery made of cotton or other vegetable fiber and india rubber, or of which cotton or other vegetable fiber is the component material of chief value, 15 per cent ad valorem.

My SMICH of Coexpic. New Lycony to be proved "pot groundly well as the component material of chief value, 15 per cent ad valorem.

Mr. SMITH of Georgia. Now, I move to insert "not specially provided for in this section," after the word "lace," in line 16.
Mr. GALLINGER. Should it not read "in this paragraph"?

Mr. SMITH of Georgia. Not in this paragraph, because the paragraph referred to is another paragraph of the schedule.

The VICE PRESIDENT. The question is on agreeing to the

amendment to the amendment.

The amendment to the amendment was agreed to.

Mr. BRANDEGEE. I move to amend the amendment as amended, on page 81, line 16, by striking out "30," before "advalorem," and inserting "40," so as to read:

Not embroidered by hand or machinery, or wholly or in part of lace imitation lace, not specially provided for in this section, 40 per cent

The amendment to the amendment was rejected.

The amendment as amended was agreed to.

Mr. SMITH of Georgia. Paragraph 268 we desire to pass over.

Mr. LIPPITT. I have an amendment to offer in substitution for that paragraph.

Mr. HUGHES. I should be glad to have it reported.

Mr. SMITH of Georgia. I would be glad to have it read now.

Mr. LIPPITT. I ask that the Secretary may read my amendment.

Mr. SMITH of Georgia. We do not wish to go on with the paragraph at present, but we would prefer to hear the proposed substitute read before we bring in our amendment to the paragraph.

The VICE PRESIDENT. The amendment will be stated.

The Secretary. Strike out, in paragraph 257, the words woven figured"

Mr. SMITH of Georgia. This is paragraph 268. Mr. LIPPITT. The two amendments go together.

The Secretary. And strike out paragraph 268 and in lieu thereof insert:

268. Figured or fancy cotty cloth woven by means of jacquard, dobby, drop box, lappet, leno, swivel, or other similar attachments, or containing novelty yarns in whole or in part other than the ordinary ply or cable-laid yarn or thread, there shall be paid a duty of 10 per cent in addition to the duty or duties imposed upon such cotton cloth by the various provisions of this section, the intent of this proviso being to add this duty or duties to those to which such cotton cloth would be liable if the provisions of this proviso did not exist.

Mr. SMITH of Georgia. I do not suppose that the Senator from Rhode Island desires to have his amendment acted on now, and the proposed substitute will go over with the paragraph.

Mr. LIPPITT. I presume it is the Senator's intention to

report his substitute within a few days?

Mr. SMITH of Georgia. Yes. If we can, we will report it to-morrow morning, but certainly we will present it within two or three days.

The next amendment of the Committee on Finance was, on page 82, after line 4, to strike out paragraph 269, in the fol-

lowing words:

269. Towels, bath mats, quilts, blankets, polishing cloths, mop cloths, wash rags or cloths, sheets, pillowcases, and batting, any of the foregoing made of cotton, or of which cotton is the component material of chief value, whether in the piece or otherwise, not embroidered nor in part of lace and not otherwise provided for, 25 per cent ad valorem.

And to insert:

269. Towels, quilts composed of two fabrics quilted, blankets, polishing cloths, mop cloths, wash rags or cloths, sheets, pillowcases, finished

or unfinished and not in the piece, batting, or cloth composed wholly or in part of looped threads lying on the surface, such as are known as terry cloth, whether in the piece or otherwise; any of the foregoing made of cotton or of which cotton is the component material of chief value and not embroidered nor in part of lace and not otherwise provided for, 25 per cent ad valorem.

Mr. SMOOT. This paragraph, Mr. President, is a new statutory provision for certain specified articles such as towels, wash rags, wash cloths, mop cloths, sheets, pillowcases, and so forth. In connection with those items the committee have inserted these words; "Such as are known as terry cloth, whether in the piece or otherwise." Terry cloth is a fabric from which bath robes, bath-robe blankets, and Turkish towels are made. It is also used in the making of dresses and even in the making of ladies' hats; it contains sometimes the most elaborate figures, and necessarily it must be woven on a Jacquard loom. To classify that kind of cloth with mop cloths and wash rags seems to me to be rather an incongruity.

Another thing to which I desire to call attention is that the rate provided for in this paragraph is 25 per cent ad valorem, whereas in paragraph 263, on woven-figured tapestry and up-holstery goods the words "woven-figured goods" are used, and they are also used in the different paragraphs of this schedule, which will certainly conflict with this paragraph. The rates are different, and I doubt very much whether terry cloth will enter under the classification in this paragraph at 25 per cent.

Mr. SMITH of Georgia. Mr. President, we have an amendment prepared for that particular part of the paragraph, which strikes out the words "whether in the piece or otherwise" and inserts after the words "terry cloth" the words "and articles made therefrom, not including wearing apparel.'

Mr. SMOOT. That will help a great deal, Mr. President.

Mr. SMITH of Georgia. I intend to present that amendment. Mr. SMOOT. I was not aware of the Senator's intentions; and I did not want the matter to pass over to-day without some action being taken.

Mr. SMITH of Georgia. I had not observed my memorandum on the subject at the time the Senator mentioned it.

Mr. · SMOOT. Does the Senator intend to now offer the

Mr. SMITH of Georgia. Yes; I now offer the amendment. Mr. SMOOT. Let the amendment be stated, Mr. President.

Mr. SMITH of Georgia. In the committee amendment, in paragraph 269, page 82, line 17, I move to strike out the words whether in the piece or otherwise" and to add after the word "cloth" in line 16 the words "and articles made therefrom, not including wearing apparel." I offer for the committee this amendment to the amendment.

The VICE PRESIDENT. The amendment proposed by the Senator from Georgia to the amendment of the committee will be stated.

The Secretary. In paragraph 269, page 82, after the word "cloth," at the end of line 16, in the committee amendment, it is proposed to strike out the words "whether in the piece or otherwise" and to insert "and articles made therefrom, not including wearing apparel."

Mr. SMOOT. Mr. President, if that amendment is to be seriously considered, I should like to suggest to the Senator from Georgia that I think it would be very much better not to have terry cloth in the paragraph in any way, and to let it fall under the provision that it will naturally fall under. If it is plain terry cloth, let it fall under the provision of plain cloth; if it is finished woven terry cloth, let it fall there; and if the manufactured articles or wearing apparel are made from terry cloth, let it fall under that paragraph. Then there will be no conflict. It does, however, seem to me that if you allow the term "terry cloth" to be inserted in this paragraph with a rate different from the rates named in the other paragraphs there will surely be a conflict.

Mr. JOHNSON. Is it not true also that terry cloth is more like pile cloth and has some of the characteristics of pile cloth?

Mr. SMOOT. The only difference between terry cloth and pile cloth is that pile cloth is woven, and is a hard woven cloth. Then the pile is clipped and cut or pressed down and the figures are made by pressing the pile. Terry cloth is, how-

ever, a very coarse yarn woven loosely. As I say, it is used for bath robes, bath-robe blankets, and similar purposes.

Mr. LIPPITT. It is also made in very elaborate figures. Mr. SMOOT. The Senator from Rhode Island suggests that it is also made in very elaborate figures, as I before suggested.

Mr. HUGHES. I will say to the Senator that the examiners at New York were very anxious to have terry cloth named in this paragraph as, in their opinion, it would help wonderfully in the administration of the law. It was inserted in the para- treated the fabric as we intended to treat it.

graph at their suggestion. My notion of it was-I do not know whether or not the Senator's information is to the contrarythat terry cloth is largely used for towels.

Mr. SMOOT. For bath towels, bath robes, and so forth. Mr. HUGHES. For polishing cloths and cloths that are intended to take up moisture. The loose-thread terry cloth, which is attempted to be described here, is much more used for those purposes than for the decorative purposes for which the Sena-

tor thinks it is used.

Mr. SMOOT. Mr. President, I am quite sure the Şenator from New Jersey will agree with me that terry cloth is used for bath robes, for bath-robe blankets, for towels, and there is not any question but that it is used for ladies' dresses. It is also used in the manufacture of ladies' hats. As I have said, I have seen terry cloth with the most elaborate figures woven into it upon the Jacquard loom, and it could not be made upon any other loom.

Mr. HUGHES. But does the Senator think that it should have a higher rate or a lower rate than it is proposed to give

Mr. SMOOT. I am not complaining of the rate. I am calling attention to the fact that it carries a rate of 25 per cent. It is made, as I have said, upon the Jacquard loom.

Mr. HUGHES. Not necessarily, of course.

Mr. SMOOT. I mean some of it is so made; that is, the elaborate figures are made upon a Jacquard loom. There is a plain terry cloth that can be made upon any kind of a loom, which is carrying a rate of 25 per cent now. There will be a conflict as to the rates in different paragraphs, because if you turn to the tapestry paragraph or the woven figured paragraph you will find that the rate of duty is 35 per cent. What I am trying to get at is that, whatever we do agree upon, there shall be no conflict hereafter upon entering the goods at the customhouse. I am not objecting at all to the rates, and am not discussing them in any way. I am simply bringing the attention of the committee to the facts of the case as I see them.

Mr. HUGHES. Of course the Senator from Utah knows how difficult it is to realize the effect of suggested language upon the floor of the Senate when engaged in attempting to pass the bill. I will say that the members of the subcommittee and of the full committee gave a great deal of consideration to just what the Senator from Utah has said, and we arrived at the conclusion that this was the best treatment of which the proposition was capable. In arriving at that conclusion we had the benefit of the advice and judgment of the officials in the appraisers' stores in New York, who are constantly handling these fabrics. It may be possible that the Senator is correct. If we had-treated it as countable cotton, very expensive, fancy stuff might have come in at a very low rate of duty.

Mr. SMOOT. That is the only question that has been in my mind. If plain terry cloth should fall in a countable paragraph, it would bear a very low rate of duty.

Mr. HUGHES. Yes; that is true.

Mr. LIPPITT. If the Senator will pardon me, I can not think that the contention of the Senator from Utah is very well taken. I am very much inclined to think that the description that has been given here of terry cloth is so manifestly different from tapestries that the Senator's very natural fear that it might perhaps fall under that paragraph and come in conflict with it is justified.

Mr. HUGHES. Besides, we have a weight provision in the tapestry paragraph which was intended to guard against that.

Mr. LIPPITT. As a matter of fact, the terry-cloth weave is entirely distinct from any other known weave. It consists, in essence, in having a loop of yarn on top of the fabric It is distinct from what is called a pile fabric—that is, a velvet or a plush-for in the pile fabric the thread is not looped on top, and in the terry cloth it is looped on top. So it seems to me the distinction is sufficiently clear.

Mr. SMOOT. I called attention to the tarestry paragraph, because the words "Jacquard figured" appear there, as they do in two other paragraphs. Certainly in terry cloth we have woven figures, and I thought that a conflict might arise. If the Senator from New Jersey is satisfied that with the amendment which has been proposed by the committee it will be covered, well and good. My object in calling attention to it was as I have stated. If there is to be a change, it ought to be made now, so that there can be no conflict hereafter.

Mr. HUGHES. The Senator from Utah is correct about that. I think, however, we have done as well as we could do in view of the information we had. So far as I can see, I think we

The PRESIDING OFFICER (Mr. Robinson in the chair). The question is on agreeing to the amendment to the committee amendment offered by the Senator from Georgia [Mr. SMITH].

The amendment to the amendment was agreed to.

The amendment as amended was agreed to

The reading of the bill was resumed, and the Secretary read

paragraph 270, as follows:

paragraph 270, as 10110Ws:

270. Lace window curtains, nets, nettings, pillow shams, and bed sets, finished or unfinished, made on the Nottingham lace-curtain machine, and composed of cotton or other vegetable fiber, when counting not more than 6 points or spaces between the warp threads to the inch, 35 per cent ad valorem; when counting more than 6 and not more than 8 points or spaces to the inch, 40 per cent ad valorem; when counting 9 or more points or spaces to the inch, 45 per cent ad valorem.

Mr. SMITH of Georgia. Mr. President, on behalf of the committee I move to strike out the words "nets, nettings," in the first line of the paragraph.

The VICE PRESIDENT. The amendment proposed by the

Senator from Georgia will be stated.

The Secretary. In paragraph 270, page 82, line 21, after the word "curtains," it is proposed to strike out the words "nets, In paragraph 270, page 82, line 21, after the

Mr. SMOOT. Mr. Fresident, I suppose that amendment is moved because of nets and nettings being enumerated in another place, and the Senator from Georgia intends that the rate in paragraph 270 shall not apply to the rate in the paragraph before named, where nets and nettings are included, so that there will be no conflict.

Mr. SMITH of Georgia. We shall also probably offer an amendment to the other paragraph putting a lower rate of duty on certain other cheap nettings, specifically naming them.

Mr. LIPPITT. What paragraph is that? Mr. SMITH of Georgia. Paragraph 368.

Mr. HUGHES. Paragraph 368 in the sundries schedule.

Mr. SMITH of Georgia. There is one class of nettings that Is very cheap and is entirely to be distinguished from the general class. They are covered by a paragraph which we will general class. They are covered by a paragraph which we win reach later. I refer to mosquito netting. We intend to qualify that paragraph-

Mr. LIPPITT. The Senator refers to the lace paragraph? Mr. SMITH of Georgia. The lace paragraph. We intend to qualify that paragraph by making a distinction between the

netting which falls under the lace class and mosquito netting.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Georgia on behalf of the committee.

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in paragraph 271, page 83, line 7, after the word "cotton," to strike out "or of which cotton is the component material of chief value," so as to make the paragraph read:

271. All articles made from cotton cloth, whether finished or unfinished, and all manufactures of cotton, not specially provided for in this section, 30 per cent ad valorem.

Mr. SMITH of Georgia. Mr. President, the committee has determined to withdraw the suggested amendment striking out that

language and will leave the paragraph as the House adopted it.

The VICE PRESIDENT. The question is on agreeing to the amendment reported by the committee.

The amendment was rejected.

Mr. LA FOLLETTE. Mr. President, I have prepared some amendments to the schedule which the Senate has just been considering. I have not offered any of them, but have reserved them to be offered in the Senate when we shall complete the cotton schedule in the Senate. I expect then to offer them in the form of a substitute and to submit briefly my reasons for proposing the substitute.

The Secretary proceeded to read Schedule J, flax, hemp, and

jute, and manufactures of.

Mr. KENYON. Mr. President, the Senator from Kentucky [Mr. Bradley] requested me some time ago when the flax schedule came up to ask for him that paragraphs 272, 273, 274, 275, and 276 be passed over. I'do not know when the Senator will be here, but I would not have performed my duty if I had not made the request.

Mr. WILLIAMS. Mr. President, I have the very highest regard and friendship for the Senator from Kentucky, but I do not really see why five paragraphs of a bill which 90,000,000 people are waiting on should be passed over because some Senator happens to be absent, unless there is some very peculiar

reason for it.

Mr. KENYON. The Senator from Kentucky made the request, and he is not here on account of ill health. I am unprepared to say when he will be here, and I have only made the request for him. If the paragraphs to which I have referred can be

reserved in some way until after the bill comes into the Senate, I think the purpose which the Senator from Kentucky has in mind may be subserved.

Mr. SIMMONS. I suggest to the Senator from Iowa that if the Senator from Kentucky is not satisfied with the action as in Committee of the Whole he may offer any amendments he may desire when the bill is reported to the Senate.

Mr. KENYON. I simply felt that it was my duty to make the wishes of the Senator from Kentucky known. I have noth-

ing further to say.

Mr. WILLIAMS. Mr. President, every one of the paragraphs mentioned contains an amendment carrying some article to the free list. They can be dealt with just as well when we reach the free list, provided we deal with the Senate committee amend-If we adopt the Senate committee amendments, we ments now. merely strike the items from the dutiable list, and later on, in paragraph 492, they are all repeated and distinctly put upon the free list; so that the Senator from Kentucky, if he has any amendments to offer, can offer them to paragraph 492 just as well as here. It seems to me it will be better to get through with these paragraphs, and then, when we reach the free list, in connection with paragraph 492, let the Senator from Kentucky,

or any other Senator, offer such amendments as he may desire.

Mr. SMOOT. Mr. President, the Senator from Mississippi knows that if an amendment to place flax on the dutiable list carries, then of course all of the rates in the paragraphs following must be somewhat changed. That is the only thing that I see at the present time to prevent the immediate consideration

of the paragraphs.

Mr. WILLIAMS. They would not be changed by this body;

they might be changed in conference.

Mr. SMOOT. Oh, well, the bill would hardly be balanced if a duty should be placed on flax and the other paragraphs should remain as they are.

Mr. WILLIAMS. If we succeeded in taking these things off the free list, we would have to balance it in conference, I We will not undertake to balance it now.

Mr. SMOOT. It could not be balanced in conference, then. Mr. WILLIAMS. Oh, yes, it could, because there is a difference between the Senate rate and the House rate on every

paragraph in the flax and hemp schedule.

Mr. SMOOT. Of course it could be balanced so far as those rates were concerned; I am perfectly aware of that; but only between the rates provided by the Senate and those provided by the House. The rates could not be made lower or higher than prescribed by either House.

Mr. SIMMONS. For the very reason the Senator from Utah has given we want at the outset these paragraphs passed upon

before we go to the remainder of the bill.

Mr. SMOOT. That is exactly what I say. That is the position I take—that we ought to pass upon these paragraphs.

Mr. SIMMONS. It is necessary to do so.

Mr. WILLIAMS. The discussion is taking up more time than anything else. I will agree to pass over temporarily the paragraphs indicated. I am informed the Senator from Kentucky is quite sick. That fact I did not know.

Mr. HUGHES. Then we can not go on with the remainder

of the schedule.

Mr. WILLIAMS. Why not? Let us show some common sense. Mr. KENYON. I will communicate with the Senator from Kentucky this afternoon or to-morrow morning and advise him of the suggestions in the debate and that his rights will be pro-

tected, and I will inform the chairman of the committee.

Mr. WILLIAMS. Mr. President, I have agreed that those paragraphs be passed over until we finish this schedule. I should like to have the remainder of the schedule read and

acted upon.

# SENATOR FROM ALABAMA.

Mr. BANKHEAD. Mr. President, I desire to present the certificate of appointment from the governor of Alabama of Hon. Henry D. Clayton to fill the unexpired term of the late Senator Johnston. Inasmuch as there is some difference of opinion in the Senate as to the governor's authority to make this appoinment I move that the credentials or the certificate of appointment be referred to the Committee on Privileges and Elections. I should like, however, to have the certificate read and printed in the RECORD.

The VICE PRESIDENT. The Secretary will read as requested.

The Secretary read as follows:

To the Senate of the United States of America:

A vacancy having happened in the Senate of the United States of America by reason of the death of Joseph F. Johnston, a Senator of the United States of America from the State of Alabama, and the legislature of said State being now in recess;

Now, therefore, I. Emmet O'Neal, as governor of the State of Alabama, have this day appointed, and do by these presents appoint and commission. Hency D. Clayton a Senator of the United States of America from the State of Alabama to fill the vacancy which happened by the death of Joseph F. Johnston, said Hency D. Clayton possessing all of the qualifications required by the Constitution and laws of the United States of America and the constitution and laws of the State of

labama.

In witness whereof I have hereunto set my hand as governor of the late of Alabama and caused the great seal of the State to be affixed the capitol in the city of Montgomery this 12th day of August, A. D.

SEAL.] By the governor: EMMET O'NEAL GOVERNOR

CYRUS B. BROWN. Secretary of State.

Mr. BANKHEAD. I move that the certificate be referred to the Committee on Privileges and Elections.

The motion was agreed to.

#### THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 3321) to reduce tariff duties and to provide revenue for the Government, and for other purposes.

The Secretary proceeded to read paragraph 277.

Mr. SIMMONS. Mr. President, I desire to say that I think it would be very much better if we could consider the first five paragraphs of the flax and hemp schedule before taking up the remainder of it. I do not think the Senator from Kentucky [Mr. Bradley] would be in any way prejudiced, because he could move his amendments and his arguments when we reach the free list; and if not satisfied to do that, he would have the right to offer amendments in the Senate. I trust the Senator from Iowa [Mr. Kenyon] will withdraw his objection to our proceeding regularly with this schedule.

Mr. KENYON. Mr. President, I merely wanted to make known to the Senate the wishes of the Senator from Kentucky. I think the course suggested will be entirely satisfactory to and

will protect the Senator from Kentucky.

Mr. WILLIAMS. Meanwhile, Mr. President, the Senator from Wisconsin [Mr. La Follette] has gone to have a talk over the telephone with the Senator from Kentucky, and if he objects to what we have done I will then ask that the paragraphs be passed over.

Mr. BRISTOW. Mr. President, may I ask if the Senator from Kentucky should want the paragraphs reconsidered for the purpose of offering amendments, would the Senator from Mississippi be willing that they should be reconsidered in order that the Senator from Kentucky may present the matter which he desires to present?

Mr. WILLIAMS. If the Senator from Kentucky chooses to put his motion in that way, yes; but that would be totally unnecessary. When we reach the free list, the Senator from Kentucky can merely move to transfer a certain article from that place to a previous place in the bill with a certain tax, or he can offer his amendment to the free list itself.

Mr. McCUMBER. Mr. President, I desire to ask the chairman of the committee if he has determined to go on with Sched-

ule J this afternoon?

Mr. SIMMONS. Yes; we desire to go on with Schedule J this afternoon.

Mr. McCUMBER. I desire to offer some amendments to that schedule, commencing almost at the very beginning, with paragraph 272. I have not prepared the amendments, but I suppose, if the Senator insists on going on with this schedule, that

I can offer them as we reach each paragraph. I should prefer, however, that it go over until to-morrow.

Mr. SIMMONS. The difficulty about that is that there has been some arrangement that the other schedules would not be taken up this afternoon, and we should have nothing to do.

Mr. WILLIAMS. The Senator from North Dakota can offer

any amendment he desires.

Mr. McCUMBER. Then I desire to make a parliamentary inquiry. I have not had time to run through the bill since I returned, but I notice paragraph 272 is stricken out entirely. I presume, therefore, that the item covered by that paragraph is placed on the free list.

Mr. WILLIAMS. It is covered by paragraph 492 in the free

Mr. McCUMBER. It is transferred to the free list. the parliamentary inquiry—I do not know under what rule we have been proceeding up to this time—is whether or not committee amendments are first to be considered?

The VICE PRESIDENT. That depends upon what amend-

ment the Senator from North Dakota desires to propose.

Mr. WILLIAMS. The rule we have been following is this: If the committee amendment was to strike out an entire paragraph, then an amendment to the bill as it came from the House would have precedence, of course, so as to perfect the paragraph in that way if the Senate chose to do so; but where the committee amendment was in itself merely a change, instead of a substitution or an elimination, then the committee amendment has preference. If the Senator has an amendment to the House provision changing a rate of duty, or something of that kind, it would have precedence of the committee amendment which strikes out the entire paragraph.

Mr. McCUMBER. Mr. President, I will offer my amendment

at the present time, and that will bring the question to the

I move to amend paragraph 272, so that it will read:

Flax, not hackled or dressed, 1 cent per pound.

The VICE PRESIDENT. The amendment will be stated. The Secretary. In paragraph 272, page 83, line 12, it is proposed to strike out the fraction "½" and the word "of," so that if amended it will read:

Flax, not hackled or dressed, 1 cent per pound.

Mr. WILLIAMS. Of course the Senator knows that flax is not raised anywhere in this country except for flaxseed.

Mr. McCUMBER. The Senator is mistaken. We are raising flax in this country the fiber of which is being used, and used quite extensively. It is not used for the finer fabrics; but this covers everything in the nature of a flax fiber.

Mr. WILLIAMS. What is it used for?

Mr. McCUMBER. It is used for packing in refrigerator cars; it is used for making paper.

Mr. WILLIAMS. It is not decorticated and sold as flax anywhere in the United States?

Mr. McCUMBER. It is sold as flax, not hackled or dressed.
Mr. WILLIAMS. The Senator means the stalk is sold?
Mr. McCUMBER. The Senator from Mississippi understands

what the hackling is, and the dressing?

Mr. WILLIAMS. Yes.

Mr. McCUMBER. Of course it is shipped into this country under all of these conditions; and without any duty flax straw, flax, not hackled or dressed, from foreign countries, will come into competition with the same character of flax straw produced in this country.

I think I can better indicate to the Senator just what there is in this whole flax question if I submit to the Senate certain letters written by Mr. Blehdon, who is a manufacturer of this product in several of the States of the United States. They are addressed to the chairman of the Committee on Finance, and also addressed to the chairman of the Committee on Ways and Means of the House. Mr. Blehdon goes quite thoroughly into the question; and while the language he uses is not that which I would naturally adopt myself, there is nothing in the language that would make any of it at all objectionable.

With the permission of the Senate, I ask the Secretary to read the marked portions of the letter which I send to the desk.

The VICE PRESIDENT. Is there any objection? The Chair

hears none, and the Secretary will read as requested.

Mr. McCUMBER. The first letter that I will send up is one addressed to Hon. Oscar W. Underwood, chairman of the Ways and Means Committee of the House.

The Secretary read as follows:

(Schedule J, flax, etc. No. 333, flax straw, \$5 per ton. No. 336, tow of flax, \$20 per ton.)

BUFFALO, N. Y., March 21, 1913.

Hon. OSCAR W. UNDERWOOD, Chairman Ways and Means Committee, Washington, D. C.

Hon. OSCAR W. Underwood,

Chairman Ways and Means Committee, Washington, D. C.

Hoverable Sir. On the 25th day of January I appeared before your committee, as per record page 3503 to 3507, inclusive.

I appeared as the chosen representative of 32 towns in North Dakota and Minnesota, their commercial clubs, manufacturers of tow, and the farmers as sellers of flax straw or owners of small tow mills.

I then submitted a lot of petitions, with many signatures, and since that time there has been submitted direct from the farmers and myself a very large number of petitions and signatures, all praying that in order that they may sell their flax straw the present duty on the same may be continued, to wit, \$5 a ton of 2,000 pounds on flax straw, and that the present duty of \$20 per ton on tow, which is made out of flax straw, be sustained and continued, for if no tow can be made in this country the flax straw can not be sold.

Tow is used for upholstering furniture and lining of refrigerator cars, and thousands and thousands of tons of straw are bought of the farmers at from \$3 to \$9 a ton.

Canada raises as much straw as the United States, and Russia raises many times more; and as the wages in Canada are only one-half and in Russia about one-sixth what they are in America, and as flax straw can be bought over there at one-half, the price, the farmers could not sell their straw, and thereby would be deprived of many hundreds of thousands of dollars, some farmers having 10 tons for sale, some a few thousand tons.

The selling of flax straw is an absolute necessity to the farmers in order to make the raising of flax, as it is called by them, profitable, and the United States Agricultural Department has for the last few years made great efforts to encourage the raising of flax.

Of course, were the duty taken off or in any considerable way lowered the farmers could not compete, for they have to pay to hired men during seeding and harvesting from \$3 to \$5 a day, whereas the same labor can be had in foreign countries for fro

In good years about 3,000,000 tons of flax straw is raised in the United States, for which there was no market in the past until tow mills were built about 30 years ago, and about 5 years ago the carlining factories were started to line refrigerator cars with tow, and by this the icing of railroad fruit cars between California and the East has been reduced to one icing where formerly, when charcoal, cattle hair, and cork were used, three icings were necessary.

The farmers in the Northwest are very much concerned that the duty should remain.

has been reduced to one icing where formerly, when charcoal, cattle hair, and cork were used, three icings were necessary.

The farmers in the Northwest are very much concerned that the duty should remain.

The price of tow ranges from \$25 to \$60 and even \$80 per ton for best qualities; for the making of flax straw into tow it takes from 3 to 6 tons of straw to make 1 ton of coarse or fine tow, some of the straw having to run from two to five times through brakes, pickers, shakers, all driven by steam or electricity, and from 12 to 50 men are employed in tow mills.

Two concerns at St. Paul, Minn., and Port Huron, Mich., and several others, make binder twine out of American flax straw.

The said flax straw is raised in the States of North and South Dakota, Minnesota, lowa, Wisconsin, Michigan, and Ohio, and in some of the States large sums are now invested to manufacture wrapping and writing paper out of American flax straw.

Now, therefore, the raising of flax, or flax straw as it should be technically called, should certainly be protected in order to make a great industry out of it, as it will be in time.

Some of the witnesses before you on the 24th and 25th of January—those connected with the Barbour Co., at Allentown and Paterson, and several other concerns who manufacture thread—had the temerity to say that no good flax for spinning is raised in the United States; whereas, as a matter of fact, the States of Michigan and Ohio, and some parts of Wisconsin, and even in Minnesota, raise flax straw which is perfectly fit for spinning; but it is not encouraged by these big firms who manufacture and make prices on thread, and they prefer for some reason to import European flax, because it is cheaper than it could be produced here under American labor wages.

The Barbour Co. has imported as not hackled, and experts had to be called in to relieve the minds of the United States collectors—in preference to importing it via Suspension Bridge.

In ever heard of "flax dressers" in this country, unless they were amploye

As a matter of fact, tow can not be used for spinning, for it is used only for upholstering, refrigerator-car linings, wrapping and writing paper.

Flax for spinning is not a raw material at all, for it takes great labor and large expense to make long spinning flax out of flax straw; for, as I said, flax straw is worth from \$3 to \$9 a ton, whereas long spinning flax is worth from \$250 to \$350 a ton.

Now, look at the statement of the United States Linen Co., Chicago, who came before you and told you honestly that it is false that no spinning flax can be raised in this country. (See p. 3490.) They declare these statements as false and unfounded; and I, with great respect for your committee, and with truth and honesty, do declare these statements false, and I say:

Gentlemen of the committee, give the farmers of the United States chance to raise the same flax straw as they do in Europe, and they can raise it, and they will raise it, as the United States Linen Co. tells you, and as the International Flax Twine Co., of Chicago, who make binder twine, could tell you; but the farmers must be given a chance, that with the high wages they have to pay in this country the duty will remain to protect them and not open the country to these millionaire thread and twine manufacturers.

Less than 40 years ago all the flax straw raised in the United States was burned; now the Amenia & Sharon Land Co., of Amenia, N. Dak., and others, have imported thousands of bushels of Russian and Irish flaxseed to this country and have sold it to the farmers and are now raising flax straw, some of it a yard long and as good as they do in foreign countries; and they will do more, and the United States will raise flax straw and flax as good as others; and the farmers therefore pray for protection that the duty remain as it is.

I have the honor to be,

Yours, very respectfully,

Representing the flax-raising States in the Northwest, as per petitions and thousands of signatures turned over to the clerk of your committee, Mr. Daniel C. Rover.

Mr. BRISTOW. Mr. President, will the Senator from North Dakota yield to me?

Mr. McCUMBER. I yield.

Mr. BRISTOW. I desire to call the attention of the Senators in charge of this part of the bill to paragraph 492 of the free list and to the alleged reproduction of the present law.

Paragraph 334, which deals with this particular item in the present law, reads, as given in the handbook:

Flax, not hackled or dressed, & of 1 cent per pound.

The present law really reads:

Flax, not hackled or dressed, 1 cent per pound.

So, in attempting to reproduce the present law they have simply cut the duty in two, while it is alleged to be the present law. Does the Senator observe that?

Mr. WILLIAMS. What is the Senator's question?
Mr. BRISTOW. That is a clerical error, is it?
Mr. WILLIAMS. Undoubtedly. It is either an error of the

clerk or an error of the printer, or of somebody.

Mr. BRISTOW. Again, if the Senator will notice bracket 2, which relates to the duties collected on this particular item, it gives the equivalent ad valorem for 1905 as 8.59 per cent, for 1910 as 7.97 per cent, for 1912 as 7.21 per cent, and then estimates 3.67 per cent as the duty to be collected under this bill. That estimate is based upon the bill as it came from the House, is it, and not as it came from the Senate committee?

Mr. WILLIAMS. Undoubtedly. Of course, there will be no revenue the way it comes from the Senate committee. Nothing in the shape of revenue could come from an article on the free

Mr. McCUMBER. Mr. President, under the old law a duty of \$5 per ton, I believe, was levied upon flax straw. A duty of \$20 per ton, or 1 cent per pound, was levied upon hackled flax; that is, flax broken and partly stripped so that it might be advanced to a stage necessary to separate the fiber from the pulp.

Mr. WILLIAMS. Under the old law there was a tax on the tow of flax of \$20 per ton. The tax upon hackled flax, known as "dressed line," was 3 cents a pound.

Mr. McCUMBER. I have not the figures here; but it must be remembered that as the first process applied to the flax if it is to be used for spinning purposes, I presume it would have to be pulled. That is not done in this country at all. We are not attempting to raise flax to any great extent, at least, for the purpose of spinning into yarn for making the finer fabrics.

we shall ever be able to do so or not I can not say.

I have in my office several samples of a new process whereby instead of retting or rotting the flax there is a machine used that will take the ordinary flax straw which has passed through a separator and will break the woody pulp so that it can be released from the fiber; and it is said that flax fiber from a foot to 18 inches long may be produced from it, and that fiber might be used for ordinary spinning. But I have not as yet received any samples or any information that would justify me in the assumption that that can be made a success in this country. The great expense in the preparation of the flax straw and converting it into the fiber is in the retting process, in which it must be laid out in the sun and rain until the woody pulp is rotted and may be easily removed. The sections of the United States where flax is produced in the greatest abundance are the drier sections of the country, where this could not be done successfully. The cost of labor in this country is so high that it could not be successfully conducted.

What I am principally interested in is the flax straw and the flax which is converted into a kind of tow in all of the small mills, many of them owned by the farmers themselves, scattered throughout the two Dakotas and Minnesota and some in Michigan, whereby the flax straw, after the seed itself has been separated, has a marketable value. It passes through the separator; then these little mills take that product, and while they do not do any retting they at least have a process whereby they separate the woody pulp from the fiber and produce a very short fibered product, a product that is wholly unfit for the higher grades of spinning, and yet is fitted for the purposes for which it is used-to some extent for the manufacture of twine or rope and to a great extent for packing in refrigerator

cars, the making of paper, and like purposes.

The farmer ordinarily receives about \$3 a ton for his flax. He is at least furnished a market for his product wherever there is a mill in the vicinity and near enough at hand to justify the trouble and expense of hauling it to market. It is well said to be "the poor man's money." Ordinarily if the farmer is doing reasonably well he can find better employment than hauling flax to market at \$3 per ton. But in cases of drought, when his crops fail him, when his flax does not fill well, he may make up to a certain extent by hauling this product to market and receiving a little sum of money for it-probably at least enough to take care of his taxes.

I want a protection-I will call it a protection, if you see fitif not upon the straw itself, at least upon the product which comes from the straw. This process converts it into tow. As is shown in the letter of Mr. Blehdon, who is a manufacturer, that tow is worth from \$18 to \$20 per ton, I think. It is worth that for the purposes for which it is to be used. It is worth nothing for spinning purposes. Therefore nobody can be benefited in the matter of cheaper linen fabrics by reason of a reduction of the duty on this class of tow.

If you could so amend your bill as to make the duty applicable to the character of low-priced tow, which is unfitted for the manufacture of linen fabrics, I should not seriously oppose the other portions of the paragraph. But certainly there ought to be a protection for that.

Will these mills run without it? The protection on tow, I believe, as given by the House, is \$10 per ton-one-half what it

was before. From the very best information I can obtain the mills may yet run and produce and will be able to do so with that protection. From the same very best information, unless they have that protection they will be compelled to close, on account of the introduction into this country of the same material from Russia and from Canada.

I wish to save that much out of this bill for the benefit of the farmers of my State and the two adjoining States. North Dakota produces perhaps half of all the flax produced in the United States, while Minnesota and South Dakota produce prac-

tically the other half.

I desire also to present and have read another letter, written by Mr. Bolley, dean of and botanist in the Agricultural College of North Dakota. I had marked only certain sections, as he referred in one of the sections to his own political affiliations; but I do not know but that it may be proper to insert all of the So I will ask that the entire letter may be read, prefacing the reading with the statement that there is perhaps no man in the United States who is better acquainted with the flax conditions of the country than is Mr. Bolley, of the Agricultural College of North Dakota, and he speaks as an expert upon the question.

It has been claimed here that we can not produce the long-fibered flax in this country. We can produce it, but under present conditions we can not afford to produce it. That is the real answer to that proposition. Were the protection suffi-cient to justify the employment of labor, we could furnish in this country all of the fiber that would be needed for all of the products of flax fiber in the United States. I am well aware that as a Republican Congress has not given us suffi-cient protection to do that I can hardly expect a Democratic Congress to go beyond a Republican Congress and give us that protection. But I do ask—and I think I am justified in asking-that they will so amend this schedule that all of the lower priced short-fibered flax may be protected to the extent of \$10 per ton.

I will now ask to have read the letter from Mr. Bolley.

The VICE PRESIDENT. Is there any objection? The Chair hears none, and the Secretary will read as requested.

Mr. McCUMBER. I will say to the Secretary that he may read it all.

The Secretary read as follows:

NORTH DAKOTA AGRICULTURAL COLLEGE AND UNITED STATES GOVERNMENT EXPERIMENT STATION,
DEPARTMENT OF BIOLOGY,
Agricultural College, N. Dak., April 8, 1913.

Hon. OSCAR W. UNDERWOOD, House of Representatives, Washington, D. C.

House of Representatives, Washington, D. C.

DEAR SIR: You will pardon me, an experiment-station worker, for a short letter as to the interests of the flax and hemp industry.

That you may not think of me as a high protectionist, let me say I east my first vote for Grover Cleveland the first term, but have not seen fit to vote for high protection any time sluce. However, our country seems to have adopted the system of raising a part of its revenues by tariffs rather than by direct legislation. Just in so far as it places a tariff upon one part of an industry while it leaves the other on the free list just that far our Government militates against the latter industry or part.

As an experiment-station worker I have spent a large portion of 20 years of my life in studying the best interests of the flax crop, with a view to helping our farmers retain that crop as a permanent one. I have visited every flax-cropping region in Europe and studied their methods.

methods.

In the interests of the farmers of the Northwest who have now learned how to do this line of work in agriculture, I hope you will not grant the wishes of the thread manufacturers and linen manufacturers of this country—that is, the right of retaining the duty on their manufactured products and at the same time grant their request to place the farmers' products—flax straw and flax tow, and hackled and unhackled flax—on the free list, or anything like near it. If the manufacturers are to retain their present protection, it is hardly fair to say to the American farmer: "On everything you have to wear and all the tools you have to work with in raising the flax crop we will tax you," and at the same time say to him, "If you succeed in raising anything we will give your product to the manufacturer free of tariff tax."

you," and at the same time say to him, "It you succeed in raising anything we will give your product to the manufacturer free of tariff tax."

I have read the tariff hearings on Schedule J with a great deal of interest and find that most of the arguments by Messrs. Barbour, Starling, Loughlin, and others, so far as they indicate or say that flax for fiber purposes can not be grown in America in as good quality as in any country in the world, that they are either mistaken, do not know what they are talking about, or, which is more likely, are willfully perverting the truth.

Whenever the farmers of the northern portions of Michigan, Wisconsin, Minnesota, and many parts of Oregon, Washington, and Maine, or any of the wetter regions of the Central States, wish to raise fiber flax for fiber purposes they produce a quality as good as any produced anywhere in Europe.

My hope is that in whatever way you change the present tariff conditions with reference to Schedule J you will give the farmer his just share of the protection, if there is to be any.

Mr. Chairman, it is easy for men who would like to have products which they work upon brought in free of duty to call the products which the American farmer is able to produce "rubbish," to make assertions that such products are "worthless," to say that "nothing can be grown," etc.

I am sure you take such assertions for what they are worth when you remember that the American soil and climate produce in rather high

I am sure you take such assertions for what they are worth when you remember that the American soil and climate produce in rather high

perfection any of those products for which the American market gives fair remuneration. Under other cov

Under other cover I send you copies of certain bulletins and amphlets, which I hope may in part indicate to you my interest in the subject.

Hoping you will pardon me for writing to you uninvited, I am, Yours, respectfully, HENRY L. BOLLEY, Dean and Botanist.

Mr. McCUMBER. Mr. President, there are some pertinent questions asked in that letter of the majority side of the Senate. There are important questions asked, and I would be greatly pleased if the chairman of the Committee on Finance would inform us why, while giving at least some protection, while levy-

ing a certain tariff upon the products of the mills, there should be at the same time free material given to the mills. Any Senator on the other side can answer. I ask my question, of course, of the chairman, but if the Senator from Mississippi will do me the honor of answering the question I shall be

pleased to have an answer to it from that source.

Mr. WILLIAMS. I hesitated about replying, because I doubted that the Senator was seriously asking the question at this part of the debate. That question has been asked in one form or another five, six, or seven times, and it has been answered five, six, or seven times. We have chosen to put the textile raw material upon the free list, because thereby we were enabled to make still greater deductions than we otherwise could have made in the finished product.

Mr. McCUMBER. For whose benefit?
Mr. WILLIAMS. If you count the amount of dollars we have taken off the raw material instead of the mere percentage and the amount of dollars we have taken off the finished product, the Senator will find we have not discriminated in favor of the latter as against the former. Of course, from the Senator's standpoint as a protectionist it is not worth the snap of a finger, but from our standpoint it is worth a great deal to us.

At any rate, it justifies us, in our opinion.

Now, take this question of flax. As the Senator has well said, we could raise all the Irish flax for the world in the United States if we wanted to. Illinois, Indiana, Ohio, and Kentucky can raise it as well as South and North Dakota and Minnesota. I remember, when I was a boy, seeing long Irish flax growing. As a matter of curiosity my father planted it to see whether he could grow it or not. But when it comes to the question of decorticating it it is utterly impossible to do it in the United States and get a flax fiber fit for spinning. We can raise flax fit for spinning, but we can not get flax fiber to spin without costing us a great deal more than it would be justifiable, even from a protectionist's standpoint, to levy a duty.

The Senator himself just a moment ago confessed that to be true, because he says that the high protection party in this country, going as high as they ever dared, have never yet dared to put a duty high enough to enable the American farmer to compete in the question of decorticating or retting the flax with India and with a great many other parts of the world.

Now that I am about it, because I do not want to occupy any time and I wish to give the Senator the conclusion of the discussion, if every statement made by the writer of the first letter he had read were a reliable one, I think he must be a very reckless man when he makes that statement. He says that labor is twice as high as in the countries near us which will compete with us in flax, and that is in connection with straw of flax and tow of flax. Of course, the writer of that letter knew that labor in America was not twice as high as it was in Canada. Of course, he knew that a product that was worth only from \$3 to \$3.75 a ton can not be hauled either by rail or by road or by water any long distance without consuming its entire value in the market. So much for that,

The letter writer confesses that we made about 3,000,000 tons last year of this flax—straw and tow. We imported about 170 tons of one and not much of the other; I have forgotten how much of the other.

Mr. President, once for all I will state the reason why we have put the raw materials of the textile industry on the free list. The Senator must remember that cotton was already there and jute was already there. We have placed hemp and flax and wool there that we might have an opportunity of cheapening the finished product to the consumer of the finished product. The difference between reducing the duty upon a finished product and upon the raw material is this: If I reduce the duty upon the finished product such and such a percentage, amounting to so many cents, say 3 cents in the yard, I have reduced the price to the consumer only 3 cents in the yard. But if I take off the duty upon the raw material I have taken off all the intermediate profit of from 15 to 25 per cent at each stage of the process. I have taken off all the compensating duties which are piled on plus something or other at each

stage of the manufacture. So if the part of the final cost which the raw material would make were 5 cents a yard, of course, when I have taken the tax off the raw material I have reduced the tax upon the finished material 20 to 25 cents a yard.

That is just as an illustration. Mr. McCUMBER. Mr. President, I think I have the position of the Senator pretty will in mind. It is this as applied to the particular subject which I am discussing: He reduces the tariff 100 per cent on the farmer's finished product for the benefit of the manufacturer and then gives a reasonable protection to the manufacturer to the end that the farmer may get the thing that the manufacturer has produced from it somewhat cheaper. In other words, the farmer's protection is taken away from the tow that comes from his flax and from the flax, so that the farmer will be able to buy his refrigerator cars at a less rate, because the principal purpose for which the product I am speaking of is used is for upholstering and for the packing of refrigerating cars.

Now, just how the farmer is going to get any benefit out of that and just how the public is going to get any benefit out of

it I do not know.

I will admit that the manufacturer of refrigerating cars will undoubtedly receive a benefit. The upholsterer of car seats will undoubtedly reap some benefit. But I fail yet to see—as I have failed to see anywhere in this bill-where the farmer will get a special benefit from placing everything that he produces practically on the free list.

Mr. WILLIAMS. Mr. President, does the Senator from North Dakota pretend that flax straw, about which he is talking, could possibly come here from any country in the world except

Mr. McCUMBER. Oh, yes; I take it— Mr. WILLIAMS. You contend, then, that an article worth \$3 to \$6 a ton could bear transportation from India to some-

Mr. McCUMBER. From Russia; yes. A great deal of it from Siberia and Russia could be baled and used for ballast in many of the Pacific ships, as is shown by the letter of Mr. Blehdon and by experts who speak upon the subject. I assume

that they know whereof they are speaking.

I am not dealing here with the long-fiber flax straw. If the Senator believes that the American public will buy their linen clothing and their linen fabrics, their tablecloths, their towels, and so forth, any cheaper because of the reduction in what he calls the raw material, I can see some reason why in that case he might favor it. I do not believe they will get any benefit whatever, because of the fact that the tax upon what he calls the raw material is such a mere bagatelle that it will not be taken into consideration and will form no part of the retail price of the article into which it enters. It is the retail price that the public must always deal with. But admitting the argument that they will get some benefit in that respect—which I do not believe-no one will get any benefit of the reduction of the duty upon this short-fiber straw that I am seeking to perpetuate the old duty upon, and which is not used for any of these fabrics. I am asking that this and this only may be placed upon the old condition for the benefit of that farming element, every shred of whose protection you have taken away by this bill under the assumption that the thing that he produces is somebody else's raw material. Yes, it is; but it is his finished product, and he is just as much entitled to proper protection upon his finished product as is the manufacturer upon his finished product. It is the height of injustice to say to him "You shall have no protection, whereas the manufacturer shall have protection," when you take into consideration the further fact that his profits are a mere bagatelle in the operation of his business as compared with the profits of the manufacturer. The labor that produces his articles is not paid one-quarter, hour for hour, what the labor is paid that produces the other articles. If there is any man upon the face of the earth who deserves a protection for his labor, it is the farmer. If there is any woman upon the face of the earth who deserves a protection for her labor, it is the farmer's wife and daughter. When you take their product and cast it to the winds as mere rubbish of raw material that must be taken possession of, and immediately it becomes gold the moment city labor handles it, then you do rank injustice to that farmer.

First, he must purchase his land. He has got to purchase that land with a mortgage upon four-fifths of his working life before he will ever become the owner of it. He must then plow and break and grub out and care for that land. He must pay

finished product, then I fail to understand what on earth is a finished product, and I fail to understand why he should not have the same consideration as any other American citizen.

I picked up to-day, Mr. President, a copy of the Modern Miller, and in the Modern Miller I found a quotation from the Department of Agriculture, in which it gave the average farm earnings in the United States. It gave the method by which it was arrived at, and it was ascertained, without going into the particulars, that the average farmer and his family earn net \$318 a year. Net \$318 a year divided up among the family, which would generally represent at least five adult persons, would mean about \$62 a year each, which, reduced down to months would be something over \$4 per month. Now, you take that man and take that family; you take that character of American labor, and you say they are not worth any considera-tion whatever; that what God made them for is to produce something for the manufacturer to make, that their products are simply raw material to be utilized by the intelligent labor of

I protest against that form of reasoning. I have but one desire, and that desire is to make the earning capacity of the farmer, with a given amount of labor, equal the earning capacity of the best paid labor in the United States, and until it reaches that point the farmer is the last man upon the face of the earth to be discriminated against.

Mr. SHEPPARD. May I ask the Senator a question?

Mr. McCUMBER.

Certainly.

If under the protective system the aver-Mr. SHEPPARD. age farmer makes only \$318 a year, have you not delivered a most unanswerable indictment against the system?

Mr. McCUMBER. If under the protective system he gets but \$318 a year, under a free-trade system, which is to take up his markets and divide the only markets he has with the entire world, is he to be benefited and get more?

Mr. SHEPPARD. Why not leave it to the future and to the operation of this bill to show that it will benefit the farmer, to show that it will increase his earnings because it will increase

his markets and the volume of his business?

Mr. McCUMBER. If it will benefit the farmer and increase the value of his products, your bill is a deception to the general public, because you are going to give them cheaper bread, cheaper fruit, cheaper clothing, cheaper everything else that is manufactured from the products of the farm, and how on earth you are going to give cheaper products and at the same time increase the value of the farm products is beyond my comprehen-

Mr. SHEPPARD. It will make the purchaser of the farm products in this country so much more able to buy them, to buy so much more of these articles, that we will have a relative

decrease in the cost of living.

Mr. McCUMBER. That is answering somewhat around in a circle. You will make the laborer's wages better than they were before. If you make the laborer's wages so much better than they were before, I assume that you have got to maintain the present prices of the products.

I can scarcely conceive of a condition whereby you are about to raise the value of labor and at the same time decrease the value of the product. If you raise the value of the product which the farmer must buy, I still fail to see how he is going to be greatly benefited by it when you at the same time cheapen

the product which he sells.

Mr. SHEPPARD. In every great American enterprise success depends on lowering the price on the individual sale and increasing the volume of business. You can take, for instance, the rate of carriage on a railroad per person or per ton of freight. It is smaller than it was when the road was first established, but the profits of the carrier are much larger than they were before, because the volume of business has increased and in greater proportion than the profit per individual transaction.

Mr. McCUMBER. Yes, Mr. President. Then if the human stomach to-day will digest a barrel and a quarter of flour, next year, when flour is cheaper, it will digest two barrels.

Mr. SHEPPARD. We are willing to be judged by the results that this bill will develop.

Mr. WILLIAMS. But perhaps a man who does not now get enough flour may get some then. The Senator generally seems to forget that the man who has not had an opportunity to digest

a barrel and a quarter, may get half of a barrel.

Mr. McCUMBER. Well, I can see some philosophy in that, and break and grub out and care for that land. He must pay his taxes upon it. In the spring he must seed and harrow and care for it. In the harvest he must cut his grain and thrash it and plow up the land for another season. If the bushels which he produces, if the straw which he produces are not a the consumption from 6 bushels to 3.43 bushels-as I now remember during the worst season of that time-and contending that the same rule which decreased it 18 years ago will suddenly increase it now.

Mr. WILLIAMS. And all that under the beneficent operation

of the McKinley law.

Mr. McCUMBER. No, Mr. President; that did not occur under the beneficent operation of the McKinley law; it did not occur until about the year 1895. The smallest per capita consumption of wheat in the United States there had ever been was, I think, in that year. I may be mistaken as to one or two of the years; but it was during that time. The consumption of wheat fell off very materially from 1893.

Let us remember that while the bill itself which lowered the

duties did not go into effect until the middle of the year the conditions which would naturally precede the bill, with a knowledge of its provisions, came into existence as soon as that

was made certain.

Mr. WILLIAMS. Why are not those conditions preceding the passage of this bill?

Mr. McCUMBER. They are.

Mr. WILLIAMS. It is the same sort of bill. This country

was never so prosperous in its history as it is to-day.

Mr. McCUMBER. I am very glad that question has been raised to-day. There is no reason on earth but the present conditions that will wholly account for the lower price of cereals throughout the Northwest. They are lower to-day, as a rule, than they have been for many years, and they have been lower during the last year than they have been at any time since the Cleveland administration. Why is it? To be fair, I will answer a part of it-

Mr. WILLIAMS. At what time last year were they lower? Mr. McCUMBER. A part of it is due to the fact that we raised a very abundant crop of cereals in the Northwest last

Mr. WILLIAMS. A part of it is due to the fact that you

are predicting upon the crop of this year.

Mr. McCUMBER. The other part of it is due to the fact of the lack of confidence throughout the country and the fear of what will follow as the result of your tariff legislation.

Mr. WILLIAMS. When was this wheat price which you state was lower than it had been since Cleveland's administration?

Mr. McCUMBER. It has been lower on all of the 1912 crop. I refer to the price of cereals as a whole.

Mr. WILLIAMS. The 1912 crop? Mr. McCUMBER. Yes; the 1912 crop.

Mr. WILLIAMS. And who was President then? Mr. McCUMBER. In the 1912 crop?

Yes Mr. WILLIAMS.

Well, the crop is here yet. Mr. McCUMBER. Mr. WILLIAMS. The crop is here yet.

Mr. McCUMBER. The crop is being now sold.

Mr. WILLIAMS. But I thought the Senator referred to the prices in 1912

Mr. McCUMBER. I have a vivid recollection of who is President now

Mr. WILLIAMS. I thought the Senator said the prices in 1912 were lower

Mr. McCUMBER. No; I said the prices of the 1912 crop.
Mr. WILLIAMS. You meant the prices now, then?
Mr. McCUMBER. The prices that have taken effect since the

production of the 1912 crop, commencing along, we will say, in December of 1912.

In December, 1912? Mr. WILLIAMS.

Mr. McCUMBER. Yes, Mr. WILLIAMS. Then, how much lower have the prices been than they were in the preceding year?

Mr. McCUMBER. The preceding crop?
Mr. WILLIAMS. I mean, how much have the prices been

Mr. McCUMBER. For the same grades they have been really about 25 cents a bushel lower on wheat.

Mr. WILLIAMS. What was the estimated increase of the production-what percentage?

Mr. McCUMBER. The estimated increase in the United States was about 100,000,000 bushels,

Mr. WILLIAMS. What percentage would that have constituted?

Mr. McCUMBER. It is on a basis of 600,000,000 bushels. I am giving the round numbers.

Mr. WILLIAMS. A little over 16 per cent.

Mr. McCUMBER. The average crop, we will say, is about 650,000,000 bushels

But the real question that I am asking the Senator is, Why not maintain the present rates upon that character of flax | tions so as to make the matter clear.

fiber which is fitted only for the purposes mentioned in the letters which have been read to you? Will the Senator give me a reason for not doing so?

Mr. WILLIAMS I thought I had given it to the Senator. The Senator says that it is useful for some purpose or other. It does not make any difference to me; whatever it is useful for,

it will make that cheaper.

It will make that cheaper.

We McCUMBER. Then, in the Senator's opinion, it will make car seats make refrigerator cars cheaper and it will make car seats cheaper, and the farmer, who suffers, will get an equivalent benefit in lower rates of freight and in lower passenger rates.

Mr. WILLIAMS. Well, now, I do not think the Senator from North Dakota will undertake to make the statement that if you enable a man to fit up a refrigerator car for less money in the long run, if not in the short run, the man who ships products in refrigerator cars would not get the benefit of that any more than the Senator would take the opposite course and assert that you might make the price of refrigerating as high as you please, and the only man to suffer would be the man with the refrigerator car. The Senator knows as well as I do that in the long run the users of a thing, whether they are farmers shipping wheat and flax or what not, pay for the thing which

they use to transport their products.

Mr. McCUMBER. Mr. President, I wish I could entirely agree with that; it would ease my fears upon a great many subjects; but I have seen Congress take 20 per cent off sugar as it came in from Cuba, and I have seen the refiners put millions of dollars into their pockets without benefiting the public at all. The refiners bought their sugar cheaper, undoubtedly, in Cuba, because we had thrown off 20 per cent; but I did not see the dear American people getting any especial benefit from it. So where refrigerating cars are manufactured only by a very few concerns, always acting in conjunction and asking practically the same price, I am not looking for a reduction in the price of those articles owing to the fact that you have taken off the farmer's tariff upon a load of flax straw.

Mr. WALSH. Mr. President-

The VICE PRESIDENT. Does the Senator from North Da-

kota yield to the Senator from Montana?

Mr. McCUMBER. In just a moment. Again, it was said that if we would take off the duty on hides, something from which the farmer undoubtedly got a little benefit, the dear American people would all have cheaper shoes. We took off the duty under very strong pressure from the administration and with the assistance of the Democratic Party, and the result was that shoes and leather went up about 10 per cent. So, I am skeptical either in the short run or in the long run of the farmers of my State getting a benefit that will be commensurate with their losses following the destruction and closing up of the tow

I now yield to the Senator from Montana.

Mr. WALSH. I am interested in the Senator's discussion of this subject, because my State stands next to his own in the production of flax, a fact which the Senator seems to have overlooked, having accorded that honor to the State of South Dakota. Accordingly, I am interested to learn from the Senator just exactly where the competition is which he so much dreads

in the matter of flax straw. Mr. McCUMBER. Mr. President, there will not be so much competition in the raw straw. The reason for that is, as already suggested by the Senator from Mississippi, that it would scarcely pay to haul the straw any great distance; it will scarcely pay to ship it any great distance by rail; but that which is produced from the straw can be hauled and used for ballast for almost nominal rates; and paragraph 273 deals with the hackled flax, with that partly manufactured. It will pay to ship the manufactured article. It is now being brought in from Canada, and we have had some very close legal questions as to what constituted hackled straw and what constituted broken straw. Some of the Canadian firms were simply shipping in their hackled straw and calling it by another name, such as "broken flax," so as to escape the \$20 per ton charge. If you continue the flax straw to still another degree of manufacture, you will easily see that you will then have placed enough value upon it so that it will be profitable to ship it here from any place in Canada or from Russia, and if you destroy our home mills, so that they will not be kept running, then the foreigners will have, of course, a monopoly of the market, and without the protection of an adequate duty they will ship it in in a hackled form.

Mr. WALSH. Of course, that is a very lengthy answer to a

simple question as to where the competition is to come from.

Mr. McCUMBER. The Senator's question was deserving, I thought, of an answer that would sufficiently explain the condi-

Mr. WALSH. I have been an earnest student of this question, and I am seeking further light now. I apprehend that the Senator is not contending at all that factories across the line in the Canadian Provinces afford any burdensome competition to the mills on this side in the manufacture of flax tow from flax

Mr. McCUMBER. In one section of the country there is very little competition, so far as the straw is concerned, but the Canadians will become great competitors, and, in my opinion, will obtain a monopoly of the production of the hackled straw

for use in the American market.

Mr. WALSH. Could the Senator tell me, then, of some mill in the Provinces adjacent to his State or to my own State that will come into competition with either the flax straw or the

tow produced in those States?

Mr. McCUMBER. Mr. President, those States are not the only States that are in competition with the Canadian Prov-The larger amount of flax straw imported into the United States is not from northwestern Calada.

Mr. WALSH. Evidently not.

Mr. McCUMBER. It is from the eastern section of Canada. Therefore it would not come into direct competition with the product of the States to which the Senator has referred; but if it should come in free, without taking into consideration the freight that will be necessary to bring the product from the Dakotas to the eastern market, they could drive us out of the market. I do not understand that there are any tow mills in northwestern Canada at all. There may be some, but I am not informed of it if there are.

Mr. WALSH. Then, is the Senator able to advise us just what the difference is between the cost of flax straw which comes into this country from anywhere in the Canadian Provinces and the price of flax straw in the Dakotas and in Mon-

Mr. McCUMBER. Mr. President, the flax straw produced in Canada that comes in competition with the flax straw and the hackled flax produced in the United States is produced in the eastern section of Canada, contiguous to the mills where it is manufactured into tow. Without the duty the Canadian product would obtain possession of the American market, and we

could not compet with them.

Mr. WALSH. Well, what are the facts about the matter, and where are the figures in relation to the price of flax tow or flax

straw, we will say, in the Province of Quebec?

Mr. McCUMBER. I have been giving them in the letters which have been read from a manufacturer of flax tow. If the Senator will read the two letters, he will find considerable information in them.

Mr. WALSH. I have read the letters with care, and I had a duplicate of the last letter presented by the Senator from North

Dakota.

Mr. McCUMBER. If the Senator asks me what it costs to produce flax straw in any place in the United States or in Canada, he is asking me a question that is not susceptible of an

Mr. WALSH. Then, upon what basis does the Senator ask

for the protective tariff, for which he is pleading?

Mr. McCUMBER. I have here another letter from Mr. Blehdon. He seems to have been persistent in the presentation of this case to the committees of the House and of the Senate, because the action proposed strikes to the death a business which he has built up through long years of labor. He would not use the language that he does use in the letters unless he felt it was a serious matter to his business. I now offer another letter, dated April 12, written to Hon. Oscar Underwood by Mr. Blehdon, and I will simply ask the Secretary to read the marked portions, leaving out that part which I have indicated to be omitted.

Mr. SIMMONS. I should like to ask the Senator one ques-

tion before that letter is read.

Mr. McCUMBER. Very well.
Mr. SIMMONS. The letter, as I understand, is from the same gentleman whose letters the Senator had read a little while ago. In one of those letters he stated, as I caught it, that the labor cost of reducing flax straw in Canada was one-half of what it is in this country. I want to ask the Senator if he believes that statement?

Mr. McCUMBER. I believe that that is practically true in eastern Canada. Remember that in this letter Mr. Blehdon is dealing with the straw which comes in competition with the American straw which he receives. If I were speaking of what we call the Canadian northwest, I would say frankly that I think there is practically little or no difference in the cost of labor. As to the eastern section of Canada I am not so well informed; but from the best information I can obtain, the cost present cause. When the corn crop has been burned up in

of labor on the Canadian side is considerably less-I can not say whether it is half as much, but it is considerably less than upon the American side.

Mr. SIMMONS. Mr. President, in the discussions we have had on this bill up to this time I think no Senator has contended that there is any material difference between the labor cost in this country and in Canada. I am very much surprised to hear the statement that the labor cost here is twice what it is in Canada. I have frequently heard the statement that the labor cost here was twice what it was in Europe; but this is the first time I have heard it stated in these discussions that there was any material difference in the wage cost along the border as between this country and Canada.

Mr. McCUMBER. I think the Senator has forgotten that

when we were discussing the reciprocity proposition a couple of years ago an extended argument was made on the floor of the Senate concerning the comparative cost of labor in the Province

of Ontario and in New York.

Mr. SIMMONS. Yes, Mr. McCUMBER. I think it was clearly established that the price of farm labor in Ontario and all of the eastern Provinces of Canada was very much lower than in the contiguous territory in the United States.

Mr. SIMMONS. In certain sections of Canada, where they employed foreign labor—Chinese labor, Japanese labor, or Hindu labor; I think that was stated at that time. I did not suppose they employed that character of labor in the sections of Canada adjoining North Dakota and Montana.

Mr. McCUMBER. No; the Senator is mistaken. Mr. SIMMONS. I am asking simply for information.

Mr. McCUMBER. The character of labor of which the Senator speaks is only employed out on the Pacific coast. I think there is very little of that, and it is lower in price simply because it is worth less.

Mr. NELSON. Mr. President, will the Senator from North

Dakota yield to me for a moment?

Mr. McCUMBER. I yield to the Senator.

Mr. NELSON. Out on the Pacific coast, in British Columbia, which is not much of an agricultural country, they employ that kind of labor, but they raise no flax out there. Flax is raised mainly either in the three Provinces of the Northwest or in Ontario. Ontario and Quebec are the great flax Provinces, and there they do not employ any of that kind of labor.

Mr. SIMMONS. That is exactly the point I was making. I supposed that in the sections of Canada where they grew flax the labor was very much of the same character as in this coun-

Mr. NELSON. Mainly.
Mr. SIMMONS. Mainly white people.
Mr. NELSON. Yes; but the wages in eastern Canada—in
Mr. NELSON. Yes; but the wages in eastern Canada—in
Ara much smaller than with us.

different just across the line from Montana and South Dakota.

Mr. McCUMBER. No.

Mr. SIMMONS. But this writer said the cost was twice as great here.

Mr. McCUMBER. I have said again and again in all of those debates that the labor in northwestern Canada and in the Dakotas differs very little in price; but farm labor in eastern Canada and the eastern United States shows a very wide difference in favor of the American side. While I would not attempt to speak definitely and accurately on the subject, my remembrance is, from the testimony that was given at the time, that our labor averaged nearly 50 per cent higher in New York State, for instance, than in Ontario. I am speaking now of farm labor.

Mr. JAMES. Can the Senator state what was the price of

corn in the Northwest last year?

Mr. McCUMBER. I can not, for the reason that in my section of the country very little corn is raised for sale; and not being interested in that particular crop, I have not kept very close track of it.

Mr. JAMES. Did the Senator include corn in his statement as one of the products that is now lower than it was last

year?

Mr. McCUMBER. I did not have it in mind. I had reference to our cereal crop of the Northwest. Corn is raised in the Central States.

Mr. JAMES. I will state to the Senator that it is true that corn is selling now in St. Louis and Kansas City at 80 cents a bushel, and it does not appear to be one of the products that has been driven down by the attempted revision of the tariff.

Mr. McCUMBER. But there is always a cause for every effect, and the Senator from Kentucky certainly understands the

Oklahoma and Kansas and Nebraska, and when it is very much the price will be very much higher.

Mr. JAMES. The same character of argument would apply to the reason why wheat should be so much lower.

Mr. McCUMBER. Certainly; and if I only dealt with two conditions—an excessive crop one year and a very short crop the next year—I should scarcely be dealing fairly with the Senate. But in my remarks I covered the 15 years preceding 1912, and properly and justly gave credit for the lower prices through the excessive crop that was raised in the Northwest in 1912.

Mr. JAMES. I agree with the Senator-I do not know whether the Senator will go that far or not-that the law of supply and demand controls the price of corn, just as it controls the price of wheat; that a failure of the crop one year will cause the price of the product to rise and a greater supply next

year will cause it to fall.

Mr. McCUMBER. To be sure; the Senator is absolutely right. But the law of demand also depends upon the ability to purchase. When money is scarce, owing to lack of confidence, stagnation naturally follows, and with it a slackening of business that prevents or decreases the ability to purchase.

If the Secretary will now read the second letter-Mr. SIMMONS. Just one word, Mr. President. desire to enter into any extended discussion, but I do desire to ascertain exactly the position of the Senator with reference to this matter. I do not understand the Senator to be expressing any apprehension that flax straw of the quality and character that his State produces will come into competition with any straw that is now imported into this country.

Mr. McCUMBER. Oh, yes; it comes into competition with Canadian straw, which is already being imported; and my position is that without any protection it will come into compe-

tition with straw raised in Russia.

Mr. SIMMONS. But the unit value of the straw imported into this country last year, I think, was \$40 a ton, and I understood the Senator from North Dakota to say that this was straw that sold for only about \$3 a ton. I do not see how straw that sells for \$3 a ton could possibly come into competition with straw that sells for \$40 a ton.

Mr. McCUMBER. The Senator will find that the straw which comes in at \$40 per ton is the hackled straw.

Mr. SIMMONS. That is the only kind that appears to have

Mr. McCUMBER. I know; some of it has come in under the head of broken straw; but the hackled straw of longer fiber is worth probably \$40 a ton. It has to go through a milling process, and that is a very different proposition from the raw product as it comes from the farm.

Mr. SIMMONS. The Senator's State does not produce any of

that kind of straw, as I understand.

Mr. McCUMBER. Oh, yes.
Mr. SIMMONS. Any of the long-staple straw?
Mr. McCUMBER. The \$40-per-ton straw is not the longfibered straw that enters into the composition of fabrics. is used for the same purpose. The hackled fiber that would come in, fit for the purposes to which the Senator refers, would be worth from \$240 to \$260 a ton.

Mr. SIMMONS. Yes; but what I am trying to ascertain is whether the Senator's State produces any straw that would come into competition with the straw that is imported here,

valued at \$40 per ton?

Mr. McGUMBER. Yes; but under the present law we have not imported the straw, because the duty on the straw itself is practically prohibitive.

Mr. SIMMONS. Then, there has been no importation of this

character of straw up to this time?

Mr. McCUMBER. Certainly not, under a protection of \$5 per ton, when the straw itself will sell for from \$3 to \$6 per ton.

Mr. SIMMONS. That is what I thought. The Senator's position is that his State produces a straw that is worth only \$3 per ton. The Senator stated, earlier in his speech, that where the mill is not too far from the farm it is profitable to haul this straw to the mill and sell it.

Mr. McCUMBER. Yes. Mr. SIMMONS. I assume from that statement that it would not be profitable to haul it any considerable distance.

Mr. McCUMBER. It would not. The Senator is correct.

Mr. SIMMONS. Not even to the mill?

Mr. McCUMBER. No.

Mr. SIMMONS. The only straw that could come into competition with the straw raised here is that produced in Canada and that produced in Russia, as I understand the Senator?

Mr. McCUMBER. I do not think any great quantity of the straw itself would come into competition with ours. It would

be the hackled straw. I am speaking of the raw straw. It would be that which is partly manufactured.

Mr. SIMMONS. But the Senator is discussing this \$3-a-ton

straw, and I am trying to find out whether there is any danger of any competition with that from abroad.

Mr. McCUMBER. There is great danger of competition.
Mr. SIMMONS. And I am trying to find out whether there is any danger of that straw in its raw state—not in its hackled condition, but in its raw state—coming over here. Straw, while very light, is exceedingly bulky, and in transportation a bulky product, though light, is necessarily charged a very high rate. In my section of the country we sometimes buy hay from the West when we do not make enough, but because of the bulky character and the light weight of hay the freight rate is always as much again, and sometimes nearly twice as much, as the cost of the hay itself. If this straw has to be hauled any considerable distance, it seems to me the farmers of the Senator's State would not be in any possible danger of competition, because of the freight rates.

Mr. McCUMBER. The Senator is correct, provided the mills will keep running. But if you take away the protection to the tow mill-that is what we are dealing with here-which hackles the straw, so that it closes, the farmer can not haul his straw anywhere. You destroy his market, because, as you say, he can not ship it any material distance. The vice of this proposed action lies in the fact that you close the mill, and that is what

I am trying to keep open.

Let me make that clear to you. You will close the mills in the Dakotas and in Minnesota, because the flax of Ontario, which is very much nearer the point of manufacture, can reach it with a very small freight rate, while ours could not reach it without a very high freight rate. Therefore our mills would close and there would be held open only those, perhaps, in New York for the manufacture of the Canadian straw, because New York does not produce any.

Mr. SIMMONS. I will assume that the hackled product of this \$3-a-ton straw would be of very little value.

Mr. McCUMBER. Why?

Mr. SIMMONS. If the hackled product was of much value, I should think that of itself would advance the price of the raw

straw beyond \$3 a ton.

Mr. McCUMBER. Of course, after it is hackled it brings its value up to about \$18 a ton; but the freight rates from North Dakota, Montana, and Minnesota to New York are such that with free hackled straw they could not compete with the Canadian product, that would not have the same freight rate.

Mr. WILLIAMS. Mr. President, one word, if the Senator will pardon me. This straw which is worth \$3 a ten is carried to

a mill, where it is hackled, is it not?

Mr. McCUMBER. Yes. Mr. WILLIAMS. Could the straw which sells for \$3 a ton be carried to any mill which was so far away that the transportation rate would be more than \$3 a ton?

Mr. McCUMBER. Certainly not. The Senator is right as to

that.

Mr. WILLIAMS. Very well. My own experience as a farmer is that I can not afford to haul anything over 12 miles that is not worth over \$3 a ton, even upon a dirt road. rail or by water do you suppose this \$3-a-ton stuff will stand transportation?

Mr. McCUMBER. Remember that in no instance are we transporting straw in its raw state. The Senator is mistaken if he understands that we transport the straw itself by freight.

Mr. WILLIAMS. Very well; the Senator is not talking about straw. He dwelt upon it as "the poor man's crop" and all that sort of thing, and said that we were taking it away from the farmer. What I am trying to show is that nothing could come into competition with this product that had to come more than

12 miles by a dirt road.

Mr. McCUMBER. All right. We will assume that to be absolutely true, and undoubtedly it is true. But that which has to come 5 or 6 miles I do not think our farmers will haul 12 miles for \$3 a ton. That which has to come from 5 or 6 miles comes to a mill to be hackled and partially manufactured. Then it is in a condition where it will stand the freight to the place of manufacture. If you produce the product so cheaply in eastern Canada that we can not afford to pay the freight from that mill upon the product, the mill closes, and of course the farmer gets nothing. It is not competition at his door; it is competigets nothing. It is not competition at the ultimate place of manufacture,
Mr. WILLIAMS. The hackled flax is worth \$18 a ton, I un-

Mr. McCUMBER. I believe that is it. One of these letters gives the exact figures. I think it is worth from \$18 to \$20 a

Mr. WILLIAMS. Of course, like every other product in the world, it varies in price. The Senator has stated that a Canadian mill can take the straw at \$3 a ton and turn it into hackled flax which is to sell at \$18 a ton, and beat us in doing it. That is his argument—that they can turn the \$3 stuff into the \$18 stuff more cheaply than we can. If that be true, it must be due to one of several reasons, or all of them. Either they have cheaper labor working in their mills-remember, now, not on the farm, but in the mills-or they have better mill machinery or they have better mill management or they have a climate better adapted to the process of manufacture.

Mr. McCUMBER. Or better freight rates. Mr. WILLIAMS. Or better freight rates; one or the other. I can understand how, at one place along this great 3,000-mile line, the freight rates should be in favor of the Canadian, and how at another place they would be favorable to the American.

Mr. McCUMBER. At every place.
Mr. WILLIAMS. But I can not understand how they would be in favor of the Canadian all along the 3,000-mile line; neither

can the Senator from North Dakota.

Mr. McCUMBER. That is just what I have been trying to explain to the Senator. There will be no 3,000-mile freight rates for the Canadian, because his product, as I have stated over and over again, is produced in Ontario, very close to the place of manufacture in New York. Therefore he has a very small freight rate as compared with our very large freight rates.

M. WILLIAMS. If the Senator will pardon me, I understand that; but that flax straw has to reach the Canadian mill, has it not, before it is turned into hackled straw and before it is shipped to this country or anywhere else? The Senator will admit that it can not be carried to a mill at the present price of \$3 a ton farther than about 12 miles over a dirt road, and I should say about 50 miles over a railroad, without eating up the entire price. Therefore none of the straw will ever go to a mill farther than 50 miles away, whether on the Canadian side or the American side. In other words, the consequence of the entire thing is that the straw to be hackled must be carried to a mill that is within \$3 freight-rate distance of the mill in which it is hackled. So the idea of the straw in Canada going to any except very few American mills very close to the border is out of the question, and the idea of any of our flax straw going to any mill in Canada, unless very close to the border, is also out of the question. In other words, it is one of the things that must be done by little country establishments close to the flax straw or else the mill will close because it can not get the straw.

Mr. McCUMBER. The force of the Senator's argument always seems to exhaust itself at the first mill-that is, at what I may call the hackling mill-whereas the governing proposition is the cost of putting it into the mill that manufactures it into

Now, let me make that clear to the Senator, if it is possible. Let us suppose that in North Dakota the raw straw will yield three and a half to five dollars a ton, dependent upon the condition of the straw. It will bring the value of that up to \$18 to \$20 a ton to pass it through the first process in the little local Now, it is 1,500 miles from the place to which it must be consigned to manufacture it into tow. We will say that it will cost \$9 a ton—it may be more than that, but I am giving that as an illustration—to send that hackled straw to New York where it is to be manufactured. We will admit, for this argument, that it will cost the same in Ontario, Canada, to haul it to the mill and get it hackled, and then it may cost \$2 a ton to get it from there over to the mills in New York to be manufactured. The Senator can easily see that under that condition, with a difference of \$7 in freight rates, we could scarcely compete with the product in Canada.

Mr. WILLIAMS. I see after you got it backled the difference of \$7 freight rate would be an immense item, but I can also see that the fellow who did the hackling could not get the straw to hackle unless he got it within a distance of \$3 a ton freight

Mr. McCUMBER. Of course he must get it within a short distance.

Mr. WILLIAMS. Therefore, no matter what it is, the amount he can get is very limited, indeed.

Mr. McCUMBER. Suppose it is true that it is very limited: that depends on the number of mills, and the mills do not cost very much. Some of the little hackling mills cost, I think, not over \$800 to \$1,000, and from that up to two or three thousand dollars. If the business would justify it, the number would very much increase. We have some of them in our State; I do know how many, but enough so that they use a considerable of the straw when the times are particularly close. If the conditions will justify it, there will be enough of those little mills

to reach most of the American farmers. The consumption in the United States at the present time of course, will not justify enough mills to take care of all the straw; but because it will not take care of all is no reason why we should not give the northwestern farmer the benefit of what the American market can hold and can consume as against the world; and especially so as no one will reap a benefit from placing this product on the free list except the manufacturer of the refrigerator cars and upholstered seats, and so forth; and the proportionate part of the cost that would be represented in the tow that is used in them is so very small that I doubt if the public itself, either immediately or remotely, would get any appreciable benefit. But it means a great deal to the farmer of the Northwest during hard times, and especially this year in my State, where in the western half of the State, perhaps, not more than from a third to half a crop will be harvested.

I now ask for the reading of the letter I have sent to the desk.

Mr. WALSH. Mr. President, before we dispose of this matter I desire to remind the Senate that in the course of some remarks which I made here about two weeks ago I had read a letter from a banker at Fessenden, in the State of the Senator, addressed to a lady who is engaged in the business of raising flax in Wells County, in his State. She thought she ought to get something for the flax straw, but she was answered that the people burned their flax straw in the State of North Dakota and do not get anything for it; that they had communicated with the Union Fiber Co., of Winona, Minn., and had endeavored to sell the flax straw there, but the transportation rates were so great that they consumed all the profit there was in the enterprise, making it impossible to market the straw.

Accordingly I communicated by wire with the Union Fiber Co., of Winona, Minn. I understand the Senator to say that he does not claim anything for a duty upon flax straw, but he is solicitous about a duty on tow. The Union Fiber Co. wired

me, under date of July 28-

Answering telegram this date, duty on flax tow has only nominal effect on our business.

That it has only a nominal effect is disclosed in another letter which I got from a professor of the agricultural college of North Dakota, who favored me with a copy of the letter read by the Senator and addressed to Hon. OSCAR UNDERWOOD. I read from that letter, written by Mr. Henry L. Bolley, as follows:

Practically all the flax straw which has been raised in the State has been run through the thrashing machine, and either has been burned or used for feed. However, there are, perhaps, a dozen tow mills within the boundaries of Minnesota and North Dakota which consume considerable straw, each within its own reasonable shipping or handling distances.

Which, I suppose, means that they can only get the straw from a distance of 10, 15, or 20 miles, as suggested by the Senator from Mississippi, as it is impossible to transport it a greater distance than that and likewise that they can not transport their product to any considerable distance, and certainly in all reasonable probability not so as to come in competition with anything that is manufactured upon the Atlantic seaboard at all. He continues:

The farmers get from \$2 to \$2.50 per ton for the straw. You are probably also aware that there are several new uses being made of flax straw as grown from seed flax. A reasonably good binder twine is being made in Minneapolis. The Union Fiber Mills at Winona—

The same company-

are making some very splendid insulating boards and other types of fiber products which are used in electrical work, refrigerator work, etc. A large amount of fiber is also used in making straight paper board, and the board or paper which takes the place of back plaster in houses. It is also used to some extent for mixing in cements used for plasters. Paper pulp products are also being experimented with in one or more mills in this region.

This man is advocating a duty upon flax tow. He says:

Free introduction of noils or waste fiber from Russia or of flax straw packing or ballast, without other compensating features, would

Would likely-

destroy the present activities of the tow mills, which now produce a very large amount of this product in the Northwest.

The flax crop is struggling against many odds, but I believe that eventually it will prove to be one of the permanent and valuable staple crops of the Northwest.

Very truly, yours,

HENRY L. BOLLEY.

The explanation is one that is perfectly simple and perfectly easy. The freight rates absolutely preclude the farmers of the State of the Senator or the farmers of my State from getting any benefit whatever from a duty upon either flax tow or flax

Before I take my seat, Mr. President, because the esteemed Senator referred the prevailing low price of wheat to apprehension about legislation that may be enacted by this Congress and to the fact that there was an extremely large crop produced last year, I desire to call the attention of the Senate to the fact that the farm price of wheat last year was lower than it has been in any year since 1906, and by examining the figures the

reason is perfectly obvious.

In 1906 we produced 735,261,000 bushels in this country as against 692,000,000 the year before and 634,000,000 bushels the year thereafter, and the price went down to 72 cents. I do not apprehend that in the year 1906 there was any particular apprehension troubling the minds of the country in relation to tariff legislation. In 1912 we again had a bumper crop, the total production being 730,260,000 bushels, as against 621,000,000 bushels in 1911; that is, 109,000,000 bushels more than we had the year before, an increase in the neighborhood of 15 per cent. But the price went down to only 85 cents as against 72\xi{g}, the farm price in 1906.

Of course there was only one cause which produced the fall in 1906—the bumper crop of that year—but when the fall was only half as great this year, it was not due to the bumper crop

we had last year but to some prevailing apprehension.

Mr. McCUMBER. I would just as soon go back again if the Senator from Montana wants to revert to it. He would find some explanation of the 1906 crop not only as a bumper crop in the United States, but as a pretty good bumper crop in the world, which, of course, had its effect on the prices in the He would perhaps have to take into considera-United States. tion several things in determining what influenced the price. Our prices, of course, are governed in the first instance by the home demand, that being the principal place of consumption. That home demand is influenced though not governed by the general level of the world's prices, which is governed by the general world's supply. I could not answer at this time the Senator's proposition without going a little further and finding out what the world's supply is. So I will have to deviate from that and get back to the question at issue. The Senator says that the farmers can not send their product

to the mills any appreciable distance. For a number of years we have been shipping this hackled flax, or, as we call it, partially manufactured tow, from the Dakotas and Minnesota to the State of New York—to Buffalo, I think—where it is manufactured into tow. That very fact itself destroys the Senator's theory. We have been doing it right along. We have been theory. We have been doing it right along. We have been doing it up to the present time, and that is pretty good evidence that with a continuation of the present conditions we will prob-

ably continue doing the same thing.

No one has claimed that you can afford to ship the straw itself any great distance. No attempt is ever made to do so. We can only get the straw within a limited distance from the little hackling or tow mill, as it is called; but after we have hackled the straw, after we have partially manufactured it, under present conditions we then can ship the product almost to any portion of the United States in competition with the Canadian product.

Without that protection these little mills will be compelled to close, and then, of course, the farmer will receive no price whatever for his product; and if at Buffalo or Rochester or wherever else the manufacturing center is in the State of New York they can not get this material from the State of New York they will naturally get it over from Canada, and that will be a splendid market for all the straw practically raised in Ontario, while it will entirely destroy our own market.

We have had \$20 per ton protection on this hackled straw. believe that these mills could still run in the Northwest if the bill were left exactly as it was passed by the House, namely, at \$10 per ton; but I believe without fair consideration the majority of the Senate committee did not take into account the uses for which this hackled straw or short-fiber tow is used, but assumed that they were benefiting the general public by a reduction in the cost of the raw material which would be reflected in a reduction in the retail price of the manufactured product. But inasmuch as it does not go into any manufactured product your reason fails, your purpose is destroyed, and therefore I ask you to reconsider that one proposition of the shortfiber flax, which is not fitted for the manufacture of fabrics.

If the Secretary will read the letter or make another attempt to do it, I shall be pleased.

The Secretary will read as re-The VICE PRESIDENT. quested.

The Secretary read as follows:

BUFFALO, N. Y., April 12, 1913.

Hon. OSCAR W. UNDERWOOD, Chairman Ways and Means Committee, Washington, D. C.

Dear Sir: I have before me the proposed tariff bill, dated April 7, and in the interest of the Committee on Ways and Means, and in the interest of Congress in general, which I am sure wants to do the right by both sides, the Government and the people, and finally in the interest of the hundreds of thousands of farmers in the States of Maine, Ohio, Michigan, Iowa, Wisconsin, Minnesota, and North and South

Dakota, I respectfully call to your attention what this communication addressed to you does contain.

First, Duty on "tow of flax straw," as it should be, and not "tow of flax," as it is called erroneously under the Payne tariff and copied in the proposed tariff.

I say the duty on "tow of flax straw" has been reduced from \$20 per ton to \$10 per ton, and the tow manufacturers and farmers whom I represented and do represent have no intention of criticizing or complaining of your decision in that matter, and \$10 a ton on tow of flax straw straw shall stand, as far as we are concerned.

Second, On the free list, page 111, section 497, line 21, of the proposed tariff you have flax straw.

To the tow manufacturers individually it would not make much difference, for if we would we could simply import flax straw from Canada, Russia, and Ireland fifty times more than we could use, for such flax straw from European countries would be imported as ballast in all kinds of salling vessels, the same as African fiber and foreign fibers are imported, and we could even buy some of that straw, delivered at our mills, at the same price as we pay to the farmers of the United States, to wit, from \$3 to \$9 a ton, according to the States where it is raised and to length and fiber-containing qualities.

But, honorable sir, have you and your committee for a moment considered that that will interfere with several hundred thousand farmers who annually receive from twenty-five to several hundred dollars each for their straw, and which in most cases goes to the farmers' wives and necessities for the whole family?

In spite of the fact that great efforts have been made for the last few years to use the flax straw for paper making and for linen, so far the bulk has been used for making upholstering tow, refrigerator-car linings, but just now some paper and linen mills are being started.

Yet only less than one-half of 'the flax straw raised in the United States is salable for all these purposes so far, and therefore one-half is reluctantly b

each mill.

These manufacturers and the lying importers have conjured up a veritable lying hell, for they themselves and their million-dollar trusts asked to be higher and higher protected.

Third, The farmers are imposed upon and wronged in other ways.

Just look at page 96, section 387, where it says, "sea grass and sea weeds, if manufactured, 10 per cent ad valorem"; and that was the same under the Payne tariff, and yet some of these great combinations in eastern large cities import free from Africa a fiber they call African fiber, of which I, under special cover by registered mail, send you a sample.

Hundreds of thousands of the content o

asmple.

Hundreds of thousands of tons were imported from Africa as ballast, most of it through New York, Philadelphia, and Boston, and some through Fall River. This fiber, or sea grass—it grows in places near the sea—is first washed and cleaned and then spun by heavy machinery in order to give it a curl just like curled cattle or horse hair, then it is untwisted again just like curled hair and used for mattresses and upholstering of couches.

Formerly the importers put their heads together and made the appraisers doubtless believe that the cleaning and the spinning into rope of this fiber and sea grass was done by the heat of the sun—yes, some of these appraisers are very wise men.

So, therefore, as I said, hundreds of thousands of tons of that stuff are used for upholstering and for bedding, and the farmers are cut out of their sales of flax straw and the tow manufacturers of tow.

Fourth Therefore a new paragraph ought to be inserted, reading: "African fiber, spun in rope, 10 per cent ad valorem," or \$10 a ton, as it was in previous tariffs.

Now, Mr. Chairman, I have taken great pains to explain to you facts, true facts, and nothing but facts, biased by nothing, but justice to everybody all around, and the same statements have been made and are being made to Senators and Congressmen of the flax-raising States.

The matter is in your hands, and from you the farmers and the people connected with the lines in question expect justice, and I surely and we all have no doubt if you can do justice you will do it.

I have the honor to be,

Yours, very respectfully,

For himself and those manufacturers and farmers as per signatures, petitions, and powers of attorney submitted to the honorable committee.

Mr. McCUMBER. I especially call attention, Mr. President, to the fact that immense quantities, hundreds of thousands of tons, of somewhat similar fibers have been shipped from South Africa merely as ballast, and the same writer calls attention to the fact that the flax hackled could be shipped as ballast both from India and from Russia with very little or no freight rates, and, therefore, secure a market in this country. It is to protect ourselves not only as against the Canadian product, but also as against the product of other countries that an adequate duty is desirable.

I omitted to answer that portion of the argument of the Senator from Montana [Mr. Walsh] relating to the establish-

ment of a tow mill at Winona, Minn., and its business. One can scarcely present a letter and draw an intelligent conclusion from it unless he understands the business of the institution writing the letter. I think if the Senator would make close inquiry into the case he would find that the mill in Winona does not use the flax straw after it has been thrashed at all, through it may use some of it; but I understand that for part of its processes it uses green flax straw.

Then the Senator must also take into consideration the fact that it is located near Minneapolis, a manufacturing center, where it can ship its product. It may get enough straw for all its purposes in its vicinity, and it may have customers for the articles it produces right in Winona itself, which is quite a large city, or it may ship its product to Minneapolis, which, I think, is only about 50 or 60 miles away. That would present a case entirely different from the cases I have been discussing.

Mr. GRONNA. Mr. President-

The VICE PRESIDENT. Does the Senator from North Dakota yield to his colleague?

Mr. McCUMBER. I yield to my colleague.
Mr. GRONNA. I will say to the Senator from Montana
[Mr. Walsh] that anyone who manufactures fiber ware is not a customer for the ripened flax straw. Fiber ware, such as pails, washtubs, and washbasins, is made out of the green straw. The straw which my colleague has been talking about is straw left in the farmer's field after it has been thrashed and the seed has been taken from it. In no way could that kind of straw be used for the purpose to which I have referred.

It is true, as my colleague has said, that flax straw is being hauled, though, of course, only a short distance, to what we call tow mills. We have had tow mills in my own county. It brings only a small price, as the Senator from Montana and my colleague have said; but if the duty is entirely taken off, flax straw will be bought in the East instead of in the West. After the straw has been hackled it is reduced in weight. It is then baled and can be shipped quite a distance, in view of the prices which the manufactured article brings to-day. So it is hardly fair to compare the product of the Winona concern with the product

about which my colleague has been speaking.

Mr. WALSH. Mr. President, lest any possible misconception may arise about the character of the business done by the Union Fiber Co., I refer you to the fact mentioned in the letter of Prof. Bolley. Likewise, I simply read from a letter written by a banker in the city of Fessenden, Wells County, to his client, the lady who was trying to dispose of her flax straw. I suppose that probably a man engaged in the banking business in Fessenden would be thoroughly well informed about the possibility of disposing of such flax straw as passes through the thrashing machine in that county. He is evidently a very intelligent man and recites the fact that the lady had endeavored to make disposition not only of that the lady had endeavored to make disposition not only of that flax straw, but of other flax straw which he had, and the only place that he could find a market for it, as he thought, was at Winona. They quoted him a price, and he proceeded to figure the thing out and found that it was impossible to ship it.

Mr. GRONNA. Mr. President, if my colleague will yield to me again, I will say that I am not disputing the statement made by the Senator from Montana that a great deal of flax straw is

by the Senator from Montana that a great deal of flax straw is being burned and a great deal of it is being fed to stock; I am not disputing the statement that hackled straw might be used at Winona; but I have simply made the statement that for fiber

at Winona; but I have simply made the statement that for fiber ware green flax must be used; it must be pulled by hand the same are flax is pulled for linen in the countries of Europe where linen is manufactured.

Mr. McCUMBER. Mr. President, it did not need a bank president nor anyone else to tell this lady that flax straw itself could not be shipped from Fessenden to Winona and sold to advantage. She would have to ship the straw itself about 500 miles; but suppose there was a little mill at Fessenden—
Mr. WALSH. That is not the question. That was the only place he knew of where she could dispose of it.

Mr. McCUMBER. Well, possibly there might not have been a place very much nearer where she could afford to dispose of it. You can not ship flax straw any distance at all. Let us admit that it will not pay to freight such straw any great distance. I have tried to make that clear; but it does pay to ship the fiber. Remember that four-fifths or five-sixths of the weight and bulk is taken away after the flax straw goes through the hackling process. If there was a little tow mill in the vicinity of her farm, she could undoubtedly afford to haul straw that distance, and then the tow mill could afford to ship the fiber is stated of the farm, she could undoubtedly afford to haul straw that distance, and then the tow mill could afford to ship the fiber is stelf clear on to the State of New York to have it manufacturing two for about 25 put of sax straw, should be left at \$20 at on, the Middle flow for about 25 put of sax straw, should be left at \$20 at on, the Middle flow for about 50 farm and manufacturing two for about 25 pears, and I am known in every place in the Middle western, and Northwestern States where flax is raised, for I either own mill and the dispose of it. A count of the straw itself about 500 miles; put of the fiber straw itself about 500 miles; put of the fiber straw itself about 500 miles; put of the fiber straw itself about 500 miles; put of the fiber straw itself about 500 miles; put of the fiber is

immediate vicinity-and I mean by a tow mill a mill that first puts the straw through the hackling process-of course she will never have a market.

Mr. President, I have another letter written by the same man, Mr. Blehdon, dated June 21, to the chairman of the Committee on Finance. It may be that he repeats himself to some extent in these letters, but each letter contains new propositions which I consider very important to a proper understanding of the question, and, though it may duplicate to some extent some of his former statements, I can scarcely take the time now to segregate the several parts and so will ask for the reading of the entire letter.

Mr. WILLIAMS. Mr. President-

The VICE PRESIDENT. Does the Senator from North Dakota yield to the Senator from Mississippi?

Mr. McCUMBER. I yield to the Senator, Mr. WILLIAMS. Would not the Senator just as soon have the letter printed in the RECORD at this point as a part of his

Mr. McCUMBER. I wish to have the letter read. As I have said, I have just returned to the Senate after an enforced absence of nearly a month, and it is somewhat necessary for me to refresh my mind as I go over these letters in order to present the case fairly.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Secretary will read as requested.

The Secretary read as follows:

In re Schedule J-Flax, hemp, etc.

BUFFALO, N. Y., June 21, 1913.

Hon. F. McL. Simmons, Chairman Committee on Finance, United States Senate, Washington, D. C.

Chairman Committee on Finance, United States Senate,

Chairman Committee on Finance, United States Senate,

Washington, D. C.

Dear Sir: I respectfully submit to your consideration this letter containing facts of greatest importance to millions of farmers of the Middle and Western States of the United States, because part of their financial welfare does depend, and will depend, upon the result and outcome of the tariff, so far as their raising of flax is concerned.

The product, just as it is raised by the farmer, is called by them flax"; the boll at the top of the plant contains the flaxseed, and the stalk is called "flax straw." The seed is used for the manufacture of oll, and so forth. The straw, after it is thrashed, is sold by the farmer to the tow mills for the manufacture of tow for upholstering furniture and all kinds of filling, and some for the lining of railroad refrigerator cars, where formerly charcoal or cork or pressed attle hair was used. Tow is made in four or five different grades, from the coarse to the very finest grade, for which purpose from 2½ tons of flax straw for a ton of coarse tow up to 6 tons of flax straw for 1 ton of the finest tow is used, and which latter grade can be used for all kinds of spinning. The flax straw is brought by the farmers to the tow mills, which are distributed all over the Western and Northwestern States, from Ohto North Dakota. Ohio and Michigan produce the finest flax straw, and so does Wisconsin; and most flax straw is made into spinning flax.

The United States raise about 3,000,000 tons of flax, which means flax straw with the seed on, and there is only a market to the farmers for about 800,000 tons, and which they team direct to the tow mills and receive cash for the thrashed flax straw of from \$3 to \$9 per ton. Farmers farther away from the mills bale the thrashed flax straw and ship it to the mill and receive from \$3 to \$9 a ton for it, according to the quality and length of the flax straw. There are some farmers who receive as much as \$6,000 a season

In fact, Canada has exported many cars of tow, which they, under the present tariff, fraudulently billed as flax straw, and have sold it, and could sell it. for much less than we could produce it, when it is considered that we have to pay from \$3 to \$9 a ton for the straw, when it can be bought over there at \$2, and even some less.

Now, therefore, tow of flax being on the free list, the tow manufacturers will buy no more flax straw, for they will need none; and the many mills which are half in the hands of farmers themselves will have to close entirely; and you will hear soon that a great uproar and general outcry will be made when it is found that not only flax straw but flax tow you have put on the free list, and therefore destroyed a large income of the farmers and destroyed the manufacture of tow, wherefrom the farmers receive partly their income. Why should flax straw but of flax straw be on the free list when the United States raises 3,000,000 tons, a year and can sell only about \$90,000 tons, the farmers have to burn the Jalana little raised in the United States, and the United States product is searcely to be considered; but you will see this is a different matter with flax straw and flax.

Here please note that tow mills are small concerns, worth a mill from four to five thousand dollars upward. These, compared with the millionaire thread, twine, and rope manufacturers, who petition flax straw and tow on the free list—your favors in justice should certainly fall upon the poor farmers. The combination of thread and twine manufacturers, who have millions invested, care very little what happens to the farmer, nor will thread or twine be cheaper, flax straw or tow being on the free list. But, on the contrary, whereas the United States Agricultural Department is trying to encourage the farmers to raise the best straw only, and whereas these farmers, many of them, have imported foreign best flax seed—these thread manufacturers never have encouraged anything of that kind, but, on the contrary, told the Ways

Be just, gentlemen; be just to the farmers; for if the farmer is suppressed the whole country will suffer.

Yours, very truly,

N. R. BLEHDON N. R. BLEHDON,
For himself, and representing by powers of attorney
and free of charge the tow manufacturers of the
United States, commercial clubs, and thousands
of farmers, as per evidence submitted to the
Ways and Means Committee January 24 and 25,
1019 1913

Mr. McCUMBER. Mr. President, this letter, I believe, was addressed to the chairman of the Finance Committee. It asks a very candid question of the chairman. I think another letter, a subsequent one, which I have from Mr. Blehdon, indicates that the chairman of the Finance Committee failed to answer that question, undoubtedly because he was overworked at the time, or perhaps because he desired to reserve his answer until he would be able to make it in the Senate.

The question which is asked is this: If there are about 3,000,000 tons of flax straw produced in the United States, and and destroyed because it is valueless, why does the Senator desire to put flax straw itself upon the free list?

I presume the question has in mind this proposition: If flax

straw is so cheap that it hardly pays the American farmer to haul it to the mills, so that he must burn two-thirds of his product, why should the Senator ask that we have cheaper flax straw?

Mr. SIMMONS. Mr. President, of course I do not recall this particular letter. I suppose I had many thousand letters of that sort; and I could not undertake to answer all the questions about the tariff that might be asked me by correspondents.

Mr. McCUMBER. I appreciate that. Mr. SIMMONS. If I understand the Senator, he says that because we have more straw in this country than we have any use for, and have to burn it, therefore there ought to be a duty on straw. Let me tell the Senator, in the first place, that I have examined both the Statistical Abstract of the United States and the Yearbook. I find from both of them that while they give a statement as to the amount of flaxseed produced in this country and the amount of flax straw produced in other countries, they do not give any statement as to the amount of | a duty of \$67.20.

flax straw produced in this country. I suppose that is because flax straw in this country, as a rule, is about like rice straw and wheat straw and oat straw; it has practically no value.

Mr. McCUMBER. I assume, however, that those who are engaged in the manufacture of this article have made a computation in this way: Knowing about how many tons it would take to produce a given number of bushels, they can therefore arrive approximately at the amount.

Mr. SIMMONS. I think, as a matter of fact, to be very frank-and I think the Senator will agree with me about this flax is produced in this country not for the straw but for the seed. All of the reports give the amount of flaxseed produced in this country and none the amount of flax straw produced in this country.

Mr. President, I can not think the Senator from North Dakota really believes there is any necessity for a duty upon flax straw produced in this country, for purposes of protection, from his own standpoint. Surely up to this time, if the records of the department are worth anything at all, there has been no importation of this kind of flax straw.

Mr. McCUMBER. But the Senator must remember the rea-

son for it.

Mr. SIMMONS. There has been no importation of hackled flax made from this kind of straw. A little while ago I suggested to the Senator that on account of the light character of this straw it could not be profitably imported into this country from any foreign country; that the freight rates made that impossible, and prohibited its importation here. The Senator answered me by saying that it was not the straw about which he was talking so much, but it was the hackled straw about which he was talking; and he suggested that while the straw itself was worth only about \$3 or \$3.50 a ton, the hackled straw was worth \$18 a ton, and that that was of sufficient value to justify the payment of the freight rates from a foreign country into this country.

I think the Senator is mistaken about that. But, however that may be, the records show conclusively that neither has any part of this particular straw been imported into this country nor has any hackled flax made from that straw been imported into this country.

Let me read to the Senator from the official record of imports entered for consumption during the year 1912, under the head of "Flax straw." The unit value of the straw imported into this country in that year was \$40.98, and only 170 tons were imported; so that none of this straw worth \$3 a ton was imported. Now let us see if any of the hackled product of flax made of this straw was imported. The Senator says it is worth \$18 a ton. The unit value of the tow of flax imported into this country in that year was \$180; so it could not have been the tow made of this straw. The unit value of the backled flax imported into this country in that year was \$606.56; so it could not have been the \$18 product which he says is produced from this \$3 straw. The unit value of the flax not hackled imported into this country in that year was \$310.71. So it is demonstrated by these figures that there has not been imported into this country up to this time any of this straw, nor any of the hackled flax produced from this straw.

Mr. McCUMBER. What does the Senator conclude from

that?

Mr. SIMMONS. My conclusion is that it does not need any protection, because none is being imported; and because, as I have argued before, the freight rates upon the straw itself worth only \$3 a ton are prohibitive, and the freight rates upon the hackled product worth \$18 a ton are likewise prohibitive.

Mr. McCUMBER. The Senator has forgotten to mention the

fact that there has been practically a prohibitive tariff, and that is the reason it has not been imported. If the straw itself is worth only \$3 to \$3.50 a ton, and there is a duty of \$5 a ton, it naturally follows that there would not be any imported. If the hackled straw is worth only about \$18 to \$20 a ton, and there is a duty of \$20 per ton, it naturally follows that there would not be any imported. But if you take off the \$5 a ton on the straw and take off the \$20 a ton on the hackled straw you will find then that it will come in, and it will supplant our product in the American market. That is all there is to that argument.

Mr. SIMMONS. The Senator can make that argument if he wishes, but I doubt very much whether the Senator believes that would follow.

Mr. McCUMBER. I did not quite understand the Senator.

Mr. SIMMONS. I say the Senator can make that argument if he desires; but as I have read, a part of this very product imported last year bore a duty of \$22.40 and another part bore Mr. McCUMBER. I am assuming that there have been no

importations whatever of any particular value.

Mr. SIMMONS. The Senator is making the argument, then, that while there have been no imports of this \$3 product and no imports of this \$18 product, when we put it on the free list Mr. SIMMONS. The Senator is talking about a product

when he knows the freight rate upon that product is as high as the freight rate upon hay or the freight rate upon any of the very bulky products.

Mr. McCUMBER. The Senator is certainly mistaken about

that.

Mr. SIMMONS. Does the Senator believe for a moment that a product that a farmer can not afford to haul with his mules and his team for 12 miles on account of its small value, worth hardly as much as a cord of wood in my country, could, if we put it on the free list, be brought to this country from Russia, occupying in the ship upon which it is brought a space probably equal to that which would be occupied by a product worth

ten or twenty times as much?

Mr. McCUMBER. Certainly not, and I never have claimed anything so ridiculous as that. But the Senator will insist upon ignoring the fact that we may bring in from Russia the product of the tow itself. Nobody claims that you can afford to bring straw from Russia. The very fact that you can not ship across the country a carload of potatoes does not establish the fact that you can not ship across the country the starch that would be produced from those potatoes. There is no danger of shipping any straw from the Canadian Northwest to New York any more than there is danger of our shipping straw from the Dakotas to New York. But we can ship the hackled

product to advantage.

Mr. SIMMONS. But you have not done so.

Mr. McCUMBER. If I stated that it was \$18 or \$20 a ton, I probably should have said that it costs from \$18 to \$20 a ton for the hackling process, and therefore it would make the value, we will say, from \$21 to \$23 a ton. They can afford to ship that, because it is very heavy, because it is baled, and because it occupies but a small space as compared with the straw itself.

But destroy the mill and you have no market for it.

So there is no necessity whatever, when you get right down to your real argument, for taking the tariff off the straw. The only argument you can make at all is that it does not make any difference whether you have a tariff on it or not; but when you come to the hackling process, you can not even make that excuse. You have simply got to make the excuse that you want to reduce the price of the hackled product of this short-fibered straw for the benefit of some one and to the detriment of the American farmer. When we ask who that some one is who is to receive a benefit from it, we are led directly up to the manufacturer of refrigerating cars and upholstered car seats. They are the only ones who are to receive a benefit.

Mr. President, Mr. Blehdon has been very insistent, and undoubtedly feels—and I feel he is correct in it—that his business is being entirely destroyed. He has an interest in and represents mills all over the Northwest. He declares that those mills will close upon a free hackled product. I submit the last letter from him upon that subject, and I ask that it may be read.

Mr. STONE. How long is it?

Mr. WILLIAMS. Unless the Senator has some particular reason for having it read, would be not just as soon let it go into the RECORD?

Mr. McCUMBER. This is the last one, and I have a par-

ticular reason for having it read.

Mr. WILLIAMS. It is nearly 6 o'clock, and we have spent the whole day practically on hackled straw. An executive session will be desired in a few minutes. Unless there is some particular reason why-

Mr. McCUMBER. I will say to the Senator it can be read in the morning, if they want to go into executive session now.

Mr. WILLIAMS. Let it be read now, if the Senator is not

willing to let it go into the RECORD without having been read.

Mr. SIMMONS. Yes; let it be read now.

Mr. STONE. What particular reason has the Senator for desiring that the time of the Senate shall be taken up by the reading of the letter?

Mr. WILLIAMS. It is not an argument. It is a—
Mr. MCCUMBER. I will read it myself if the Senator desires me to do so, but I thought the Secretary had better read it.

Mr. STONE. No, not that; but why does the Senator wish to take the time of the Senate in having a letter of that kind read that nobody will listen to?

Mr. McCUMBER. I am sorry, but I have not seen the Senator listening to any argument. I do not see that that makes much difference.

Mr. STONE. We have had the argument made by this same man presented by the Senator two or three times here this

Mr. McCUMBER. This is a new argument. It will be very instructive to the Senate.

Mr. STONE. Does the writer of the letter change his argument from day to day?

Mr. McCUMBER. This is a very good letter. I think the

Senator ought to listen to this one.

Mr. STONE. If the Senator merely wishes to kill time, all

right. Mr. McCUMBER. Not by any means. I have not taken much time in the last four weeks.

Mr. STONE. No: the Senator has not been here. He is

making up now for lost time.

Mr. McCUMBER. Then the Senator must excuse me for

taking a little time in a matter that so affects my own constituents.

Mr. WILLIAMS. I do not want the Senator to feel that we object to the time he has taken; we are delighted to listen to any argument from the Senator, but these are not arguments from the Senator or from any Senator. These are letters from somebody never elected to this body, and we could get the enlightenment in them just as well from the RECORD. I would be willing to sit here six hours and listen to the Senator from North Dakota—I like to hear him—but it did strike me that these other people who were getting before the Senate might be willing to have their statements go into the Record without reading.

Mr. McCUMBER. I try not to abuse the courtesy of the Sen-

ate in taking too much time in the presentation of any matter.

Mr. WILLIAMS. I do not object to any time the Senator himself takes.

Mr. McCUMBER. I feel, however, that this letter is quite instructive upon several points. I am perfectly willing to allow the matter to go over until to-morrow, because I will not complete what I have to say to-day.

Mr. WILLIAMS. I would rather, if the letter is to be read, that it should be read to-day; and I would rather that this para-

graph should be finished to-day.

Mr. McCUMBER. It will take some time to finish it.

Mr. STONE. I think it ought to be read. Evidently it is from a very great and wise man, who has been piling his letters one on top of another into the RECORD. I can not for one moment make the least objection to having the Senator from North Dakota not only put into the RECORD but read for the information of the Senate communications from a man upon whose judgment he so implicitly relies. Let us have the letter read.

Mr. PENROSE. We can not finish this schedule to-day. It

is just a question whether it shall be read now or to-morrow.

Mr. McCUMBER. The Senator from Missouri has grown

very generous in the last minute.

Mr. SIMMONS. I hope the Senator from Pennsylvania will agree that the letter may be read now.

Mr. PENROSE. Let us have an executive session.

Mr. SIMMONS. I shall not ask to keep the bill before the
Senate any longer to-day after the letter has been read.

Mr. McCUMBER. The reading of the letter could have been

completed while we have been arguing whether it should be read.

The VICE PRESIDENT. The Secretary will read the letter. The Secretary read as follows:

BUFFALO, N. Y., June 24, 1913.

Hon. Oscar W. Underwood,

House of Representatives, Washington, D. C.

Dear Sir: I would have come down to Washington were it not that I have been suffering very much from one of my ancient attacks of neuritis, for I would have liked to have a personal talk or interview with you, who were kind enough to grant one to me when I was in Washington in January, introduced to you by Mr. Charles Bennett Smith.

SMITH.

I then appeared before your committee with signatures and credentials from thousands of farmers as the representative, without pay and without any remuneration whatsoever, of all the tow manufacturers

without any remuneration whatsoever, of an title tow maintacture except one:

The Union Fiber Co., at Winona, Minn.; Atwood-Stone Co., Minneapolis, Minn.; Brady Tow Co., Wheaton, Minn.; J. W. Keogh & Co., Chicago, Ill., and St. Paul, Minn.; Andrew Thompson, Kensal, N. Dak.; Davis & Co., Reynolds, N. Dak.; Western Textile Co., Decorah, Iowa; G. W. W. Harden, Le Roy, Minn.; Wm. Salen & Co., West Salem, Ohio; Ashland Flax Mill Co., Ashland, Ohio; New London Tow Mill, New London, Ohio; Naperville Lounge Co., Naperville, Ill.; and many other tow mills distributed in Ohio, Michigan, Wisconsin, Iowa, Minnesota, North and South Dakota, wherever flax is raised, for the product is called by the farmers throughout the United States "flax."

I respectfully refer you to the Payne tariff, Schedule J. The duty on flax straw then was \$5 a ton, and on flax tow, or tow of flax, or tow of flax straw, as it is called, the duty was \$20 a ton.

Your committee transferred flax straw onto the free list and flax tow you cut 50 per cent and made it \$10 a ton.

Under this duty the tow manufacturers would be able to buy the farmers' flax straw, the farmers receiving from \$3 to \$9 a ton for their straw, according to quality in the different States where it is raised.

It needs from 2½ to 6 tons of flax straw to make a ton of common tow up to the fluest tow, and of which there is used in the United States several hundred thousand tons for upholstering of all kinds of furniture, and it is furthermore used, after being thoroughly broken and the woody part of the stalk worked out, and after it is chemically prepared so that it will not rot, for lining refrigerator cars instead of cork or cattle hair, which in time rots and smells badly in the cars.

In order to make the tow the farmers bring the flax straw to the mill, where it is stacked, and then it goes through corrugated steel brakes, steel pickers, steel shakers, and the mills are run by steam and electricity. To make a ton of the better and best grades of tow costs up to \$20.

The mills themselves are not expensive concerns, none of them costing more than about from \$5,000 to the highest, \$10,000, and are, to a large extent, owned by some farmers themselves.

Some farmers have 25 tons of straw for sale, some 50, some 100, and up to 500 tons a season, and every farmer in the Northwest raises flax straw, and when they bring it to the mills, or bale and ship the flax straw to the mills. after the flax straw has been thrushed, which means to have the seed thrashed out—and which is sold to oil manufacturers—they receive cash for.

Now, the money the farmers derive and have derived for years back from the sale of flax straw goes in ninety cases out of a hundred to the wife of the farmer, who buys the clothing and every

Now, the money the farmers derive and have derived for years back from the sale of flax straw goes in ninety cases out of a hundred to the wife of the farmer, who buys the clothing and every family necessity out of that money.

If, therefore, the tow manufacturers and the refrigerator car-lining manufacturers were unable to buy the hundreds of thousands of tons of straw from the farmers it would be a tremendous loss to hundreds of thousands of farmers in the Middle States, West, and Northwest, and, Mr. UNDERWOOD, if the party you so ably represent and in whom the business people of the United States confided and set a tremendous trust—and this is no flattery, but fact—would deprive the farmers of the sale of their flax straw, the farmers, I am sure, would believe themselves deeply and justly injured in the loss of their lawful income.

The farmers in general believe that they have been treated very hard or harsh, most everything they produce being on the free list.

If tow for upholstering and for refrigerator-car linings and for the production of wrapping and other paper, which enterprise was just started a short time ago, encouraged by the United States Agricultural Department, was put on the free list Canada, which pays half the wages we do, and Russia, which pays one-fourth the wages we do, would flood this country with tow, for the freight is very cheap, and I swear to you upon my honor that not a tow mill could exist and the farmers would lose one of their best incomes.

Your committee has done fair and straight and have doubtless considered that the poor hard working farmers do not combine and have million-dollar trusts, as the twine manufacturers and the thread manufacturers. For instance, the Barbour or similar concerns who petitioned your honorable committee to free flax straw and free flax, unhackled and hackled, but you did justice all around, because you and your committee understood the conditions and saved the farmers, and let me tell you that the United States raises some splendid flax for spinn

receive—starvation wages—when the owners themselves live in royal-like palaces.

The farmers can not believe, and we tow manufacturers can not believe, that the Senate Finance Committee and the caucus are posted about the flax business and the manufacture of flax and flax straw or they would certainly not take the bread of life away from the farmers and those connected with them by putting manufactured tow and flax on the free list.

Do not say Mr. Underwood, benerable sir, that the matter is out of

those connected with them by putting manufactured tow and hax on the free list.

Do not say, Mr. Underwood, honorable sir, that the matter is out of your hands, for it is still in your hands, even should it come to the time when the final Senate and House committee will meet for final arrangements.

I received within the last three days up to this writing 46 telegrams from the farmers in the West and Northwest, and the commercial clubs have taken action themselves, and I have written a letter to the Hon. F. McL. SIMMONS, chairman Committee on Finance.

The farmers can not send expensive lawyers to appear before your committees, and I have found out during my two weeks' stay in Washington at the time of the Ways and Means Committee hearing that paid lawyers will do no good, for we were all convinced that if the matter is brought before the committee justice will be done, and that is all we pray for and expect.

Again I say, honorable sir, do not say that the matter is out of your hands, for it will come back to your hands, and as you understand the conditions I, as the unpaid representative of the West and Northwestern farmers and tow manufacturers, lay the matter most respectfully before you.

I have the honor to be, Yours, very truly,

V. R. BLEHDON.

Mr. SIMMONS. I ask that the bill be laid aside for the day. OKANOGAN RIVER BRIDGE, WASHINGTON.

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 1353) to ments of the House of Representatives to the oil (8, 1853) to authorize the board of county commissioners of Okanogan County, Wash, to construct and maintain a bridge across the Okanogan River at or near the town of Malott, which were, on page 1, line 9, after "Reservation," to strike out the period and insert a comma; on page 1, line 9, after "Reservation," to strike out "Said bridge shall be constructed"; and to amend the title so as to read: "An act to authorize the board of county commissioners of Okanogan County, Wash., to construct, maintain, and operate a bridge across the Okanogan River at or near the town of Malott."

Mr. JONES. I move that the Senate concur in the amendments of the House of Representatives.

The motion was agreed to.

JOINT COMMISSION TO INVESTIGATE INDIAN AFFAIRS.

The VICE PRESIDENT. In accordance with the provisions of the act entitled "An act making appropriations for the current and contingent expenses of the Bureau of Indian Affairs, for fulfilling treaty stipulations with the various Indian tribes, and for other purposes, for the fiscal year ending June 30, 1914," approved June 30, 1913, the Chair appoints Mr. Robinson, Mr. LANE, and Mr. Townsend members on the part of the Senate of the joint commission to investigate Indian affairs.

COMMISSION TO INVESTIGATE TUBERCULOSIS AMONG INDIANS.

Mr. STONE. In accordance with the provisions of the act entitled "An act making appropriations for the current and contingent expenses of the Bureau of Indian Affairs, for fulfilling treaty stipulations with the various Indian tribes, and for other purposes, for the fiscal year ending June 30, 1914," approved June 30, 1913, the chairman of the Committee on Indian Affairs appoints Mr. Robinson and Mr. Townsend as members on the part of the Senate of the commission to investigate the question of tuberculosis among the Indians in connection with an inquiry into the necessity and feasibility of establishing, equipping, and maintaining a tuberculosis sanitarium in New Mexco, and to inquire into the necessity and feasibility of procuring impounded waters for the Yakima Indian Reservation.

#### HOUSE BILLS REFERRED.

The following bills were severally read twice by their titles and referred to the Committee on Commerce:

H. R. 1681. An act to extend the time for constructing a bridge across the Red Lake River in township 153 north, range 40 west, in Red Lake County, Minn.;

H. R. 1985. An act to authorize the county of Aitkin, Minn., to construct a bridge across the Mississippi River in Aitkin

County, Minn.; H. R. 3406. An act to authorize the construction of a bridge across the Sabine River at Orange, Tex.; H. R. 5891. An act authorizing the construction of a bridge

across White River at Newport, Ark.;

H. R. 6378. An act to authorize Robert W. Buskirk, of Matewan, W. Va., to bridge the Tug Fork of the Big Sandy River, where the same forms the boundary line between the States of West Virginia and Kentucky; and

H. R. 6582. An act to authorize the city of Fairmont to construct and operate a bridge across the Monongahela River at or near the city of Fairmont, in the State of West Virginia.

## EXECUTIVE SESSION.

Mr. BACON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After 5 minutes spent in executive session the doors were reopened, and (at 6 o'clock and 17 minutes p. m.) the Senate adjourned until to-morrow, Thursday, August 21, 1913, at 11 o'clock a. m.

### NOMINATIONS.

Executive nominations received by the Scnate August 20, 1913. SECRETARY OF EMBASSY.

Edward Bell, of New York, now on duty in the Department of State, to be second secretary of the Embassy of the United States of America at London, England, vice William P. Cresson, appointed secretary of the legation at Quito.

GOVERNOR GENERAL OF THE PHILIPPINE ISLANDS.

Francis Burton Harrison, of New York, to be Governor General of the Philippine Islands, vice W. Cameron Forbes, resigned.

## CONFIRMATIONS.

Executive nominations confirmed by the Senate August 20, 1913. MINISTER.

William J. Price to be envoy extraordinary and minister plenipotentiary to Panama.

# PROMOTIONS IN THE NAVY.

First Lieut. Russell H. Davis to be an assistant quartermaster in the Marine Corps with the rank of captain.
Lieut. Wilfred E. Clarke to be a lieutenant.

Lieut. Robert V. Lowe to be a lieutenant.

Lieut. (Junior Grade) Claude A. Bonvillian to be a lieutenant. The following-named ensigns to be lieutenants (junior grade): Edwin Guthrie.

Frederic T. Van Auken. William A. Hodgman.

POSTMASTERS.

CONNECTICUT.

Thomas J. Sullivan, Baltic.

INDIANA.

Lloyd W. Dunlap, Mentone.

NEW JERSEY.

Thomas C. Birtwhistle, Englewood.

PENNSYLVANIA.

James H. Alcorn, Waterford. Oscar E. Letteer, Berwick.

W. R. Rogers, Crewe.

### SENATE.

THURSDAY, August 21, 1913.

The Senate met at 11 o'clock a.m.

Prayer by Rev. Zed H. Copp, of the city of Philadelphia.

The Journal of yesterday's proceedings was read and approved.

CALLING OF THE ROLL.

Mr. SMOOT. Mr. President, I really believe we ought to have a quorum in the Senate to-day, and I suggest the absence of a quorum at this time.

The VICE PRESIDENT. The Secretary will call the roll. The Secretary called the roll, and the following Senators answered to their names:

Smith, S. C. Ashurst Bacon Bankhead Gronna Hitchcock Hollis Hughes Nelson Smith, S. C. Smoot Sterling Stone Sutherland Swanson Thomas Thompson Thornton Townsend Norris Overman Bradley Page Penrose Brady Brandegee Bristow James Jones Kenyon Perkins Pittman Pomerene Robinson Kern La Follette Lane Bryan Catron Saulsbury Shafroth Sheppard Sherman Chamberlain Lea Lippitt Lodge McCumber Vardaman Walsh Warren Chilton Clark, Wyo. Warren Williams Colt Fall Fletcher Gallinger Simmons Smith, Ariz. Smith, Ga. Martin, Va. Martine, N. J.

Mr. SHEPPARD. My colleague [Mr. CULBERSON] is unavoidably absent. He is paired with the Senator from Delaware [Mr. DU PONT]. I will let this announcement stand for the day. Mr. GALLINGER. I will take occasion to announce the un-

avoidable absence of the junior Senator from Maine [Mr. Bur-

LEIGH] on account of illness.

Mr. SMOOT. I desire to announce that the junior Senator from Wisconsin [Mr. Stephenson] and the senior Senator from Delaware [Mr. DU PONT] are absent from the city on account of illness

The VICE PRESIDENT. Sixty-two Senators have answered to their names. There is a quorum present.

## PETITIONS AND MEMORIALS.

Mr. HITCHCOCK. I present a resolution adopted at a meeting of the Democratic county central committee of Cuming County, Nebr., remonstrating against the Owen-Glass currency bill. The resolution is short, and I ask that it be printed in the RECORD and referred to the Committee on Banking and Currency

There being no objection, the resolution was referred to the Committee on Banking and Currency and ordered to be printed

in the RECORD, as follows:

Whereas there is now pending before Congress a currency measure known as the Glass-Owen currency bill—

known as the Glass-Owen currency bill—

Now, therefore, we, the Democratic county central committee of Cuming County, Nebr., believing that such currency bill is in many of its features undemocratic and undesirable, do hereby resolve that we deem it for the best interests of the country that such bill be rejected, and we do hereby request our Representatives in Congress to use all honorable means to defeat the bill; be it further

Resolved, That in the opinion of this committee the proposed measure, instead of providing for an expanding and flexible currency adequate to care for the business demands of the whole country at all times, unwarrantably reduces the power and limits the ability of the banks in the agricultural communities of the country to furnish the credit needed during the period of crop moving; be it further Resolved, That in our opinion the money question is paramount to all others at all times, and we believe that legislation touching so vital a subject should have the most careful consideration; and be it further

Resolved, That we affirm it to be our belief that Congress alone should have the power to coin and issue money. We declare our

adherence to the doctrine laid down by President Jackson, who said that this power could not be delegated to corporations or to individuals. The Democratic Party has always recognized this policy and it has often made the demand that all paper which is made a legal tender for public and private debts or which is receivable for dues to the United States should be issued by the United States Government. We are therefore opposed to the enactment of any currency measure which alms to discredit the sovereign right of the National Government to issue all money, whether of coin or paper, and to delegate this power to a Federal reserve board as is contemplated by the Glass-Owen currency bill.

At a meeting of the Democratic county central committee of Cuming County, Nebr., held on the 7th day of August, 1913, the above resolution was adopted by a motion duly made, seconded, and carried,

**Chairman of the Committee.**

**Higo M. Nicholson, Secretary of the Committee.**

**Mr. PERKINS presented petitions signed by sundry citizens.**

Mr. PERKINS presented petitions signed by sundry citizens of Norwalk, Anaheim, Artesia, Santa Ana, Whittier, and Compton, all in the State of California, praying for the adoption of the proposed tariff referendum, which were ordered to lie on the table.

the table.

Mr. O'GORMAN presented sundry petitions of citizens of Poughkeepsie, Nyack, Saratoga Springs, and Ithaca; of the Woman Suffrage Study Club of New York City, the Political Equality Club of Warsaw, the Woman's Political Union of Nyack, and of the Cornell Equal Suffrage Club, all in the State of New York, praying for the adoption of an amendment to the Constitution granting the right of suffrage to women, which were ordered to lie on the table.

#### LANDS FOR RESERVOIR PURPOSES.

Mr. STERLING, from the Committee on Public Lands, to which was referred the bill (S. 1784) restoring to the public domain certain lands heretofore reserved for reservoir purposes at the headwaters of the Mississippi River and tributaries, reported it without amendment and submitted a report (No. 104) thereon.

#### BILLS AND JOINT RESOLUTIONS INTRODUCED.

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. GALLINGER:

A bill (S. 3017) designating certain lands as an addition to the Capitol Grounds, and establishing the Capitol Park; to the Committee on the Library.

By Mr. NORRIS

A bill (S. 3018) for the relief of Elizabeth B. Sarson; and A bill (S. 3019) for the relief of the estate of James H. Patterson; to the Committee on Claims.

By Mr. BANKHEAD:

A bill (S. 3020) for the relief of the estate of John H. Wisdom, deceased; to the Committee on Claims.

By Mr. TILLMAN:

joint resolution (S. J. Res. 66) providing for a second edition of the Congressional Directory for the first session of the Sixty-third Congress (with accompanying paper); to the Committee on Printing.

By Mr. BANKHEAD:

A joint resolution (S. J. Res. 67) appropriating \$150,000 for the improvement of the Tennessee River (with accompanying paper); to the Committee on Commerce.

### AMENDMENT TO THE TARIFF BILL.

Mr. CATRON submitted an amendment intended to be proposed by him to the bill (H. R. 3321) to reduce tariff duties and to provide revenue for the Government, and for other purposes, which was ordered to lie on the table and be printed.

## AFFAIRS IN MEXICO.

Mr. PENROSE. Mr. President, I offer a resolution which I should like to have read and lie on the table.

The VICE PRESIDENT. The Senator from Pennsylvania

submits a resolution, which will be read.

The Secretary read the resolution (S. Res. 167), as follows: The Secretary read the resolution (S. Res. 167), as follows:

Resolved, That the Senate recognizes that it has been the policy of
the United States to maintain the Monroe doctrine throughout the
Western Hemisphere, and that the United States acknowledges its responsibility under the Monroe doctrine; that there exists in the Republic of Mexico a condition of internal warfare and lawlessness, and
that a continuation of these present conditions, accompanied by the
destruction of property, may involve international complications and
intervention by European nations.

Resolved, That it is believed by the Senate that it is the first duty
of the Government of the United States to protect the lives and property of its citizens at home and abroad, and that such protection in
the Republic of Mexico will lessen the prevailing lawlessness and
destruction of lives and property, and the danger and complications
that might arise from European intervention in the Republic of
Mexico.

Mexico.

Resolved, That in the opinion of the Senate it is not the policy of the Government of the United States to recognize, aid, or assist any faction or factions in the Republic of Mexico.

Resolved. That the President of the United States be requested to take such steps as are necessary to place a sufficient number of troops, as a constabulary, in the Republic of Mexico wherever and at such points as in his opinion they may be needed properly to police and to protect American citizens and their property; and it is hereby declared that such employment of troops for the protection of the lives and property of American citizens is not made with any intent that such policing and protection shall be construed as an act of hostility or unfriendliness toward the Mexican nation.

Mr. LA FOLLETTE. I ask that the resolution may go over. Mr. PENROSE. I made the same request when I offered the resolution. I asked that it might lie on the table.

Mr. LA FOLLETTE. I did not hear it.

Mr. PENROSE. I submit the following amendment to the deficiency appropriation bill, which I understand is being prepared in the House of Representatives, although not yet reported from the committee. I ask to have the amendment lie on the table until the bill comes to the Senate. I ask to have the amendment read. It is an accompaniment to the resolution which I have just offered.

The VICE PRESIDENT. The Secretary will read the amend-

The Secretary read as follows:

For the protection of the lives and property of American citizens in the Republic of Mexico, and for each and every purpose connected therewith, to be expended at the discretion of the President and to remain available until July 1, 1914, \$25,000,000.

Mr. PENROSE. Mr. President, I do not intend to speak at length, of course, on the amendment or the resolution at this time. I merely want to remark that the administration has asked for \$100,000 to take Americans out of Mexico. that they belong in Mexico. They have their constitutional rights there and their rights under our treaties and under international law. We have no right to demand that they shall break up the ties of home and occupation and leave a country where many of them have been practically all their lives. Rather than appropriate the pittance of \$100,000 to make this wholesale removal I would urge the spending of \$25,000,000 to keep them where they belong and to protect them in their legal occupations.

Mr. BACON. Mr. President, I would inquire of the Senator from Pennsylvania what direction he desires to have the

amendment take at the present time.

Mr. PENROSE. I asked to have the amendment lie on the table until the deficiency appropriation bill came over to the

Senate.

Mr. BACON. Mr. President, I wish to say that in accordance with the wish of the Foreign Relations Committee, not expressing my views but the views of that committee, the amendment should properly go to the Committee on Foreign Relations.

Mr. PENROSE. It ought to go to the committee—
Mr. BACON. If the Senator will pardon me a moment, it is true that hereafter the amendment would go to the Committee on Appropriations, but it is manifest that it concerns something more than the mere question of the appropriation of While I will not, unless it seems to be so desired, money. While I will not, unless it seems to be so desired, make the motion at the present time, I will make it at some future time.

I desire to say again that in so doing I am not expressing my individual views. I am simply the mouthpiece of the committee, and I am expressing the will of the committee unanimously agreed to by that committee, both Republicans and Democrats, that on all matters which relate to this most delicate question at this time there should be a reference to the Committee on Foreign Relations for consideration.

I beg to assure the Senator that in making the motion it is not with any disposition to interfere with whatever may be the proper disposition ultimately of this matter, but the purpose is that there shall now be given to all matters in this delicate situation a careful consideration by the Foreign Relations Committee, and I repeat in saying that I am expressing the

views of the committee and obeying its direction.

Mr. LODGE. Mr. President, the Senator from Georgia has stated the action taken by the committee. I think it was the feeling of all the members of the committee that in a matter of such difficulty and delicacy, as we all recognize the Mexican situation to be, it is very desirable that any resolutions or amendments or action of any kind relating to the subject should have the consideration of the Committee on Foreign Relations before action in the Senate, and those instructions, if I may say so, were given to the chairman of the committee by unanimous vote. The committee take that view with no purpose of delay or anything of that kind. They are as deeply impressed with the responsibility and importance of the situation as any Senators can be, but they feel it to be very necessary that the committee should have the opportunity of con-

sidering these matters before any positive action is taken in the Senate.

Mr. PENROSE. Mr. President, so far as I am concerned, I shall not at the proper time make any opposition to the due consideration of this or any other similar resolution by the Committee on Foreign Relations. I know that they are a body of patriotic Senators, and as to anything that I might sponsor I would be only too glad to have their opinion and their more intimate knowledge of conditions before I would press it further.

This resolution is modeled almost verbatim from a similar paragraph in an appropriation bill passed during the Spanish War at the beginning of the difficulties with Cuba. I have forgotten whether or not that bill went to the Foreign Affairs Committee of the other House or whether it went directly to the Appropriations Committee. At any rate, whatever the ultimate procedure may be, in a day or so I shall want to make a few remarks on this resolution, so I will ask that it lie on the table and later on that it go to the Foreign Relations Com-

mittee, if the Senator from Georgia so desires.

Mr. LODGE. If the Senator from Pennsylvania will allow me, with regard to an appropriation affecting foreign relations, I will say that it is customary to send amendments for the appropriation of money which involve foreign relations first to the Committee on Foreign Relations. I reported one the other day, which was recommended by the administration, authorizing a payment to the family of an Italian who had been killed in this country. That amendment went first to the Foreign Relations Committee, and that committee directed me to report it favorably and have it referred to the Committee on Appropriations.

Mr. PENROSE. That is entirely agreeable to me if it is the

usual method.

Mr. LODGE. That is the usual method. Such a reference

also makes an amendment in order before the Senate.

Mr. PENROSE. But meanwhile I should like to have the resolution lie on the table, not to be called up should I be absent, so that a little later—it may be this week or early next week-I may have an opportunity to address the Senate on the

I want to say, Mr. President, in this connection that I am not a member of the Committee on Foreign Relations, and do not want to stir up this matter unnecessarily, but it is a real issue with me. The people of Pennsylvania are quite generally interested in Mexican conditions, and there is hardly a day that I am not in receipt of urgent telegrams and communications demanding that some prompt action be taken to remedy the conditions at present existing and becoming intolerable. is not a sentiment; it is a condition.

I have an article here-I do not vouch for its accuracy, but I suppose it is as accurate as are most statements of this character-from the El Paso Morning Times of August 16, which, I believe, is a leading journal there. It will take but a moment to read it, and I should like to have the Secretary

read it.

The VICE PRESIDENT. Is there objection?

Mr. NELSON. Will the Senator from Pennsylvania yield to me before it is read?

Mr. PENROSE. This will take but a moment.
Mr. NELSON. But I wish the Senator would yield to me now.

Mr. PENROSE. Yes: I yield to the Senator.

Mr. NELSON. Mr. President, it seems to me that we are unwise at this juncture to agitate this question. Our administration is now, so far as I can judge, doing the best it can to settle this difficulty; and the agitation caused by introducing resolutions of such kinds as have lately been introduced, thus keeping the subject before the public and agitating it in this manner, is only an embarrassment to our Government and can lead to no beneficial results. I for one, as a Senator of the United States, feel that the administration ought to be sustained in its effort to settle the difficulties in Mexico by peaceable and diplomatic methods. This amendment should go to the Committee on Foreign Relations, as all similar amendments. have heretofore gone, and should not be used as a means of exploiting matters here in speeches at this time.

I think speeches on the Mexican situation are, at this juncture, out of place and will be an embarrassment to our Government. want to remind Senators at this juncture of a little bit of history that we older ones remember well, because it transpired under our eyes and observation. We were very glad during the long, weary, and momentous days of the Civil War that no foreign Government intervened in our struggle, and that they allowed us to settle the struggle among ourselves. We were threatened time and again with intervention from France, from

Spain, and even from England. In one case the situation became so acute that a general of the United States at New Orleans was removed because of the complaint of foreign Governments. We were very glad to have foreign Governments keep their hands off and let us settle our controversy among ourselves. The treatment that we hoped and longed for, and which was accorded us during the days of the Civil War, we ought to be willing to accord to a sister Republic at this juncture, and not attempt to agitate the question and bring on war. We ought to permit Mexico, as we were permitted during the Civil War, to settle her internal troubles without warlike intervention on our part.

What is it Senators want? Intervention means war. Suppose we have a war with Mexico, there are 15,000,000 people in Mexico, and they will not quietly and supinely submit to have that country invaded and dismembered. Suppose we should get as the result of war what some people are pining for-two or three of the northern Provinces from Mexico and attach them to the United States—what good will it do us? The acquisition of Alsace and Lorraine by Germany as the result of the Franco-Prussian War has proved a great military burden to Germany, and has served in the intervening years to keep up more or less tension and friction between that country and France. It has been one of the causes that has led to the excessive arming of both countries and to the formation of triple and dual alliances. And while the people of those Provinces have been Germanized in speech, they still are, to a large extent, Frenchmen at heart. The experience of Germany and France would be ours if we should take the same course here, and as a result of war take two or three Provinces from They would be a festering sore between us and that Republic for all time to come.

Therefore it seems to me that at this juncture we ought to do everything we can in this country to avoid war, and give the people of Mexico the same chance to settle their internal difficulties which we asked and obtained during the long and

weary days of the Civil War.

Mr. PENROSE. Mr. President, I absolutely agree with everything which the Senator from Minnesota [Mr. Nelson] has said in his remarks to the Senate. I have expressly declared in the resolution that no kind of political intervention or interference is contemplated.

Of course, we recall the dreadful days of our own civil conflict, but the then threatened intervention from Europe was of a political character. What the American people will gradually come to demand in the present situation is the police protection of American citizens and of American property, particularly near our own border.

We have been for a generation going down to Nicaragua and to other Central and South American Republics and landing marines to protect American lives and American property. So I

do not think that I am proposing anything radical.

I want to assure the Senator from Minnesota and all Senators that I am as absolutely opposed to intervention and the recognition of anybody and, of course, to war, as is any Member of the American Congress; but I think I have a right to demand some action when the life of the son-in-law of the lieutenant governor of my State is threatened, and I still have no information as to his safety, and when millions of dollars of investments in the neighborhood of Durango owned by citizens of Pitts-burgh have been destroyed, and when other citizens of Pennsylvania, reputable gentlemen, have appealed to me for some effort to protect them, I feel that I am justified in calling and should be permitted to call the attention of this body to the sub-

There is nothing in the resolution to warrant any apprehension on the part of the Senator from Minnesota or of any other Senator that I am trying to pose as a jingo. Why, Mr. President, the suggestion of annexation of any part of any territory is to my mind too absurd for an intelligent man to entertain for a moment. We want peace; we recognize the disorders which have prevailed too frequently in our own history; we look with regret and charity on the difficulties within the Republic to the south, but I do think we shall soon reach the point when we shall have to protect American property and American lives, particularly in the leighborhood of our own border.

I will now close, if the Secretary may be permitted to read

the extract from the El Paso paper which I send to the desk. The VICE PRESIDENT. Is there objection to the reading of

the extract asked for by the Senator from Pennsylvania?
Mr. SMOOT. Mr. President, there is no State in all the Union that has suffered more, not only financially but perhaps also in the loss of life, than has the State of Utah during the present civil war in Mexico. From 5,000 to 6,000 of her citizens have been driven out of Mexico. So hurriedly were

they compelled to depart they left their homes overnight on freight trains, in box cars, or in any other way they could, to seek refuge at El Paso, Tex. They left the finest of homes and their fields that were ready for the harvest. Those homes have been ruined, their property has been destroyed, and a number of lives have been lost.

I desire to say to the Senate that Hon. A. W. Ivins, who might be termed the father of the Utah colonies, writes me that he speaks for a great number of the Utah people when he says they would rather lose every dollar of property they own in Mexico than to see intervention by this Government. says, "Let them fight it out among themselves"; and I, too, believe in that policy.

I want to support the President of the United States in his endeavor to bring peace to that distracted country. not want to see the time come when we shall have to intervene and go to war with those unfortunate and helpless people.

I wanted to say this much, because I believe that the President is doing everything to-day that can be done, and I be-lieve it would be bad policy for this Government at this time to intervene in Mexico and thus bring on bloody and costly war.

Mr. BACON. Mr. President, I think the sentiments uttered by the Senator from Massachusetts [Mr. Lodge], the Senator from Utah [Mr. Smoot], and the Senator from Minnesota [Mr. NELSON], and other Senators, all along the same line, must be extremely gratifying to every lover of his country. I think it is generally recognized that at this particular time it is not wise that there should be a discussion of this question. are many matters which ultimately will have to be discussed, and there are many Senators who are anxious to be heard and who restrain themselves with difficulty. I am not speaking of myself now at all, but of others. As the reading of that newspaper clipping can not have any special beneficial effect at this time, as it can serve no purpose and can now illustrate no argument which the Senator is later going to makefor I understand the Senator does not now propose to discuss it, although I do not want to object to it-I simply want to ask the Senator from Pennslyvania if he does not think that he could withhold it until such occasion when he thinks the time has arrived to address the Senate on the subject?

There would be no difficulty, Mr. President, in filling the RECORD with harrowing details of what is occurring in Mexico; but there is nothing new to be given to the public by putting it into the RECORD and having it now read; it has already been

in the newspapers.

It seems to me, Mr. President, that all Senators might now unite in the carrying out of the intention and purpose which have been so admirably expressed by Senators on the other side this morning to give to the President, the officer of this Government who is clothed by the Constitution with the great duty of being the spokesman who shall communicate between this Government and foreign Governments, the opportunity now, in the midst of the effort which he is making, to proceed without hindrance and without embarrassment and with unanimous support, as he should have and as I think, practically, he does have, from the Senate. I want to ask the Senator if he will not, in view of the circumstances, withhold the reading of the article? I will not ask that he say that he will not at such time as he thinks proper read it; but I ask him if he will not withhold it now and let us proceed to other matters?

Mr. PENROSE. I introduced the resolution in entire good faith and with the firm conviction that it was my duty to introduce it, and I would not, of course, be willing to withdraw

it now.

Mr. BACON. The Senator misunderstood me. I asked if he would not withhold the reading of the newspaper clipping which he has sent to the desk to be read.

Mr. PENROSE. I beg the Senator's pardon; I am not particular about that,

Mr. BACON. That is all I asked the Senator to do.

Mr. PENROSE. I will withdraw that, if the Senator so desires. I want to work with him in the matter and with his committee and the administration; but I do feel that something must be done at an early date to suppress the brutali-ties, robberies, and molestations of Americans, particularly right near our own border.

Mr. SUTHERLAND. Mr. President, I have heretofore refrained from saying anything whatever upon the Mexican situation, but not because I was not as deeply interested in the subject as other Senators in this body, for, as my colleague [Mr. Smoot] has very well said, my own State is very deeply interested in it.

I appreciate the good judgment and wisdom of the Senator from Pennsylvania [Mr. Pennsose]; but I want to say that, so far as I am concerned, at this juncture of affairs I think it is exceedingly unwise to enter upon a discussion in the Senate, especially in the open Senate, of this particular subject.

The former administration, with whose doings in Mexico I was personally more familiar than I am with the actions of the present administration, was doing precisely, so far as I

understand, what this administration is doing.

I have personally every confidence in the patriotism and good judgment of the President of the United States. I have had an opportunity, in connection with others, of talking with him face to face; and no man can talk with him without being convinced that President Wilson is patriotically engaged in doing everything he possibly can to bring order out of the

chaos which now exists in Mexico.

Under the Constitution of the United States the President of the United States is the accredited instrument that we use in dealing with all foreign nations; and in a situation like this I believe it to be the duty of every officer of the Government, of Senators and Representatives, to stand behind him in his efforts; and, although there may be some things that have been done or that may be done with which I would not entirely agree, I believe it to be the part of patriotism and good sense to withhold any criticism which I might otherwise have to make until the situation has clarified. Until it has clarified, it seems to me the wise and patriotic thing to do is to stand behind the effort which the President is making; and that I, for one, propose to do.

The reports in the morning papers which I read are to the effect that the officials of the Mexican Government are now saying that the sentiment of the President and the sentiment of the Senate differ with reference to what shall be done in I think that is an exceedingly unfortunate condition I think it would be far better, I think it would tend to uphold the hand of the President and to enable him far better to accomplish something if the contrary impression could go out—namely, that the Members of the Senate and the other officials of this Government are behind the President-instead of having the unfortunate impression go to the people of that country that our counsels are divided. So long as that condition exists the President of the United States is more or less handicapped in dealing with the situation.

Mr. LODGE. Mr. President, merely a word. I cordially agree with what the Senator from Utah [Mr. SUTHERLAND], who has just taken his seat, has said as to the general position, but I should like to add this remark as to the present situation: The President of the United States, charged with the duty of conducting our relations with foreign countries, has been making an effort, in good faith and with all the wisdom and patience at his command, to bring about some arrangement in Mexico which would lead to peace and stable government. What the result of that mission is we do not know officially. We see only the accounts in the newspapers—the guesses, perhaps, that have been made. I do not think we can judge of the situation properly until we hear officially exactly what has been done. Until we know precisely about the result of this attempt at mediation, or such other matters as the President thinks wise to give to us or to the country, it seems to me we had better not enter upon debate, for debate, as reported in garbled form to other countries, is often misunderstood.

I am sure we are all actuated by the same desire, and that is

to maintain the peace of the country, not to intervene, to avoid intervention if possible, and at the same time give full and proper protection to American life and American property.

I really think at this time, until we know a little more about

the present situation, it is well not to enter upon debate.

Mr. BACON. Mr. President, I think the suggestion just made by the Senator from Utah is a most valuable one. I do not think, however, that anything which could have occurred could give such emphatic denial to the possibility of the truth of the impression that seems to exist in Mexico in regard to any variance between the Senate and the President as has been given by the Senate in the patriotic utterances which have been heard in this Chamber to-day on each side, regardless of party. I am willing that they shall go as the answer to such an insinu-ation or such an impression. This answer of the Senate can not be misunderstood either in the United States or in Mexico.

Mr. GALLINGER. Mr. President, during this entire controversy I have scrupulously refrained from saying a word. I entertain the precise views that have been expressed by other Senators on both sides of the Chamber. Yet I have sometimes wondered—and this is the only thought I propose to suggest—if it might not be well for the President to take the Senate into his confidence and communicate to this body through some source-properly the Committee on Foreign Relations in executive session—precisely what the instructions were that were given to Mr. Lind. I do not think it would be well to publish

them to the world, but I do think that the Senate is entitled to that information. For one, desiring to uphold the President in every effort he can make to adjust affairs in Mexico, I feel that the Senate, which will have a very important duty to perform if this matter goes on much further, might well be put in possession of that piece of information.

Citizens in my own State have greatly suffered in their property and personal rights; but I have besought them at every point to be patient, hoping that a peaceful solution of the difficulties might be reached. I simply desire to add that I sympathize deeply with what has been said on both sides of the Chamber as to the desirability of ceasing needless agitation, which I feel sure can not possibly do any good, but it occurs to me that there will of necessity be less agitation on the part of the Senate if the President acquaints this body with the real facts in the case.

Mr. FALL. Mr. President, I have had very little to say upon this interesting subject for some time, and I do not intend to

occupy the time of the Senate now at any length.

I think the Senator from Utah [Mr. Sutherland] possibly misread the statement from Mexico, or at least he did not thoroughly understand the workings of the Mexican mind. My impression, obtained from the reports from Mexico, both through the papers and otherwise, is that Mr. Huerta claims to have private sources of information with reference to the differences which he says or intimates exist between the Congress of the United States and the President of the United States. I do not think there is any intimation that the public utterances, either in this body or in any other, have convinced Mr. Huerta that the President is not being supported by the sentiment of the country, but that private advices from private sources of his own have led him to make this statement.

I am one of those who believe that public opinion, which has been said to be the residuum of the power retained by the people under the tenth section of the Constitution of the United States, when correctly informed, will act correctly. I am inclined to think that the great mass of the American people are conservative, and that when they understand the conditions they will act in a conservative way. I think sometimes it is better to have discussion along certain lines than to suppress discussion. However, I have not objected to any attempt to shut off discussion at all. I have not agreed with that line of policy, but I am not criticizing the patriotism or the ability of the administration.

I am here to say that, as one Senator, I propose to sustain in every way possible, so far as my vote and influence and action may go, the President of the United States and the administration in dealing with this or any other foreign problem of such magnitude.

I do not agree with the idea that every discussion along every line of such an important matter as this should be closed off. believe that had the people of the United States been fairly dealt with by the Congress of the United States prior to the Spanish-American War, had the people of the United States thoroughly understood the situation exactly as it existed, that war could have been avoided, and it would not have been brought on by an outburst of enraged opinion rather than wellinformed opinion. I fear something of exactly the same kind may lead to a crisis in Mexican affairs; that instead of action based upon a well-informed public opinion, understanding the facts and the circumstances, something may occur which will so outrage the American people that no administration and no Congress supporting the administration can stop the natural course of this great warlike Nation when it becomes thoroughly aroused.

Of course I realize, as everyone else does, that the details of negotiations of a diplomatic character must necessarily be kept from the public. I realize very fully that time is necessary in all these matters. I am frankly in accord with the sentiment expressed by the other Senators that all necessary time be given for the present diplomatic arrangements to be concluded in a satisfactory way, if possible, or to be ended in some way. I am equally frank in the statement of my opinion that it will be very much better to follow the advice of one of the men who wrote, I think, most intelligently of our Constitution and our people, Mr. Bryce, who said that it was the duty and much the best policy that the President take into confidence, at least to as great an extent as possible, the Senate of the United States in such matters as this Mexican problem. I do not believe any administration can long act in accordance with the will of the people except in accord with the coordinate branch of the Government, which must act in foreign affairs, not only to sustain the hand but to carry out the objects of the administration, which deals directly in these matters. That, however, is merely a matter not so much of criticism as of difference of opinion.

I will say frankly that I believe a fair understanding of the conditions existing in Mexico to-day with reference to American lives, American property, and the conditions among the Mexicans themselves, fairly discussed, would inform the American people to such an extent that they could let their representatives in the Senate and in the House and in the White House know what the sentiment of the people was.

It has been said upon high authority that there is no sentiment upon certain phases of this Mexican question. I can say that in my judgment there is a growing sentiment in the United States, and one of resentment; there is a growing sentiment in every State in this Union. It is that sentiment, guided by mis-informed or uninformed public opinion, which I fear, and not the sentiment of the people when they are thoroughly informed

about the conditions.

We are not a people who rush headlong into war. I hope those who have the confidence of the administration will urge, or at least suggest, the view that the opinion of the people of the United States should be informed rather than inflamed. To attempt to suppress information, to suppress discussion, upon the insistence that war stares us in the face, is to inflame and not to inform public opinion. This is my judgment, Mr. President

Mr. KERN. Mr. President, a few days ago an address was delivered before the Republican Editorial Association of Indiana by the Hon. Charles W. Fairbanks, formerly Vice President of the United States-a man who was Presiding Officer of this body; a man with the respect and the confidence of all its Members; a man who, while a pronounced partisan, is recognized as being a careful student of public affairs, possessing enlightened views on public questions.

In this address brief reference was made to the Mexican tuation. The sentiments expressed were patriotic sentiments, situation. in line with those expressed on both sides of the Chamber this morning. It is because the sentiments expressed by him are in line with those expressed here, after reading a paragraph or two to express my own views, that I shall ask that the entire extract, which is short, may be printed in the RECORD.

He says:

I have no doubt that the disturbances in Mexico during the last few years have been due in a greater or less degree to an effort on the part of ambitious cunning men to force intervention and possibly annexation to the United States. The exploiters of public utilities and of the mineral and agricultural resources of our neighbor have undoubtedly thought that they would gain much if they could force intervention by the United States. There are soldiers of fortune in Mexico who would undoubtedly welcome such a contingency.

Sensationalists are adding to the confusion of the situation and making more difficult the solution of the problem. Intervention in Mexico is, of course, not a matter to be considered lightly; for intervention means war, and war means the destruction of human lives and the expenditure of hundreds of millions of dollars. It means, furthermore, the responsibility of the Government of 20,000,000 people for an indefinite period. We are now engaged in governing 10,000,000 aliens as the result of the Spanish-American War—a war which could very probably have been averted if we could have exercised a little more patience, patriotism, and self-restraint.

If our speculators in Mexico suffer pecuniary loss as the result of recurring revolutions, that is a matter for future consideration, when stable government and peace are fully established in that country. It is not warrant for shedding the blood of Americans. To sacrifice the life of one soldier for all of the dollars investors or speculators have ventured in Mexico would be the supremest criminal folly. Without a deliberate afront on the part of the Mexican Government, whether it exists de jure or de facto, is no good ground on which we would be justified in sending our armies beyond the Rio Grande.

He concludes by saying:

He concludes by saying:

President Wilson is dealing with it-

The situation-

The situation—
as best he can. We may not entirely agree that his course is better than that of his distinguished predecessor, nevertheless we should endeavor to uphold his hands.

There should be no difference of opinion as to that. By doing so we shall make his task a comparatively easy one.

It is not an hour for either little politics or sensational journalism. The clamor of the jingoes should not be allowed to drown the voice of rational, deliberate statesmanship. It is a pretty safe rule, when we come to deal with grave international problems, to put our faith in the President of the United States and follow where he may lead. He speaks for the country when we come to deal with international affairs. The President of the United States is a safer guide than sensationalists and the soldiers of fortune, who come to the surface whenever international controversies arise.

Those sentiments. Mr. President, were applauded vigorously

Those sentiments, Mr. President, were applauded vigorously and enthusiastically by a large body of the Republican editors of Indiana. I think it ought to go into the RECORD in connection with what has been expressed on the other side of the Chamber this morning, that it may be known in Mexico and everywhere that in the hour of supreme danger the American people stand as a stone wall with their administration in defense of the national honor and national right.

I ask that these remarks by Mr. Fairbanks be printed in the

RECORD.

The VICE PRESIDENT. If there be no objection-

Mr. SUTHERLAND. Mr. President, at the request of the Senator from Georgia the Senator from Pennsylvania withdrew a statement which he desired to have read and go into the RECORD. I think in the face of that the Senator from Indiana ought not to ask that this paper go into the RECORD. For that

reason, and that reason only, I shall object to its being printed. Mr. BRISTOW. Mr. President, I can not consent that the sentiments expressed by the late ex-Vice President as to the character of the Americans in Mexico shall be applied to them as a whole. There are without doubt many characters such as he describes in Mexico, but there are also many very worthy American citizens, who went there, as they had a right to go, into a friendly adjoining country. Just as there are many thousands of American citizens in Canada to-day, there are thousands in Mexico, who are worthy, honorable, upright, and who are there for legitimate purposes. I do not think that a general statement of that character in regard to all Americans

in Mexico should go without qualification.

Mr. FALL. Will the Senator yield to me?

Mr. BRISTOW. In just a moment. I merely want to say, so far as sustaining the Government of our country in its effort to remedy the chaos that exists there, I think we are all agreed. We may hold different opinions as to the proper method that ought to be adopted, but that is only natural. While efforts are being made by the President to solve these problems and to protect our people in their rights, I think we ought to stand together.

I am in accord with many things which President Wilson has done. Some of the things I think he ought to have done differently, but probably he has acted more wisely than if he had followed the course which it seems to me was a better That is a question which time alone can determine.

But I do not want any general statement to be made branding every man and woman who may be in Mexico as the character of individuals described by Mr. Fairbanks in his address, because I happen to have some very warm friends in Mexico, men who are worthy of the protection of their Government wherever they may be, whether in Mexico or in any other foreign country.

Mr. KERN. Mr. President—
The VICE PRESIDENT. Does the Senator from Kansas yield to the Senator from Indiana?

Mr. BRISTOW. Very gladly.

Mr. KERN. Does the Senator understand that the late Vice President declared that every American in Mexico was of the character indicated by the Senator? He referred to a certain character of persons who are now agitating this question. was not a general denunciation of Americans in Mexico.

Mr. BRISTOW. It seemed to me as the Senator read it that it was pretty general. I think the ex-Vice President should have referred to others who are worthy of his consideration as well as those who are not, because there are both kinds in Mexico.

Mr. SIMMONS. Mr. President, I ask for the regular order.

Mr. GALLINGER. Has the morning business closed? Mr. SIMMONS. Has the morning business expired? The VICE PRESIDENT. Nothing has expired.

Mr. SIMMONS. The point I wish to make is that this debate is proceeding by unanimous consent; that there is nothing before the Senate and I think we might now go on with the tariff bill.

Mr. GALLINGER. It has seemed to cease by unanimous consent now, Mr. President, and I introduce a bill for refer-

[The bill introduced by Mr. GALLINGER appears under its appropriate heading.]

GOODS IN BOND.

Mr. SUTHERLAND. I offer a resolution and ask for its present consideration.

The resolution (S. Res. 168) was read, as follows:

Is there objection?

The resolution (S. Res. 168) was read, as follows:

Resolved, That the Secretary of the Treasury is directed to furnish, for the use of the Senate, so much of the Jolowing information as is now available:

First. The value of imported commodities now held under bond for warehousing or other purpose which have been entered without payment of duty.

Second. The value of such commodities so held at the same time in the year 1912.

Third. An estimate of the total amount of the duties payable upon such commodities under existing tariff laws.

Fourth. An estimate of the amount of duties which would be payable under the proposed tariff bill (H. R. 3321) as the same is reported to the Senate by the Finance Committee of the Senate.

The VICE PRESIDENT. The Senator from Utah asks unanimous consent for the present consideration of the resolution.

Mr. SIMMONS. I was under the impression that a similar resolution was passed a few days ago. Am I mistaken about

Mr. SUTHERLAND. I introduced a resolution of this same general character three weeks ago, asking for information which, I think, might have been furnished by the Treasury Department within a week. The delay in furnishing it to me is altogether unaccountable. There has been, as it seems to me, inexcusable procrastination about it. The resolution which I have now introduced differs from the former resolution in the particular that the resolution now calls for so much of the

information as may be available.

Mr. SIMMONS. Mr. President, I am not—

Mr. SUTHERLAND. Let me finish, if the Senator will allow me. We have now gone through the consideration of a very large part of the schedules of the tariff bill. It is going to be a matter of only a short time, I hope, until we shall have reached the administrative provisions of the bill. I, at least, consider the amendment which I have offered upon that sub-ject to be of importance, and it is necessary in order that it may be intelligently considered that the Senate should have the information which has been requested.

Mr. SIMMONS. Mr. President, I want to say to the Sena-

Mr. SUTHERLAND. That is the reason why I have introduced the resolution modifying the former resolution.

Mr. SIMMONS. I am not going to object to the present consideration of the resolution if it does not lead to debate.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution? The Chair hears none. The question is on the adoption of the resolution.

The resolution was agreed to.

THE TARIFF.

Mr. BRADLEY. Mr. President, I desire to announce that if physically able I shall submit a few remarks on the tariff bill on Tuesday next, immediately following the close of the morning business.

CONDITIONS IN MEXICO.

The VICE PRESIDENT. The morning business is closed. Mr. PENROSE. There are two resolutions (Nos. 162 and 163) on the table introduced about a week ago by me relative to the Mexican situation. In view of the fact that they were preliminary and of minor character, and that I have to-day introduced resolutions of wider scope, and I hope of more effective results, I would be entirely willing to have the two earlier resolutions now referred to the Committee on Foreign Relations. I would like to inform the chairman of that committee in this connection that if he wants any information from me or others as to what I know that I can produce about Dr. Hale or about conditions in Durango I will be very glad to communicate with him or to produce witnesses before him. I earnestly hope that he will give both resolutions early and earnest consideration.

Mr. BACON. Mr. President, I think the direction proposed by the Senator is a correct one. I beg to assure him that the committee will deal with the resolutions, as it does with all

other matters, in a proper way.

Mr. PENROSE. I recognize that this is the regular parliamentary procedure, and I only desired to have the resolutions lie on the table until I could possibly make a few remarks on them. That course is now unnecessary, in view of the resolution of wider scope which I have presented. The VICE PRESIDENT. The resolutions will be taken from

the table and referred to the Committee on Foreign Relations.

Mr. PENROSE. Not the resolution I offered to-day. The VICE PRESIDENT. The former resolutions that came over from a preceding day.

THE TARIFF.

Mr. SIMMONS. I ask unanimous consent that the Senate proceed to the consideration of House bill 3321.

There being no objection, the Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 3321) to reduce tariff duties and to provide revenue for the Government, and for other purposes.

Mr. PITTMAN. Mr. President— Mr. BRISTOW. Will the Senator from Nevada yield to me for just a moment while I refer to a matter in regard to my address the other day on the sugar schedule? It will take just

Mr. PITTMAN. Certainly, I yield to the Senator

Mr. Fowler in regard to his experience in growing sugar beets and the rotation of crops. Some debate was the result of reading the interview with Mr. Fowler, and I made the statement then that I had not communicated with Mr. Fowler and knew nothing of the facts except as they appeared in the newspaper. This morning I received the following telegram from Mr. Fowler:

EMPORIA, KANS., August 20, 1913.

Senator J. L., BRISTOW, Washington, D. C.

The article in the Emporia Gazette referring to my wheat grown on beet land is absolutely and positively correct in every particular, and I am willing to make oath to same.

RUPPLY FOWLER

The VICE PRESIDENT. The Senator from Nevada will proceed.

Mr. PITTMAN. Mr. President, the State of Nevada, which I have the honor in part to represent, is numbered among the wool-producing States of the West. The present tariff bill wool-producing States of the West. The present tariff bill places raw wool upon the free list. I am heartly in favor of such provision of the bill, and I am firmly convinced that it is for the best interests of the people of my State. I believe that a great majority of the citizens of Nevada are of the same opinion. I know that the Democratic papers of the State, with possibly one exception, are supporting the administration in placing raw wool upon the free list.

I realize, however, that some able and sincere Democrats in my State hold a contrary opinion, and that they are presenting to the people of the State the same erroneous statements and fallacious arguments by which they themselves were deceived. There is no doubt that such error is due to a blind faith in the representations of their friends who are engaged in the wool industry and a failure to properly analyze and apply the sta-

tistics relating to the production of wool.

The principal contentions of those who oppose free raw wool are:

(1) That it will destroy the industry.
(2) That it is a discrimination against the producer.

(3) That it will injure the woolgrowing States.

I will discuss each of these complaints in the order presented.

WILL IT DESTROY THE INDUSTRY?

There is only one way in which it could be instrumental in destroying the industry, and that would be by permitting foreign wool to come into the country in such quantities and at so low a price that the American woolgrower could not compete and make a reasonable profit upon the business. The removal of the tariff will certainly permit foreign wool to come into the country, but the question is, How much will come in, and at what price can the foreigner afford to sell it in the United States?

In the first place, the foreigner can not afford to sell his wool in the United States for less than he can obtain for it in the markets of the world; and in the second place, he can not afford to sell it for less than it cost him to produce.

DEMAND INCREASING.

The price of wool in the markets of the world, the same as other products, depends upon the supply and the demand. For a number of years there has been a constant demand for all the wool that has been produced. There is now an active demand for the entire wool production. The demand for the article is increasing at a far greater rate than the supply. With the spread of civilization and the growth of enlightenment and prosperity among the masses, the desire for more and better clothing and bedding has grown, until woolens have come to be looked upon as a necessity rather than a luxury. This demand must be an ever-increasing demand, so surely as civilization must advance.

SUPPLY DECREASING.

What is the outlook for the supply? It has about reached its maximum and must decrease with the advance of civilization. Vast ranges of free or very cheap lands are essential to the success of sheep raising where the production of wool is the chief product of the industry. It is a primitive industry that precedes civilization, and as the home seeker, the settler, and the farmer advance, the wool raiser must retreat. He has now reached his last stand. There is nowhere he can retreat. There are no new ranges to exploit.

The Tariff Board appointed by President Taft in 1911, in discussing this phase of the subject, in its report says:

Mr. PITTMAN. Certainly, I yield to the Senator.

Mr. BRISTOW. I have a telegram received this morning from Mr. Ruffin Fowler, of Emporia, Kans. In my address the other day on the sugar schedule I read a clipping from the Emporia Gazette that was alleged to be an interview with

In speaking of the sheep district of Argentina, the principal producer of sheep in South America, the board says:

The Province of Buenos Aires has approximately 35,000,000 sheep, or over one-half the total number in the Republic. The ranges are fully stocked and the number of sheep is decreasing owing to the inroad on the ranges by wheat farmers. The soil is rich and the carrying capacity of the range extremely high. The demand for the lands will doubtless decrease the number of sheep from now on.

And even in Africa we find no opportunity to greatly increase the supply, while the same causes that operate to decrease the supply in other countries will be operative there. The report in referring to Africa:

All the land available for sheep grazing seems now to be in use, although not fully stocked.

When there are men to cultivate land it is too valuable to be used for the raising of sheep exclusively for wool. As the land is withdrawn from the ranges for more profitable purposes, the herds must be decreased. Principally for such cause, between 1900 and 1910, the number of sheep in the United States decreased from 61,503,713 to 52,447,861, being a decrease of nearly

15 per cent in 10 years. Mr. WARREN. Mr. President, will I disturb the Senator by

asking him a question?

Mr. PITTMAN. I yield to the Senator, with pleasure. Mr. WARREN. I did not hear the date of the figures which

the Senator quoted. Will be kindly give me the date?

Mr. PITTMAN. I will state to the Senator that I used round numbers, without giving the thousands.

Mr. WARREN. For what year?

Mr. PITTMAN. For the years between 1900 and 1910.

Mr. WARREN. I observe the shrinkage. Has the Senator.

Mr. WARREN. I observe the shrinkage. Has the Senator before him and, if so, will be give us the explanation which both the Department of Commerce and Labor and the Department of Agriculture give, which is that the law required the behing of the commerce and the law required the state of the commerce o taking of the census of sheep in April instead of in June, before the lambs were born, and that therefore the decrease is very largely accounted for? In fact, so the Government experts say, there were but few less sheep in 1910 than there were in 1900. The number of sheep of mature age-breeding ewes-was about the same; but the lambs were not counted, because they were dropped between the two dates. I do not know whether the Senator has noticed that explanation of those figures

Mr. PITTMAN. I have noticed the matter to which the Senator refers. It is stated that, by reason of the taking of the census at a different period of time, there were apparently a fewer number of lambs; but I also call the Senator's attention to the report of the Tariff Board, which states that there has been a decrease in that length of time in the number of ewes

Mr. WARREN. I will not interrupt the Senator further now. I have all those matters, and I will bring them up in my own

Mr. PITTMAN. Very well.

Mr. WARREN. But I wanted to know if the Senator had noticed that fact.

Mr. PITTMAN. I have noticed that, and I think probably it may make a small difference in the 15 per cent, but it will be relative as the number of lambs are to the total number of

Mr. NORRIS. Mr. President, will the Senator kindly yield to me a moment there?

Mr. PITTMAN. Certainly. Mr. NORRIS. I think it would be well if the Senator would let us know whether the preceding census, that for 1900, was not taken at the same time. Was not that taken at the same

period of the year as the census of 1910?

Mr. PITTMAN. No; it was not; and, therefore, I think the statement of the Senator from Wyoming [Mr. Warren] in regard to lambs is probably correct. The census of 1900 showed probably a larger number of lambs than was shown by the last census.

Mr. NORRIS. I thought that it would be well, in the interest of the real truth of the situation, to know the period when each census was taken.

Mr. PITTMAN. I desire to be perfectly fair in the matter; and, if that is true, it would probably reduce the percentage to some extent, as the lambs are in proportion to the total num-

Mr. SMOOT. Mr. President, I should like to ask the Senator if it would not wipe out the whole percentage of decrease as given by him? Fifteen per cent of 60,000,000 in round numbers would be only 9,000,000 head. The Senator is certainly familiar enough with the sheep business to know that with 60,000,000 sheep in this country the lamb crop of any year would be 9,000,000 or more; and if it were 9,000,000, then the full 15 per cent of which he speaks would be wiped out.

Mr. PITTMAN. That would depend entirely, Mr. President, upon the particular periods when the respective censuses were taken and the particular number of lambs dropped within those particular dates, which I presume the Senator will be able to show at some other time.

In this connection I wish to state that the Tariff Board calls attention to the decrease of sheep first in the eastern part of the United States, and attributes that decrease to what I am now attributing it; that is, that the land is more valuable for other purposes than for sheep raising.

Mr. THOMAS. Mr. President-

The PRESIDING OFFICER (Mr. SAULSBURY in the chair). Does the Senator from Nevada yield to the Senator from Colorado?

Mr. PITTMAN. I do. Mr. THOMAS. I should like to inquire of the Senator whether the report of the Tariff Board shows or does not show a corresponding decrease in the wool clip?

Mr. PITTMAN. Yes. I thank the Senator for that suggestion. I think it will be found that there has been a corresponding decrease not only in the wool clip, but in the number of

grown sheep.

Mr. WARREN. Mr. President, quite the reverse is shown as to the wool clip, but I will bring that forward at some other time. Allow me to say right Le. : that the Tariff Board, of course, took partial figures from the census an 1 from the statistics of the Agricultural Department, but I have letters dated as late as yesterday from those two departments, which I will to-morrow or at some other time bring in, which show very plainly that the true sheep census of the United States is taken by those departments. The figures of the Tariff Board as to the number of sheep, as they were not called upon to report upon that fact, were drawn from portions of the reports only.

Mr. PITTMAN. I wish to say to the Senator that I realize that the report of the Tariff Board is very defective, but as a general thing the defect exists in favor of a high protective

tariff rather than against it.

Mr. WARREN. I do not wish to be put in a wrong position. I am not stating that the figures of the Tariff Board upon those matters which were relegated to them to ascertain are defective, but it was no part of their business to ascertain the number of sheep.

Mr. POMERENE. But that does not alter the fact. Mr. PITTMAN. I was simply taking up this part of the argument for the purpose of showing that the number of sheep is decreasing, and the reason given by the Tariff Eoard, which I accept for the purpose of this argument, is that the range lands of the country have been exhausted and that the range lands are being decreased because the lands are being taken up by farmers for more valuable purposes

Mr. WARREN. The Senator is speaking, of course, of lands

in the United States.

Mr. PITTMAN. I am speaking of lands everywhere. Mr. WARREN. I agree with the Senator in so far as lands

in the United States are concerned, but I disagree with him totally as to certain other countries.

Mr. PITTMAN. I agree with the report of the Tariff Board not only as to lands in the United States but as to lands in Australia, South America, and Africa.

Mr. WARREN. Possibly some parts of the Tariff Board report will hardly agree with what the Senator is now stating. However, we will let that pass.

Mr. THOMAS. Mr. President, if the Senator will permit me

Mr. PITTMAN. Just a moment. I have the Tariff Board report here to substantiate everything I have said, and I have sufficient quotations here to sustain everything to which I refer.

Mr. WARREN. I have not the slightest doubt but that the Senator means to be absolutely accurate, and I do not question a figure he has given or that every fact set forth by him he has found where he says he has found it. I made the inquiry not to embarrass the Senator, but to bring up the matter of the difference in the periods when the census for 1900 and that for 1910 were taken, the difference being caused by the law. As to the other matters I prefer, and I know the Senator would, that I take them up in my own time.

Mr. PITTMAN. I am very pleased to have had the inter-

Mr. THOMAS. Mr. President, if the Senator will permit

Mr. PITTMAN. I yield to the Senator from Colorado. Mr. THOMAS. I think it is appropriate here to call attention to the April number, 1913, of the North American Review, which contains an article entitled "Our wool duties," by Mr.

Thomas W. Page, former member of the Tariff Board, in which, upon the matter of the wool clip, on pages 452 and 453, he says:

upon the matter of the wool clip, on pages 452 and 453, he says:

It appears from this sketch that in spite of high protective duties, which have endured, with a single brief interruption, for generations, woolgrowing in the United States has become a waning industry. The census reports give evidence to the same effect. They show that the total number of sheep, excluding lambs, during the last 30 years has decreased in every decade. There has been some increase in the western division of the country, but that increase in the last decade was less than 3 per cent, and it was more than counterbalanced by losses in other sections. The amount of the total annual wool clip can only be estimated, and since it depends on weather conditions and other changing contingencies, it fluctuates from year to year. It may be said, however, that from the best estimates that can be made—and these estimates are accepted in business and are used in the Government reports—the average annual production in the five years ending in 1910 was about three hundred and cleven and a half million pounds.

pounds.

This is nearly 4,000,000 pounds less than the average annual production in the live years that ended a quarter of a century earlier.

I beg pardon of the Senator from Nevada for interrupting him, but I thought the paragraph I have read might be appropriate in this connection.

Mr. SMOOT. Mr. President, in this connection—
The PRESIDING OFFICER. Does the Senator from Nevada yield to the Senator from Utah?

Mr. PITTMAN. I do.

Mr. SMOOT. I understood the Senator to claim that the decrease in the number of sheep was caused solely by the fact that the lands are being taken for other purposes and that they have become so valuable that the owners could not afford to carry sheep upon them.

Mr. PITTMAN. I am certain the Senator does not intend to

misquote me.

No.

Mr. PITTMAN. I did not say that it was due solely to that Mr. PITIMAN. I did not say that it was due solely to that cause. There may be a great many causes operating to reduce the number of sheep. What I am simply going on to show now is that the demand is increasing. The only object of this part of my argument is to show that the demand is increasing.

Mr. SMOOT. Mr. Bresident, I simply wanted to call the Senator's attention to the fact that in 1894, when we had free wool, sheep decreased until, in 1897, there were only 36,818,000 head in the United States. After the duty upon wool was re-

head in the United States. After the duty upon wool was re-stored the number of sheep increased until we had 62,000,000 head, as the Senator has stated in his remarks.

Mr. WALSH. And now, Mr. President, they have fallen off until we have only 51,000,000 head instead of 62,000,000.

Mr. SMOOT. Yes; and the reason for that is that the lambs were not born at the time the 1910 census was taken, and accordingly the figures do not show the increase of sheep for that

Mr. WALSH. I am not giving the Senator the census report I am giving the report of the Agricultural Department

for 1913.

Mr. SMOOT. Well, Mr. President, I simply say that I was referring to the figures to which the Senator from Nevada was referring in his speech, and I quoted the figures as to the number of sheep for 1895, 1896, and 1897 from the Agricultural Department, Mr. President, there is no doubt about it. [Laughter.] The Senator refers to 1894 and 1895.

Mr. JAMES. No; I am talking about the number of sheep, which has fallen off, as suggested by the Senator from Montana, about eleven or twelve million, from 1903 to 1913; and still all that has gone on under a high protective tariff on wool; but if during this time wool had been free, then the Senator would have said that it was all attributable to free wool.

Mr. SMOOT. I misunderstood the Senator, for if the Senator will look at the figures he will find that just as soon as there was a duty on wool the number of sheep increased very

Mr. JAMES. The facts also show that under a high protective tariff on wool the number of sheep have decreased about from 10,000,000 to 14,000,000.

If the Senator continues, he will get it at Mr. SMOOT. 20,000,000 or 30,000,000.

Mr. JAMES. I am stating the facts.
Mr. PITTMAN. Mr. President—
Mr. JAMES. If the Senator from Nevada will permit me, if we had had free wool at that time, the Senator from Utah doubtless would be attributing the decrease of 14,000,000 sheep to free wool.

cotton went up from 6 cents at the beginning of that period to

about 12 cents at the end of it.

Mr. PITTMAN. What I wish to say to the Senator from Utah is that I am quoting from the Republican gospel; I am quoting from the Republican bible; I am quoting from the Tariff Board report to show that there has been a decrease in the number of sheep in the last 10 years. That is also sustained by the report of the Department of Agriculture. object in referring to that at the present time is to show that the natural demand for wool and for mutton is increasing and that, without any regard whatever to the tariff, the price must be sustained. So far as concerns the decrease in the number of sheep in the year 1894, I am not referring to any particular instance or to any particular date. I never said that there were not other causes. I know that droughts in New Mexico have killed sheep; I know that snows in Montana have killed sheep; and I know that in Australia in one year approximately one-half of the sheep were killed by a drought. But that does not reach the basic question. The basic proposition is that the ranges of the world are being taken up for more valuable purposes, and when those ranges are so taken up the flocks must decrease

Mr. POMERENE. Mr. President-

The PRESIDING OFFICER. Does the Senator from Nevada yield to the Senator from Ohio?

Mr. PITTMAN. I do.

Mr. POMERENE. It seems to me that on this side of the Chamber we must remember that when a fact does not sustain the protective theory it ceases to be a fact. [Laughter.]

Mr. SMOOT. Mr. President, I wish to say that nobody has disputed the fact that there are now fewer sheep than there were a few years ago. No one has denied the fact which the Senator has stated, that the lands in this country are being used for other purposes-that is, certain lands-but there are lands in this country which never can be used for any other purposes than for grazing, and those lands are being utilized, as the Senator says, almost to their limit; but they are not

going to grow much less, as every western Senator knows.

Mr. PITTMAN. Mr. President, I will take pleasure in answering that question later on in my remarks. The Senator admits that the number of sheep are decreasing. If that be a fact, if the supply is decreasing, while there is no question but that the demand is increasing, according to the universal law if the demand is increasing and the supply is decreasing the price must have a tendency to rise. With the demand steadily increas-ing and the supply rapidly decreasing the competition must be between the buyers instead of the sellers. In such event, the price would be so high that the cost of production in foreign countries would not concern the American woolgrowers. It would simply mean that if another country produced wool for less money it would make a greater profit, but such result would in no way reduce the profit of the American woolgrower, because there would be no competition between sellers and no reason to sell any wool for less than the world's highest market

If the supply of wool was greater than the demand for it, then only that wool would be sold which was offered at the lowest price, and the country that could produce it for the least cost would, of course, be able to sell it for the lowest price; but when the demand is greater than the supply, all the wool will be sold and to the purchasers offering the highest

Such is the condition of the wool market to-day in Germany, France, England, and other countries where raw wool is admitted free of duty, but in the United States the buyer must pay the market price of the wool with the tariff duty added. For instance, last year the average price paid by the manufacturers in Germany, England, and France for raw scoured wool was 43 cents a pound, while the average price paid by the American manufacturer for scoured wool was 48 cents a pound, being the world's market price of 43 cents with the duty added. The American manufacturer, of course, added the extra price to his manufactured woolen goods, and the American people paid such bonus to the American woolgrower. By removing this duty we reduce the price of woolen goods the amount of such duty and compel the American woolgrower to accept the world's price. While such reduction will be quite large at the present time, the woolgrower can make a reasonable profit at the world's price, and that is all to which he is entitled.

Mr. PITIMAN. I desire to continue my answer to the Senator from Utah [Mr. Smoot].

Mr. WILLIAMS. I only desire to say that under the contention of the Senator from Utah [Mr. Smoot] if there had been a duty on cotton that would have accounted for the fact that

markets of the United States with foreign woolgrowers? say in the markets of the United States because the question of a tariff duty only affects such markets. The determination of this question depends upon the comparative cost of production of wool here and in foreign countries. To obtain the facts necessary to such determination requires a systematic, careful, and impartial investigation and consideration of many subjects and conditions in every wool-producing country in the world, during a long period of time, by disinterested and impartial men who are peculiarly fitted for such work. While no such investigation has been conducted, there are men who have given such subjects careful consideration and lifelong study. There are, in fact, members of the Senate Finance Committee and the Ways and Means Committee of the House who are probably as well versed in such matters as any tariff The Democratic majority in each of these committees in forming the pending tariff bill had the assistance of the best informed statisticians and experts. The fact that such committees have determined that the American woolgrower can compete with the woolgrowers of the world without the protection of a tariff at least shifts to the protectionists the burden of disproving such conclusions. Democrats have the right to rely upon the findings and conclusions of such committees as the highest authorities in their party until the error of such conclusions, if it exists, is proven.

ANALYSIS OF TARIFF BOARD REPORT.

On the other hand, those who contend that the American woolgrower can not compete with the producers of foreign wool without the aid of a protective tariff rely upon the report of the Tariff Board appointed by President Taft'in 1911. I have already called attention to the fact that the statistics submitted by experts to the Ways and Means Committee of the House and the Finance Committee of the Senate prove that no duty is required on raw wool to enable the American grower to compete in the markets of the United States, and intend to sustain such conclusions by an analysis of the Republican Tariff Board report. In the first place, I do not want it understood that I admit the correctness of such report, because I believe that the report is strongly biased in favor of a high protective tariff, that the board was appointed for the purpose of sustaining President Taft in his opposition to the Underwood tariff bill, which reduced the tariff on raw wool, that the board accepted as true the highest figures given by American sheep raisers as to the cost of production in the United States and the lowest figures given as the cost of production in foreign countries. President Taft, in his message of August 17, 1911, accompanying the veto of the wool bill, says:

My veto was based on the ground that, since the Tariff Board would make, in December, a detailed report on wool and wool manufactures, with special reference to the relation of the existing rates of duties to relative costs here and abroad * * * legislation should not be hastily enacted in the absence of such information.

How did the board proceed to obtain its information? Let

us take the board's own statement:

us take the board's own statement:

The board has conducted a detailed investigation of the financial aspects of the woolgrowing industry as it now exists in the western United States, in the prosecution of which every effort was made to obtain figures that were both accurate and reliable. In a majority of cases growers had not kept their accounts in such shape as to render the desired information readily obtainable. However, the familiarity of the agents of the board with the industry was such that, with the hearty cooperation of the growers themselves, results were obtained that fairly reflect the general conditions prevailing in that region.

* * From its very nature the inquiry was a difficult one. There seemed to be no uniformity in the accounting methods of those whose operations were under inquiry * The schedules upon which these calculations are based were filled out by agents of the Tariff Board, who personally visited each flockowner.

Such is the manner of obtaining the information upon which to

Such is the manner of obtaining the information upon which to base this report. From whom did they seek the evidence? the defendants who were under indictment. It is possible that the board believed that the sheep raisers were ignorant of the reasons that prompted the appointment of the board and the uses to which the evidence would be put, and therefore could be surprised into making admissions against their own interests. The cost of the production of wool in the United States from which the conclusions in the report are drawn were obtained "with the hearty cooperation of the growers themselves." The result of this hearty cooperation is apparent in the board's estimate of the cost of raising sheep in the Western States. The report, on page 311, says:

Operating costs are divided in the schedule into miscellaneous costs and costs of labor, forage, shearing, and selling, respectively. But in the tables shearing and selling costs are included under miscellaneous costs.

The items under miscellaneous costs need little explanation. In cases where the industry is carried on under a salaried manager employed by either a company or an individual, a charge for administration is allowed. When the owner devotes himself to the care of his flock he is allowed compensation usually as an item of labor costs, according to the time which he gives and the nature of his services.

The amount allowed is that which he would otherwise have had to pay for the performance of these services. If this allowance had not been made the comparability of the schedules would have been seriously affected.

"The items under miscellaneous expense need little explana-So says the report. And yet these items, without segregation or detailed computation, are given in the report as about equal to the combined costs of labor and maintenance. remember that the cost of forage and the feeding of the sheep is included under maintenance and not under miscellaneous charges. It is upon these miscellaneous charges that the board relies to sustain its conclusion that the cost of raising sheep in the United States is greater than in any other country. it says:

The items under miscellaneous expense need little explanation.

The costs of maintenance can not be considered of so much importance in the report, as it is given as only one-fourth of the expense of the industry, while the same report declares that miscellaneous expenses constitute one-half of the total costs. Little effort is made in the report to show that the cost of maintenance is greater in the Western States than in foreign countries, because the public are informed as to the vast ranges on the public domain the West used by the sheep raisers without hindrance or charge.

Mr. WARREN. Mr. President, the Senator does not mean, does he, that the sheepmen have the benefit of all the Gov-ernment lands without paying for their range privileges?

Mr. PITTMAN. They probably pay a small license fee in different places for the purpose. I believe the reports state that; but I believe all the public ranges are to-day practically

monopolized by sheep.

Mr. WARREN. I wish to say to the Senator that it is hardly a nominal figure, as he will see by investigation. It is pretty large figure.

Mr. PITTMAN. It is included, however, within the maintenance charges, which are only one-quarter of the total expenses of the sheep industry in this country.

The board can hardly contend that the difference in cost of production here and abroad is due to the difference in the cost f labor, because in its report in discussing the expenses of the industry in Australia it says:

Labor, while paid almost as much as in the United States, does not cost so much in the aggregate, because of the paddock system, which enables one man to care for very large numbers of sheep.

The same character of labor, in fact, that is used in all foreign countries is used in most portions of the United States. It is a foreign labor. It is just as cheap a labor, it is just as ignorant a labor, as we find anywhere in the world. As far as offering any protection to the American workingman is concerned, it does not do so, because this cheap foreign labor is

imported to many places in this country.

Mr. WARREN. Will the Senator give us, from his personal knowledge with regard to his own State, the wages of sheep

herders?

Mr. PITTMAN. I will give that information to the Senator in a few minutes from those who are even better informed than

the Senator from Wyoming or myself.

Mr. WARREN. If the Senator will allow me, that is rather an evasion of the question. I asked the question because I presumed the Senator would know exactly what the herders of sheep and minders of sheep receive in Nevada, as the Senators from each State ought to know about their particular State. I did not intend to be impertinent in my inquiry.

Mr. PITTMAN. I have no doubt the Senator has fixed conclusions with regard to such matters; but I prefer to give to the Senate the report of the assessors and of various sheepmen in my State as to the price they are paying rather than to

force my own conclusions upon the Senate.

Mr. WARREN. I understood the Senator not to be quoting then from the Tariff Board report, but to be stating that we paid for sheepmen in this country as low wages as were paid in Australia and other countries.

Mr. PITTMAN. What I read was from the Tariff Board re-

Mr. WARREN. The Senator, then, does not state that as his own knowledge of wages in his State, but from the Tariff Board report?

Mr. PITTMAN. What I have read is from the Tariff Board

Mr. SMOOT. The Tariff Board report does not say that there is as ignorant labor employed in this country as in any other country of the world, and the Tariff Board report does not say that the men are paid as low wages here as in any other country in the world.

Mr. PITTMAN. I read what the Tariff Board report said.

I will read it again for the benefit of the Senator.

Mr. SMOOT. There is no objection to what the Tariff Board says; it was the statement the Senator made after reading what the Tariff Board says.

Mr. PITTMAN. As the Senator is satisfied with what the

Tariff Board says, I will not read it again.

But what is the difference in the number of laborers employed, and what is the cost of building and maintaining these enormous paddocks to fence in millions of sheep? The board calls attention to the paddock system to show that a lesser number of herders is required, but it does not even suggest that such paddocks, in their building and maintenance, add an enormous item to the cost of raising sheep in Australia. If the paddock system were used in the West, the charging of half of the total cost of the industry to miscellaneous expenses might not appear to be such a gross exaggeration. If you do not know the equipment of a sheep ranch, look in the report and you will see it at a glance—a houseless, unfenced range on the free public domain, a sheep herder to every 1,500 sheep, a camp tender to every flock, which may contain from 3,000 to 10,000 head of sheep, a covered wagon to each camp tender,

and collie dogs to do the intelligent work.

Mr. WARREN. Mr. President—
The PRESIDING OFFICER. Does the Senator from Nevada yield to the Senator from Wyoming?

Mr. PITTMAN. With pleasure.

Is the Senator now reading from the report Mr. WARREN. of the Tariff Board?

Mr. PITTMAN. No; I am not reading from the report. I

got my information from the report.

Mr. WARREN. May I ask the Senator, then, if he observed in reading the report that the final conclusion of the Tariff Board in comparing Australia and this country was that in certain parts of this country it cost 19 cents a pound to raise wool, in certain other parts 11 cents a pound, in certain others 9 and a fraction, but in Australia the profits on the sheep from other sources than wool were such that the wool cost them nothing, and, in fact, they made in many localities in Australia a profit without counting the wool at all?

Mr. PITTMAN. I thank the Senator for that suggestion. Mr. WARREN. That, of course, the Senator understands, is

in the report.

Mr. PITTMAN. Yes; and I want the Senator to listen carefully, if he will do me the honor to do so, when I read that portion of the report. I think he will ascertain that they do not state that the mutton pays all the expenses of producing the wool in Australia or in South America. I think the report will show that the mutton in certain parts of the West does pay, with the exception of one-half of 1 per cent, all the expenses of producing the wool.

But returning to the Tariff Board's methods of exaggerating costs. The report says that sometimes it is necessary for the sheep raiser to build bridges across gulches so the sheep can pass from one range to another, and that such necessities add greatly to the miscellaneous expenses. They may exist somewhere, but I have never seen a gulch on the western range that a sheep could not cross, and even the report does not contain a photo-

graph of one of these expensive bridges.

The board, on page 339 of the report, places the wages of herders at \$59.42 and board and extra labor at \$63.02 and board per month in the State of Nevada. Hon. D. F. Houston, the Secretary of Agriculture, in reply to a written request for information concerning the sheep industry in Nevada, says:

The wages of such employees (sheep herders and camp tenders) are about \$35 to \$40 per month and keep, amounting to about \$12 to \$14 per month.

It will be observed that the cost of labor as given by the Tariff Board is 58 per cent higher than the same cost as given

by the Secretary of Agriculture.

Mr. WARREN. Does the Senator wish by that to discredit
the figures of the Tariff Board on the cost of raising wool and

Mr. PITTMAN. I have already stated that I think they are very discreditable.

What is the difference between the Senator Mr. WARREN. from Nevada and the Tariff Board on wages, please?

Mr. PITTMAN. The difference is about 58 per cent.

Mr. WARREN. Did I understand that the wages were \$35 or \$30?

Mr. PITTMAN. I will read it again. Mr. WARREN. Please.

Mr. WARREN. Please. Mr. PITTMAN. The report gives the wages of herders in Nevada as \$59.42 and board; extra labor, \$63.92 and board. The Department of Agriculture, in reply to a recent letter of mine, says:

The wages of such employees (sheep herders and camp tenders) are about \$35 to \$40 per month and keep, amounting to about \$12 to \$14 per month.

Mr. WARREN. That is, the keep is \$12 to \$14 per month? Mr. PITTMAN. Yes, sir. Mr. WALSH. Mr. President, will the Senator kindly give me a reference to the portion of the report where that extraor-

dinary statement is made?

Mr. PITTMAN. On page 339 of the report.

Mr. WALSH. I say "extraordinary," Mr. President, because I am able to speak from actual personal knowledge when I say that sheep herders in the State of Montana get \$5 more than ordinary farm laborers, who are hired by the month and get \$40 a month. The prevailing rate of wages for sheep herders in the State of Montana is from \$40 to \$45 per month. When I heard the statement, I thought there must be some error.

Mr. WARREN. I assume that does not include the "straw bosses," as they are termed, and those who have the care— Mr. WALSH. The statement does not, either, as I gather

it, because it is expressly confined to sheep herders.

Mr. WARREN. As I understand the Senator from Montana, then, the regular wages would be from forty to forty-five dollars. That, of course, is "found." including living expenses; that is, \$40 to \$45 per month in addition to board, lodging, and such like expenses?

Mr. WALSH. Certainly; and the same is true here. statement is that the figures are based upon a computation of sheep herders getting fifty-nine dollars and some cents a month and "found."

Mr. WARREN. That being true, does the Senator maintain that the Tariff Board sets out that it costs as much for labor in Australia as it does in America?

Mr. PITTMAN. I read the language wherein they stated that. Mr. WARREN. I will not trouble the Senator further.

Mr. PITTMAN. The county clerk of Humboldt County, one of the largest sheep-producing counties in Nevada, sustains the Secretary of Agriculture in his estimate of the cost of labor. In answer to a letter of inquiry he writes me as follows:

From my observations up to a couple of years ago there were coming into this country a carload of young Basques every year, and their business was sheep herding, and I do not think that they received over \$30 per month for their first year's work, and perhaps in many cases not that much, but after gaining some experience in the work they were probably paid more.

The assessors of the various counties in Nevada, in reply to inquiries made by me, give the wages at from \$35 to \$45 per month. Hon. Ben W. Coleman, judge of the ninth judicial district court of the State of Nevada, a man who is most highly respected in the State for his learning, ability, and integrity, writes the following letter with reference to the sheep industry in Nevada:

NINTH DISTRICT COURT CHAMBERS, BEN W. COLEMAN, DISTRICT JUDGE, Ely, Nev., May 31, 1913.

Hon. Key Pittman, United States Senate, Washington, D. C.

Hon. Key Pittman,

United States Senate, Washington, D. C.

My Dean Semator: Yours of the 24th received. The assessor has not completed the assessment for this year, consequently I inclose statement for 1912 from his records.

I also inclose a clipping from the Journal, which you may have already. I do not believe the statement which has been made by the Sheep Growers' Association is reliable. Three years ago I bought a sheep ranch, and before doing so I inquired extensively as to the expense of running sheep, and from all the information received I found that the expense was about \$1 per head. I note that their statement is expense of running, "including losses," \$2.50 per head. I believe that \$1.50 per head, including losses, is ample, and that \$1.75 would be greatly in excess. I reach these conclusions after careful and extensive investigation.

Their statement also shows "that 80 per cent of the ewes lamh." This is a low estimate. Many of the ewes have twins. A flock of good, strong, healthy sheep run as high sometimes as 115 per cent. I was told by a very prominent sheepman here a little over a year ago that the report or figures given the men representing the Tariff Commission were not reliable and made in favor of the sheepmen.

I am not prejudiced against the sheep industry, as I am the half owner of a 700-acre sheep ranch and of 2,000 acres of grazing land, and my selfish interest is in keeping up the price of wool and mutton.

It has occurred to me that I might give you some idea as to the wages paid herders. The average herder carus about \$35 per month. If a man is in the business on a large scale he usually employs a camp tender, who earns about \$50 per month. The camp tender generally cares for two herds. He is the man, as you probably know, who goes out to the herder's camp about twice a week with salt, provisions, etc. A small rancher, or a man with one herd, usually acts as his own camp tender. As you said in your letter, a large percentage of the herders are Basques. They are practically all fo

BEN W. COLEMAN.

The board, on page 330 of the report, gives the average net income from the capital invested in the wool business in the Western States to be only 6.2 per cent, while on page 10 it states that the prevailing rates of interest throughout the western woolgrowing States are from 8 to 10 per cent. It is, indeed, strange that a man would remain in an industry, attended with all the risks portrayed by the board when he can lend his

money on gilt-edged security without danger or worry and earn a greater income. Again, if the business will earn only 6.2 per cent on the capital invested, how could a man borrow money at from 8 to 10 per cent to start, enlarge, or carry on such business? And if money can not be borrowed for such purposes—and certainly no one would lend upon a business that could not even earn the interest—how does the board account for the fact that it is a common occurrence for men to start in with a few hundred sheep and increase them to thousands in a few years? How does it explain the remarkable growth of fortunes in such industry within the last few years?

The board in its effort to exaggerate the costs of the industry has reduced its computations of profits to an absurdity. There is no doubt that the costs are much less and the profits much greater than are estimated in the report. The board in arriving at the cost of producing wool subtracts the receipts from all sources, except wool, which is principally mutton, from the total costs of the sheep business and the balance is the cost of producing the wool. This they designate as net charge against wool. For instance, if the mutton should sell for enough to pay all the expenses of the sheep industry, there would be no net charge against the wool and the price received for the wool would be all profit. The Tariff Board admits that the net charge against wool in South America is from 4 to 5 cents a pound, and in Australia somewhat less.

I ask the Senator from Utah if I am correct in that? Mr. SMOOT. The Tariff Board report says a few cents less. It says the amount of charge against the wool is a few cents in Australia.

While I am on my feet, I may have misunderstood the Senator in referring to the Tariff Board report on page 339. Did I understand the Senator to say the report shows that they paid \$59.42 per month for herders in Nevada?

Mr. PITTMAN. Yes. sir. Mr. SMOOT. Did the Senator at some time say that that amount included the board and expenses of maintaining the

Mr. PITTMAN. I did. My reason for stating that is that the board in its general report states that they do pay the herders

and furnish them their keep.

Mr. SMOOT. Then, of course, the conclusion the Senator reaches is certainly wrong, because he said there was a difference between \$40 and \$60 of 50 per cent, which is true. I am sure the Senator did not want Senators to understand that you can hire a herder in Nevada for \$35 or \$40 without his

Mr. PITTMAN. I understa Mr. SMOOT. With board? I understand that is the price they pay.

Mr. PITTMAN. And give him his board. I understand that when fixing the herder's salary they include his board. But if the Senator from Utah does not so understand it I am willing to accept his conclusion and subtract the cost of board from the \$59, and it will substantiate what I have already said as to the cost of labor.

Mr. SMOOT. I take it the Senator would say that to board a man in the West as sheep herder would cost at least \$20 a

Mr. PITTMAN. The reports we have from the Agricultural

Department say not.

Mr. SMOOT. I have not run sheep for a good many years. I do not own a head now. I have run a great many herds of sheep in my life. I assure the Senator I never hired a foreman for less than from \$75 to \$90 per month, and that was back in 1890. I paid Mr. Thomas Thompson as foreman \$85 at that time, and I am quite sure that the Senator will admit that to-day that amount is paid in Nevada or in Utah.

Mr. PITTMAN. I will say to the Senator that I know of my own personal knowledge that the wages run between \$35 and \$45, and a foreman gets about \$50 a month. I also want to state that those range herds in Nevada sometimes contain from 12,000 to 20,000 sheep under one foreman, and I would not be surprised that the foreman the Senator from Utah refers to had charge of a vast number of sheep.

Mr. SMOOT. No; never that number. I wish to say that as far as my own State is concerned we have no large herds of sheep there now. The number has been cut down by the Forest Service until there are very few sheep owned by any one man.

Mr. SHIVELY. Mr. President-

The PRESIDING OFFICER. Does the Senator from Nevada

yield to the Senator from Indiana?

Mr. PITTMAN. I yield.

Mr. SHIVELY. I only wanted to inquire of the Senator from Utah if he would infer from his own experience in this want to emphasize the fact, as I have done on several other oc-

matter and from the report of the Tariff Board that the wages

have gone down 25 or 30 per cent in the last few years?

Mr. SMOOT. I know nothing about that. I did not infer any such thing. The question came up as to what is paid to a herder in the State of Nevada. I only wanted to know if the figures included the board and expenses of maintaining the herder.

Mr. SHIVELY. Did the Senator's figure also include the board?

Mr. SMOOT. It did. Mr. SHIVELY. Erom \$75 to \$90? Mr. SMOOT. Not for the herder. Mr. Thompson was not a herder. He was foreman. In the Tariff Board report the wage of a foreman is given at \$111.

Mr. SHIVELY. Is there any other question the Schator desires to ask?

Mr. SMOOT. No; the Senator from Nevada asked me a ques-

tion in the beginning, and I answered it.

Mr. PITTMAN. The board does not attempt to substantiate these figures nor to show that it has obtained sufficient facts upon which to base the estimate. The best estimates place an average net charge against the principal foreign wools at 5 cents per pound.

But I am willing to accept the net charges placed in the Tariff Board report against the production of foreign wool, which is from 4 to 5 cents more on South American wool and

a few cents more on Australian wool.

COMPARISON OF TRANSPORTATION COSTS.

The average rate of transportation for foreign wool to the American markets is about one-half a cent more than for the transportation from the Western States to the same markets.

Mr. SMOOT. More? Mr. PITTMAN. More. Mr. SMOOT.

Mr. SMOOT. The Senator must know that the freight rate from Nevada to Boston or Philadelphia or any other eastern wool market is a great deal higher than the freight rate from Australia to those markets.

Mr. PITTMAN. But I am taking the importations covering a long period of time and the various grades of wool of all

countries coming into this country.

Mr. SMOOT. The Senator means the freight charge?

Mr. PITTMAN. I mean the freight charge.

Mr. SMOOT. I call the Senator's attention to the fact that the freight charge on wool to-day from Australia to Boston or Philadelphia is about \$8 a ton, and that is higher than it has That is 40 cents a hundred. The Senator knows that there can not be a hundred pounds of wool shipped from Nevada to Boston for less than \$1.92. So, Mr. President, there is one cent and a half a pound against the western grower on transportation.

Mr. PITTMAN. I said that the importation on wool into this country shows that it has cost half a cent more a pound than from the interior of this country to various markets, and I am prepared to show that at a later period of time. I should like to have the Senator from Utah at any other time discuss that particular question, if he sees fit. I make that as a statement based upon the computations of the Tariff Board and

upon other statistics now presented.

Mr. WARREN. Will the Senator allow me?
The PRESIDING OFFICER. Does the Senator from Nevada yield to the Senator from Wyoming?

Mr. PITTMAN. I do.

Mr. WARREN. I can not let that pass without putting my word against that of the Senator. As I read the Tariff Board report, and as I know from personal experience, it is often as low as \$8, sometimes higher, from Australia. The rate from Argentina oftentimes is 16 and 17 cents a hundred, while from the Rocky Mountain States the average is probably \$1.75. I think higher. In many western places the rate is \$1.98. Mr. THOMAS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Nevada

yield to the Senator from Colorado?

Mr. THOMAS. With the Senator's permission, I should like to ask the Senator from Wyoming whether the freight on wool is not higher from his State and from mine to the Boston market than it is from the Pacific coast?

Mr. WARREN. It is; but not from Montana or the Rocky Mountain States.

Mr. THOMAS. I understand, but I am talking about our

States.

casions, that the issues which are here involved are very largely a matter of freight rates, and that the interior of this country, which has not even potential competition, is made the victim of the transportation rates on every commodity which we pro-

Mr. WARREN. Now, if the Senator will allow me-

Mr. THOMAS. And it is that growing and absolutely indefensible evil as much, if not more than the matter of tariff rates, that causes our section of the country to suffer as it

Mr. WARREN. I think the Senator cited that wool has cost \$1.72 a hundred for freight from the capital of the Senator's State and from the capital of mine until very lately, when, by a ruling of the Interstate Commerce Commission, it has been reduced to \$1.32. But we can not get away from the fact that all freight from foreign countries is bound to be lower than the rate at which any railroad can haul across the country, because of water transportation facilities.

Mr. THOMAS. I am not disputing that.

Mr. PITTMAN. Mr. President, I have to decline to yield further. I am always willing to yield for a reply to questions, but I really do not like to impose upon the Senate and the Finance Committee by allowing this matter to drag. ators may discuss this question between themselves.

I want to state now that I thoroughly agree with the Senator from Colorado [Mr. Thomas]. The question of freight rates could hardly be considered in this question at the pres-ent time to any particular extent, as we know that the rates are changing all the time. But I simply want to suggest to the Senator from Utah that all the wool in Australia is not raised in the town of Sydney. It is raised just as far in the interior

as our wool is raised, and it costs them just as much to get it to the seaports of Australia and the seaports of Argentina as it costs us to get it from the interior of the West to the seaports of our own country.

Mr. SMOOT. The same is true, I may say, in relation to our wool. It is not all produced where a railroad is, and it will have to be transported to a railroad.

Now, Mr. President, the tariff report says:

The general freight from the seacoast of New Zealand to London is reported as averaging \$3 per bale.

That is what the Tariff Board report says.

Mr. PITTMAN. Now, Mr. President, they take the freight rates from the port of Australia or the port of South America to another port on our coast, and they do not take into consideration the interior transportation of these countries at all, whereas, as a matter of fact, the interior transportation of those countries is more primitive than ours and more expensive than ours, and we place our wool practically at the market of this country on the coast at the same rate that they place in Australia the wool from the interior on the coast of Australia and Argentina.

TARIFF BOARD STATISTICS SUSTAIN FREE RAW WOOL,

On page 330 of the report is a tabulation showing by States total receipts and expenditures, capital per head, selling price of wool per pound, and net charges against wool per pound of flocks investigated by the Tariff Board in the western United States. I will not read the tabulation, but will ask leave to have it printed in my remarks at this point.

The PRESIDING OFFICER. Without objection, that will be

done.

The table referred to is as follows:

Table X.—Showing, by States, total receipts and expenditures, capital per head, selling price of wool per pound, and net charge against wool per pound, of flocks investigated by Tariff Board in the western United States.

	Number of sheep.			Receipts. Expenditures.		Net		R	Rateof				
States,			Wool.	Other sources.	Total.	Labor.	Mainte- nance.	Miscellane- ous and sell- ing expense.	Total.	charge against wool per pound.	Selling price per pound,	Capital per head.	income on cap- ital.
Arizona California Colorado Idaho Montana Nevada New Mexico Oregon Utah Washington W yoming	180, 254 115, 192 333, 526 377, 919 514, 987 163, 255 442, 142 229, 142 229, 142 467, 524	1,181,882 994,687 2,110,189 2,340,483 3,515,417 1,011,046 2,613,976 1,678,993 1,901,436 391,776 3,024,828	\$184, 211, 65 145, 018, 66 300, 363, 13 424, 567, 47 649, 455, 46 153, 810, 31 364, 350, 12 237, 060, 35 330, 782, 52 46, 540, 70 475, 739, 44	\$246, 923. 23 198, 881. 05 402, 245. 42 708, 954. 48 568, 063. 24 321, 792. 64 508, 043. 29 272, 476. 51 424, 186. 13 133, 420. 00 599, 652. 89	\$431, 134. 88 343, 899.71 702, 608. 55 1, 133, 521. 95 1, 217, 518. 70 475, 602. 95 872, 393. 41 509, 476. 86 754, 960. 70 1, 075, 392. 33	\$141, 612. 16 63, 477. 17 198, 695. 23 258, 826. 93 278, 993. 71 123, 372. 41 245, 427. 12 129, 025. 90 182, 114. 75 45, 342. 10 336, 991. 56	\$26, 566, 15 93, 256, 82 88, 642, 45 364, 205, 34 275, 320, 64 59, 341, 56 79, 138, 02 143, 723, 14 100, 82, 33, 92 168, 455, 18		\$372, 394, 39 270, 489, 54 586, 606, 00 1, 114, 590, 54 1, 055, 828, 45 363, 615, 44 727, 348, 72 456, 320, 05 601, 859, 97 131, 101, 79 977, 333, 96	\$0.106 .071 .087 .173 .138 .041 .083 .109 .003 +.005	\$0.155 .145 .142 .181 .184 .152 .139 .141 .173 .118 .157	\$5.64 5.18 4.59 6.13 5.57 6.08 4.56 4.92 5.79 4.58 5.19	5. 12. 7. 5. 11. 7. 4. 9. 17. 4.
Total	3, 151, 731	20,764,713	3,311,839.81	4, 384, 638. 88	7, 696, 478. 69	2,003,879.04	1, 437, 818. 76	3, 215, 790. 55	6, 657, 488, 35	.109	.159	5.30	6.5

Mr. PITTMAN. I simply want to read, however, the different costs of production in wool in the Western States as they will affect the same States. Here are the net charges: Arizona, 10 cents a pound; California, 7 cents; Colorado, 8 cents; Idaho, 17 cents; Montana, 13 cents; Nevada, 4 cents; New Mexico, 8 cents; Oregon, 10 cents; Utah, 9 cents; Washington, one-half cent a pound; and Wyoming, 12 cents a pound.

Now, let me read why that difference occurs in the cost of raising wool in these Western States. Nearly every one of those States was grouped with some western sheep-raising

State. The report says, at page 371:

The wide variation from Table XIII to Table XVIII in the net charge against wool depends in the main upon certain conditions which have already been discussed—the particular sort of flock kept, whether crossbred or pure wool; whether woolgrowing is combined with breeding; the importance for different purposes of the annual increase of lambs; the extent to which wethers are kept; the amount and quality of wool produced; and the methods employed in the farm operations.

Since the only source of regular income from wethers is wool, and the costs of maintenance are not materially lower than for breeding ewes, it is evident that though the fleece of the wethers may be superior to that of the ewes, the higher the proportion of wethers in a flock, the greater is likely to be the net charge against wool, since under the conditions now prevailing in this region the tables indicate that the fleece of a sheep alone does not pay for its maintenance.

The net charge for the production of wool in a foreign country being 5 cents a pound, the wool in the State of Nevada and the State of Washington requires no duty, because the net charge against the wool in those States is placed at less than 5 cents a pound by the Tariff Board.

If for the sake of argument we admit that there is no net charge against the wool in foreign countries, then the State of

because, as shown in the table, there is only one-half a cent a pound net charge against the wool in that State, and that would be offset by the greater freight rates on foreign wool. The report admits that Washington State requires no duty on its wool, that the receipts from other sources-which means mutton-are sufficient, lacking one-half cent per pound, to pay all expenses of the sheep industry. And remember, that this estimate is based on the exaggerated costs that the board has charged against the industry in the United States. In other words, the report admits that the cost of producing wool in Washington is only one-half of 1 cent per pound, while the same report shows that the cost of producing wool in South America is from 4 to 5 cents a pound, and a little less in Australia than in South America.

Why is Washington State in better condition to compete with foreign woolgrowers than the other woolgrowing States of the West? Can the other States place themselves in the same favorable position as the State of Washington? A careful study of the table will make clear the answer to both questions. It will be observed that Washington has no advantage over the other States in the matter of the cost of production of the wool, and receives a smaller price for its wool than is received in most of the Western States. Let us compare the industry in Montana and Wyoming, the two greatest producers of wool in the United States, with the State of Washington, where it is admitted by the board that the receipts from other sources besides wool practically pay all expenses of the sheep industry, leaving wool as a total profit.

The report gives the following cost per head for raising sheep in such States: The cost of the labor is, in Montana, 54 cents; in Wyoming, 72 cents; in Washington, 74 cents. So the cost of Washington will Mill require no duty to enable it to compete, the labor is greatest in Washington. The cost of maintenance

is, in Montana, 54 cents; in Wyoming, 36 cents; and in Washington, 62 cents. So the cost of maintenance is greatest in Washington. This shows that the cost of labor and maintenance is greater in Washington than in either Montana or Wyoming. The miscellaneous cost is, in Montana, 97 cents; in Wyoming, \$1.01; and in Washington, 77 cents. It appears from a comparison of these miscellaneous expenses that the cooperation of the woolgrowers in Montana and Wyoming was more hearty than in Washington. Yet, in spite of this, the report shows that the total cost of raising a sheep in Montana or Wyoming is less than in the State of Washington. The report gives the total cost of raising a sheep in each of such States as follows: Montana, \$2.05; Wyoming, \$2.09; and in the State of Washington, \$2.13. And although it costs more to raise sheep in Washington than in Montana or Wyoming, Washington earns an income of 17.3 per cent on the industry, while Montana earns but 5.6 per cent and Wyoming only 4 per cent, according to the report. It is apparent that the difference in profits is not due to the costs, and therefore must be due to the difference in the receipts. Washington receives no more for its wool, and therefore its increased receipts must come from some other source. By computation, based upon the tabulation hereinbefore set out, we find that the receipts per sheep for wool was, in Montana, \$1.261; in Wyoming, \$1.017; and in Washington, \$0.756; while the receipts from other sources per sheep were: In Montana, \$1.103; Wyoming, \$1.282; and Washington, \$2.167. In other words, Montana received \$2.36 for each sheep; Wyoming, \$2.30; and Washington, \$2.92 for each sheep. The in-

creased price for the Washington sheep is due to the fact that Washington received nearly twice as much for its mutton in each sheep as was received by either Montana or Wyoming.

Take Nevada, for instance. This State stands next to Wash-

ington, as is shown by the report, for the low net charge against the production of wool, and is accredited in such report with earning 11.3 per cent income on the investment. This is undoubtedly an underrating of the income, as we know, by reason of the gross exaggeration of the mythical miscellaneous costs; but it serves the purpose of comparison. Nevada, next to Washington, has the largest proportion of mutton sheep. The report shows that receipts for each sheep raised in Nevada are 94 cents from wool and \$1.97 from mutton. In other words, comparing Nevada with Montana and Wyoming, we find that Nevada receives for each sheep practically as much for its wool, while for the mutton product of each sheep it receives nearly twice as much as does either Montana or Wyoming.

The board, in discussing the tendency toward the raising of mutton sheep, calls attention to the fact that in Washington and Nevada, where the net charges against wool are recorded as the smallest, there are in use on the ranges the largest number of mutton rams. In Montana, Wyoming, and those other States where the profit on the investment is given in the report as the smallest, the sheep raiser sacrifices the mutton qualities of the sheep for the improvement of the wool, while the sheep raiser in Washington and Nevada devotes more attention to the production of mutton. In the former case, wool is treated as the principal product and mutton the by-product, while in the latter case mutton is considered as the principal product and wool as the by-product. The necessity for the sheep raiser to give more consideration to the production of mutton is recognized by the board, for it says in its report, at page 343:

## MUTTON AN IMPORTANT FACTOR

These figures indicate that under present conditions sheep raising can not be profitably carried on for the sake of the wool alone, and that if the industry is to prosper the receipts from mutton must cover a large part of the costs. The loss incurred in exclusive wool production is the result of two causes: (1) The gradual encroachment of agriculture on grazing lands and the consequent great increase in the costs of sheep growing, and (2) the gradual decline of wool values.

The decline in the profits of wool production has, however, been accompanied by an increase in the demand for mutton, resulting from the fact that the production of pork and beef has not kept pace with the growth of population.

But the number of sheep received at Chicago stockyards has constantly and rapidly increased, having passed the receipts from cattle in 1894 and being at the present time almost equal to the receipts of hogs. These figures are embodied in the following table:

	1870	1880	1890	1900	1910	1911 (esti- mated).
SheepCattleHogs	350,000	336,000	2,180,000	3,550,000	5, 229, 000	5,668,000
	533,000	1,382,000	3,484,000	2,729,000	3, 053, 000	2,920,000
	1,690,000	7,060,000	7,660,000	8,109,000	5, 587, 000	7,031,000

But these figures do not fully indicate the increase in the receipts of mutton as compared with those of beef and pork, since the average weight of sheep has been increasing, while that of cattle and hogs, respectively, has declined.

The annual consumption of sheep and lambs in the United States at the present time is thought to be about 17,000,000 head, representing a total weight of about 630,000,000 pounds. The average weight of the lambs marketed at Chicago is about 70 pounds and that of mature sheep about 100 pounds, and they dress about 50 per cent and 48 per cent, respectively. The important place which mutton holds to-day among meats is further shown by the fact that in the year 1910 Great Britain imported, principally from Australia and South America, 589,000,000 pounds of refrigerated mutton and 16,332,704 pounds.

The receipts from other sources amount approximately on an average per head to \$1.39 in the Western States, \$0.93 in Australia, and \$0.84 in South America, and constitute approximately in the United States 54.3 per cent, in Australia 41.3 per cent, and in South America 73 per cent of the total costs.

That receipts from other sources are largely derived from the sale of mutton is attributable to the fact that for some years the sheep industry of our western region has not been expanding; indeed, during the last 18 months there has been a sharp decline in the total number of sheep. A large percentage, ranging normally from 70 per cent to 80 per cent, of the sheep annually placed on the market are lambs, because it does not ordinarily pay to run wethers for their wool, and the grower retains only enough lambs to replace the unserviceable ewes which he annually culls from his flock. The price of mutton has varied at the Chicago stock yards but slightly for a number of years, as shown in the following table, which gives the average prices paid in the Chicago market from 1907 to 1911, inclusive:

	1907	1908	1909	1910	1911
Wethers.	\$5.74	\$5.14	\$5.58	\$5.46	\$4.22
Lambs.	7.19	6.11	7.34	7.56	6.00
Ewes.	5.19	4.88	4.88	5.19	3.75

The declines shown in 1911 are attributed to heavy liquidation on the part of western growers. It would appear that in normal times the annual receipts from mutton have remained fairly uniform during this period, but unless there is some marked change in conditions no material increase of this amount is to be expected in normal years.

In Australia the receipts from mutton constitute a much smaller proportion of the receipts from other sources. This is partly due to the fact that the great sheep runs of the interior are unfavorably situated as regards marketing, but in a larger measure to the fact that these growers place greater emphasis on the production of wool than on that of mutton, and run their flocks accordingly, as evidenced by their custom of keeping large numbers of wethers for their wool. In New South Wales, for example, wethers constitute over one-half of all the sheep kept. sheep kept.

Mr. President, I can not refrain from again calling attention to this significant language used in the report:

These figures indicate that under present conditions sheep raising can not be profitably carried on for the sake of wool alone, and that if the industry is to prosper the receipts for mutton must cover a large part of the cost.

The sheep raisers in the State of Washington and in the State of Nevada have already recognized this necessity, and the receipts for mutton in those States practically pay all the costs of raising sheep, leaving the wool as a net profit.

Mr. Bennett, the editor of the Wool and Cotton Reporter and a well-known expert on wool, in his testimony before the Ways and Means Committee of the House, said:

and Means Committee of the House, said:

The main objection to the duty on wool is not only that it hampers the manufacturers, but it hampers a proper sheep husbandry in the United States. The people of the United States are very fond of lamb, roast lamb, lamb chops, and lamb in every form, but there is not the desire in this country for heavy mutton that there is abroad in England and France and elsewhere. There have never been half enough lambs produced in this country to supply the demand. During the past year there has been something in the sheep and wool business of the United States approaching what we call a liquidation in the stock market—there has been a liquidation of sheep, due to the scarcity of pork and mutton, and I do not know that anybody knows to how low a point the supply of sheep and lambs in the United States has been reduced.

If we had free wool and the enormous political atmosphere which has surrounded the sheep husbandry was removed, instead of producing 50 per cent of the lambs in the United States we would produce 100 per cent. They do in England. They have twins enough to offset the male sheep and their losses in other directions, and they produce 100 per cent. The demand exists in this country for 100 per cent of lambs, but the attention of the farmer has been directed to such an extent to wool that they have never developed in that direction as they should.

I have been familiar with the woolgrowing in the West and sheep husbandry in the West for 35 years, and it is astonishing the extent to which they keep what they call dry sheep—that is, wethers, or denaturalized male sheep. They could sell them as full-grown sheep for three or four dollars, for the sake of the wool. I maintain that it will not be difficult for this committee to satisfy itself that with free wool and the proper development of the sheep husbandry in the United States more sheep will be kept than to-day, and it will be a growing industry instead of a decadent industry.

I want to call attention right now to the fac

I want to call attention right now to the fact that the very conditions against which the board complains exist to a greater extent in those States where the net charges placed by the board against wool were the greatest and to a lesser extent in those States where the charges were the least. The board's report and tabulations show that the State of Washington produces the greatest percentage of lambs of any Western State, and that the State of Nevada produces the next greatest per-centage of lambs of any Western State. The report also shows that the States of Washington and Nevada carry a smaller percentage of wethers than nearly all of the other Western States, carrying out the theory brought forward by the Tariff Board, and showing the western sheep raisers how they can have wool as a clear profit if they will continue their industry according to scientific views or as the nature of the country demands.

Let the sheep raisers of Montana, Wyoming, and the other Western States, who are crying for a protective tariff on wool, pay more attention to the raising of sheep for mutton and they will have no more need for such tariff than the States of Nevada and Washington.

IS IT A DISCRIMINATION AGAINST THE PRODUCER?

Mr. President, I will answer but briefly the next complaint against this provision of the bill: Is the placing of raw wool on the free list a discrimination against the producer because some duty is still maintained upon the manufactured article of which raw wool is a constituent part?

The complaint is based upon a theory of protection, and therefore I intend to discuss it from such viewpoint. As I understand, the recently declared theory of protection is that the tariff upon a foreign article should equal the difference of the cost of production at home and in a foreign country. I have already proven by Republican statistics that the cost of the wool industry is no greater here the try is no greater here than abroad, so raw wool, under the Republican theory, is not entitled to protection.

The manufactured article might or might not bear the same relation to a similar article abroad, but the raw material, if it did not come within the rule, certainly, under the Republican protective theory, would not be entitled to a protective tariff on the sole ground that a duty was placed upon the manufactured I do not understand that such a theory has ever been presented by any protectionist. If such theory were put into force and effect, then it would be essential to have a duty on every article, both raw and manufactured, whether it required the aid of protection or not. The Republican Party has never recognized such a theory, as every tariff bill that it has prepared has placed many articles upon the free list, and principally the raw articles

If one industry can exist without the aid of a tariff duty, and those engaged in such industry believe in the system of protec-tion at all, I can not see how they would have cause for com-plaint because a less-favored industry received only sufficient aid to preserve its existence.

The only possible excuse for the retention of any duty upon the importation of an article, other than that of raising revenue, is to prevent its destruction by reason of foreign competition. If the producers of raw wool do not believe that the manufacturers of articles containing wool require the protection of a duty to prevent their destruction, let them bring the evidence of such fact before this Democratic administration, and a way will be found, I confidently believe, to raise the necessary revenue from some other source and to place such manufactured articles also on the free list. I have not made any careful study of the tariff as affecting manufactured articles, but I do know that the sheep-raising industry does not require the aid of any tariff duty to enable it to compete in the markets of the world. But whenever I have the information that convinces me that the tariff can be entirely taken off of manufactured articles that are necessary to the comfort of the masses of the people, I intend to use my utmost endeavors to have such articles placed on the free list.

The only discrimination of which we hear complaint from the producers of raw wool is the alleged discrimination against such producers in favor of the manufacturers. They seem to think that the only ones to be considered are the producers and the manufacturers. It does not occur to them that the consumers, who are a hundred times greater in numbers than both the producers and manufacturers of wool together, should be taken into consideration. In determining whether a tariff bill discriminated against a State, we must determine whether it is a benefit or an injury to the greatest number in the State. In my State the producers have benefited by a duty on raw wool, and the consumers have been correspondingly injured. All the people are consumers, while less than two-fifths of 1 per cent of the population of my State are engaged in raising wool, and all the persons engaged in the industry, including owners and laborers, constitute less than 2 per cent of our population.

WILL IT INJURE THE WOOLGROWING STATES?

Mr. President, I now come to the last contention of those opposed to placing raw wool on the free list, viz, that it will injure the woolgrowing States.

It is contended by the woolgrowers that the bill will reduce the price of wool and thereby reduce the profits of the industry, even if it does not destroy such industry. I admit that the

price of wool will be reduced, but I believe that reasonable profits can be maintained in the manner I have hereinbefore discussed. But, for the sake of argument, suppose in the reduction of the price of wool the profits of the sheep industry are reduced, will the State thereby be benefited or injured? This naturally leads us to a consideration of the advantages and disadvantages of the industry to the State, and who are benefited and who are injured by a duty on raw wool.

ADVANTAGES OF THE INDUSTRY.

There were, according to the census of 1910, 1,154,795 sheep in the State of Nevada, valued at \$5,101,328, of which 329,920 were lambs, leaving \$24,875 sheep, exclusive of lambs. These sheep are owned, according to the report of the Nevada tax commission, by 314 individuals and corporations. The number of employees in the industry is not given in the census report nor in any other report on the industries of the State, and consequently must be estimated. The Tariff Board on page 593 says:

On one of the largest sheep ranches in Idaho, on the other hand, 2 men—1 herder and 1 camp tender—are employed per each 3,000 head of ewes and 1,500 ewes with their lambs, an average of 1 laborer to 1,500 head, and during lambing 3 men are employed to 1,000 ewes.

Taking a laborer to every 1,500 ewes with their lambs, we find that by dividing 824,875 sheep, being all of the sheep exclusive of the lambs, by 1,500 we get a result of 549 laborers necessary to the industry. During the lambing season and the shearing season extra labor must be employed. This is estimated to mean about 850 extra men for one month during the lambing season, or 70 extra men for the 12 months. About 200 extra men are required for 6 weeks during the shearing season, which would be an average of 22 extra men during the whole year for the purpose of shearing. Now, if we allow a foreman for each sheep owner in the State, there would be 314 foremen. This gives the total labor employed by the sheep industry of the State of Nevada at 955 men for the year around. This is undoubtedly greater than the actual number, because in many instances the owners of the sheep are Basque sheep herders, who act as their own herders, their own foremen, and their own shearers. In other words, the Basque sheep herder, with 1,500 sheep, performs all the labor with regard to such sheep without any assistance.

The advantages, therefore, of the industry to the State are that it brings into the State annually, according to the report of the Nevada Sheep and Woolgrowers' Association, \$568,800 and furnishes labor to 955 men.

DISADVANTAGES OF THE INDUSTRY.

To understand the disadvantages of the industry to the State a general consideration of the conditions existing in the State must be had.

In the first place, it is not one of the chief industries of the State and, in fact, is of small concern by comparison with the other great industries. The cattle industry of the State is engaged in by 2,548 farmers and is valued at \$19,071,809, while the sheep industry is engaged in by only 314 concerns and is only valued at \$5,101,328. The horse industry of the State is engaged in by 2,465 farmers and is valued at \$3,770,402. farmer in the State is engaged in raising agricultural crops, of a value of \$5,924,000 annually. The annual output of the manufacturing industries of the State is \$11,887,000, and em-The annual output of the ploys 2,527 men at an average wage of \$75 per month.

The mining industry of the State, as shown by the census report of 1910, shows a value of mining properties of \$156,-607,108, with an annual production of \$23,271,597. According to these statistics, there were employed in the mining industry 5,572 wage earners, who received \$8,535,539 for the year 1909.

In determining the relative importance of an industry, it is also necessary to determine the possibilities of the enlargement of such industry. The mining industry in the last 10 years has increased from an annual production in 1899 of \$3,209,457 to \$23,271,579 in 1909. The estimate of the Geological Survey for 1912 reaches the magnificent sum of \$38,358,732. there is no estimate as to labor, it must have increased proportionately. This industry is a growing industry, and gives every indication that it will increase in the next 10 years as much, if not more, than it has increased in the past 10 years.

The manufacturing industries of the State bave just commenced to attract the attention of our people and are increasing at a phenomenal rate. The condition is such that the continued growth of these industries can not be doubted. With all the metals used in the manufactures within its own borders, traversed by two great transportation companies with a local market of vast area, and water power equal to any in the world, the encouragement for the establishment of factories is unsurpassed.

Nevada is destined to be a great agricultural State. Within its borders are 70,285,440 acres of land, 20,000,000 acres of

which are of the most fertile soil, capable of raising anything that may be raised in a temperate or semitropical zone. State is divided into a system of valleys by chains of mountain ranges running north and south. These valleys in the northern part of the State have an average altitude of about 5,000 feet and gradually slope toward the south until in places they reach a point near sea level. The distance from the northern part of the State to the southern part is approximately 300 miles; and within this range we find a variation of agricultural products from wheat, grain, and hay in the northern and central portions of the State to fruits, melons, and vegetables in its southern portion. I realize that in the opinion of the great majority of people who have not visited our State it is largely a barren waste. I will admit that but a few years ago vast areas were considered by our own people to be practically worthless, by reason of the lack of water, that to-day are raising magnificent crops under the stimulus of irrigation. But a few years ago the water supply in the State was considered as limited to the few streams and springs within its borders, but to-day we have under way great governmental irrigation projects that will bring under cultivation 1,232,142 acres of that land which in the past has been referred to as a barren waste. It has been discovered that all our valleys are underlaid with running water, in many instances but a few feet from the surface; in fact, our great valleys are now known to be but river channels, filled with rich soil that has come down from the mountains through the ages. In addition to this water supply, available artesian water has been discovered in every portion of the State, and there is every reason to believe that land that is not subject to irrigation by means of irrigation projects and pumping wells will receive an ample supply of water from artesian sources.

For the purpose of encouraging the homesteading of this latter class of land I have had the honor to introduce in this body a bill amending the homestead laws of the United States allowing homesteaders on such land to be permitted to reside off of their homesteads until sufficient water can be developed for domestic uses. Another bill has just been introduced in the Senate by the senior Senator from Idaho which provides that domestic uses. the work of developing water on such lands and fencing the same shall be accepted in lieu of the requirements that so much of the land be cultivated each year. These acts will greatly stimulate the homesteading of these lands, and in our State we have between ten and fifteen millions of acres subject to homesteading under such provisions.

Farmers of our State, as is shown by the census report, nearly all raise cattle and horses, while very few of them raise any sheep except for their domestic use for mutton. The American farmer comes naturally to the raising of cattle and horses, and he has no superior on earth, while the sheep industry, with its cheap labor, seems to require the most ignorant, the most unprogressive, and the lowest type of foreign labor. It is the custom of the farmer in our valleys to range his cattle and horses on the adjacent mountain side while raising and harvesting his hay, and then to drive them within his inclosure, fatten them upon the grass and the hay, and drive them to market. Since the sheep industry has monopolized the range of the State of Nevada the farmer finds it difficult to pursue this sys-

tem of raising cattle and horses. Down each side of the val-leys, along the mountain ranges adjacent to these farms, come thousands upon thousands of sheep, driven by Basque sheep herders and collie dogs, uprooting the vegetation, breaking down fences, destroying roads, obliterating ranges, defiling the water-courses, and driving the cattle and horses of the farmer off of their natural ranges. Such are some of the disadvantages of the sheep industry to the State of Nevada.

There is no opportunity to further enlarge the sheep industry in the State of Nevada, because, as is stated by the Tariff Board, the ranges of the West are already overstocked. But there is ample room to increase the number of farms and to increase the number of the farmers' cattle and horses if the sheep are not permitted to longer monopolize the public domain, the springs, the wells, and the watercourses of the State. only believe in placing wool on the free list, but I believe in the establishment of such regulations over the public domain that every farmer will be insured in the use of a reasonable range adjacent to his farm.

WHO IS BENEFITED AND WHO IS INJURED?

Now let us see who is benefited by the sheep industry and who is injured.

Three hundred and fourteen sheep owners would be directly benefited by a duty on raw wool, by being able to sell to the American people their product by an increased price equal to the amount of the duty.

There would be injured by such duty over 80,000 people in my State, who would be compelled to pay the increased price for their woolen goods for the purpose of granting this benefit to the 314 sheep owners.

An examination of the assessors' returns from the various counties in the State will show that between 80 and 90 per cent of the sheep are owned by a very few men in the State and by institutions and individuals who do not reside in the State at all. For instance, the reports of Mr. A. A. Burke, the sheriff, and Mr. John Hayes, the assessor, of Washoe County, two of the most capable officers of the State, disclose that 26 per cent of the sheep in Washoe County are owned by residents of the State of California; that of the 41 owners of sheep in Washoe County 18 are residents of California; that of the 74 per cent of the sheep in Washoe County which are owned by residents of that county 4 institutions own over one-half, or, to be exact, these 4 sheep owners own 59 per cent of the sheep owned in Washoe County.

Mr. WARREN. Mr. President—
The PRESIDING OFFICER. Does the Senator from Nevada

ield to the Senator from Wyoming?

Mr. PITTMAN. Certainly.
Mr. WARREN. Is it not also measurably true as to other industries that the ownership of a great many of them is largely in the hands of those who do not live in the State?

Mr. PITTMAN. It is not true with regard to any other stock or agricultural industry.

Mr. WARREN. Perhaps not in agriculture, strictly speaking; but what about cattle?

Mr. PITTMAN. The cattle are owned by two thousand five hundred and some-odd farmers, while the sheep are owned by 314 individuals.

Mr. WARREN. But there are quite a good many nonresident cattle owners, are there not?

Mr. PITTMAN. Very few, I am glad to say, in the State of

Mr. WARREN. Speaking of the farmers, I will ask the Senator whether it is not true in his State, as it is in other States, that they find a market for a great deal of their alfalfa, grain, and so forth, with the sheep men, who keep sheep, but do not engage in raising agricultural crops?

Mr. PITTMAN. I will state that that is correct; that at the present time they are compelled to sell some of their alfalfa to the sheep men; but I want also to say that a few years ago, before their cattle and horses were run off the range, they fed their own alfalfa to their own cattle and their own horses. That is the condition that has been brought about.

The letter from the sheriff says:

I have every reason to believe that in many instances, especially in cases of large flocks, the number returned is understated. For example, I have an instance in mind where the report of the scab inspector shows many more sheep dipped than were returned to me.

Were it not for this fraud by the owners of big bands of sheep, the fact that a still larger percentage of the sheep are owned by these four sheep raisers would be disclosed.

I will not impose upon the Senate by reading this statement. but will gladly submit it to any Senator who may care to check

up the computations.

It is hardly possible that even the sheep herder will receive any less by reason of the decreased profits of the sheep owners, as it is impossible to conceive that even a man of his type would work for less wages than he now receives. But admitting for the sake of argument that these five or six hundred Basque sheep herders would receive some indirect benefit from the increased profits of the sheep owners by reason of the duty, I still maintain there is neither reason nor excuse for granting a tonus to these laborers who are imported from the Pyrenees Mountains, between Spain and France, admitting allegiance to neither one nor the other of those great countries-men who do not know what a home is, and do not recognize the authority of government; men of the lowest type and the most inferior intelligence, who rarely seek to become citizens of the country to which they are imported—when such bonus must be taken from the hard earnings of the American farmers who are building homes and rearing their families and adding to the permanent strength of our Nation, and of the business men and professional men who are fighting the battle of life for the advancement of civilization without governmental aid, and of the highclass laboring men who are a part of our national life, who are the defenders of the flag of our country, and who are upbuilding the social and political standing of the masses.

Mr. WARREN. Mr. President, I have listened with a great deal of interest and a great deal of pleasure to the Senator from

Nevada, especially that part of his address referring to the prosperity and probable future development of that great State have known more or less of the State for a great many years, and I have been one of those who have always believed that much of the soil of Nevada was unsurpassed if submitted to a proper system of reclamation. I have been one of those who for many, many long years have struggled, officially and unofficially, to bring about that which is now being developed in the reclamation of the lands.

I agree with the Senator that intensive agriculture is preferable to sheep growing, or cattle growing, or horse growing, or anything of that kind, although I am a firm believer in diversified employments and diversified industries. I do not believe we should blot out any industry because it may have had a few years of drawbacks and may have decreased in importance.

I wish to say that, so far as the State of Nevada is concerned, while congratulating the Senator upon its great prosperity, I certainly am very sorry to hear that he considers all the sheep-men under indictment, and that the sheepmen of Nevada are the lowest of any workingmen on earth. That is not true, I may say, of other States. So far as the State of Wyoming is concerned, the men who work on the sheep ranches will compare in intelligence and education with other workers. In fact, we have a great many college graduates who have herded sheep. It is a healthful avocation, and a great many indulge in it. I must say also that I regret a little that all the Senator's figures, and largely his conclusions, are those of the Tariff Board, which he himself discredits.

I desire to give notice that on to-morrow, if agreeable to those in charge of the pending bill, I shall address the Senate on the subject of sheep and woolgrowing.

The PRESIDING OFFICER. The notice will be recorded. Mr. PITTMAN. Mr. President, in the first place I wish to state that I used the word "indictment" as meaning one with regard to whom something was being investigated. I did not mean to imply that the sheepmen were criminals. I simply used the word in the sense I have stated.

As to the character of the labor I must maintain what I have said before with regard to it.

Mr. WARREN. In the mining of coal in my State it is true that we have to depend very largely upon foreign labor. Quite a proportion of that is uneducated labor and that which we might consider of the lowest "lower" class. Is not that true of most of the industries of the Senator's State?

### TRIBUTE TO LABOR.

Mr. PITTMAN. Mr. President, as I was going on to say, I must contend, because I have proof of it, that in the State of Nevada practically all of our sheep herders and nearly all of the laborers engaged in the sheep industry are Basque herders, imported from the Pyrenees Mountains especially for that purpose, who speak very little of the English language and rarely ever declare their intention to become citizens of the United I do not say that for the purpose of attacking those people; I have nothing on earth against them. But it becomes necessary to refer to the fact in a comparison of those who are benefited and those who are injured by certain industries

As to the employment of foreigners in other branches of labor in my State, I wish to say that the other foreigners who are engaged in labor in the State are engaged principally in mining; not coal mining, for we have none, but hard-rock mining. There are no higher class laborers than miners. All of them are union miners. All of them stand for union wages. are all capable, intelligent workers, and every one of them declares his intention to become a citizen of the United States just the minute the opportunity is offered to him. There is no comparison whatever between the ordinary foreigner and the Basque sheep herder from the Pyrenees Mountains.

Mr. THOMAS. Mr. President, we have listened to a very important and a very illuminating discussion of the subject of free wool. I have noticed during the entire discussion the absence from the benches on the Republican side of nearly all of the Republican Senators. With the exception of the junior Senator from Idaho [Mr. Brady], the senior Senator from Utah [Mr. SMOOT], the senior Senator from Kansas Bristow], and the senior Senator from North Dakota [Mr. McCumber], who are practically always in their seats, and a few other notable exceptions, the speaker has addressed empty benches on that side. I wish to call attention particularly to the fact that the senior Senator from Michigan [Mr. SMITH], who the other day directed the attention of the country from this floor to a similar situation when the Senator from Kansas [Mr. Bristow] addressed the Senate upon an equally important subject, has not been present at all.

Mr. GALLINGER. Mr. President, perhaps the Senator from Colorado was not in the Chamber yesterday when I called attention to the fact that during an important debate there were just two Senators on that side of the Chamber present.

Mr. THOMAS. I was not. Mr. GALLINGER. For about one hour and a half we had the privilege of looking into the eyes of only two distinguished Senators on that side of the Chamber. It grieved me very much and I called attention to it.

Mr. THOMAS. Mr. President, I regret anything that occurred here that would in any manner grieve the genial and lovable Senator from the State of New Hampshire.

Mr. GALLINGER. I thank the Senator.

Mr. THOMAS. I said what I did just now, not in any com-

plaining mood but merely to call attention to the fact that a similar criticism uttered upon the floor of the Senate a few days ago, and I think a just one, was a criticism which, at times, is equally applicable to both sides of the Chamber.

Mr. GALLINGER. I think the Senator is right on that point. Mr. SMOOT. Mr. President, the Senator from Nevada [Mr. PITTMAN] has undertaken to prove by the Tariff Board report that it costs nothing, comparatively speaking, to produce wool in this country. He cites particularly the cost of wool in the State of Washington. I simply wish to call the Senator's attention to the report made by the Tariff Board as to what it does cost to produce wool in this country, and not in any one little particular spot that has a few sheep of one particular kind that are raised principally for mutton.

On page 11 of the Tariff Board report I find the following: On page 11 of the Tariff Board report I find the following:
That in the western part of the United States, where about twothirds of the sheep of the country are to be found, the "fine" and
"fine medium" wools carry an average charge of at least 11 cents
per pound, interest not included.

That if account is taken of the entire wool production of the country, including both fine and coarse wools, the average charge against
the clip is about 9½ cents per pound.

Mr. PITTMAN. Mr. President, while the Tariff Board raises

the average cost of producing wool in this country by including the cost of certain producers who are not pursuing a practical method, the Senator does not attack what I said with regard to the cost of producing wool in the State of Washing-

ton, and that is what he said he got up for.

Mr. SMOOT. I do not quite understand the Senator. I

did not say that I got up to attack anybody.

Mr. PITTMAN. I understood the Senator to state that he was getting up to attack my quotations in regard to the State of Washingon.

Mr. SMOOT. Oh, no, Mr. President; I did not say I was getting up to attack anybody. I simply said I desired to call attention to what the Tariff Board really did say as to what it costs to produce wool in this country, and cited the fact that the Senator from Nevada [Mr. PITTMAN] had been quoting from the same report and had taken one State to show that the cost of wool in that one particular State was little or nothing. That is all I said.

Mr. PITTMAN. Mr. President, I acknowledge that the average cost is greatly increased over the State of Washington or the State of Nevada by what I was trying to explain were unnecessary costs in some of these States. I was trying to explain to the Senator and to the Senate that in the State of Washington and in the State of Nevada, where the conditions are practically similar to those in Montana and Wyoming, they could raise wool at a very small cost, and that there was no reason why the other States should not be able to do the same thing. I can conceive that the average cost of raising fruit in this country might be made to appear so great in comparison with other countries that fruit could not be raised here, if we tried to raise pineapples and tropical fruits in hothouses in this country. If you should take that cost and throw it into the cost of raising apples, you would find the average cost of raising all agricultural products in this country so great that we could not compete with anybody in anything; and that is exactly the condition with regard to the wool industry to-day.

Mr. SMOOT. Mr. President, there is no part of this country that undertakes to grow wool where the conditions are not at least favorable for it. Wool can be grown in New Mexico or in Utah or in Wyoming or in Montana just as well as it can in Nevada. I believe the Tariff Board is right when it says:

That in the western part of the United States

That does not mean one State-

Mr. PITTMAN. It includes that State, though.

Mr. SMOOT. Yes; it includes that State-

where about two-thirds of the sheep of the country are to be found, the "fine" and "fine medium" wools carry an average charge of at least 11 cents per pound, interest not included.

If the Senator knows anything about the wool business, he knows that the fine and fine medium wools are the wools that are grown in the Western States and they are the wools that are called for by the manufacturers of this country.

Mr. WILLIAMS. Mr. President, they seem to be called for

with a very unprofitable demand, by the Senator's own state-

ment. If he is right, why do not the people out there raise the sort of sheep from which both the mutton and the wool can be sold at a profit, instead of trying to raise some for which there is an immense demand and yet no profitable demand?

Mr. SMOOT. So far as concerns the few sheep that are raised upon the farm, to which no expense whatever is charged—I mean none is charged against their keep, since they are fed by the help around the barn-the cost is not to be compared with a great herd of sheep that run upon the public domain, where so much a head is charged for the feeding of

the sheep during the season on forest reserves.

Mr. WILLIAMS. If there is one thing which has been clearly demonstrated by the members of the Republican Party in the last 20 years it is that the American white man can not compete with anybody in doing anything, and needs protection for everything. In view of the admission, for the sake of for everything. In view of the admission, for the sake of the argument, of this grand principle, I suggest that we go on with the matter of flax straw, which I believe is pending, and

Mr. WALSH. Before we go on to that, Mr. President, I desire to say that if, in my judgment, it were possible to attribute to any language used by the distinguished Senator from Nevada, in the address he has just delivered, the significance attached to it by the Senator from Wyoming in what he said was the characterization made by the Senator from Nevada of those engaged in the wool industry, I should feel it an imperative duty to join him in that protest. I stand here to attest, because I have been brought into intimate contact with them, the very high character of the men engaged in the wool business and the sheep industry in my State. But I can not conceive how anybody could so distort the language used by the Senator from Nevada or give to it any such significance as that attributed to it by the Senator from Wyoming.

We all understood perfectly well that the Senator from Nevada was characterizing, in the way he thought they deserved, the particular class of people who engage in the occupation of sheep herders in the State of Nevada. He said nothing whatever concerning the character of those who were engaged

in the sheep industry in that State.

Likewise, I should feel it my duty to make some protest if, indeed, the Senator from Nevada had said that the sheepmen were under indictment. It is perfectly obvious that he did not say anything of the sort. It seemed to me entirely proper for the Senator from Nevada to invite attention to the fact that the report of the Tariff Board and the statistics gathered by it are to be considered and weighed in connection with the obvious and indisputable fact that the information they got came from those who naturally are desirous of sustaining the duties.

Mr. SMOOT. Where else could they get it?
The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Utah?

Mr. WALSH. It is a matter of no consequence as to where

could get it or where they could not get it.
The PRESIDING OFFICER. Senators will suspend. Recognition must be obtained from the Chair before they proceed.

Mr. SMOOT. Mr. President

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Utah?

Mr. WALSH. I yield readily to the Senator from Utah, and

I will answer his question.

Mr. SMOOT. I asked the question, Where else could the information be obtained if not from the men who paid the bills and who knew exactly what the cost was?

Mr. WALSH. I am very glad to answer the Senator from Utah that it could not be obtained anywhere else, but that does not lessen to any degree whatever the fact that those things must be taken into consideration in arriving at the weight that is to be given to the information thus furnished.

Mr. PITTMAN. Mr. President, I take issue with the statement that the information could not be obtained anywhere else. I think the information could be obtained somewhere else. think it could be obtained from various sources besides the man who raises the sheep. I think you could obtain that information from the employee much better than you could from the employer. I think you could obtain it from the assessors of the various counties, who watch those things and investigate those matters. You could obtain that information from the bankers in the various communities. I think it is a mistake to say that the only way you can get evidence of facts is to ask the man against whom you are trying to get the evidence.

Mr. SMOOT. Mr. President, I wish to say to the Senator from Nevada that, of course, you can find out what a herder is paid by asking him, but a herder does not know anything about what it costs to board him; a herder does not know anything about what it costs to run a sheep wagon; a herder does not know anything about what the losses may be. The banker does not know anything about what the sheepmen may get for their wool. The banker does not know what expenses the sheepmen must pay. He knows what interest they pay.

I think the Senator from Montana was well within the truth in the statement he made. You can not know what the wool costs unless you get the information from the man who pays all the bills and knows exactly what he receives and what he pays

Mr. PITTMAN. The Republican Tariff Board seemed to go on that theory, because, apparently, they did not ask anyone except the man that was to be benefited by a duty on wool.

Mr. WILLIAMS. Mr. President, it having been clearly demonstrated not only that the American white man can not compete with anybody in doing anything, but that the most credible witness to be found is an interested witness, I hope we may

now go on with the flax, hemp, and jute schedule.

Mr. McCUMBER. Mr. President, before the Democratic Party succeeds in getting free hemp for its use some four years hence I should like in the meantime to protect the farmers of my State. I should like to keep the little tow mills running throughout the State. One farmer may make \$50, another may make \$100 or \$150 a year on the little amount of flax he may haul to the mills. Therefore if the mills are closed he will necessarily lose that little sum. It means considerable to him; and before it is voted away by the other side, I think at least we ought to have the entire vote of the Senate. I therefore suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. SHEPPARD in the chair).

The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Gronna	Nelson	Smith, Ariz.
Bacon	Hollis	Norris	Smith, Ga.
Brady	Hughes	Overman	Smith, Md.
Brandegee	James	Owen	Smith, S. C.
Bristow	Jones	Page	Smoot
Bryan	Kenyon	Perkins	Sterling
Burton	Kern	Pittman	Stone
Catron	La Follette	Pomerene	Sutherland
Chamberlain	Lane	Ransdell	Swanson
Chilton	Lea	Robinson	Thomas
Clark, Wyo.	Lippitt	Saulsbury	Thompson
Clarke, Ark.	Lodge	Shafroth	Tillman
Colt	McCumber	Sheppard	Townsend
Fall	McLean	Sherman	Walsh
Fletcher	Martin, Va.	Shields	Warren
Gallinger	Martine, N. J.	Shively	Weeks
Gore	Myers	Simmons	Williams

Mr. JAMES. My colleague, the senior Senator from Kentucky [Mr. Bradley] is detained from attendance here by reason of illness. He has a general pair with the junior Senator from Indiana [Mr. KERN]. I will let this announcement

RANSDELL. I wish to announce that my colleague [Mr. THORNTON] is unavoidably absent. I ask that this an-

nouncement may stand for the day.

The PRESIDING OFFICER. Sixty-eight Senators have answered to the roll call. A quorum of the Senate is present. The pending question is on the amendment offered by the Senfrom North Dakota [Mr. McCumber], which will be ator stated.

The Secretary. In paragraph 272, page 83, line 12, after "dressed," strike out "one-half of," so as to read:

272. Flax, not hackled or dressed, 1 cent per pound.

Mr. McCUMBER. On this amendment I ask for the yeas and

The yeas and nays were ordered, and the Secretary proceeded

to call the roll.

Mr. CHILTON (when his name was called). I have a general pair with the junior Senator from Maryland [Mr. Jackson], which I transfer to the senior Senator from Maine [Mr. Johnson] son], and I vote "nay."

Mr. GALLINGER (when his name was called). I have a standing pair with the junior Senator from New York [Mr. O'GORMAN]. I transfer that pair to the junior Senator from Maine [Mr. BURLEIGH], and vote "yea."

Mr. McCUMBER (when his name was called). I have a general pair with the senior Senator from Nevada [Mr. NEWLANDS]. I transfer that pair to the junior Senator from California [Mr. WORKS], and vote "yea."

Mr. SMITH of Maryland (when his name was called). I have a general pair with the senior Senator from Vermont [Mr. Dillingham], and I withhold my vote.

Mr. TOWNSEND (when the name of Mr. Smith of Michigan was called). The senior Senator from Michigan [Mr. Smith] is absent on important bygings. He has a congral pair with is absent on important business. He has a general pair with

the junior Senator from Missouri [Mr. REED]. I desire to have

the junior senator from Missouri [Mr. Reed]. I desire to have this announcement stand for all votes to-day.

Mr. RANSDELL (when Mr. Thornton's name was called). My colleague [Mr. Thornton'] is unavoidably absent. If present, he would vote "nay."

Mr. TILLMAN (when his name was called). I have a pair with the Senator from Wisconsin [Mr. Stephenson], and there-

fore I withhold my vote.

The roll call was concluded.

Mr. JONES. I desire to announce that my colleague [Mr. POINDEXTER] is necessarily absent, and that he is paired with the Senator from Oklahoma [Mr. Owen].

Mr. THOMAS. I have a general pair with the senior Senator from New York [Mr. Root], which I transfer to the Senator from Louisiana [Mr. THOENTON], and vote "nay."

Mr. CHAMBERLAIN. I have a general pair with the Senator from Pennsylvania [Mr. Oliver], which I transfer to the junior Senator from Mississippi [Mr. Vardaman], and vote "nay."

Mr. REED (after having voted in the negative). voted a moment ago it escaped my recollection that I have a pair with the Senator from Michigan [Mr. SMITH] during his enforced absence from the city. I therefore withdraw my vote.

If I were permitted to vote, I would vote "nay."

Mr. MARTIN of Virginia. I desire to announce that the Senator from Alabama [Mr. BANKHEAD] is paired with the

junior Senator from West Virginia [Mr. Goff].

Mr. SHEPPARD. The Senator from Alabama [Mr. Bank-Head] requested me to announce that he is unavoidably absent and that he is paired, as just stated by the Senator from Virginia.

Mr. BRISTOW. I was requested to announce that the senior Senator from Iowa [Mr. Cummins] is necessarily absent and that he is paired on this vote with the senior Senator from Nebraska [Mr. HITCHCOCK].

The result was announced-year 30, nays 38, as follows:

	YE	AS-30.	
Brady Brandegee Bristow Burton Catron Clark, Wyo. Colt Crawford	Fall Gallinger Gronna Jones Kenyon La Follette Lippitt Lodge	McCumber McLean Nelson Norris Page Penrose Perkins Sherman YS—38.	Smoot Sterling Sutherland Townsend Warren Weeks
V-5	James	Pomerene	Smith, Ga.
Ashurst Bacon Bryan Chamberlain Chilton Clarke, Ark. Fletcher Gore Hollis Hughes	Kern Lane Leas Lewis Martin, Va. Martine, N. J. Myers Overman Pittman	Ransdell Robinson Saulsbury Shafroth Sheppard Shields Shively Simmons Smith, Ariz.	Smith, S. C. Stone Swanson Thomas Thompson Walsh Williams
	NOT V	OTING-27.	
Bankhead Borah Bradley Burleigh Clapp Culberson Cummins	Dillingham du Pont Goff Hitchcock Jackson Johnson Newlands	O'Gorman Oliver Owen Poindexter Reed Root Smith, Md.	Smith, Mich. Stephenson Thornton Tillman Vardaman Works

So Mr. McCumber's amendment was rejected.

The VICE PRESIDENT. The question recurs on agreeing to the amendment proposed by the committee to strike out para-

graph 272.

Mr. McCUMBER. The effect of this amendment being to place that item upon the free list, I think there should be a yea-and-nay vote. I ask for a yea-and-nay vote upon that one proposition.

The yeas and nays were ordered, and the Secretary proceeded

to call the roll.

Mr. CHILTON (when his name was called). I have a general pair with the junior Senator from Maryland [Mr. Jackson], which I transfer to the senior Senator from Maine

[Mr. Johnson] and vote. I vote "yea."

Mr. GALLINGER (when his name was called). Announcing the same transfer of my pair, I vote "nay."

Mr. KERN (when his name was called). I am paired with the Senator from Kentucky [Mr. BRADLEY] and withhold my

Mr. McCUMBER (when his name was called). Transferring

my pair as on the last vote, I vote "nay."

Mr. JONES (when Mr. Poindexter's name was called). I again announce the necessary absence of my colleague [Mr. POINDEXTER] and his pair with the Senator from Oklahoma [Mr. OWEN].

Mr. REED (when his name was called). I am paired with the Senator from Michigan [Mr. SMITH] during his absence from the city, and therefore I withhold my vote. I make this announcement for the day.

Mr. SMITH of Maryland (when his name was called). I have a pair with the senior Senator from Vermont [Mr. Du-

LINGHAM] and withhold my vote.

Mr. THOMAS (when his name was called). fer my pair with the senior Senator from New York [Mr. Root] to the Senator from Louisiana [Mr. THORNTON] and vote "yea."

Mr. RANSDELL (when Mr. THORNTON's name was called). My colleague [Mr. Thornton] is unavoidably absent. He is paired on this vote with the Senator from New York [Mr. Roor]. If my colleague were present and permitted to vote, he would vote "yea."

The roll call was concluded.

Mr. CHAMBERLAIN. I again transfer my pair with the junior Senator from Pennsylvania [Mr. OLIVER] to the junior Senator from Mississippi [Mr. VARDAMAN]. I vote "yea."

Mr. BRISTOW. I again make the announcement as to the absence of the senior Senator from Iowa [Mr. CUMMINS] and that he is paired with the senior Senator from Nebraska [Mr. HITCHCOCK]. I wish this announcement to stand for other roll calls to-day.

The result was announced—yeas 37, nays 30, as follows:

	YE	AS-37.	
Ashurst Bacon Bryan Chamberlain Chilton Clarke, Ark. Fletcher Gore Hollis Hughes	James Lane Lewis Martin, Va. Martine, N. J. Myers Overman Pittman Pomerene	Ransdell Rebinson Saulsbury Shafroth Sheppard Shields Shively Simmons Smith, Ariz. Emith, Ga.	Smith, S. C. Stone Swanson Thomas Thompson Walsh Williams
	NA NA	YS-30.	
Brady Brandegee Bristow Burton Catron Clark, Wyo. Colt Crawford	Fall Gallinger Gronna Jones Kenyon La Follette Lippitt Lodge	McCumber McLean Nelson Norris Page Penrose Perkins Sherman OTING—28.	Smoot Sterling Sutherland Townsend Warren Weeks
Bankhead Borah Bradley Burleigh Clapp Cufberson Cummins	Dillingham du Pont Goff Hitchcock Jackson Johnson Kern	Newlands O'Gorman Oliver Owen Poindexter Reed Root	Smith, Md. Smith, Mich. Stephenson Thornton Tillman Vardaman Works

So the amendment of the committee was agreed to.

The next amendment of the committee was to strike out paragraph 273, in the followings words:

273. Flax, hackled, known as "dressed line," 11 cents per pound.

Mr. McCUMBER. I propose to amend the paragraph so that it will read as follows:

273. Flax, backled, known as "dressed line," 3 cents per pound.

I only desire to say, not asking for a roll call on this amendment, that it is the old rate.

The VICE PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from North Dakota.

The amendment was rejected.

The VICE PRESIDENT. The question recurs on agreeing to the amendment proposed by the committee.

The amendment was agreed to.

The next amendment of the committee was to strike out paragraph 274, in the following words:

274. Tow of flax, \$10 per ton.

Mr. McCUMBER. On this amendment I should like to have some information from the chairman of the committee or the Senator in charge. I have prepared an amendment which I will read, and I ask the Senator's attention to it. It is to make the paragraph read as follows:

274. Tow of flax, used generally for upholstering and insulating, for refrigerators and refrigerator cars, paper and twine, and not used generally for weaving, \$20 per ton.

Mr. President, this is the particular paragraph that interests us more especially in my State, and the three Northwestern States producing flax and flax straw, than any other paragraph in this particular schedule. We are not attempting in any way by offering this amendment to interfere with a reduction of tariffs according to your program on any character of fabric, but where the fiber is so short that it can not be used for weaving purposes to advantage, and is used generally for the purpose of packing or insulating, for refrigerator cars, for making paper and some character of twine-it is not used for binding twine-where no one of the general public would be benefited by it, where it cheapens nothing to the ultimate consumer, where it destroys an industry without any general benefit, we feel that the industry of agriculture in general, which has been attacked all along the line by this bill, might be spared this final blow.

I should like to ask the Senator, if he will be kind enough to give me the information, what is to be gained by putting flax fiber on the free list, so far as it relates to this short-fibered tow, which can only be used for the purposes which I have mentioned?

It may be that in the draft of the amendment which I have made it will not exactly fit what I expect to accomplish, but if it does not it can be easily corrected either on the floor or in conference. I am seeking by this amendment to keep open the little tow mills in my State, and I am seeking it with the belief that no one will be injured by keeping them open and that the farmers of my State will be benefited thereby.

I will be glad to have the Senator in charge of the schedule give any reason why we should not be protected on this particular character of flax fiber.

Mr. WILLIAMS. Mr. President, unless my memory fails me, and it is becoming somewhat confused, the Senator from North Dakota asked this question yesterday and made exactly these remarks, and I made a stagger at a reply to the best of my ability, and I thought we might have left it there.

But tow of flax is a by-product of hackling, and it is used in the manufacture of the cheaper grades of yarn known as tow yarn. What sort of cloth tow yarns enter into I do not know, but they enter into something.

Mr. McCUMBER. No, Mr. President; if the Senator will

Mr. WILLIAMS. Very well. Mr. McCUMBER. I am excluding all kind of yarns and including only that tow which can not be used for spinning or weaving and will not be so used.

Mr. WILLIAMS. But I want to say to the Senator he is not doing anything he thinks he is doing.

Mr. McCUMBER. Very well, if I have not in the language used reached my desires, I hope the Senator will assist me in correcting it so that it will accomplish what I wish to accom-

Mr. WILLIAMS. I really confess that I decline the offer to assist because I do not know precisely what the Senator wants. But tow of flax, as I said, is a by-product of hackling, and it is used in the manufacture of the cheaper grades of yarn known as tow yarns in the trade.

I want to call the Senator's attention to the fact that once before this stuff was put upon the free list, and that was in the Wilson law. Under the Wilson law, with it on the free list, only 1,7111 tons were imported into the entire United States.

Now, I want to call the Senator's attention to the price per ton of the sort of tow that was imported. My object in doing that is to let him know that the sort of tow he is trying to protect is not the sort of tow that is imported at all. The sort of short-fibered tow to which the Senator is referring, which enters, as the Senator says, only into cushions and upholstery and refrigerating cars and all that sort of thing, was not imported into the United States at all, even when tow of flax was upon the free list; but the tow of flax which was imported into the United States was a tow of flax out of which these yarns are made, the unit value of which, if I can get the attention of the Senator from North Dakota, because it is useless to attempt to answer his question unless he listens to the reply-

Mr. McCUMBER. I want to assure the Senator that I am listening intensely, and I am gathering every word that he says.

Mr. WILLIAMS. On the contrary, I saw you gathering a great deal of some other sort of misinformation from the junior

Senator from Utah [Mr. SUTHERLAND].

Mr. McCUMBER. My ear was turned toward the Senator

from Mississippi.

Mr. WILLIAMS. Now, the average unit of that sort of tow that was imported when it was upon the free list was \$152.50 per ton, and the sort of tow that you are talking about is worth \$18 to 20 per ton, by your own statement, showing that it was a different thing. In 1905 the average price of it was \$183 per ton, and under the Payne tariff law, in 1911, the average price per ton of this stuff that was imported, tow of flax, was \$157 per ton, and in 1912 it had risen to \$188 per ton.

This stuff that the Senator is talking about, that is not fit to make yarn out of at all, is not going to be imported if you put it on the free list, and if you put a bounty on it you would have difficulty in getting it imported, unless you paid a pretty

the free list is tow that does enter into certain yarns for weaving a certain product, and the sort of tow the Senator is talking about they do not make yarn out of at all.

I do not know anything about your peculiar product except what you have told me, but from what you have told me all you can do with it is to make cushions, for upholstering, and I believe for refrigerator cars, and things of that sort.

I have tried to answer this question once before to the best of my poor ability. I do not know what sort of tow yours is, except that it is worth \$18 to \$20 a ton, and this tow that we are talking about was imported last year at \$180 a ton, and the duty was paid into the Treasury at the rate fixed at that time. There were 1,325 tons of it imported, and the duties collected were \$26,516. The sort of tow which was imported and the sort of tow we are trying to get imported in still larger quantities is the sort of tow out of which certain yarns are made for use in the textile industries of the country, and by the admission of the Senator from North Dakota his tow is not that sort of tow.

Mr. McCUMBER. The great trouble with the answer of the Senator from Mississippi is that he insists on answering a question that I do not ask and he does not answer the question that I do ask. I have not asked him anything about why he should not exclude the fiber that is used for spinning purpose

Mr. WILLIAMS. Nor have I said a word about the fiber. I was giving the Senator the figures upon the tow, and I was telling him what the tow was used for, to wit, to make certain yarns. He said his sort of tow is not used to make yarns at all. Therefore I was telling him that the sort of tow that would come in would not be any kind of tow that would compete with his kind of tow.

Mr. McCUMBER. On that the Senator is mistaken. Read the paragraph. It says:

Tow of flax, \$10 per ton.

Now, that includes all kinds of tow of flax. It is not limited at all to the particular kind that is used for weaving, and so forth. It now includes the short-fibered flax that is used for other purposes. It is nevertheless toy of flax.

Mr. WILLIAMS. Of course.

Mr. McCUMBER. It is put upon the free list by this para-

graph.

Mr. WILLIAMS. I will try once more, and if I fail this time want to confess my inability to use English. What I attempted to say was that when we put tow of flax-

Mr. McCUMBER. I will reach that part of it-

Mr. WILLIAMS. Which, of course, includes all this tow upon the free list, when we come to the actuality of the importation the sort of tow of flax that has been imported and will be imported is not the sort of tow of flax the Senator means.

Mr. McCUMBER. The great trouble with the Senator is

that he does not wait until he gets the full answer.

Mr. WILLIAMS. Therefore your question as to why we want to admit the importation of tow which does not enter into yarns and does not enter into textile fabrics falls to the ground, because our object is to permit the importation of the sort of tow that does make yarn and does enter into textile fabrics

Mr. McCUMBER. If the Senator will be a little patient and allow me to finish my reply he will ascertain that there has been an answer to his suggestion; but I can only reach one part of it at a time.

Mr. WILLIAMS. I made no suggestion. I was trying to

answer the question of the Senator.

Mr. McCUMBER. The first proposition is that there are now—I do not care what there was 20 years ago—there are to-day two kinds of flax tow that are being used in the United States. One is used for a certain purpose, that of packing or insulating refrigerator cars, for upholstering, to a small extent in making paper, and probably to a less extent in making wrapping twine. That is one of the kinds of tow that is being used in the United States to-day. The other kind of tow

Mr. WILLIAMS rose.

Mr. McCUMBER. I will yield to the Senator as soon as I have finished.

Mr. WILLIAMS. Very well.
Mr. McCUMBER. The other kind of tow that is being used in the United States is a long-fibered tow, which can be used for spinning into yarn and for weaving into different characters of fabrics. The paragraph of the bill which puts flax tow upon the free list covers both.

The Senator says that when we had the articles named in the same paragraph practically on the free list, we still did not import any of the kind of tow that is used for insulating, and so forth. Will the Senator tell me when we first began to use that kind of tow in the United States? Will the Senator tell me when the first tow mills that began to use, and were put in heavy bounty. The sort of tow that we are trying to get on operation to use, this particular kind of tow were established

in the United States? My conviction is, although I will not speak definitely, that there was not a tow mill of this kind in the United States or in Canada at that time. We used for insulating our refrigerator cars at that time charcoal, sawdust,

and other similar substances.

It has been found that we can make the short-fibered flax tow, and we thereby make a better insulator, and it can also be used for other purposes. Therefore, within the last 20 years, I would say within the last 15 years, this kind of a product has come into general use for the purposes which I have mentioned. It was not in general use during the operation of the tariff law of which the Senator from Mississippi has spoken. While it was not imported at that time, because there was no use for it in the United States, to my knowledge, and while it has not since been imported, we are using it; and because we have had a tariff that was practically prohibitory of importations is no reason why it will not be imported when we place it upon the free list.

As a matter of fact, however, it has been imported, and there has been a case before the Treasury Department for some time in regard to the importation. I do not know whether or not it has been settled, but I know a number of shipments came in from Canada under the name of broken flax straw. gave it that name to differentiate it from the hackled straw, so that it might come in under a \$5-per-ton duty, rather than the \$20-per-ton duty provided for on hackled straw. The appraisers allowed it to come in at the \$5-per-ton duty. A case was made before the Treasury Department and an appeal taken from the decision. That appeal, I believe, is now pending. So it has been and it can be brought in, and if it has been brought in under a \$5-per-ton duty, certainly it will be brought in in very much larger quantities upon a free-trade basis. That is the reason why I am seeking to protect this new article of use,

the reason why I am seeking to protect this new article of use, and by its protection keep open the little mills in the three northwestern States I have mentioned.

Mr. WILLIAMS. Mr. President, the Senator from North Dakota says that this article will be imported. I do not know whether it will be or not. That fact is in the womb of the future; I will try to put the matter in a different shape. It either will be imported or it will not be imported; that is a certainty. If it will not be imported, the Senator has been talking about an anticipated injury which will not exist, an injury to a special interest engaged in this particular business, and constituting perhaps not one-tenth of 1 per cent of the people of the United States. If it will be imported, then it will cheapen insulating and refrigerating, and that will be a great benefit to everybody, and also to modern science and modern industry. At any rate, that is our view of it in the alternative, and we are willing to vote upon it and to stand by what we do, rather

than merely by what we say.

Mr. McCUMBER. Mr. President, if it is to be sustained upon the ground that closing up the mill to the farmer will be a benefit to science by reason of its being a benefit to the manufacturer of refrigerating cars and refrigerators, I am willing to

go to a vote upon that proposition.

WILLIAMS. Mr. President, everything that cheapens insulating, everything that cheapens refrigeration, helps not only science and transportation, but it helps the entire people, all of whom have interest in insulating and in transportation. Of course the Senator from North Dakota knows as well as I do that the railroads do not pay for the tracks, that they do not pay for the coaches, that they do not pay for the steam engines, that they do not pay for anything except in the first instance, but that in the long run the people pay for them. The Senator understands that the companies that are refrigerating and insulating do not pay for refrigerating and insulation except in the first instance, and that in the long run the people pay for it. The cheaper it is the better for the people. So I shall rest satisfied.

Mr. McCUMBER. Mr. President, I have expressed my serious doubt that the manufacturers of those refrigerator cars will sell them cheaper because of the little benefit that they have gained and the little benefit that the farmers now have from The Senator thinks they will, but I do not think so. their flax.

Mr. WILLIAMS. Why does the Senator say "the farmers"?
When the Senator says that, he would have somebody believe that he means the farmers of the United States. I dare say that not one-tenth of 1 per cent of the farmers of the United States, even as farmers, are interested in this.

Mr. McCUMBER. I could probably, Mr. President, pick out four-fifths of the several items that are taxed, which it is considered ought to be taxed even by this bill, and find that not one-tenth of 1 per cent of the population is engaged in their production, but a great many of these one-tenths of 1 per cent make the whole, and we have got to consider all of the industries together.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from North Dakota to the amendment of the committee

Mr. McCUMBER. Upon that amendment I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. WILLIAMS. Did the Senator from North Dakota offer an amendment?

Mr. McCUMBER. I offered an amendment.

Mr. WILLIAMS. I did not know whether the vote was to be taken on the amendment proposed by the Senator from North Dakota or on the committee amendment.

Mr. McCUMBER. I would suggest that the amendment be again read, as some Senators did not hear it.

The VICE PRESIDENT. The Secretary will again state the

amendment.

The Secretary. In lieu of the words proposed to be stricken out in paragraph 274 by the Committee on Finance it is proposed to insert:

274. Tow of flax used generally for upholstering and insulating, for refrigerators and refrigerator cars, paper and twine, and not used generally for weaving, \$20 per ton.

The Secretary proceeded to call the roll.

Mr. CHAMBERLAIN (when his name was called). announcing my pair with the junior Senator from Pennsylvania [Mr. OLIVER] I transfer that pair to the junior Senator from Mississippi [Mr. Vardaman] and vote. I vote "nay."
Mr. CHILTON (when his name was called). With the same

announcement as that I made on the previous ballot I will vote. I vote "nay."

Mr. GALLINGER (when his name was called). I again announce the transfer of my pair with the junior Senator from New York [Mr. O'GORMAN] to the junior Senator from Maine [Mr. Burleigh] and vote. I vote "yea."

Mr. KERN (when his name was called). I transfer my pair with the Senator from Kentucky [Mr. BRADLEY] to the Senator from Louisiana [Mr. Thornton] and vote. I vote "nay."
Mr. LODGE (when his name was called). I have a general

pair with the junior Senator from Georgia [Mr. SMITH]. I do not see him in the Chamber, and so I will withhold my vote.

Mr. McCUMBER (when his name was called). I transfer my pair with the senior Senator from Nevada [Mr. Newlands] I transfer to the junior Senator from California [Mr. WORKS] and will vote. I vote "yea." I will let the announcement of the change

of pairs stand for the day.

Mr. JONES (when Mr. Poindexter's name was called). I desire again to announce the necessary absence of my colleague [Mr. Poindexter]. He is paired with the Senator from Oklabers [Mr. Owner]. I make this appropriate and will let it. homa [Mr. Owen]. I make this announcement and will let it stand for the remainder of the day.

Mr. REED (when his name was called). I again announce my pair with the Senator from Michigan [Mr. SMITH] and

withhold my vote. If at liberty to vote, I should vote "nay."

Mr. SMITH of Maryland (when his name was called). I
again announce my pair with the senior Senator from Vermont
[Mr. Dillingham] and withhold my vote. If I had the privilege of voting, I should vote "nay."

Mr. THOMAS (when his name was called).

nounce my pair with the senior Senator from New York [Mr. Roor] and withhold my vote. If I had the privilege of voting,

should vote "nay."
Mr. RANSDELL (when Mr. Thornton's name was called). I again announce the unavoidable absence of my colleague [Mr. He is paired on this vote with the Senator from THORNTON 1. Kentucky [Mr. Bradley]. If present, my colleague would vote "nay."

Mr. TILLMAN (when his name was called). I again announce my pair with the Senator from Wisconsin [Mr. Stephenson], and desire that this announcement shall stand for the day.

The roll call was concluded.

Mr. SUTHERLAND (after having voted in the affirmative). I understand the Senator from Arkansas [Mr. Clarke] has not voted.

The VICE PRESIDENT. The Chair is informed that the Senator from Arkansas is not recorded.

Mr. SUTHERLAND. I have a general pair with that Senator,

and therefore withdraw my vote.

The result was announced—yeas 26, nays 37, as follows:

YEAS-26.

Brady Brandegce Bristow Burton Catron Clark, Wyo. Colt Crawford Gallinger Gronna Jones Kenyon La Follette Lippitt Lodge McCumber McLean Nelson Page Penrose

Sterling Townsend Warren Weeks

	NA	YS-37.	
Ashurst Bacon Bryan Chamberlain Chilton Fletcher Gore Hollis Hughes James	Kern Lane Lea Lewis Martin, Va. Martine, N. J. Myers Norris Overman Pittman	Pomerene Ransdell Robinson Saulsbury Shafroth Sheppard Shields Shively Simmons Smith, Ariz.	Smith, Ga. Smith, S. C. Stone Swanson Thompson Walsh Williams
	NOT V	OTING-32	

NOT	NOT VOTING-32.			
Dillingham du Pont Fall Goff Hitchcock Jackson Johnson Newlands	O'Gorman Oliver Owen Poindexter Reed Root Sherman Smith, Md.	Smith, Mich Stephenson Sutherland Thomas Thornton Tillman Vardaman Works		
	Dillingham du Pont Fall Goff Hitchcock Jackson Johnson Newlands	Dillingham O'Gorman du Pont Oliver Fall Owen Goff Poindexter Hitchcock Reed Jackson Root Johnson Sherman		

So Mr. McCumber's amendment to the amendment of the committee was rejected.

The VICE PRESIDENT. The question recurs on the amendment proposed by the committee.

Mr. McCUMBER. Mr. President, the Democratic Ways and Means Committee and the Democratic majority of the House of Representatives, who are supposed to be close to nature and to have caught something of the aroma of flax and flax straw, saw fit to put a duty of \$10 per ton on tow. The Democratic majority of the Senate in caucus have placed flax tow upon the free list. I am about to attempt, by means of another amendment, to bridge the chasm between the Democracy of the House and the Democracy of the Senate by providing for a duty of \$10 per ton on tow of flax, applying only to that character of flax which can not be used for weaving. I therefore

offer the amendment which I send to the desk.

The VICE PRESIDENT. The amendment will be stated. The SECRETARY. In lieu of the amendment proposed by the committee striking out paragraph 274, page 83, line 15, it is

proposed to insert: 274. Tow of flax used generally for upholstering and insulating for refrigerators and refrigerator cars, paper, and twine, and not used generally for weaving, \$10 per ton.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from North Dakota to the amendment of the committee.

Mr. McCUMBER. On that amendment I ask for the yeas

and nays.

The VICE PRESIDENT. Senators seconding the demand will indicate it by raising their hands. [After counting.] In the opinion of the Chair, the demand is not seconded.

Mr. McCUMBER. I ask the Chair to put the request again, so that the Senate will understand the question, for I do not

think Senators are paying careful attention at all times.

The VICE PRESIDENT. The Senator from North Dakota demands the yeas and nays on his amendment. Is the demand seconded?

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CHAMBERLAIN (when his name was called). announcing my pair with the junior Senator from Pennsylvania [Mr. OLIVER], I transfer that pair to the junior Senator from Mississippi [Mr. VARDAMAN] and vote "nay."

Mr. GALLINGER (when his name was called). ferring my pair with the junior Senator from New York [Mr. O'GORMAN] to the junior Senator from Maine [Mr. BURLEIGH], I vote "yea."

Mr. KERN (when his name was called). my general pair with the Senator from Kentucky [Mr. Brad-LEY] I withhold my vote.

Mr. REED (when his name was called). I again announce my pair with the Senator from Michigan [Mr. SMITH].

Mr. SMITH of Maryland (when his name was called). am paired with the senior Senator from Vermont [Mr. DILLING-HAM], and for that reason withhold my vote.

Mr. THOMAS (when his name was called). I transfer my pair with the Senator from New York [Mr. Root] to the Senator from Louisiana [Mr. THORNTON] and vote "nay."

Mr. RANSDELL (when Mr. THORNTON'S name was called). I again announce the unavoidable absence of my colleague [Mr. THORNTON] and ask that this announcement stand for the day.

The roll call was concluded. Mr. CHILTON. Repeating my announcement on the last ballot as to the transfer of my pair, I vote "nay."

Mr. SUTHERLAND. I inquire Arkansas [Mr. CLAEKE] has voted. I inquire whether the Senator from

The VICE PRESIDENT. The Chair is informed that he has not

Mr. SUTHERLAND. I withhold my vote on account of my pair with that Senator.

Mr. REED. I transfer my pair with the Senator from Michigan [Mr. Smith] to the Senator from Oklahoma [Mr. Gore] and vote "nay."

The result was announced—yeas 27, nays 36, as follows:

gard a negle of	YE	AS-27.	
Brady Brandegee Bristow Burton Catron Clark, Wyo, Colt	Crawford Gallinger Gronna Jones Kenyon La Follette Lippitt	Lodge McCumber McLean Nelson Norris Penrose Perkins	Sherman Smoot Sterling Townsend Warren Weeks
	NA	YS-36.	
Ashurst Bacon Bryan Chamberlain Chilton Fletcher Hollis Hughes James	Lane Lea Lewis Martin, Va. Martine, N. J. Myers Overman Pittman Pomerene	Ransdell Reed Robinson Saulsbury Shafroth Sheppard Shields Shively Simmons	Smith, Ariz Smith, Ga. Smith, S. C. Stone Swanson Thomas Thompson Walsh Williams
75.75	NOT V	OTING-32.	
Bankhead Borah Bradley Burleigh Clapp Clarke, Ark. Culberson Cummins	Dillingham du Pont Fall Goff Gore Hitchcock Jackson Johnson	Kern Newlands O'Gorman Oliver Owen Page Poindexter Root	Smith, Md. Smith, Mich. Stephenson Sutherland Thornton Tillman Vardaman Works

So Mr. McCumber's amendment to the amendment of the committee was rejected.

Mr. McCUMBER. The next vote will be on the adoption of the amendment proposed by the committee. The amendment would place this product upon the free list. It is very important to my State, and I will ask the indulgence of the Senate to have a record vote, assuring the Senate that I will not ask for the yeas and nays on any remaining items of this schedule. I ask for the yeas and nays on the adoption of the committee amendment.

The VICE PRESIDENT. The question is on the amendment reported by the committee, on which the Senator from North Dakota demands the yeas and nays.

The yeas and nays were ordered.

Mr. SIMMONS. Mr. President, I simply want to say a word before the vote is taken. I find on inquiry that the product about which the Senator from North Dakota has been speaking has been construed by the board of appraisers, and they have held that it is not backled flax, but that it is flax straw.

Mr. McCUMBER. I want to correct the statement—Mr. SIMMONS. I mean the character of the material which the Senator has been discussing as used in refrigerator cars and for stuffing furniture, horse collars, and the like. It has been decided by the board of appraisers that that material is simply run through a machine containing corrugated rolls which have the effect of breaking up the straw and rendering it pliable, so as to fit it for use in stuffing furniture, and so on. They have held that that is not hackled flax or tow of flax, but that it is flax straw, and dutiable under the present law at \$5 per ton.

Mr. McCUMBER. Mr. President, I feel it incumbent upon me to correct the error of the Senator in two respects.

The material I have been discussing heretofore that came under paragraph 273 as hackled flax is that which comes from the mills in my State and in Minnesota. The Senator has referred to the decision in a case that I referred to a short time ago. where some broken straw was brought over from Canada. In other words, it involved a sort of halfway process between the breaking with the separator and the breaking and the separation in the tow mill, because the tow mill does more than the mere breaking. It simply severs to a considerable extent a portion of the pulp, and that is finished by knives on the machines in the East that take it up. So what the Senator refers to is not that which is covered by the preceding paragraph, and this vote is not upon that at all, but it is upon the tow itself.

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary proceeded to call the roll.

Mr. CHAMBERLAIN (when his name was called). I again announce my pair with the junior Senator from Pennsylvania In his absence I withhold my vote.

Mr. CHILTON (when his name was called). I make the same announcement as on previous ballots and will vote. I

Mr. GALLINGER (when his name was called). the same transfer of pairs as on the last vote, I vote "nay."

Mr. KERN (when his name was called). Because of my pair with the senior Senator from Kentucky [Mr. Bradley], I withhold my vote. If at liberty to vote, I should vote "yea."

Mr. REED (when his name was called). I again announce my pair with the senior Senator from Michigan [Mr. SMITH]

and withhold my vote.

Mr. SMITH of Maryland (when his name was called). I withhold my vote, being paired with the senior Senator from Vermont [Mr. Dillingham]. If at liberty to vote, I should vote "yea.

Mr. THOMAS (when his name was called). I repeat the announcement made on the last vote, make the same transfer,

and vote "yea.

The roll call was concluded.

Mr. JAMES. I have a general pair with the junior Senator from Massachusetts [Mr. Weeks]. I transfer that pair to the junior Senator from Oklahoma [Mr. Gore] and will vote. I vote "vea.

Mr. WILLIAMS (after having voted in the affirmative). am informed that the senior Senator from Pennsylvania [Mr.

Penrose] has not voted. Is that correct?

The VICE PRESIDENT. It is.

Mr. WILLIAMS. Then I wish to withdraw my vote. The result was announced—yeas 35, nays 27, as follows:

YEAS-35. Smith, Ga. Smith, S. C. Stone Swanson Thomas Ransdell Robinson Saulsbury Shafroth Ashurst Bacon Lane Lane
Lea
Lewis
Martin, Va.
Martine, N. J.
Myers
Overman
Pittman
Pomerene Bryan Chilton Clarke, Ark. Fletcher Hollis Hughes James Sharroth Sheppard Shields Shively Simmons Smith, Ariz. Thompson Vardaman Walsh Pomerene

NAYS-27. Lodge McCumber McLean Nelson Norris Page Perkins Crawford Gallinger Gronna Brady Brandegee Sherman Smoot Bristow Burton Catron Clark, Wyo. Colt Sterling Sutherland Townsend Warren Jones Kenyon La Follette Lippitt

du Pont Fall Goff Gore Hitchcock Jackson Johnson Kern Newlands O'Gorman Oliver Bankhead Borah Bradley Owen Penrose Poindexter Reed Root Burleigh Chamberlain Clapp Culberson Cummins Dillingham Smith, Md. Smith, Mich.

So the amendment of the committee was agreed to. The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 83, to strike out all of paragraph 275, in the following words:

NOT VOTING-33.

Stephenson

Thornton Tillman

Weeks Williams Works

275. Hemp, and tow of hemp, one-half cent per pound; hemp, hackled, known as "line of hemp," 1 cent per pound.

The amendment was agreed to.

The next amendment was, in paragraph 276, page 83, lines 18, 19, and 20, to strike out "not finer than 5 lea or number, 15 per cent ad valorem; if finer than 5 lea or number and yarns made of jute."

Mr. GRONNA. Mr. President, I should like to get some information from the Senator from Mississippi [Mr. Williams] on this paragraph. Is there not a considerable quantity of jute used in the manufacture of binding twine?

Mr. WILLIAMS. I really do not know. Mr. GRONNA. I thought perhaps the Senator had that information.

Mr. WILLIAMS. No; I have not.

Mr. GRONNA. I see from the handbook that during the year 1912 there were imported 1,256,000 pounds of single yarns made of jute not finer than No. 5 lea or number, and that 114,000 pounds of finer quality were imported. I take it that the Committee on Finance does not intend to tax the binding twine that the farmer uses to bind his grain and place all the articles which he produces on the free list. I know full well that paragraph 423-

Mr. WILLIAMS. Binding twine is on the free list. Mr. GRONNA. Yes; paragraph 423 provides as follows: 423. All binding twine manufactured from New Zealand hempila, istle or Tampico fiber, sisal grass, or sunn, or a mixture of any two or more of them, of single ply and measuring not exceeding 600 feet to the pound.

I will say to the Senators on the other side that that does not

include all binding twine.

Mr. SHIVELY. Mr. President—

The VICE PRESIDENT. Does the Senator from North Dakota yield to the Senator from Indiana?

Mr. GRONNA. Yes; I yield. Mr. SHIVELY. We were in We were informed in the course of the consideration of the bill that there is absolutely none of this article used in the manufacture of binding twine. It is not used for that purpose at all.

Mr. GRONNA. I was asking for information, for I know that in my State a considerable quantity of what was known as jute twine was used some years ago. It was labeled as jute binding twine. May I ask the Senator who has this schedule in charge for what purpose this article is used? I observe that a large quantity is being imported, and I should like to know for what purpose it is being imported and for what manufacture it is being used.

Mr. WILLIAMS. Does the Senator wish to know for what

purpose these single yarns of jute are imported?

Mr. GRONNA. Yes. Mr. WILLIAMS. One class of them, the coarser class, is being imported for the purpose of making heavy jute fabrics, and the other class for the purpose of making finer jute fabrics and cloth. Single jute yarns enter into burlap, among other things, when they are a very coarse number.

Mr. GRONNA. I was under the impression that this article

was being used in the manufacture of binding twine.

Mr. WILLIAMS. No; it seems not. I had forgotten what the Senator from Indiana mentioned. Probably I was not present at the time.

Mr. WALSH. Mr. President-

The VICE PRESIDENT. Does the Senator from North Dakota yield to the Senator from Montana?

Mr. GRONNA. Yes; I yield. Mr. WALSH. I think I can advise the Senator that jute yarn is the raw material of burlaps.

Mr. WILLIAMS. Not only of burlaps, but— Mr. WALSH. Of all kinds of jute fabrics; and I desire to say to the Senator from North Dakota that he will find binding twines generally on the free list under the provisions of paragraph 423.

Mr. GRONNA. Yes; I have just read the paragraph; but I

wish to say to the Senator from Montana-Mr. WALSH. I have not finished.

Mr. GRONNA. I wish to say to the Senator from Montana that I am quite familiar with binding twine, and that paragraph 423 does not include all kinds of binding twine.

Mr. WALSH. I was going to say to the Senator from North Dakota, and to the other Senators also, that the language of paragraph 423, as far as that goes, is the same as the language of paragraph 507 of the present act, which reads:

Binding twine: All binding twine manufactured from New Zealand hemp, manila, istle or Tampico fiber, etc.

The language is the same. So that paragraph 423 does not include all kinds of binding twine. It was because the committee apparently was led into an error by the provisions of the existing law.

Mr. GRONNA. I ask the Senator from Montana why the farmer should pay a duty on binding twine that runs more than

600 feet to the pound?

Mr. WALSH. I do not know. I supposed that measured the

binding twine.

Mr. GRONNA. It does not. The Senator from Montana will find that there is binding twine running 700 feet to the pound; that is, if manufactured of pure manila.

Mr. WILLIAMS. What was the Senator's remark? I did

not catch it.

Mr. GRONNA. My statement was that you will find binding twine that will run more than 700 feet to the pound, if the twine is manufactured from pure manila.

Mr. WILLIAMS. That has nothing to do with this.
Mr. GRONNA. It has this much to do with it, that the paragraph places a limitation upon it. It provides that twine which measures not more than 600 feet to the pound shall be placed on the free list.

Mr. WILLIAMS. Oh, the Senator means the free list?

Mr. GRONNA. Yes.

Mr. WILLIAMS. When we get to that we will deal with it. Mr. GRONNA. I was trying to deal with both at one time. When the farmer buys his twine he has to deal with both the purchase price and the question of paying for it.

Mr. WILLIAMS. If the Senator pleases, paragraph 276 relates to single yarns made of jute not otherwise specially provided for in this section. That has nothing at all to do with binding twine. Binding twine is in paragraph 423, upon the free list. When we reach that, if the Senator can show us any mistake we have made about it we shall take pleasure in either recommitting it for consideration or correcting it here. But that paragraph is not now under consideration.

Mr. GRONNA. I realize that; but my attention was called

to paragraph 423 by the Senator from Montana.

Mr. WILLIAMS. That does not deal with jute at all. Paragraph 423 has nothing to do with jute.

Mr. GRONNA. I will say to the Senator from Mississippi that it may be jute, or it may be something else.

Mr. WALSH and Mr. McCUMBER addressed the Chair.

The VICE PRESIDENT. Does the Senator from North Da-

kota yield to the Senator from Montana?

Mr. GRONNA. I yield to my colleague first. The VICE PRESIDENT. The Chair must insist that the Chair shall have a little something to say about this matter. Does the Senator from North Dakota yield to the Senator from Montana?

Mr. GRONNA. I do not. The VICE PRESIDENT. Does the Senator yield to his col-

league from North Dakota?

Mr. GRONNA. Yes, Mr. President; I yield to my colleague.
Mr. McCUMBER. I simply desire to say to my colleague that some years ago jute was mixed with sisal in making binding twine. Just as to what extent that has continued, I have no information. I am also informed that some years ago binding twine was made entirely of jute; that is, some kinds were made of jute. Whether that has been continued up to the present time or not, I am not prepared to say. But I wish to say to my colleague that this bill would be out of Democratic harmony if, after placing the farmer's product upon the free list, it did not tax the same product when he has to buy it back in twine or in some other form.

Mr. GRONNA. I now yield to the Senator from Montana if

he desires.

Mr. WALSH. Mr. President, I desire to invite the attention of the Senator from North Dakota to the fact that paragraph 423 contains exactly the same limitation that the present law does in relation to length. I am entirely satisfied that it was the purpose of the Finance Committee to put binding twine, without reservation, upon the free list. 'Apparently, when the Payne-Aldrich bill was framed there was no information before the Senate that jute was employed in the manufacture of binding twine at all; neither was it suggested, apparently, that the limitation "not exceeding 600 feet to the pound" was not an entirely proper limitation. If the Senator has any information to the effect that that will not include all kinds of binding twine I trust he will present it, because I shall be glad to join him in asking the Finance Committee to make the appropriate

Mr. GRONNA. I will say to the Senator from Montana and to the Senate that I have on many occasions measured binding twine and weighed it, and I know of my own knowledge that there is binding twine that runs more than 600 feet to the

Mr. SIMMONS. Mr. President-

The VICE PRESIDENT. Does the Senator from North Dakota yield to the Senator from North Carolina?

Mr. GRONNA. Yes; I yield to the Senator. Mr. SIMMONS. I desire to state to the Senator from North Dakota that the Senator from Montana is entirely right in stating that the Finance Committee intended to place all kinds of binding twine upon the free list; and if any information is brought to our attention to show that it is manufactured out of jute, or, as the Senator from North Dakota says, that it sometimes runs more than 600 feet to the pound, we shall be glad to make the change so as to carry out the purpose we had in view

Mr. GRONNA. I was quite sure of that. Mr. SIMMONS. I hope the Senator will let us go on now with the paragraph we have under consideration; and when we reach the paragraph in the free list dealing with binding twine we shall be glad to take up the matter with the Senator.

Mr. WILLIAMS. Mr. President, will the Senator from North Dakota permit me to interrupt him for a moment?

Mr. GRONNA. Yes; certainly.

Mr. WILLIAMS. If binding twine was ever made partially or altogether of jute, the reason why it is not now made of it is palpable, because under the Payne-Aldrich bill all-binding twine twine was placed upon the free list; that is, binding twine made out of New Zealand hemp, manila, istle or Tampico fiber, sisal grass, or sunn, or a mixture of any two or more of them. As a consequence, of course, people would have been stupid to import jute for binding twine or jute yarn when they could get better binding twine free of duty. As far as that is concerned, binding twine might be made out of cotton. If you are going to put upon the free list everything that could possibly be turned into binding twine you will have to put certain grades of cotton upon the free list, as well as jute. Binding

twine might be made out of flax. You would have to put flax yarns upon the free list. It might possibly be made out of hemp. But the framers of the Payne-Aldrich bill met the difficulty in the language I have stated, so that the farmer could get free binding twine without disrupting the cotton and jute and flax schedules; and he gets it. The only thing we did was to leave out the proviso which the Payne-Aldrich bill carried.

If it shall turn out that binding twine does measure more than 600 feet to the pound-and if the Senator says he knows it of his own knowledge, of course it is a fact—then when we get to that paragraph we might very easily strike out the language "not exceeding 600 feet to the pound." But we could not agree to put single jute yarns upon the free list just because they might possibly be used for binding twine any more than we

could put certain cotton yarns or flax yarns upon the free list.

Mr. GRONNA. The Senator calls attention to the fact that the Payne-Aldrich bill placed a certain duty on jute, but he forgets that it also placed a duty upon what is called by that side of the Chamber raw material. It is true, as the Senator from Mississippi has said, that twine may be and is manufactured out of flax, and I believe it is being manufactured out of jute. I believe a certain quantity of jute is being used in the manufacture of twine. I can see no reason why the farmer should pay a duty on his twine because there is a little jute in it, when nearly all of his products have been placed upon the free list.

Mr. WILLIAMS. But he will not import binding twine and will not buy binding twine with jute in it if he can get binding twine equally good or better without jute in it and at a

lower price.

Mr. GRONNA. I have seen the time when the farmer was compelled to buy the kind of binding twine that was being offered him, and that condition confronts the farmer almost every year. The twine, as the Senator from Mississippi knows, is being controlled by trusts, by cordage companies, by the International Harvester Trust. Why do you wish to place a duty on the farmer's binding twine when you are placing his products on the free list? I ask the Senator from Mississippi that question.

Mr. WILLIAMS. My answer is very plain. We are not placing a duty upon the farmer's binding twine at all. On the contrary, we are continuing it upon the free list, where we

found it.

Mr. GRONNA. Yes; that is true. The paragraph in the pending bill is, I understand, the same as the one in the

present law

Mr. SIMMONS. But, Mr. President, the Senator fails to recognize the fact that the paragraph we are dealing with now—276—simply provides for "single yarns made of jute, not otherwise specially provided for in this section." That is all we are dealing with now. The Senator from Mississippi very properly says that we can not amend this paragraph as to put jute yarns on the free list simply because possibly some jute may be used in making binding twine. It is a different article altogether that we are dealing with in this paragraph. It is single jute yarns, not used for binding twine, not made for that purpose at all.

I trust the Senator will let us act on this particular paragraph now and withhold his contention about the free-list para-

graph until we reach it.

Mr. GRONNA. As I understand the chairman of the Finance Committee, it is not the intention of the committee to put bind-

ing twine on the dutiable list?

Mr. SIMMONS. No; the committee has had no such intention; but putting a duty upon single jute yarns will not put any duty on binding twine. That is the question we are dealing with now.

Mr. GRONNA. Very well. Suppose, then, in this paragraph

we add the words "not used for binding twine."

Mr. SIMMONS. It says "not otherwise specially provided

; and if, when we come to the free list referring to this particular item, we should make some change, it would be otherwise specially provided for.

Mr. GRONNA. May I ask the Senator from North Carolina

if it is provided for anywhere in this section.

Mr. SIMMONS. I am not able right now to point out the

paragraph referring to it.

Mr. GRONNA. Paragraph 423.

Mr. SIMMONS. If that is so, paragraph 423 does provide for it.

Mr. GRONNA. Paragraph 423 does not mention jute, however.

Mr. WILLIAMS. Do I understand the question to be whether jute binding twine is anywhere upon the free list? Is that the

Mr. GRONNA. Yes.

Mr. WILLIAMS. No; it is not.
Mr. SIMMONS. The Senator from North Dakota has not asked that question, but of course that is a direct answer.

Mr. WILLIAMS. Was that the Senator's question, as I have stated it?

Mr. GRONNA.

Mr. GRONNA. Yes. Mr. WILLIAMS. TI Then that is the answer.

Mr. NELSON. Mr. President, I do not think jute is now used in binding twine. At an early day they did use a little Kentucky hemp and some jute. We have done so in Minnesota. We started in 1890, and the manufactory of binding twine was our State prison. It has proved a great success. We began in the first instance to manufacture it from hemp—plain Kentucky hemp. The twine proved a failure. It was clumsy and knotty and would not work well on the machine, and in a year or two it was abandoned. Our State had to throw away the machinery and get a new plant and a new outfit. To-day and for many years past, since we have had the new outfit, our binding twine is made at the State prison from the materials described in the paragraph on the free list.

The very best twine is made, of course, from pure manila. It costs high. Then there is another grade that is made partly from manila and partly from sisal grass or Central American tampico grass. Then there is some cheaper kind made from inferior grasses; but I do not think that now any kind is manufactured from jute. Perhaps in some cases there may be

Our twine plant in the State of Minnesota has proved a wonderful success. I think we are manufacturing now at the rate of 30,000,000 pounds a year. It is furnished to the farmers in carload lots at a little over cost. It is furnished to the dealers at a little less than that, but with the proviso that the dealers must not exact more than 1 cent a pound profit. Our State prison twine has been the great regulator of prices in Minnesota and has held down and checked the price of the Harvester Trust. In fact we control the price of binding twine in the State of Minnesota by the State prison twine, as we call it. All our farmers are hungry for it and take all they can get. Sometimes they can not get enough and they have to buy some from outside dealers.

I am not aware that they use any jute or have used it for years in the manufacture of that twine. I do not think the farmers will use it. I think, speaking from the standpoint of a farmer, it would be a good plan to prevent them from using jute in binding twine, because that would give them a very in-

ferior, worthless quality.

I have made these remarks to bring to the attention of Senators who come from agricultural States what a reform they can effect if they will follow in the wake of the State of Minnesota and set their State prisons to work manufacturing binding twine, and in that way become entirely independent of the trust and furnish the farmers cheap binding twine.

Mr. SMOOT obtained the floor.

Mr. GRONNA. Mr. President-

The VICE PRESIDENT. Does the Senator from Utah yield

to the Senator from North Dakota?

Mr. GRONNA. If the Senator from Utah will permit me, I simply want to add to what the Senator from Minnesota has said that North Dakota is also manufacturing twine at its State prison and that it has been a success and a factor in regulating prices to the farmers.

Mr. NELSON. Will the Senator from Utah allow me to add one word that I omitted to say when on my feet before?

Mr. SMOOT. I yield, Mr. President. Mr. NELSON. I think the Senator from North Dakota is

The best binder twine made from manila hemp runs more than 600 feet to the pound. It runs as high as 700 feet. think when you come to that article in the free list if you intend to give the farmers free binding twine you should eliminate that limitation of 600 feet to a pound. You should either eliminate it or make it, say, 800 feet to a pound. I think that is your purpose, and when you come to that I trust you will make that amendment.

Mr. SMOOT. Mr. President, I want to call the attention of the Senate to the inconsistency of this schedule. I will begin with the item in paragraph 276 and follow the yarn of that paragraph to the finished goods. Paragraph 276 provides that for in this section," shall pay a duty of 20 per cent ad valorem.

That is irrespective of the size or number of the yarn.

The next step of manufacture and the next process that

single jute yarns are used for we will find in paragraph 288. That paragraph provides that "plain woven fabrics of single

jute yarns, by whatever name known, bleached, dyed, colored, stained, painted, printed, or rendered noninflammable by any process," shall have a rate of 20 per cent ad valorem. That is just the same as the single yarn, irrespective of size. valorem duty is exactly the same, and in order that it carry a duty of 20 per cent it must be bleached, dyed, colored, and so forth.

Now turn to the free list, paragraph 416, and we find on the free list:

Plain woven fabrics of single jute yarns by whatever name known, not bleached, dyed, colored, stained, printed, or rendered noninflammable by any process, nor in any manner loaded so as to increase the weight per yard; waste of any of the above articles suitable for the manufacture of paper.

In other words, Mr. President, the single yarn itself carries 20 per cent ad valorem. If made into cloth and is bleached, dyed, painted, or stained it carries but 20 per cent ad valorem. If that same yarn is made into burlap and not bleached, dyed, stained, printed, or painted it goes on the free list, while the yarn that the burlap is made from carries a duty of 20 per cent.

That is the history of this one item.

Mr. WILLIAMS. A history without a map?

Mr. SMOOT. The Senator can so designate it if he wants That is the fact as to the working of it. Does the Senator think it is a proper or a consistent way to make a tariff bill?

Mr. WILLIAMS. Perfectly proper, but not consistent, and now I will explain in a few minutes why it is not consistent, as

soon as the Senator finishes.

I will gladly listen to the Senator now.

Mr. WILLIAMS. I will give the history of it if the Senator is through with the geography now, and the map of it. Is the Senator through?

Mr. SMOOT. The Senator may proceed.
Mr. WILLIAMS. Mr. President, this is one of the illogicalities of this bill, if I may frame that word. It is one of the inconsistencies of the bill.

Mr. LIPPITT. Did the Senator say one of many inconsistencies?

Mr. WILLIAMS. I did not. I said one of them, and there are not many.

Now and then men are led, when they have common sense, into doing a proper thing inconsistently rather than to be stubbornly stupid in doing a consistent thing. As this bill came over from the House of Representatives it had cotton bagging made out of jute upon the free list. I for one as a southern cotton planter could not afford to stand here in this presence and give the southern cotton planter the cloth for cotton bagging free of duty while the cloth for sacks for the grain and the bagging for the wool of the western farmer bore a duty.

We concluded that if we were going to put the cloth for the southern farmers' cotton bagging upon the free list we should put the cloth for the western farmers' grain sack and for the western farmers' wool bags upon the free list. We therefore put these plain woven fabrics as described in the free list in paragraph 416 as an amendment to that part of the paragraph which put bagging for cotton, gunny cloth, and similar fabrics suitable for covering cotton, composed of single yarns made of jute, jute butts, and so forth, upon the free list. That led us into this situation which we had to meet, not as logicians and as

logic choppers but as practical men.

We either had to take the cloth for the cotton bagging off of the free list and deprive the southern farmer of that advantage or we had to put the cloth for the wrapping of the western farmer's product upon the free list. Then the question confronted us, Where are you going to go after you do that? Shall you go back then and take the duty off single jute yarn because both cotton bagging and these bags of burlap are made out of single jute yarn? Then we were confronted with the fact that a lot of mills in this country are making single jute yarn.

Now, we have given them free jute, or, rather, they already had it under the Payne-Aldrich law, and so we concluded it was better to be illogical than perhaps to close those people down.

Then when we came to the next paragraph to which the Sena-tor referred, which is paragraph 288, plain woven fabrics of single jute yarn, not suitable for wrapping grain or for wrapping cotton either, we came to the conclusion that if the jute was free and if the duty on the single yarns made of jute was 20 per cent, that would, even from a protectionist standpoint, be a sufficient duty upon the plain woven fabrics for the man who made them.

The Senator asked whether we thought that was a proper thing to do. That depends. We have listened to nothing here for a week except howlings after howlings about being unfair to the farmer and discrimination against him. Now, when we reach a case where we discriminate for him-and this is a real

discrimination, the so-called discriminations against him are alleged discriminations, because we have reduced in dollars and cents the duties upon manufactured products more than we have upon agricultural products, and the allegation of dis-crimination is arrived at only by the percentage route, which is a very deceiving one-when we come to where we have discriminated in favor of the farmer we are charged with lack of logic, and we frankly confess it.

Mr. SMOOT. There is no need of being inconsistent in this matter at all. It is cured very easily, indeed. If the Senator There is no need of being inconsistent in this

will allow me

Mr. WILLIAMS. I will yield to the Senator just long enough for him to tell me how he would cure it, unless he took the duty off of single yarns made of jute altogether and put them on the free list.

Mr. SMOOT. Not necessarily. I will tell the Senator.

Mr. WILLIAMS. Well, tell me now. I will yield for that

Mr. SMOOT. Single yarns made of jute run from a coarse yarn down to a fine yarn, as the Senator knows. Now, if the Senator wanted cotton bagging and burlaps upon the free list, and they have been put upon the free list, and have a consistent tariff from the jute yarn to the finished product, he would have provided in this paragraph that all single yarns made of jute up to a certain number.
Mr. WILLIAMS. What number?

Mr. SMOOT. I would not say offhand. I would have to

Mr. WILLIAMS. We did not try to look it up. We found

nobody could tell us, offhand or any other way.

Mr. SMOOT. I can tell the Senator within an hour what number it ought to be.

Mr. WILLIAMS. I wish you would; I would like to have the judgment of an expert. We tried to do that.

Mr. SMOOT. It could have been done very easily. no doubt about it. I do not want to say right offhand without having the information that would make it absolutely accurate, just exactly what it is, but the Senator knows that burlap used to make grain bags and cotton bagging that covers cotton contains certain sizes of jute yarn. Both are staple articles, made in many parts of the world and in the same way; weigh wherever made about the same per pound. It would have been very easy, indeed, to make jute yarns used in burlap for grain bags and cotton bagging free, and in so doing make this a consistent

Mr. WILLIAMS. The Senator says he can tell us how. We tried to find out how. There were men before us who were manufacturing burlaps. There were men before us who were importing burlaps, and I asked several of them about this very

Now, we could do it as to cotton bagging, and the House did make the distinction as to cotton bagging; that is to say, this stuff where there is an excess of 16 threads to the square inch, counting the warp and filling, and weighing not less than 15 ounces per square yard. Then I asked if anybody could give me a number of threads or any other line of demarcation that would discriminate and differentiate, dividing bagging suitable for woolsacks and for grain bags from the other sort of burlaps. I wish I had known that the Senator from Utah was an expert upon this matter. I would have sent for him and maybe I would have gotten the information, but we did not get it from anybody else.

Moreover, we knew, as men of common sense, that one sort of burlap would hold corn, and that a finer sort of burlap to hold wheat or oats or barley or rye would have a closer texture, be more closely woven, while the burlap that wraps cotton you can stick your fist through, yet it is sufficient for that purpose. We then used this language so as to cover the stuff that they make woolsacks and grain bags out of:

Plain woven fabrics of single jute yarns by whatever name known, not bleached, dyed, colored, stained, printed, or rendered noninflammable by any process, nor in any manner loaded so as to increase the weight per yard; waste of any of the above articles suitable for the manufacture of paper.

Then we left the other burlaps which were bleached or dyed or colored or stained or printed or rendered noninflammable upon the dutiable list. Our idea was to interfere with existing conditions as little as we consistently could, provided we gave the farmers all over the land free wrappings for their products, and provided we made a sensible and reasonable reduction upon the finished products of jute, flax, and hemp. The "illogicality" of it, if I may frame the word, is obvious to a school boy; it took nobody to discover that; we had known it already.

Mr. SMOOT. Mr. President, I am not going to take the time of the Senate, because I want to get on with this bill,

but I have simply called the attention of the Senate to this inconsistency. The Senator admits the inconsistency, and-

Mr. WILLIAMS. We can make it logical-

If the Senator will permit me to finish, I will Mr. SMOOT. then yield to him.

Mr. WILLIAMS. We can make it logical by striking out the free listing of these two products, if anybody wants to do it.

Mr. SMOOT. Nobody has suggested anything like that. would have been through before this, if the Senator had not interrupted me. The Senator admits that both the Senate and the House bills provide for cotton bagging on the free interrupted me. list and names the number of threads per inch and the size of those threads. There was no difficulty about that, and yet the very threads that go into the cotton bagging are dutiable at 20 per cent under this bill. There is no necessity for that. You could have taken those threads out without question, because the free list particularly mentions what threads are meant, and that could have been done with burlap. That is all I wish to say.

Mr. WILLIAMS. Then the Senator would put single yarns

made of jute on the free list?

Mr. SMOOT. Not all of them.

Mr. WILLIAMS. You would put those threads of which cotton bagging is made upon the free list?

Mr. SMOOT. Yes; and also cotton bagging.

Mr. WILLIAMS. Does the Senator know how many factories in the United States manufacture the yarns out of which cotton bagging is made?

Mr. SMOOT. Yes; I do know. Mr. WILLIAMS. Then if they had to quit, you would be telling us that we had started a soup house somewhere and discharged a lot of laborers. What we did was to reduce the duty upon threads and yarns and to put these two particular products upon the free list.

Mr. SMOOT. There is no earthly difference whether a man goes to the soup house because he can not make the yarn or because he can not make the cloth; the result would be exactly

the same thing.

Mr. GRONNA. Mr. President, I want to say to the Senator from Mississippi that he has not heard any complaint from me about the duty on grain bags. So far as my State is concerned—and I think the same is the case in the adjoining States—we do not use grain bags in any great quantity. We spout the grain from the thrashing machine into grain tanks, and then it is carried to the elevator or granary.

Mr. WILLIAMS. They are used for wheat, for barley, for

oats, for rice, for rice flour, and other grains.

Mr. SMOOT. And for wool. Mr. WILLIAMS. And for wool.

Mr. WALSH. I merely desire to say in connection with what the Senator from North Dakota [Mr. GRONNA] has said that the custom is quite different in my State, because there practically all grain is sacked in the field where it is thrashed.

The VICE PRESIDENT. The question is on agreeing to the

amendment reported by the committee.

The amendment was agreed to. The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in paragraph 276, page 83, line 21, after the word "section," to strike out "25" and insert "20."

The amendment was agreed to.

The next amendment was in paragraph 278, page 84, line 4, after the word "value," to strike out "25" and insert "20," and in line 5, after the word "number," to strike out "30" and insert "25," so as to make the paragraph read:

278. Threads, twines, or cords, made from yarn not finer than 5 lea or number, composed of flax, hemp, or ramie, or of which these substances or any of them is the component material of chief value, 20 per cent ad valorem; if made from yarn finer than 5 lea or number, 25 per cent ad valorem.

The amendment was agreed to.

The next amendment was, in paragraph 279, page 84, line 9, after the word "number," to strike out "15" and insert "12"; and in line 10, after the word "number," to strike out "25" and insert "20," so as to make the paragraph read:

279. Single yarns, made of flax, hemp, or ramie, or a mixture of any of them, not finer than 8 lea or number, 12 per cent ad valorem; finer than 8 lea or number and not finer than 80 lea or number, 20 per cent ad valorem; finer than 80 lea or number, 10 per cent ad valorem; ramie sliver or roving, 15 per cent ad valorem.

The amendment was agreed to.

The next amendment was, in paragraph 280, page 84, line 17, before the words "per cent," to strike out "30" and insert 25," so as to make the paragraph read:

280. Gill netting, nets, webs, and seines made of flax, hemp, or ramie, or a mixture of any of them, or of which any of them is the component material of chief value, 25 per cent ad valorem.

The amendment was agreed to.

The next amendment was, in paragraph 281, page 84, line 23, after the word "matting," to strike out "21 " and insert "2," so as to make the paragraph read:

281. Floor mattings, plain, fancy, or figured, including mats and rugs, manufactured from straw, round or split, or other vegetable substances, not otherwise provided for in this section, and having a warp of cotton, hemp, or other vegetable substances, including what are commonly known as China, Japan, and India straw matting, 2 cents per square yard.

The amendment was agreed to.

The next amendment was, in paragraph 282, page 85, line 2, after the words "(except cotton)," to strike out "35" and insert "30," so as to make the paragraph read:

282. Carpets, carpeting, mats, and rugs made of flax, hemp, jute, or other vegetable fiber (except cotton), 30 per cent ad valorem.

The amendment was agreed to.

Paragraph 283 was read, as follows:

283. Hydraulic or flume hose, made in whole or in part of cotton, flax, hemp, ramie, or jute, 7 cents per pound.

Mr. LODGE. Mr. President, I merely wish to call attention to the duty that is imposed by this paragraph on linen hy-draulic or flume hose. The duty in the existing law on the flax yarns from which they are made is 45 per cent and the duty on the completed article of hose is 15 cents per pound. In the pending bill the duty on the flax yarn has been reduced to 25 per cent ad valorem and the duty on the finished article has been cut to 7 cents per pound; that is, the duty on the raw material of this product has been reduced less than 50 per cent, while the duty on the finished manufactured article has been reduced more than 50 per cent. Of course, it puts an absolutely undue burden on the finished article, and it is an improper adjustment of classification. I suppose, however, it is one of those illogical things demanded by common sense, of which there are so many in the bill, and that it is useless for me to attempt to get a proper adjustment of the duties.

I merely call attention to it as another instance of carrying to the extreme the principle of giving protection to the foreign manufacturer. I ask that there may be printed in connection with my remarks, without reading, a letter relating to the matter.

The VICE PRESIDENT. In the absence of objection, permission is granted.

The letter referred to is as follows:

MALDEN, MASS., April 21, 1913.

The letter referred to is as follows:

Malden, Mass., April 21, 1913.

Hon. Heney Cabot Lodge.

United States Senate, Washington, D. C.

Dear Mr. Senator: We have just received a copy of the Underwood tariff bill and we are vitally interested in Schedule J, items 283 and 287. If these items go through as they are reported in the bill, we will be compelled to close up our works and go out of business.

We import single flax yarns on which the duty originally was 45 per cent, and on hydraulic linen hose, the duty was 20 cents per pound. Under the Payne bill, the duty on flax yarns remained at 45 per cent, but on hydraulic linen hose it was reduced to 15 cents per pound. Under the Underwood bill, item 283, Schedule J, duty on flax yarn is 25 per cent ad valorem and on hydraulic linen hose, in same schedule, item 287, the duty is 7 cents per pound.

Now, Mr. Senator, our average duty on all the yarns which we import amounts to more than 7 cents per pound, so that we are actually discriminated against in this country if this bill goes through as laid down in this copy. In addition to the unfavorable duty we are up against the cheap and low labor of our foreign competitors who can outrun us for fair on this basis.

We hardly believe that such an unfair proposition will go through Congress, but it certainly is up to our Representatives to see that we get a fair show to do business in this country. All we ask is an equal chance and no favoritism. The truth of our assertions can be verified by getting information from the customs in regard to the duty and prices of imported linen yarns, and we certainly hope you will do what you can to aid us in getting a fair deal. If you think it advisable, and will give us the names of the other Members of Congress and Senate, we will write them all a letter asking their cooperation.

Hoping that you will see the unfairness of this proposition and that you will assure us your cooperation in endeavoring to rectify this matter and thanking you for your attention, we remain

CHAS. NIEDNER'S SONS CO., WM. NIEDNER, Treasurer.

Mr. SMOOT. Mr. President, I should like to recur to paragraph 282 and to call the attention of the Senate to the words in line 2, "(except cotton)." Does the Senator from Mississippi think that those words ought to be there?

Mr. WILLIAMS. In what line? Mr. SMOOT. The words "(except cotton)," in line 2, page 85. The Senator knows that the articles enumerated in paragraph 282 made of cotton are specifically provided for in paragraph 311 of the wool schedule. It does seem to me that there is no need of having the words "(except cotton)" in this paragraph, because cotton is taken care of, and these very items are covered by paragraph 311.

Mr. WILLIAMS. Mr. President, that same language was in the Payne-Aldrich law.

Mr. SMOOT. Yes.
Mr. WILLIAMS. And we took it for granted, as we did in

language had been used in the old law the provision had probably been adjudicated, and having been determined it was better not to disturb it, unless there were some good reason for disturbing it.

Mr. SMOOT. It was put there because under the present law the method of assessing the duty is entirely different from that proposed in this bill, which puts the duty on an ad valorem basis. I do not know that the words will do any harm, but certainly they will do no good.

Mr. WILLIAMS. If they will do no harm, let them stay in

and let us go ahead.

Mr. SMOOT. Very well.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in paragraph 284, page 85, line 9, after the word "tapes," to strike out "25" and insert "20," so as to make the paragraph read:

284. Tapes composed wholly or in part of flax, weven with or without metal threads, on reels, spools, or otherwise, and designed expressly for use in the manufacture of measuring tapes, 20 per cent advalorem.

The amendment was agreed to.

The Secretary read paragraph 285, as follows:

The Secretary read paragraph 250, as follows:

285. Linoleum, plain, stamped, painted, or printed, including corticine and cork carpet, figured or plain, also linoleum known as granite and oak plank, 30 per cent ad valorem; inlaid linoleum, 35 per cent ad valorem; olleloth for floors, plain, stamped, painted, or printed, 20 per cent ad valorem; mats or rugs made of olicloth, linoleum, corticine, or cork carpet shall be subject to the same rate of duty as herein provided for olleloth, linoleum, corticine, or cork carpet.

Mr. SMOOT. Mr. President, before leaving paragraph 285, and in connection with inlaid linoleum, the Senator from Mississippi will remember that in the Dingley bill the words "inlaid linoleum" were first used, and from a month or two after the passage of that bill up to nearly the time of the passage of the Payne-Aldrich bill there was constant litigation over that term. I believe that if the expression "inlaid linoleum" is used again in this bill the same questions will arise; in fact, I have no doubt about it. I see the Senator shakes his head. but it has been decided that the wording in the present law but it has been decided that the wording in the present law takes in all of that class of linoleum which is known as and called "inlaid linoleum." If the words of the present law, "the composition of which forms designs or patterns, whether inlaid or otherwise," were used, litigation that ensued for years because of the use of the words "inlaid linoleum" would be obviated. While I am not asking for a change in duty, I feel positive that if that description is incorporated in the pending bill it will be better for the administration of the

Mr. WILLIAMS. Mr. President, the case to which the Senator refers is the United States against Hunter, in One hundred and twenty-seventh Federal Reporter.

Mr. SMOOT. The case that I referred to, I think, was T. D. No. 30764; G. A. 7062.
Mr. WILLIAMS. This is 20075, but it is on the same point. In this case it was held, affirming the circuit court and reversing the board decision, that so-called granite linoleum, made by spreading paste upon a burlap foundation and then subjecting the same to pressure, resulting in variously colored spots and masses, was not inlaid linoleum as that term is used in the tariff.

Mr. SMOOT. That was granite and oak-plank linoleum.

Mr. WILLIAMS. Now, in the case of the United States against Scott (T. D. 29208) so-called plank linoleum or oak-plank linoleum, made by running paste of two colors in stripes of equal width upon a burlap foundation, were found to be produced by a different process from that employed in the manufacture of inlaid linoleum and were held not to be dutiable as inlaid linoleum. The House inserted in this clause:

Inlaid linoleum, 35 per cent ad valorem.

Then in that paragraph this language is found:

285. Linoleum, plain, stamped, painted, or printed, including corticine and cork carpet, figured or plain; also linoleum known as granite and oak plank, 30 per cent ad valorem.

So we mentioned it expressly in order to meet the decision. So we mentioned it expressly in order to meet the decision. Now, it appears that this came about in the following way: Prior to the passage of the Dingley law there were only three kinds of linoleum known to the trade. One was plain linoleum made, by pressing a colored paste upon the burlap—the burlap is the back of all linoleum; secondly, printed linoleum, upon which the desired pattern was printed; and then inlaid linoleum, made by pressing several colored pastes into the burlap. After the passage of the Dingley law two other linoleums became common in the trade; one was known as granted linoleum. came common in the trade; one was known as granite linoleum and the other was known as oak-plank linoleum, the process of making which I have just read from this decision. The language "inlaid linoleum" led to litigation under the old law, owing to the fact that this granite and oak-plank linoleum many instances in connection with this bill, that where the came into the trade later. Now, we have prevented the possibility of future litigation as to the meaning of "inlaid li-noleum" by mentioning eo nomine granite and oak-plank linoleum; so that I do not see how any litigation in regard to it can come in the future. If we had merely repeated the language "inlaid linoleum" there might have been some law-suits—some litigation about it—though I do not see precisely how because the courts have already satisfy the point at issue how, because the courts have already settled the point at issue. At any rate, out of a superabundance of caution we name granite and oak plank. The courts have held that these two last—granite and oak-plank linoleums—were not inlaid linoleums within the meaning of the Dingley law. So we have given them by their own names this duty of 30 per cent.

Mr. SMOOT. Mr. President, my only aim in bringing this matter to the attention of the Senate is that immediately after the decisions to which the Senator from Mississippi has referred, and up to the time of the passage of the Payne-Aldrich bill, there were suits pending upon every conceivable technicality. It is for that reason that I have called the Senator's attention to it. If the words "the composition of which forms designs or patterns, whether inlaid or otherwise," were used, there would be no question as to the meaning or description. If the Senator does not care about accepting my suggestion, well and good, but I am positive those words ought to be inserted.

Mr. WILLIAMS. I do not think the language here used will cause litigation any more than that in the present law, though

I do not know.

The reading of the bill was resumed.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in paragraph 287, page 85, line 23, after the word "wholly," to strike out "or in chief value"; on page 86, line 1, after the word "wholly," to strike out "or in chief value"; and on the same page, in line 3, after the word "rubber," to strike out "50" and insert "40," so as to make the paragraph read:

287. Bands, bandings, belts, beltings, bindings, cords, ribbons, tapes, webs and webbings, all the foregoing composed wholly of flax, hemp, or ramie, or of flax, hemp, or ramie and india rubber, and not otherwise specially provided for in this section, 30 per cent ad valorem; wearing apparel composed wholly of flax, hemp, or ramie, or of flax, hemp, or ramie and india rubber, 40 per cent ad valorem.

The amendment was agreed to.

The next amendment was, in paragraph 288, page 86, line 5, after the word "known," to insert "bleached, dyed, colored, stained, painted, printed, or rendered noninflammable by any process," so as to make the paragraph read:

288. Plain woven fabrics of single jute yarns, by whatever name known, bleached, dyed, colored, stained, painted, printed, or rendered noninflammable by any process, 20 per cent ad valorem.

The VICE PRESIDENT. The question is on agreeing to the

committee amendment.

Mr. LODGE. Mr. President, I have no objection to the amendment being agreed to, but I merely want to speak on the paragraph.

The amendment was agreed to.

Mr. LODGE. Mr. President, I wish to call attention to this paragraph in connection with paragraph 290. This paragraph covers the fabrics of which the articles in paragraph 290 are made. What are commonly known as burlap and bags are covered by paragraph 290, burlap bags being made from burlap. The House seems to have had some faint conception of the fact that the duty on the completed fabric bore a certain relation to the raw material. They made the duty on the burlap 20 per cent and on the bags 25 per cent. The Senate committee, in its wisdom, has cut down the duty on the bags to 10 per cent and left the duty on the plain woven cloth 20 per cent.

Mr. SMOOT. The unbleached fabrics have been placed upon

the free list.

Mr. LODGE. I understood that bags were made of these plain woven fabrics of single jute yarns by whatever name known. Do I understand that they are made only of the unbleached fabrics?

Mr. WILLIAMS. The Senator will notice the difference be-tween the two. Paragraph 288 covers the material when bleached, dyed, colored, stained, painted, printed, or rendered noninflammable, and paragraph 290 covers it when not dyed, colored, stained, painted, printed, bleached, and so forth.

Mr. GALLINGER. Yes; that is right.

Mr. SHIVELY. The material of which the articles mentioned in paragraph 200 are made is on the free list in para-

Mr. LODGE. I have not examined paragraph 416 of the free list. If that has been done, of course that has made it

Mr. SMOOT. That makes the differential between the burlap and the bag 10 per cent.

Mr. LODGE. That makes the differential.

Mr. WILLIAMS. The Senator will notice that the House-

Mr. LODGE. I see that an amendment has been made by the Senate to paragraph 416 in the free list.

Mr. WILLIAMS. Yes. They made a different differential,

which makes the correction necessary.

Mr. LODGE. Yes; but it lowers the duty, in my judgment, far beyond the proper point. I desire in this connection, while I will not read it, to put in a statement in regard to the cost of these articles. Of course, this applies to the House provision; but it gives the cost of the articles, and I should like to have it printed. I had overlooked the amendment in the free list which, of course, establishes a differential, as the Senator says

The VICE PRESIDENT. Is there objection? The Chair

hears none, and the matter referred to will be printed.

The matter referred to is as follows:

Hon. Henry Cabot Lodge,

United States Senate, Washington, D. C.

Dear Sir: Permit us to call your attention to paragraphs Nos. 292 and 294 of House bill No. 10, placing a duty of 25 per cent on both burlap and burlap bags.

As manufacturers, we consider that in all fairness our product of burlap bags should carry a different rate than our raw material (which is burlap), for the reason that we are in competition with the manufacturer in Calcutta, where labor is the cheapest in the world.

While we advocate a specific duty, the ad valorem rate of 25 per cent on bags would be no hardship, provided the rate on burlaps be reduced at least to 17½ per cent ad valorem. This is merely to equalize the difference in labor cost between India and the United States and allow us to continue to compete with the mills in Calcutta.

During the past eight years the equivalent ad valorem rate on burlap has been 24 per cent and on bags 30 per cent, and at the present time over 10 per cent of the burlap bags consumed in this country are imported, chiefly from India, showing conclusively that we are now on a competitive basis in this industry, which is not sectional, bag factories being distributed throughout all portions of the United States.

This bill actually advances the rate on burlan which is numer.

bag factories being distributed throughout all portions of the United States. This bill actually advances the rate on burlap, which is unwar-ranted, as its use is general throughout the country for various

ranted, as its use is general through the inclosed printed facts bearpurposes.

May we ask your careful perusal of the inclosed printed facts bearing on this subject?

Trusting you will use your influence to have the item changed in
the bill as suggested, and thanking you for the consideration you may
give to the matter, we have the honor to remain,

Yours, respectfully,

H. & L. Chase.

NEW YORK CITY, January 17, 1913. *

To the honorable Committee on Ways and Means, House of Representatives, Washington, D. C.

atives, Washington, D. C.

GENTLEMEN: We, the undersigned committee, representing 22 of the principal manufacturers of cloth bags or sacks in all sections of the United States, having factories in 21 different States, and indirectly representing 10,000 workers, and through them 20,000 dependents, respectfully but insistently make the following statement and recommendations in regard to paragraphs 352 and 354 of the present tariff act, effective August 6, 1909:

The two or three persons who will present this petition to you are but two or three out of approximately 10,000 persons employed in this industry; these 10,000 provide a livelihood for approximately 20,000 dependents. To transfer employment from any number of these 10,000 workers to foreign labor would take away the means of livelihood from a corresponding number of consumers. There are approximately 30,000 people in the United States who are dependent upon this industry, and this petition is made informally in their behalf.

ARTICLES DESCRIBED IN PARAGRAPHS 552 AND 354.

ARTICLES DESCRIBED IN PARAGRAPHS 852 AND 854.

The goods described in paragraph 352 are known in this country as burlaps.

The goods described in paragraph 354 are known in this country as burlap bags.

RECOMMENDATIONS.

As to paragraph 352: Any rate of duty between free entry and the rate under the present law would be satisfactory to the bag manufacturers, provided a proper differential were maintained between paragraphs 352 and 354. However, it is the judgment of the bag manufacturers that a moderate duty on burlaps forms a proper and substantial source of revenue, without lajury to any industry; and, therefore, that at least a portion of the present duty should be retained. Burlaps compete with coarse cotton cloth, and this is an additional reason for maintaining at least a portion of the present duty.

As to paragraph 354: The present differential between paragraphs 352 and 354 should be maintained or increased and under no circumstances should it be reduced. It is the equivalent, approximately, of three-eighths of a cent per pound (specific), or 6 per cent (ad valorem). This differential is already a competitive marginal duty, as proved in two ways: First, by a comparison of labor and wages in the United States and foreign countries, especially India, against which country—and with a tendency already for such importations to increase.

BATES.

RATES.

At a meeting held in New York January 17, 1913, attended by the representatives of 12 prominent burlap-bag manufacturing concerns, it was the unanimous opinion that our first choice for rates would be:

Burlaps, paragraph 352 Bags, paragraph 354 Bags, paragraph 354 11

Based on Treasury statistics for eight years ending June 30, 1912, these rates would reduce the revenue:

Under paragraph 354 \$1,700,000

Under paragraph 354 \$1,700,000 1, 820, 000

It was also the unanimous opinion that the duty on burlaps and burlap bags ought to be specific, and we understand that the collectors of customs, who are well informed on the point, would strongly favor a specific duty.

The principal ports of entry for burlaps are New York, Boston, New Orleans, San Francisco, and Portland, Oreg. If you would ask the Board of General Appraisers and the collectors at these five ports, we think they would be unanimous in recommending specific duty for burlaps. It would save the Government and the importers an enormous amount of trouble and expense, and, we believe, would not harm anyone.

anyone.

But the extra trouble and expense of doing business under ad valorem duties are of less importance to us than would be the loss of our business, resulting from a reduction in the present differential between paragraphs 352 and 354. We can get along with compound ad valorem and specific duties if we must, and it is not of great importance to us whether the duty on the burlap cloth is somewhat more or less than I cent per pound; that item would be chiefly a matter of revenue. But we can not get along if the difference between paragraphs 352 and 354 is reduced. A reduction in the already small competitive difference of 6 per cent now existing might mean our extermination, and on no account should this difference be diminished.

BAG MANUFACTURERS' FIRST CHOICE FOR RATES OF DUTY.

AS THE LAW NOW IS.

AS THE LAW SHOULD BE. AS THE LAW SHOULD BE.

SEC. 352. Plain woven fabrics of single jute yarns, by whatever name known, weighing not less than 6 ounces per square yard, and not exceeding 30 threads to the square inch, counting the warp and filling, 1 cent per pound: if exceeding 30 and not exceeding 55 threads to the square inch, counting the warp and filling, seven-eighths of 1 cent per pound and 15 per cent ad valorem.

AS THE LAW NOW IS.

Sec. 352. Plain woven fabrics of single jute yarns, by whatever name known, weighing not less than 6 ounces per square yard, and not exceeding 30 threads to the square inch, counting the warp and filling, nine-sixteenths of 1 cent per pound and 15 per cent ad valorem; if exceeding 30 and not exceeding 55 threads to the square inch, counting the warp and filling, seven-eighths of 1 cent per pound and 15 per cent ad valorem.

Sec. 354. Bags or sacks made from plain woven fabrics of single jute yarns, not dyed, colored, stained, painted, printed, or bleached, and not exceeding 30 threads to the square inch, counting the warp and filling, seven-eighths of 1 cent per pound and 15 per cent ad valorem.

CHANGES IN IMPORTATIONS SHOULD

SEC. 354. Bags or sacks made from plain woven fabrics of single jute yarns, not dyed, colored, stained, painted, printed, or bleached, and not exceeding 30 threads to the square inch, counting the warp and filling, 1½ cents per pound.

CHANGES IN IMPORTATIONS SHOULD THE ABOVE RECOMMENDATIONS BE FOLLOWED.

There would be no material change in the volume of importations of burlaps or bags if the foregoing suggestions were followed, because the present relation of burlaps and bags to competing articles would not be materially altered. But if the present differential between burlaps and bags were diminished it would undoubtedly result in increased importations of bags, with a corresponding reduction in burlaps. In just such degree would American laborers engaged in this industry be forced to compete for work in other lines. The only possible result of such a condition in this and other industries would be a general lowering of wages in this country.

We wish to emphasize the statement that a considerable portion of the burlap bags used in this country is imported from abroad, because the present difference between the rate of duty on bags and the rate of duty on burlap cloth is too small to enable the American manufacturers to compete with Calcutta. The importation of these bags proves that the present difference is not protective and is only competitive. Any reduction in this difference wild deprive the American manufacturer of the opportunity to compete with Calcutta. We understand your honorable committee wishes to establish competitive rates and does not intend, to deprive the American manufacturer of the opportunity to compete. We respectfully urge you not to make any reduction in this difference, which is already too small to allow us to get more than a fair share of the business. Any reduction in this difference would prevent us from holding that portion of the business which we are now able to get.

We further recommend adhering to the present phraseology of paragraphs 352 and 354 as fer as nossible.

difference would prevent us from holding that portion of the business which we are now able to get.

We further recommend adhering to the present phraseology of paragraphs 352 and 354 as far as possible. Any radical change in classification such as that contained in the so-called "farmers' free-list bill" (H. R. 4413, 62d Cong.) would be confusing and possibly disastrous, without apparent advantage of any kind. The meaning of the present phraseology has been defined by 15 years of entries. It should not be changed in its fundamental construction.

Under House bill 4413, Sixty-second Congress, goods described as follows would have been put on the free list:

"—— gunny cloth, and all similar fabrics, materials, or coverings, suitable for covering and baling cotton, composed in whole or in part of jute, ——, or any other materials or fibers suitable for covering cotton, and burlaps, ——, or other materials suitable for bagging or sacking agricultural products."

The figures submitted for the present use of the Ways and Means Committee in a pamphlet entitled Tariff Handbook indicate that your honorable body has no conception of the articles that might have been given free entry under the above classification. Not only would free entry have been accorded to the articles referred to in paragraphs 352, 354, and 355, but an indefinite, indescribable, incalculable quantity and variety of other materials now covered in other paragraphs of Schedules I and J and possibly even Schedule K. There have been rullings of the Board of General Appraisers regarding the entry of goods classified under the phraseology "suitable for, etc.," that indicate clearly the wide and dangerous and indefinite scope of such classification for tariff purposes,

#### SUMMARY OF RECOMMENDATIONS.

Our recommendations, then, are not so much requests for protection as they are protests against the abrogation of the present competitive duty, which we require in order to continue in business. Radical changes in the classification or descriptive phraseology should be avoided if possible.

Statement of average yearly importations of burlap cloth and burlap bags for 8 years ending June 30, 1912, showing weight and value and the amount of duty under the present law compared with what the amount would be under the proposed change.

[These figures were obtained from Treasury Department statistics and are accurate and reliable.]

	Burlap cloth.1	Burlap bags. ²
WEIGHT.		
Average yearly imports during the 8 years ending June 30, 1912pounds.	351, 147, 013	50, 073, 223
VALUE.		
Average yearly imports during the 8 years ending June 30, 1912.  Ad valorem equivalent of present duty per cent Ad valorem equivalent of rate now proposed, per cent Ad valorem equivalent of rate now proposed per cent Amount of duty as it would be under proposed rate Loss of revenue.  Ad valorem equivalent of reduction in rate of duty, per cent	\$21, \$55, 107 24+ \$5, 253, 46+ 16+ \$3, 511, 470 \$1, 741, 998 8+	\$2,911,137 30+ \$874,811 26+ \$751,098 \$123,713

Not exceeding 30 threads per square inch. Paragraph 352.
 Paragraph 354.

SIZE AND EXTENT OF CLOTH-BAG-MANUFACTURING INDUSTRY. This industry is generally considered a small one.

small nor local	I. The following list gi	ves the States in which the lar	ger
factories are le	ocated, with the number	of such factories in each:	200
California			
Georgia			3 2
			2
Indiana			2
Indiana			2
Kentucky			1
Louisiana			4
Marviand			1
Massachusetts			1
Minnesota			7
Missonri			2
Nebraska			1)
			1
New Jersey			1
New Lork			.6
North Carolina			1
Onio			1
Oregon			ô
Pennsylvania		***************************************	7
Tennessee			2
Texas			3
			2
Wisconsin			1
Wisconsin			- 1

According to the statistics of manufactures of the United States, Thirteenth Census, 1910, the cloth-bag-manufacturing industry (which is listed under "Bags, other than paper") held the following position

	Number of in- dustries larger.	Number of in- dustries smaller.	Rank ex- pressed in per cent.
In number of establishments	138	118	46
In persons engaged in industry In number salaried employees	96 119	161 138	62½ 53½
In number wage earners	94	163 164	634
In salaries paid	117 110	140 147	64 544 57
In cost materials used	49	208	81
In value products made	66 109	191 148	74 58
A verage	99	158	614

It is clear from the foregoing that this industry demands your careful consideration. It has been developed during the past half century under tariff laws favorable to its growth. It is clearly upon a competitive tariff basis now. It deserves a continuation of that basis to just the same extent that other industries are accorded it.

REASONS WHY THERE SHOULD BE A DIFFERENTIAL BETWEEN PARAGRAPHS 352 AND 354.

The principal point of manufacture of burlap, which is the bag manufacturers' raw material, is in Calcutta, India. The Indian manufacturers of burlap would like also to manufacture the bags. Enough, perhaps, is known regarding the difference in conditions of employment, hours of labor, and wages in this country and in India to make unnecessary any further reference here. However, the following table may serve to make perfectly clear the fact that no difference in methods or atmosphere or scenery can, unaided by a protective duty, put American labor on a competitive basis with Indian labor.

	United States of America.	India.
Average hours per week Average sewers' wages per week Average hemmers' wages per week "Learners"	54 \$9.00 9.00 5.00	72 \$0, 66 . 45 . 40

Figures already given show that under the present differential there are importations of bags in considerable volume, and therefore that there is certainly no prohibition of importations from abroad nor monopoly for the American manufacturer in the present rates.

It has always been assumed that the consumer of burlap bags is confined exclusively to those engaged in agricultural pursuits. This is entirely wrong. We do not disguise the fact that the farmer is to some extent a user of burlap bags, but only to a very small extent. The grains and cereals from the Rocky Mountains to the Atlantic Ocean are handled by the farmer in bulk, and only a very small quantity of bags is used in this section for the purpose of moving the crops. From the Rocky Mountains to the Pacific coast grain is moved partly in sacks, partly in bulk, though the tendency toward the bulk movement of grain is strong, and it is freely predicted that within a short time after the opening of the Fanama Canal the Pacific clope will handle all its grain in bulk. Eliminating the Pacific clope will handle all its grain in bulk. Eliminating the Pacific clope will handle all its grain in bulk. Eliminating the Pacific clope will handle all its grain in bulk. This prestricted sense, largely as a consumer of the goods he busy, rather than of the goods he sells, and we do not see what material benefit would result to him by a reduction in duty on bags which are merely used as containers or conveyers are consumed almost entirely at home. This is clearly shown by the comparatively small "drawbacks" applied for upon bags exported filled with American product.

It is clear, therefore, that, even if the removal of the present differential should result in a slightly lower cost of burlap bags to, the bag consumers of this country, it would not materially benefit such consumers, and the retention of the industry in this country is justified.

#### CONCLUSION.

CONCLUSION.

In conclusion, therefore, we respectfully petition that, for the good of this country, for the greatest good to the greatest number, and for the preservation of the industry which we represent, the present differential of 6 per cent between paragraphs 352 and 354 should be increased rather than reduced.

Respectfully submitted.

Everett Ames, chairman (Ames-Harris-Neville Co., Portland, Oreg.); Benjamin Elsas (Fulton Bag & Cotton Mills, Atlanta, Ga.); Albert F. Bemis (Bemis Bro. Bag Co., St. Louis, Mo.). Committee, representing Ames-Harris-Neville Co., Portland, Oreg.; American Bag Co., Memphis, Tenn.; Bemis Bro. Bag Co., St. Louis, Mo.; Cleveland, Oreg.; American Bag Co., Memphis, Tenn.; Bemis Bro. Bag Co., St. Louis, Mo.; Cleveland-Akron Bag Co., Cleveland, Ohio; Fulton Bag & Cotton Mills, Atlanta, Ga.; J. C. Grafflin Co., Baltimore, Md.; E. S. Halsted & Co., New York City; Hardwood Manufacturing Co., Minneapolis, Minn.; Percy Kent Co., New York City; Mente & Co., New Orleans, La.; Milwaukee Bag Co., Milwaukee, Wis.; Morgan & Hamilton Co., Nashville, Tenn.; M. J. Neahr & Co., Chicago, Ill.; W. C. Noon Bag Co. (Inc.), Portland, Oreg.; Philadelphia Bag Co., Philadelphia, Pa.; C. H. Parsons Co., New York City; Herman Reach & Co., Chicago, Ill.; Riegel Sack Co., Jersey City, N. J.; J. S. Walker & Co., Louisville, Ky.; Willard Bag & Manufacturing Co., Wilmington, N. C.

Paragraphs 332, 352, and 354, present tariff law.

Boston, Mass., February 7, 1913.

Boston, Mass., February 7, 1913.

Hon. Oscar W. Underwood,
Chairman Committee on Ways and Means,
House of Representatives, Washington, D. C.

Dear Sir: This letter is sent with the purpose of supplementing the information supplied by the brief filed with the committee under Schedule I and printed on pages 3220 and 3221 of Tariff Schedule No. 14, Hearings, etc., and under Schedule J, pages 3512 to 3516, Tariff Schedule No. 16, Hearings, etc., also in the hope of clarifying the following points regarding the tariff on cloth sacks that were left indefinite at the hearings before your committee January 22 to 25, inclusive:
A. Selling methods.
B. Use of cloth sacks by farmers.
C. Comparative manufacturing costs, United States and elsewhere.

#### POINT A.

There is no "trust" or combination of any kind, either for the purchase of raw material or selling of finished product, among the cloth-sack manufacturers of the United States. There is no "water" in the capitalization of this industry. In the distribution of the product there are no middlemen. Ninety-nine per cent of the product is sold by the sack manufacturers direct to consumers.

#### POINT B.

Consumption of new sacks by farmers.

#### COTTON SACKS.

Number produced and sold annually in the United States... 600, 000, 000 Number used directly for sacking agricultural products (or 6,000,000 500, 000, 000

It is clear from the above that there would be no material benefit to the farmer from placing cotton sacks on the free list, even if it were possible to do so without gross injustice to the manufacturers of cotton cloth and sacks.

Estimate of burlap sacks manufactured in United States of America and imported annually, also classification of same as to use.

#### MADE AND IMPORTED.

Burlap sacks manufactured annually in the United States 450,000,000 Burlap sacks imported annually, chiefly from India..... 55,000,000

Total burlap sacks consumed annually in the United 505, 000, 000

#### CLASSIFICATION OF USE.

Factory products:  Bran and other mili stuffs  Fertilizer  Flour (mostly export)  Sugar  Packing-house products  All other factory products	200, 000, 000 50, 900, 000 28, 000, 000 23, 600, 000 10, 000, 000 69, 000, 000
Farm products: Wheat, corn, and oats (domestic sacks) Wheat (foreign sacks) All other farm products (domestic sacks) All other farm products (foreign sacks)	35, 000, 000 50, 000, 000 35, 000, 000

125, 000, 000

380, 000, 000

Total factory and farm products.

505, 000, 000

The following table gives the production in 1912 of the three principal cereal crops of the United States, the rate of protective duty on each under the present law, and the approximate amount of each crop

Crop.	Bushels.	Protected by duty of—	Estimated amount sacked.	Per cent sacked.
Corn	3, 124, 746, 000 730, 267, 000 1, 418, 337, 000	Per bushel. \$0.15 .25 .15	Bushels. 4,000,000 96,000,000 125,000,000	13 '8 _{1%}
Total	5,273,350,000		225,000,000	4, 26

It is clear from this table that over 95 per cent in volume of the three principal cereal crops of the United States is handled without sacking, only 2½ per cent being handled in sacks of domestic manufacture, and 1½ per cent in sacks of foreign manufacture.

Proportionately less of these cereals each year is sacked. It will probably be but a short time before 99 per cent of the three principal cereal crops of the United States is handled in bulk.

Fully 99 per cent of the agricultural products of this country which are handled in sacks (whole grains, seeds, potatoes, nuts, onions, etc.) is dutiable under the present tariff at a rough average of 25 per cent ad valorem.

Inasmuch as only 5 per cent of the agricultural products of the United States is sacked, and inasmuch as those products that are sacked have the benefit of a 25 per cent protective duty, wherein is a reasonable competitive duty on sacks any burden to the producer of agricultural products?

The sack manufacturers of this country should be given the same measure of protection or competitive rates of duty as may be granted any other manufacturers.

POINT C.

#### POINT C.

COMPARATIVE MANUFACTURING COSTS, UNITED STATES AND ELSEWHERE.

There were one or two inaccurate and very general statements made orally at the hearings on January 24 and 25 regarding the cost of manufacturing burlap sacks in this country and the chief competing country, India. Below find a statement of costs, the correctness of which we would be glad to prove if desired:

Actual cost of making in the United States during the past year 89,835,000 plain, unprinted burlap sacks, 55.49 per 1,000.

Average charge by Calcutta mills over the cost of the burlap cloth for making burlap sacks, as per quotations and purchases of June 8, 1910, August 2, 1910, July 18, 1911, and October 24, 1912, \$1.60 per 1,000.

Difference against United States mamufacture, \$3.89 per 1,000

Difference against United States manufacture, \$3.89 per 1,000. This difference equals 0.39 cent per bag. This difference equals approximately 0.52 cent per pound. This difference at lowest market price equals 10 per cent ad valorem

maximum.

This difference at highest market price equals 5-per cent ad valorem minimum.

This difference at average market price equals 7½ per cent ad va-

This difference at average market price equals 7½ per cent ad valorem average.

It is clear from the above that the present differential of about 6 per cent ad valorem, or three-eighths cent per pound specific, is the minimum which would enable the manufacturer in this country to compete with India. Especially would this be true should a comparison be made between the necessarily high labor cost of manufacturing on our Pacific coast, where the manufacturers of this country are at a very much greater disadvantage in competing with India and need a differential of 12 per cent. The figures given above as the cost in the United States are an average between factories operating in several different parts of the country.

#### SUMMARY OF ARGUMENT AND CONCLUSIONS.

The cloth-sack industry of the United States is properly conducted, it as much entitled to fully competitive rates as any other

1. The cloth-sack industry of the United States is properly conducted, and is as much entitled to fully competitive rates as any other 2. Only about 1 per cent of the cotton-cloth sacks is used for sacking the direct products of the farm, and not more than 25 per cent of the burlap sacks.

3. Practically all farm products that are sacked are dutiable, and only 5 per cent of such products is sacked. The present duties on burlaps and burlap sacks are in no sense a burden to the farmer.

4. The present differential between burlaps and burlap sacks is the minimum permissible as figured from the average cost of manufacturing in this country and the cost in foreign countries.

The above data, in our judgment, still further support the rates recommended in the brief of the bag manufacturers' committee, found on pages 3,512 to 3,516, Tariff Schedules No. 16, Hearings, etc. (1 cent per pound on burlaps under par. 352 and 1½ cents per pound on sacks, par. 354), and we further urge your favorable consideration of those recommendations.

Very respectfully submitted.

Albert F. Bemis,

ALBERT F. BEMIS, President Bêmis Bro. Bag Co.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in paragraph 289, page 86, line 9, after the word "flax," to insert "hemp, or ramie"; in line 10, after the word "flax," to insert "hemp, or ramie"; and in line 12, after the word "section," to strike out "45" and insert "40," so as to make the paragraph read:

289. All pile fabrics, whether or not the pile covers the entire surface, composed of flax, hemp, or ramie, or of which flax, hemp, or ramie is the component material of chief value, and all articles and manufactures made from such fabrics, not specially provided for in this section, 40 per cent ad valorem.

The amendment was agreed to.

The next amendment was, in paragraph 290, page 86, line 16, after the word "bleached," to strike out "25" and insert "10," so as to make the paragraph read:

290. Bags or sacks made from plain woven fabrics, of single jute yarns, not dyed, colored, stained, painted, printed, or bleached, 10 per cent ad valorem.

Mr. JONES. Mr. President, I desire to offer an amendment to that paragraph.

The VICE PRESIDENT. The amendment will be stated.

The Secretary. On page 86, at the end of line 16, it is proposed to insert:

Provided, That jute grain bags, known commercially as standard Calcutta 22-inch by 22-inch grain bags, shall be admitted free of duty.

Mr. JONES. I desire to call the attention of the Senate to

the situation to which this amendment applies.

The amendment is intended to admit, free, wheat grain bags which are especially used on the Pacific coast. I think possibly the bags described in the amendment are used there alone. The situation is that most of the wheat that we export or ship out of the country raised in California, Idaho, Oregon, and Washington, must be shipped in sacks. Practically all of these sacks are imported from Calcutta. There are from six to seven and a half million made on the coast in two or three factories that are found there and in the various State penitentiaries where they have bag factories. In our State penitentiary we have one that supplies, I think, three or four million of these sacks a year. But in addition to what are produced on the coast we must import from thirty-five to forty or forty-five million of these sacks every year to handle our own crop.

These sacks may be termed simply a vehicle of export because

they are brought into the country for the sole purpose of sacking the wheat and carrying it out. The farmer must buy the When he sells his wheat he simply sells the wheat with the sack, and gets practically nothing for the sack, and it goes out of the country. For the next year's crop he must again import sacks and pay for the sacks, and then they go out carrying his wheat as a vehicle of export. Every dollar of duty placed on such sacks is simply that much of a tax upon the farmer for

exporting his wheat.

In the imports under this item it will be noticed that while there is some variation, they range along practically the same from year to year. For instance, under the Wilson bill, when they were admitted free, we imported over 41,000,000 in number; and I see that in a note here it says these were bags for grain. So that that import represents practically what is covered by the amendment I have offered. In 1905, when they had a duty of seven-eighths of 1 cent a pound, we imported 37,000,000.

Mr. WILLIAMS. They not only had a duty of seven-eighths of a cent a pound, but they had that plus 15 per cent ad

Mr. JONES. Yes; that is true. There was an additional rate. I have found that the production of wheat in the Pacific coast States since 1896 has been practically the same. There has been some variation, a few million bushels, year by year; but the variation has been very much the same as the variation in the In 1910, with the duty the same as it was in 1905, the imports were over 60,000,000. Then, in 1912, the imports went down again to 46,000,000, corresponding very nearly, though not entirely, to the variation in the production of wheat; and I think it will be found, also, varying with the manufacture of these bags in the factories on the coast and in the peni-

Mr. SHIVELY. Mr. President, will the Senator from Washington yield to me?

Mr. JONES. Certainly.

Mr. SHIVELY. Under the Wilson bill, while bags were on the free list, the burlaps of which the bags were made were subjected to a duty. Bags are taxed in the present law. Senator will observe, in this bill the material out of which the bags are made is placed upon the free list.

Mr. JONES. I know; that is true.

Mr. SHIVELY. The duty on the bag has been reduced to 10 per cent, and, of course, on all exports you will have the benefit of the drawback clause.

Mr. JONES. I do not think the drawback applies where the sack is manufactured abroad and brought in here simply to carry out wheat in. It is not brought in and manufactured after it gets in here. The Senator from Massachusetts says that the burlaps were free under the Wilson bill as well as the bags. I am satisfied that we have never received the benefit of any drawback clause on the bags that are imported into this country, and I am satisfied we would not get it under this provision.

Mr. SHIVELY. Will the Senator permit me a moment further?

Mr. JONES. Yes.

Mr. SHIVELY. In section O of the administrative part of the bill there is a provision as follows-Mr. JONES. On what page?

Mr. SHIVELY. Page 268:

That upon the exportation of articles manufactured or produced in the United States by the use of imported merchandise or materials upon which customs duties have been paid, the fuil amount of such duties paid upon the quantity of materials used in the manufacture or production of the exported product shall be refunded as drawback—

Mr. JONES. Yes; but these bags are not manufactured in this country to any extent.

Mr. WILLIAMS. They will be now.

Mr. JONES. I think not.

Mr. WILLIAMS. We will show you.

Mr. JONES. We can not compete with the Calcutta people. I am satisfied of that. With the differential under this bill our people can not compete. Under the Payne-Aldrich law we had a greater differential than you are giving us now be-tween the duty on the burlap and the duty on the sack. The differential is greater than the differential that you allow here; so that we will not be able to manufacture these sacks. can not do it.

Mr. LANE. Mr. President, will the Senator allow me to make a brief statement?

Mr. JONES. Certainly.

Mr. LANE. I should like to say, for the information of the Senator, that a member of the firm who are the largest manufacturers of bags on the Pacific coast called upon me here while this matter was before the Finance Committee for consideration and assured me that if they were allowed the opportunity they could and would make all the bags required for the entire supply of this country.

Mr. JONES. Yes; I met the gentleman, and I also met him when the Payne-Aldrich bill was up. I find that under the differential allowed by that bill he has not been able to increase his product to any considerable extent, if any, at all. So I am satisfied that our people can not produce these bags in competition with the Calcutta people so as to come anywhere near supplying the quantity required. Therefore I say that whatever duty you levy on these bags is simply that much of a tax upon the farmer for exporting his wheat.

You estimate that you will raise \$320,000 revenue under this paragraph. That \$320,000 is simply that much of a tax placed upon a vehicle of export used in exporting the farmer's product. He can not possibly recover it in any way, shape, or form.

Mr. CLARK of Wyoming. Mr. President, will the Senator allow one question?

Mr. JONES. Yes.

Mr. CLARK of Wyoming. These bags, as I understand, are of a peculiar shape—a peculiar construction. They the grain sacks that are used in the Eastern States? They are not like

Mr. JONES. I think not at all. They are of a peculiar character of construction, especially suitable for export.

Mr. CLARK of Wyoming. And used only for the export business?

Mr. JONES. Only for the export business. That is all they are used for.

I offered an amendment to the Payne-Aldrich law when it was up, because it seemed to me there was no principle of protection involved and that as a revenue proposition it ought not to be imposed on the farmer. Of course it was voted down; but I am glad to say that some of my Democratic friends voted for it at that time, who I hope will vote for this amendment at this time. Those who voted for it when the Payne-Aldrich bill WAS PENDING WERE SENATORS BACON, BANKHEAD, CHAMBERLAIN, FLETCHER, FOSTÉR, FRAZIER, GORE, HUGHES, JOHNSTON, OVERMAN, OWEN, SHIVELY, STONE, and TILLMAN.

I really can see no justification for this tariff. I am satisfied that these facts and conditions probably were not called to the attention of the committee or of the members in caucus. But that is the situation. Our farmers must have these bags. They are not produced in our country, and I am satisfied that they will not be produced here. We can not compete with the Calcutta manufacturers of these grain bags. They are absolutely required in the export of our wheat. It does seem to me that an article brought into this country especially to aid us in exporting should not be burdened with a tariff.

I hope the Senator in charge of this schedule will feel disposed to accept this amendment; or, if not entirely satisfied as to what should be done, I should be glad to have him pass it over and have it reconsidered by the committee, in view of the

facts I have presented.

Mr. WILLIAMS. I will say to the Senator that I have no objection, and after consultation with other Senators here we have no objection, to carrying the matter to the committee.

Mr. JONES. Very well. Mr. WILLIAMS. But I wish to say to the Senator, because it ought to be now said, on the record, that he is totally mistaken about the condition under the Payne-Aldrich bill, as he will see if he will examine the differential.

The tax under paragraph 352 of the Payne-Aldrich bill is nine-sixteenths of 1 cent per pound, and added to that 15 per cent ad valorem. Then, coming to section 354, which deals with bags or sacks, the rate of the Payne-Aldrich bill is seven-eighths of 1 cent per pound and 15 per cent ad valorem. The only difference is the difference between seven-eighths and ninesixteenths.

Mr. JONES. I think the Senator will find that that is more than 10 per cent. I will look into that, however; and meanwhile I am glad to have it go to the committee.

Mr. WILLIAMS. It would have to be pretty cheap stuff.

Mr. JONES. It is cheap stuff. It is only 3 or 4 cents a sack. Mr. WILLIAMS. Seven-eighths, of course, is fourteen-sixteenths; the other is nine-sixteenths; and the difference between the two is only five-sixteenths. Now we have made free the cloth out of which these bags are to be made.

Mr. JONES. Yes; I know that.

Mr. WILLIAMS. And we have reduced down to 10 per cent the duty, which under the Payne-Aldrich bill was seven-eighths of a cent per pound plus 15 per cent ad valorem, and which under the bill as it came to us from the House was 25 per cent. We have reduced it by 15 per cent. We came to the conclusion that if there were any people here getting this stuff and making bags and sacks out of it, we wanted to give them some little differential between the cloth and the bag or sack. We thought 10 per cent was a very small one. We thought it was so small, in fact, that if the farmer was particularly industrious he would just get his supply of this stuff and cut it up and make his own bags out of it himself at less than these people would take the cloth and make the bag or sack out of it and let him have it; and we would disturb existing conditions that much less than we otherwise would do, while not granting anything above, really, a rather small revenue tax. The calculation is above, really, a rather small revenue tax. The calculation is that we would get \$320,000 a year for the Treasury out of it. Last year, under the Payne-Aldrich bill, \$\$47,000 was covered into the Treasury from this source.

Mr. JONES. The main argument urged against my amend-

ment when the Payne-Aldrich bill was up was that it would

bring no revenue.

Mr. WILLIAMS. I was going to say that we reduce the revenue half a million; it may be over.

Mr. JONES. I know the Senator has done that.

Mr. WILLIAMS. We reduce it five hundred and fifty-odd thousand dollars. Of course, when it comes to throwing away a little revenue here, and a little revenue there, and a little more in the other place, it carries a small amount in each place; but when you get through with it you have got to make it up

Mr. JONES. That is true, but if the conditions are as I have stated, and I am satisfied they are that way, I know the Senator realizes the injustice of placing a tariff upon the

article.

Mr. WILLIAMS. What I said was in defense of what we have done. But we will take the matter under consideration.

Mr. JONES. I did not intend to criticize the action of the committee because I knew that was the purpose of it, and I applaud that purpose. I will be glad to let the amendment go over that the committee may give it consideration.

Mr. CLARK of Wyoming. What is the cost of the bags? Mr. JONES. The cost of the bags to the farmer himself is 6 and 7 cents and up to 11 and 12 cents a sack.

Mr. CLARK of Wyoming. What is the cost laid down in this country?

Mr. JONES. The cost according to the items here I do not know. They claim that the Calcutta people can lay sacks down at about 7 cents apiece.

Mr. WILLIAMS. Does the Senator want the actual cost as laid down at the port upon which they are appraised?

Mr. CLARK of Wyoming. Yes.
Mr. WILLIAMS. In 1896 it was 3.8 cents; in 1905, 4.7 cents; in 1910, 4.8 cents; and in 1912, 6.3 cents per bag or sack.

Mr. JONES. That is per pound?

Mr. WILLIAMS. That is the average unit. The quantity given in pounds.

Mr. JONES. The quantity is given in pounds, and that is per pound according to my recollection.

Mr. WILLIAMS. It is per pound. I do not know how many pounds it would take to make a sack.

Mr. JONES. I understand that the sacks are imported for about 6 or 7 cents.

Mr. WILLIAMS. That is the price at which they appraise the duty at the port?

Mr. JONES. That is the price they import them at ordinarily; they can do it at that price.

Mr. CLARK of Wyoming. The Government appraises them at so much a pound. Is that the way the farmers buy them? The Calcutta people sell them, I suppose, at so much a hundred.

Mr. JONES. At so much a hundred sacks.

Mr. CLARK of Wyoming. I was trying to get at our real commercial value of the sack itself.

Mr. WILLIAMS. In America?

Mr. CLARK of Wyoming. In America. Mr. WILLIAMS. Not at the port of entry?

Mr. CLARK of Wyoming. Well, at the port of entry.

Mr. WILLIAMS. After the duty was paid?

Mr. CLARK of Wyoming. After the duty was paid.

Mr. WILLIAMS. I misunderstood the Senator. I did not understand that he was trying to get that fact.

Mr. CLARK of Wyoming. I was trying to get at what the farmers pay for the sacks.

Mr. JONES. The amendment will go over, then.

Mr. SIMMONS. And let the Secretary proceed with the read-

The VICE PRESIDENT. Does the Chair understand that the amendment is to be referred back to the committee?

Mr. JONES. The amendment is to be referred to the committee.

The VICE PRESIDENT. The understanding of the Chair is that paragraph 290 goes over, that the amendment of the Senator from Washington will be referred to the committee, and that the committee amendment will be agreed to. Chair hears no objection, and it is agreed to.

The reading of the bill was continued.

The next amendment of the committee was, in paragraph 292, page 86, line 25, before the word "fabrics," to strike out "Plain woven" and insert "Woven"; and on page 87, line 2, after the word "cloth," to strike out "35" and insert "30," so as to make the paragraph read:

292. Woven fabrics, not including articles, finished or unfinished, of flax, hemp, or ramie, or of which these substances or any of them is the component material of chief value, including such as is known as shirting cloth, 30 per cent ad valorem.

The amendment was agreed to.

The amendment was agreed to.

The next amendment was, in paragraph 293, page 87, line 4, before the word "woven," to strike out "All" and insert "Damasks and all"; in line 6, before the word "which," to strike out "of" and insert "into"; in the same line, after "which," to insert "two or more of"; in line 7, after the word "substances," to strike out "or any of them, is the component material of chief value" and insert "enter"; in line 8, after the word "section," to strike out "40" and insert "35"; and in line 9, after the words "ad valorem," to insert "woven figured upholstery goods, of which the component mat-"woven figured upholstery goods, of which the component material of chief value is flax, hemp, or ramie, 35 per cent ad valorem," so as to make the paragraph read:

293. Damasks and all woven articles, finished or unfinished, and all manufactures of flax, hemp, ramie, or other vegetable fiber, or into which two or more of these substances enter, not specially provided for in this section, 35 per cent ad valorem; woven figured upholstery goods, of which the component material of chief value is flax, hemp, or ramie, 35 per cent ad valorem.

The amendment was agreed to.

The next paragraph was read, as follows:

294. Istle or Tampico, when dressed, dyed, or combed, 20 per cent ad

Mr. NELSON. I desire to call the attention of the Senator who has this matter in charge to paragraph 423, page 130.

You have put there on the free list all binding twine manufactured from New Zealand hemp, manila, istle or Tampico fiber, sisal grass, or sunn, or a mixture of any two or more of them, and so forth. Here in paragraph 294 you tax the principal one of these ingredients, the one that comes nearest to sisal grass. You put a 20 per cent duty on it when it is dressed or combed. Of course it has got to be dressed or combed before it is made into twine, and you put a burden on the binding twine by putting on it this ad valorem rate of 20 per cent.

I call your attention to it. If you mean to give the farmers free binding twine you certainly ought not to impose this duty on istle or Tampico. If you turn to paragraph 423 on the free list, you will find that it is one of the items that goes to make binding twine. It is the fiber which is produced in Central America, and it is said to be fully as good as sisal grass. I suggest to the committee, if you aim to give the farmer free binding twine you certainly ought not to tax his raw material 20 per cent ad valorem.

Mr. WILLIAMS. Does the Senator think that binding twine

is made of this istle after it is dressed and dyad?

Mr. NELSON. I do not think it is made after it is dyed, but of course it has got to be dressed or combed before it can be spun into twine. The first process is dressing it or combing it before you finish the twine. It would be all right if you limit it to dyed. It is not dyed in twine. It is the words "dressed or combed" to which I refer. You ought not to put a tax of 20 per cent ad valorem on it because it is one of the elements of which binding twine is made. If you intend to give the farmer any benefit of that material, you ought to eliminate the tax.

Mr. WILLIAMS. Paragraph 294 is identical-

The VICE PRESIDENT. Does the Senator from Minnesota yield?

Mr. NELSON. Certainly; I abandon the floor.

Mr. WILLIAMS. I beg pardon; I thought the Senator asked me a question.

Mr. NELSON. Certainly; I will answer the question.
Mr. WILLIAMS. No; I thought the Senator asked me a question.

Mr. NELSON. No; I simply said to the Senator from Mississippi, or whoever has the schedule in charge, if you intend to give the farmers free binding twine in good faith and give them the full benefit, you ought not to put a tax of 20 per cent ad valorem on one of the main raw materials, so to speak, that enter into the binding twine.

Mr. PAGE. Mr. President-

Mr. WILLIAMS. If the Senator from Vermont will pardon me, will the Senator from Minnesota permit an interruption for a moment?

Mr. NELSON. Certainly.

Mr. PAGE. Will the Senator from Mississippi allow me just a word?

Mr. WILLIAMS. Yes, sir.

Mr. PAGE. The Senator from Minnesota will find, I believe, that the farmers are not materially injured if they have the istle in the raw state. Istle in the condition in which we receive it under this paragraph of the bill is something that enters into the manufacture of brushes.

I want to say that one of the leading industries of the little city of Burlington, in my State, is one which prepares istle for brushes. This matter was thrashed out very thoroughly four years ago on the Payne-Aldrich bill, and it was thought by giving 20 per cent on that which had been combed you would protect that industry, whereas if you take it in free in the raw you will give the farmer practically all he needs.

Mr. NELSON. But before it can be used in binding twine, it has to be dressed and combed. That is the first process.

Mr. PAGE. But that can be done in this country without my difficulty. We can dress it and comb it here. On the other any difficulty. hand, if you permit it to be brought in, as I think the leading manufacturers of brushes and combs are in Belgium, they will send it in and compete with our people here who prepare the raw material for brushes.

I hope the Senator from Minnesota, before he attacks an industry which is so important to Vermont, will look up and see if it is not fully protected when he gets the material in the rough for the farmers' purpose.

Mr. NELSON. Mr. President, I am not attacking the industry, nor do I offer any amendment. I simply say to the Senators on the other side who have the bill in charge, that if they intend to give the farmers the full benefit of free binding twine there ought not to be any tax on this fiber. That is my view of it. I shall offer no amendment and make no obstruction or cause delay. I simply make it by way of suggestion to the other side.

Mr. WILLIAMS. Mr. President, this is one of the few things in which we have adopted bodily the language of the Payne-Aldrich bill. The House adopted it.

Mr. NELSON. If the Senator will allow me, I will say I have no doubt it is oftentimes dangerous to adopt the language

Mr. WILLIAMS. There is no doubt about that; but if the Senator had listened to me for a moment, he would have found out why I made that remark and then his remark would have been unnecessary. This is one of the few particulars in which we adopted the language of the Payne-Aldrich bill in both paragraphs. The Payne-Aldrich law puts upon the free list-

All binding twine manufactured from New Zealand hemp, manila, istle or Tampico fiber, sisal grass, or sunn, or a mixture of any two or more of them, of single ply and measuring not exceeding 600 feet to the pound.

Then paragraph 359 of the Payne-Aldrich bill reads:

Istle or Tampico, when dressed, dyed, or combed, 20 per cent ad

Now, notwithstanding the fact that this seeming incongruity to which the Senator calls attention existed in that bill, it never interfered in the slightest degree with the free admission of binding twine, and therefore it will not interfere in the future.

The Secretary continued the reading of the bill, as follows:

Schedule K. Wool and manufactures of

Mr. SIMMONS. I will ask that Schedule K be passed over this afternoon and that we take up Schedule L.

There are Senators who desire to be here when Schedule K is taken up and who are temporarily absent from the Chamber at this time.

The VICE PRESIDENT. Schedule L will be proceeded with.

The Secretary resumed the reading of the bill at page 91, line 24.

The next amendment of the Committee on Finance was, in Schedule L, silks and silk goods, paragraph 319, page 92, line 2, after the word "length," to strike out "15 per cent ad valorem" and insert "30 cents per pound," so as to make the paragraph read:

319. Silk partially manufactured from cocoons or from waste silk and not further advanced or manufactured than carded or combed silk, and silk noils exceeding 2 inches in length, 30 cents per pound.

The amendment was agreed to.

The next amendment was, on page 92; to strike out paragraph 320, as follows:

320. Spun silk or schappe silk yarn, 35 per cent ad valorem.

And to insert the following:

And to insert the following:

320. Spun silk or schappe silk yarn valued at not exceeding \$1 per pound, whether single, two, or more ply, 30 cents per pound; if valued at exceeding \$1 per pound, in the gray, if in singles, on all numbers up to and including No. 215, 45 cents per pound, and in addition thereto ten one-hundredths of 1 cent per number per pound; exceeding No. 215, 45 cents per pound, and in addition thereto fifteen one-hundredths of 1 cent per number per pound; in the gray, if two or more ply, on all numbers up to and including No. 215, 50 cents per pound, and in addition thereto ten one-hundredths of 1 cent per number per pound; exceeding No. 215, 50 cents per pound, and in addition thereto fifteen one-hundredths of 1 cent per number per pound. The rates of duty on the foregoing yarns when colored, bleached, or dyed, shall be 10 cents per pound in addition to the rates herein provided for the respective yarns in their gray, or undyed state. When the foregoing gray, colored, bleached, or dyed yarns are on bobbins, cones, spools, or beams the rates of duty shall be 10 cents per pound in addition to the rates otherwise citargeable thereon. In assessing duty on all spun silk or schappe silk yarn, the number indicating the size of the yarn shall be taken according to the metric or French system, and shall in all cases refer to the size of the singles: Provided, That in no case shall the duty be assessed on a less number of yards than is marked on the skeins, bobbins, cones, cops, spools, or beams. But in no case shall any of the goods enumerated in this paragraph pay a less rate of duty than 35 per cent ad valorem.

The amendment was agreed to.

The next amendment was, on page 93, to strike out paragraph 321. as follows:

321. Thrown silk not more advanced than singles, tram, or organzine, sewing silk, twist, floss, and silk threads or yarns of every description made from raw silk, 15 per cent ad valorem.

And to insert in lieu thereof the following:

And to insert in fieu thereof the following:

321. Thrown silk in the gum, in skeins, on bobbins, spools, cops, or
otherwise, if singles, 35 cents per pound; if tram, 55 cents per pound;
if organzine, 75 cents per pound; and if ungummed, wholly or in part,
or if further advanced by any process of manufacture, in addition to
the rates herein provided, 35 cents per pound. Sewing silk, twist, floss,
and silk threads or yarns of any description made from raw silk, not
specially provided for in this section, if in the gam, 75 cents per
pound; if ungummed, wholly or in part, or if further advanced by any
process of manufacture, \$1.05 per pound: Provided, That in no case
shall a duty be assessed on a less number of yards than is marked on
the skeins, bobbins, cops, spools, or beams.

The amendment was agreed to.

The Secretary. The next amendment of the committee is, on page 94, to strike out paragraph 322, in the following words:

322. Velvets, plushes, chenilles, velvet or plush ribbons, or other pile fabrics, composed of silk or of which silk is the component material of chief value, 50 per cent ad valorem.

And to insert in lieu thereof the following:

322. Velvets, chenilles, or other pile fabrics, not specially provided for in this section, cut or uncut, composed wholly or in chief value of silk, weighing not less than 5\frac{3}{2} ounces per square yard, \$1.25 per pound; weighing less than 5\frac{3}{2} ounces per square yard, but not less than 4 ounces, or if all the filling is not cotton, \$2.50 per pound; if all the filling is of cotton, \$1.75 per pound; all the foregoing weighing less than 4 ounces per square yard, \$3.25 per pound.

Mr. SMOOT. I merely wish to ask the Senator a question in relation to this paragraph. Why was it that the rate was reduced from \$1.50 a yard to \$1.25, and from \$2.75 to \$2.50 on items just read?

Mr. HUGHES. We tried to change the specific rate as nearly as possible to the ad valorem rate.

Mr. SMOOT. No; the present law provides specific rates on velvet chenilles and other items mentioned.

Mr. HUGHES. The House suggestion was an ad valorem

rate, and we were trying to avoid the suggestion that there was an attempt to raise the rate by means of a specific duty.

We brought it down to the House suggested rate.

Then I am a little wrong, because the way I Mr. SMOOT. figured it the House ad valorem rates were about the same as the present specific rates. In some cases they were just a little under and in some cases just a little over. Seeing that the balance of the items carry about the same rates as the present law, I wondered why the change should be made in those mentioned.

Mr. HUGHES. I did not make the mathematical calculation myself, but turned it over to a gentleman who has more skill than I have in that direction and I asked him to change the House ad valorems into specific rates. After he was through I went over it and satisfied myself that it was done correctly so far as my ability could check it up was concerned.

Mr. SMOOT. I am not objecting to the rate. That was not the question. What I wanted to know was why those items were treated somewhat different from the others. Of course the Senator's explanation is satisfactory to me. I merely wanted to know why it was done.

The Secretary resumed the reading of the committee amendment, in paragraph 322, beginning in line 11, page 94, and read as follows:

Plushes, cut or uncut, composed wholly or in chief value of silk, weighing not less than 9½ ounces per square yard, \$1 per pound; weighing less than 9½ ounces, \$2 per pound. Measurements to ascertain the widths of goods for determining weight per square yard of the foregoing articles shall not include the selvedges, but the duty shall be levied upon the total weight of goods including the selvedges. The distinction between plushes and velvets shall be determined by the length of the pile; those having pile exceeding one-seventh of 1 inch in length to be taken as plushes; those having pile one-seventh of 1 inch or less in length shall be taken as velvets. The distance from the end of the pile to the bottom of the first binding pick shall be considered as the length of the pile. But in no case shall any goods enumerated in this paragraph, including such as have india rubber as a component material, pay a less rate than 50 per cent ad valorem.

Mr. SMOOT. Mr. President that is a new provision in the

Mr. SMOOT. Mr. President, that is a new provision in the law. Does the Senator from New Jersey think that that would conflict with the cotton schedule and the hemp schedule, wherein provision is made for cotton and hemp goods which may contain silk or india rubber? I wil! not ask the Senator to answer that offhand now; he can do so subsequently.

Mr. GALLINGER. I suggest that it would be better to read the amendment through, and then any questions may be raised as to the amendment.

The Secretary resumed and concluded the reading of the amendment, as follows:

Velvet or plush ribbons, or other pile fabrics, not over 12 inches, and not less than three-fourths of 1 inch in width, cut or uncut, of which silk is the component material of chief value, not specially provided for in this section, containing no silk except that in the pile and selvedges, if black \$1.50 per pound, if other than black \$1.65 per pound; if containing silk other than that in the pile and selvedges, if black \$1.75 per pound, if other than black \$2.25 per pound; for each one-fourth of 1 inch or fraction thereof, less than three-fourths of 1 inch in width, there shall be paid in addition to the above rates 35 cents per pound. But in no case shall any of the foregoing pay a less rate of duty than 50 per cent ad valorem.

The VICE PRESIDENT. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The next amendment was, in paragraph 323, page 95, line 18, before the word "silk," to insert "woven"; and in line 19, after the word "only," to strike out "40" and insert "45," so as to make the paragraph read:

323. Handkerchiefs or mufflers composed wholly or in chief value of woven silk, finished or unfinished; if cut, not hemmed or hemmed only, 45 per cent ad valorem; if hemstitched or imitation hemstitched, or

revered, or having drawn threads, but not embroidered in any manner with an initial letter, monogram, or otherwise, 50 per cent ad valorem.

The amendment was agreed to.

The next amendment was, in paragraph 324, page 96, line 3, after the word "manner," to strike out "40" and insert "45," so as to make the paragraph read:

324. Ribbons, bandings, including hatbands, beltings, bindings, all of the foregoing not exceeding 12 inches in width and if with fast edges, bone casings, braces, cords, cords and tassels, garters, suspenders, tubings, and webs and webbings; all the foregoing made of silk or of which silk or silk and india rubber are the component materials of chief value, if not embroidered in any manner, 45 per cent ad valorem.

The amendment was agreed to.

The Secretary read paragraph 325, as follows:

325. Clothing, ready-made, and articles of wearing apparel of every description, including knit goods, made up or manufactured in whole or in part by the tailor, seamstress, or manufacturer; all the foregoing composed of silk or of which silk or silk and india rubber are the component materials of chief value, not specially provided for in this section, 50 per cent ad valorem.

Mr. BRISTOW. Mr. President, I desire to inquire if paragraph 325, referring to "clothing, ready-made, and articles of wearing apparel of every description," covers exclusively goods made of silk?

Mr. HUGHES. The Senator will notice that the paragraph provides in line 8:

All the foregoing composed of silk or of which silk or silk and india rubber are the component materials of chief value.

That, of course, confines it to silk goods or to goods of which silk or silk and india rubber are the materials of chief value.

Mr. BRISTOW. Will the Senator please state just what articles of wearing apparel would be covered by the paragraph? Mr. HUGHES. It refers to high priced and expensive silk dresses and silk garments of all kinds, which are imported in great quantities into this country. It would also cover silk underwear; but I think it will be found—I have often thought

I would like to investigate as to that—that the imports under this bill will be largely Worth dresses and articles of that kind.

Mr. BRISTOW. The language is:

All the foregoing composed of silk or of which silk or silk and india rubber are the component materials of chief value, not specially pro-vided for in this section.

Mr. HUGHES. That, of course, applies to fancy silk raincoats and articles of that kind.

Mr. BRISTOW. If it only refers to expensive and luxurious

garments, I have no objection to it.

Mr. HUGHES. That, of course, is what it does refer to, and that is the object in leaving the rate of duty as high as it is, so that we can obtain revenue. We can obtain more revenue, I think, by raising the duty on these articles than by lowering it.

The reading of the bill was resumed, and paragraph 326 was read, as follows:

326. Woven fabrics, in the piece or otherwise, of which silk is the component material of chief value, and all manufactures of silk, or of which silk or silk and india rubber are the component materials of chief value, not specially provided for in this section, 45 per cent ad

Mr. SMOOT. Mr. President, I ask the Senator from New Jersey to allow that paragraph to go over. I will state to the Senator that my intention is to offer an amendment to the paragraph providing specific rates of duty, instead of ad valorem rates on the broad silks.

Mr. HUGHES. Very well.
Mr. SIMMONS. I will say that I stated to the Senator before we took up the schedule that that paragraph might go over.

The VICE PRESIDENT. Paragraph 326 will be passed over.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in paragraph 327, page 96, line 19, after the word "made," to strike out "35" and insert "25," so as to make the paragraph read:

read:

327. Yarns, threads, filaments of artificial or imitation silk, or of artificial or imitation horsehair, by whatever name known, and by whatever process made, 25 per cent ad valorem; beltings, cords, tassels, ribbons, or other articles or fabrics composed wholly or in chief value of yarns, threads, filaments, or fibers of artificial or imitation silk, or of artificial or imitation horsehair, or of yarns, threads, filaments, or fibers of artificial or imitation silk, or of artificial or imitation horsehair and india rubber, by whatever name known, and by whatever process made, 60 per cent ad valorem.

The amendment was agreed to.

The next amendment was, on page 97, after line 2, to insert a new paragraph, as follows:

3274. In ascertaining the weight or the number indicating the size of silk under the provisions of this section, either in the threads, yarns, or fabrics, the weight or the number shall be taken in the condition in which found in the goods, without deductions therefrom for any dye, coloring matter, moisture, or other foreign substance or material.

The amendment was agreed to.

Mr. SIMMONS. Mr. President, that completes the silk schedule, and we may now go on with Schedule M.

The reading of the bill was resumed at Schedule M-Papers

and books.

The next amendment of the Committee on Finance was, in paragraph 328, page 97, after the word "paper," to insert "pulpboard in rolls, not laminated," so as to make the paragraph read:

328. Sheathing paper, pulpboard in rolls, not laminated, and roofing felt, 5 per cent ad valorem.

The amendment was agreed to.

The next amendment was, in paragraph 330, page 98, line 6, before the word "export," to strike out "such" and insert "the highest"; and in line 8, after the word "upon," to insert "either," so as to make the paragraph read:

"either," so as to make the paragraph read:

330. Printing paper (other than paper commercially known as handmade or machine handmade paper, ispan paper, and imitation iapan paper by whatever name known), unsized, sized, or glued, suitable for the printing of books and newspapers, but not for covers or bindings, not specially provided for in this section, valued above 2½ cents per pound. 12 per cent ad valorem: Provided, however, That if any country, dependency, province, or other subdivision of government shall impose any export duty, export license fee, or other charge of any kind whatsoever (whether in the form of additional charge or license fee or otherwise) upon printing paper, wood pulp, or wood for use in the manufacture of wood pulp, there shall be imposed upon printing paper, valued above 2½ cents per pound, when imported either directly or indirectly from such country, dependency, province, or other subdivision of government, an additional duty equal to the amount of the highest export duty or other subdivision of government, upon either printing paper, or upon an amount of wood pulp, or wood for use in the manufacture of wood pulp necessary to manufacture such printing paper.

The amendment was agreed to.

The amendment was agreed to.

Mr. LODGE. Mr. President, this paragraph is connected with the provisions in the free list and with the retaliatory or countervailing duties concerning which I desire to say something to the Senate.

I do not desire to delay the progress of the bill, but I want to feel that the paragraph is open to further discussion, for I did not expect that the paper schedule would be taken up to-night. I ask that the paragraph go over for the present.

Mr. HUGHES. I am perfectly willing to have it go over. I myself did not expect the paper schedule to come up. We only desire to get through with as much of the bill as we can.

Mr. LODGE. I did not expect the paper schedule to come up to-day, or I should have brought my papers with me and been prepared to go on.

Mr. HUGHES. I thought we might as well use the half hour

remaining by going ahead with such items as we may.

Mr. GALLINGER. Mr. President, we have made unusual progress to-day, and no one anticipated that the paper schedule would come up. I think the schedule ought to go over.

Mr. HUGHES. I am perfectly satisfied to have an

I am perfectly satisfied to have any paragraph go over, but I thought we might as well use the remaining half hour.

There are a number of paragraphs in the Mr. LODGE.

paper schedule which will require more or less debate.

Mr. SIMMONS. I think we can agree, if any Senator desires a paragraph to go over until to-morrow, that it may go over. Of course we have taken up this schedule unexpectedly.

Mr. SMOOT. I will say to the Senator that I have sent word to one or two Senators who are deeply interested in this schedule, but who are absent from the Chamber. I do not know exactly which paragraphs they wish to debate; but I do know that they want to be here at the time the schedule is being considered.

Mr. SIMMONS. We may return to any paragraph that Senators desire to return to in order that they may have an oppor-

tunity to offer amendments.

Mr. GALLINGER. Mr. President, the Senator from North Carolina knows that some of us on this side have been expediting the consideration of the bill as much as possible to-day, and would not the Senator agree to an adjournment at this hour? There are quite a number of Senators absent.

Mr. SIMMONS. Yes; if the Senator asks it, under the cir-

cumstances I can not resist him.

Mr. GALLINGER. I will make that request.

Mr. SIMMONS. We have done very well to-day. Mr. GALLINGER. I will make that request, Mr. President, and am glad that the Senator will agree to it.

Mr. SIMMONS. As I have said, we have done very well to-day, in view of the fact that we devoted about three hours to general discussion. I understand there is a desire to have a short executive session, I will say to the Senator.

In view of the importance of Senators knowing exactly what schedules we are going to take up, and to avoid any misunder-

standing as to what schedule we will go on with to-morrow, in view of the fact that we started on the paper schedule this afternoon, I desire to announce that I shall ask the Senate in the morning to take up the wool schedule.

DESERT-LAND ENTRIES, WASHINGTON.

Mr. JONES. Mr. President, before the Senate proceeds to the consideration of executive business I should like to ask unanimous consent for the consideration of a bill on the calendar, which will take, I think, but two or three minutes and will involve no debate. It is purely of local application, and has been reported by the Committee on Public Lands. unanimous consent for the present consideration of Senate bill 1673.

The VICE PRESIDENT. The Senator from Washington asks unanimous consent for the present consideration of a bill,

the title of which will be stated.

The Secretary. A bill (S. 1673) authorizing the Secretary of the Interior to grant further extensions of time within which to make proof on desert-land entries in the county of Grant, State of Washington.

The VICE PRESIDENT. Is there objection to the present

consideration of the bill?

There being no objection, the Senate, as in Committee of

the Whole, proceeded to consider the bill.

Mr. JONES. There was one amendment which was adopted in the committee, but apparently was left out by mistake in making the report. After the words "required to," in line 6, I move to insert the words "comply with the law and."

Mr. SMITH of Georgia. By what committee was the bill

considered?

Mr. JONES. By the Committee on Public Lands.

Mr. SMITH of Georgia. Was there a unanimous report in favor of the measure?

Mr. JONES. Yes.

Mr. SMOOT. There was a unanimous report, I will say to the Senator.

Mr. WALSH. Will the Senator from Washington make a brief statement as to why this bill should be passed, applying,

as it does, to a single county?

Mr. JONES. The matter was brought to my attention by some of the people who would be affected by the measure, who had made entries under an irrigation project which had failed, and by reason of the failure they were unable to make their proofs. Personally I am in favor of general legislation, and in the last Congress a general bill was introduced covering situations of that kind; but in another body it was insisted that such legislation should be made to apply to a particular locality. Apparently they did not desire to pass general legislation. So the bill has been put in this shape. While it was suggested by the Secretary of the Interior that general legislation should be passed, the committee thought it best to report the bill for this particular locality. Personally, as I have said, I should like to see the enactment of general legislation on the subject.

Mr. SHAFROTH. What is the nature of the bill?

Mr. JONES. It grants an extension of time for making desert-land proof in Grant County, Wash.

Mr. SMOOT. If I am not mistaken, the department sug-

gested general legislation.

Mr. JONES. The department did suggest general legislation. After the words "required to," in line 6, I move to insert the words "comply with the law and."

The VICE PRESIDENT. The amendment will be stated.

The Secretary. On page 1, line 6, after the words "required to," it is proposed to insert the words "comply with the law and."

The amendment was agreed to.

Mr. JONES. In line 5 I move to strike out the word "county" and to insert "counties," and after the word "Grant" to insert the words "and Franklin," which will make it apply to an adjoining county where similar conditions exist. mitted that amendment to the chairman of the Committee on Public Lands, and he said that would be satisfactory.

The VICE PRESIDENT. The amendment will be stated. The Secretary. On page 1, line 5, before the words "of Grant," it is proposed to strike out "county" and insert "counties," and in the same line, after the name "Grant," to insert

and Franklin," so as to make the bill read:

Be it enacted, etc., That the Secretary of the Interior may, in his discretion, grant to any entryman under the desert-land laws in the countles of Grant and Franklin, in the State of Washington, a further extension of time within which he is required to comply with the law and make final proof: Provided, That such entryman shall, by his corroborated affidavit, filed in the land office of the district where such land is located, show to the satisfaction of the Secretary that because of unavoldable delay in the construction and operation of irrigation

works intended to convey water to the land embraced in his entry he is, without fault on his part, unable to make proof of the reclamation and cultivation of said lands, as required by law, within the time limited therefor but such extension shall not be granted for a period of more than three years, and this act shall not affect contests initiated for a valid existing reason.

The amendment was agreed to.

Mr. SMITH of Georgia. I understand the only effect of this bill will be to give certain claimants a longer time in which to

perfect their claims and get their patents.

Mr. JONES. If they make a satisfactory showing to the Secretary of the Interior.

Mr. SMITH of Georgia. If they make a satisfactory showing. Mr. SHAFROTH. How much longer does it grant them?

Mr. JONES. Three years.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The bill was ordered to be engrossed for a third reading,

read the third time, and passed.

On motion of Mr. Jones, the title was amended so as to read: "A bill authorizing the Secretary of the Interior to grant further extensions of time within which to make proof on desert-land entries in the counties of Grant and Franklin, State of Washington."

#### HOMESTEAD ENTRIES FOR MINORS.

Mr. STERLING. Mr. President, since it is yet some minutes of 6 o'clock, I wonder if I may not call the attention of Sena-tors to Senate bill No. 2419? I do so, and ask for its immediate

The VICE PRESIDENT. The Senator from South Dakota asks unanimous consent for the present consideration of a bill

the title of which will be stated.

The Secretary. A bill (S. 2419) permitting male minors of the age of 18 years or over to make homestead entry or other entry of the public lands of the United States.

The Senate, by unanimous consent, proceeded to consider the bill, which had been reported from the Committee on Public Lands with amendments, in section 1, page 1, line 6, before the word "minor," to strike out "male," and on page 2, line 4, after the word "he," to insert "or she," so as to make the section read:

That in all cases wherein persons of the age of 21 years or over are now permitted to make homestead entry or other entry of lands under the public-land laws of the United States any minor of the age of 18 years or over and otherwise qualified under such laws shall be permitted to make such entry, subject to all the provisions of such laws in regard to residence upon and improvement and cultivation of such lands: Provided, however, That no minor shall be eligible to make final homestead proof and receive a homestead patent for any such lands until at least 14 months after having attained the age of 21 years, nor eligible to make final proof or receive patent on other than a homestead entry until he or she has attained the age of 21 years.

The amendments were agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The bill was ordered to be engrossed for a third reading, read

the third time, and passed.

The title was amended so as to read: "A bill permitting minors of the age of 18 years or over to make homestead entry or other entry of the public lands of the United States."

#### EXECUTIVE SESSION.

Mr. BACON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After eight minutes spent in executive session the doors were reopened, and (at 5 o'clock and 53 minutes p. m.) the Senate adjourned until to-morrow, Friday, August 22, 1913, at 11 o'clock a. m.

## NOMINATIONS.

Executive nominations received by the Senate August 21, 1913.

#### UNITED STATES ATTORNEY.

Edwin Lowry Humes, of Pennsylvania, to be United States attorney for the western district of Pennsylvania, vice John H. Jordan, whose term has expired.

# REGISTER OF THE LAND OFFICE.

A. F. Browns, of Sterling, Colo., to be register of the land office at Sterling, vice William H. Pound, term expired.

# PROMOTION IN THE ARMY.

## QUARTERMASTER CORPS.

Maj. Herbert M. Lord, Quartermaster Corps, to be lieutenant colonel from March 4, 1913, vice Lieut. Col. Beecher B. Ray, whose recess appointment expired by constitutional limitation March 3, 1913.

PROMOTIONS AND APPOINTMENTS IN THE NAVY.

Passed Asst. Surg. Charles C. Grieve to be a surgeon in the

Navy from the 22d day of January, 1913.

The following-named citizens to be assistant surgeons in the Medical Reserve Corps of the Navy from the 13th day of August, 1913:

Guthrie McConnell, a citizen of Pennsylvania, and

Howard A. Tribou, a citizen of Maine.

Carpenter Joel A. Davis to be a chief carpenter in the Navy from the 19th day of April, 1913.

#### CONFIRMATIONS.

Executive nominations confirmed by the Senate August 21, 1913. GOVERNOR GENERAL OF THE PHILIPPINE ISLANDS.

Francis Burton Harrison to be Governor General of the Philippine Islands.

POSTMASTERS.

NEBRASKA.

Andrew B. Anderson, Florence. J. E. Scott, Osmond. Orren Slote, Litchfield. Rainard B. Wahlquist, Hastings. NORTH DAKOTA.

Frank J. Callahan, McClusky. Andrew D. Cochrane, York. James J. Dougherty, Park River. P. J. Filbin, Steele. Charles E. Harding, Churchs Ferry. Carl Jahnke, New Salem. Robert A. Long, Drayton. J. H. McLean, Hannah. W. T. Reilly, Milton.

RHODE ISLAND.

Thomas H. Galvin, East Greenwich.

## SENATE.

# FRIDAY, August 22, 1913.

The Senate met at 11 o'clock a. m. Prayer by the Chaplain, Rev. Forrest J. Prettyman, D. D. The Journal of yesterday's proceedings was read and approved. GOODS IN BOND (S. DOC. NO. 166).

The VICE PRESIDENT laid before the Senate the following communication, which was read:

TREASURY DEPARTMENT, Washington, August 21, 1913.

The PRESIDENT OF THE UNITED STATES SENATE.

Sin: In compliance with a resolution of the Senate of the 1st instant, requesting for the use of the Senate certain information relative to goods remaining in warehouse without the payment of duty August 1, 1912, and August 1, 1913. I have the honor to advise you that the values and duties requested are as follows:

 Value of merchandlse in warehouse Aug. 1, 1912.
 \$71, 561, 698

 Duty on same under present tariff.
 40, 767, 828

 Value of merchandlse in warehouse Aug. 1, 1913.
 104, 576, 937

 Duty on same under present tariff.
 58, 256, 272

 Estimated duty under H. R. 3321 on merchandlse in warehouse Aug. 1, 1913.
 48, 499, 214

Respectfully.

JOHN SKELTON WILLIAMS, Acting Secretary.

The VICE PRESIDENT. The communication is in response to a resolution introduced by the Senator from Utah [Mr. SUTHERLAND]. What does the Senator desire to have done with the communication?

Mr. SUTHERLAND. I suggest that it be printed and lie on

The VICE PRESIDENT. The communication will be printed and lie on the table.

#### BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. JONES: A bill (S. 3021) granting an increase of pension to Christina Nicholes; to the Committee on Pensions.

By Mr. O'GORMAN:

A bill (S. 3022) to remove the charge of desertion against Edward Burke; to the Committee on Military Affairs.

## AMENDMENTS TO THE TARIFF BILL.

Mr. PENROSE submitted an amendment intended to be proposed by him to the bill (H. R. 3321) to reduce tariff duties and to provide revenue for the Government, and for other purposes, which was ordered to lie on the table and be printed.

Mr. LA FOLLETTE submitted an amendment intended to be proposed by him to the bill (H. R. 3321) to reduce tariff duties and to provide revenue for the Government, and for other purposes, which was ordered to lie on the table and be printed.

THE TARIFF AND THE WOOLEN INDUSTRY (S. DOC. NO. 167).

Mr. PENROSE. I should like to make a request for the Mr. PENROSE. I should like to make a request for the printing as a document of an article relating to the tariff bill. I have here an article headed "The tariff and the woolen industry," by Prof. Thomas Walker, Page, professor in the University of Virginia, originally printed in the Quarterly Bulletin of the National Association of Wool Manufacturers for June, 1913. This gentleman was a member of the Tariff Board, the Democratic member. A similar production of his relating to the duty on wool was printed as a House document, and I thought this companion article would be of interest to the Senate. It is short. [After a pause.] At the request of the Senator from North Carolina [Mr. Simmons] I will suspend my request until he has had a chance to examine the article.

Mr. THOMAS. I should like to inquire of the Senator from Pennsylvania if the article by Mr. Page already printed is the same as that published in the April number of the North American Review?

Mr. PENROSE.
American Review?
THOMAS. "Our wool duties." Mr. PENROSE. What is the title of the article in the North

Mr. PENROSE. That article, I understand, was printed by order of the House as a public document. This article refers to the duties on the manufactures of wool.

Mr. THOMAS. My question had reference to the document

document.

Mr. PENROSE. This article has not been printed.

The VICE PRESIDENT. At the request of the Senator from Pennsylvania, the matter will lie over for the present.

Mr. PENROSE subsequently said: Mr. President, this morning I asked for the printing as a document of an article by Prof. Thomas Walker Page, entitled "The tariff and the woolen At the request of the chairman of the Finance Committee I delayed the request until he had an opportunity to examine the article, which he has done. He informs me that while he can not agree with the contents of it, he will not object to its publication. Therefore I renew my request.

The PRESIDING OFFICER (Mr. MARTINE of New Jersey in the chair). Does the Senator desire the article read?

Mr. PENROSE. No; I do not desire it read. I desire to have it printed as a document. I wish to advise the Senate that this gentleman was the Democratic member of the Tariff Board and is now connected with the University of Virginia. He went through all the study of the wool, cotton, and other sched-He wrote a similar article on the duty on wool, which was published as a House document. It seemed only proper to me that this article should also be published as an accompanying

I suppose the reason the Senator from North Carolina does not concur in the views of the professor is that while he was supposed to be a minority member of the board, the evidence which he saw as the result of his elaborate investigations almost persuaded him that a duty on woolen manufactures was neces-

sary.

The PRESIDING OFFICER. Without objection, the article will be printed as a public document.

ARTICLE BY HON. ELIHU ROOT (S. DOC. NO. 168).

Mr. BRANDEGEE. I ask to have printed as a public document an article by Hon. ELIHU Root published in the current issues of the North American Review for the months of July and August, 1913, on "Experiments in Government and the Essentials of the Constitution."

The VICE PRESIDENT. Without objection, it is so ordered.

THE TARIFF.

The VICE PRESIDENT. The morning business is closed. Mr. SIMMONS. I ask unanimous consent that the Senate proceed with the consideration of House bill 3321.

There being no objection, the Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 3321) to reduce tariff duties and to provide revenue for the Government,

and for other purposes.

Mr. WARREN. Mr. President—

Mr. LODGE. Mr. President, I suggest the absence of a

quorum. The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst Baron Bankhead

Borah Brady Brandegee Bristow

Catron Chamberlain Chilton

Clapp Colt Falt Falt Fletcher Gallinger Gronna James Jones Kenyon Kern La Follette Lane Lea	Lewis Lippitt Lodge McLean Martin, Va. Martine, N. J. Norris O'Gorman Page Penrose Perkins Pittman Pomerene	Ransdell Robinson Shafroth Sheppard Sherman Shields Shively Simmons Smith, Ariz. Smith, Ga. Smith, S. C. Smoot Sterling	Stone Sutherland Swanson Thomas Thompson Tillman Townsend Vardaman Walsh Warren Weeks Williams
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Mr. JAMES. My colleague [Mr. Bradley] is detained from presence here by reason of illness. He has a general pair with the Senator from Indiana [Mr. Kern]. I will allow this announcement to stand for the day.

Mr. SHEPPARD. My colleague [Mr. Culberson] is necessarily absent. He is paired with the Senator from Delaware [Mr. DU PONT]. This announcement will stand for the day.

The VICE PRESIDENT. Sixty-three Senators have an-

swered to the roll call. There is a quorum present.

Mr. WARREN. Mr. President, a few days ago I wandered over to the other side of this Chamber to make a friendly call on a distinguished old-time friend of mine, a Democratic Sena-Hearing that he intended to address the Senate on that day, I asked him if he was going to talk. He said, "No." I asked him why he and those with him did not talk; why they did not explain the tariff bill now before us, and defend some of its provisions. He replied smilingly and very promptly, and with tumultuous robustness, "We don't have to talk. We have the votes.

Well, I frankly acknowledged the corn and passed on. But, Mr. President, it occurred to me to ask how they came by those votes; how the minority-elected President and the few minorityelected Senators who completed the Democratic majority received the votes which caused this great robustness of reply to questions of that kind. Did they receive those votes on promises made to the people, and were those promises made to the people in line with what they now propose to do in this tariff bill? Let us see

Mr. KERN. Mr. President—
The VICE PRESIDENT. Does the Senator from Wyoming yield to the Senator from Indiana?
Mr. WARREN. I do.
Mr. KERN. I should like to inquire of the Senator whether

it has not been repeatedly charged in this debate from the Republican side that the Democratic Senators in the discussion of this bill have occupied more time than the Republican Senators, and whether complaint was not made because of that?

Mr. WARREN. Does the Senator admit that?

Mr. KERN. I am making the inquiry of the Senator from voming.

Mr. WARREN. I have not charged that, and I do not know that I heard that charge made.

Mr. KERN. It has been made repeatedly.

Mr. WARREN. What is the Senator's opinion about that? Mr. KERN. My opinion is that a very large part of the time has been consumed by Democratic Senators in the discussion of this measure. It has been fully discussed in every phase by them, as the Record will show. I repeat, complaint has been made repeatedly from the other side that Democratic Senators have delayed the bill by reason of their talking on it more than the Republican Senators.

Mr. WARREN. I presume the Senator is correct about that, but I assume he will not ask me to secure an affidavit that I did receive the reply which I mentioned.

Mr. KERN. Oh, no; I do not ask the Senator to procure an affidavit. I think he was taking seriously a playful remark

made by a Senator.

Mr. WARREN. I will say seriously in this connection that they certainly have not talked too much to suit me. I would rather have heard more from the other side.

Mr. GALLINGER. Mr. President, if the Senator will permit me the opportunity, I will say that I think it is conceded on both sides of the Chamber that neither our Democratic friends nor the Republicans have unduly delayed the consideration of the bill. The debate has been a legitimate debate, and it has pleased me to have our Democratic friends participate in it to

the extent they have done.
Mr. SIMMONS. Mr. President-

The VICE PRESIDENT. Does the Senator from Wyoming yield to the Senator from North Carolina?

Mr. WARREN. I do.
Mr. SIMMONS. All I desire to say about this matter is that while I agree with the Senator from New Hampshire that the debate has been legitimate on both sides, I do think that our Republican friends have shown a good deal of inconsistency in their statements.

Mr. WARREN. I should think—— Mr. SIMMONS. Pardon me a minute. At one time they twit us with consuming more time in the discussion than they have consumed, and they produce statements made up from the RECORD to show that we have consumed a good deal of the time that has been taken in the debate. At another time they twit us with a conspiracy of silence. I have not been able to deter-mine whether the other side of the Chamber meant to charge us with talking too much or with talking too little.

Mr. GALLINGER. If the Senator will permit me, the conspiracy of silence suggestion came from me when the Senator from North Carolina solemnly stated to the Senate that the other side of the Chamber had concluded not to talk, and I regretted that they appeared to have entered into an arrange-

ment of that kind.

Mr. STONE. I think we are talking to very little purpose

now, Mr. President.
Mr. SIMMONS. If that had been the only time when the Senator from New Hampshire used that expression it might have been pardonable, because I did state on that occasion that we were so anxious to make headway that day we had not talked, although some Senators on this side had desired to But that was not the first time we had heard from the other side the suggestion that there was a conspiracy of silence on this side, followed by the suggestion that we are taking up more time than the other side.

May I ask the Senator from North Carolina, Mr. WARREN. would be not think a great deal less of us on this side if from his standpoint we were not inconsistent with the views he has

expressed during this tariff debate?

Mr. SIMMONS. I would think that the Republican Party was not consistent; I would think the Republican Party had changed its spots.

Mr. WARREN. That is a frank concession perhaps. I want to ask one question, however, before the Senator leaves the floor. Does the Senator think that either side of this Chamber has been guilty of any filibustering on the tariff bill?

Mr. SIMMONS. I have stated repeatedly that I had made no such charge as that.

Mr. WARREN. I thank the Senator, because that has been charged, I think.

Mr. THOMAS. Mr. President—
The VICE PRESIDENT. Does the Senator from Wyoming yield to the Senator from Colorado?

Mr. WARREN. With pleasure.

Mr. THOMAS. I promise not to interrupt the Senator again; but I should like to inquire whether the Senator's view of public duty contemplates that Senators should carry out in legislation the pledges and promises of their party platform?

Mr. WARREN. Mr. President, I think they should; and I was just about to proceed along a line that will give my views

and an answer to the Senator's question.

Mr. THOMAS. I merely wanted to ascertain whether that

was the Senator's view.

Mr. WARREN. Mr. President, the Democratic national convention, held at Baltimore in 1912, declared in its platform the following:

We recognize that our system of tariff taxation is intimately connected with the business of the country, and we favor the ultimate attainment of the principles we advocate by legislation that will not injure or destroy legitimate industry.

Mr. President, wool growing is a legitimate industry; perhaps none more so in this world.

The Democratic candidate for the presidency, Mr. Wilson, an-

nounced in his speech at Pittsburgh:

The Democratic Party does not propose free trade or anything approaching free trade. It proposes merely a reconsideration of the tariff schedules, such as will adjust them to the actual business conditions and interests of the country.

But, Mr. President, the Democratic Party does propose absolute free trade for wool-a farmer's product of great impor-It not only approaches free trade, but actually and immediately accomplishes it so far as the farmer's finished product, wool, is concerned.

DEMOCRATIC ANTE-ELECTION PLEDGES BROKEN.

And thus are the ante-election pledges of party and presidential candidate broken, and the farmers-the flower of American

citizenship—outrageously sinned against.

The Senator from Mississippi [Mr. Williams], a frank, outspoken, and prominent member of the Finance Committee which has charge of the tariff bill now before us, maintains stoutly that he does not claim the purpose of the bill to be, throughout, a tariff for revenue only. He says:

Any tariff bill must necessarily, confronted with the conditions with which we are now confronted, involve a certain degree of protection,

And yet, Mr. President, the dominant party has selected for absolute slaughter the woolgrowing industry, and does not propose to let it down gradually by a partial removal of the

The wool industry is a highly protected one, and the men engaged in it are in the class which the Senator from Mississippi aptly described as those "who have been put by the Government in a position where they must be ruined or else gradually permitted to come down," and surely should be counted among those whom he would "let down gradually" if he would not kill them.

The Government not only provides protection in the way of a tariff, but on the other side of the equation it charges the flockmaster an extortionate price for grazing in the National forests and upon the public domain, and thus absorbs a great percentage of the returns. This proposed tariff law does not relieve the woolgrower from this grazing burden.

The distinguished junior Senator from Georgia [Mr. SMITH],

in speaking of the farmer, says:

I admit that the reduction on the things that he buys has not gone as far as I want it to go. I am perfectly frank about that. But our industries have purchased their machinery in markets that have added 50 per cent in many instances to a fair price for the machinery. We have cut that one-half. I hope it will be cut again before a great while. I hope that we will really bring the entire tariff to a revenue basis in the course of time.

Again, the Senator from Georgia says:

I have recognized existing conditions. I have felt that we could not afford to go as far as I would like to see the law go, lest serious injury would affect those industries in view of the position they have occupied in the past.

Still further, the Senator from Georgia says:

You could not levy a tax on a commodity produced here for revenue purposes only that might not bring some incidental protection. You could not levy a tax here the sole object of which was revenue on certain classes of goods that would not in a measure incidentally produce protection.

The Senator from Georgia speaks wisely, and I commend him. He would permit at least incidental protection, because some industries have purchased their machinery, and so forth, in protected markets, and this "would affect those industries in view

of the position they have occupied in the past."

Following this theory the woolgrower is clearly subject to the exceptions that the Senator from Georgia would make, for his plant and everything he has in the business has been pur-

chased in a protected market.

Wool has been continuously on the dutiable list since 1816, excepting the three or four years under the Wilson-Gorman Act. Hence American-grown wool has been protected more or less throughout over 95 years of the life of the Republic, while the manufactures of wool have been protected for 124 years. American people are the greatest consumers of wool per capita in the world, and during these years the Government has received large revenues in the way of duties upon imported wool, the difference between the amount grown here and the amount manufactured.

Although the tariff on wool has been changed nearly a score of times during the period named, nevertheless wool has been dutiable under the administration and management of all political parties which have controlled our Government during the past almost 100 years.

Indeed, the Confederacy during its reign in the South also gave its adherence to a protective tariff on wool.

WOOLGROWING ANCIENT AND HONORABLE INDUSTRY,

The woolgrowing industry has always been deemed not only an ancient but one of the most honorable of all avocations; yet it is to be stricken down, notwithstanding the promises and assertions made from highest authority in the Democratic Party that while reduction in duties must be made, free trade or anything approaching free trade would not be proposed. An attempt is sometimes made to justify this slaughter by the weak insinuation that woolgrowing is not a legitimate industry. Well, if not, why not? As to honor and legitimacy, there is not a flaw. It is an industry in which a man can succeed only by the sweat of his fac, hard labor, close economy, and industrious application of all of his faculties, mental and physical. No trusts nor combinations in woolgrowing. No watered stock nor paper profits to be imposed upon the public. Only hard, close "digging," seven long days in every week of every month in every year.

No millionaires or even semimillionaires are counted among flockmasters who have accumulated their fortunes in sheep raising and woolgrowing alone, although many, many men have turned all or a portion of their incomes from other sources

into the development of the industry.

The wool industry, Mr. President, dates back to the days of Adam and the world's creation. The Bible makes many references to the industry, and always in commendation of it. Some of the most beautiful psalms and metaphorical and parabolical allusions in the Bible are based upon sheep, shepherds, and wool. "The Lord is my shepherd, I shall not want," introduces one of the most beautiful series of verses in the world's literature. The Book of Genesis tells us that the younger son of Adam, "Abel was a keeper of sheep." Cain, his elder brother, wickedly slew Abel after a colloquy over the firstlings of his wickedly slew Abel after a colloquy over the firstings of file flock. Has it now come to pass that the Democratic Party, our older and stronger brother, is to slay us, the Republican Party, because we would protect the flockmaster? And will the end be as of old, that the countenance of the Lord shall be turned away from the slayer because of cruelty to the slain? We shall, of course, be duly and surely advised of this in time probably in the two even-numbered years next following the present year, 1913.

Mr. STONE. Mr. President, will my friend permit me? The Senator makes this Scriptural quotation: "The Lord is my shepherd; I shall not want." It seems to me that he perverts the real meaning of that text and misuses it. The Senator should have paraphrased the text and said something like this: "A high protective tariff is my shepherd, and, so long as it prevails, I shall not want." [Laughter.]

Mr. WARREN. I wish the Senator might go on with his interpretation of the Bible in that same strain.

Mr. MARTINE of New Jersey. Mr. President—
The PRESIDING OFFICER (Mr. Lea in the chair). Does the Senator from Wyoming yield to the Senator from New Jersey?

Mr. WARREN. I do.
Mr. MARTINE of New Jersey. I have heard the distinguished Senator from Wyoming designated as "the greatest shepherd since the days of Father Abraham." I suppose we should pay homage to him and hope to gain our aid and succorrevising the Biblical quotation for these latter days-from the shepherd of to-day, the shepherd from Wyoming.

Mr. WARREN. Do I still have the Senator's love, coopera-

tion, confidence, and respect?

Mr. MARTINE of New Jersey. Indeed, the Senator always has my respect. A man who can command so magnificent a personal presence, and a man who by his genius has been able to gather around him such a colossal herd as he now has roaming the plains of the western part of our country, indeed will command the respect of almost every one of his fellow citizens.

Mr. WARREN. The Senator from New Jersey always carries out the teachings of the Bible. I congratulate and thank

Christopher Columbus brought sheep over with him in his second voyage of discovery, and we have ransacked the world ever since to obtain different strains for importation and improvement.

Has it, then, remained for this day and date and for our friends on the other side, the Democrats, to uncover the illegiti-macy of this venerable and honorable industry? If so, why? How? With what proof?

GROWTH OF SHEEP AND WOOL INDUSTRY.

Sometimes it is said by the uninformed and the "opposed-ongeneral-principles" that the industry is dying out; that the numbers of sheep are decreasing, and so forth.

As to the number of sheep in the United States, we of course consult the census reports, investigations by the Department of Agriculture, market reports where wool and mutton are sold, and such other publications as are authentic.

A free-wool exponent, on the Senate floor a few days since, stated, with seeming indifference, perhaps, that in 1900 there were in the United States 61,503,713 sheep, while in 1910 there were only 52,447,861. These figures he perhaps took from the United States census report, but he did not take the pains to add the explanation given officially in that report immediately after the figures, as follows:

The total number of sheep reported as on farms and ranges on April 15. 1910, was 52,448,000, as compared with 61,604,000 on June 1, 1900, a decrease of 9,056,000, or 14.7 per cent. This decrease, however, is due partly to the change in the date of enumeration. Many lambs are born during the interval between April 15 and June 1. Furthermore, on many ranches in the West the lambs are not definitely

counted so early in the year as April 15, and it seems likely that in some such cases ranchmen failed to make any estimate of the lambs.

In view of the fact that, even after making necessary allowances, as discussed below, the number of ewes 1 year of age or over on June 1, 1911, was probably less than 1,000,000 short of the number on the same date in 1900, it seems likely that if the enumeration of 1910 had been made as of June 1 there would have been nearly as many lambs less than 1 year old as were reported 10 years before. * * * The number of ewes was reported in 1910 as 31,934,000 and in 1900 as 31,858,000, there being thus nominally a slight increase.

It is admitted both by the Department of Agriculture and the Census Bureau that errors may creep into the annual computation of the number of sheep in the country from the very nature of things, prepared as they are by different persons under dif-ferent administrations and under different rules and regulations, like the instance just cited, wherein one census was taken in April before the lambing season and the other one in June after the lambing season, it being well understood that nearly all of the lambs in the woolgrowing section are dropped during the months of April and May

Relating to this, I submit the following letter from the De-

partment of Agriculture:

UNITED STATES DEPARTMENT OF AGRICULTURE,
BUREAU OF STATISTICS,
Washington, D. C., August 18, 1913.

Bureau of Statistics, Washington, D. C., August 18, 1913.

Hon. Feancis E. Warren, United States Senate.

Sir: I have been requested by your secretary to explain how the figures relating to the number and value of sheep on farms in the United States, appearing on pages 691-692 of the 1912 Yearbook of the Department of Agriculture, were obtained.

The bases of the figures relating to numbers are the census returns as published on page 677 of the Yearbook. The Department of Agriculture's figures are estimates, not enumerations. Starting with any census year as a base, it estimates the percentage of increase or decrease in each succeeding year. Such percentages are obtained from voluntary correspondents and field agents of the Bureau of Statistics. Whenever a new census is taken the new census figures are adopted as a base for applying such percentages; there is, therefore, a readjustment every 10 years. In making the readjustments in 1901 and 1911 the census figures, which included lambs with sheep, were used as the base. The earlier census figures, I believe, did not include lambs.

The values per head are obtained by combining the average price per head of sheep under 1 year old, of ewes 1 year old and over, and of rams and wethers 1 year old and over, the relative importance of each class being considered in the combination. The estimates of average value per head are obtained from voluntary correspondents and field agents of the Bureau of Statistics.

NAT C. Murray, Acting Chief of Bureau.

NAT C. MURRAY, Acting Chief of Bureau.

That accounts for the great jump from 1901 and 1902, because before that time the annual crop of lamps was not counted, while after that time it was counted.

The Department of Commerce reports the following regard-

ing the matter:

DEPARTMENT OF COMMERCE, BUREAU OF STATISTICS, Washington, August 20, 1913.

Department of Commerce,
Bureau of Statistics,
Washington, August 20, 1913.

Hon. Francis E. Warren,
United States Senate, Washington, D. C.

My Dear Senator: Complying with the request made by your secretary, I take pleasure in furnishing you with a statement pertaining to the comparability of statistics pertaining to sheep for 1910 and 1900. The reports of the Census Bureau show that the total number of sheep reported as on farms and ranges on April 15, 1910, was 52,448,000, as compared with 61,504,000 on June 1, 1900, a decrease of 9,056,000, or 14.7 per cent. This decrease, however, is largely due to the change in the date of enumeration. In 1900 a law enacted by Congress provided for the ecusus of 1910 specified that the date of enumeration should be as of April 15. Any person acquainted with the live-stock industry would immediately notice the difference in date and be satisfied in their own mind that inasmuch as many lambs are born during the interval between April 15 and June 1 a large part of the decrease must be definitely charged to the fact that most of the spring lambs had not yet been born. If we eliminate from consideration lambs at both censuses, we find that the number of ewes reported in 1910 is 31,353,000 and in 1900 is 31,558,000, there being thus, nominally, a slight increase. It is very likely, however, that between April 15 and June 1 a considerable number of these ewes would have died or would have been sold. It is practically impossible to estimate the number which would thus have disappeared. It is also necessary to call attention to the fact that because of the change in date a slight change was made in the classification at the two censuses. This would practically result in further slight decreases, but it is clear that the decreases during the decade must have been comparatively small.

In the case of rams and wethers the statistics show that 7,995,000 were reported in 1900, as compared with 7,710,000 in 1910, thus shower, the number of classification been the same at the two censuse

Expert Special Agent, in Charge of Division of Agriculture.

Therefore a slight decrease, and only a slight one, occurred

But, Mr. President, there are far better and more practical ways to obtain the facts relative to the importance and value of the sheep industry: First, by accounting for the wool product, which is all duly weighed and goes into consumption; and second, by the statistics showing the amount of mutton shipped to market.

The total clip of wool in the States in 1912 was 304,043,400

There have been only six years during the entire history of our country's wool production in which the amount shown by these figures has been reached, and two of these years immediately preceded 1912.

The largest clip ever produced was in 1909, which amounted

to 328,110,749 pounds.

I submit herewith, Mr. President, the following figures taken from Government statistical reports, to show the increased growth of the wool crop and its increasing value from 1899 to date:

Some comparisons in scool production.

Wool produced in 1899pounds Value	276, 568, 000 \$45, 670, 000
Wool produced in 1909pounds	
Wool produced in 1912pounds	
Value         National Production         1899 to 1909         Per cent           Increase in value         1899 to 1909         do         do           Increase in value         1909 to 1912         do         do           Increase in value         1909 to 1912         do         do           Increase in production         1899 to 1912         do         do           Increase in value         1899 to 1912         do         do	4.6
Andrews in Turne, above to available in the second	The second secon

Figures for 1899 and 1909, Statistical Abstract 1912 (p. 164). Figures for 1912, Statistical Abstract (p. 162).

RISE AND FALL IN NUMBERS OF SHEEP.

To students of the sheep industry the annual counts of sheep and of the wool and mutton product, taken together, have demonstrated very clearly that the number of sheep and the wool product diminish under an inadequate tariff, real or threatened. In all cases where the tariff has been reduced the numbers have decreased, although in some instances in years when sheep have decreased in numbers the wool has increased in volume, the reason for this being that after the flockmasters have sheared their sheep, if an undue number are then sent to the shambles, there is added to the regular wool clip the pulled wool from the skins of the slaughtered animals—the later growth of the same year.

For instance, the number of sheep reached the highest point ever known, up to that time, on January 1, 1884-50,626,626; but it is significant that although the count was more than a million higher on January 1, 1884, than on January 1, 1883, yet the total value in 1884 was over five and a half million dollars

lower than the total value in 1883.

Looking at the total yield of wool in 1884-85, we find that the amount reached 308,000,000 pounds, which was also a higher figure than ever reached before that time or in any year after that time until 1895, and, with that one exception, higher than any year up to 1902. The reason of this was that in 1883 any year up to 1902. The reason of this was that in 1883 legislation was enacted, which went into effect in 1884, reducing the tariff on wool materially. The number of sheep immediately commenced receding until, in 1889, the shrinkage amounted to over 8,000,000 head, and the total wool product shrank 43,000,000 pounds, or to a total of 265,000,000 pounds.

Proceeding to the next high mark in wool, which occurred in 1893, we find that sheep had increased to 47,273,553 head, and the value had increased from \$90,500,000 to \$126,000,000, and the wool had risen in volume to 303,153,000 pounds, this following legislation reducing the tariff. In 1894 wool was made free, and the sliding downward again proceeded until, in the beginning of 1897, sheep had decreased in numbers to

36,818,543, worth but \$67,020,942.

Then came the return of protection to wool and woolens, and the number of sheep increased from less than 37,000,000, worth only about \$67,000,000, with a wool product of only 259,153,251 pounds, in 1807, to nearly 60,000,000 sheep, worth over \$200,000,000, yielding over 300,000,000 pounds of wool and up to as high as 323,000,000 pounds, during the undisturbed, unthreatened existence of the Dingley tariff act.

It is true that after the election of 1910 the Democratic control of the House of Representatives and the introduction of bills there for the reduction of the tariff took place, the number of sheep and the quantity of the wool clip decreased to some extent, although this decrease was not all due to the reasons I have just given, but partially due to two dry summers and an exceedingly hard winter—the worst one in the history of the plains country in a number of the western heavy wool-producing States.

Mr. WALSH. Mr. President—
The PRESIDING OFFICER. Does the Senator from Wyoming yield to the Senator from Montana?

Mr. WARREN. I do. Mr. WALSH. Will not the distinguished Senator from Wyoming add to the causes enumerated the absorption of the range by settlers?

Mr. WARREN. That is entirely true as to certain localities. will add it.

Mr. WALSH. Will not the Senator agree, also, that as a matter of fact it is the prime cause of the reduction in the last

three years?

Mr. WARREN. I will agree to that as to one or two States, or possibly three; but in some of the other States they have increased, and would have increased more except for what I have already stated.

Mr. WALSH. Will the Senator indicate to us some western

State in which that condition has not been operative?

Mr. WARREN. I will instance my own State, which has vibrated both ways. Owing to one of the reasons I have given, the hard winter, our sheep greatly decreased, as did also the settlement of the country. In the meantime, however, the wool clip of last year was nearly 3,000,000 pounds more than the year before, showing the partial return in the States that raise less wool. Lands that were not before used for sheep have been turned over to that purpose.

Mr. WALSH. I am interrupting the Senator simply for information. I assumed, as a matter of course, that the settlement of his State was abbreviating the range, and necessarily

reducing the number of sheep.

Mr. WARREN. It is in certain localities, as the Senator has

Mr. WALSH. I should be surprised to learn from the Senator that his State was an exception in that regard.

Mr. WARREN. It is not an exception, as the department states; but I say, as a net result, we had more last year than the year before.

Mr. President, the woolgrowers and wool manufacturers have been sometimes in harmony and often in hostility. After long-continued differences a common ground was arrived at in 1865, which, with some unimportant exceptions, continued until 1883, when the reduction in tariff heretofore mentioned was made and differences occurred between the wool growers and Secretary Hayes, of the Wool Manufacturers' Association. Fairly friendly relationship was restored, however, through the passage of the McKinley bill, having been cemented to some extent, perhaps, by the unfortunate rulings of the Treasury Department a little earlier, during Mr. Cleveland's administration, which both growers and manufacturers considered burdensome and unfair, because such rulings partially nullified the import duties on tops, broken tops, wastes, and so forth, and permitted for a time the importation of these commodities nearly equivalent to that of free wool and free partially manufactured

The distinguished Senator from Montana [Mr. WALSH] in his able speech submitted some figures and conclusions, quoted from the Agricultural Yearbook, showing very considerable shrinkages in the number of sheep during four recent years. I do not charge the Senator with an intention to mislead; but when the figures he quoted are considered in the light of the explanation offered by the Census Bureau, which I have here-tofore quoted, and in the light of the letters from the Department of Agriculture and the Census Bureau, also heretofore quoted, it is clearly seen that, through the changes in time and manner of taking the counts, and because of the growing tendency of the past few years on the part of flockmasters to dispose of all of their wether lambs and many of their ewe lambs in the fall of the year when they are but a few months old and before they are counted for the census, the real situation differs materially from the apparent in that we have maintained almost the full figure in number of sheep of shearing age. And this also accounts for and is proved by the continued large wool clip. In substantiation of this I offer the following:

Some comparisons in sheep numbers, 39, 852, 967 Total sheep______Less lambs 39, 644, 046 In 1912: Total sheep______Less lambs Shearing age_____ __ 38, 481, 000

So the real difference in numbers varies only a trifle over one and a quarter million head.

Value all sheep in 1899	\$170. 2	203. 119
Value all sheep in 1909	232, 8	41, 585
Value all sheep in 1912per cent	181, 1	70, 000
Decrease in value 1899 to 1909 per cent do		36 27
Increase in value 1899 to 1912do		6. 4

See Census Bulletin, Agriculture, p. 22, and Agriculture Yearbook, 1912, pp. 691-692.

Mr. PENROSE. Mr. President, will the Senator permit me at this point to interrogate him?

Mr. WARREN. Certainly.

Mr. PENROSE. Has the Senator any figures showing the number of sheep on the so-called ranges of the West, or in the country, say, west of the Mississippi River, and the smaller flocks east of the Mississippi River, or in the eastern part of the country, on farms?

Mr. WARREN. I have not included that, nor have I it here at hand just now. I have it in mind, however, and at my committee room.

Mr. PENROSE. The idea I had in asking the question was to bring out the thought that the growing of wool is not confined to being a western industry.

Mr. WARREN. Not at all.

Mr. PENROSE. The people of Pennsylvania have a very live interest in woolgrowing; and at one time the county of Washington, I think, led all other counties in the United States in the growing of wool.

Mr. WARREN. That is quite true; and it will astonish a great many people, if they will pick up the statistics, to find that while it goes up and down, a great many States are at times increasing and at others decreasing. I had occasion to go before a meeting of manufacturers to make a speech at one time. At that time I checked up every State in the Union, and there were only two States east of the Mississippi River that had not increased their number of sheep in the two years immediately before the time I made the computation.

Mr. PENROSE. The Senator from North Dakota [Mr. GRONNA] has handed me the figures I had in mind, and I will ask to have them put in the RECORD later on.

Mr. WALSH. Mr. President, I have before me the figures asked for by the Senator from Pennsylvania.

Mr. PENROSE. I have them here. I thank the Senator. Mr. WARREN. Mr. President, I have here a computation made for me by painstaking parties, which I carefully checked at the time and part of which I used in some remarks made in the Senate four years ago. I have added thereto such figures as will bring the computation down to date. At this point in my remarks I ask that the table referred to be inserted.

It is a table giving the history of wool ever since we commenced taking the census in 1840. It gives the production of our domestic wool; the amount, if any, exported; the amount that went into consumption. It also gives the imports and exports of foreign wool, that coming over and that going back. gives the foreign importation retained for consumption, the total wool consumption of the United States, and the percentage used of foreign and of home wool in that consumption.

The table referred to follows.

Table showing United States product, imports, etc., of wool.

WOOL PRODUCED, IMPORTED, EXPORTED, AND RETAINED FOR CONSUMPTION: QUANTITIES, 1840, 1850, 1860, AND FROM 1864 TO 1912.1

Year ended June 30—	Production.	Exports of domestic.	Domestic retained for consumption.	Imports.	Exports of foreign.	Foreign retained for consump- tion.	Total con- sumption, domestic and foreign.	Per cen of con- sump- tion, foreign.
	Pounds.	Pounds.	Pounds.	Pounds.	Pounds.	Pounds.	Pounds.	
340 3	35, 802, 114		35, 802, 114	9, 898, 740	85,528	9,813,212	45,615,326	21.1
850	52, 516, 959	35,898 1,055,928	52, 481, 061	18, 695, 294		18,695,294	71, 176, 355	26.3
860	60, 264, 913	1,055,928	59, 208, 985	26, 282, 955	157,064	26, 125, 891	85,334,876	30.6
164	123,000,000	155,482	122,844,518	91, 250, 114	223,475	91,026,639	213, 871, 157	42.6
65	142,000,000	466,182	141,533,818	44, 420, 375	679, 281	43,741,094	185, 274, 912	23.6
67	155,000,000	973,075 307,418	154,026,925 159,692,582	71, 287, 988 38, 158, 382	852,045	70, 435, 943	224, 462, 868	31.0
68	168,000,000	558, 435	167, 441, 565	25, 467, 336	619, 614 2, 801, 852	37,538,768	197, 231, 350	19.0
89	180,000,000	444,387	179, 555, 613	39, 275, 928	342,417	22, 665, 484 38, 933, 509	190, 107, 049 218, 489, 122	11.
70	162,000,000	152, 892	.161, 847, 108	49, 230, 199	1,710,053	47,520,146	209, 367, 254	22
71	160,000,000	25, 195	159, 974, 805	68, 058, 028	1,305,311	66, 752, 717	226, 727, 522	29.
72	150,000,000	140,515	149, 859, 485	126, 507, 409	2,343,937	124, 163, 472	274, 022, 957	45.
73	158,000,000	75, 129	157, 924, 871	85, 496, 049	7,040,386	78, 455, 663	236, 380, 534	33.3
74	170,000,000	319,600	169, 680, 400	42, 939, 541	6, 816, 157	36, 123, 384	205, 803, 784	17.
ff5	181,000,000	178,034	180, 821, 956	54, 901, 760	3,567,627	51, 334, 133	232, 156, 099	22.
76	192,000,000	104,768	191,895,232	44, 642, 836	1,518,426	43, 124, 410	235, 019, 642	18.
77	200,000,000	79,599	199, 920, 401	42, 171, 192	3,088,957	39,082,235	239, 002, 636	16.
78	208, 250, 000	347,854	207, 902, 146	48, 449, 079	5, 952, 221	42, 496, 858	250, 399, 004	16.
70	211,000,000	60,784	210, 939, 216	39,005,155	4, 104, 616	34,900,539	245, 839, 755	14.
80	232,500,000	191,551	232, 308, 449	128, 131, 747	3,648,520	124, 483, 227	356, 791, 676	34.
8I,	240,000,000	71,455	239, 928, 545	55, 964, 236	5,507,534	50, 456, 702	290, 385, 247	17.
82	272,000,000	116, 179	271, 883, 821	67,861,744	3, 831, 836	64,029,908	335, 913, 729	19.
883	290,000,000	64, 474	289, 935, 526	70, 575, 478	4,010,043	66, 565, 435	356, 500, 961	18.
84	300,000,000	10,393	299, 989, 607	78, 350, 651	2,304,701	76,045,950	376, 035, 557	20.
85	308,000,000	88,006	307,911,994	70, 596, 170	8, 115, 339	67, 480, 831	375, 392, 825	18.
86	302,000,000	147,023	301, 852, 977	129, 084, 958	6, 534, 426	122, 550, 532	424, 403, 609	28.
87	285,000,000	257,940	284, 742, 060	114, 038, 030	6,728,292	107, 309, 738	392,051,798	27.
88	269, 000, 000	22,164	268, 977, 836	113, 558, 753	4,359,731	109, 199, 022	378, 176, 858	28.
89	265,000,000	141,576	264, 858, 424	126, 487, 729	3, 263, 094	123, 224, 635	388,083,059	31.
90	276,000,000	231,042	275, 768, 958	105, 431, 285	3, 288, 467	102, 142, 818	377,911,776	27.
9192	285,000,000	291, 922 202, 456	284, 708, 078 293, 797, 544	129, 303, 648 148, 670, 652	2,638,123 3,007,563	126, 665, 525 145, 663, 089	411,373,603 439,460,633	30.
93	303, 153, 000	91,858	303, 061, 142	172, 433, 838	4,218,637	168, 215, 201	471, 276, 343	35.
94	298, 057, 384	520, 247	297, 537, 137	55, 152, 585	5,977,407	49, 175, 178	346, 712, 315	14.
95	309,748,000	4,279,109	805, 468, 891	206,033,906	2,343,081	203,690,825	509, 159, 716	40.
96	272, 474, 708	6,945,981	265, 528, 727	230, 911, 473	6,026,236	224,885,237	490, 413, 964	45.
97	259, 153, 251	5,271,535	253,881,716	350, 852, 026	3, 427, 834	347, 424, 192	601, 305, 908	57.
08	266, 720, 684	121,139	266, 599, 545	132, 795, 202	2, 504, 832	130, 290, 370	396, 889, 915	32.
99	272, 191, 330	1.683,419	270, 507, 911	76,736,209	12,411,916	64, 324, 293	334, 832, 204	19.
000	288, 636, 621	2,200,309	286, 436, 312	155, 928, 455	5, 702, 251	150, 226, 204	436, 662, 516	34.
01	302, 502, 328	199,565	302, 802, 763	103, 583, 505	3,590,502	99,993,003	402, 295, 766	24.
02	316, 341, 032	123, 278	316, 217, 754	166, 576, 966	3, 104, 663	163, 472, 303	479, 690, 057	34.
03	287, 450, 000	518,919	286, 931, 081	177, 137, 796	2,992,995	174, 144, 801	461,075,882	37.
04	291,783,032	319,750	291, 463, 282	173, 742, 834	2,863,053	170, 879, 781	462, 343, 063	37.
905	295, 488, 438	123, 951	295, 364, 487	249, 135, 746	2,437,697	246, 698, 049	542, 062, 536	45.
306	298, 915, 130	192, 481	298, 722, 649	201, 688, 668	5, 450, 378	196, 238, 290	494, 960, 939	39.
907	298, 294, 750	214,840	298, 079, 910	203,847,545	3,231,908	200, 615, 637	498, 695, 547	40.
908	311, 138, 321	182,458	310, 955, 863	125, 980, 524	5,684,357	120, 296, 167	431, 252, 030	27.
909	328, 110, 749	28,376 47,520	328, 082, 373	266, 409, 304	3,495,599	262,913,705	590, 996, 078	44.
910	321, 362, 750	47,520	321, 315, 230	263, 928, 232	4,007,953	259, 920, 279	581, 235, 509	44.
911	318, 547, 900		318, 547, 900	137, 647, 641	8, 205, 699	129, 441, 942	447, 989, 842	28.
012	304,043,400		304, 043, 400	193, 400, 713	1,719,870	191,680,843	495, 724, 243	38.

Does not include data with respect to commerce between the United States and its insular possessions after June 30, 1900.
From estimates of the Department of Agriculture prior to 1896; from 1896 to date estimated by the secretary of the National Association of Wool Manufacturers. Year ended Sept. 30.

Table showing number and value of sheep in the United States. [Sheep not enumerated prior to 1840.]

January 1—	Number.	Value.
840	. 19, 311, 374	
	04 880 000	
850		
1860		
1867	. 39,385,386	**********
1868	. 38,991,912	\$98,407,80
1869		82, 139, 97
870		93, 364, 43
871		74, 035, 83
1872		88, 771, 19
1873		97, 922, 35
	00 000 000	88,690,56
1874		
1875		94, 320, 65
1876	35,935,300	93,666,31
1877	35, 804, 200	80,892,68
1878	. 35,740,500	80,603,06
1879	38, 123, 800	79,023,98
1880		90, 230, 53
		104,070,75
		106, 594, 95
1882		
1883		124, 365, 83
884	. 50, 626, 626	119, 902, 70
1885	50, 360, 243	107, 960, 65
1886	48, 322, 331	92, 443, 86
1887		89, 872, 83
1888		89, 279, 92
1880		90, 640, 36
1890		100, 659, 76
		108, 397, 44
891		110,001,44
892		116, 121, 29
.893		125, 909, 26
.894	45,048,017	89, 186, 11
895	. 42, 294, 064	66, 685, 76
896		65, 167, 73
897		67,020,94
898		92, 721, 13
899		107, 697, 53
900		122, 665, 91
		178, 072, 47
901	. 59,756,718	
902		164, 446, 09
903		168, 315, 75
904	. 51, 630, 144	133, 530, 09
905	45, 170, 423	127, 331, 85
906		179, 056, 14
907		204, 210, 12
908		211, 736, 00
		192, 632, 00
906		
910		233, 664, 00
911	. 53, 633, 000	209, 535, 00
912		181, 170, 00
913	. 51, 482, 000	202, 779, 00

The jump in numbers from 1900 to 1901, 1902, and 1903 was on account of adding the lambs to the count of sheep of shearing age.

THE MUTTON PRODUCT.

The Senator from Montana [Mr. WALSH] submitted some statements and figures relating to the mutton product, as fol-

Our sheep have been going, in numbers increasing annually, to the slaughtering pens, the Crop Reporter for February, 1913, giving the following numbers absorbed by the principal stock markets. In—

Tought in the state of the beamsher proces managed	
1909	10, 284, 905
1910	12, 406, 767
1911	13, 556, 108
1912	13, 743, 843

As stated earlier in my remarks, the tendency of late years on the part of flockmasters has been to ship their surplus stock at an earlier age than formerly, and hence lambs are sent to the slaughtering pens at the end of their first summer. the large losses from wintering lambs are avoided, and the product actually delivered in numbers to market can be substantially increased without really weakening the breeding and wool-producing flocks.

And so this increase of over 30 per cent in shipments to market during the last four years has not decreased in any like proportion the number of sheep of shearing age or the annual wool product. It simply shows that we are raising proportionately more lambs.

Apropos the quotation referring to the slaughtering pens, the records show that during the last 30 years the United States has, like England and some other countries, become a great consumer of mutton.

Mutton is not only one of the most healthful and palatable of foods, but its supply and consumption have greatly assisted in maintaining our meat supply so necessary to the creation and preservation of the brain and brawn of our citizens.

Except for the large mutton supply, the price of cattle and hog products would undoubtedly have been far and away in excess of even the present prices.

History informs us that in this vicinity and nearby, in early times, when a slave owner hired out his slaves under contract it was quite usual for the bond or contract to stipulate that such slaves during their period of employment should not be

compelled to eat terrapin or canvasback duck more than twice in any one week. With terrapin now costing from \$1 to \$2.50 per portion and canvasback duck from \$2.50 to \$5 apiece, difference in prices because of a great increase in population and a decrease in meat supply is painfully evident.

Mr. President, shall we crush out our sheep growers with a free-trade policy, and when they have ceased their efforts and engaged in other pursuits shall we depend upon foreign shipments of frozen meat at terrapin and canvasback duck prices? It is true that we did not in time properly protect the sea food and fowl just mentioned, but it is also true that we are now endeavoring to cover up lost ground by the establishment of Government terrapin farms, as instanced by those in Maine and Carolina, and by suitable game laws as to the wild game

In order to be altogether independent of foreign powers in war and peace, we must depend upon home production of wool. Wool, a contraband, is almost as necessary to our soldiers and citizens as are guns, powder, and bullets, and we should be indeed lost without it in a long-continued struggle in our northern climes.

NONE BENEFITED BY FREE WOOL.

Mr. President, if I were convinced that a majority of this Congress honestly believe that placing wool on the free list of this proposed law will be for the best interests of this country; if I were convinced that the majority honestly believe that the people will get better clothing, or as good clothing at a substantially lower cost, than they have been getting under the present tariff, I would acquiesce in the change without a protest, for I am willing, as I think every man is who reveres law and order, to undergo personal sacrifices if thereby the welfare of the many may be promoted.

But I am satisfied that no one will receive any substantial benefits from placing wool on the free list, for we have before us the examples of the removal of the tariff from coffee and from hides; the one, coffee, many years ago, and coffee has steadily gone higher and is higher now than ever before; and, later on, hides, which gave us no cheaper leather or shoes. These facts are notorious, and are examples of what we may expect.

A reasonable and substantial reduction in the tariff rates on wool and wool manufactures could be made without driving to the wall either industry. But I submit that this invidious dis-tinction of singling out wool alone to reduce immediately from high tariff rate to no tariff rate at all seems to me most uncalledfor, cruel, and unwise.

Indeed, it looks to me like tariff for politics only instead of tariff for revenue only.

Mr. PITTMAN. Mr. President—
The PRESIDING OFFICER. Does the Senator from Wyom-

ing yield to the Senator from Nevada?

Mr. WARREN. I do. Mr. PITTMAN. I should like to understand the Senator with regard to his illustration of free hides. Do I understand him to draw the comparison to show that free wool will not reduce the price of raw wool?

Mr. WARREN. I did not make that observation. The object, I understand, if any, in reducing the tariff is to relieve the consumer. Am I right about that?

Mr. PITTMAN. Yes, sir.

Mr. WARREN. Very well. I contend that it will not relieve

the consumer, the wearer of clothes, in any great degree. There is no more reason to expect it than there was that the removal of the tariff on hides would reduce the price of shoes. We tried that experiment.

Mr. PITTMAN. Did the removal of the tariff on hides reduce the price of hides?

Mr. WARREN. Did it?

Mr. PITTMAN. Yes. I am asking that question of the Sen-

Mr. WARREN. Immediately when the duty was removed, foreign countries—that is, Argentina—in fact, before the bill was signed, effected one rise in price. After it was signed they made another, which nearly absorbed the difference. Later on, of course, the price of hides receded. But from causes upon which the raw material has but little effect, shoe manufacturers have not been able to lower, at least they have not lowered, their

Mr. PITTMAN. The question I ask is, Has the reduction of the tariff on hides generally reduced the price of hides?

Mr. WARREN. It did finally.
Mr. PITTMAN. It has finally reduced it?

Yes; if the Senator wishes to draw the com-Mr. WARREN. parison as to whether this will reduce the price of wool to the grower, there is no question but that it will very materially reduce it to the grower, but in my judgment there is no question as to the wearers of clothes that they will pay practically the same prices, because the raw wool that goes into a suit of clothes is so infinitesimal, the amount of the tariff is so small that it will cut no figure. It will be absorbed after the woolgrower, and between him and the consumer, the same as to all other commodities from which we have removed the tariff, such as coffee, hides, and so forth.

Now, if it so be that the American people go out of the raising of wool and we are dependent upon a foreign market, we may expect, perhaps, as high prices again, or probably higher prices upon wool and mutton eventually after our flocks are gone and

our flockmasters engaged in other pursuits.

Mr. SMOOT. Mr. President-

The PRESIDING OFFICER. Does the Senator from Wyoming yield to the Senator from Utah?

Mr. WARREN. I do. Mr. SMOOT. The question whether the ultimate consumer will receive cheaper clothing or not I think can be answered by a statement which was made by the Senator from Nevada [Mr. PITTMAN] yesterday. In his speech upon wool yesterday he called the attention of the Senate to the fact that the price of scoured wool in this country upon a certain day was 42 cents, as I remember, and in England it was 46 cents.

Mr. PITTMAN. No, that is a mistake.
Mr. SMOOT. Making a difference of 4 cents on scoured wool. Mr. PITTMAN. I wish to correct the Senator. I said that the average cost at a certain period of time in England was about 42 cents while the average cost in this country of various grades of wool was approximately 48 cents.

Mr. SMOOT. That is just as good a statement for me in

order to make a comparison on.

Mr. PITTMAN. Except that the Senator had it just reversed.

Mr. SMOOT. I reversed the figures.

Mr. President, the Senator says that there is a difference of only 5 cents on the average price of scoured wool in England and It takes of scoured wool to make a suit of the United States. clothes li ; any of us have on not to exceed 31 pounds. Three and one-half pounds at 5 cents, which the Senator names, makes a difference of 172 cents upon a suit of clothes. Does the Senator believe that the ultimate consumer is going to get that 172 cents? The wholesaler sells perhaps a \$20 suit of clothes for \$11. Does the Senator believe that the retailer is going to sell that \$20 suit of clothes for \$19.821? He never will do it. The price will be \$20 for the suit of clothes.

Mr. WARREN. I have some figures which I have not reached; I shall reach them soon, but I do not wish to cut off other Sen-

ators.

May I answer the Senator from Utah? Mr. PITTMAN.

Mr. WARREN.

Certainly.

The Republican Party have been contending Mr. PITTMAN. that the manufacturer had to pay the woolgrower the extra amount of the duty, and therefore he has retained that much extra duty on his manufactured article, thereby adding to his manufactured article. In selling it to the wholesaler he has figured it in the price to the wholesaler, and the wholesaler has figured that in the price to the retailer, and the retailer has figured that in the price to his customer.

Mr. SMOOT. Mr. President, there is where the Senator is

mistaken.

Mr. PITTMAN. But wait a minute. If there is a difference of only 5 cents in the price of scoured wool in England and in this country, then it goes to show that this country does not need any protection on raw wool.

I want the Senator to understand that the figures I have here do not correspond with the figures he quoted

I am answering the Senator's argument. Mr. PITTMAN. And one other thing. No matter whether it amounts to 5 cents a suit or \$5 a suit, there is no legitimate reason why the consumer should be required to pay even 5 cents more than the legitimate cost of an article for the purpose of delivering

a bonus to anyone else.

Mr. SMOOT. What I wish to say, Mr. President, is that neither the Senator from Nevada nor anyone else nor Congress can regulate the charges of the retailer to the ultimate con-The great trouble is with the costly distribution of goods in this country. It is not with the raiser of the wool; it is not with the manufacturer. I tell the Senator now that there is not a manufacturer of woolen goods in this country who would not be delighted to run his mill from one year's end to the other if he could make from 5 to 7½ cents a pound upon those goods. At 5 cents a yard, with 3½ yards to a suit, 17½ cents would be his profit upon the suit.

Mr. PITTMAN. Is it not a fact that the more he pays for

the raw wool the more he must have to charge to make that

7½ cents?

Mr. WARREN. I am just going into that very argument, and while I do not wish to cut off anybody else, at a later time in my remarks I should be very glad if the Senator wants to go into it.

Mr. WALSH. Mr. President-

The PRESIDING OFFICER. Does the Senator from Wyoming yield to the Senator from Montana?

Mr. WARREN. I do. Mr. WALSH. With the Senator's permission I should like to ask the Senator a question. I beg to assure him that I am not going to inject an argument into the midst of his interesting address.

Mr. WARREN. I shall be delighted to hear the Senator. Mr. WALSH. The last observation of the Senator from Wyoming, however, excites my very keen interest. It was to the effect, as I understood him, that in the opinion of the Senator a reduction in the duties on wool and woolen goods might very properly be made, but in the opinion of the Senator the reduction that is here made is too drastic; it goes too far.

Mr. WARREN. It is not a matter of reduction at all; it is

a matter of the removal of the duty.

Mr. WALSH. An abolition of the duty. The Senator coupled it with woolen manufacture?

Mr. WARREN. Yes.

Mr. WALSH. I should like to inquire of the Senator when it was that he reached the conclusion that a reduction of the

duties on wool might properly be made. Mr. WARREN. Mr. President, in th Mr. President, in the operation of the ordinary man's brain it seldom comes like a flash of lightning upon him if he should change his opinion. So I do not know that I would be able to state at what time. I simply stated here that undoubtedly, at present with the manufacturers in the status they are, with the improved machinery, and so forth, and with the prices, they could sustain some reduction, both manufacturers and woolgrowers, but a total striking out of the duty on wool at one fell swoop, when we were not given any reason to expect it, and when the Senator's party had never said they intended it in their campaign last fall, is what I am complaining about.

Mr. WALSH. I did not care for any accuracy in point of But as a matter of course I have followed the discussion in which the Senator has often participated upon this schedule with a great deal of interest, and this is the first time, according to my recollection. I have ever heard the Senator advance upon this floor, or ever heard of his having advanced on this floor, the idea that the duties ought to be reduced. Consequently, it was a matter of considerable interest to me. If I labor under

Mr. WARREN. I hope the Senator will not misquote me. What I said was that a reasonable and substantial reduction of the tariff rates on wool could be made without driving to the wall either industry.

Mr. WALSH. Do I understand the Senator to take the position to-day that the duties ought not to be reduced at all?

Mr. WARREN. I do not take that position at all. position now about that except what I have said. The Senator misquoted me, of course, accidentally.

Mr. WALSH. I certainly did not intend to misquote the Senator. I should, however, like clearly to understand the position of the Senator now if he will kindly inform us as to what his attitude is.

Mr. WARREN. Will the Senator vote with me upon a partial rate? Will he vote with me for any tariff on wool? He has formerly supported earnestly a tariff on wool. Has he changed his mind?

Mr. WALSH. I have not any assurance yet as to how the Senator will vote.

Mr. WARREN. I do not know that it is time to announce what I expect might be done on that question until the Senator is ready to say what he would do.

Mr. WALSH. I will say I shall make no bargain with any-

standard?

Mr. WARREN. Well, Mr. President, from his own judgment, if it were not that it is a part of a large number of items in the tariff bill, would the Senator advocate the immediate free-wool

Mr. WALSH. I asked the Senator a question and have not

had any answer yet.

Mr. WARREN. I was trying to get a little information from one of superior judgment, who evidently has changed his mind about what should be the tariff on wool.

I know it is claimed that placing a duty on wool passes the duty up along through the stages of manufacture to the consumer. Well, for the sake of argument, allowing that to be true, what does it signify? And why not the item of protection afforded the farmer, when his portion amounts simply to pennies instead of dollars from each suit of clothes? Why not his small share of only a fraction of a dollar on each ordinary suit of clothes? Why not the farmer, when you protect at every step from the farmer upward, and everybody connected with the wool industry from farm to consumer's back except the grower of the product? The wool is first made into tops, and upon them you have a duty. It then goes into yarns, and there again you have a duty. From there to cloths—under a duty, of course. Then through the dealers' hands, who attach their profit, into the wholesale clothiers' establishments—and they, too, are protected. Then out to the wholesale dealers and retail dealers, all of whom have their profits. Why should the farmer—the one who works the hardest throughout, the most hours, and for the least money—be the only one to have nothing at all in the line of protection for his industry, while the moment the product of his industry leaves his hands it is protected at every turn? And, indeed, he himself, in buying back his own farmgrown wool in the clothing necessary for himself and his family, has all of these duties to pay. Where is the logic? Where is the justice—the decency, even—in such invidious distinction?

I do not inveigh against the manufacturer's protection, but

I do not inveigh against the manufacturer's protection, but against leaving the farmer with no protection at all for his finished product, while his purchase of items with which to produce that product, and for his living expenses, must be made

in a protected market.

The Senator from Georgia [Mr. SMITH] and those who believe with him seem to forget that the woolgrower's investment has been made and that his business is now standing upon the same basis as that of manufacturers and others who have purchased machinery, and so forth, in a protected market. As a matter of fact, the farmer's business is in more need of protection along this line than most of the other industries. Everything which he uses on the farm and about it, and indeed the farm itself, was bought in a protected market. His sheep were bought in a protected market and reared under expenses of labor and supplies, tools, implements, etc., all in the protected market which the Senator mentions.

Thus the woolgrower is most grievously burt and must bear a burden from which manufacturers have been in part relieved by a retention of a part of their protective tariff.

BRIEF HISTORY OF WOOLGROWING.

The history of the woolgrowing industry has been told, written, and published many times, and it is not my intention at this time to go extensively into its details and rehearse what "you, yourselves, do know." It will be neither untimely nor out of place, however, to allude briefly to past events which mark the history of the industry in this country. The latest is the effect the proposed annihilation of protection on wool has had on the industry during the present year.

has had on the industry during the present year.

The wool clip of the State of Wyoming for the present year, estimated conservatively, amounts to over 30,000,000 pounds. The general condition of the wool markets of the world outside the United States should warrant the ready sale of the crop at an average price of 19 cents a pound. But the disruption of trade brought about by the impending elimination of the tariff on wool and woolens has made it impossible to dispose of but a portion of the year's production, and the average price realized has been around 14 cents per pound. The direct loss to the woolgrowers of the State of Wyoming in the one season through this expected legislation is two millions of dollars. The wool clip of the entire country for the present year, conservatively estimated, is 300,000,000 pounds, and the direct loss to the wool-raising farmers of the country in the one year by reason of the free-trade features of this bill as they affect wool, amounts to nearly or quite twenty millions of dollars on wool alone, to say nothing of the tremendous loss in value of sheep, land, and so forth.

This immense sum is lost to the producers, and the sorrow of it is that it will not benefit the consumer. No man nor woman buying a piece of woolen goods to-day can get it any cheaper on account of tariff agitation or prospective free trade, but every pound of wool going into these goods brought the grower 5 to 8 cents a pound less than it would had there been no radical change proposed in the tariff on wool or if the free-trade sword of Damocles had not been hanging over the industry since November last.

The woolgrowing business has been one of paradoxes, in that it has not always been what it seemed. When natural conditions appeared to favor growth and prosperity in the business, it has occasionally languished; and sometimes, though not often, it has improved in the face of adversity. It should have a bright future in store for it; but, regardless of what should be its fate, it may be annihilated and those engaged in it may be forced to follow the advice of Senators who have told the

woolgrowers, as they have told the sugar-cane growers, to get into some other business.

The growth of the woolgrowing business has been marked by many complexities growing out of changing conditions of agriculture in the various sections of the country; the competition of foreign products, and of domestic products also; the climatic extremes which one senson may have been favorable and the next disastrous to the industry; but most of all by the vagaries of the National Legislature in dealing with that product.

The history of our national legislation in relation to wool from the beginning of our present form of government for at least 75 years is a record of almost unexplainable changes in tariff rates.

I submit at this point a table showing the tariff duties on wool from 1789 to 1909.

The tariff duties on wool, 1789-1909.

Date of act of Congress.	Date of tariff.	Rates of duty.		
July 4,1789 Apr. 27,1816 May 22,1824	July 4,1789 July 1,1816 July 1,1824	Free. 15 per cent ad valorem. Value not exceeding 10 cents a pound, 15 per cent; value exceeding 10 cents a pound, 20 per cent; after June 1, 1825, 25 per cent; after June 1, 1825, 30 per		
May 19,1828	July 1,1828	cent. 4 cents a pound and 40 per cent, the ad valorem rate to be 45 per cent from July 1, 1829, and 50 per cent		
July 14, 1832	Mar. 3,1833	from July 1, 1830.  Value not over 8 cents a pound, free; value over 8 cents a pound, 4 cents a pound and 40 per cent ad		
Mar. 2,1833	Jan. 1,1834	valorem.  Duties of the preceding act in excess of 20 per cent to have one-tenth of such excess taken off every 2 years till Jan. 1, 1842, when one half the residue to be deducted, and the remaining half after June 30, 1842.		
Aug. 30,1842	Aug. 30, 1842	Value not over 7 cents a pound, 5 per cent; value over 7 cents a pound, 3 cents a pound and 30 per cent.		
July 30, 1846 Mar. 3, 1857		30 per cent ad valorem.  Value not over 20 cents a pound, free; value over 20 cents a pound, 24 per cent.		
Mar. 2,1861	Apr. 1,1861	Value less than 18 cents a pound, 5 per cent; value 18 cents and not over 24 cents a pound, 3 cents a pound;		
June 30,1864	July 1,1864	value over 24 cents a pound, 9 cents a pound; value 12 cents or less a pound, 3 cents a pound; value over 12 cents a pound and not over 24 cents, 6 cents a pound; value over 24 cents a pound and not over 32 cents, 10 cents a pound and 10 per cent ad valorem; value over 32 cents a pound, 12 cents a pound		
Mar. 2,1867	Mar. 2,1867	and 10 per cent ad valorem.  Class I, elothing wool, value 32 cents a pound or less, 10 cents a pound and 11 per cent ad valorem; value over 32 cents a pound, 12 cents a pound and 10 per cent ad valorem: washed wool, twice the ragular duty. Class II, combing wool, value 32 cents a pound or less, 10 cents a pound and 11 per cent ad valorem; value over 32 cents a pound, 12 cents a pound and 10 per cent ad valorem; value over 32 cents a pound.		
June 6,1872 Mar. 3,1873 Mar. 3,1883	Mar. 3,1875	pet wool, value 12 cents a pound or less, 3 cents a pound; value over 12 cents a pound, 6 cents a pound. All classes, scoured wool, treble the regular duty. All duties reduced 10 per cent. Duties of act of Mar. 2, 1867, restored.  Class I, clothing wool, value 30 cents a pound or less, 10 cents a pound; value over 30 cents a pound, 12 cents a pound washed wood, double the regular duty. Class II, combing wool, value 30 cents a pound or less, 10 cents a pound; value over 30 cents a pound, 12 cents a pound. Class III, carpet wool,		
Oct. 1,1890		value 12 cents a pound or less, 2½ cents a pound; value over 12 cents a pound, 5 cents a pound. All classes, scoured wool, treble the regular duty. Class I, clothing wool, 11 cents a pound; if washed double the regular duty. Class II, combing wool, 12 cents a pound. Class III, carpet wool, value 13 cents a pound or less, 32 per cent; value over 13 cents a pound, 50 per cent. All classes scoured wool, treble the regular duty.		
Aug. 1,1894 July 24,1897		Free. Class I, clothing wool, 11 cents a pound; if washed, double the regular duty. Class II, combing wool, 12 cents a pound. Class III, carpet wool, value 12 cents a pound or less, 4 cents a pound; value over 12 cents a pound, 7 cents a pound. All classes secured wool, treble the regular duty.		

(See Wright's Woolgrowing and the Tariff, pp. 344-346.)
WOOLGROWING IN COLONIAL TIMES.

At the close of our colonial and the outset of our national history we had no defined woolgrowing industry, sheep raising being but a small part of the general farm production of each farmer. Most of the farmers raised a few coarse-wool sheep for home manufacture of coarse clothing; and aside from a very few fine flocks, one of them owned by President Washington, there were no flocks of any considerable size, and the country depended upon England for its woolens.

The fact that there was no home wool industry to protect perhaps accounts for placing wool on the free list of the first national tariff bill enacted, which was in 1789. Indeed, importations of wool were encouraged in order to give the few woolen or carding mills of the country raw material with which to work. There was a tariff of 5 per cent on woolen goods in 1789, 10 per cent in 1792, 15 per cent in 1794, and 17½ per cent in 1804; but the tariff was of but little benefit to the manufacturing industry until it was raised to 35 per cent in 1812.

The high tariff rates imposed during the War of 1812 and the previous prohibition of importations brought about by the embargo and the nonintercourse act shut off the supply of wool and woolen goods from abroad and placed the country on its own resources, and from 1808 until the end of the War of 1812 the growers of wool and the manufacturers of woolen goods had the benefit of almost absolute protection by the practical prohibition of imports of both the raw material and the manufactured article.

The effect on both wool producing and manufacturing was immediate. Factories increased rapidly in number, the price of wool advanced, and for the first time in our history woolgrowing became an industry worthy of note. It was during this period that the merino was introduced into this country in any considerable number, and it has been estimated that between April 1, 1810, and August 31, 1811, some 20,000 highgrade merinos were brought into the United States from Spain and Portugal. The War of 1812 not only cut off the supply of woolens from abroad but created an increased home demand in order to supply our troops with clothing, and prices of wool went soaring, pure merino wool selling in 1814 for from \$2 to \$3 a pound and common wool bringing from 30 to 50 cents a pound. In that year the country contained 10,000,000 sheep, and the wool clip was from twenty-two to twenty-four million pounds.

Following the close of the War of 1812, a determined struggle was made by England to capture American trade, and as soon as the inhibitions of the war were removed our markets were flooded with English woolen goods; and this led to the enactment of the tariff of 1816, which placed a 15 per cent ad valorem rate on wool and 25 per cent on woolen goods. Preceding the imposition of those rates the importations of British wool and woolen manufactures into the United States were phenomenal. In 1815 the importations of wool and woolens amounted in value to \$50,000,000, and in 1816 to \$21,000,000. The flood was checked somewhat by the 1816 tariff, but the industry was crippled, and petitions poured in on Congress for higher tariff rates. In the face of the determination of England to absorb our markets and an inadequate duty to insure its protection, the woolen industry during this period gained strength. In 1824 a slight increase in tariff was secured; the wool tariff increased so that after 1826 it was 30 per cent, except that costing 10 cents or less, which remained at the old rate of 15 per cent; and the tariff on woolen goods raised to 30 per cent until 1825 and 33½ per cent thereafter.

The increased duties, however, did not prevent England from making a most desperate effort to destroy the wool growing and manufacturing industries of this country. The woolen trade of England was depressed, and many English firms sold their products in America for less than cost, large quantities of goods being sent over and sold at auction for what they would bring.

Niles's History of the Wool Industry thus describes the situation:

It is notorious that great sums of money were expended by the British to destroy our flocks of sheep, that they might thereby ruin our manufactories. They bought up and immediately slaughtered great numbers of our sheep. They bought our best machinery and sent it off to England, and hired our best mechanics and most skillful workmen to go to England simply to get them out of the country, and so hinder and destroy our existing and prospective manufactures.

In a memorial to Congress of the growers and manufacturers of wool, adopted at Woodstock, Vt., in December, 1826, it was stated:

Partly from England having glutted the South American market, partly from the repeal of the English duty on foreign wool, partly from the commercial and manufacturing distress which for 18 months past has pervaded that Kingdom, reducing the price of manufacturing labor to less than one-half the former rate, and partly from frauds committed on our revenue by English agents in this country invoicing their goods far below their cost and rendering the protection given by the tariff of 1824 a perfect nullity, our country has again been deluged with British goods.

An increase in the weel tariff was granted in the act of 1828.

An increase in the wool tariff was granted in the act of 1828, and for the first time a specific duty was placed on wool importations. This, despite the continued fierce competition of England, kept the woolgrowing and wool manufactures of the country on an up-grade, until in 1830 a period of prosperity dawned, the price of wool went up, and the business became one of the firmly established industries of the country, accumulating

sufficient strength to withstand the inroads upon it made by subsequent "compromise" and revenue tariffs and even free trade in the raw material.

Not content to "let well enough alone," the tariff act of 1832–33 and the "compromise" act of 1833–34 placed wool valued at not over 8 cents a pound on the free list and lowered the rates on the higher grades. These reductions were followed in each instance by heavy importations of wool and woolens—as usual, the woolgrower getting the worst of it—the increase in manufactured goods being but 75 per cent, while imports of raw wool increased 250 per cent.

WOOL INDUSTRY HARD HIT BY TARIFF REDUCTIONS.

The wool industry was hard hit by the panic of 1837, which brought a sharp drop in the price of wool, and wool manufacturers were demoralized. The decline in wool prices continued until 1843, when, under the stimulus of a specific duty on raw wool imposed by the protective act of August 30, 1842, prices began to go upward, culminating in 1853, when prices were double what they were in 1843.

Ohio fine-washed wool in 1843 was 33 cents per pound; in 1853, 66 cents.

The ideal tariff bill, from the viewpoint of free-trade and tariff-without-protection advocates, has always been, since its enactment and until recently, the Walker Act of 1846, which reduced the duties on manufactured goods and placed ad valorem rates on raw material. This policy was designed to have the consumer buy in the cheapest markets of the world and the producer of raw material sell in foreign markets, the theory being the pleasing one that we would sell our products in high markets and buy our supplies in low markets.

But, while the theory was alluring, the practical result was different. Representative Covode, of Pennsylvania, in a speech in the House in 1857, thus explained the workings of the Walker Act:

Walker Act:

The tariff of 1846 imposes a duty of 30 per cent on wool, while the duty on blankets is only 20 per cent, thus making a discrimination in favor of the foreign manufacturer and against our own of 10 per cent. Under this tariff the importation of blankets ran up last year to over \$6,000,000. Now, who is benefited by this condition of things but the foreign manufacturer and foreign woolgrower? Probably not one pound of American wool entered into the composition of this enormous amount of imported goods. Had the duty been so arranged as to enable our own manufacturers to make this article, it would have afforded a market at home for about \$,000,000 pounds of wool. Thus it will be seen that the interest of the woolgrower is to have a sufficient protection for the manufacturers to enable them to make all such goods, thereby securing a market for his wool at home, as it is not to be supposed that the American woolgrower will be able to go into the markets of the world in competition with the Russian and Australian producers.

The Walker tariff law was changed by the act of 1857, which placed nearly all raw materials on the free list. All wool costing less than 20 cents a pound was made free and the duty reduced from 30 per cent to 24 per cent ad valorem on wool costing more than that amount. The duty on woolen goods was reduced from 30 per cent to 24 per cent ad valorem.

ing more than that amount. The duty on woolen goods was reduced from 30 per cent to 24 per cent ad valorem.

The crisis and panic of 1857, which followed closely the enactment of the tariff law of that year, was particularly severe upon the wool manufacturing industry. Wool prices were nominal, and some grades were not salable at any price.

The free-trade tariffs of 1846 and 1857 not only failed to benefit the wool growing and manufacturing industries, but gave both a decided setback from the prosperous condition in which they were placed by the protective tariff of 1842. Under that act and prior to the passage of the Walker Act the country was on the verge of becoming an exporter of wool. The New York Evening Post is quoted in Niles's Register of the Wool Industry as saying, in 1844:

We have already referred to the fact, that is becoming every year more certain, viz, that this country is adapted by means of its extensive prairies to become in a few years a larger producer and exporter of wool than any other nation.

In fact, American wools—one lot from Oregon—began to appear in the London markets. But conditions soon changed and the Walker Act put a quietus on hopes that we might become exporters of wool.

FAVORABLE EFFECT OF PROTECTIVE TARIFF.

The Morrill tariff act of March 2, 1861, was a return to the protective system of tariff legislation. It increased duties generally about 10 per cent and changed many rates from ad valorem to specific. Wool duties were made specific, and the protective rates of this act, combined with the effects of the order issued by Secretary Stanton in 1862, which prohibited purchases of all articles of clothing for the Army from being made abroad if they could be purchased in the United States, brought about a great expansion in the wool growing and manufacturing industries. In the woolen industry the consumption of wool increased from 98,379,785 pounds in 1860 to 219,970,174 pounds in

1870, or 123.59 per cent. The domestic wool clip increased during the decade from 60,000,000 to 180,000,000 pounds. The number of operatives employed increased from 59,322 in 1860 to 110,859 in 1870, and the wages paid increased from \$13,361,-602 to \$40,357,238.

Joint conventions held by wool manufacturers and woolgrowers in 1865 led to a readjustment of the tariff through the act of March 2, 1867, by which the relative duties on raw wool and manufactures of wool were arranged on what was deemed

a scientific and equitable basis and ratio.

That act has been called the most important in the history of wool and woolens, in that it established a ratio for the duties on wool and woolen goods which, except for the reduction in duties in 1883 and the brief period of free wool of the Wilson-Gorman Act, has remained substantially the same to the present day.

Under the 1867 rates of about 10 cents a pound the woolgrowing industry flourished and the production of wool increased from 160,000,000 pounds in 1867 to 300,000,000 in 1884. Sheep numbered 39,385,386 in 1867 and 50,626,626 in 1884.

Tariff agitation in 1882 resulted in the creation of the tariff commission of that year, which prepared a bill that, with many changes and amendments, became a law July 1, 1883. The law proved unsatisfactory to both political parties. The changes made in the rates on woolen goods affected the wool growing and manufacturing industries disastrously.

The Mills bill of 1888, which provoked a most extended tariff discussion in the campaign of 1888, formed the issue in that campaign which resulted in the election of President Harrison

and a Republican Congress.

It is worthy of note that the wool schedule of the Mills bill was almost identical with Schedule K of the Underwood bill. It proposed placing wool on the free list and imposing a duty of about 40 per cent on woolen goods. The minority report of the Ways and Means Committee of the House, signed by William D. Kelley, Thomas M. Browne, Thomas B. Reed, William Mc-Kinley, jr., and Julius C. Burrows, in dealing with the wool schedule wight well apply to the reading Understanding schedule might well apply to the pending Underwood-Simmons bill. The report in part recites:

schedule might well apply to the pending Underwood-Simmons bill. The report in part recites:

Nowhere in the bill is the ultimate purpose of its authors more manifest than in its treatment of wool. It places the product on the free list and exposes our flocks and fleeces to merciless competition from abroad. In this respect the bill is but the echo of the President's message, and gives emphasis to the settled purpose of the majority to break down one of the most valuable industries of the country. It is public proclamation that the American policy of protection, so long adhered to and under which has been secured unprecedented prosperity in every department of human effort, is to be abandoned.

Why have the majority put wool on the free list?

First, the purpose is to bring down the price of wool. If this should be the result, we inquire at whose expense and loss? It must be at the expense of the American woolgrower, and to his loss, * * * The injury, by the confession of the majority, will fall upon the American woolgrower. He is to be the first victim. He can find no profitable foreign market, if he is unable to hold his own, and it is abourd to talk about enlarging the market for his product at home with the wool of the world crowding our shores unchecked by customhouse duties. * * *

The bill will greatly increase importations of the foreign product and diminish, if not wholly destroy, our own production. Every nation ought, if possible, to produce its clothing as well as its food. This nation can do both, if the majority will let it alone.

The majority asserts that we must produce our woolen goods at lower cost and be able to undersell the foreign product. And after this how is the lower cost to be secured? First, by fleecing the woolgrower, and next by reducing the labor cost in the manufacture. How are we to undersell the foreign product? By making the cost of manufacturing less than theirs. In other words, by cutting down the wages of our skilled and unskilled labor, not to the foreign standard simply,

How apropos this report to the present situation! We have a Democratic majority forced by a minority-elected President, who received 150,000 fewer votes in 1912 than Mr. Bryan received in 1908 and more than 1,300,000 less than a majority in 1912,

to put wool on the free list against its, the Congress's, intention, which was to levy a duty of 15 per cent upon wool importations.

The McKinley Act of 1890, the Dingley Act of 1897, and the Payne Act of 1909 maintained protective duties on wool and manufactures of wool practically unchanged for the period from 1890 to 1913, with the exception of the three years of free wool, 1894 to 1897, covered by the Wilson-Gorman Act.

THE 1894 FRUE-TRADE FIASCO.

I am not going to enlarge upon the effect of the Cleveland Administration and the free-wool provision of the Wilson-Gorman Act on the wool industry. Suffice it to say that previous to 1894 we were importing annually about 140,000,000 pounds of wool. During the fiscal year 1894, just previous to the enactment of the Wilson-Gorman law, the imports fell off to 55,000,000 pounds in anticipation of the repeal of the duty. During the three years 1895, 1896, and 1897, identical with the operation of the Wilson-Gorman law, the imports amounted to nearly

800,000,000 pounds, or an average of over 260,000,000 pounds a year, not only displacing what should have been the American production, but reducing the price received by the American woolgrower from 40 to 50 per cent. Under the blight of free wool the number of sheep in this country decreased in three years from 47,000,000 to less than 37,000,000, and the value of our flocks decreased from \$127,000,000 to \$67,000,000, a loss in value of nearly 50 per cent.

Not only was our market flooded with woolen goods, but under the reduced duties on shoddy and rags imposed by the Wilson-Gorman Act the imports of shoddy and rags increased from 48,606 pounds during the last year of the McKinley Act term to 6,556,199 pounds under the first year of the Wilson-Gorman

tariff.

In 1890, under a duty of 10 cents a pound, the imports of rags and shoddy amounted to 584,172 pounds.

During the four years of the operation of the McKinley bill, with a duty of 30 cents a pound on shoddy, the imports were

1,554,993 pounds.

During the three years of the operation of the Wilson-Gorman Act, with a duty of 15 per cent ad valorem, the importations were 46,016,762 pounds—the importations in 1897 alone, while the importers were trying to rush all they could into the coun-

try before the rates were raised, being 28,192,399 pounds.
Under the 12 years' operation of the Dingley Act, with a rate of 25 cents a pound, the total importation of shoddy was only

2,087,054 pounds.

Thus the average annual importation under a duty of 30 cents pound and with dutiable wool, was only 388,748 pounds. Under 15 per cent ad valorem and free wool as high as 15,338,920 pounds. Under 25 cents a pound and dutiable wool, only 173,754 pounds.

In view of these figures what may we expect when the bars

are all down and shoddy comes in absolutely free for the first

time in our history?

In reference to the domestic production of shoddy, the Tariff Board reported that the industry in the United States has made no decided growth during the last decade. The number of The number of establishments has declined and the value of products has increased only slightly.

The rate of duty of 25 cents a pound has almost completely kept out importations, and this, with the declining production at home, has tended during the past 10 to 15 years to give us better grades of home manufactured clothing than during any

previous period.

Concerning the production of shoddy in England, the Tariff

Board reported:

The greatest shoddy-producing center in the world is in and near Batiey and Dewsbury, England. Of the 900 rag-grinding machines in the United Kingdom, Yorkshire, in which Batiey and Dewsbury are located, has 881 machines, * * * In 1907 the United Kingdom is reported to have produced 137,056,000 pounds of shoddy valued at \$8,749,967.

The Underwood-Simmons bill places shoddy on the free list, which is a plain invitation to cheapen our clothing with adulterants made from the rags and refuse of England and other foreign countries. No one will gain by this operation but the rag merchant, the rag grinder, and shoddy manufacturer of England and France. The one who will lose correspondingly will be the wearer of cheap and moderate-priced clothing-the consumer. He may think he is buying serviceable articles, only to find that they will go to pieces in the first rainstorm or during the first damp day which overtakes him.

Placing shoddy on the free list is placing a premium on de-ception and fraud, with the innocent wearer of clothing as the

victim.

Shall we thus advertise ourselves as a shoddy Nation? UNITED STATES NOT A SHODDY NATION.

Mr. WALSH. Mr. President

The PRESIDING OFFICER. Does the Senator from Wyoming yield to the Senator from Montana?

Mr. WARREN. Certainly. Mr. WALSH. I should like to understand very much more clearly than I do now the position of the Senator with respect to that matter. My understanding is that a protective tariff is imposed for the purpose of stimulating home production. I gather that the Senator wants a duty on shoddy and on rags for some other reason than to stimulate the home production of shoddy and rags.

Mr. WARREN. The Senator has guessed just right.

Mr. WALSH. But why will not a protective tariff on shoddy and rags stimulate the production of shoddy and rags in this country, if it will stimulate the production of any other product-wool, for instance?

Mr. WARREN. We certainly keep out the foreigners, the greatest shoddy manufacturers of the world, in that way.

Mr. WALSH. Exactly. Then how do you protect the domestic consumer from the use of such goods as you describe, when you promote the production of shoddy and rags in this country? Mr. WARREN. In the first place, the production in this country is very slight, because of the lack of the material.

Mr. WALSH. But you do not prevent the use of it.
Mr. WARREN. In the next place, we are not a shoddy-wearing nation, if honesty is practiced in the making of clothes. Mr. WALSH. Then, as I understand the Senator, while we will not wear shoddy goods made from domestic shoddy, we will consume enormous quantities made from imported shoddy?

Mr. WARREN. Mr. President, the Senator is very ingenious; I will not say ingenuous. A certain amount of shoddy pressed into felts and coarse material can be absorbed without imposing upon the wearer of clothes. But to undertake to let into this country the product of all these other countries, to make this the dumping place, and to use it in clothing, is to wrong the wearers of clothing.

Mr. WALSH. One more question: Will not the Senator agree with me fully that the only legitimate way to meet that condition is to pass an appropriate act branding these goods so that the public may be informed as to the character of the goods

they buy

Mr. WARREN. Mr. President, I do not know what the record of the Senator has been heretofore regarding that particular matter, but I have had it under consideration. my desk a report of a hearing where I appeared before a committee of the House to advocate a thorough investigation with that end in view. I was one to respond favorably to a resolu-tion, introduced, I think, by a Senator from Montana, Mr. Clark, or possibly by the Senator from New York, Mr. Platt. am not entirely certain that I did not introduce one myself. Difficulties were met at that time. It was clearly a matter that would have to come up from the House, under the guise of being a revenue measure. If the Senator from Montana wishes to introduce that matter and follow it up, I shall be very glad to be of any assistance I can, as I have been before.

Mr. WALSH. A bill of that character is now before the Senate, introduced by my colleague; and as a matter of course I shall be very glad to have the earnest and valuable assistance

of the Senator from Wyoming.

Mr. WARREN. As the Senator knows, and as I think the Senator's colleague must admit, it is a matter that must come up from the House.

Mr. WALSH. I do not see why. I can not understand at

all why it should.

Mr. WARREN. I will simply say to the Senator that if he will look at the oleomargarine legislation, and what has been effected under it, he will see why. But why do not the Senator and his party include that regulation in with all the other various and sundry ministerial regulations now in the pending tariff measure?

Mr. WALSH. Before this colloquy is ended, I desire to say that it is perfectly obvious now, from the remarks of the Senator, that the protective tariff which has been imposed upon shoddy and rags has not met the condition, as he himself recognizes by his activity in behalf of such legislation as I suggest.

Mr. WARREN. I do not understand what the Senator means

by that. What does he mean?

Mr. WALSH. I understand that the Senator from Wyoming himself has been active in promoting such legislation as I suggest, recognizing that the duties already imposed upon rags and shoddy do not meet the evil, and that it has not been eradicated in consequence of them.

Mr. WARREN. Mr. President, on the contrary I have been showing here with figures, not with words, that the use of it here, as a result of the high rate, has receded, and receded

Mr. WALSH. That is not the point I am referring to. The Senator has now told us about how heretofore he has been ac-

Mr. WARREN. In what? Mr. WALSH. In endeavoring to get such legislation as I suggested was the appropriate remedy for the evil of imposing

shoddy goods upon the public.

Mr. WARREN. The legislation about which the Senator is speaking did not come up in the manner he presents it, as a shoddy measure. It came up as to all adulterants, without regard to whether they were cotton or wool, and proposed simply that they should be labeled with a description. Then, there came up the features of administration, and what might be the punishment for violation of the law, the penalty, and so forth. The Senator is a great lawyer, and I am not, and he perhaps may be able to set me right in this; but the great lawyers at that

time were not able to say that the matter could be digested and brought in in a revenue measure without some danger of its being declared unconstitutional, just as in the case of the oleomargarine bill. Many lawyers still think that is unconstitutional and ought to be tried out.

Mr. WALSH. As to that, I do not conceive that any lawyers can differ in respect to the power to initiate in this body an act requiring the branding of all goods in order that their character may be known to the purchasers. But that is alto-gether aside from the question. Whether the bill should originate in the other House or in this, I understand the Senator to say that the legislation has had his active support.

Mr. WARREN. Mr. President, the Senator must not misquote me. There has been no such legislation. What I said about it was that I had supported the resolution that called for an inquiry to see what might be done to effect such an end.

Mr. WALSH. Whatever was done had the concurrence and the approval of the Senator, because he recognized that the evil had not been met by the levy of a duty upon rags and shoddy.

Mr. WARREN. Very well, Mr. President; but that only incidentally touches shoddy. I wish to say now, with all respect to the Senator from Montana and to others, that I have never yet discussed the question of shoddy upon facts and history, with free-wool advocates, but that there was a shrinking and an attempt to divert me from shoddy itself into some side issue. I do not blame those who wish to divert attention from the shoddy question, and the legislation that has heretofore been mentioned.

Mr. WEEKS. Mr. President—
The PRESIDING OFFICER. Does the Senator from Wyoming yield to the Senator from Massachusetts?

Mr. WARREN. Certainly,

Mr. WEEKS. I suppose everyone will agree that the larger percentage of wool and the smaller percentage of shoddy which appears in clothing, the better off the average citizen is. I wish to ask the Senator from Wyoming if it is not a fact that under the present law the proportion of shoddy used in goods in England has increased, while the proportion used in goods in the United States has decreased?

Mr. WARREN. That is true; and it is measurably true as to all free-trade countries, but more especially in England.

Mr. WEEKS. Does it not follow from that that if we put shoddy on the free list we are likely to be in exactly the same position that Great Britain is, and that the proportion of shoddy that will appear in our woolen clothes will increase as a result? Mr. WARREN. Undoubtedly.

Mr. SMOOT. Mr. President, in proof of that I wish to call the attention of the Senator from Montana to a few figures.

During the time the McKinley law was in force, three years and eight months, there were imported into this country 908,923 pounds of shoddy. During the time the Wilson bill was in force, three years and four months, there were imported into this country 86,263,630 pounds of shoddy. During the 13 years from 1898, since the Dingley law was passed, there have been imported into this country only 6,751,577 pounds.

Mr. WILLIAMS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Wyoming yield to the Senator from Mississippi?

Mr. WARREN. I do, with pleasure.
Mr. WILLIAMS. How much shoddy was made in this country during those respective periods? I understand the Republican theory is that you put on a duty in order to protect the home production of a product. To what extent did it protect the home production of shoddy?

Mr. WARREN. The Senator speaks of the general policy of

protection.

Mr. WILLIAMS. Yes.

Mr. WARREN. But I will say to the Senator that there are substances that we might protect the other way, by keeping

them out as far as we can.

Mr. WILLIAMS. Very well; but I wish to know what was the effect upon the domestic production of shoddy. If the Senator from Utah [Mr. Smoot] has those figures, they will be interesting.

Mr. SMOOT. One effect it has had, certainly, was that it kept the disease-bearing rags and shoddy of European countries out of the United States. Another effect was that the clothes made in the United States do not carry anywhere near the percentage of shoddy carried by clothes made in England

and Germany.

Mr. WILLIAMS. Can the Senator give me the domestic production and consumption of shoddy during the periods he has

referred to?

Mr. WARREN. I have already gone over that ground, and I have stated that there was no appreciable increase in the manufacture of shoddy in this country.

Mr. WILLIAMS. Where does the Senator get that informa-

tion?

Mr. WARREN. I get it in the Tariff Board report, I get it in the Statistical Abstract, I get it in any of the official figures. I supposed that was too well known to make it necessary to put the exact figures in here. I shall be very glad to furnish them,

Mr. PENROSE. Mr. President, I can give the Senator some

figures on this point.

Mr. WILLIAMS. If the importation of a thing is prevented, and the demand for it continues, it necessarily follows that the domestic production of it will increase.

Mr. WARREN. It has not so operated with us.
Mr. PENROSE. For the information of the Senator, if the Senator from Wyoming will permit me-

Mr. WARREN. Certainly. Mr. PENROSE. British we

British woolen mills, according to an official estimate, use 200,000,000 pounds of shoddy every year. consumption of shoddy in the woolen mills of the United States in the year 1909, a year of active manufacturing, was less than 80,000,000 pounds. The use of shoddy is decreasing under the protective system of the United States. It is increasing under the tariff-for-revenue system of Great Britain.

I have here a memorandum which states that British manufacturers import rags for shoddy from all the world. The United States imports almost no rags and shoddy, but exports to British manufacturers every year thousands of bales of rags for which there is no adequate market and no active use in this

Mr. WILLIAMS. Whence does the Senator get his figures about the production of shoddy in America and the consump-

tion of it by our mills?

Mr. PENROSE. From an official estimate. I can get the Senator the reference. I have not it here. I have here a good many figures where I have not a memorandum of the source

of my information, but it is official. Mr. WARREN. It is undisputed. The Senator can take that to be comparably true, because the fact is we are not naturally a shoddy country. We are not using shoddy, and we are not manufacturing shoddy at any increasing rate. The only way to increase its use is to let it come in free, and then if our

workingmen are out of work and too poor to buy good clothes, they are imposed upon by dealers selling them shoddy clothes. Mr. PENROSE. I can give the Senator from Mississippi a statement from the Tariff Board report, page 72, as follows:

The greatest shoddy-producing center in the world is in and near Batley and Dewsbury, England: Of the 900 rag-grinding machines in the United Kingdom, Yorkshire, in which Batley and Dewsbury are located, has 881 machines. In the whole of the United States there are only 346 rag-grinding machines.

Less than half the number in one district in England.

Mr. WILLIAMS. Of course it goes without saying that there are more poor people in England, comparatively, than in the United States, and therefore more people who would wear

sholdy.

Mr. WARREN. Why? Why are they poorer?

Mr. WILLIAMS. Because every old country that has exploited its resources to the full has a larger number of people. who must buy cheap goods of every description, if they buy any at all.

Mr. WARREN. Has the eastern or older part of this country

Mr. WARREN. And England has the whole world, and

opens up her ports to everybody.

Mr. WILLIAMS. There is a magnificent free trade in this country from the Atlantic to the Pacific.

Mr. WARREN. England ought to have less poor people and

more prosperity, if the theory of the Senators on the other side

Mr. WALSH. I desire to say, because reference was made to myself in this matter, that if the fact is as suggested by the Senator from Wyoming-and of course we all recognize that it is the fact—that there are in this country people too poor to buy woolen clothing made of the original long fiber, but able to buy clothing made of shoddy, which is nothing more than the short fiber. I should like to have some one tell me why we should legislate to deny to them the opportunity so to do. The only proper way to proceed in that matter is to have some act passed so that a man may know whether he is buying

clothing made of the long fiber, the original wool, or whether he is buying clothing made of shoddy, or renovated rags, or any other waste. So is not this discussion of shoddy and rags ufterly irrelevant to any consideration of the question of the duty on wool?

Mr. WARREN. As to the relevancy, I assume the Senator will give me the same privilege that I will give him. Each one settles the relevancy for himself. As to what advice I would give the poor man, I would tell him to buy honest goods so that

he would know he was getting his money's worth.

Let me ask the Senator a question. I have answered his. he is in favor of having these manufactures of woolens labeled why not put it in the tariff bill? There is a great deal of legislative, executive, and administrative matter in the bill. does not the Senator put it in there? I will vote for it there, if he will put it in.

Mr. WALSH. I dare say the Senator will, but I do not see any reason why we should encumber this tariff bill with general

legislation of that character.

Mr. WARREN. I simply ask the Senator why not put that in the bill. Why have you the present legislative matters in it? Mr. WALSH. I do not see why we should put it in. Why should we not pass it immediately after this bill is disposed of?

Mr. WARREN. Why should we legislate on cotton futures in the pending bill?

Mr. WALSH. Mr. President, that is a revenue matter. Mr. WARREN. This other will have to be a revenue matter, the Senator will find before he gets through with it.

Mr. WEEKS. Mr. President—
The PRESIDING OFFICER. Does the Senator from Wyoming yield to the Senator from Massachusetts?

Mr. WARREN. I do.
Mr. WEEKS. The statement just made by the Senator from Pennsylvania to the effect that Great Britain imports rags not only from all parts of Europe but from the United States compels one to the observation that in that free-trade country they are clothing their people in rags and the result is that they are paying old-age pensions. And the purpose of this bill will be put us exactly in the same position to wear shoddy and rags and to give old-age pensions to people who are not able to accumulate and take care of themselves.

Mr. CLARK of Wyoming. Mr. President—
The PRESIDING OFFICER. Does the Senator from Wyoming yield to his colleague?

Mr. WARREN. With pleasure.
Mr. CLARK of Wyoming. It occurs to me we are all agreed that we ought not to clothe the American people with shoddy. The purpose of a tariff on shoddy is not, as the Senator from Mississippi well knows, to protect shoddy manufacturers in this country. It is to that extent—

Mr. WILLIAMS. I did not say that it was its intent. I

said it was its effect.

Mr. CLARK of Wyoming. Well, whatever its effect, that is not the purpose of it. The purpose of it is to keep out as far as possible shoddy and rags gathered from the slums of the earth to put on the backs of our American people to wear. The purpose that is involved in the bill of the colleague of the Senator from Montana is that if a man does wear this stuff he shall purchase it with his eyes open, and as far as possible to keep it out of the American market.

It seems to me that the very history of the shoddy legislation shows that we have kept out by a tariff on shoddy a tremendous amount of this unwholesome material. By putting the shoddy on the free list the country invites an increased importation of it. The only question is whether it is advisable to import it or keep it out. If it is advisable to import in-creased quantities of it, then throw the ports open to it. If it is advisable to keep it out then let us close our ports so far as we can to it.

I do not think it is a question of revenue. I do not think it is a question of protection. It is simply a question of keeping an unwholesome product out from our country and our manufactories. That is the way it occurs to me.

Mr. PENROSE. Will the Senator from Wyoming permit an

interruption?

Mr. WARREN. Certainly.

Mr. PENROSE. While the Senator is giving these interesting figures on the extent of the woolgrowing and wool-manufac-turing industry, I should like to ask him how many men, in his opinion, are employed or directly or indirectly interested in woolgrowing. The impression has been put forth in this discussion by those advocating free wool that only a scanty number of shepherds here and there, at very low wages and not of very high character, are much concerned about the industry. If the Senator has the figures

Mr. WARREN. Does the Senator refer to those who are interested in sheep and woolgrowing and wool manufacture I do not refer to the manufacture of wool, Mr. PENROSE.

but to woolgrowing.

Mr. WARREN. Those who have given it a life study maintain that at least a million people are interested in woolgrow-Of course, there are not a million shepherds or a million herds of sheep, but that is estimated to be the number of those who are interested in the industry.

Mr. JAMES. I should like to ask the Senator a question. The PRESIDING OFFICER. Does the Senator from Wyo-

ming yield to the Senator from Kentucky?

Mr. WARREN. I shall after a moment. Now, as to the character of the sheep industry, it may serve the purpose of advancing the interest of this tariff bill to review the character of a certain class of workingmen. I know of no industry except of a very highly skilled or scientific nature but that has in its employment some low-priced and ignorant men. But, as I said yesterday, so far as the sheep herders are concerned in Wyoming, they are equally as intelligent as any other class of people. I said truthfully that many college graduates took up that avocation, some to learn it because they wished to interest themselves in it, others because it was a healthful avocation. I have here, which if it was not too long I would ask to put in the RECORD, a story in the Living Age copied from Blackwood's Magazine, written by a sheep herder doing the ordinary sheep herder's work. The reading of it will show a very highly educated man and a very fluent writer. I should be glad to loan it to the Senator from Pennsylvania or any Senator who believes that that industry may not have intelligence in its employees.

Mr. PENROSE. I do not believe that. I do not want to have

that impression conveyed.

Mr. WARREN. I know very well you do not. I now yield to

the Senator from Kentucky.

The Senator has been telling us about the de-Mr. JAMES. velopment of the sheep industry. Could the Senator tell us how many States of the Union produce more wool than the people in those States consume?

Mr. WARREN. I do not know that I have the statistics here at hand at this moment for that kind of a comparison. It would be very easy to figure it out. But perhaps the Senator will tell me what he wishes to follow that with?

Mr. JAMES. I want to ask the Senator if it is not true that only 10 States in the Union produce more wool than the people in those States consume?

Mr. WARREN. What would be the inference? Mr. JAMES. The inference is that the people of various States—for instance, of Kentucky, where they produce about 3,000,000 pounds of wool—are being taxed to buy 14,000,000 pounds of wool; and the industry, however much it has developed, the Senator, of course, can not deny that in the last 10 years the sheep production has fallen off about \$12,000,000. Mr. PENROSE. Will the Senator from Wyoming permit me?

Mr. WARREN. Will the Senator allow me a moment in

answer to the Senator from Kentucky?

I wish first to say that I have already proven that such figures of decrease are not correct. And, Mr. President, we have to support this Government. It is going to be done partially by taxation. I am one of those who believe that we can tax the foreigner when he comes in here for his license to trade and do business in our market; and if a man is not engaged in woolgrowing and he pays 15 or 20 cents, or a dollar even, more for a suit of wool clothing, he has contributed that much to help support the Government.

If there are so many States But now turn it another way. that do not raise wool, compare that with the manufacturing of woolens. There are surely fewer woolen manufacturers than there are sheepmen, and yet the sheep grower and everybody else is assessed on the Senator's theory to pay the tariff on

woolen goods.

Now, I will put a question to the Senator. How many States are there in the Union that grow more rice than they consume?

Mr. JAMES. There are very few States that grow more rice than they consume.

Mr. WARREN. Yet you tax them all.

So far as I am individually concerned, I am no Mr. JAMES. advocate of a tariff upon rice. It is only for the purpose of obtaining revenue. If rice were as universally used as clothing and as essential, then there might be something in the Senator asking me the question as to how many States produce more rice then they consume.

Mr. WARREN. Of course the Senator understands the situa-on. I have been in the game. I have heard it stated on this floor, on both sides by eminent men, that no man ever in the

Senate or House voted for a tariff bill that suited him in all its particulars. Of course we may all have things in any bill to which we may object. But the Senator's explanation of rice does not explain, because I do not know of a table in the country where rice does not appear as a matter of food.

Mr. JAMES. Mr. President-

Mr. WARREN. I yield to the Senator. Mr. JAMES. I think the Senator is entirely mistaken about rice being of as universal consumption as he states. I am not familiar with the West, but I would say that in Kentucky there are not 2 families out of 10 that use rice.

Mr. WARREN. There are a great many families that use

little or no wool, especially in a warm climate.

Mr. JAMES. The point I am trying to call to the attention of the Senator is that 38 States in the Union produce less wool than they consume, and I am going to put into the RECORD before this argument is through a statement of the inhabitants in each State and the number of pounds produced in each State and the amount of wool consumed by the people of each State, so that the public may know how much each State is being taxed for the purpose of growing the number of sheep that are produced there.

Mr. WARREN. I should like, if the Senator will give me notice then, to file as accurately as I can the number of States which have woolen and cotton factories, and the States which do not have such factories. The inhabitants of all the States must pay the tariff attached to the duty on cotton and woolen goods. If the Senator is logical he must of course take the tariff off of everything that is consumed or worn provided there are more people in every State engaged in other businesses, and so forth.

Now, suppose it is true, as the Senator states, that we have fewer sheep than produce the amount of wool used in each State, that is all the more reason why, if it is an industry which ought to be protected, we should protect it. It is not a matter of wool alone. The Senator did not do me the honor to remain while I was discussing the mutton end of the proposition. Where will we be in the matter of meat if we do not raise mutton in this country? The sheep industry in this country so far has never reached the stage, admittedly on all hands, where it will pay on the wool alone or on the mutton alone, but in raising wool and mutton together we greatly increase the mutton crop, we keep the price down, and that contributes to keeping the price of hog and cattle products down.

Mr. JAMES. If the Senator will permit me, I do not think he can liken an argument which he has just made that this tariff upon wool was solely for the benefit of the farmer to the proposition as to how many manufactories of woolen goods there are in the country. The point of the question I asked the Senator was to try to develop what he has to say, as he has argued that this tariff was for the benefit of the farmer, on the proposition as to the number of sheep upon the farms, as to the amount of wool produced in each State, as compared with the amount

that the people in that State consume.

Mr. CLARK of Wyoming. I hardly think that the suggestion of the Senator from Kentucky is entirely responsive to the situation. I hardly think that he should consider the amount of a particular article in a single State and compare it with the amount of that article consumed elsewhere. My own notion is that we should consider the amount of that article produced in the United States, and then the amount of that article consumed in the United States. My own belief is that we ought to raise everything so far as we can that is consumed here; in other words, that we ought to direct our money into such channels in our purchases that it would go to the benefit of the people of the whole United States rather than flow out of the United States in channels to other countries.

Now, if we can produce all the wool that we use here so much the better for this country. If we produce only one-half of the wool that is used here, even though that were all produced in one State, we must send out of the country the money for the other half that otherwise would be retained here. That is the

way it occurs to me.

Mr. JAMES. But I will state to the Senator-

Mr. CLARK of Wyoming. And if you come down to levying a tax with reference to a single State of the Union or upon products which may be produced in only one State of the Union, it seems to me it is begging the question.

Mr. JAMES. That may be the Senator's opinion, and of course it is, but I made the inquiry for the purpose of demonstrating that this argument which he has made that the tariff upon wool is all for the benefit of the farmer can not be sustained, because the great majority of the farmers, nine-tenths of the farmers of this country I may say, are burdened with this tariff upon wool instead of benefited, and it is only

the great sheep owners of certain regions of the United States that are favored by this tariff. The argument that it is for

the farmers as a whole can not be sustained.

Mr. CLARK of Wyoming. I was making no argument for Of course, I recognize that the Senator from Kentucky and myself can not meet on any common ground in regard to the farmer because the Senator from Kentucky has the view that it is the best thing for the people of this country to buy where they can buy the cheapest, no matter where they go for it. I take the opposite view, that a protective tariff even if it does raise the price to the consumer, and that is denied by some, is on the whole a benefit to that consumer and the whole country. Consequently we have no common ground upon which we may start an argument.

But I think the Senator will agree with me that if we can raise all we need to use here it is so much the better for this country, because it gives employment here where otherwise the employment would be abroad, because it keeps men at work here where otherwise they would be idle here and be at work abroad. It seems to me to be a broader question than is covered by mere State lines or any individual locality where

any particular product may be produced or manufactured.

Mr. JAMES. My position is simply this, that the taxing power of the Government can not be used except for the purpose of obtaining sufficient revenue to run the Government honestly and economically administered and that the power of taxation can not be legitimately or righteously used for the purpose of taking money out of the pockets of the masses of men in order

Mr. CLARK of Wyoming. I understand the Senator's argument, but I will say that in this bill the Democratic Party are deliberately slaughtering their sources of greatest revenue. Here you are throwing into the waste heap \$15,000,000 revenue by this very wool item, and on sugar two or three times that amount. Your revenue-producing-tariff theory you are carrying

Mr. JAMES. The Senator says we are throwing it into the waste heap. It may be that to leave in the pockets of the people-Mr. CLARK of Wyoming. I withdraw that phrase.

Mr. JAMES. It may be that when you fail to tax the people you are throwing it into the waste heap, but the more we throw into that sort of waste heap the happier the people will be.

Mr. CLARK of Wyoming. I will withdraw the phrase.

mean that you are sacrificing the revenue. This is supposed to be, as I understand it, a bill for the purpose of raising revenue for the Government, and you are throwing away a vast quantity of revenue on the various items. You are supplying that revenue, or attempting to supply it, by a direct tax. Under the estimates on the bill, if carried out to the fullest extent, you have a bare \$3,000,000 over and above what you estimate the expenses of the Government will be for the succeeding year.

Mr. JAMES. I can not agree with the argument made by the Senator that any Government is throwing away money which it fails by taxation to take from the people.

Mr. CLARK of Wyoming. Oh, Mr. President, I withdraw the word "waste."

Mr. JAMES. To leave it in the pockets of the people is not throwing it away

Mr. GALLINGER. Will the Senator permit me?
Mr. WARREN. Certainly.
Mr. GALLINGER. I have been quietly seeking light during this debate as to exactly what a tariff for revenue means, T think I understood the Senator from Kentucky to say that he was only exacting from the people taxes sufficient to maintain the Government and pay its running expenses. Now, does the Senator mean to say that he would not in a tariff law make any provision to equalize in any way the difference in cost between foreign countries and this country, but that he would put us in open unrestricted, unqualified competition with all other nations of the world?

Mr. JAMES. In making a tariff bill, I would not tax the whole country as the Senator would for the purpose of protection. I would have in view the purpose of obtaining revenue, and the purpose of obtaining revenue, of course, being the primary purpose for which the bill was framed, the question of protection would not and could not be considered. in this bill.

Mr. WARREN. At the same time it would follow as an incident of protection.

Mr. JAMES. If it follows, it is not the purpose that it should follow in the making of the bill.

Mr. WARREN. But it does follow.
Mr. JAMES. It may be incidental.
Mr. WARREN. The Senator admits it does follow.

Mr. JAMES. Not always; it sometimes follows.

Mr. WARREN. But generally.
Mr. JAMES. The difference between our party and yours is that you legislate for the purpose of enriching a favored few in giving them protection, or the right to tax all the people and lose sight of the Treasury, when the constitutional right of taxation exists not for favored interests, but for the Treasury of all the people, and we legislate for the Treasury, and do not look out for the favored few.

Mr GALLINGER. Mr. President, the Republican Party has been taking pretty good care of the Treasury all through its history. The only trouble we have had with the Treasury has been when the Democratic Party has been in power. But the Senator does not frankly answer my question. Did the Senator mean to say exactly what he did say, that he was in favor of a tariff for revenue only, without any reference to the difference between the cost of production in this country and European and Asiatic countries? Is that the attitude of the Senator?

Mr. JAMES. Just exactly as I said I was. My language I think is susceptible of fairly good understanding.

Mr. GALLINGER. I think I understood the Senator.

I am in favor of a tariff for revenue only. The purpose of the Democratic Party and my purpose in supporting the bill is not to give protection to anybody but to secure sufficient revenue to run the Government and at the same time to keep the markets of this country unmonopolized, untrustized, and uncontrolled as they have been trustized and monopolized and controlled by legislation of the Republican

Mr. GALLINGER. I do not know what "trustized" means, so I will not try to answer that.

Mr. JAMES. It is not very frequently that the Republicans

do know what that means.

Mr. GALLINGER. Does the Senator mean to say that if he could construct a bill that by levying an income tax and an internal-revenue tax of that kind would meet the expenses of the Government he would be unwilling to place anything in that bill which would protect the laboring people of this country in getting twice the wages that are paid abroad, and that he would open all our markets to foreigners to take possession Is that the Senator's position? of them?

Mr. JAMES. I am not in favor of protection in any form or in any shape because there never was an argument in favor of a protective tariff which could be advocated upon any other theory except that it takes from the pockets of all the people the money that they themselves earn and gives it to somebody

else who never earned it.

Mr. GALLINGER. The Senator is in open conflict with the views entertained by all the great Democrats of this country until a very recent period of its history

Mr. JAMES. I am not in open conflict with the platform of the Democratic Party adopted over here at Baltimore. I am

in absolute accord with that.

Mr. GALLINGER. I think not. When the Senator is advo-cating free wool I think he is in direct opposition to it.

Mr. JAMES. I think I demonstrated here at least to the satisfaction of a good many people, if not to the satisfaction of the Senator, that the Democratic Party had indorsed free sugar. At a future time I perhaps shall have something to say upon that point in the argument of the Senator.

Mr. WARREN. Mr. President, if I could reconcile the views of a free-trader Democrat with those of an old-line protectionist by permitting the debate to go on here all the afternoon, I should consider it the happiest and best afternoon of my life. But as we can not do that, and as the Senator has now propounded some interrogatories to me, I wish to make this ob-The Senator uses a phrase that has become now common and hackneyed. I say it with all respect, of course "taxing the pockets of all the people to benefit a few." Ever tax that you put on, whether you put it on for revenue or protection, brings the same result, if it enhances the cost of the thing you take it from, whether all are engaged in producing it or not. In the bill that is before us, in the items generally upon which you have preserved a tariff, you take it out of my pocket and yours and everyone else's to pay that tariff or tax, upon your theory. When you come to the tariff on wool I wish to remind you that it has reached nearly \$20,000,000 revenue to the Government in one year, and as my colleague has stated, \$14,000,000 or \$16,000,000 per annum generally. Now, how much revenue will rice produce on the tariff which you have assessed? We will now treat it as a matter of in-

come from revenue.

I maintain, Mr. President, that, taking the matter of revenue alone, that collected on wool and woolens stands next to that on sugar, and sugar is at the head of the list of all revenue

To strike off all the protection immediately from wool-one of those products that have been protected for nearly to ruthlessly strike it off, and still retain it upon rice and a few matters like that to obtain that revenue, does not seem to be logical, but sectional, if not political.

I might allude to whisky produced in Kentucky. The answer probably would be that that pays an internal-revenue tax. Nevertheless there are only a few States in the Union where they make whisky, while there are a great many States where they drink it.

Mr. JAMES. But the difference between whisky and wool

Mr. WARREN. There is a lot of difference. Mr. JAMES. The difference is that wool is a necessity and whisky is a luxury. There is no protective duty on whisky, but there is an internal-revenue tax, which is a burden to the production of whisky. If there were a consumption tax upon wool, there would not be any protection to the wool industry of the country.

Mr. WARREN. Mr. President, I remember a time when there was no tax on whisky and when the price of wool in this country was very high owing to Democratic legislation, and the scarcity of sheep and wool that followed. I do not know that it became an article of common necessity then, any more than it is now.

I shall, however, return to my remarks.

## INDUSTRY SAVED BY DINGLEY ACT.

The Dingley Act, of July 24, 1897, made a phenomenal change for the better from the distressing times of the Wilson-Gorman tariff period. Although our markets were overstocked with foreign goods, our home industries revived almost immedi-In 1896 the number of sheep was 36,818,643; the value, \$67,020,942. In 1898 the number was 39,114,453; the value, \$107,697,530. Thus in two years the number of sheep increased over 6 per cent, and the value 60 per cent.

Mr. President, it is constantly being thrown up to those who advocate adequate duties on wool and its manufactures that the wool industry has not prospered under the Republican tariff policy, and figures are quoted to show that we have fewer sheep in the country than we had four, five, or six years ago. In 1897, the last year of the Wilson-Gorman tariff, we had in this country 36,818,643 sheep, valued at \$67,020,942; in 1913 we have 51,482,000 sheep, valued at \$202,779,000. (See Statistical Abstract, 1912, p. 194.) Thus under the 16 years of the Republican tariff policy the number of sheep in the country has increased 14,663,357, or about an average of 900,000 a year. Their value has increased \$135,759,058, or about 100 per cent.

The amount and value of the wool production in the country

in 1899 was:

_____pounds__ 276, 567, 584 ____\$45, 670, 053 Production_ Value ____

The amount and value of the production in 1912 was:

Production _______pounds__ 304, 043, 400
Value _______ \$75, 819, 251

Thus the increase in annual production in 14 tariff years was 27,475,816 pounds, or 10 per cent; and the increase in annual value was \$30,149,198, or 663 per cent.

The census reports on wool manufacturing show that in 1900 the wages paid in wool manufactories amounted to \$57,933,817; in 1910 the amount was \$87,962,669, an increase in 10 years under the Dingley tariff policy of \$30,028,852, or over 50 per

The reports show that the value of wool manufactures in the United States in 1900 amounted to \$296,990,484; the value in 1910 was \$507,166,710, an increase of \$210,176,226, or 70 per cent. (See Statistical Abstract, 1912, p. 779.)

On the other hand, the importations of raw wool in 1897, the last year under the Wilson-Gorman tariff, amounted to 350,852,-026 pounds. The importations for 1912 were but 191,680,843

The importations of manufactures of wool in 1896, under the Wilson-Gorman Act, amounted to \$56,582,432, and in 1897 to \$49,162,992. The importations for 1912 under the Dingley Act policy amounted to but \$14,912,619.

The general trend of the period under the Dingley and Payne Acts has been in the direction of increased production over the period of the Wilson-Gorman Act in number and value of sheep and in quantity of wool.

The trend in the use of foreign wool and the use of foreign manufactures of wool under the Dingley and Payne Acts has been downward, while under the Wilson-Gorman Act it was phenomenally upward.

This brings to mind the reported saying of President Lincoln that, while he did not profess to understand the tariff question, yet it appeared to him that-

When an American paid \$20 for steel rails to an English manufacturer, America had the steel and England had the \$20. But when he paid \$20 for the steel to an American manufacturer, America had both the steel and the \$20.

UPS AND DOWNS OF WOOL INDUSTRY.

The woolgrowing industry has had many hard scares thrown into it during the period of protective duties, tending in great degree, at times, to "bear" wool prices and discourage those en-gaged in woolgrowing. Hanging over the industry for years was the reciprocity treaty with Argentina, proposing to let wool in from that country at reduced tariff rates. At all times has there been tariff agitation with wool as the storm center and point of attack-facts not overlooked each wool-selling season by some buyers in their efforts to beat down prices.

The woolgrowing industry also has had to contend during the past five years with the vicissitudes of droughts in summer followed by extremely severe winters, which in some parts of the western sheep-growing country decimated the flocks of the growers. Troubles of this kind, with consequent heavy losses, drive the woolgrower to send his remaining stock to the shambles, and the number of sheep in the country thus depre-

I note that the junior Senator from Montana [Mr. Walsh] referred to President Taft's alleged remark that Schedule B of the Payne-Aldrich Act was indefensible; and few Democratic speeches are made that do not quote that remark. If President Taft ever made the statement in the form attributed to him, it was neither a careful nor correct designation of Schedule K. In passing, I would say that practical business men do not now, and did not during his term as President, regard Mr. Taft as an infallible authority on the tariff. His education on the subject was gained largely in the classroom and not in on the subject was gained migery in the classicold and all the plowed field or the mercantile establishment, where practical truths rather than alluring theories are obtained.

If the views of the present Chief Executive had not also been acquired almost wholly within college confines, many of our

citizens would be less inclined than they now are to designate them as tinged with pedantry, and would have more confidence in seeing them put into effect in connection with the great business affairs of the present day.

President Taft may have thought and may have said that Schedule K was indefensible. If so, his view was that of one not familiar with the details of the woolgrowing and woolmanufacturing industries.

Later, when an exhaustive investigation was made by the Tariff Board of the woolgrowing and wool-manufacturing in-dustries, facts were placed before the country showing conclusively that Schedule K is defensible and that the rates of duty on raw wool carried by the Dingley and Payne Acts are not unreasonably high and are not beyond what is required to equalize the competition between the higher cost of production in this country and the lower cost in Argentina, Australia, and other large-producing foreign countries.

#### TARIFF BOARD FINDINGS.

The findings of the Tariff Board were made from investigations of the woolgrowing business covering 173 counties in 19 States. Nearly 1,200 wool growers were visited and interviewed by expert agents of the board, and special agents gathered information from Australia, South America, England, and the Continent.

In regard to wool manufacturing, information was obtained from 174 mills situated in 20 different States, representing 46,000 looms, 1,900,000 producing spindles, and 109,000 employees

Complete investigation was made in reference to wages and

efficiency of labor and machinery.

In its findings the board reported that it costs more to grow wool in the United States than in any other country; that the merino wools required in such great volume by our mills are the most expensive of all wools produced; that the highest average cost of production of such wool in the world is in the State of Ohio and contiguous territory; and that the lowest average cost of producing similar wool is in Australia.

The board also found:

That after crediting the flock with receipts from all sources other than wool, the latter product, in the case of the fine merino wools of the United States, is going to market with an average charge against it of not less than 12 cents per pound, not including interest on the investment.

That the fine wools of the Ohio region are sold bearing an average charge of production of 19 cents per pound.

That in the States east of the Missouri River wool production is incidental to general farming. Here producers, with the exception of certain named districts, lay more stress upon the output of the mutton than of wool, and in such cases the receipts from the sale of sheep

and lambs ordinarily cover the flock expense, leaving the wool for profit. The position of the fine-wool producers, however, not only of the Ohio region but of the far West, is radically different.

That in the western part of the United States, where about two-thirds of the sheep of the country are to be found, the "fine" and "fine medium" wools carry an average charge of at least 11 cents per pound, interest not included.

That if account is taken of the entire wool production of the country, including both fine and course wools, the average charge against the clip is about 9½ cents per pound.

That in South America the corresponding charge is between 4 and 5 cents per pound.

That in New Zealand and on the favorably situated runs of Australia it seems clear that at the present range of values for stock—sheep and mutton—the receipts from other sources than wool are carrying the total flock expense. So that taking Australasia as a whole it appears that a charge of a very few cents per pound lies against the great clips of that region in the aggregate. While the hoard can not, therefore, undertake to name an exact figure in that case, it is certain that the Australasian costs at large fall materially below the South American.

That in the western United States the capitalization per head of sheep (exclusive of land) is \$5.30, upon which a gross profit of 6.2 per cent was realized. The interest rate in that region ranges from 8 to 10 per cent per annum.

That the labor, forage, and necessary miscellaneous expense in the western United States exceed \$2 per head per annum, as against an estimated cost, covering the same elements of expense, of less than \$1 in Australia and about \$1.15 per head in South America.

As shown in this finding of the Tariff Board, no interest on investment nor wayers of the farmor and mambars of his femily.

As shown in this finding of the Tariff Board, no interest on investment, nor wages of the farmer and members of his family,

and so forth, were included.

Thus, with South America and Australia having an advantage over the United States in cost of production of from 43 cents to 5 cents per pound, it can not correctly be maintained that the duty on wool, which, after undervaluations, and so forth, are considered, nets about 4 cents per pound protection, is inde-

What will happen to the wool industry when the great woolproducing countries of Argentina and Australia have free access to our markets, with their advantage over us of a lower cost of

production of from 41 to 5 cents, is easily imagined.

It will be noted from the report of the Tariff Board that the

labor, forage, and necessary miscellaneous expense in the western United States exceed \$2 per head per annum, as against an estimated cost, covering the same elements of expense, of less than \$1 in Australia and about \$1.15 in South America.

In his speech on August 2, defending the pending tariff bill, the junior Senator from Montana [Mr. Walsh] said that it is growing more and more expensive to run sheep in the West, because of the narrowing of the range, and I agree with him.

The woolgrowers, therefore, can not reduce the forage expense in order to compete with Australia and South America, and I know they are averse to reducing the wages of their employees; so it will only be left for them to follow the advice of some of the advocates of the free-wool idea, and that is to get out of the wool-growing business.

AUSTRALIA AND ARGENTINA A MENACE.

In the Washington Post of July 18, 1912, there appeared a brief cable message from Melbourne, Australia, which to me was the most significant item of news in the paper. It was as

MELBOURNE, July 12.

Pounds.

The Right Hon. James Bryce, British Ambassador at Washington, speaking at a banquet at the Chamber of Commerce last night, said there was a great prospect of a substantial reduction in the American tariff. One of the first items, he said, was likely to be that in regard to wool. He would not be surprised if quite a substantial reduction were made, which would increase considerably the volume of the Australian exports to the United States.

It is needless for me to say that former Ambassador Bryce is one of the keenest observers of political affairs in the world, and perhaps more accurate than any other man in public life in determining what the effect will be of any given political or economic cause.

When he says that if a substantial reduction were made in the tariff on wool it would increase considerably the volume of Australian exports to the United States, he states with unerring precision the results which would follow the annihilation of tariff on wool proposed in the pending bill.

The results would be increased importation of wool from Australia into the United States. The same cause which would enable Australia to increase its wool shipments to the United States would enable South America to do exactly the same thing.

The wool clip of the world for 1912 was as follows:

United States	302, 343, 400
British America Mexico and Central America	11, 210, 000 8, 000, 000
South America	554, 622, 955 814, 077, 011
Asia	273, 146, 000 174, 919, 000
Australasia	832, 861, 846
Total, world	2, 971, 180, 212

The number of sheep in the world, according to the most recent available statistics and estimates, is as follows:

United States	52, 836, 168
Canada, Mexico, etc	6, 211, 512
Argentina, Uruguay, etc	109, 693, 142
	170, 516, 437
Asia	110, 058, 874
Australasia	51, 429, 279 117, 026, 774
Australiasia	111,020,114

The countries producing vastly more wool than they use are Argentina, with a clip last year of 368,151,500 pounds; Uruguay, 138,332,375 pounds; and Australia and New Zealand, 832,861,846 These are the wool-producing countries of the world where the industry can increase beyond their present production. These are the countries waiting eagerly to furnish wool to the United States as soon as our own industry is crippled or destroyed by the elimination of the protective tariff.

Australasia is in the market to sell nearly all of the wool raised. Thus, in 1912 the production was 832.861,846 pounds;

the amount exported practically the same.

Argentina also is a big wool producer and a small consumer. Practically the entire clip of Argentina is exported. The exports for 1909, the latest year on which the Tariff Board gives figures, aggregated 353,362,000 pounds, nearly the entire clip of The exports for 1912 amounted, according to the Annual Wool Review, to practically the entire clip, which was 368,151,500 pounds.

Thus we have two great woolgrowing countries-Argentina and Australia-in the market with over a billion pounds of wool, ready to crowd into the United States and capture our home market, which consumes 500,000,000 pounds annually, just as rapidly as our home woolgrowing industry recedes under the loss of the protective duty which stands between it and foreign competition.

Distance of Australasia and Argentina from us forms no protection, for ocean freight rates on wool from Buenos Aires to Boston range from 17½ cents to 23½ cents a hundred pounds.

Rates from Australia to Boston direct are from \$1 to \$1.371 per hundred pounds.

The average rate from the Rocky Mountain region to Boston is over \$1.75 per hundred pounds.

This, then, is the menace to the woolgrowing industry of this country of this wool-tariff removal. It cuts off the license fee we charge the Australian and Argentinian woolgrowers for doing business in this country, and gives them the opportunity to take advantage of the cheaper labor, lower rate of interest, and more advantageous climatic conditions they enjoy, so that they can, first, undersell our growers and destroy their industry; and, second, secure and hold the wool market of the United States.

If the sacrifice of the woolgrowing industry meant cheaper clothing for the people of the United States, the woolgrowers might submit with patriotic resignation, but those who have observed the effects of tariff reduction know that it does not mean cheaper goods for the consumer.

It will be observed that Mr. Bryce, in his prediction of what will follow tariff reduction, does not include lower prices to the He does predict that Australia will find a market in the United States for its surplus wool, of which it has over

800,000,000 pounds every year. It may be contended that our woolgrowing industry has nothing to fear from Australia because the industry in that country is not increasing in proportion to the increase in its population and its industries other than woolgrowing.

While, in fact, the industry in Australia has not kept pace with other industries and population, yet conditions are such that, with the encouragement of having our markets opened to the wool producers of the world, the Australia wool industry

can immediately take great strides forward.

Mr. PITTMAN. Mr. President—

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Nevada?

Mr. WARREN. I do. Mr. PITTMAN. The rates that the Senator from Wyoming has given are the rates of transportation by water from Australia and Argentina to the coast points of the United States, I assume?

Mr. WARREN. Yes.

Mr. PITTMAN. And the rates from the interior of the United States to the same coast points of the United States?

Mr. WARREN. As taken from certain railroad points. Mr. PITTMAN. Has the Senator from Wyoming the rates from the interior points in Australia to the seaport points in Australia, and from the interior points in Argentina to the shipping points in Argentina?

Mr. WARREN. I understand perfectly what the Senator desires to get at. Of course, there is there no regular rate from all the different points on a few sacks here and a few sacks there from the interior any more than there is here; but let me say that I have given that matter a good deal of attention. I find that in Australia, with its many seacoast points and streams that are navigable for flatboats and rafting, its wool can be gotten to water cheaper than our wool can be gotten to the railroad, because here sheep are in those sections away from the towns and generally pretty far from railroads, and there is a very large expense in getting wool by wagon haul from the shearing pens to the railroad. So I have offset one with the other.

Mr. PITTMAN. Has the Senator any figures on that?
Mr. WARREN. Mr. President, I have spent hours figuring
on it, but, as I have stated, there has to be a difference in the
rates from each shearing pen, perhaps, and from each farm. So it is difficult to arrive at anything but an average.

Mr. PITTMAN. Do not the great ranges of Australia and Argentina bear the same relation to their shipping ports as do the ranges of the West to the shipping ports of the United

States?

Mr. WARREN. They do not. Mr. PITTMAN. Why not?

Mr. WARREN. Because the interior of Australia is not settled up, as is the interior of the United States.

Mr. PITTMAN. How does that affect transportation?

Well, it is because there the sheep are raised not so far away from the water shipping points, while here they are raised in the very central and interior part of the

Mr. PITTMAN. If the Senator will permit me on that point, before we go any further I will say that the Tariff Board seems

to differ with the Senator.

Mr. WARREN. Let me say that I do not want to be put in the position of differing with the Tariff Board, and am not going to be. There are different statements in their report which should be considered together and not in pieces and apart, and I happen to remember that the Senator from Nevada, although his argument yesterday was largely—yes, almost entirely—based upon the report of the Tariff Board, expressed complete disagreement with it, and said it was a partisan board

and that he could not depend upon it. In fact, he discredited it.
Mr. PITTMAN. If the Senator will recollect, I said that in all of their mistakes they erred in favor of a high protective

tariff.

Mr. WARREN. And I do not agree with that. I remember that they were a bipartisan board, and while it is the Senator's privilege to say that they made a report from a high protective

standpoint, it is equally mine to say that they did not.

Mr. PITTMAN. If the Senator please, I will read from the Tariff Board report, page 333, what is said about the ranges so far as markets are concerned in Australia and the United States. They discuss the fact that in Australia they do not ship much mutton to market on account of the remoteness of the sheep runs from the seacoast ports, while in the United States, by reason of the transportation facilities in the interior, we ship a great deal of mutton. Here is the language of the report:

The fact that the average investment in the flock is lower in Australia and in South America than in the United States is due to the greater average distance of the sheep runs from the market.

Mr. WARREN. Well, that is true; they are farther from Boston than we are.

Mr. PITTMAN. They are farther from their local market.
Mr. WARREN. The Senator speaks of the distance of the
sheep runs from the market. Perhaps the Senator will not remember-he is a younger man than I am-but I can remember when it was unsafe to ship more than one full car of sheep into the Chicago market. There was no great market until we got down to Buffalo or Albany. It is only within a short time that there has been a market for shipping frozen meat-and that is the only way it can be shipped from Australia-but that business is now being carried on very extensively. I have some quotations here from the Tariff Board report as to Australia which I will put in the RECORD.

Mr. WALSH. Will the Senator from Wyoming permit me to

interrupt him?

Mr. WARREN. Certainly.

Mr. WALSH. I have had no desire in connection with any participation on my part in this debate other than to assist in eliciting actual facts. I can speak with some degree of familiarity with the conditions in my State, and there the shearing pens are, with very rare exceptions, at the railroad points.

Mr. WARREN. I am quite well acquainted with the condi-

tions in Montana.

Mr. WALSH. I should like to inquire of the Senator if they

are different in his State.

Mr. WARREN. I will say to the Senator that he is quite right so far as a good portion of his State is concerned. Montana is favored with a great many transcontinental railway lines; she is pretty well gridironed with railroads; and in that country they handle sheep differently. They handle them largely

in wagon camps, do they not, and from wagon camps?

Mr. WALSH. Oh, yes.

Mr. WARREN. Of course, they take their wagons, their men, and their supplies—at least they heretofore have done so, but they will not hereafter, according to the evidence the Senator has already submitted—and they graze their sheep wherever they may be down to the shearing pens, and therefore are near the railroad. That is not true now in Wyoming to any great extent, because of the settling of the country here and there, and because we have not the railroad facilities which Montana What is true of Wyoming is true of some of the other States. There is a large amount of money paid to get wool from the points where it is sheared to the railroads in my State and in some of the other States; but that is not so much true of Montana, where the business is carried on by wagon camps.

Mr. WALSH. Of course, 20 years ago the conditions to which the Senator adverts were quite common. For instance, it was common to haul wool from the Judith Basin to Fort Benton to ship it down the river, a distance of perhaps 150 miles; but those conditions do not exist to-day. The shearing pens, as I have said, are, with very rare exceptions, at or near the railroad

stations.

Mr. WARREN. That works both ways, Mr. President. Only 20 years ago we could graze sheep from any part of Wyoming down within 75 miles of Omaha, but we can not graze them now across one State.
Mr. PITTMAN.

Mr. PITTMAN. Mr. President—
The PRESIDING OFFICER. Does the Senator from Wyoming yield to the Senator from Nevada?

Mr. WARREN. I do. Mr. PITTMAN. I trust the Senator will pardon me for interrupting him again, but the question of freight rates is very important in this consideration. The only freight rates the Senator has really attempted to give us are the freight rates from the seaports of foreign countries to our seaports. We are contending that the transportation from the interior of our country to our own seaports is less, if anything, than the transportation from the interior of other countries to their seaports. by reason of more favorable transportation conditions existing in the United States than in those foreign countries. I will read what the Tariff Board says with regard to this very The Tariff Board, in discussing the reason why in Australia they do not ship mutton, but ship wool-

Mr. WARREN. Would the Senator as soon wait until I reach a little later point in my remarks where what he suggests would relate more clearly to the points I desire to make?

Mr. PITTMAN. It is only three lines.

Mr. WARREN. Very well. Mr. PITTMAN. The Tariff Board says this:

In Australia the receipts for mutton constitute a much smaller portion of the receipts than from other sources. This is partly due to the fact that the great sheep runs of the interior are unfavorably situated as regards marketing.

I thank the Senator for his courtesy.

Mr. WARREN. Mr. President, I notice that there seems to be quite a silence on the other side concerning the freight rate of 171 cents to 20 cents from Buenos Aires. I have known it to be less than that. If there is to be continued contention regarding the matter, I shall be glad to get bills of lading and freight bills to show what is really paid for bringing wool from certain points in New Zealand, Australia, and Argentina to the United States. I have seen many of them.

Now, I will make a few comparisons between the conditions in Australia and in our country. They may not be amiss at this

The aggregate area of the Australian woolgrowing States is 1,903,731,840 acres.

The aggregate area of the United States, exclusive of Alaska and our insular possessions, is 1,937,144,960 acres.

The Australian Commonwealth is approximately the same size as the United States.

The alienated lands in Australia amount to 130,393,166 acres; the leased lands, 787,211,488 acres; leaving an area of 986,127,186 acres unoccupied.

The alienated and reserved lands in the United States amount to 1,609,754,992 acres, leaving 327,389,968 acres unappropriated and unreserved.

A large part of the 986,127,186 acres of unoccupied land in Australia is suitable for sheep raising.

The Tariff Board, in its exhaustive study of the wool business

The Tariff Board, in its exhaustive study of the wool business in Australia, reports (p. 492, Report on Schedule K):

Woolgrowing on inland leaseholds in Australia has often been described as a "gamble" from the financial point of view. Such it must always remain to some extent, but the risks are everywhere being substantially diminished, while the profits continue sufficiently high to stimulate enterprise. The losses caused to the pastoral industry by the great drought which terminated in 1902 have been estimated at \$650,000,000. That disaster taught lessons of prudence which can never be forgotten. The industry is now being worked on safer lines, and the protective measures taken by those engaged in it will soon be strengthened by the Government rallway and water-conservation policies. In the opinion of men who have had a long acquaintance with the industry, Australia should ultimately be capable of carrying at least 150,000,000 sheep, while providing for a greatly increased export of mutton.

With an area of unoccupied land of over 900,000,000 of acres open for the extension of the sheep-raising industry; with a labor cost of \$1 per head of sheep against \$2 per head in the United States; with a cost of from 4½ to 5 cents less per pound for growing wool than in the United States; with the great market of this country of over 500,000,000 pounds per annum opened invitingly to the foreign woolgrower; and with a government administration friendly and helpful instead of hostile to the industry, we may well believe with Mr. Bryce that the volume of Australian exports to the United States will be greatly increased.

The production of wool in Australia, while not keeping pace with the population growth, has nevertheless been steadily in-

creasing during the last decade.

In 1903 the production in the Australian States aggregated 414,120,567 pounds; in 1912 it was 662,845,907 pounds.

In 1903 the number of sheep in the Australian States was

56,932,705; in 1911-12 the number was 92,742,034.

It is generally asserted that the woolgrowing industry of South America has reached its apex and that we have nothing to fear from competition from that source. The wool production of the two great South American woolgrowing countries, Argentina and Uruguay, has not increased in proportion to the increase in their recognition or in proportion to the increase. to the increase in their population or in proportion to increases in agricultural industries other than woolgrowing. But Argentina is preparing to take advantage of the opportunities for increased trade and profits which will be offered through the removal of the duty on wools sent to the United States. For some time past the Government of Argentina has been offering liberal inducements to stockmen to go into the sheep business in Patagonia.

Mr. PITTMAN. Mr. President, I understood the Senator from Wyoming to state that the cost of producing wool in Australia and in other foreign countries was less than in the United States.

Mr. WARREN. The cost of labor, certainly.

Mr. PITTMAN. That the net charge against wool is less in those countries than in the United States; is that correct?

Mr. WARREN. Yes.

Mr. PITTMAN. The Tariff Board-

Mr. WARREN. I remember the figures the Senator gave yesterday from the Tariff Board report, which, by the way, he discredited; and if he will remember or will look over his speech, he himself brought the figures in, showing that it cost \$2 or more per head in this country, if I mistake not, to about a dollar in other countries.

Mr. PITTMAN. The Tariff Board, on page 330, in Table 10, gives the net charge for producing wool in the State of Washington at one-half a cent a pound. On page 11 it gives the net charge for producing wool in the Argentine Republic at from

4 to 5 cents a pound.

Mr. WARREN. What figures does it give for Australia?
Mr. PITTMAN. In Australia it is a few cents a pound.
Mr. WARREN. I beg the Senator's pardon. In another place he will find that it is stated that in Australia they raise sheep at a profit of quite a few cents each without considering the wool at all.

Mr. PITTMAN. With the Senator's permission, I will read the extracts from the Tariff Board report to which I refer.

The Tariff Board says:

That in South America the corresponding charge is between 4 and 5 cents per pound.

That in New Zealand and on the favorably—

Note the word "favorably"-

situated runs of Australia it seems clear that at the present range of values for stock sheep and mutton the receipts from other sources than wool are carrying the total flock expense. So that, taking Australasia as a whole, it appears that a charge of a very few cents per pound lies against the great clips of that region in the aggregate.

Mr. WARREN. Well, what does that prove? Does that prove that the cost is less in this country than it is over there?

Mr. PITTMAN. It proves that they are producing wool in the State of Washington for less than they are producing it in Australia or in Argentina.

Mr. WARREN. How much do they produce in Washington? Mr. PITTMAN. They have in Washington about 1,150,000

Mr. WARREN. Oh, no, they have not nearly so many sheep as the Senator from Nevada claims. How much wool do they

Mr. PITTMAN. I will give you the exact amount. The figures given were for Nevada.

Mr. SMOOT. They have 61,574 sheep, and the total amount of wool is valued at \$46,540.70. The Senator compares that one State, where sheep are raised for mutton only, with the average of the sheep produced in Australia.

Mr. PITTMAN. Mr. President, if I may continue for just a

minute

Mr. WARREN. While the Senator is looking at the figures, let me say that the State of Washington has comparatively a mere handful of sheep, the long-wool sheep raised for mutton, as he proved yesterday; while Australasia has nearly 120,000,000 sheep.

Mr. WALSH, Mr. PITTMAN and Mr. SMOOT addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Wyo-

ming yield, and to whom?

Mr. WARREN. I can not yield to all three Senators at once.

I will ask that I may be allowed to finish this part of my remarks.

A comparison with a little handful of sheep in one little part of the United States, in Washington, where they raise a mutton sheep, hardly elucidates the proposition of our wool supply as a whole, which goes up into the hundreds of millions of pounds.

Another thing: While the Senator from Nevada is quoting Washington, perhaps he will quote Ohio, where the wool costs 19 cents per pound according to the authority from which he is

quoting

Mr. PITTMAN. I am willing to draw a distinction between Ohio and the other States, and the Senator knows it. The Tariff Board states, with regard to the Middle States and Eastern States, that it is an entirely different matter from the ranging of sheep through the West, where the product is chiefly wool.

Mr. WARREN. The Senator will find in the same computation that it costs 12 cents and a fraction in Wyoming, if I remember rightly, and 11 cents in another western State, and

Mr. PITTMAN. Yes; and it also shows the reason why in the computation. The reason given for that by the board is set out in the report. For instance, the State of Nevada raises its wool, as given by the Tariff Board report, at 4.1 cents a pound for the wool. That is less than it costs to raise it in South America. It is certainly only a few cents a pound in Australia; and it can not be contended that the manner of raising sheep in the State of Nevada is any different from the manner of raising of sheep in either Utah or Wyoming.

Mr. WARREN. I wish to say to the Senator from Nevada that I welcome all inquiries; but since nearly all of that matter was put before the Senate yesterday, I do not believe I wish to take in all of the Tariff Board report, especially as the Senator does not make the point he is trying to make, that we

can raise sheep cheaper in this country than they can in Australia.

Mr. SMOOT. Mr. President—

The PRESIDING OFFICER. Does the Senator from Wyoming yield to the Senator from Utah?

Mr. WARREN. The Senator from Montana first rose, Mr.

President. I yield to him.

Mr. WALSH. I. rose simply to say that there ought to be no controversy about an indisputable fact, namely, that Washington has 501,000 sheep rather than 62,000, as suggested by the

Senator from Utah.

Mr. SMOOT. Mr. President—
The PRESIDING OFFICER. Does the Senator from Wyo-

ming now yield to the Senator from Utah?

Mr. WARREN. I do, with pleasure.

Mr. SMOOT. The report was based upon the number of sheep I stated. The number of sheep reported upon was 61,574. Mr. WALSH. With the usual accuracy of the Senator from

Utah, I felt sure that he misspoke.

Mr. SMOOT. Of course if I did, I wish to say to the Senator that I had reference to the number of sheep that were reported upon, showing that the cost of wool upon that number of sheep was what the Senator from Nevada said. Right in that connection I wish to say that nearly the whole difference between the average cost of producing wool, of 9½ cents a pound, as the Tariff Board says, and that of a half cent in Washington, comes from the fact that they report 92.3 per cent as the percentage of increase of lambs in Washington. It was on that small number of sheep that they reported, and the class of sheep

which the Senator knows, perhaps, were kept around the home, where the increase of lambs would be very much larger than the increase of lambs in any herd of sheep that may have run upon the range.

Mr. PITTMAN. Mr. President, I do not think the Senator is intentionally unfair when he keeps referring to the small number of sheep that were considered in the State of Washington. As a matter of fact, the same proportion of sheep were con-sidered in the State of Washington that were considered in the State of Utah, or the State of Wyoming, or any other State. In other words, about 10 per cent of the sheep of each State were used as an example for all.

Mr. SMOOT. More than 10 per cent of the sheep in Utah

were reported on, and less than 10 per cent, we will say, of the whole, because the number of sheep reported upon is 3,151,731, and there are over 50,000,000 sheep in this country. Senator must admit that not as many as 10 per cent were reported upon in all of the States of the Union.

Mr. PITTMAN. Again the Senator is unfair, because the sheep they examined were the sheep in the Western States, which constitute only from 35,000,000 to 39,000,000, instead of 50,000,000. My statement that 10 per cent were selected as an example of the whole is correct.

Mr. SMOOT. Mr. President, the number reported upon is as Of course the States are named here in the report. wish to say that it seems to me the Senator had better not talk about unfairness, when he tries to give the Senate to understand that the cost of producing wool in this country is the cost of producing it in Washington, and then compares it, not with the lowest cost of wool in Australia or in South America, but with the average cost in Australia and the average cost in South

The Tariff Board reports that in Australia there are millions of sheep as to which there can be no charge whatever against the wool, as the furnishing of lambs and mutton from the herds more than pays all the expenses of maintaining the sheep. Therefore I say to the Senator that if he is going to pick out Washington, the State of lowest cost, and give figures based on the wool produced from 61,000 sheep, it seems to me he also ought to take the lowest cost of the millions of sheep in Australia.

Mr. PITTMAN. Mr. President—
The PRESIDING OFFICER. Does the Senator from Wyoming further yield to the Senator from Nevada?

Mr. WARREN. I do. Mr. PITTMAN. I shall try not to interfere any more; but I think the Senator from Utah is again unintentionally unfair in stating that in the State of Washington they probably went into somebody's back yard and examined one little herd. As a matter of fact, there is a diagram in this report which, if the Senator had read it—and I know he has read it—shows that the examination in the State of Washington was as universal as it was anywhere else. If he will look at the map, he will see that they went all over the sheep area in making their examination, and the same way in the State of Nevada.

Mr. WARREN. Mr. President, if we are talking about the products of the whole world I think we would better not get

down into any back yard.

The PRESIDING OFFICER. Does the Senator from Wyoming decline to yield further?

Mr. WARREN. I understood the Senator was through. I did

not wish to cut off the Senator.

Mr. PITTMAN. I simply wish to say that the reasons given by the Tariff Board, as I stated on yesterday, for the difference in the net charge against raising wool in the Western States, are given in this language, which I think will be accepted even by the Senator from Utah:

The wide variation from Table XIII to Table XVIII in the net charge against wool depends in the main upon certain conditions which have already been discussed—the particular sort of flock kept, whether crossbred or pure wool; whether woolgrowing is combined with breeding; the importance for different purposes of the annual increase of lambs; the extent to which wethers are kept; the amount and quality of wool produced, and the methods employed in the farm operations.

Since the only source of regular income from wethers is wool and the costs of maintenance are not materially lower than for breeding ewes, it is evident that though the fleece of the wethers may be superior to that of the ewes the higher the proportion of wethers in a flock the greater is likely to be the net charge against wool, since under the conditions now prevailing in this region, the tables indicate that the fleece of a sheep alone does not pay for its maintenance.

An examination of that table will show that the trouble with Wyoming and the other States is that they are not pursuing the raising of sheep in accordance with the practical conditions of that country and in accordance with this suggestion of the Tariff Board.

Mr. WARREN. There are men in Wyoming who have been there longer than the Senator from Nevada has, who have been | Australia.

in the business of raising sheep for a great many years; and while doubtless he can show them all about how to raise sheep, I do not believe we can quite go into all the elementaries of it here this afternoon.

Mr. PITTMAN. Just one more question, Mr. President. The PRESIDING OFFICER. Does the Senator from Wyo-

ming further yield?

Mr. WARREN. I yield.

Mr. PITTMAN. I certainly respect the great experience of the Senator from Wyoming. I know he has had a great deal of experience in this matter. But I wish to say that his experience has been largely that of a seller, while my experience has been entirely that of a buyer. His experience has been under a high protective tariff, where all kinds of extravagance are encouraged, upon which the Tariff Board comments. My experience has been in a case where we want some economy in the industry, and not to have it run as a luxury for the pro-

Mr. WARREN. All that, of course, is declamation. I have been in the industry, it is true. I have been in it in the low times as well as in the high times, under free trade as well as under protection. I do not make any denial of that. It is one of the things in which I am interested, and my interest may or may not be a matter of common knowledge. I do not have to apologize for it.

We were speaking of Argentina a time ago. I have here a quotation from the Salt Lake City Tribune of August 4, 1913. happen to have met the gentleman, who was interested in advertising, or, in a way, exploiting, the ranges of South America. The Government over there, as I understand, requested from our Government the loan, if I may use the term, of an expert who went over there and examined into the conditions of all matters relating to sheep husbandry. Upon his return he was interviewed, and I suppose this is one of the interviews:

[By International News Service.] SAYS PATAGONIA IS GREAT SHEEP REGION—PROF. BAILEY WILLIS RETURNS FROM SOUTH AMERICA FOR SHORT VACATION.

NEW YORK, August 3.

Prof. Bailey Willis, who was loaned to the Argentine Government two and a half years ago by the United States Geological Bureau to conduct a survey of the Andes and Patagonia, arrived to-day on board the steamer Voltaire for a vacation. He will return at the end of the year to complete the work.

During the two and a half years the party of which he had charge surveyed in detail 20,000 square miles of unexplored territory and mapped out railroad routes for the development of the country, which will be built by British capitalists and the Argentine Government.

Besides the planning of railroad routes the expedition was commissioned to determine the resources of the treeless plains of Patagonia and the forested valleys of the Andes. Prof. Willis declared that Patagonia, which was no farther from Buenos Aires than Colorado is from Chicago, would become the greatest sheep-rearing region of the world, while the Andes would be one of the greatest cattle-raising districts.

The woolgrowing business of South America, while it has not grown as rapidly as other industries, shows an increase.

In 1896 the South American production was 473,768,540 pounds; in 1912, 554,662,955 pounds.

Of the production a large percentage is exported. For instance, of the Argentina clip of 340,400,000 pounds in 1910. 327,200,000 pounds were exported; and of the Uruguay clip of 126,800,000 pounds in 1910, 124,300,000 pounds were exported. A conclusion of the Tariff Board is that the production of sheep in the principal South American sheep countries may remain more or less stationary because the expected increase

remain more or less stationary because the expected increase in the Patagonian region will be offset by the absorption of lands for agricultural purposes in the central provinces; but it is also asserted that the business may increase with higher profits, and this is just what it is proposed to give them by the present bill. In competition with our wool industry Argentina and Uruguay can produce wool at from 41 to 5 cents per pound less than the United States.

Mr. WILLIAMS. Mr. President, I should like to ask what is the character of the wool grown in Patagonia?

Mr. WARREN. It is a very excellent quality, usually what is called "cross-bred" wool.

Mr. WILLIAMS. It is the wool that goes into carpets? Mr. WARREN. Not at all. It is that which goes into such

articles as the coat I have oh, and it can be transported to New York or Boston for 1 to 1½ cents per pound less than from the Rocky Mountain country, making a difference of at least 5 to 6 cents per pound of scoured wool.

We have protected our growers heretofore with a duty which has given the market to our home growers. As soon as the duty is removed we must come into competition with the wools of lower cost of production in South America, and if our wool-growers can not live under this competition they can take the advice of those who advocate free wool, go out of business, and allow the wool we use to be supplied from South America and

Possibly at the risk of repetition I would say that the report of the Tariff Board shows that woolgrowing in Argentina has been falling off slightly in the past two or three years. Government of the country proposes, however, to aid in not only bringing woolgrowing back to its previous basis, but extending and enlarging it to a very great degree. This is to be accomplished by leasing great tracts of public lands in Patagonia belonging to Argentina. Steps have already been taken to lease these areas of public land, and on May 14, 1912, the minister of agriculture of Argentina authorized the issuance of invitations in the United States and other countries to rent the public lands in the territories of Rio Negro, Chubut, and Santa Cruz for sheep raising. It is proposed to lease the lands at an annual rental of \$84 a square league, equal to 6,144 acres, and for a term of 30 years. This would be at the rate of about 11 cents per acre per annum. In our Western States where State lands are leased to sheepmen the annual rate of rental is from 5 to 20 cents per acre.

It is represented by the minister of agriculture of Argentina that Patagonia is primarily a sheep and cattle country, where agriculture must always be subordinate. The climate is semiarid. Rio Negro is in the latitude corresponding to South Dakota, Chubut corresponds to Montana, and Santa Cruz to the equivalent latitudes of Canada; but the extremes of cold are not so great in Patagonia as in the States referred to.

The altitude varies from sea level to 4,000 feet in the plateaus and 6,000 feet in mountain peaks. The country looks like the

high plains of Wyoming, Utah, Arizona, or Texas.

The pasture consists of native bunch grasses and many kinds Water occurs in springs, streams, waterholes, of edible bushes. and underground, but is wanting in some districts except when it rains. Its distribution is the controlling factor in regard to the value of lands. There are well-watered protected valleys, plains with numerous transient ponds, high plateaus with water and pasture spring and autumn, and other districts where water is very scarce or salt. It is the purpose of the Argentine minister to subdivide the public lands so as to include under each lease lands of different kinds comprising ranges for different seasons, where practicable in one fence, or in lots within driving distance.

Wool on the ranch sells for 7½ to 9½ cents per pound. about one-half the rate paid in this country, being \$16 to \$25

per month for the herders.

It is estimated by the minister of agriculture that a net income of 17 per cent per annum on the amount invested can be realized by investors in sheep raising in Patagonia under the terms offered by the Government.

It is expected also that the arrangement will in a short time

double the area of lands now devoted to sheep growing and will greatly increase the wool production of the country.

TARIFF DUTIES PAID BY FOREIGNER,

Mr. President, we have heard frequently from the supporters of this bill that the wool tariff imposes a hardship on the many for the benefit of the few.

Now, we contend that the duty paid on importations of wool comes largely out of the pocket of the foreign producer as his license for trading in our market, and does not come out of the pocket of the consumer.

But if the contention of the other side were correct, what is the extent of the burden imposed on the people of the country

by the imposition of a tariff on wool?

The aggregate amount of duties collected during the last fiscal year on unmanufactured wool was \$14,454,234. We have 93,402,000 people in the United States, or probably more than that now, which would make the figures more favorable. Therefore, if the people paid this duty the amount for each individual for the fiscal year 1912 was between 15 and 16 cents.

The amount of duties collected on manufactures of wool was

\$12,599,246, and if this was paid by the American people the average payment per individual for 1912 was 13 cents. If the entire duty collected on wool and manufactures of wool were paid by the people of this country the burden for the last fiscal year would have been less than 29 cents per person.

No matter who paid the duty, foreigner or American, the amount collected finally went into the hands of the people of this country, as it was paid out to maintain our Government

institutions.

I contend, Mr. President, that the \$27,053,480 collected last year in wool and wool manufactures duty was a tax paid by the foreign producer for the privilege of entering our markets and that it was a benefit rather than a burden on our own MAGNITUDE OF INDUSTRY THREATENED.

Mr. President, in conclusion I wish to call attention briefly to the magnitude of this sheep and wool industry, the existence of which is threatened by this bill.

The latest obtainable statistics show: Pounds. 626, 872, 774 52, 823, 168 2, 971, 180, 132 302, 343, 400 500, 000, 000

The United States uses more wool than any other nation in the world.

Touching the importance of woolgrowing in our country with which to supply our mills, I quote the following from the report of the Revenue Commission appointed in 1865 to consider and report upon our entire revenue system; not as a wool commission, but to consider our entire revenue system. The members of the commission personally were not particularly interested in woolgrowing or manufacturing, but in the exhaustive report they made the following was included. they made the following was included:

The home production of wool is necessary to render us properly independent of foreign powers, in peace and in war, in obtaining our supplies of an article on which the lives and health of all of our people depend. It is necessary to national economy, for no great agricultural country can afford to import its most important and costly raw material.

And-

Finally, it is necessary to extend and complete the circle of diversified industries on which the wealth and independence of nations so much depend.

It would be a sad condition for our country, and especially in time of war, if we were dependent upon foreign countries for that most needed, if contraband, article—wool for clothes which, next to food, is our most essential product.

SUGGESTED TARIFF ACTION.

Mr. President, I suggest:

First. The Government is ours, and must be supported, and it takes cash to support the Government.

Second. The best way to obtain it is to make the foreigner

pay a license for the privilege of doing business in this country.

Third. The laborer is worthy of his hire, and we must give protection sufficient to insure work for all who are willing to work and wages sufficiently large to pay for food, clothing, and the education of children, with a little laid by for sickness or a rainy day. This insurance we must sustain for all of our millions of working men and women.

Fourth. The amount of revenue from wool duties is large; the per capita or per-suit-of-clothing wool duty is almost infinitesimal, since but 2 to 4 pounds of clean wool go into a suit

of clothes.

Fifth. Cost of living will greatly increase because of higher meat prices if our mutton supply is lessened, just as meat will be lower if we increase that supply.

Sixth. Diversified interests—agricultural and manufacturing—are vital to the progress and high development of the nation.

Seventh. Practically all of the people of this country are producers; every man who works is one. All are consumers; but those who are consumers and not producers are the "idle who need not be taken into account.

Mr. President, I can recall no period but one in our history when so determined an effort was made to cripple the industries of this country and transfer them to foreign countries as will, in the opinion of thousands of good citizens, be the result of the operations of the pending bill should it be enacted as reported from the Finance Committee. That period was during colonial times, when even then England was jealous of us on account of our industrial and commercial growth.

It was in that period that Parliament in 1699 enacted a law prohibiting the exportation of wool or woolen manufactures from the English Colonies in America in competition with those of the mother country. It was in that period that Lord Chatham is quoted as saying:

The English colonists in North America have no right to manufacture a nail or horseshoe.

In 1719 the House of Commons enacted in resolution form "that erecting any manufactories in the Colonies tended to lessen their dependence upon Great Britain."

Can it be possible that this great political party which now has full control of the executive and legislative branches of the Government will, unwittingly or otherwise, by reason of this tariff legislation it has determined to adopt, turn us backward toward conditions which prevailed in colonial days when we were at the mercy of the manufacturing and business interests of England?

Mr. President, our country is prosperous. Daily we have statements to that effect from Senators on the other side and we have evidence of the correctness of their statements in the Government reports of the volume of imports and exports of merchandise for the fiscal year just ended. These reports show

that our commercial transactions are greater in volume than

ever before in our history.

These conditions, I firmly believe, are the result of the policy of protection which has been in force the past 16 years.

Mr. STONE obtained the floor.

Mr. PENROSE. Mr. President—
The PRESIDING OFFICER (Mr. Martine of New Jersey in the chair). Does the Senator from Missouri yield to the Senator from Pennsylvania?

Mr. STONE. I rose only to express the hope that we might proceed with the bill.

Mr. PENROSE. I thought I would indulge in a few reflections on the bill, Mr. President.

Mr. STONE. We are always delighted to hear the Senator.

The PRESIDING OFFICER. Does the Senator from Missouri yield, then, to the Senator from Pennsylvania? Mr. STONE. I yield the floor, Mr. President.

Mr. PENROSE. Mr. President, the Senator from Wyoming IMr. WARREN] has given a most interesting and luminous address to the Senate, very naturally largely from the point of view of the woolgrowers. In the remarks I shall make I propose more particularly to direct the attention of the Senate to the view of the manufacturer, particularly the eastern manufacturer, in the woolen industry. At the same time I wish to impress upon the Senate the fact that as far as the eastern point of view is concerned, as I know it, there is no conflict with the side of the woolgrower.

This is an industry which covers a continent, beginning with the growing of wool on the larger scale in the western part of the country and ending with the manufactures of the eastern seaboard. But we must not underrate the fact that not only is the industry one harmonious proposition from the wool on the sheep's back to the mill, and any comprehensive tariff must necessarily embrace the whole situation, but in addition to that, the eastern part of our country must not be overlooked as a

woolgrowing section.

I have some figures here which are quite remarkable, showing the wool product of the United States for the year 1912. It may not be realized that Maine produced 937,500 pounds of wool in that year. Ohio produced 16,875,000 pounds of wool, nearly half the product of Montana and nearly half the product of Wyoming, showing that it is not alone the wide areas of the West which are interested in woolgrowing, but that the great

Eastern States have a real interest in it.

The industry of woolgrowing is necessarily being curtailed in the western country. The establishment of the forest re-serves and the restrictions imposed upon them, the fencing in of the country, have all contributed to curtail the industry to some On the other hand, it has been slowly but steadily increasing east of the Mississippi River. There are large stretches of country in States like Ohio and Pennsylvania that are even better adapted to the growing of wool and the raising of sheep than the country along the slopes of the Rocky Mountain Range. Unless this industry is destroyed by the pending tariff legislation, we can well look in the next 10 years to a most remarkable increase in the raising of sheep east of the Mississippi River. The raising of sheep for food and for the fleece ought to be a part of the industry of every large farm. The State of Michigan, I find from these figures, produced 10,125,000 pounds of wool during 1912. The State of Pennsylvania produced in the same year 4,095,000 pounds of wool. At one time the county of Washington, in Pennsylvania, ranked as the leading woolgrowing county in all the United States, and it is still a substantial part of the agricultural wealth of the people of that great section of southwestern Pennsylvania.

The table referred to is as follows:

Wool products (washed and unwashed) of the United States, 1912.

	Pounds.
United States	
Maine	937, 500
New Hampshire	
Vermont	
Massachusetts	143, 750
Rhode Island	
Connecticut	
New York	
New Jersey	21, 800
Pennsylvania	4, 095, 000
Delaware	
Maryland	
Virginia	2, 025, 000
West Virginia	3, 162, 500
North Carolina	562, 500
South Carolina	108, 000
Georgia	656, 250
Florida	308, 750
Ohio	
Indiana	
Illinois	
Michigan	10, 125, 000
Wisconsin	4, 290, 000

Wool products (washed and unwashed), etc .- Continued.

	l'ounas.
Minnesota	3, 037, 500
Iowa	
Missouri	
North Dakota	1, 750, 000
South Dakota	3, 206, 250
Nebraska	1, 760, 000
Kansas	
Kentucky	3, 565, 000
Tennessee	1, 900, 000
Alabama	373, 750
Mississlppl	562, 500
Louisiana	525, 000
Texas	9, 100, 000
Oklahoma	390, 000
Arkansas	400,000
Montana	31, 175, 000
Wyoming	32, 175, 000
Colorado	8, 040, 000
New Mexico	18, 850, 000
Arizona	5, 695, 000
Utah Nevada	
Idaho	15, 540, 000
Washington	
Oregon	
	11, 900, 000
California	11, 200, 000

Mr. JAMES. Will the Senator from Pennsylvania yield for question?

Mr. PENROSE. Yes.

Mr. JAMES. How many pounds of wool does the Senator

say Pennsylvania produced last year? Mr. PENROSE. Four million and ni Mr. JAMES. How many pounds did Pennsylvania produce in 1909?

Mr. PENROSE. I could not answer that question.
Mr. JAMES. I will state to the Senator that the figures supplied us by the census show that Pennsylvania produced in 1909 6,300,000 pounds of wool. If the figures the Senator now gives to the Senate as to the production of wool in Pennsylvania last year are correct, Pennsylvania has fallen off one-third in the

production of wool.

Mr. PENROSE. The Senator is entirely correct in that state-Washington County, to which I have referred, with the neighboring county of Greene, which are the chief centers of the wool industry in Pennsylvania, have exhibited a falling off. It is due to two reasons. One has been the development of great natural resources, like the discovery of oil and natural gas and the establishment of great industrial plants, which have caused many of the farmers to abandon their farms, or to lease them partly unworked, and in recent times—in the last two years-the persistent agitation for free wool and tariff reduction, which has terrified everyone engaged in the industry. But, notwithstanding these circumstances, the industry in Pennsylvania is quite a substantial one and of material interest to the agricultural people of that great Commonwealth. There is no section of the State where the people are more gravely dis-turbed regarding this tariff bill than are the farmers of the counties of Washington and Greene in the State of Pennsylvania,

Mr. WALSH. I should like to address a question to the Senator.

The VICE PRESIDENT. Will the Senator from Pennsylvania yield to the Senator from Montana? Mr. PENROSE. I will.

Mr. WALSH. Can the Senator tell us the number of sheep there are in Pennsylvania at the present time?

Mr. PENROSE. Yes; I am going to get to that, if the Senator will wait for a minute.

Mr. WALSH. Can the Senator give us the figures for 1899? Mr. PENROSE. No; I did not want to burden the Senate

with too many figures.

Mr. WALSH. Inasmuch as the Senator has told about how the woolgrowing business is developing east of the Mississippt River, I want to invite his attention to the fact that Indiana in 1899 had 1,200,899 sheep and in 1909 it had 659,802 sheep.

Mr. PENROSE. The Senator is about right, I believe. I

have already stated that the industry has gone down. But it is still a vital substantial subject of interest to the farmers of the East.

Mr. JAMES. If the Senator will permit me, in regard to the statement he made, that the falling off in the production of wool in Pennsylvania was due to the development there and in part to the agitation of the Democratic Party for free

Mr. PENROSE. Yes, Mr. President; I know no one in Pennsylvania who argues for free wool.

Mr. JAMES. I thought the Senator attributed the falling off of the production of the wool to the agitation about free wool.

Mr. PENROSE. Partly that and partly—
Mr. JAMES. I was wondering whether in 1911, when we passed through the House a bill that had a tariff upon wool, that affected the people of Pennsylvania so quickly as to be

reflected in the production of wool in 1912.

Mr. PENROSE. I can answer the Senator very briefly. tariff was so low as to be inconsequential, and the provisions of the bill regarding the manufactured product were so destructive, that it was evident to everyone that there would not be any market for wool if the bill passed,

Mr. JAMES. The Tariff Board report, however, does not agree with the Senator as to why the production of wool has

fallen off in Pennsylvania, because this report says:

The production of early lambs is found profitable in New Jersey at the present time, as it is in eastern Pennsylvania. In these regions woolgrowing is a matter subordinated to mutton production.

Mr. PENROSE. That may be entirely correct. Pennsylvania is quite a large territory, divided into the west and the eastern parts by the Allegheny Mountains. The chief section of the State where sheep are raised is west of the Allegheny Mountains, and I was referring to the western section of the State.

Mr. JAMES. I thought the Senator was talking about the

State as a whole.

Mr. PENROSE. Then I failed to make myself clear. I was talking about the State as a whole, but I stated, as regards the very large production of the sheep industry, that it is located in the western part of the State. It may be that on the dairy farms and the farms in the eastern part of the State near the

great centers sheep are raised for meat.

Regarding the sheep condition in Pennsylvania I can say that the State of Pennsylvania, like most of the States east of the Mississippi River, does not now possess so many sheep as it once had because of the favorable conditions for woolgrowing on the wide grazing areas of the far West and the Rocky Mountains and on account of industrial development. But Washington County and other counties in Pennsylvania are still famous for the quality of their sheep and wool, and there were, all told, 650,000 sheep of shearing age in Pennsylvania on April 1, 1912. The average weight of the fleece of these on April 1, 1912. The average weight of the neece of these sheep in that year was 6.30 pounds, and the total clip of wool, washed and unwashed, for 1912 was 4,095,000 pounds, equivalent to 2,170,350 pounds of scoured wool, of an average value in 1912 of 54 cents a pound, almost the highest price commanded anywhere in the United States. The total value of the Pennsylvania clip of 1912 was \$1,171,989. Our clip was 60 per cent fine and 40 per cent medium, correspond-ing in that regard with the famous clip of our neighboring State of Ohio, which had 2,700,000 sheep in 1912, yielding 16,875,000 pounds of wool, washed and unwashed, equivalent to 8,606,250 pounds of scoured wool, selling, as our Pennsylvania clip did, for 54 cents a scoured pound and bringing a total return of \$4,647,375.

These industries of the farmers of Pennsylvania, Ohio, and our other States are altogether too important to be sacrificed, either by free trade in the wool itself or by the equally certain and even more disastrous result of inadequate duties on the finished woolen fabrics-duties wholly insufficient to cover the difference in wages and cost of production between this country

and abroad.

The figures are of some interest, and I will ask to have inserted the international trade in wool during 1911.

The table referred to is as follows:

International trade in wool in 1911.

Country.	Exports.	Imports.	
	Pounds.	Pounds.	
Algeria	15, 314, 254	L'owned.	
	291, 086, 566		
Argentina		************	
Australia	710, 674, 149		
Austria-Hungary		65, 148, 135	
Belgium	235, 209, 810	340, 039, 704	
British India	62, 143, 913	22, 468, 689	
British South Africa.	153, 289, 110		
	200, 200, 110	0 070 004	
	00 004 000	6,876,934	
Chile	23, 904, 822		
China	47, 275, 467		
France	81, 886, 560	603, 730, 592	
Germany	35, 581, 362	468, 711, 629	
Japan	00,002,002	8, 323, 399	
Netherlands	01 420 105	0,020,099	
	21, 432, 125	29, 376, 348	
New Zealand	175, 981, 629		
Persia	10, 323, 935		
Peru	10, 426, 027		
Russia	30, 871, 677	104, 325, 654	
		104, 525, 654	
Spain	24, 757, 321	************	
Sweden		5,791,041	
Switzerland		11,634,556	
Turkey	40, 156, 183		
United Kingdom	31, 373, 218	568, 230, 493	
United States	02,010,220	155, 922, 510	
Uruguay	103, 595, 404	200,022,010	
Other countries.		EQ 014 000	
Other countries	42,046,000	53,914,000	
Total	2, 147, 329, 532	2, 444, 493, 684	

Mr. PITTMAN. Mr. President-

The VICE PRESIDENT. Does the Senator from Pennsylvania yield to the Senator from Nevada?

Mr. PENROSE. Yes.

Mr. PITTMAN. Does the Senator believe that taking the duty off raw wool would decrease the number of sheep that are naturally raised in his State?

Mr. PENROSE. I believe it would practically obliterate the sheep industry in the section where it is chiefly located. In the southwestern part of the State already the farmers are beginning to get rid of their sheep. While I am not advised as to the present price of wool and how much it has gone down, if any, I know in that section no one wants to own any sheep with this bill hanging over his head.

Mr. PITTMAN. How does the Senator explain this state-

ment of the Tariff Board, found on page 302:

In all the States not included in the western and the Ohio districts the board finds that sheep are maintained primarily, as a rule, for their utility as consumers of forage that would otherwise go largely to waste, for their fertilizing value on the fields and pastures, for the production of market lambs, and only incidentally for their wool.

Mr. PENROSE. The Senator has acquired renewed confidence in the Tariff Board report. Yesterday he was rather disposed to doubt it and ignore it. There is nothing inconsistent in that report and the statement I have made. The Senator from Kentucky [Mr. James] raised a similar point. The section of Pennsylvania which is the center of this sheep industry is a part of the Ohio district. Southeastern Ohio and southwestern Pennsylvania are two sections of the eastern part of the United States particularly adapted to the raising of sheep. All the Tariff Board means to say in the report is that in the eastern part of Pennsylvania and other eastern States sheep are raised for the meat. But Pennsylvania comprises a very large territory. A continental mountain range divides the meat proposition from the wool proposition, as far as the sheep industry is concerned.

I merely refer to this interest of the East in woolgrowing because the Senator from Wyoming [Mr. WARREN] referred to an occasional conflict which had occurred in the past between the grower and the manufacturer. In my opinion there is no real conflict at the present time, and there should never have been a conflict of that character in the past.

As far as the people of Pennsylvania are concerned, the overwhelming majority of them are, as I am, consistent protectionists. They do not believe in spotted protection. They believe in extending to the grower a protective duty which will permit him to continue in his industry, and they believe in similar protective duties on the manufactured products of the East. They do not come here like people have come heretofore asking for

free hides and heavy duties on shoes.

I have referred to the fact that the sheep growers of Pennsylvania will view with grave alarm the passage of this measure, and that they are endeavoring to get rid of their stock. The same remark applies with even greater force to the manufacturers east of the Allegheny Mountains and more particularly east of the Susquehanna River. There are grounds for this apprehension. I have here an article from a trade publication, entitled "Men's Wear," under date of June 25, 1913, which I will ask the Secretary to read.

The VICE PRESIDENT. The Secretary will read as re-

quested.

The Secretary read as follows:

MEN'S WEAR, JUNE 25, 1913.

SOME ADVERTISEMENTS RECENTLY APPEARING IN AN ENGLISH TRADE PUBLICATION.

The following advertisements were recently printed in an English

The following advertisements were recently printed in an English trade journal:

"Englishmen recently returned from America, after careful study of prospects for British ready-to-wear clothing, would like to get in touch with a first-class house making the very best productions only and specializing in overcoats, raincoats, and sporting clothing; also high-grade woolens, with the view to opening up the American market. Excellent prospects right now to get well in."

"Two young gentlemen, resident in Manchester and shortly leaving for Canada and the United States, are open to represent woolen manufacturers, wholesale clothiers, Bradford goods, general drapery, and men's-year houses."

"Traveler, well acquainted with woolen trade, shortly starting regularly for America, would represent high-class manufacturer. Commission and part expenses."

Mr. PENROSE. I should like to have the Secretary now read from the same trade journal, under date of June 25, 1913, a statement from Mr. Theodore Justice, of Philadelphia, one of the pioneers of the wool manufacturing industry, who is well known all over the United States and who has just returned from Europe.

The VICE PRESIDENT. The Secretary will read as requested.

The Secretary read as follows:

MEN'S WEAR, JUNE 25, 1913.

EUROPEAN MANUFACTURERS ELATED.

Theodore Justice, formerly of the firm of Justice, Bateman & Co., wool dealers, writes from Budapest that European woolen manufacturers are clated by the Underwood tariff bill, and if they do not double the size of their mills it will be because they think the new schedule too

are clated by the Underwood tariff bill, and if they do not double the size of their mills it will be because they think the new schedule too favorable to last.

Mr. Justice is studying tariff conditions across the water. He gives the opinion that the administration bill removed 80 per cent of protection from American labor employed in woolen mills, to say nothing of the loss to manufacturers. He explains his figures in this way:

"Under the Payne law wages at the time of Wilson's inauguration were 40 per cent higher than at the time of McKinley's inauguration, when the Wilson-Gorman tariff law was in effect. The Underwood bill provides 40 per cent less protection to wool labor—not the manufacturer—than the Wilson bill did. Therefore the Underwood bill brovides 40 per cent protection."

A west of England cloth manufacturer said to Mr. Justice:

"I would give all the markets of the world that I now have in exchange for the American market as it was under the Taft administration. Even with your high tariff my sales to the United States have doubled. If there were any hope that the Underwood bill would last eight years, I would double the size of my mill. The worst of it is that your workingmen have votes, and when they are idle in the mills they are busy at the polls. If I did not think there would be a reaction, I would go ahead at full speed. We are surely pleased with what President Wilson and Mr. Underwood have done."

As to European wages, Mr. Justice says:

"I find wages in Austria for work similar to that in the United States only 25 per cent; and in Great Britain, 49 per cent. While labor in Hungary receives only one-quarter of what is paid in the United States, commodities are as high. Shoes are dearer and ready-to-wear clothing is about the same as at home under Taft's administration."

A correspondent of the Nottingham Guardian, Nottingham, England, in an article covering the English wool frade, says, in part:

tration."

A correspondent of the Nottingham Guardian, Nottingham, England, in an article covering the English wool frade, says, in part:

"The ideas of some seem to be in the clouds respecting the likely demand of America for home-grown wools when once the tariff comes into operation, but it certainly will take time before American users adjust themselves to the new conditions. There is every likelihood of very largely increased shipments of semi and fully manufactured textiles being shipped to the United States from West Riding under the proposed new duties, and American manufacturers will have to face very different competition from what they have experienced during the last 15 years."

Mr. STONE. Mr. President-

The VICE PRESIDENT. Does the Senator from Pennsylvania yield to the Senator from Missouri?

Mr. PENROSE. I do. Mr. STONE. Who is the author of the paper just read?

Mr. PENROSE. The author is Mr. Theodore Justice, of Phila-delphia. The gentleman who has been interviewed in that report is a man of very high standing and undisputed authority on the wool business

Mr. STONE. I did not quite catch it.

Mr. PENROSE. Does the Senator want to have the article read over again?

Mr. STONE. No; I was asking the Senator a question

Mr. PENROSE. I can not hear the Senator, and he does not seem to have understood the article.

Mr. STONE. I understood the article to be a statement of some gentleman by the way of interview, or otherwise, favoring the passage of this bill.

Mr. PENROSE. Oh, Mr. President, the Senator is entirely mistaken. If he has sufficient interest in the matter, I think the article had better be read again, or else he had better take it and read it.

Mr. STONE. Oh, no.

Mr. PENROSE. The Senator is entirely mistaken.

Mr. STONE. I thought he made an argument against something which he said he was in favor of.

Mr. PENROSE. No; I have stated that the manufacturers as well as the growers of Pennsylvania have viewed with great alarm the passage of this measure, and there is some justification for it if we consider the difference in the wages between the employees in the wool industries in the United Kingdom and in the United States.

I shall ask to have these figures inserted. I do not suppose they will be disputed, because they are from the report of the Tariff Board on Schedule K, Table 47, page 926. I will, however, merely call to the attention of the Senate some four or five most remarkable differences in wage rates. In the occu-pation of wool sorters I find here the excess in the United States over Great Britain in wages is 71.5 per cent; for wool washers, scourers, and driers the excess is 66.5 per cent; card strippers and tenders, 43.3 per cent; comb tenders, 84.3 per cent in excess in favor of the wage earner in the United States. For drawing-frame tender in the case of women it is 131.7 per cent. In the case of worsted-frame spinners for females it is 184.4 per cent; in the case of female winders it is 107.9 per In the case of a female woolen weaver it is 175.2 per

cent, and so on along the line. I insert the entire table at this point.

The table referred to is as follows:

Comparative wages in American and English woolen mills. [From the report of the Tariff Board on Schedule K, Table 47, p. 826.1

	Sex.	A*erage full-time earnings of 55.6 hours,		Excess
Occupation.		United States, average weekly earnings.	United King- dom, average weekly earnings.	United States over Great Britain.
Wool sorter Do Do	do	\$12.38 13.42 9.71	\$7. 22 7. 71	Per cent. 71.5 74.1
Do Wool washers, scourers, driers	Male	11. 19 8. 21	4.93	66.5
Card strippers and tenders. Comb tenders. Do Back wash and gill-box minders.	do	7.81 7.85 6.52	6.04 5.45 4.26 3.00	43. 3 84. 3 117. 3
Do Drawing-frame tender	Female	6.73 5.84 6.80	2.83	106. 4
Do	Female	8.39 6.21	2.68 3.41	131.7
Wool spinners (mule)	Male	10.40 11.75	5. 98 7. 93	73.9 48.2
Warp dressers. Do. Worsted-frame spinners.	do	12.94 14.12 7.40	6. 53 7. 91	98, 2 78, 5
Do	Female	6, 40 6, 46	2, 25	184, 4
Reelers	do	5. 46 6. 93	2.94 3.56	85. 7 94. 7
Winders.	do			
Do	do	5.53 7.08	2.66 3.35	107.9 111.3
Woolen weavers	Female	10.63 10.54	6.21 3.83	71.2 175.2
Worsted weavers	Male Female		6. 12 3. 59	102.0 166.0
Burlers	do	5, 15 7, 12	3, 20 3, 51	92. 2 102. 8
Menders	do	7.77	3.63 4.30	114.0 112.2
General laborers	Male	8. 21	4.74	73.2

This was published prior to the advance in American mills of from 5 to 20 per cent in 1912.

Mr. PENROSE. How the gentlemen on the other side expect American wages to be maintained with that difference between the United Kingdom and Germany and the manufacturing establishments along the Atlantic seabcard it is impossible for me to imagine.

I have here, Mr. President, something new in the advertising line and in an American journal. One page has reference to bankruptcy sales, and another column is headed "General business troubles." But that may be only a coincidence. On the page to which I desire to refer we have an advertisement which is new for the first time in many years in any journal in the United States. I quote from the Daily Trade Record of Thursday, June 26, 1913:

We have been appointed exclusive selling agents for the United States of America by the following prominent foreign manufacturers:
Sir Titus Sait, Bart., Sons & Co. (Ltd.), Saltaire, England. Men's-wear fabrics. Manufacturers of fine fancy worsteds and Belwarp serges, guaranteed to maintain their color against sun and sea in any

I will ask the Secretary to read the advertisement. It is a most astonishing advertisement, and one that did not appear until after the 4th day of March, when this destructive measure seemed to be certain to be imposed upon the American people.

The VICE PRESIDENT. The Secretary will read as requested.

The Secretary read as follows:

[From the Dally Trade Record, Thursday, June 26, 1913.]

[From the Dally Trade Record, Thursday, June 26, 1913.]

We have been appointed exclusive selling agents for the United States of America by the following prominent foreign manufacturers:

Sir Titus Salt, Bart., Sons & Co. (Ltd.), Saltaire, England; men's wear fabrics. Manufacturers of fine fancy worsteds and Belwarp serges, gnaranteed to maintain their color against sun and sea in any climate. J. Benn, jr., Bradford, England; manufacturer of medium-priced serges, staple fancies, mobelrs, and dress goods. Fisher, Firth & Co., Colne Valley, England; manufacturers of the celebrated Colne Valley cassimeres. G. & G. Kynoch, Keith, Scotland; manufacturers of all-wool fancy Scotch tweeds. James Johnston & Co., Elgin, Scotland; manufacturers of exclusive novelities in Scotch tweeds. Robinson & Bairstow, Balldon, England; manufacturers of popular-priced serges and gabardines. Globe Manufacturing Co., Bradford, England; manufacturers of fancy piece-dye worsteds. Samuel Turner & Sons (Ltd.), Rochdale, England; manufacturers of white flannels and men's wear cassimeres.

G. H. Hirst & Co., Batley, England; manufacturers of beavers, kerseys, and cloakings. Moss Bros. (Ltd.), Hebden Bridge, England; weavers, dyers, and finishers of corduroys. Von Hagen & Cole, Verviers, Belgium; manufacturers of medium and low-grade fancy worsteds. Gebruder Junkers, Rheydt, Germany; manufacturers of low-grade fancy worsteds. F. Brandts, Gladbach, Germany; manufacturer of low-grade fancy suitings. Aaron & Jacob Löw, Beer's Sons, Brunn, Austria; manufacturers of low and medium grade cassimeres and tweeds. Fabrics and patterns suitable for the American market have been in preparation for several months under the personal supervision of Mr. William J. Hill. Collections will be shown as soon as tariff action permits the quotation of definite prices. Special arrangements have been made for the prompt delivery of sample requirements.

#### SERGES.

Stocks of leading numbers of serges are now in transit and will be carried in bond, from which sample requirements will be delivered, regardless of existing tariff rates.

W. H. DUVAL & Co. WM. J. HILL, Manager Foreign Department, 79 Fifth Avenue, New York.

Mr. STONE. Is the Senator through?

Mr. PENROSE. I am not by any means through.

Mr. STONE. Oh.

Mr. PENROSE. I regret that the Senator is impatient. Mr. STONE. I saw that the Senator had taken his seat.

Mr. PENROSE. I am just getting warmed up. I regret to see the irritation which this newspaper announcement has caused in the demeanor of the Senator from Missouri.

Mr. STONE. I had supposed-

Mr. PENROSE. It evidently sounded an alarm. Mr. WILLIAMS. The Senator does not really think that anybody ever listens to the reading of a newspaper article.

Mr. PENROSE. It is an advertisement. Mr. STONE. I suppose it to be a very able argument so far as made by the Senator.

Mr. PENROSE. I always try to listen to the arguments of the Senator from Missouri with great attention when they are

not a filibuster. Mr. STONE. I have listened to you.

Mr. PENROSE. I hope the Senator will return the same reciprocity.

Mr. STONE. I thought the Senator intended that advertise-

ment to be his peroration-

Mr. PENROSE. No; I am really just beginning, Mr. President.

And that everybody on the other side of the Chamber would be satisfied with the effort, and we could go on with the bill. Still I am always so delighted to hear the Senator that I apologize for interrupting.

Mr. PENROSE. I can understand, Mr. President, that the Senator from Missouri should exhibit disturbance when he has read to him as he had just had an advertisement, dated recently, from a selling agency representing itself to be the agent of foreign manufacturing concerns in England, in France, in Germany, and in Belgium, inviting persons to prepare to purchase their products as soon as the pending Democratic bill shall become a law, and in the meanwhile to crowd all they can into the bonded warehouses of this country. Much as the Senator may be determined to press to final passage this bill, it is possible that he has a passing compunction in his mind as he deliberately hands over the American market to the foreign manufacturer and to the cheap labor of Europe, and contemplates the spectacle of the paralysis of every industry in the East and the condition which will confront the grower of wool in the West.

Mr. President, the tariff discussions which have been going on in the United States for the whole history of the Government have certainly for half of that period largely centered around the wool industry and the duty on wool. I have here a volume which contains, among other notable documents, the report of Which contains, among other hotable doctments, the report of Alexander Hamilton, who was then Secretary of State, made "in obedience to the order of the House of Representatives of the 15th day of January, 1790, * * * to the subject of manufactures, and particularly to the means of promoting such as will tend to render the United States independent of foreign nations for military and other essential supplies."

This, Mr. President, is one of the most remarkable documents, as it is the first, in the history of the tariff discussion in the United States; it is a classic which can not be improved upon from the protectionist point of view. Mr. Hamilton was asked by the House of Representatives to make a report on the subject of manufactures, and particularly on the means of promoting such manufactures as would render the United States independent of foreign nations for military and other essential supplies, and his fertile mind, approaching a virgin field of discussion, produced a document which can not be improved and which hardly can be extended by any protectionist writer in the discussions current in political controversies to-day.

It applies with just as much force, Mr. President, as it did at the beginning of our national history, when the House of Representatives passed the resolution in 1790; and the Republican Party has been just as consistently found in advocacy of the doctrines here laid down as it is possible for any party to be regarding a great national fiscal policy.

This volume, Mr. President, also contains, among other tariff papers, the report of Mr. Robert J. Walker, as Secretary of the Treasury, upon one of the earliest and, in my opinion, the only consistent tariff bill which was ever proposed by the Democratic Party. Mr. Walker did advocate duties for revenue only on an ad valorem basis, the amount of the ad valorem to be fixed by the requirements of the Government. We do not find in his measure sectional protection hidden under general provisions of reduced duties and free trade; we do not find in his advocacy and argument discussion as to the amount of imports which shall be permitted or what proportion of an article the American consumer can use of foreign make and what of domestic make; we do not find any deceptive, alluring suggestions thrown out to the voter before the campaign that no legitimate industry will be disturbed, but we have the flat-footed, logical, theoretical doctrine that the Government should be run on ad valorem duties for revenue only proportioned to the expenses of the Government.

While the Democratic Party has, therefore, wavered and backed and filled in the low-duty, free-trade propaganda the Republican Party can stand consistently on the doctrine laid down by Hamilton in the statesmanlike document to which I have referred.

Mr. President, I only refer to it because Hamilton seems to have considered among military necessities the encouragement of the wool industry. It was a little too early for him in 1790 to know that Bonaparte had to clothe the French Army with English wool, when he was endeavoring to put an embargo on English trade and keep all of England's merchandise out of continental Europe. That was one of the results of France not having what was a military necessity-wool-to clothe her troops and to clothe her people. However, Hamilton makes this remarkable statement about the wool industry in those days:

Besides manufactories of these articles, which are carried on as regular trades and have attained a considerable degree of maturity, there is a vast scene of household manufacturing which contributes more largely to the supply of the community than could be imagined without having made it an object of particular inquiry. This observation is the pleasing result of the investigation to which the subject of this report has led, and is applicable as well to the Southern as to the Middle and Northern States. Great quantities of coarse cloths, coatings, serges, and fiannels, linsey-woolseys, hosiery of wool, cotton and thread, coarse fustians, jeans and muslins, checked and striped cotton and linen goods, bedticks, coverlets and counterpanes, tow linens, coarse shirtings, sheetings, toweling and table linen, and various mixtures of wool and cotton and of cotton and fiax are made in the household way, and in many instances to an extent not only sufficient for the supply of the families in which they are made but for sale, and even in some cases for exportation. It is computed in a number of districts that two-thirds, three-fourths, and even four-fifths of all the clothing of the inhabitants are made by themselves. The importance of so great a progress as appears to have been made in family manufactures within a few years, both in a moral and political view, renders the fact highly interesting.

It is, Mr. President, from these humble beginnings that the

It is, Mr. President, from these humble beginnings that the wool industry in the United States has reached its present magnitude-dimensions which are sufficient, so far at least as the manufacturing part of the industry is concerned, and it may be of the woolgrowing also, to supply all the wants of the American people at a reasonable price.

Early the States, in the days when we had tariffs against each other, recognized the importance of encouraging this particular industry. They had their tariffs, their bounties, and their laws to encourage in the different Colonies the industry of wool manufactures. Why we should now, at this late day in our national history, deliberately throw away a proper and consistent source of revenue and have to seek it in other and more direct and inconvenient ways, and at the same time expose to curtailment and perhaps very largely to destruction a great industry essential to our national independence is to me incomprehensible as the doctrine of any sane political party.

Mr. President, I offered a few days ago an amendment to Schedule K of the pending bill. It is the same measure substantially that was offered by me in the last Congress to the then pending wool bill. Those who were in the Senate at that time may recall that most of the majority voted for the measure; that it was carried and put in the then pending bill. Later on in the proceedings the then minority joined with some of the Republicans and put in another amendment, but the amendment did at the time receive substantial recognition and has been introduced by me in order to complete the tariff record of this session.

I will say candidly, Mr. President, that it has not been my intention to offer any amendment, with perhaps a few excep-tions, to the pending bill. I take it, although I am not authorized to speak for any Republican Senator but myself, that such is the general sentiment on this side of the Chamber. I fully realize that no amendment offered by me or by my party associates has any chance of passage at this session of Congress. I also feel that it will be at least four years, if there is any revulsion of public sentiment upon these economic questions, before the Republican Party will be in a position to take up tariff legislation. Four years is a considerable period in indus-trial development. Business conditions are likely to be greatly changed, and should another party be in power four years from now the business conditions will have to be met afresh. I do not think that the historian or the American people will devote very much time to an investigation of what the minority may have done at this session of Congress in a futile way regarding amendments or speeches upon this particular pending bill. Should the people of the United States again sustain the party of protection, the conditions that will then present themselves will have to be met and dealt with. At the same time, in connection with this particular schedule, there is some reason for the introduction of the amendment. the introduction of the amendment.

In the first place the Tariff Board has reported on this schedule and made what is admitted to be an exhaustive, careful, and thorough report. In the second place there have been other amendments introduced or will be introduced as substitutes for Schedule K. In view of these facts, in view of the fact that I did introduce the amendment in the last Congress, and in view of the further fact that it represents, so far as I can ascertain, very largely the thought upon the subject of protection, more particularly as regards the manufacturer, I have deemed it desirable to introduce the amendment to complete the tariff record, so far as this subject is concerned, at this session

Mr. President, this bill revising the woolen Schedule K, which I have introduced, is offered from the standpoint of those who believe in the protective-tariff policy, which during the greater part of our national existence has been the policy of the United States.

The bill of the majority now before the Senate is so arranged in the woolen schedule as to give the preference—and a very marked preference—to European manufacturers. The substimarked preference-to European manufacturers. tute schedule which I have presented gives a distinct advantage to American manufacturers in competition for American busi-

I believe this to be in accord with the desire of a very great majority of the American people, and, like all sincere protec-tionists from Washington and Hamilton to the present time, I believe that the protective policy is of benefit to all of the American people of all States and sections. One result of the protective policy, which even its opponents have acknowledged to be a good result, is the diversification of national industries and particularly the spread of manufactures. An economic policy which builds mills and factories in the towns and multiplies the opportunities for employment of the dwellers there multiplies also the market for the products of the farms. Every new manufacturing industry which, under the protective system, gains a foothold in our great industrial States adds to the value of every farm in the Mississippi Valley and elsewhere. That the protective policy is the best policy for the entire Nation always has been, is, and always will be the profound conviction of all sincere protectionists.

# PROVISIONS OF THE BILL,

In the proposed revision of Schedule K, which I introduced last year and have introduced in substantially the same form this year, a specific duty of 18 cents a pound on the clean content of wool is the method adopted to protect and encourage American woolgrowing. This method has been employed because it seemed to meet with the approval of the woolgrowers. A specific form of duty is, of course, to be preferred to an ad valorem form wherever practicable.

The specific form of the proposed duty on wool commended itself strongly to my judgment. But there must be grave doubts of the practicability of basing the duty on the clean content from the point of view of administration or as protec-tion to the woolgrowers. This practical difficulty is sufficient to offset, or more than offset, the theoretical advantages of the clean-content method, although the Tariff Board gives it in passing a qualified support (p. 12). The whole subject of the proper form, as well as of the proper amount, of the duty on wool may advantageously be left open until the opportunity comes for another revision of the tariff from the projectionist standpoint.

SPECIFIC DUTIES ON TOPS AND YARNS.

One important merit of this proposed substitute for the woolen schedule of the Democratic tariff bill is the specific form of the duties on tops and yarns. The Tariff Board, in its report, declares that specific duties both on yarns and on tops are wise and practicable, saying (p. 17):

If a specific duty be placed on the scoured content of the raw wool, it would then be possible to levy a specific duty on tops and yarns. The system of specific duties, as is well known, has many advantages for administrative and revenue purposes. It has a further advantage from the point of view of adjusting duties to difference in cost of production at home and abroad. The duty could then be maintained at a constant and definite figure corresponding to a definite and constant difference in cost of manufacture. Under an ad valorem system the amount of duty varies with every fluctuation in the market value of the raw material, while the difference in cost of manufacture remains relatively constant.

Mr. WARREN. Mr. President, will the Senator permit me

to interrupt him there?
The VICE PRESIDENT. Does the Senator from Pennsylvania yield to the Senator from Wyoming?

Mr. PENROSE. I do.
Mr. WARREN. The Senator has alluded to tops, the rate of duty on which is a very vital issue to the woolgrower, because of the manner in which they are treated in the pending bill. Tops sometimes are as low in price in the market as 30 cents, and again they may be as high as a dollar a pound, the labor being the same to the manufacturer of tops in either case. the proposed duty of only 5 per cent on tops, the price of wool will not only be reduced to the woolgrower in this country to the world's level of wool, but he will have to reduce his price for wool as much lower than the foreign wool, as is the real difference in the cost of making the tops in this country and abroad, and at that, from the woolgrower's standpoint, the duty contained in the bill on tops is insufficient. I want to ask the Senator if he thinks there would be any benefit to the manufacturers in having that rate so low?

Mr. PENROSE. Mr. President, I have always thought that

the interests of the grower and the manufacturer were identical. As patriotic Americans they are interested in the prosperity of the industry in all its forms and phases.

EXPERT APPROVAL OF SPECIFIC DUTIES.

This official view of the practicability and wisdom of a specific form of duties as applied to tops and yarns is confirmed in the memorial presented by Mr. John P. Wood, of Philadelphia, president of the National Association of Wool Manufacturers, before the Committee on Ways and Means, January 27, 1913. In that memorial a special committee of manufacturers states in a report on the subject of tops and yarns (p. 35):

An examination into the costs of wool combing abroad reveals the fact that in Bradford the commission fee for combing merino tops is 4½ cents, and we believe that a safe estimate of 2 cents per pound would embrace the expenses of the merchant, making a total cost of conversion from raw wool into finished tops of 6½ cents per pound. In our country abundant testimony is at hand to show that in the woolen trade conversion costs are 100 per cent more than those of Europe, so that to equalize by duties the increased cost of combing raw wool into tops, considering solely the merchants' and wool-combers' expenses and eliminating enhancements which may be incident to a duty on raw wool, a rate of 7 cents per pound would be required to accomplish this object.

This committee of manufacturers, out of its practical knowledge, describes the conversion cost of tops as "with but slight variations from year to year, in this country as well as abroad, a fixed amount." As to the conversion cost of yarns and the requisite protective duty, the committee of manufacturers further says (pp. 36-37):

In England and upon the Continent the business is largely subdivided between the merchant who owns the combed wool or tops and the commission spinner who spins the worsted yarns for a fixed fee per quantity. The merchant, as in the case of tops, has to bear the interest on the materials, the warehousing and transportation demands and the clerical and office outlays incidental to this business. The spinner in turn takes care of the wages expended about his plant, with necessary supplies for its operation, light and power, insurance, interest, and the general overhead charges incident to this kind of mechanical operations.

The costs of commission spinning for various sizes and counts of worsted yarns are thoroughly established in Bradford, and we would quote on standard sizes in twofold yarns to-day:

Quality. Cents per pound. 36s

These commission prices carry with them a profit to the spinner, which profit, it might be fairly said, would be an amount sufficient to embrace the merchant's charges before referred to, so that the net cost of converting combed wool or tops into finished worsted yarns of standard sizes would be reckoned upon the commission charge for various counts based on the conditions thus named.

Taking the manufacturing costs in this country as double those of Europe, a duty of these amounts on these specific numbers or such sub-

division of the same as to count or size would be necessary to safe-guard the American market against the product of foreign machinery.

In the spinning of yarns we have eliminated a factor which we previously referred to as having a marked influence upon costs in the combing of wools, and that is the question of quality and length of fiber. In the converting of tops into the sizes of worsted yarns to which they can economically be spun, the conversion cost varies but little between a fine and a coarse quality of stock; therefore the difference between conversion costs abroad and here can be closely approximated in a constant figure from year to year.

AN INCONSISTENCY

AN INCONSISTENCY.

The bill proposing to revise Schedule K, which has been offered by the distinguished Senator from Utah, and is described by him as based on the report of the Tariff Board-I make any criticism with the greatest respect for the Senator's knowledge of the subject, which is superior to mine—fails, in my opinion, to conform with the recommendations of that board in the character of its duties upon tops and yarns. The Senator from Utah, with great intelligence, safeguards the interests of his woolgrowing constituents by his specific duty of 15 and 13 cents a pound on the clean content of raw wool. This specific cents a pound on the clean content of raw wool. duty is in accord with the Tariff Board report; but in proposing his duties on those important manufactured products, tops and varns, the Senator from Utah departs from the sound principle which he has applied to the case of raw wool, and provides that the protective duty on tops shall be 10 per cent ad valorem and the protective duty on yarns 30 per cent ad valorem in addition to the specific compensatory duties. The use of ad valorem rates to protect the manufacturers of tops and yarns, while the woolgrowers are protected by a specific duty, is a very grave and wholly unnecessary inconsistency in a measure professedly constructed from the protective standpoint. Not only does the Tariff Board distinctly state that (p. 17) "if a specific duty be placed on the scoured content of the raw wool, it would be possible to levy a specific duty on tops and yarns "not only does the Tariff Board declare this to be entirely practicable, but it holds the specific duty to be fair and effective and preferable in every way, in the words which have just been quoted. Indeed, one of the most salient features of the entire Tariff Board report is the emphasis which is everywhere laid upon specific duties as more scientific and more just both to the American producers and to the Government.

The Senator from Utah acknowledges and accepts this principle as applied to the woolgrowing industry of the Western States, but he rejects it as applied to the manufacture of tops and yarns, where the Tariff Board declares that a specific rate of duty for protective purposes is wholly feasible. This inconsistency is a serious fault, to my mind, in the bill proposed by the Senator from Utah. In the measure which I am offering, the recommendations of the board in this respect are consistently followed. There is a specific duty of 18 cents a pound on the clean content of the raw wool, a specific duty of 29 cents a pound on tops and a specific duty on yarne, graduated account. a pound on tops, and a specific duty on yarns, graduated according to their fineness, all constituting a faithful effort to fulfill the recommendations of the Tariff Board, the results of its long

and patient inquiry.

COMPOUND DUTIES.

For the purpose both of revenue for the Government and of adequate protection to American producers specific duties are so strongly preferable that I would have arranged such duties on cloths and dress goods in the bill which I have offered, if the judgment of men with practical knowledge of the industry had not been confirmed in my own consideration of the subject, that such treatment of these finished fabrics was entirely impracticable. In every protectionist tariff revision of recent years the application of specific duties to woolen cloths and dress goods has been sought and studied, but the effort has invariably The situation has been well stated in the report of the failed. The situation has been well stated in the report of the Tariff Board, where, after an earnest approval of the specific system, the board adds (p. 710):

But no satisfactory method of classifying woven fabrics in the case of manufactures of wool with a view to the assessment of specific duties has yet been devised. Efforts have been made to classify woolen and worsted fabrics according to weight per yard and picks per inch as the proper basis for adjusting rates to relative differences in cost. This method, however, fails to take into account either the great variations in the quality of yarn going into a fabric of a given class or the great variations in the finishing of cloth after the process of weaving is completed. From an examination of many fabrics it appears that no system of classification along such lines has yet been worked out which would act in a fair and equitable manner.

It would seem, then, that in so far as woolen and worsted fabrics are concerned, the only present practicable method of levying duties is to adopt in some measure a system of ad valorem duties. Such advalorem duties would necessarily be in addition to any compensatory duties levied because of the duty on the raw material. * * * * A system of graduated duties, increasing regularly with different increments of value, could be made equitably to equalize the difference in the cost of production on the more expensive fabrics without placing prohibitory rates on fabrics of lower grade.

Unable to secure a satisfactory form of specific duties as ap-But no satisfactory method of classifying woven fabrics in the case

Unable to secure a satisfactory form of specific duties as applied to cloths and dress goods I have adopted the alternative

suggested by the board and have applied to these fabrics a system of graduated compound duties, partly specific, partly ad valorem, adjusted according to the value of the goods. Not only is this plan approved by the Tariff Board, but it is recommended as the most just and effective method by President John P. Wood, of the National Association of Wool Manufacturers, in his memorial to the Committee on Ways and Means. Mr. Wood there says (p. 22):

there says (p. 22):

The infinite variety of articles embraced in the woolen schedule makes it quite impossible to specify the exactly proper rate for every group, and so to define each group that it would include only such articles as the rates for that group exactly and properly apply to. We have already pointed out that ad valorem rates wholly fail to meet the requirements of the case. The nearest to a general statement that can be made is that the present ad valorem rates, in addition to whatever compensatory allowance is necessary to cover the wool duty, are in most cases the least that would be sufficiently protective to continue the industry in its present propertions and with its present rates of wages; that in the case for which it is not practicable to devise duties wholly in specific form the rates should be compound with at least half of the total sum specific; that for yarns and tops the rates should be specific, and they can readily be levied in that form with more exact justice to all interests than by any other method.

An important feature of compound duties as applied to the

An important feature of compound duties as applied to the lower-priced fabrics is stated by Mr. Wood as follows (p. 23):

lower-priced fabrics is stated by Mr. Wood as follows (p. 23):

In the case of some of the cheaper forms of dress goods and cloths the present ad valorem rates would not be protective, because, as has already been explained, the conversion cost does not decrease in the same ratio as the raw-material cost; hence a percentage of total value that would be adequately protective for goods of medium value when applied to those of low value would not produce amounts proportionate to the difference in manufacturing cost of the cheaper goods. Under the present tariff, as has always been thoroughly understood by those who have given the subject more than superficial attention, the deficiency in the ad valorem rate on low-priced goods is made up in the specific rate, which for such goods is and was always intended to be partly compensatory and partly protective.

REDUCTIONS IN THIS BILL.

REDUCTIONS IN THIS BILL.

Mr. President, as regards the reductions in this bill, it makes very considerable reductions. I invite the attention of the Senate to the extent of the reductions in a few figures which I shall give.

Mr. GALLINGER. Before the Senator does that, can the Senator in just a sentence suggest the relative reductions made by the Senator's bill as compared with those made by the bill of

the Senator from Utah [Mr. SMOOT]?

Mr. PENROSE. No; I can not do that. I think perhaps the Senator from Utah could do that. I have no comparison on that point. I am now referring to the reductions made from the Payne law, the present law:

the Payne law, the present law;

On cloths, for instance, the duties have been reduced from in the neighborhood of 10 per cent of the rate of duty under the existing law on the high-priced and expensive fabrics, which may be classed as luxuries, to as much as approximately 125 per cent of the rate of duty under the existing law on the lower and cheaper grades. On blankets of the higher grades there are reductions running from 12 per cent to 24 per cent, and on some of the cheaper qualities, where the value runs from 20 cents to 40 cents per pound, the present duties in many cases have been almost cut in half.

The duties on yarns show a reduction of from 8 per cent to 45 per cent of the rate of duty under the existing law under the different conditions of the market. In the same way the duties on tops will show reductions running from 35 per cent to a little over 50 per cent of the rate of duty under the existing law.

In answer to the inquiry of the Senator from New Hampshire

In answer to the inquiry of the Senator from New Hampshire [Mr. Gallinger] as to a comparison of rates under the bill introduced by me and that of the distinguished Senator from Utah, I ought to say that they may be rather hard to compare, because I think I have a higher duty on wool than the Senator from Utah has; have I not?

Mr. SMOOT. I think the Senator's duty on wool is somewhat higher. Of course, that carried into the compensatory duties on cloth will make his cloth a little higher.

Mr. PENROSE. We should have to figure from the same rate of duty on the raw product to make an accurate comparison.

These are real and substantial reductions. They constitute a vigorous revision of the schedule. It is my firm belief, however, that the rates proposed are high enough to save woolgrowing and wool manufacturing from serious injury. course the rates proposed are higher than those of the woolen schedule in the bill advocated by the majority of the Senate. But the majority bill, it should be borne in mind, is very frankly nonprotective, while the measure which I have presented seeks to give American farmers and ranchmen and American mills at least a fair chance in competition with foreign producers.

THE WOOL-CONTENT PROPOSITION.

Both the bill of the Senator from Utah revising Schedule K and the bill presented on behalf of the minority of the Committee on Ways and Means in the last Congress based the compensatory duty "on the wool contained" in the partly or wholly manufactured product. The motive of this provision of these other measures is undoubtedly well intentioned, but the provision itself in its practical effect is open to very serious objection. The protective duty on any class of woolen goods should be sufficient to cover the difference in the cost of conversion between our own country and competing foreign countries. This difference is a constant quantity and is practically the same, so far as popular-priced woolens are concerned, for

all-wool or part-cotton fabrics.

An ad valorem rate of duty sufficient to cover that difference in conversion cost for all-wool fabrics would be insufficient in the case of part-cotton fabrics of really durable and meritorious quality but of lower value because of the lower cost of the cotton material. In such a case that part of the specific duty that is not actually required to compensate the manufacturer for the duty which he has paid on his raw wool is necessary to make up for the deficiency in the ad valorem duty as an adequate protective duty for the manufacturer. Thus, inadvertently the framers of these other measures offer bills which are not adequately protective, as experience under such legislation would quickly and conclusively demonstrate.

Another grave defect in the wool-content provision of both bills referred to, that the compensatory duty should be allowed only "on the wool contained" in partly or wholly finished manufactures, is that, although the customs officials can distinguish between cotton, a vegetable product, and wool, they can not distinguish between new wool and shoddies, low grades of which are frequently of less value than cotton. This method of basing the compensatory duty on the actual wool content would, in effect, discriminate against honest cotton-warp goods with a pure wool weft of enduring quality in favor of cheap shoddy trash receiving the full compensatory duty. As the Tariff Board says in its report (p. 626):

Goods made with a cotton warp and wool weft may be easily recognized and rated, but it frequently happens that both warp and weft contain more or less of cheaper materials. There are, of course, well-known and simple tests for discovering the cotton content of a fabric, but their application to imported cloths in the customhouse would involve considerable difficulty. Moreover, there is no test known that will disclose the proportion of noils, shoddy, mungo, etc., to new wool in many varieties of fabrics.

A provision like that referred to in these two other bills would tend inevitably to degrade the character of the clothing of the American people, who, under the present tariff system, have come into the fortunate position of wearing proportionately more new wool and less shoddy than any other people in the world. This is a fact of absolute record, proved by the official investigations of our Government. The United Kingdom, with only one-half as many inhabitants as the United States, has nearly three times as many rag machines for the manufacture of shoddy as this country.

I read this morning, during the colloquy between the Senator from Wyoming [Mr. WARREN] and the Senator from Montana [Mr. Walsh], an extract from the report of the Tariff Board,

on page 72. I will read it again:

The greatest shoddy-producing center in the world is in and near Batley and Dewsbury, England. Of the 900 rag-grinding machines in the United Kingdom, Yorkshire, in which Batley and Dewsbury are located, has 881 machines. In the whole of the United States there are only 346 rag-grinding machines.

SHODDY IN AMERICA AND IN ENGLAND.

British woolen mills, according to an official estimate, use 200,000,000 pounds of shoddy every year. The consumption of shoddy in the woolen mills of the United States in the year 1909—a year of active manufacturing—was less than 80,000,000 pounds. The use of shoddy is decreasing under the protective system of the United States; it is increasing under the tarifffor-revenue system of Great Britain.

I will ask to have the following extract from Men's Wear of June 25, 1913, regarding English fabrics, read by the Secretary.

The VICE PRESIDENT. There being no objection, the Secretary will read as requested.

The Secretary read as follows:

ENGLISH FABRICS.

An important selling agent, who has just returned from abroad, said recently: "I have been all through certain mill districts in England, and I never before in my life saw such development of the art of manipulation as I have seen in their fabries. They are past grand masters in making goods which look like what they are not.

"Now," he added, "these goods will not go with the American people. They may for a season, but they will not last. They are not good enough. It is an astonishing thing the amount of shoddy which English manufacturers put into all their cloths. Now, of course, I am talking about the great bulk of business done by England, for everyone knows that, on the other hand, there are English manufacturers who make wonderful fabrics, but the product of these latter mills we will probably see little of in this country."

Mr. PENROSE. British manufacturers import rags for shoddy from all the world. The United States imports almost no rags and shoddy, but exports to British manufacturers every year thousands of bales of rags, for which there is no adequate market and no active use in this country.

Some of the woolen fabrics made by British mills are of excellent quality and workmanship, but a great many fabrics, an immense proportion of the total production, are made from shoddy and other cheap substitutes for wool. These "cheap fabrics were heavily imported during the life of the Gorman-Wilson law. They are sure to be imported under the proposed rates of the pending bill, which are a great deal lower than the Gorman-Wilson duties-lower, practically, by the difference between 50 and 35 per cent.

This pending measure puts a premium upon the importation of shoddy goods, enormous quantities of which will unquestionably be shipped from Europe as soon as the reduced rates become effective. This will have two very serious results. One will be an impairment of the quality of the clothing of the American people, which is exactly what the country experienced under the Gorman-Wilson law of 1894-1897. Another result will be that American manufacturers, who now use shoddy sparingly or not at all, will be forced to meet their foreign competitors as nearly as possible on even terms and will, therefore, be forced to perfect themselves in the manipulation of these cheap-wool substitutes, an art in which English manufacturers working under the tariff-for-revenue system are confessedly the most experienced and adept in the world.

ONE FLAT RATE AN ERROR.

The pending Democratic tariff bill in its woolen schedule provides for a flat rate of 35 per cent on all cloths and dress goods in "chief value" of wool. Not only is this rate far too low to span the difference in the cost of conversion of these fabrics between the mills of our own country and the mills of competing low-wage foreign countries, but the application of a single flat rate to all kinds and values of woolen goods is a serious fault of technical construction. This defect in the proposed bill has been authoritatively pointed out by a former member of the German tariff commission which framed the last German tariff— Mr. Julius Forstmann, the president of the Forstmann & Huffmann Co., of Passaic, N. J. For the past 10 years Mr. Forstmann has been a resident of the United States. Before that time he was for 10 years the managing partner in one of the leading German wool manufacturing establishments, founded by his great-grandfather in 1803.

Mr. Forstmann is thoroughly informed as to the art of wool manufacturing and he is also familiar, through his practical experience, with the scientific methods of tariff construction practiced in Germany. Mr. Forstmann, on behalf of the fine American woolen trade which his mill represents, protests against the pending Democratic measure as wrong both in de-

tail and in general purpose. He says:

In the recommendation of a flat rate on partly and wholly manufactured woolen products, a fundamental mistake has been made. The flat rate is wrong from every point of view. It is wrong because of the greater cost of manufacture of fine fabrics, fully explained in my brief to the Ways and Means Committee. It is wrong from a fiscal point of view, because it needlessly sacrifices revenue.

Some of the Democratic leaders have bitterly complained against Republican Congresses that they were willing to receive recommendations from American manufacturers as to the framing of previous tariff laws. Apparently the authors of this pending bill could have profited by consulting with practical American manufacturers more freely and fully than they have done. In other countries able representative business men are not only permitted to express their views as to the framing of tariff laws, but are earnestly invited and urged to give the Government the benefit of their thorough knowledge and experience. That is the practice in vogue in Germany, whose methods of tariff making have so often been applauded as worthy of the emulation of the United States. German tariff commissions are made up jointly of certain representatives of the Imperial Government and certain chosen representatives of the great national industries.

Mr. WARREN. Mr. President, I do not know but that the Senator has already stated this; but Mr. Forstmann, if I remember correctly, has manufactories to-day on both sides of the

Mr. PENROSE. On both sides; that is correct.
Mr. WARREN. Both in Germany and in America.

Yes; I think I stated that, I did not eatch it. Mr. PENROSE.

Mr. WARREN. I did not catch it.
Mr. PENROSE. It was in this capacity, as an expert representing the wool manufacture, that Mr. Forstmann sat on the recent German tariff commission and aided in the framing of the German tariff laws, designed, like the present American law. to give native manufacturers a distinct preference in the home market.

Mr. WARREN. May I interrupt the Senator right there?

Mr. PENROSE. Yes.

Mr. WARREN. Germany formerly pursued about the same course in regard to woolgrowing that this Nation has pursued; but when they made wool absolutely free they had 30,000,000 sheep, and now they have 7,000,000.

Mr. PENROSE. Our number of sheep will go down in the same, if not greater, proportion within a year after the passage

of this bill.

THE TARIFF BOARD AND ITS WORK.

A swift cooling of Democratic enthusiasm for a tariff commission or a tariff board became manifest in the year 1911, when the report of the Tariff Board on the wool and woolen industry was published. The board had devoted a year or more to the study of this industry, and its report, therefore, was fuller and more comprehensive than was the case with the other industries examined. A great many exceedingly important facts were officially established by the board—facts thoroughly well known to those engaged in the woolen manufacture but unfamiliar to many of the public men of the country and to the people as a whole.

In this report of the Tariff Board practically all of the main protectionist contentions in regard to the wool and woolen industry were formally substantiated. For one thing, the woolen manufacture was proved to be a highly competitive industry in which no trust or combination existed or ever had existed (pp. 14, 15). This gave the official quietus to a favorite piece

of campaign fiction.

The Tariff Board found that the woolen mills of the United States were numerous and large enough to produce all of the woolen goods required by the American people. Even in the worsted branch of the wool manufacture, the development of which started late and was long retarded by unfavorable Treasury rulings, the industry had been brought fully up to date. On this point the Tariff Board report said (p. 15):

It is true that some years ago a greatly increased demand for worsted fabrics, assisted by the high tariff on worsted goods and their by-products, made the manufacture of such goods very profitable and the investment alluring, but this led to a rapid increase of worsted machinery in this country and the building of great modern mills in rapid succession in various parts of the East. A very considerable part of this increase was due to the influx of foreign capital and the transfer of experienced cloth manufacturers from other countries. The result has been a great increase in competition.

Besides nailing the delusion of a Woolen Trust the Tariff Board report destroyed the partisan assertion that enormous rates of duty, ranging from 150 to 250 per cent, in Schedule K were availed of by grasping American manufacturers. Tariff Board made a special investigation of this branch of the subject, and as a result declared that the prices of woolen fabrics that enter into popular use (p. 14) "are not increased by the full amount of the duty." The board made a collection of representative samples of English woolen fabrics, matched them with American-made cloths with which they were fairly comparable, and then ascertained the mill prices of these fabrics in

America and England for the same date.

Exposing the assertion about the enormous duties, the board discovered that while the nominal rates of duty on English fabrics entirely excluded by the tariff would reach an ad valorem figure of 150 or even 200 per cent (p. 14), the comparable American fabrics sold in the market at only from 60 to 80 per cent more than similar goods sold for abroad. The board considered particularly 16 samples of foreign goods, none of them imported, and found that though the nominal duties on such fabrics equaled 184 per cent the price for which similar American fabrics were selling exceeded the foreign price by only about 67 per cent. "This," significantly declared the Tariff Board (p. 14), "is the result of domestic competition." In other words, in this much-attacked industry the principle of American competition was fully effective toward a reduction in the price of goods, just as believers in protection had steadily maintained from the time of Washington to the time of McKinley.

WHY OUR GOODS COST MORE.

Moreover, a large part of the 67 per cent excess of the American price over the foreign price of these comparable woolen fabrics was due not to any charges of the American manufacturers but to the higher prices which the manufacturers were required to pay for their raw material because of the protective duties against foreign wools. "The manufacturer," says the Tariff Board (p. 15), "who imports his wool must pay the full amount of the duty, and this means either additional working capital or an additional interest charge to be paid. Wools grown in the United States are increased in value by the duty, but not by the full amount of the duty."

Moreover, the cost of the product of the American woolen manufacturer is enhanced by the higher cost of erecting and equipping American woolen mills—a cost 45 or 50 per cent greater on the average than in England. The wool duty aver-

ages about 45 per cent. The cost of a mill, building and equipment, as has just been said, is 45 or 50 per cent greater. in the important item of labor the American manufacturer pays from 100 to 200 per cent more than his foreign competitors. And labor in the American woolen mills, as the Tariff Board has ascertained and stated, is no more efficient or productive than the same kinds of labor in European mills equipped with the same kinds of modern machinery. There is, of course, a limit to the speed to which textile machinery can be run with-There is, of course, a out impairing the quality of the product, and this maximum speed, the board found, had been reached in England as well

Even the unskilled labor of raw immigrants, the Tariff Board demonstrated, received more money in American woolen mills than the most skilled and experienced English, Scotch, and Irish operatives in the woolen mills of the United Kingdom.

I have already had printed in the RECORD a table showing the enormous difference in wages between England and the United States. Skilled operatives in American woolen mills, according to the figures gathered by agents of the Tariff Board, are paid from two to four times as much for doing the same kind of work as are skilled operatives of the same type on the other side of the Atlantic. It is labor, therefore-almost entirely the higher cost of labor-in one form or another that makes the price of woolen fabrics measured by their cost of manufacture higher in this country than it is abroad.

TWICE THE CONVERSION COST.

A particularly careful inquiry into the cost of conversion of yarns and fabrics was made by the Tariff Board in American and English woolen mills, and as a result of this the board in its report declared that-

Although there are wide variations in both countries from mill to mill, the conversion cost for the same quality and count of yarns in the United States is about twice that in England.

So as to woolen cloths and dress goods. The board on this point states that (p. 17)-

The cost of turning yarn into cloth in the United States compared with England is all the way from 60 per cent to 170 per cent higher, according to the character of the fabric. For a great variety of fabrics, the American conversion cost is from 100 to 150 per cent greater than the English cost.

It should of course be understood that the fact that the difference in the cost of manufacturing cloth is 100 per cent or more does not mean 100 per cent of the market value of the cloth. It does mean that the cost of spinning, weaving, and finishing the cloth is 100 per cent greater. The laborers in America get a great deal more money, but it does not follow that the manufacturers receive a great deal higher profit than is customary abroad. On the contrary, textile manufacturers who have had experience both in America and in Europe have often declared that the competition in this industry in this country is far sharper and more persistent than it is in Europe, and that mill dividends here, on the whole, are less than they are abroad.

One interesting part of the inquiry of the Tariff Board dealt with the manufacture of ready-made woolen clothing, an art in which it is acknowledged that America leads all the world. Agents of the board studied carefully the cost of production at every stage of this industry. For example, they worked out all the items in the manufacture of a good suit of all-worsted clothing made to sell at retail at \$23 upward (pp. 18-22). took 3.6 vards of woolen cloth to make this suit, and for the manufacture of this cloth 9.7 pounds of Ohio wool were re-

All the woolen cloth in this suit was sold by the mill for \$4.78, out of which, as the Tariff Board showed, there was a profit of only 23 cents for the cloth manufacturer. The price paid by the cloth manufacturer to the woolgrower for the 9.7 pounds of wool was \$2.23, out of which, as the Tariff Board showed, the woolgrower's profit was 68 cents.

If the tariff were reduced enough to efface the cloth manufacturer's profit of 23 cents and the woolgrower's profit of 68 cents, there would be a possible saving of 91 cents in the cost of this typical suit of American-made clothing, for which \$23 or upward is paid to the retail clothing merchant by the man who

buys and wears the suit.

Free raw wool and the 35 per cent cloth duty, as embodied in the pending Democratic tariff bill, would more than efface all the 23-cent profit of the American cloth manufacturer and the 68-cent profit of the American woolgrower besides. This would, of course, in the long run, extinguish both branches of the industry unless the people who work in the American woolen mills would accept wages approximately equal to those paid in an English woolen mill, and the people who work on American farms and ranches would accept wages equal to those paid in Australia, Argentina, and South Africa. This is what the radical Democratic tariff program ultimately comes to-it is the man who works who pays the price.

THE LESSON OF EXPERIENCE.

The authors of this Democratic tariff bill are apparently blind and deaf to all the preachings of experience. Less than 20 years ago a tariff measure, differing from the one now proposed only in that it was markedly less extreme and more moderate in its rates of reduction from existing duties, passed the House and Senate in the second year of another Democratic administration. Under that administration, and only in part, and in small part, because of financial disturbances abroad, a terrible disaster came upon all American industries.

One of the wisest and greatest of American statesmen at that time well said that the money cost of the Gorman-Wilson tariff, the derangement which it brought to American business, and the loss which it imposed upon American wage earners were greater than the cost of a serious foreign war. Senator George F. Hoar, of Massachusetts, in the debate upon the Gorman-

Wilson law, declared that the-

warfare is upon the savings bank, upon the life insurance, upon the yeoman on the farm, and upon the workman in the mill. The alliance is between the spirit of sectionalism in the South and that spirit of the North which never has known the impulse of a true nationality.

These may seem severe words, but they were fully justified by the actual consequences of that fatal experiment in tariff for revenue only, which wrecked the second administration of President Cleveland and caused a desperate party, groping about for another issue, to commit itself in 1896 to the quickly ex-

ploded notion of free silver coinage at 16 to 1.

The staggering results of the Gorman-Wilson tariff law are sharply illustrated in the record of disaster wrought by it under Schedule K, the woolen schedule, for which I have offered a safe and moderate substitute for the extreme measure now again before the Senate. It is sometimes urged, and doubtless in good faith, by the enemies of the protective tariff system that the business disaster of 1894-1897 in this country was largely due to and simultaneous with severe financial depression in Great Britain and on the Continent of Europe. But this theory, with which our opponents seek to comfort themselves for the complete breakdown of their legislation of nearly two decades ago, is utterly demolished by the hard facts of record in the experience of the woolen manufacture under the Gorman-Wilson law, which, indeed, is not unlike the experience of other great American industries.

Great Britain, our principal competitor in the woolen as well as other trades, did not suffer from adversity, from financial or any other causes, throughout the life of the Gorman-Wilson tariff law. On the contrary, that earlier Democratic tariff which, it should be borne in mind, was much higher and more nearly protective than the radical bill now proposed, conferred an immeasurable boon upon the British woolen as well as other forms of foreign manufacture. Under the Gorman-Wilson tariff, and because of the Gorman-Wilson tariff, British woolen mills exulted in the greatest prosperity they had ever known.

WHAT THE GORMAN-WILSON LAW DID.

The Gorman-Wilson law made woolen cloths and dress goods dutiable at 40 per cent if valued at 50 cents a pound and at 50 per cent if valued at more than that figure. The 50 per cent rate was applicable to most of the imports, and it is to be compared with the single 35 per cent rate imposed on cloths and dress goods by the bill of the present majority of the Committee on Finance. Like the bill now proposed, the Gorman-Wilson law was throughout based in general on the ad valorem system of levying duties. This of itself proved a most costly blunder, for the ease with which fraudulent undervaluations were effected reduced the 50 per cent rate in practice so heavily and constantly that an enormous flood of foreign woolen fabrics, in large part of a cheap, shoddy, inferior character, poured into the United States. As an expert observer of the workings of the Gorman-Wilson policy said at the time:

The reason why the existing tariff is working so disastrously to the American wool manufacture may be stated in one sentence: It is due to the substituting of purely ad valorem duties for the compound duties of previous laws. This change in the form of the duties has been unfortunate in its effects upon the domestic industry, demoralizing to the general trade of the country, and disastrous to the revenue of the Government.

Government.

The variations in the styles, grades, and costs of woolens are so multifarious and so constant that local appraisers, however honest and alert, can not ascertain the costs with certainty or uniformity. Where the disposition of the appraiser is to grant the importer an illicit advantage the machinery of the law is unable to cope with the evil.

Different standards are applied by different appraisers at different ports to the ascertainment of the market value of identical goods; the amount of duties assessed varies widely in consequence, and the content of the content of the property of the standards widely in consequence, and the content of the c

stitutional requirement that all taxation shall be uniform becomes a

dead letter.

These conditions have compelled private citizens to organize in self-defense, to employ their own agents to trace undervalued goods into the market, to gather the evidence that they are invoiced below market

value, and force it upon the consideration of appraising officers, and to aid, urge, and demand that Government officials shall enforce the law. The spectacle of private citizens organizing in this manner to protect themselves against the consequences of defective laws defectively administered is without a parallel in any civilized government. (Bulletin National Association of Wool Manufacturers, 1896.)

And yet the leaders of the Democratic Party learned nothing by those three years of bitter experience. They have again brought out an ad valorem tariff bill, which differs from its ill-fated predecessor of 1894 only in that its attacks upon American industries are more savage and extreme, calculated to work greater injury to American trade and to confer greater benefits upon the trade of Europe.

ROBBING AMERICA TO ENRICH EUROPE.

The Gorman-Wilson law, with its radically reduced duties and faulty ad valorem rates, closed at one time or another onehalf of the woolen mills in the United States and turned practically one-half of the American woolen-goods market over to European manufacturers. Terrible distress ensued in American manufacturing communities. Thousands of employees of the idle mills were destitute dependents upon public charity. Even though wages were reduced again and again American woolen mills could not compete with the mills of Great Britain or the Continent, where less than a dollar a day was high pay for an able-bodied man in the textile trades and 50 cents for a skilled woman operative.

The National Association of Wool Manufacturers, in summing up the actual experience of the industry under the Gorman-

Wilson tariff, said in 1896:

Wilson tariff, said in 1896:

These two years, in which they have had unrestrained and unfettered access to the wools of the world, have been the most disastrous in the history of American wool manufacture, not excepting the collapse that followed the close of the War of 1812 or the panic of 1857. These three occasions have heretofore stood in men's minds for the worst that could happen to this particular industry, in consequence of commercial panic or change in economic law. Neither of them furnishes a standard by which to measure the extent of the present disaster. * * All of the old standards were broken down. The volume of imports soon became appalling. * * It was like the breaking loose of the Johnstown Reservoir—it swept everything before it.

That was the condition in the United States. At that same period the British woolen manufacturers and British journals were hailing the Gorman-Wilson law as a great and glorious benefaction and were exultantly pointing to the high prosperity that the new American tariff had brought to the rich mill owners of the United Kingdom, in contrast with the paralysis and suffering brought by the same law to the populous manufacturing communities of the United States. The Bradford (Yorkshire) Observer, in its annual review of the woolen trade for 1895, described the year as "the most extraordinary of the waning century," and attributed British prosperity chiefly to-

The more reasonable tariff adopted by the United States. * * * Not for years had such a thing happened as that a loom should stand idle with a warp in it for want of somebody to attend to it. Hundreds of households have been stranded because their maids of all work have thrown away the cap and print dress to don the weaver's harden skirt

At this same time thousands of looms in America were standing idle, and the skilled men and women who used to tend them were driven to seek the help of charity. An article in the Lon-don Times, written by a distinguished British manufacturer, further emphasized the enormous benefit that had been conferred upon the English woolen industry by the authors of the American Gorman-Wilson tariff law. This writer in the Times

There is room for doubt whether outside the West Riding of Yorkshire it is at all generally realized that the year 1895 witnessed a revival in the worsted industry of such magnitude as to be a matter not only for local but for national congratulation. After long years of depression, the varying, sometimes doubtless intermitted gloom of which had lately become painfully intense, the great manufacturing district of which Bradford is the center was visited last year by the full sunshine of prosperity. Roughly speaking, the Wilson tarlif, which came into effective operation in the last month of 1894, in place of the strangling system of duties associated with the name of McKinley, reduced the customhouse charges upon the principal products of the Bradford district imported into the States from 100 per cent of their value to 50 per cent.

The Times went on to note with manifest gratification that the value of worsted coatings imported from the Bradford mills into the United States had increased "fully 600 per cent." Helmuth Schwartze & Co.'s annual report on wool at the same time declared that-

the dominant factor in the past 12 months has been the recovery and rapid development of the export trade of wool and woolens to the United States, under the stimulating influence of free wool and reduced duties on goods.

Such quotations from British authorities might be multiplied indefinitely to show the keen appreciation of British manufacturers and editors for the unexampled generosity with which the Democratic framers of the Gorman-Wilson law had crippled and destroyed the industries of their own country in order that

expectant British manufacturers might heap up larger dividends and more easily support the honors and dignities with which their sovereign was wont to reward successful business men. Ruin and misery at home, prosperity, wealth, and luxury abroad were the concrete results of the Gorman-Wilson tariff for revenue only.

If such results followed the enactment of the Gorman-Wilson law, the duties of which were in excess of those of the present bill by a considerable percentage, what must we contemplate to be the result under free wool and the still lower duties of the pending bill when it shall become a law?

WORSE THAN THE GORMAN-WILSON LAW.

Now another Democratic tariff bill is in the making, and because of it another "full sunshine of prosperity" is about to dazzle the mill-owning magnates of the British Isles at the expense of thousands of wage earners in America. The pending Democratic tariff measure goes far beyond the Gorman-Wilson law in the lavish subsidies which it bestows upon the manufacturers of Great Britain and the Continent. Here is a comparison of the rates of the pending bill and of the Gorman-Wilson tariff on the principal products covered by the woolen schedule-and the woolen schedule is fairly typical of all:

	Present Democratic tariff bill.	Gorman- Wilson law.
Tops	Per cent. 5 15 35	Per cent. 20 30 to 40 1 40 to 50

1 Most of the imports under the Gorman-Wilson law actually paid the rate of 50

Since the Gorman-Wilson era wages in American woolen mills have advanced on the average about 30 or 40 per cent. There has been no corresponding increase in the wages paid to the employees in the woolen mills of Great Britain; indeed, there has scarcely been any appreciable increase in British wages at Is it surprising that British manufacturers are urging their public men and newspapers to avoid any congratulatory comment on the pending tariff-revision measure until it has finally passed both Houses of Congress and received the signature of the President? From the British standpoint this bill is almost too good to be believed.

It actually carries many rates of duty much lower and more favorable to British interests than the New York importers rep-resenting these foreign manufacturers dared to ask for in their arguments and briefs presented to the Committee on Ways and Means and to the Committee on Finance. This bill of the Democratic majority is distinctively a bill against America and for

Europe.

THE WOOL-CONTENT QUESTION.

Mr. President, I have here correspondence conducted between the Secretary of the Treasury and myself when I was chairman of the Finance Committee during the last Congress, regarding the difficulty and impracticability of making the specific duties on manufactures of wool applicable to the wool contained in such manufactures, and as it explains the matter very fully and gives the opinion of the appraisers in Boston, Philadelphia, and New York, I ask to have it inserted in the RECORD for the information of the Senate as part of my remarks.

The VICE PRESIDENT. In the absence of objection, permis-

sion is granted.

The matter referred to is as follows:

TREASURY DEPARTMENT, Washington, July 12, 1912.

Hon, Boies Penrose

Hon. Boies Penrose,

United States Senate.

My Dear Senator: I have your letter of July 11 in which you request that you be furnished with the reports of the appraisers and of the Bureau of Standards with respect to the practicability of making the specific duty on manufactures of wool applicable to the wool contained in such manufactures for the temporary use of the members of the Finance Committee, if consistent with the rules of the department. I am very glad to forward these reports in accordance with your request. It is to be noted that some of the replies are limited to the specific question raised as to whether or not the amount of virgin wool can be distinguished from shoddy, mungo, or flocks, and do not cover the main issue as to the ascertainment of the amount of wool as a whole.

Will you please have the reports returned to the department when they shall have served your purpose?

Yours, very truly,

J. F. Curis,

Assistant Secretary.

DEPARTMENT OF COMMERCE AND LABOR,
OFFICE OF THE SECRETARY,
Washington, June 15, 1912.
Sir: Replying further to your letter of June 5, 1 am plensed to state
that the Bureau of Standards can make analysis of the proportion of

wool contained in union fabrics. This determination is a comparatively simple laboratory analysis and can be made with a good degree of accuracy. The possibility of making determinations of wool in garments is not so well assured. In the first place, it would involve injury to the garments, unless they were furnished with projecting samples of the fabric which could be removed for the purpose of analysis.

The determination of shoddy, mungo, and waste components can not as yet be made with accuracy. The present methods available are not entirely satisfactory to the Bureau of Standards and would require further investigation before the bureau would be in a position to state definitely that such analysis could be depended upon. It is a matter which the Bureau of Standards has had under consideration for some time and upon which work is now in progress.

Any further assistance which the bureau can render you will be gladly supplied.

Respectfully,

CHARLES EARL,

Acting Secretary.

CHARLES EARL, Acting Secretary.

The honorable the SECRETARY OF THE TREASURY.

TREASURY DEPARTMENT,
UNITED STATES CUSTOMS SERVICE,
OFFICE OF THE APPRAISER OF MERCHANDISE,
Port of New York, N. Y., June 6, 1912.

Hon. James F. Curtis, Assistant Secretary of the Treasury, Washington, D. C.

Sir: In reply to your letter dated June 5, regarding the contemplated tariff provision on wool and woolens, it would be impracticable, indeed impossible, to ascertain the amount of virgin wool contained in cloth or clothing. The shoddy, mungo, and waste components are intermixed with the wool in the yarn in such a fashion as to make it practically impossible to separate the same and determine the quality of virgin wool in the gloth.

impossible to separate the same and determine the quality of virgin wool in the cloth.

I also call your attention to the fact that it would be impossible to determine the quality of the virgin wool which has gone to make up the cloth. Very different qualities of wool are used in making yarns for cloths, which vary very considerably in value. These could not be distinguished one from another with any reasonable accuracy.

Respectfully,

Francis W. Bird. Appraiser.

FRANCIS W. BIRD, Appraiser.

TREASURY DEPARTMENT,
UNITED STATES CUSTOMS SERVICE,
OFFICE OF APPRAISER OF MERCHANDISE,
Port of Boston, Mass., June 10, 1912.

The honorable the Secretary of the Treasury, Washington, D. C.

The honorable the Secretary of the Treasury,

Washington, D. C.

Sir: Replying to department letter 86638, dated the 5th instant, requesting information, in connection with the contemplated revision of the tariff on wool and woolens, as to the possibility of making the specific duty on manufactures of wool applicable only to the virgin wool contained therein, I beg to report as follows:

For purposes of this report manufactures of wool may be separated into three main divisions, viz, worsteds, woolens, and felts.

Worsted cloths are easily analyzed, for the reason that the yarns of which they are composed are made from long-staple wool, which has been combed, thereby removing all the short fibers; and if both warp and filling are of such yarns the weight of the fabric, less the size and dye contained therein, is the net weight of the fabric, less the size and dye contained therein, is the net weight of the fabric, less the size and dye contained therein, is the net weight of the prigin wool. If the warps are of vegetable fibers, or in part of slik, introduced to form figures or stripes, the same are easily removed by chemical processes. Woolen cloths are much more difficult to analyze, on account of the varying length of the fibers, processes of manufacture, and mixture with mungo, shoddy, or flocks. Many of the higher grades of woolen fabrics are entirely of virgin wool, but on account of the fulling process used during their manufacture the fibers are matted to a certain extent, and the disintegration of the material by mechanical processes would so destroy the condition of the original fibers that much of the resultant product would seem to be shoddy.

Shoddy is the best of the so-called artificial wools, being the wool fiber recovered from worn but all-wool, long-staple materials, and which has never been fulled, or, if so, only slightly. The length of the fiber varies from one-half inch to 1½ inches, according to the original length of the staple in the fabric from which the shoddy is made. Dyed shoddy can

TREASURY DEPARTMENT,
UNITED STATES CUSTOMS SERVICE,
OFFICE OF THE APPRAISER OF MERCHANDISE,
Port of Philadelphia, Pa., June 12, 1912.

The honorable the Secretary of the Treasury, Washington, D. C.

Sir: Referring to the communication of the department of June 5, 1912, concerning the feasibility of making the specific duty on manufactures of wool applicable only to the wool contained in such manufactures, I respectfully report that I have submitted the question to all those in the office whose skill and experience entitle them to give an

expert opinion on the question, and find that it is the consensus of opinion that it would not be possible to determine, with any useful degree of accuracy, the amount and particularly the class of virgin wool in cloths and still less in garments or articles of wearing apparel. In the case of cloths made of worsted yarn, which is only wool with no admixture of shoddy, mungo, or waste, it might be possible, though certainly at a great expenditure of time and labor in each case to make a working approximation of the amount and class of wool, but in the case of cloths made of woolen yarns, which may and generally do contain the baser components, any approximation that could be made, even after painstaking examination and analysis, would be nothing but a mere guess in which probably no two experts would agree.

This being true of cloths in the piece, it of course holds true a fortiori for made-up garments and wearing apparel and other articles. Unless a part of the article could be taken for disintegration and analysis, which in many cases would involve the practical destruction of the sample selected, the amount and character of the contents could be ascertained only by inspection, and all our experts are agreed that the results so obtained would differ so widely that no reliance could be placed on them for any practical or dutable purpose, and would only open the way to encless disputes and litigation.

Respectfully,

F. P. Vincent, Appraiser.

F. P. VINCENT, Appraiser.

Mr. PENROSE. Mr. President, to sum up briefly, I have explained that the bill which I have offered as a substitute for the wool and woolen schedule of the pending Democratic measure is a revision from the standpoint of those who believe in the protective-tariff policy as the best policy for all the people of the United States. The bill is in accord with the desire of the very great majority, for only a minority of the voters at the late election supported the party which declared for a tariff for revenue only, while a great majority sustained the two political parties, Republican and Progressive, whose platforms, although differing in detail, both declared unequivocally for a tariff for both revenue and protection.

The bill places a specific duty of 18 cents a pound on the clean content of raw wool. The specific form of duty is preferred, but doubts are entertained of the practicability of basing the wool duty on the clean content. The whole subject of the form and the amount of the duty on wool might be advantageously left open until a protectionist revision of the tariff is at hand.

I have quoted both from the Tariff Board report on wool and woolens and from statements of the National Association of Wool Manufacturers to prove that specific duties on tops and yarns were practicable—the method which has been adopted in this bill. I have criticized in a friendly spirit the bill of the Senator from Utah for a serious inconsistency in that, while protecting the woolgrowers by a specific duty, the bill provides ad valorem duties for tops and yarns, a discrimination against manufacturers not recommended by the Tariff Board. I have explained that my bill places specific duties on tops and yarns and would have placed specific duties on finished fabrics also if the plan had not proved impracticable. As an alternative the method suggested by the Tariff Board of compound duties partly specific, partly ad valorem, and graduated according to value has been embodied in the bill.

This proposed substitute makes considerable reductions from the existing law. On cloths, for example, the duties are reduced from 10 per cent of the present rate on the high-priced to as much as approximately 125 per cent of the present rate of duty on the lower-priced fabrics. There are reductions on blankets of the higher grades from 12 per cent to 24 per cent, and on the cheaper grades the present duties are almost cut in half. Yarns show a reduction of from 8 per cent to 45 per cent under different market conditions, and tops from 35 to more than 50 per cent. These are real and substantial reductions, but it is believed that the rates proposed will save woolgrowing

and wool manufacturing from serious injury.

The cost of conversion in the woolen manufacture is practically a constant quantity in popular-priced all-wool and partcotton fabrics. An ad valorem duty sufficient for one class of goods would not be sufficient for another. Customs officers can discriminate between wool and cotton in fabrics, but can not distinguish between new wool and shoddy. Therefore the proposals in the certain other bills offered by Republicans as a substitute for Schedule K would, in effect, discriminate against honest cotton-warp fabrics with a pure-wool weft in favor of cheap shoddy fabrics. The Tariff Board report shows that there are nearly three times as many rag-grinding machines in the United Kingdom as there are in the United States. Moreover, 200,000,000 pounds of shoddy are used every year by wool manufacturers in Great Britain as against 80,000,000 pounds in the United States. The admission of foreign fabrics at reduced rates would degrade the woolen clothing of the American people, as happened under the Gorman-Wilson tariff law, and would force American manufacturers, who use shoddy sparingly, to use a great deal of it in order to be on an equality with their foreign competitors.

The Tariff Board report shows that its careful inquiry has

contentions regarding the woolen industry; that the tariff is not added to the price and paid in full by the consumer; that competition keeps down American prices; that American goods cost more because of the higher cost of labor, mill buildings, and equipment and supplies and materials; and that unskilled immigrants in the woolen mills of the United States are paid wages as high as those earned by the most skilled and experienced English, Scotch, and Irish immigrants in the woolen mills of the United Kingdom.

The Tariff Board report gives an analysis of a typical readymade suit of wool clothing made to sell at retail at \$23 and upward, the entire cost of the woolen cloth in which was \$4.78 and the entire cost of the raw wool \$2.23, the profit of the wool manufacturer on the wool required to make this suit being 23 cents and the profit of the grower of the wool that entered into

it being 68 cents

The experience of the American wool manufacturer under the Gorman-Wilson Democratic tariff of 1894-1897 has been referred to. Under this tariff one-half of the American market for woolen goods was monopolized by foreign manufacturers, and at one time or another one-half of the American woolen mills were idle and their employees were dependent on public charity. The Bradford (Yorkshire) Observer and the London Times describe this same period as the most prosperous which English woolen manufacturers had ever known. Comparison has been made of the rates on woolen goods in the Gorman-Wilson law with those of the pending Democratic bill, showing that the duty on tops, which in 1894-1897 was 20 per cent, is only 5 per cent in the present bill; that the duty on yarns, which was 30 to 40 per cent, is now only 15 per cent; and that the duty on cloths and dress goods, which was from 40 to 50 per cent, is now only 35 per cent in the proposed measure. Is it surprising that British manufacturers are urging their public men and newspapers to avoid any congratulatory comment on the pending tariff-revision measure until it has finally passed both Houses and received the signature of the President? From the British standpoint this bill is almost too good to be believed. It actually carries many rates of duty much lower and more favorable to British interests than the New York importers representing these foreign manufacturers dared to ask for in their arguments and briefs presented to the Committee on Ways and Means and to the Committee on Finance. This tariff bill of the Democratic majority is distinctively a bill against America and for Europe.

Mr. WARREN. Mr. President, I have listened with interest to the recital of the feelings of our friends in the British Isles which the Senator from Pennsylvania [Mr. Penrose] has alluded quite fully, and I ask to have read at the desk a short article which was printed in the New York Press, relating to

the same subject.

The VICE PRESIDENT. In the absence of objection, the Secretary will read as requested.

The Secretary read as follows:

[From the New York Press.]

Let all Americans pray that when the new tariff is in operation there will not happen to us all the things the British are confident will happen to us.

We have been examining, for instance, a commercial call to the British in a flaming poster-pamphlet for the most part printed, appropriately enough, in vivid red ink. On the outside front page there is an inviting picture of the Atlantic coast, with a high stone sea wall, behind which our market hitherto has rested secure from commercial investion.

Invasion.

But now the picture shows the wall battered down in front of New York Harbor and fleets of thips steaming in a continuous mass from the British Isles across the Atlantic Ocean to the seizure of the richest market in the world—the market of the United States. And, further, to explain that illuminating picture there are under it these words:

"The cut in the tariff wall is bringing British manufacturers on the run."

run."

Here is some more of the British advertisement:

"A cut in the tariff on imported goods of 100,000,000 people who have the largest spending power per capita of any nation in the world is making John Bull get busy."

In the way of encouraging dilatory British manufacturers and merchants to join those already busy with their plans to flood our markets, the advertising circular explains more in detail:

"John Bull has always loved the American markets.

"A hundred millions of people who have the largest spending power per capita of any nation in the world, speaking the same language as his own, governed by similar laws and customs, employing similar trading, transportation, and advertising systems, appeal to him as providing the happiest hunting ground for trade the world has to offer him.

"He has always assiduously cultivated it, in spite of high protective tariff designed to keep him and others out. Witness a few figures:

Total value of imports from the United Kingdom to the United States

Total value of imports from the United Kingdom to the United States during the past five years.

1908	\$190, 355, 47	ā
1909	208, 612, 75	8
1910	271, 029, 77	2
1911	261, 289, 10	6
1912	272, 940, 70	0

The Tariff Board report shows that its careful inquiry has | "Note the steady increase—excepting the falling away in 1911—an formally substantiated practically all the chief protectionist increase of \$82,585,235 in five years.

"This enormous increase has been achieved under the existing tariff. What will be the figures under the new tariff, which reduces the duties on many articles and makes a breach in the tariff wall of which scores of British manufacturers are at this moment preparing to take advantage? Every boat is bringing British merchants over to survey the field and make arrangements for marketing their goods.

"Do you want to share in this coming trade? Do you want to share in this expenditure of British money?"

Thus we see that in the expectation of our British kinsmen this country, with its flourishing industries, is to be, in the way of sport, a happy hunting ground for our always sport-loving cousins across the sea. In the way of a feast after the sport it is to be fish, fowl, and meat—everything from cysters to plum pudding.

Yes; that is the feast the British appear to expect us to be for them. But they ought not to permit their joy of anticipation to be too immoderate. They ought to temper their chop-licking jubilation with the thought that, if we are to be such easy game for them, then before they pick the last bone of the feast we make for them, then before they pick the last bone of the feast we make for them, those of us not yet devoured shall rebuild that wall and put the revelers outside of it, as once before we did when they came in droves to gorge on the home markets of the United States.

Mr, PENROSE. Mr. President, I have been greatly interested

Mr. PENROSE. Mr. President, I have been greatly interested in the clipping which the Senator from Wyoming [Mr. WARREN] has had read to the Senate, and, bearing on the same subject, I should like to ask the Secretary to read quite a remarkable extract from the Evening Call, of Woonsocket, R. I., published on July 29, 1913, being an interview with a gentleman who is not known to me but may be known to the Senator from Rhode Island [Mr. LIPPITT].

Mr. STONE. Does the Senator desire to have the two col-

umns he holds in his hand read?

Mr. PENROSE. I should like to have them read for the instruction of the Senator from Missouri. I am afraid he would not read the article if it were merely printed in the RECORD.

Mr. STONE. I will neither read it nor hear it read. Mr. PENROSE. Then, I will read it myself.

Mr. STONE. It is an absolute waste of time. Mr. PENROSE. I regret to see that the Senator from Missouri feels that the dissemination of knowledge is a waste of time. The article is as follows:

Louis Le Poutre, of Roubaix, France, the controlling owner of the Lafayette Worsted Co., of Woonsocket, makers of yarn, is here on a brief business trip. The Le Poutre interests, besides owning the Woonsocket plant mentioned, which employs 600 to 800 operatives, employ over 3,000 people in the big mills at Roubaix, and, in addition, have large plants in Germany. When he discussed the present tariff situation, Mr. Le Poutre did not hesitate to say that if the tariff is reduced as at present contemplated by President Wilson and Democratic leaders at Washington, he and other European manufacturers will flood the United States market with goods made much cheaper than similar goods here, owing to the low labor costs in Europe.

I am not surprised that the Senator from Missouri does not care to have facts of this character read in the open Senate. The article continues:

Concerns like those controlled by the Le Poutre interests, and which have plants in America and also in Europe, will, he says, be obliged to shut down their mills in this country, largely increase the outputs of their European factories, and flood the markets here with goods made across the water and landed here cheaper than they can be made here. He says that the United States is being laughed at in Europe because of the present glan to demolish large sections of the tariff wall—

I may say in this connection, Mr. President, that we have become a laughingstock in other matters in a recent period-

I may say in this connection, Mr. President, that we have become a laughingstock in other matters in a recent period—and says there is great rejoicings in France, Belgium, Germany, and England among mill operatives as well as manufacturers.

Mr. Le Poutre said that men who manufacture both here and abroad are satisfied that the new duties will greatly hurt the worsted manufacturing in the United States, leaving the woolen and worsted mills in this country only a chance for the production of coarse cloths.

Mr. Le Poutre was asked by a reporter of The Evening Call:

"What will be the effect of the tariff of 20 per cent on woolen yarns and 35 per cent on woolen cloths?"

"The woolen industry has considerably expanded in this country," he replied, "especially during the past 15 years. We can say that, so far as spinning and also weaving of the wool are concerned, the workmanship is as good here as in any other country, and the labor is as capable, excepting perhaps in the finer numbers and fine cloths.

"The average general cost annually and the cost of labor in this country are double those in Europe. This question has been greatly debated and generally admitted.

"If they want to establish a tariff duty by taking as the basis the maintenance of present wages pald here, I contend that 20 per cent duty on yarns is insufficient, excepting for the coarser yarns, for which the labor is not so important. As an example, we can purchase the two-fifties French system, which is a standard number everywhere, at 71 cents in France and Germany. By adding 14 per cent for the 20 per cent duty and 4 cents for transportation and commissions, we find that it will cost 89 cents. The present price in the market here, reduced already because of the fear of the future, is 99 cents—a difference against America of at least 10 cents per pound.

"It can readily be seen that we will not be sufficiently protected with the proposed tariff, and that it is not a duty simply of 20 per cent that is necessary, but a scale of duties that would pr

"The American manufacturer has not this advantage. We are to make a terrible jump from one extremity to the other. Those who are, like myself, so situated that they manufacture both here and abroad are convinced that the new duties would kill the worsted industry here, leaving only a chance for the production of coarse cloths, with only a fraction of the help employed. That is my opinion, and I submit it with all sincerity."

Mr. LIPPITT. Mr. President, I do not intend to undertake an extended discussion of the subject of wool and the woolen tariff. It is a subject that has been discussed very largely in the past in all of its general phases, and I do not feel that it is necessary to discuss it in detail at this time. The brilliant and exhaustive exposition of the subject which has just been made by the Senator from Pennsylvania [Mr. Penrose] is an additional reason for not now attempting to cover the whole ground. I do, however, want to consider two particular branches of the subject, which have been considered in the remarks of the Senator from Pennsylvania and previously, I think, in the remarks that have been made here by the Senator from Utah [Mr. Smoot]. I desire to add my evidence, such as it may be, as a sort of cumulative testimony as to these particular branches of the subject. Another reason for considering them is because there is a disagreement between the dominant party in the two branches of Congress as to the treatment which they should have. I refer particularly to the duties that are proposed for tops and for flannels.

In paragraph 295 combed wool or tops is given a duty, as the bill came from the other House, of 15 per cent, and the duty has been changed, as the bill now appears in the Senate, to 5 per cent, a reduction of two-thirds of the duty. I want to consider the reasons for that and the effect of it, not particularly as it applies to the woolen manufacturer, for I think his interest in the matter, while considerable, is small as compared with the interest which the woolgrower has in it. Therefore the remarks that I am about to make are more particularly in-Therefore tended to show the effect that the proposed reduction will have upon the fortunes of the men growing wool, for, if I understand the situation aright, it is equivalent not merely to putting wool upon the free list, but to offering a bounty of in the neighborhood of 3 cents a pound for the importation of foreign wool as against the use of the domestic article.

I desire to consider, therefore, with reference to this point, the cost of making tops in this country, in the first place, as it is shown in the Tariff Board's report. That particular feature in the Tariff Board report is considered principally on pages 100. 640 to 644. It is also considered in somewhat less detail in other parts of the report. In all the places where it is considered the evidence which the Tariff Board give is so indefinite and so general in its character that while we can obtain much useful information from it, we can not, without some additions to what is set forth there, use it as a complete exposition of the subject.

They give, on page 643, a table which is the nearest to a complete statement of the subject that I can find in any part of the report. It applies to the making of fine tops by what is known as the French system, as distinguished from the English system.

I presume most of the Senators here understand what a top

is, although, in spite of all the discussion that has occurred in regard to it, only a few days ago one of the Members of this body asked me what a top really was. I will say, therefore, if there are any others in the same mental condition, that in turning a raw material into yarn there are four processes which are alike in their principle and purpose as applied to all the materials of which yarns are spun. Whether the article to be spun is cotton or flax or silk or wool it is necessary, in the first place, to clean it; in the second place, to lay the fibers parallel; in the third place, to reduce it from the bulk in which it appears in the market to the size that it is desired to appear in the yarn; and, in the fourth pace, simply to twist it. That is all there is in the process of making textile yarns for the manufacture of cloth.

In the case of wool the top represents the product of the econd of these processes. To make wool and turn it into a second of these processes. top it first has to be cleaned, or scoured, as it is called, sorted to remove the inferior parts of the growth of the animal, and then it is put through sometimes a card and sometimes a comb for the purpose of laying the fibers parallel to each other. Combing is the more perfect method of accomplishing this result, and is naturally more expensive than the less perfect form of doing it, which is represented by carding. The process is very much the same as the process by which one combs his hair. It is simply drawing some teeth through the wool, or drawing the wool by the teeth, to lay the fibers side by side.

The resultant article in the case of wool, for some unknown reason—for the origin of the name, so far as I can find out, is lost in obscurity—is called, technically, in the trade a top.

Coming back to the table upon page 643 of the Tariff Board report, to consider what it costs in this country to make a top by the processes which are considered in the table, we find that the costs in four different cases ran from 7.25 cents a pound to 7.32 cents a pound—not a great difference. But those figures do not represent the costs of all the processes necessary for turning wool into tops, and they do not represent all the conditions to-day.

A year ago, when this report first came out, I spent a very considerable amount of time in trying to satisfy myself as to what the board really reported the cost of a top to be. it was necessary to add to this table something for the cost of sorting, something for the interest upon the difference in the cost of a plant in this country and in Europe—because in another part of the report the board shows that that difference is about 60 per cent-something for the cost of storing and handling the raw wool and for the interest and storage charges of holding it and carrying it, something for the actual conditions under which a mill operates, and something for the increase in wages that has occurred since the report was made. The figure of 71 cents a pound is a theoretical figure based upon the costs that the Tariff Board obtained, but edited to show the cost of a mill running full time. The woolen business is of such a character that it very seldom happens that a mill does run full time, and actual costs can not be taken on that theoretical supposition. The board itself makes a very elaborate exposition of this subject on a previous page, where it shows that the difference in cost that may result between a mill that runs full time and one that runs only a part of that time is, in some cases, as great as the difference between 3.24 cents a pound and 10.85 cents a pound. Those are very extreme cases, however, the lowest cost being in the case of a mill that ran overtime-more than full time-and the highest cost being in the case of a mill that ran very much less than full time.

Making the proper additions to the cost which the board gave, 7½ cents a pound, I came to the conclusion that the Tariff Board report showed that for the kind of top that was there being considered it cost 10.91 cents a pound.

I then took occasion to ask a gentleman in Philadelphia, Mr. Walter Erbin, of the firm of Harding & Erbin, if he would make an examination of this subject, based upon the same Tariff Board table I had used, for the purpose of seeing how his results would compare with mine. In every industry like woolen manufacturing there are certain men who become recognized among their fellow craftsmen as experts in certain directions. The very remarkable mathematical mind of Mr. Erbin has made him recognized throughout the trade as an expert in the statistics of woolen manufacturing. He made a most exhaustive and elaborate calculation from the various statements that were made in the report upon the same subject. He considered the figures in three different ways, and as a result of that he reported to me that under one method of figuring the cost of making a top was 10.47 cents a pound, under another method it was 11.51 cents a pound, and under a third it was 12.3 cents a pound. He further gave me a very exhaustive statement of the cost of doing the same thing in his own mill, which showed that his cost was 11.33 cents a pound.

I also asked some other friends of mine in New England—and this was all done without knowledge on their part of the costs of the other people—if they would make me a report upon the same subject. The firm of Hill & Nichols, well known as dealers in and manufacturers of tops, said they considered it cost 13.12 cents, and the firm of Brown & Adams said it cost 12.97 cents.

The average of all these seven costs, taken in different ways and by different people, shows that the cost of that kind of a top is 11.80 cents a pound.

We now have to consider what we know in regard to the cost of tops abroad, as represented by the Tariff Board report. The figures there are very indefinite, as would be naturally expected, and more so than the figures in regard to the American cost. The best exposition of the foreign cost is in a table given on page 644, where they show that the cost per pound in a mill on the Continent varied from 3.75 cents a pound to 4.45 cents a pound. But they say that in considering these figures it must be remembered that the mill was not running at its full canacity.

In other words, they have presented the cost of an American mill theoretically based upon its point of maximum efficiency; but they have given us the cost of a foreign mill admittedly based upon a point which is one of inefficiency. So it is manifest that that mill, on the same basis that they have used for the American cost, must have been able under similar conditions to make a wool top for a cost even lower than the figures they present. The lowest figures are 3.75 cents a pound. They

do not include the other items, which, in order to arrive at a complete cost, I have been compelled to add to the table of American cost. So, after all, we are not left in a very well-informed condition of mind, so far as the mere figures go.

But the Tariff Board give additional testimony, in a way, because they repeatedly say in different forms that wool combing can be done abroad for substantially one-half what it can be done for in America. On page 642 they say that English combers state:

We can do for a penny a pound what costs the Americans twopence.

And the board go on to say:

Actual figures seem to indicate the truth of this.

Again, at the bottom of page 644, the board say:

Actual records show that tops can under certain circumstances be made abroad at about one-half the American cost.

They also say (p. 641):

It will be seen that the lowest charge in the United States (for commission combing) is about double the lowest charge in England.

The figures of 3.75 cents a pound which I have quoted for the continental cost as compared with 7.25 cents that the board presents as the figures for the corresponding part of the American cost show that that cost is about one-half the American cost.

It seems to me, therefore, that we can assume that the Tariff Board reports the foreign cost to be one-half the American cost, although the board, after saying in various ways that it is one-half, go on then to say as the summing up that they think it is eight-tenths of the American cost.

We therefore have this proposition as I have arrived at it from my consideration of the matter: That it costs in this country 11.8 cents a pound to produce tops; that it costs abroad one-half of that, which is 5.9 cents a pound, or substantially 6 cents; and that the amount of protection that would have to be given to American tops to put them on a parity with foreign tops would be equivalent to 6 cents a pound.

My idea of the proper way to make a duty of that kind is to make the duty 6 cents a pound. But the duty that has been proposed is an ad valorem duty of 5 per cent so far as the Senate is concerned and of 15 per cent so far as the House is concerned.

We therefore, to complete our examination of this subject, have to consider what a duty of 5 per cent and 15 per cent would amount to. There are complete tables published and frequently distributed among the woolen trade which show the selling price of tops abroad for a great many years back. Taking No. 60 quality, which the Senate will understand is the English name for a quality that is suitable for spinning a No. 60 yarn, we find that the lowest price for that in recent years was 33 cents a pound in March, 1901, and 59 cents a pound in October, 1907, although it also sold in the spring of this year at substantially the same price.

Five per cent duty upon the selling price of 33 cents a pound would be 1.65 cents. On the high price of 59 cents a pound it would give a duty of 2.95 cents; and on the average of these two prices it would give a duty of 2.3 cents a pound. In other words, we find that the duty on this average of the selling price abroad of No. 60 tops would be 2.3 cents a pound, and the difference in the cost between the two is 6 cents a pound.

Let me go on. On a 15 per cent duty figured on the same prices the duty on the low price would be 4.95 cents a pound; on the high price, 8.85 cents a pound, which would be full protection and a little more; and the average would be 6.9 cents a pound. In other words, taking that grade of top, we find that the duty at 5 cents a pound is less than half of the protection that would be required to put the two articles on a parity here and abroad, and that a duty of 15 cents a pound, as proposed by the House, would be protective and give a margin of nine-tenths of a cent a pound on the average of the extreme selling prices, but would be 1.05 cents less than protective on the low foreign price.

Considering further the way it would apply to No. 56 quality, which is a little lower quality, we find that the high price is 53 cents, in June, 1906, and the low price is 31 cents, in July, 1901, and that the average of these prices is 42 cents a pound. Five per cent duty on the low price would be 1.55 cents a pound, and on the high price 2.65 cents a pound, and on the average price 2.10 cents a pound, showing that on that quality where the duties required for an equalization of cost purposes would be 6 cents a pound it is in reality only one-third that.

At a 15 per cent duty it would be 7.95 cents at the high price of the top, 4.65 cents at the low price, and 6.3 cents at the average price. In other words, on a 56 quality with the Senate committee duty there would be 4 cents a pound inducement to importation, and at the House duty of 15 per cent the for-

eign and domestic cost would be on a parity with a margin of safety of three-tenths of a cent a pound on the average

foreign price.

Assuming that my exposition of the subject is correct and that the costs are substantially as I have stated them, the thing I want to call attention to is that this is not so much a subject of his the woolgrowers. the woolgrowers. Mr. Presidentsubject of interest to the manufacturer as it is of interest to

The VICE PRESIDENT. Does the Senator from Rhode Island yield to the Senator from Montana?

Mr. LIPPITT. With pleasure. Mr. WALSH. Before the Senator passes to the consideration of that portion of his argument, I should like to inquire of him why it is that these tops can be manufactured cheaper in England than they can be manufactured here.

Mr. LIPPITT. Mr. President, that has been so often explained that it scarcely seems necessary to say anything further in regard to it. Of course it is due to the difference in labor cost and the difference in the cost of the plant and to other similar reasons.

Mr. WALSH. Let us take the labor cost. I suppose that constitutes the chief difference. Will the Senator kindly tell us what is the labor cost to manufacture tops in this country?

I have given a very careful statement of the

methods by which I arrived at my conclusion.

Mr. WALSH. I followed that carefully. Mr. LIPPITT. And the basis for the And the basis for the conclusion is the figures in the Tariff Board report. I would prefer, if the Senator wants to have that question answered, that he would himself

go to the tables, where he can find it in great detail.

Mr. WALSH. I find given there 2.68 cents per pound as the labor cost of producing a pound of tops. If the total labor cost of producing a pound of tops in this country is 2.68 cents, as given by the Tariff Board, it would occur to me, assuming that labor is one-half as expensive in England as it is here, that the difference in the labor cost can not exceed a cent and a half a pound. Am I correct in the conclusion?

Mr. LIPPITT. If the Senator's premises are correct, his conclusion is correct; but his premises are not correct, because in the table which I have been considering the labor costs were in reality about 4.27 cents a pound at the time that table was Since then there has been an increase in the cost of made up. labor in New England, which adds forty-two one-hundredths of

a cent a pound to the labor cost of that article. I do not care to go into a discussion of these labor costs at this time. I do not want to detain the Senate any longer than is necessary. It is a subject that has been so exhaustively discussed from every phase of it that I do not care to undertake it in connection with this part of my address.

Mr. SIMMONS. Mr. President, I do not wish to enter into the discussion, but I had an expert examine the Tariff Board report and give me the cost of producing tops in Germany and England. He advised me that the common charge in Germany for making high-grade Australian tops is 4.86 cents per pound, and that the cost in a representative German mill on Australian 60s was 3.45 cents per pound, including interest. The commission charges on high-grade tops run from 55 to 65 per cent higher than in Germany. A fair statement of the cost of making tops in the United States is about 80 per cent greater than in Europe. In 1912 the import value of tops was 71.2 cents per

Mr. LIPPITT. It does not cost 71 cents a pound to make

tops.

Mr. SIMMONS. I am not talking about the cost; I am talking about the value. In 1912 the import value of tops was 71.2 cents per pound. According to the above-

Mr. LIPPITT. What tops were those? Will the Senator

kindly state the kind of tops and at what duty?

Mr. SIMMONS. In 1912, the import price.

Mr. LIPPITT. What kind of tops?

*Mr. SIMMONS. He does not state. I assume that he was referring to the same kind that he spoke of in connection with the cost of making tops.

Mr. LIPPITT. Of course that is a very important matter. The instant we come to a discussion of the cost of tops—

Mr. SIMMONS. Will the Senator allow me to finish the statement? According to the above, it costs 3.45 cents to make tops in Europe and 6.21 cents in the United States. The difference is 2.76 cents, or a little less than 4 per cent of the import price per pound.

Mr. LIPPITT. Mr. President, I would like to say, in regard

to the statement the Senator makes

Mr. SIMMONS. The bill allows 5 per cent,

Mr. LIPPITT. I would like to say, in regard to that statement, that the Senator starts off by saying that his expert does not include in his statement all the cost of making tops. It is so common to talk of the cost of making tops as representing merely the cost of taking sorted and scoured wool and putting it through a mill and figuring that the cost of getting it from one end to the other of the combing process, as regards labor and supplies, is the total cost of that top. As I have been explaining for half an hour, and longer than I had intended to take in the matter, that does not represent the cost of tops. We must have the complete and the entire cost. I have given the basis of my figures. I will only say that I gave them as careful examination as it was possible for me to do. Although I am not a woolen manufacturer, and never have been, I am so thoroughly accustomed to the methods of making figures of this kind that I think I was fairly well qualified to do it.

I had those figures checked by a number of independent and skillful manufacturers, whose result corresponded fairly with mine. I will admit to the Senator from North Carolina that

there are tops that can be made—
Mr. SIMMONS. If the Senator will pardon me-

Mr. LIPPITT. If the Senator will wait until I finish my sentence.

Mr. SIMMONS. Surely. Mr. LIPPITT. I was going to say to the Senator from North Carolina that there are classes and kinds of tops that can be made for a lower figure than those with which I have been dealing, but he proposes to enact one uniform duty for all classes of tops, whether their cost is low or high. Therefore, in considering its effect upon importations we can not confine our consideration to a class of tops that is of low cost, because the duty is the same upon tops that are of high cost. Importations are not made upon averages of cost. They are not made upon that proportion of the article which is most fully protected by the duty. They are always made upon that proportion of the article which is least protected by the duty.

I will go so far along the line of argument that the Senator from North Carolina is pursuing as to say that I will agree with him that there are some classes of tops that in all probability under a 5 per cent duty it would not be profitable to import so long as any part of our combing machinery in this country is in active operation. I must insist that there are a very large class of tops the domestic cost of which would be so much lower than the cost of importation under this 5 per cent duty that there would inevitably be larger importations.

Mr. WARREN. May I ask the Senator a question?

Mr. LIPPITT. I yield to the Senator from Wyoming. Mr. WARREN. In that case the manufacturer desiring material from abroad would naturally buy tops instead of wool, unless the price of the domestic wool was enough lower than the foreign wool laid down here to make up the difference.

Mr. LIPPITT. I was going on, if I had not been interrupted,

to make a statement in regard to that subject.

Mr. SMOOT. Mr. President—
Mr. LIPPITT. I yield to the Senator from Utah.

Mr. SMOOT. I merely wanted to refer to the figures quoted by the Senator from Montana as to the labor cost per pound of tops in the United States. He quoted from the Tariff Board report, at page 642. The cost was for sorting, scouring, carding, combing, and the miscellaneous outside labor. It is true that the report gives the cost at 0.0268 per pound, but the report calls particular attention to the kind of tops, because it is made from quarter bloods, and a quarter blood is a very low-grade sheep.

Mr. LIPPITT. Mr. President, the inference that I was

going on to draw from my analysis-

Mr. SIMMONS. Will the Senator pardon me just a moment? Mr. LIPPITT. I do not want to decline and, of course, I will not decline to yield to the Senator from North Carolina, but what I want to say is that I am well aware that a discussion of the details of the cost of tops and of the various forms of tops themselves might be undertaken here which would last two or three hours.

Mr. STONE. Then, Mr. President, I hope Senators on this

side will not indulge in it.

Mr. LIPPITT. I know the disinclination of the Senator from Missouri to take up time,

Mr. SIMMONS. I shall not take more than a minute of the Senator's time.

Mr. LIPPITT. May I complete my statement before I yield to the Senator?

Mr. SIMMONS. Certainly.
Mr. LIPPITT. What I am trying to do is to put on record for his consideration when this bill comes to conference what I personally think about this question of the cost of tops. I think that it will serve a much more useful purpose if we do not go into an elaborate discussion of the subject, but for the Senator to take my statements and give them some careful thought. Nevertheless, if the Senator would like to pursue the subject further I will yield to him.

Mr. SIMMONS. The Senator understands that I am not interrupting him in a controversial spirit at all. I simply desired to give some data that has been furnished to me. If it is not correct I would be very glad to have the Senator give us a

correct statement with reference to this data.

The Senator assumed a little while ago that I had not selected any particular count for comparison. Upon examining the memorandum I read from I find that it was based upon Australian No. 60. The German cost of that grade of top made of that wool was 3.45 cents, and the American cost, according to the board's report, 6.21 cents; and the price of the top-and I assume the expert was speaking about that top—was 71 cents a pound, making a difference of 2.76 cents against the American producer in the cost. Upon that basis the difference of 71 cents on the import price as stated would be only 4 per cent, while this bill provides 5 per cent. I wish to call the Senator's attention to the fact that in the report for the year 1912 of the unit value of tops the price is fixed at 81 cents a pound, which is about 10 cents more than the price stated in this memorandum. Therefore the difference against the American would not be so great as 4 per cent upon that basis of price.

Mr. LIPPITT. Mr. President, in reply to the remarks of the Senator from North Carolina, as I gather from his figures of the foreign cost they are taken from page 644, where there is a table giving the lowest cost of the foreign mill as 3.75 cents and the average of cost as 3.98 cents; and the report states in connection with those costs that that mill was not running The board has gone into a very elaborate analysis full time. of the difference in cost that occurs from a mill running full time or running short time. To rely upon figures to show foreign cost where the statement is distinctly made that it was not the lowest foreign cost is what I have spent three-quarters

of an hour in trying to show is not a safe practice.

Now, to go on with my exposition of this subject, in addition to the figures which I have given, showing that tops can be imported at a duty of 5 per cent, I may say that under the Wilson law of 1894 there was a duty of 20 per cent on tops, and there was a material importation under that duty. fact which I am trying to make prominent in connection with the fact that the importation of tops is possible is that that is a matter of much greater consequence to the grower of wool than it is to the manufacturer of wool, because if in some process between the point of buying wool and the spinning of yarn there is a point where the article can be imported at a preference over importing raw wool, you might just as well offer an equivalent bounty to the manufacturer to buy that foreign wool so far as the woolgrower is concerned.

I think that, so far as the manufacturer is concerned, if he has a mill that is equipped with the preparatory machinery up to the process of combing, or if his is a combing mill, which is a condition that also prevails in this country-some mills simply make combed tops for sale to those who are going to spin them into yarn; some mills have the preparatory machinery to make combed tops themselves and carry on all the processes from the purchase of the wool to the ultimate delivery of the cloth-in either case if they have this preparatory machinery it will, of course, be an injury to the manufacturer to have to stop it; but if the man is a manufacturer of cloth, a weaver of cloth, and he can buy foreign tops for 3 cents a pound less, as I think can be done in some cases under the provision of this 5 per cent ad valorem, he will be 3 cents a pound better off than if he purchased the raw wool itself. That is the phase of the subject which appeals to me as something that will be of great interest to the gentlemen representing the agricultural sections of this country. We have talked about free wool. 5 per cent duty on tops is not free wool, but is a bounty-paid wool so far as the grower is concerned.

In regard to the importation of tops, I simply want to offer one further suggestion in regard to its possibilities, and that is something which I found in the Daily Trade Record of August 13, 1912, referring to Australia. It says that the bonus granted the Federal Government on wool tops exported from Australia amounts to 12 pence per pound, and that they are mostly taken by Japan. One and one-half pence per pound bounty paid by Australia for the purpose of establishing the top-making industry there instead of merely exporting raw wool is equiva-lent to 3 cents a pound; and that is equivalent to the total duty that this bill proposes to place on a very large quantity of tops. Any tops that are 60 cents per pound in cost at a 5 per cent duty would have simply the same protection that 12 pence bounty

paid by the Australian Government would offset; and the producer of the wool again is put not merely in the disadvantageous position of being 3 cents a pound to the bad when there is 6 cents per pound difference in the cost of tops between here and abroad, but he will also be in the disadvantageous position of having the 3 cents a pound duty balanced by the payment of a bounty by Australia.

Mr. SIMMONS. That is a bounty. That is not an export

Mr. LIPPITT. It is not an export tax. It is a bounty that applies to all countries. If Australia treats all countries alike, there is nothing in this bill that would enable us to put a retaliatory duty upon it.

Mr. SIMMONS. That was what I wanted to understand. Mr. LIPPITT. I presumed that that was what the Senator

from North Carolina had in mind.

Mr. SIMMONS. I wanted to understand from the Senator whether Australia paid this bounty, as he calls it, for the production of the tops consumed in that country or whether it only

pays it on tops exported from that country.

Mr. LIPPITT. I will say to the Senator that, so far as I know, there are no tops in Australia. Australia is not a manufacturing country. She is a producer of raw wool; but evidently the Australians are very anxious to establish an indus-try of this kind there and, following the American practice, which has been of such benefit to this country, they do what is in effect putting a protective tariff on tops, and, it being an export article, that protection is in the form of a bounty.

Mr. SIMMONS. I understand that Australia is a great producer of raw wool, and that it is not a manufacturing country; but I understood the Senator to say that they did comb it and that they put a bounty on combed Australian wool. Did

I misunderstand the Senator?

Mr. LIPPITT. They put a bounty of a penny and a half a pound upon combed Australian wool as an inducement for them to export the wool in a combed condition instead of exporting it raw

Mr. SIMMONS. That is exactly what I thought. Now, does the Senator lose sight of the fact that under this bill, where there is an export duty or bounty provided by a foreign coun-

try we add the amount of that duty or bounty to the tax?

Mr. LIPPITT. I do not lose sight of the fact that if a foreign country imposes an export duty-if that is what the Senator wants to get at-which applies to this country alone, then the retaliatory provision of the pending bill would apply; but if a foreign country has an export tax or bounty applying to all countries alike, the retaliatory provision in this bill would not lie against that country. That is the distinction, as I under-

Mr. CUMMINS. Mr. President-

The VICE PRESIDENT. Does the Senator from Rhode Island yield to the Senator from Iowa?

Mr. LIPPITT. I yield to the Senator from Iowa. Mr. CUMMINS. The Senator from Rhode Island began a statement some time ago, and I think was diverted, so that he did not complete it, at least he did not furnish the comparison which I desired him to institute. He gave the high price of tops of a certain character and the low price of tops during a certain period. Would he give the Senate the high price of scoured wool and the low price of scoured wool for the corresponding dates concerning which he gave us the prices of the

Mr. LIPPITT. ,I regret to be obliged to say that I have not

those statistics here. They are very easily obtained.

Mr. CUMMINS. I assumed that the statistics were before the Senator, and I thought that it would be very interesting to know the difference between the market value of scoured wool of the kind from which the tops were made and the price of tops. That would furnish us, I think, some fair guide as to what it costs in that country to convert scoured wool into tops.

Mr. LIPPITT. Mr. President; I regret that I have not that information at hand. It is, however, information that is very frequently published, and can be found in almost any of the daily or weekly trade papers which particularly give informa-tion with regard to the wool industry.

Mr. CUMMINS. I know, Mr. President, that that is true; and would not have interrupted the Senator had I not assumed that he had before him the tables showing that comparison.

Mr. LIPPITT. Now, Mr. President, to take up the next topic to which I want to call the attention of the Senate, paragraph 298, which provided, as the bill came from the House, for a duty of-

Mr. WALSH. Mr. President-

The VICE PRESIDENT. Does the Senator from Rhode Island yield to the Senator from Montana?

Mr. WALSH. Before the Senator passes from the subject of tops, I should like to ask him a question if it would not be particularly objectionable to him.

Mr. LIPPITT. Certainly; I yield to the Senator. Mr. WALSH. I ask the question because we all recognize how very familiar the Senator is with the textile industry. only purchasers of tops, of course, are the spinners of yarn. That is the entire market, is it not?

Mr. LIPPITT. Yes, sir; so far as I know. Mr. WALSH. The purchasers of tops may be engaged exclusively in the spinning of yarn or they may spin yarn and subsequently weave it into cloth. Can the Senator tell us how many establishments in this country are engaged in the manufacture of tops with a view to the selling of tops to yarn

spinners or weavers, and how many customers they have?

Mr. LIPPITT. I will say to the Senator that I can not give him the exact information; but the manufacture of tops as a finished article of the factory has been a branch of the industry that has been continually and rapidly increasing of late years, not merely here, but in all parts of the world where the manufacture of worsted cloth is carried on. There seems to be a growing habit of differentiation—"specializing" perhaps would be the better name for it. I can not give the Senator the exact information in regard to the number of establishments, but there is a considerable market in this country for tops.

Mr. WALSH. I got the impression from some testimony given by Mr. William Whitman before one of the committees of the Senate only a short while ago, that his mills, the Arlington Mills, were the principal producer of tops for the market in this country, the other great producer being the American Woolen Co., and that they practically were the only companies manufacturing tops for the market. If that is the case, I should like to hear from the Senator why-

Mr. LIPPITT. I hope the Senator will not go ahead with the question, because it is founded upon the assumption that that is

the case. I will merely say for his information that that is absolutely not the case.

Mr. WALSH. Then let me put the question in a different way and ask the Senator why he should deny to the manufacturers of yarn, the spinners of yarn, in this country an opportunity to buy their tops abroad, rather than to buy them from

the manufacturers of tops in this country?

Mr. LIPPITT. I know of no better way to answer that question than by saying that I am in favor of the protective policy. If I were simply in favor of the protective policy as applied to cloth, I naturally would be in favor of so arranging the duties that the cloth manufacturer could have free trade up to the point where he made his cloth and be protected afterwards; but that is not my understanding of any proper application of tariff duties, and, with a very few exceptions, it is not the disposition of the cloth makers of this country themselves. The great bulk of the manufacturers of wool recognize the propriety of the same treatment of wool as is given to the manufactured article.

Now, Mr. President, if I may be allowed to go on with my

next topic-

Mr. SIMMONS. Mr. President, I am sure the Senator does not want any inaccurate statement of fact to go into the Record, and I think the Senator made a statement a few moments ago that is not accurate.

I was not quite sure about it at the moment; but I have looked the matter up. It is in reference to the bounty or export tax placed by Australia upon tops. While raw wool is free under this bill, tops are dutiable, and the Senator is mistaken, I think-

Mr. LIPPITT. What is the number of the paragraph which

the Senator has in mind?

Mr. SIMMONS. Paragraph E, page 254, from which it appears that if any country imposes an export tax or gives a bounty upon exportations from that country into this country, then, under that paragraph, that bounty is added to the tariff or tax imposed on its admission into this country. vision does not apply, as the Senator seems to think, merely to countries that charge an export tax as against this country alone, but it applies to the exportations of all countries to this country where a bounty is paid or an export tax is imposed.

Mr. LIPPITT. If the Senator is correct in his interpreta-

tion of that provision, of course it changes

Mr. SIMMONS. If there is any question about it, I will read it into the RECORD, if it will not take too much of the Senator's time. I do not think I can possibly be mistaken about the

meaning of it. The language is very plain, I think.

Mr. LIPPITT. I will confess to the Senator that it is so long since I have read that passage that I am not able at the moment to contradict the statement of the Senator from North Carolina. If he is correct, what I have said about the bounty

of Australia would not apply; if he is not correct, it would

apply.

Mr. SIMMONS. I am correct; and I will read it if the Senator desires. I merely call his attention to it now because I was sure he did not want an incorrect statement to go into the

Mr. LIPPITT. I can only say that in my statement I had the great authority of the Senator from Utah [Mr. SMOOT], and I

thought I was correct.

Mr. SMOOT. Mr. President, when the Senator from Rhode Island asked me if there was in the pending bill a provision that wherever a foreign country granted a bounty on the exportation of a manufactured article from that country the amount of that bounty or export tax would be added to the regular duty imposed on its admission to this country, I told him that my understanding was that wherever there was a discrimination against this country it would be added. For instance, if Australia gave a bounty to the manufacturers of Australian tops when those tops were shipped to the United States and did not give a bounty when they were shipped to any other country, that would be a discrimination against the United States.

But wherever Australia granted a bounty for the manufacture of tops in Australia for general exportation, whether to the United States or to any other country, my understanding is

that that would not be added.

Mr. SIMMONS. Does the Senator get that understanding after reading the act? Let me read the act. I think it is important that I should. Clearly the Senator is mistaken, if that is his construction.

Mr. SMOOT. I do not say that it is my construction after

reading it.

Mr. LIPPITT. To save time, unless there is objection, I suggest that the paragraph to which the Senator from North Carolina refers may be included in my remarks without reading.

Mr. SIMMONS. Then I ask that paragraph E, page 254, be

included in my interruption.

The VICE PRESIDENT. In the absence of objection, it will be so ordered.

The matter referred to is as follows:

The matter referred to is as follows:

E. That whenever any country, dependency, colony, province, or other political subdivision of government shall pay or bestow, directly or indirectly, any bounty or grant upon the exportation of any article or merchandise from such country, dependency, colony, province, or other political subdivision of government, and such article or merchandise is dutiable under the provisions of this act, then upon the importation of any such article or merchandise into the United States, whether the same shall be imported directly from the country of production or otherwise, and whether such article or merchandise is imported in the same condition as when exported from the country of production or has been changed in condition by remanufacture or otherwise, there shall be levied and paid, in all such cases, in addition to the duties otherwise imposed by this act, an additional duty equal to the net amount of such bounty or grant, however the same be paid or bestowed. The net amount of all such bounties or grants shall be from time to time ascertained, determined, and declared by the Secretary of the Treasury, who shall make all needful regulations for the identification of such additional duties. and merchane

Mr. LIPPITT. Mr. President, I was about to discuss the change that has been made by the Senate committee in paragraph 298 with regard to flannels. As that paragraph came from the House there was a duty upon flannels of 25 per cent ad valorem; but flannels composed wholly or in chief value of wool valued at above 50 cents a pound were made dutiable at 35 per cent ad valorem.

Mr. HUGHES. Mr. President, I was not in the Chamber when the Senator was speaking on the subject of tops. I simply wish to ask him if he has made any investigation or has any information with reference to the actual percentage of cost of

making tops?

Mr. LIPPITT. I will say to the Senator from New Jersey that I spent nearly an hour in trying to tell what I knew on that subject.

Mr. HUGHES. Will the Senator tell me, roughly, what he finds the percentage of cost to be?

Mr. LIPPITT. I should prefer not to go into all of that again.

Mr. HUGHES. Just the percentage.

Mr. LIPPITT. I will say that, arguing from the table on page 642, I think, of the Tariff Board report, I made the cost of the kind of tops referred to in that table 11.9 cents a I also stated that three or four other people whom I had give me information, either from the report itself or from their own factories, gave me figures that were in substantial accord with that, and that the average of seven different fig-

ures of that kind was 11.8 cents a pound.

To return to paragraph 298, the Senate committee has proposed a change in the duty upon flannels costing above 50 cents a pound by which it would be reduced from 35 per cent to 25 Thirty-five per cent duty is exactly the same as all woolen cloth, with some few exceptions, is given under this bill. As the bill came from the House high-cost flannels and woolen cloth of the same quality would have received exactly the same duty, 35 per cent ad valorem; but under this bill the duty on high-priced flannels has been reduced 10 per cent.

What I wish to say on that subject is that the cost of making a flannel of the same construction and quality is no less than the cost of making a piece of woolen cloth of that construction and quality that has not been napped. The major difference between the two kinds of cloth is that one has been napped in finishing and the other has been treated in a different manner. I can not see the justice or the propriety of leaving a duty of 35 per cent on the woolen cloth and putting only 25 per cent upon the flannel, which is made in the same way and at the same

I have here a few samples of some of the very beautiful flannels that are made in this country and that would be included in this duty. I do not know exactly what the committee had in mind in making the change; but it rather seems to me, without making any insinuations, that the committee could not have been thoroughly informed as to the wide range of very beautiful fabrics on which they were making this discrimination.

Further than that, the description which is given of these goods above 50 cents a pound that shall pay only 25 cents duty is that they are "flannels." It would seem quite within the range of possibility that woolen cloth which had not been napped, by being simply named flannel, might be brought in under that paragraph at 25 per cent, instead of 35 per cent.

I referred a few days ago to the great controversy that went

on in the cotton trade over the word "etamine." The courts decided in that case that unless a fabric was called an etamine it was not an etamine; it made no difference what its construction was. The word was used in the tariff of that day exactly the same as the word "flannels" is used in this paragraph now. I do not know, of course, whether the court would take the opposite side of that position and say that what is called a flannel is a flannel. But it is a construction of the paragraph that is very well open to consideration.

Therefore I simply wanted to bring to the attention of the Senators who are going to act as the conferees on the part of this body what seemed to me to be a discrimination against high-grade flannels, as compared with woolen goods, when the duty has been made 25 per cent on one and 35 per cent on the

The woolen business is peculiar in one respect. It has brought to this country a very large percentage of foreign capital, particularly in the State of Rhode Island-a condition which, so far as I know, has not prevailed to anything like the same extent, if at all, in the other sister textiles. I have especially in mind a factory which, shortly after the passage of the Dingley bill, an Englishman, believing the policy of that measure would be the permanent policy of the United States, brought to Rhode Island. On a meadow that had been used for nothing more important than the occasional pasture of cattle, and beside a stream whose waters from time immemorial had run unused to the ocean, he built a mill, and in conjunction with that factory he built a model New England mill

He had for many years been employed in manufacturing cloth in England to be sold in this country, and had prospered in doing so. He invested in this plant, to become a part of the wealth of this Nation, money which had been made from the export of English goods to America.

With it he bought all the great variety of things that go into the construction of such an establishment-American brick and wood, and iron, American engines, boilers, and electrical machines, shafting, and machinery. He employed in doing so American masons, bricklayers, carpenters, machinists, painters, and men in all the other departments of the building trades. To construct his houses and gardens, he again distributed among the workers in all the great varieties of employments that are necessary to construct a home, from the day laborer to the architect, part of the money that he had brought here.

Since his factory has started the mill and its employees have been constant customers for American products. The mill has been run on American coal, and the workers of it have been fed on the products of American farms. I will not attempt to enumerate all the varied products for which the establishment of this plant has, in some proportion or other, helped to increase the market. But I do not believe I would exaggerate if said that there was not a section or State, and scarcely a village perhaps, whose people have not to some extent shared in the benefit of this industry.

The raw material which it uses is mohair, and the amount which it uses furnishes no immaterial part of the demand for that product in America. Not long ago the manager told me that when they first came here the market for this article was so uncertain that the growers consigned it to commission houses to be sold for such a price as they might be able to get, but that to-day they were frequently able to make contracts for their production before it was clipped.

We have seen in the preparation of this bill the representatives of the great State of Texas urging the placing of a duty of 20 per cent on what has become to that State, far distant from Rhode Island, an important and profitable industry. Not long ago I saw a statement in the daily press that the farmers of Utah were rejoicing in the fact of the profit they had made this year from their clip of mohair. I will read what the New York Times of May 11, 1912, had to say about that matter. This is dated Salt Lake, Utah, May 11, 1912:

Some enterprising stockmen several years ago concluded that the Rocky Mountains furnished a good place for breeding goats, and sent for some fine specimens to Switzerland and other mountain regions abroad. It was found that the goats could live on parts of the ranges where sheep or cattle would not thrive.

I should like particularly to emphasize the benefit that came to that State by the utilization of its waste land:

This was particularly true of San Juan County, in the southeast corner of the State, which is largely given over to sand. There are now 20,000 goats in San Juan getting a good living and yielding profits. One herd in near-by Kane County numbers 13,000. It has been found that the goats are less subject to severe climatic changes than the sheep or even the cattle, and they have come through the recent winter with few losses, whereas many of the other animals have died.

The clip from the goats now here is expected to give a profit of about \$60,000 this year.

I wonder, Mr. President, how many of the farmers of the State of Texas, whose representatives have been not the least active in voting for the Democratic tariff policy, or even the farmers of the State of Utah, whose representatives have been consistent supporters of the policy that made their rejoicing possible, realize in how direct a way their market was the result of the triumph of Republican protection in 1897.

The managers of that factory are still running in England to-day for the European trade a factory making the same fabrics they make in this country under the same conditions, on the same machinery, but out of Asiatic mohair. They have recently submitted figures showing that under this proposed bill they can make these fabrics in their English factory and land them in New York with the duty paid at prices from 6 to 15 cents a yard less than they can make them for in their Rhode Island mills. And they say that if that law is enacted this circumstance will compel them largely, if not entirely, to supply the American market with their English-made goods, which means throwing people out of empolyment in Rhode Island and taking away the market from the farmers of Utah and of Texas.

Mr. President, I had a letter vesterday from an employee of this factory. I thought I had it here, but in some way it has become mislaid. It was written without any solicitation on my part. In that letter he stated that already three-quarters of the looms running in that establishment had been stopped, that 100 families had left their homes here and returned to England, and that more than 100 of the other people, including himself, were trying to obtain positions as motormen and various positions of that kind.

This is but one of several large manufacturing plants that have within a few years been built with foreign capital in the little State of Rhode Island and on account of the Republican tariff policy. I shall not undertake to read the names in detail, but they are factories whose owners have come from France and Belgium and England. All told, they employ some seven or eight thousand people. That means, perhaps, a population of 30,000 people. It has been strenuously urged in this Chamber that the tariff had nothing to do with the adversity that existed when the Democratic Party was in power in the nineties and the prosperity that has come about since the Republican policy was put upon the statute books in the form of the Dingley law in 1897.

I am not one of those who believe that the change in our tariff policy was the only cause of these different conditions, but I am one who believes it was a very considerable cause, and I submit that the coming here of such industries as these, whose benefits are felt from one end of this country to the other, is a forcible illustration of the different ways in which these two policies operate.

Mr. STONE. Mr. President, it is 6 o'clock. I should like to make an inquiry of some of the Senators on the other side. I hardly know just whom to address, but I will address myself to Senators who are on the Finance Committee. The Senator from Pennsylvania [Mr. Penrose] is the ranking member of the minority; the Senator from Utah [Mr. Smoot] is a very active and leading member of that committee; and the Senator from New Hampshire [Mr. Gallinger] is a member of the committee and the titular leader of the minority of the Senate. I should like to ask of these gentlemen, if they can tell me, about how much more time is likely to be occupied in this debate. Do any of these Senators know whether other Senators are contemplating delivering set speeches on this schedule?

Mr. PENROSE. I should like—

Mr. STONE. I wish to say I am merely trying to get

information.

Mr. PENROSE. In return, I should like to ask the Senator from Missouri whether it is the intention of the majority to reply to some of the unanswerable arguments that they have been listening to.

Mr. STONE. It has been suggested to me that it would be

very difficult to reply to an unanswerable argument. Mr. PENROSE. I have often seen the attempt made, even

if it were impossible.

Mr. STONE. So far as I am concerned, what I want to do is to make some progress with the bill and get to a vote. It seems to me that we have had it sufficiently debated. many speeches were made at this session on wool before this schedule was taken up. It has been the subject of exhaustive discussion. We have had several very able and prolonged speeches; the whole day has been taken-I am far from saying it has been wasted-in speech making by our friends on the other side. They were very able speeches, I will say, but really, with all due deference, I am compelled to say, without anything new in what they have been saying. We have heard these same speeches during this session of Congress. It is merely piling We have heard these same one speech of the same kind upon another speech of like kind. I am curious to know, if some Senator will do me the kindness of telling me, whether there are some more of them to be made to-morrow.

Mr. GALLINGER. Mr. President—
Mr. WARREN. If the Senator will allow me, I want to suggest that there will be some more speeches on the woolgrowers' side. We have had three very good speeches on the other side of the Chamber. They are not all in print yet, and they will have to be answered, of course. It will take some little time; but I want to say to the Senator from Missouri, if I may still be permitted, that compared with the times hereto-fore when Schedule K has been considered I think the Senator to which the debate will lead, it is my opinion that it will only be a very short matter, and that the Senator will have distinguished himself in putting Schedule K through in only a fraction of the time that has been occupied whenever it has been up for consideration before.

Mr. STONE. Will the Senators on the other side and the Senate agree that at 5 o'clock to-morrow we shall take a vote

on this schedule?

Mr. GALLINGER. Mr. President, as the Senator honored me by mentioning my name, and as I have been endeavoring to guide somewhat the discussion on this side of the Chamber, I will say to the Senator that unquestionably there are other speeches to be made on this schedule.

Mr. STONE. There are other speeches to be made?

Mr. GALLINGER. Yes. Whether they will be concluded to-morrow or not, I can not say, but possibly they may be concluded. On the general subject of the tariff, before we come to a vote on the final passage of the bill, there will be some speeches made, perhaps not many.

Mr. STONE. I am speaking of this schedule. Mr. GALLINGER. The Senator is speaking of this schedule. I feel, Mr. President, that we got along admirably yesterday; that we made great progress. These speeches had to be delivered, and the others that have been prepared will have to be delivered. I do not think the Senator to-night ought to ask that we should agree to a time to vote on this schedule. I feel sure that if the Senator will remain patient, as he always does, the progress will be satisfactory to the Senator himself.

I think it is safe to say, Mr. President, that on this side of the Chamber there is the same feeling which exists on the other side, that we ought to press this matter as rapidly as the importance of the subject demands. But we of course expect from the other side what was accorded to that side in the debate four years ago, an opportunity to express our views in a proper way. I know the Senator would not wish to curtail that privilege.

Mr. STONE. I do not wish to curtail it, and I could not if I wished. I think the information I desired to elicit I have obtained. I am not at all gratified with what I hear, but I hope

to get through with it. I did want to know just how long this interminable debate would last.

Mr. GALLINGER. I will venture to suggest, Mr. President, that if the Senator does not unduly press the matter he will be more gratified to-morrow evening than he is this evening, so far as progress is concerned.

Mr. STONE. That is all. I ask that the bill be laid aside for the day.

The VICE PRESIDENT. The bill will be laid aside.

EXECUTIVE SESSION.

Mr. BACON. I move that the Senate proceed to the consider-

ation of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After six minutes spent in executive session the doors were reopened, and (at 6 o'clock and 15 minutes p. m.) the Senate adjourned until to-morrow, Saturday, August 23, 1913, at 11 o'clock a. m.

#### CONFIRMATIONS.

Executive nominations confirmed by the Senate August 22, 1913.

PROMOTIONS IN THE ARMY.

CORPS OF ENGINEERS.

Lieut. Col. George A. Zinn to be colonel. Maj. William W. Harts to be lieutenant colonel. Capt. Francis A. Pope to be major. First Lieut. James J. Loving to be captain. Second Lieut. Paul S. Reinecke to be first lieutenant.

#### INFANTRY ARM.

First Lieut. George A. Herbst to be captain. First Lieut. Philip J. Lauber to be captain. First Lieut. Thomas M. Hunter to be captain. First Lieut. Gad Morgan to be captain. Second Lieut. Barton K. Yount to be first lieutenant. Second Lieut. Denham B. Crafton to be first lieutenant. Second Lieut. William E. Selbie to be first lieutenant. Second Lieut. John L. Jenkins to be first lieutenant. Second Lieut. Charles H. White to be first lieutenant.

APPOINTMENTS IN THE ARMY.

GENERAL OFFICERS.

Col. John P. Wisser to be brigadier general. Col. Thomas F. Davis to be brigadier general.

COAST ARTILLERY CORPS.

Charles Linnell Austin to be second lieutenant.

MEDICAL RESERVE CORPS. To be first lieutenants.

Frederic Victor Beitler. John Jordan Boaz. Paul Eugene Bowers. Carl Raimund Hiller. Peter McCall Keating. Harvey Adams Moore. Firmadge King Nichols. Blanchard Beecher Pettijohn. Palmer Augustus Potter. Llewellyn Powell. James Albert Robertson. Edward Percy Simpson. Frederick Albert Tucker. Edward Mason Parker.

POSTMASTERS. MICHIGAN.

E. T. Belding, Mancelona. Isaac C. Wheeler, Manton.

NORTH DAKOTA.

John M. Baer, Beach. W. O. Lowden, McHenry. Pearl Miller, La Moure.

OHIO.

W. T. Alberson, New Philadelphia. Benjamin G. Trew, Shawnee. George J. Windle, Sebring.

OKLAHOMA.

Marion B. Carley, Geary. C. J. Woodson, Okarche.

PENNSYLVANIA.

Robert E. Urell, Mansfield.

TENNESSEE.

John T. Clary, Bellbuckle.

# HOUSE OF REPRESENTATIVES.

FRIDAY, August 22, 1913.

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the follow-

ing prayer:

God our Father, strengthen, we beseech Thee, our minds, our hearts, our hands to do Thy will as it is revealed unto us day by day; that no cloud may obscure the light of Thy countenance from our spiritual vision; that we may pass from victory unto victory, until Thou shalt call us from the endearing scenes of earth to the enchanting visions of the blest, and we will hallow Thy name forever. Amen.

### THE JOURNAL.

The Journal of the proceedings of Tuesday, August 19, 1913, was read.

Mr. STEPHENS of Texas. Mr. Speaker, I desire to amend the Journal in this respect. I was appointed, together with the gentleman from South Dakota [Mr. BURKE], on a special committee to investigate the question of tuberculosis among the Indians, and also on the question of irrigation of arid lands in the Yakima Indian Reservation in the State of Washington, those two objects, and I see that only one is covered in the Journal. I desire for the Journal to include both.

The SPEAKER. The Speaker supposes that he is responsible for that mistake in just announcing the one, believing the other

would go with it.

Mr. STEPHENS of Texas. It may be necessary that both

should appear.

The SPEAKER. Without objection, the Journal will be changed in that respect.

Mr. MANN. The RECORD is correct, and perhaps the Journal,

but it was not read.

The SPEAKER. If the Journal does not contain the other half of the title it will be fixed. Without objection, the Journal as corrected will stand approved.

There was no objection.

ADJOURNMENT UNTIL TUESDAY NEXT.

Mr. UNDERWOOD. Mr. Speaker, I ask unanimous consent that when the House adjourns to-day it adjourn to meet on

The SPEAKER. The gentleman from Alabama asks unanimous consent that when the House adjourns to-day it adjourn to meet on Tuesday next. Is there objection? [After a pause.] The Chair hears none.

### GOVERNOR OF THE PHILIPPINE ISLANDS.

Mr. TOWNSEND. Mr. Speaker—
The SPEAKER. For what purpose does the gentleman from

New Jersey rise?

Mr. TOWNSEND. I rise for the purpose of asking unanimous consent to make a brief statement of personal interest to each Member of the House.

The SPEAKER. The gentleman from New Jersey asks leave to make a personal statement of a few minutes. Is there

bjection? [After a pause.] The Chair hears none. Mr. TOWNSEND. Mr. Speaker, yesterday afternoon there was deposited in the general post office copies of the invitation which I am about to read. The committee signing this invitation thought it would be wise to have this announcement made, as it seems impossible to determine when the post office will deliver the invitations. It reads as follows:

In honor of Mr. Harrison of New York, governor of the Philippine Islands, an informal reception will be given by the House of Representatives, Saturday evening, August 23. You are cordially invited.

At the home and lawn of Mr. Kent, 1925 F Street NW., August 23, 1913, 8 o'clock.

Mr. SPEAKER CLARK, Mr. UNDERWOOD, Mr. MURDOCK, Mr. TOWNSEND, Mr. MANN, Mr. PALMER, Mr. KENT,

Committee.

This will enable gentlemen having other engagements to cancel

them. [Applause.]

Mr. MANN. Mr. Speaker, in this connection and in behalf of this side of the House I desire to congratulate the President and the country upon the appointment of Francis Burton Harrison to the high position of governor of the Philippine Islands. I believe that no better selection could have been made out of the entire population of the United States, and that the action of the President is a guaranty to the country that the Philippine question will receive careful and honest consideration. [Loud applause.]

TEMPERING HOT WINDS IN TEXAS, ETC.

Mr. MURRAY of Oklahoma. Mr. Speaker, I request unanimous consent after the regular order of the next day's session to address the House upon the subject of tempering the hot winds in western Texas, Oklahoma, and Kansas and making it possible to produce crops in those sections, and that without the expense of irrigation.

The SPEAKER. How much time does the gentleman ask? Mr. MURRAY of Oklahoma. Thirty minutes.

Mr. MURRAY of Oklahoma. Thirty minutes.

Mr. UNDERWOOD. Mr. Speaker, I understand the gentleman's request is not to interfere with the regular business?

Mr. MURRAY of Oklahoma. Yes.

The SPEAKER. The gentleman from Oklahoma [Mr. Mur-

RAY] asks unanimous consent that at the next session of the House, after the routine business, reading of the Journal, and House, after the routine business, reading of the Journal, and so forth, that he have 30 minutes in which to address the House on the subject of tempering the hot winds—

Mr. BUTLER. To the shorn lamb.

Mr. BATHRICK. To the House of Representatives.

The SPEAKER (continuing). Of Texas, Oklahoma, and Kansas, not to interfere with public business. Is there objection?

Mr. MANN. Mr. Speaker, reserving the right to object-Mr. QUIN. Mr. Speaker, reserving the right to object-

Mr. RAKER. Mr. Speaker, reserving the right to object, I understand that this request will not interfere with the special

The SPEAKER. No; that is a part of the request.

Mr. QUIN. Mr. Speaker—
The SPEAKER. The gentleman from Mississippi [Mr. Quin]

is recognized.

Mr. QUIN. Reserving the right to object, I want to ask the gentleman from Oklahoma [Mr. MURRAY] if he can not include the boll weevil in that request? [Laughter.]

The SPEAKER. Is there objection?
Mr. THOMAS. Mr. Speaker, I expect I am too late now, but want to suggest that if you might put the gentleman from Oklahoma [Mr. Murray] in cold storage in Washington City that that would temper the hot winds in Oklahoma. [Loud laughter.

Mr. MANN. Mr. Speaker, reserving the right to object, the House a few days ago, by unanimous consent, gave to the gentleman from Oklahoma [Mr. Morgan] permission to address the House at the session one week ago. That session was adjourned out of respect to the memory of the late Senator from Alabama, Mr. Johnston. Last Tuesday I renewed that request. Objection was made by the gentleman from Florida [Mr. CLARK]. My colleague from Illinois [Mr. McKenzie] the other day asked unanimous consent that he might have leave to insert an article in the RECORD. Objection was made from that side of the House. My colleague [Mr. BRITTEN] asked unanimous consent last Tuesday that he might extend his remarks in the RECORD. Objection was made from that side of the House. The gentleman from Minnesota [Mr. Smrth] last Tuesday asked unanimous consent that he might extend his remarks in the Record. Objection was made from that side of the House. Now, if these courtesies are to be granted, they are to be granted without favor as from two sides of the House. While the Democratic side of the House is not responsible for the objection of some individual Member of it, it is out of the question to suppose that the minority will permit by unanimous consent Members of the majority to speak and to insert articles in the RECORD while that permission is denied to Members of the minority. I shall not object to this particular request at this time, but unless the same courtesy can be extended to Members of the minority, it can not be expected that the gentlemen will succeed in requests of this kind in the future.

The SPEAKER. Is there objection?
Mr. MURDOCK. Now, Mr. Speaker, I want to ask the gentleman from Oklahoma [Mr. Murray] how much time he is

going to take? The SPEAKER. Thirty minutes. That is, he is allowed 30

Mr. MURDOCK. My understanding is that a contestedelection case, the MacDonald case from Michigan-

The SPEAKER. A contested-election case is a matter of the highest privilege.

Mr. MURDOCK. And will have the right of way? The SPEAKER. Of course, it will have.

The SPEAKER. Of course, it will have.

Mr. BARNHART. Mr. Speaker—
The SPEAKER. For what purpose does the gentleman rise?
Mr. BARNHART. I want to say something, and I do not know whether I want to reserve the right to object or not. If that privilege is passed—
The SPEAKER. It is not passed. The Chair has not asked whether there was objection or not.

Mr. BARNHART. Mr. Speaker, reserving the right to object, I want to say a word about this matter of the insertion of newspaper articles, pamphlets, and so forth, in the Congres-SIONAL RECORD. I am at the present time trying to secure an estimate of the cost to the Government of publishing all sorts of communications, relevant and irrelevant, that are offered from time to time under unanimous consent, inserted in the CONGRESSIONAL RECORD, and broadcasted to the country under the franking privilege at very great expense to the Government. Conspicuous among these during the past year was an article of faith by a Democrat, or alleged Democrat, from my own State that occupied pages and pages of the Congressional

Mr. BORLAND. What sort of an article was that? Mr. BARNHART. It was a sort of an article of political faith. It ought to have been omitted from the RECORD, and in a conversation with divers and sundry Democrats and some Republicans we have reached a sort of an agreement that hereafter we are going to know what these articles mean which are inserted by unanimous consent, and unless they apply directly to the proceedings in hand objection will be made.

Mr. MURDOCK. Now, Mr. Speaker, what does the gentleman mean when he says "Unless they apply directly to the proceedings of Congress"? Suppose a banker in Chicago writes a pamphlet upon the currency question and a request is made that that be printed in the RECORD, would that come under the

prohibition?

Mr. BARNHART. I should think it ought. Mr. MANN. That would have to be disposed of by a Demo-atic caucus. [Laughter on the Republican side.] cratic caucus.

The SPEAKER. The regular order is, Is there objection?
Mr. MURDOCK. Reserving the right to object, Mr. Speaker, I would like to ask the gentleman from Indiana [Mr. Barn-Hart] just what this cabal or combination is?

The SPEAKER. The regular order is putting the question. Is there objection? [After a pause.] The Chair hears none,

and it is so ordered.

#### MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Crockett, one of its clerks, announced that the Senate had passed bills of the following titles, in which the concurrence of the House of Representatives was requested:

S. 2419. An act permitting minors of the age of 18 years or over to make homestead entry or other entry of the public lands

of the United States; and

S. 1673. An act authorizing the Secretary of the Interior to grant further extensions of time within which to comply with the law and make proof on desert-land entries in the counties of Grant and Franklin, State of Washington.

The message also announced that the Senate had agreed to the amendments of the House of Representatives to the bill 1353) to authorize the board of county commissioners of Okanogan County, Wash., to construct and maintain a bridge across the Okanogan River at or near the town of Malott.

The message also announced that, in accordance with the provisions of the act entitled "An act making appropriations for the current and contingent expenses of the Bureau of Indian Affairs, for fulfilling treaty stipulations with various Indian tribes, and for other purposes, for the fiscal year ending June 30, 1914," approved June 30, 1913, the Vice President had appointed as members of the Joint Commission to Investigate Indian Affairs the following Members of the Senate: Mr. Robinson, Mr. Lane, and Mr. Townsend.

The message also announced that in accordance with the provisions of the act entitled "An act making appropriations for the current and contingent expenses of the Bureau of Indian Affairs, for fulfilling treaty stipulations with the various Indian tribes, and for other purposes, for the fiscal year ending June 30, 1914," approved June 30, 1913, the Vice President had appointed Mr. Robinson and Mr. Townsend as members on the part of the Senate of the commission to investigate the question of tuberculosis among the Indians in connection with an inquiry into the necessity and feasibility of establishing, equipping, and maintaining a tuberculosis sanitarium in New Mexico, and to inquire into the necessity and feasibility of procuring impounded waters for the Yakima Indian Reservation.

## ENROLLED BILL SIGNED.

The SPEAKER announced his signature to enrolled bill of the following title:

S. 1353. An act to authorize the board of county commissioners of Okanogan County, Wash., to construct, maintain, and operate a bridge across the Okanogan River at or near the town of Malott.

#### SENATE BILLS REFERRED.

Under clause 2, Rule XXIV, Senate bills of the following titles were taken from the Speaker's table and referred to their appropriate committees as indicated below:

S. 1673. An act authorizing the Secretary of the Interior to grant further extensions of time within which to comply with the law and make proof on desert-land entries in the counties of Grant and Franklin, State of Washington; to the Committee on the Public Lands.

S. 2419. An act permitting minors of the age of 18 years or over to make homestead entry or other entry of the public lands of the United States; to the Committee on the Public Lands.

#### LEAVE OF ABSENCE.

Mr. Davis of Minnesota, by unanimous consent, was granted leave of absence for one week, on account of important business.

The SPEAKER. The Chair lays before the House a request from Mr. EDWARDS for leave of absence, which the Clerk will report.

The Clerk read as follows:

House of Representatives of the United States, Washington, D. C., August 19, 1913.

Hon. Champ Clark, Speaker House of Representatives, Washington, D. C.

Speaker House of Representatives, Washington, D. C.

Dear Mr. Speaker: In response to telegrams advising me of the critical illness of my brother, Hon. Robert H. Edwards, I am leaving for Savannah, Ga., this afternoon.

I realize the importance of all Democrats being closely in attendance upon their duties in Washington at this time, and of course I hate very much to be absent. I feel, however, that I should go to the bedside of my brother.

I will appreciate it very much if you will see that a leave of absence is granted to me indefinitely on account of this illness, and will also appreciate it if you will have this letter incorporated in the Record, in order that the Record will show the cause of my absence.

Thanking you, I am,

Yours, respectfully,

The SPEAKER Is there objection? [After a payer] The

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

#### CONTESTED-ELECTION CASE.

Mr. POST, from the Committee on Elections No. 1, submitted a privileged report (H. Res. 231, H. Rept. 60) of that committee in the contested-election case of William J. MacDonald against H. Olin Young, which was referred to the House Calendar and ordered to be printed.

Mr. POST. I give notice, Mr. Speaker, that I shall call up

the case on Tuesday of next week.

The SPEAKER. The gentleman from Ohio [Mr. Post] gives notice that he will call it up next Tuesday.

CLERK AND JANITOR FOR THE COMMITTEE ON BOADS.

Mr. LLOYD rose.

The SPEAKER. For what purpose does the gentleman rise? Mr. LLOYD. For the purpose of offering a privileged resolution from the Committee on Accounts.

The SPEAKER. The gentleman from Missouri [Mr. Lloyd] submits a privileged resolution from the Committee on Accounts. The Clerk will report it.

The Clerk read as follows:

House resolution 119 (H. Rept. 55).

Resolved. That the chairman of the Committee on Roads be, and he is hereby, authorized to appoint a clerk for said committee at an annual salary of \$2,000, and a janitor to said committee at the rate of \$60 per month, to be paid out of the contingent fund of the House until otherwise provided by law.

Mr. LLOYD. Mr. Speaker, this resolution provides for the usual clerk and janitor that are given to the large committees The Committee on Roads was created at the of the House. beginning of this session of Congress, and it is necessary for it to have these officers.

Mr. BARTLETT. Mr. Speaker, may I ask the gentleman a

question on this subject?

Mr. LLOYD. Certainly.

Mr. BARTLETT. I have no objection to the resolution, but there are a number of committees that are entitled to session clerks, ordinarily committees to investigate the various departments of the Government. May I inquire if those committees have yet been provided with session clerks at this session of Congress?

Mr. LLOYD. They have not.

Mr. BARTLETT. I understand that there are certain committees that have matters that ought to be investigated by them. and that the reason there have been no investigations of those matters by the committees to investigate expenditures in the various departments is because they have no clerks. Is that true?

Mr. LLOYD. I think that is true.

Mr. BARTLETT. Does not the gentleman think it important also if those committees are to investigate the departments which they were appointed to investigate and which they are expected to investigate that they be given the machinery by which they can do so?

There is a resolution now pending before the Mr. LLOYD. Committee on Accounts-

Mr. BARTLETT. And it has been pending all this session, as I understand-

Mr. LLOYD. Providing for annual clerks for these several committees. There will be some action taken on that resolution within the next few days.

Mr. BARTLETT. I am not a member of any of these expenditure committees, but I suggested to the chairman of one of them the importance of making an investigation of certain matters, and the chairman said he could not do it, because he had no clerical help.

Mr. MANN. Mr. Speaker, will the gentleman from Missouri yield?

The SPEAKER. Does the gentleman from Missouri yield to the gentleman from Illinois?

Mr. LLOYD. Yes.

Mr. MANN. As I understand, this resolution proposes to provide the ordinary employees for a committee of the class to which the Roads Committee belongs?

Mr. LLOYD. Yes.

Mr. MANN. From what time does the employment date? Mr. LLOYD. It will be from the date of the appointment of

the clerk. It will be after this date, of course.

Mr. MANN. The employees have not yet been appointed?

Mr. LLOYD. No, sir.

Will the gentleman yield? Mr. MURDOCK.

Mr. LLOYD. Yes. Mr. MURDOCK. Do I understand the gentleman to say that it is contemplated to give clerks to all the expenditure com-

Mr. LLOYD. No; a request of that kind has been made in resolution that is now pending before the Committee on Accounts. No action has been taken as to whether they shall

be annual clerks or session clerks.

Mr. MURDOCK. They have neither at present? Mr. MURDOCK.

Mr. LLOYD. Neither.

The SPEAKER. The question is on agreeing to the resolution. The resolution was agreed to.

CLERK TO COMMITTEE ON ELECTION OF PRESIDENT, VICE PRESIDENT, AND REPRESENTATIVES IN CONGRESS.

Mr. LLOYD. Mr. Speaker, I have another privileged resolution.

The SPEAKER. The Clerk will report it.

The Clerk read as follows:

House resolution 188 (H. Rept. 57).

Resolved, That the Committee on Election of President, Vice President, and Representatives in Congress be, and is hereby, allowed an annual clerk at a salary at the rate of \$2,000 per annum, from June 3, 1913, to be paid out of the contingent fund of the House until otherwise provided by law.

Mr. BOOHER. Mr. Speaker, I should like to ask the chairman of the committee a question. Is not this committee already provided with a session clerk?

Mr. LLOYD. No; it is provided with no clerk at the present time.

Mr. BOOHER. It has always had a session clerk.
Mr. LLOYD. It has always had a session clerk, and the gentleman will remember that during the last Congress the question was raised as to whether this committee should have an annual clerk or a session clerk. The Committee on Accounts at that time recommended a session clerk. In the last Congress the Committee on Election of President, Vice President, and Representatives in Congress was one of the active committees of the House. It was active during the whole of the Congress. It had legislation of the most important character which went upon the statute books, and we are assured that there are at the present time a number of very important matters pending before that committee; that it has a vast amount of correspondence, and the chairman of that committee insists that he ought to have an annual clerk. The Committee on Accounts, which two years ago recommended only a session clerk, are now led to believe that this committee is of sufficient importance to entitle it to an annual clerk.

Mr. BOOHER. Mr. Speaker, I think the argument of the gentleman from Missouri [Mr. Lloyp] is a complete answer to his request to have this clerk appointed. He says now that at the last session of Congress a great deal of business was before this committee. He does not complain that it was not properly attended to. It was properly attended to. Every bill that was before the committee was reported out and passed by this House. Now, if a session clerk was sufficient in the last Congress, it seems to me that this clerkship ought not to be raised to a

\$2,000 position for the reason given by my colleague, and I hope the resolution will be defeated.

Mr. LLOYD. Mr. Speaker, during the last Congress it is true, as I stated, that there was a session clerk, who was paid \$6 per day during the session. This does not add very much to the expenses, as far as the House of Representatives is concerned. We do not hesitate now to say that if other committees, numbers of them, are to receive salaries of \$2,000 a year for their clerks, having annual clerks, that this committee is one, beyond any question, that is entitled to the same recognition

Mr. BURKE of South Dakota. Will the gentleman yield?

Mr. LLOYD. Certainly.

Mr. BURKE of South Daketa. I would like to ask the gentleman from Missouri if he does not think that any committee of this House that needs a clerk during the session ought not to have an annual clerk?

Mr. LLOYD. I think that is a very important question and worthy of consideration by the membership of this House. I am inclined to the view that any committee that is entitled to be appointed, that does any considerable service for the House of Representatives, is entitled to an annual clerk. That is my candid judgment about it. We have committees that ought not to be appointed at all that are not entitled to any clerk whatever.

Mr. BURKE of South Dakota. I want to say to the gentle-man that I am a member of one of the expenditure committees in this House. It has a clerk who, I think, is as faithful and as efficient, who works as many hours in the day and as many days in the year, as the clerk of any committee, and it has occurred to me that a clerk employed as a clerk of that committee is employed ought to be on the annual roll. It also occurs to me that if a committee needs a clerk at all he ought to be a clerk who can be employed annually, so that you will not be taking on some man who is inexperienced at every session of Congress. A clerk who has been connected with the committee for some time becomes very efficient and very useful to the committee, and therefore I believe in the interest of economy and good administration, if a committee of this House needs a clerk during the session, that clerk ought to be put on the annual roll.

Mr. BATHRICK. Will the gentleman yield?

Mr. LLOYD. Certainly.

Mr. BATHRICK. Does this Committee on Elections No. 1-Mr. LLOYD. This is not the Committee on Elections No. 1: it is the Committee on Election of President and Vice President,

Mr. BATHRICK. Does the committee have any jurisdiction over matters except those that may arise in connection with the election of President and Vice President?

Mr. LLOYD. Yes; it has jurisdiction of woman suffrage, and these matters go to that committee. It has jurisdiction of all constitutional questions affecting the election of President and Vice President; on all questions of primaries as to how Presidents shall be elected; and the question of campaign contributions also goes to that committee.

Mr. BATHRICK. Is not the most of the work of that committee finished in the year in which the President and Vice

President are elected?

Mr. LLOYD. No; it is a continuous work. I am assured at the present time, although I have made no careful investigation, that there are a number of important bills now pending before the committee that vitally affect the interests of the country.

Mr. BATHRICK. Now, if the gentleman will permit an observation, which I have tried on several occasions to find an opportunity to say, I do not object to any committee having sufficient help to properly conduct its business, but I wish to say that I am carrying, and have carried for over a year since have been in the House, an expense of \$500 from my own funds to take care of the business of my office; and if we continue to extend these courtesies or necessities to chairmen every time they come in and want a new hand or a new appointment to make for their committee, we ought to take into consideration the wants of the Members of the House who are not chairmen of committees.

Mr. HUMPHREYS of Mississippi. Will the gentleman yield?

Mr. LLOYD. Certainly. Mr. HUMPHREYS of Mississippi. How many committees are there without annual clerks?

Mr. LLOYD. About 20.

Mr. HUMPHREYS of Mississippi. This resolution provides for a clerk to one of these committees. It is not the intention of this committee to report any legislation at this session of Congress?

Mr. LLOYD. It is the intention of the committee to report legislation.

Mr. HUMPHREYS of Mississippi. At this session?

Mr. LLOYD. Yes. Perhaps I did not understand the gentleman. Does the gentleman mean to ask if the Committee on Accounts expects to report the resolutions referred to the Com-

Mr. HUMPHREYS of Mississippi. No; I asked if the Committee on Election of President and Vice President was to report any matters for legislation to Congress

Mr. LLOYD. It is not authorized at this time, but that does

not prevent the committee from doing work.

Mr. HUMPHREYS of Mississippi. There are about 20 committees of this House that are provided with session clerks, and of them you propose to select one and give that one an annual clerk. I submit this to the gentleman, that one of two propositions must be true, that if the committee has any work to do it ought to be provided with an annual clerk, and if there is no occasion for the existence of the committee it ought not to exist and ought not to have any clerk at all. Now, it occurs to me it would be the part of wisdom for the Committee on Accounts not to press this to-day but to take up this matter on a broader scale and to examine and to see which of these committees ought to have annual clerks and report a general resolution providing an annual clerk for every one of them, and in that investigation ascertain which committees ought not to exist and abolish those committees. Therefore I hope the genexist and abolish those committees. tleman will take that course and not select one committee out of 20 to be provided for to-day, as in my opinion the facts will develop there is no more reason why that committee should have an annual clerk than would apply to several of these other committees.

I do not mean by that to suggest that this committee is not entitled to a clerk. I think it is. I think the others are, too. Probably every one of these committees that exist ought to have an annual clerk. It is impossible here, certainly it is impossible or very difficult, to bring a man to Washington for \$125 a month in a long session to work for six months, and when Congress adjourns the 1st of July he must give up his job, and in a short session he stays three months and gives up his job. The result is you are not able to bring from your district a man who is competent to discharge the duties of committee clerk, and you

have to pick him up here in Washington.

Mr. BATHRICK. Will the gentleman yield to me in the time of the gentleman from Missouri?

Mr. HUMPHREYS of Mississippi. I am imposing on the gentleman from Missouri [Mr. LLOYD].

Mr. LLOYD. That is all right.

Mr. BATHRICK. Is not the gentleman aware that many Members of this House have equal difficulty in securing a person from their district who can take care of the work of that office for the salary of \$125 a month, and is not the gentleman aware that many Members of this House are paying from their own funds money in order to get their work done properly?

Mr. HUMPHREYS of Mississippi. Absolutely; and for that reason these clerks ought to be made annual clerks, and ought to be given a salary that is sufficient in amount to secure a man to do the work; but that reason applies not to any single com-

mittee, but to many of the committees.

Mr. BATHRICK. Does not the gentleman think it applies equally to clerks of Members of the House who are not chairmen of committees?

Mr. HUMPHREYS of Mississippi. No; I do not.

Mr. LLOYD. Mr. Speaker, the argument-

Mr. BATHRICK. I disagree with the gentleman. Mr. LLOYD. Mr. Speaker, the argument presented by the gentleman from Mississippi is a splendid argument in favor of the resolutions now pending before the Accounts Committee, but that committee has carefully investigated this matter and believes this committee is entitled to its clerk.

Mr. MANN. Mr. Speaker, will the gentleman yield? Mr. LLOYD. I do.

MANN. Mr. Speaker, the Committee on Election of President, Vice President, and Representatives in Congress has become one of the important committees of the House. morning the Committee on Elections reported the MacDonald case, and, as I understand, they decided that the failure to comply with the publicity law by filing a statement of receipts and expenditures required by that law is not any reason for refusing to seek or retain a seat in the House. Under that decision, which I take it will be accepted and become a rule of the House hereafter, it is quite certain the publicity law will need to be revised, as the present provisions of the law practically amount to nothing so far as any offense is concerned of a failure to comply with it. Nobody has ever and probably nobody ever will be prosecuted under the existing law even if a prosecution lies, which I doubt. That will require a revision of the law, which I understand the chairman of that distinguished committee, the gentleman from Missouri [Mr. RUCKER], has undertaken to prepare, and therefore I think that the committee is entitled to an annual clerk, that being an

important legislative committee.

I do not agree with some of the gentlemen that all of the committees ought to have annual clerks. Those committees which have to deal with permanent legislation, where the propositions drag out from year to year, and which require constant and long-continued consideration by a committee, ought to have an annual clerk. Those committees which are simply making investigations probably do not require an annual clerk. Some of the committees which only act upon sporadic cases of legislation probably do not require an annual clerk. I think that this committee is entitled to the annual clerk proposed.

Mr. BROCKSON rose.

Mr. LLOYD. Mr. Speaker, I yield to the gentleman from Delaware [Mr. Brockson].

The SPEAKER. The gentleman from Delaware [Mr. Brock-

son] is recognized for five minutes.

Mr. BROCKSON. I desire to inquire of the chairman of the committee why he provides a separate janitor for this committee? Is it the practice to have a separate janitor for all the committees?

Mr. LLOYD. All the big committees have a separate janitor. Mr. BROCKSON. Notwithstanding the fact that a number of janitors are employed about the building?

Mr. LLOYD. Yes, sir. There is an amendment there which I would like to have the Clerk report.

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

Amend, in line 3, by striking out the word "allowed" and inserting he words "authorized to appoint," and in line 2 strike out the words from June 3, 1913."

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.
The SPEAKER. The question is on agreeing to the resolution.

The resolution as amended was agreed to.

PURCHASE AND EXCHANGE OF TYPEWRITERS.

Mr. LLOYD. Mr. Speaker, I ask unanimous consent for the present consideration of the resolution which I send to the Clerk's desk.

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

House resolution 164 (H. Rept. 59).

Resolved, That the Chief Clerk of the House of Representatives be, and is hereby, authorized to contract, with the approval of the Committee on Accounts, for the purchase or exchange of typewriters for the use of the House, upon such terms as he may deem prudent and equitable, and for such period of time as may be authorized by the Committee on Accounts.

The SPEAKER. Is there objection to the consideration of the resolution?

Mr. MANN. Mr. Speaker, reserving the right to object, is the title "Chief Clerk of the House of Representatives" the correct one?

Mr. LLOYD. The Chief Clerk has authority to make those

purchases. I think that is the proper officer.

I know he is the chief clerk in the Clerk's office. Mr. MURDOCK. Mr. Speaker, reserving the right to object, I would like the gentleman to tell us about the history of the typewriter contract. My understanding is that when the House Office Building was constructed the typewriters were purchased as furniture. Is that correct?

Mr. LLOYD. I think, if you put it that way, it is correct.

When the House Office Building was constructed, and we went into the offices there, every individual Member was permitted to have a typewriter at the Government expense.

Mr. MURDOCK. Now, right there. Then after all the offices of the building were equipped, thereafter were new typewriters purchased from time to time or were new typewriters traded in?

Mr. LLOYD. New typewriters were purchased sometimes and exchanged sometimes, but the purpose of this resolution is to authorize the Clerk to make a contract of exchange. There is a question now as to whether he has a right to exchange typewriters, and he has an opportunity to make a splendid contract by which typewriters when they become old and inefficient for use may be exchanged for new ones.

Mr. MURDOCK. Of course, with a cash addition. Now, I

want to know what appropriation carries that cash addition for typewriters when a typewriter is purchased and an old

typewriter is given in exchange?
Mr. LLOYD. The furniture account.

Mr. MURDOCK. Still the furniture account?

Mr. MANN. Mr. Speaker, the gentleman's resolution apparently does confer this right to make contracts on the chief clerk in the Clerk's office.

Mr. LLOYD. I am willing to accept an amendment to leave out the word "chief." Mr. MANN. The rule provides that the Clerk shall make all contracts, and that when he is absent the Chief Clerk shall act in his place.

Mr. LLOYD. Yes. As an amendment, Mr. Speaker, I wish to strike out the word "chief" where it appears in line 1.

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

Amend by striking out, in line 1, the word "chief."

Mr. LLOYD. Mr. Speaker, unanimous consent was not

The SPEAKER. Is there objection to the present considera-on of this resolution? [After a pause.] The Chair hears tion of this resolution? [After a pause.] none. The Clerk will report the amendment.

The Clerk read as follows:

Amend, line 1, by striking out the word "chief."

The SPEAKER. The question is on agreeing to the amendment.

The amendment was agreed to.

The SPEAKER. The question is on agreeing to the resolution as amended.

The resolution as amended was agreed to.

STENOGRAPHER TO THE COMMITTEE ON WAR CLAIMS.

Mr. LLOYD. Mr. Speaker, I offer the following privileged resolution from the Committee on Accounts.

The SPEAKER. The Clerk will report it.

The Clerk read as follows:

House resolution 141 (H. Rept. 58).

Resolved, That there shall be paid out of the contingent fund of the House for the services of a stenographer to the Committee on War Claims during the sessions of the Sixty-third Congress compensation at the rate of \$75 per month, payment to commence from the time said stenographer entered upon the discharge of his duties, which shall be ascertained and evidenced by the chairman of said committee.

Mr. LLOYD. Mr. Speaker, let the committee amendment be

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

Amend by striking out all of the resolution after the word "House," in line 2, and inserting the following: "the sum of \$150 to V. L. Almond for services rendered as stenographer to the Committee on War Claims from June 5, 1913, to August 5, 1913."

The SPEAKER. The question is on agreeing to the amend-

Mr. MANN. Mr. Speaker, I did not quite understand what the amendment was.

Mr. LLOYD. This resolution provides for a stenographer for the Committee on War Claims. It has been customary heretofore to give the Committee on War Claims a session ste-The amendment of the Committee on Accounts provides for two months' salary for the stenographer, and the Committee on War Claims agreed to get along without a stenographer for the rest of the period of the extra session.

Mr. MANN. That is, the resolution provides for only Mr. LLOYD. Only two months' salary at the rate of \$75 per

Mr. MANN. Why is not a stenographer authorized and necessary to do this committee work?

Mr. LLOYD. The clerks can perform the duty. It is not

necessary to have the stenographer.

Mr. MONDELL. Mr. Speaker, will the gentleman yield to me for a question?

The SPEAKER. Does the gentleman from Missouri yield?

month.

Mr. LLOYD. Yes, Mr. MONDELL. There has been some discussion as to the practice of providing annual clerks in place of the session clerks that are usually provided. What is the ordinary or usual pay

of a session clerk?

Mr. LLOYD. A session clerk of an expenditure committee receives \$125 per month. A session clerk of any other committee receives \$6 per day.

Mr. MONDELL. An annual clerk, if provided for, would receive what amount?

Mr. LLOYD. Whatever the House would agree upon.
Mr. MONDELL. I mean, ordinarily.
Mr. LLOYD. About \$1,500. That is what they are asking.
Mr. MONDELL. Then, so far as the expense is concerned, in these days when we are in session all the time, there is no difference in the matter of expense between \$125-per-month clerks by the month and a \$1,500 clerk by the year. On the other hand, as to those clerks who are paid \$6 a day, if the

House is to remain in session the greater part of the year they are receiving higher compensation than they would if they were on an annual salary.

Mr. MANN. They are not getting anything now.

Mr. LLOYD. They would receive \$6 a day during the session. Mr. MANN. There are no \$6-a-day clerks now, are there?

Mr. LLOYD. Yes.

Mr. MANN. They are not, according to my understanding, carried in the appropriation act.

Mr. LLOYD. They receive \$6 a day, except the clerks to

expenditure committees.

Mr. MANN. The appropriation bill carries no provision for them during the special session?

Mr. LLOYD. No. No provision of the bill carries the salaries of session clerks at the extra session.

Mr. MANN. That is what I say.

Mr. MONDELL. But they are provided for and carried along, are they not?

Mr. LLOYD. The question raised by the gentleman from Illinois [Mr. MANN] was that they are not paid.

Mr. MANN. I asked if they were paid.

Mr. MONDELL. Do I understand that there are no \$6-a-day session clerks now?

Mr. LLOYD. There is but one session clerk at \$6 a day, and there are no \$125-per-month session clerks.

The SPEAKER. The question is on agreeing to the amend-

The amendment was agreed to.
The SPEAKER. The question is on agreeing to the resolution as amended.

The resolution as amended was agreed to.

PAY OF CERTAIN WITNESSES.

Mr. LLOYD. Mr. Speaker, I have one more privileged resolution. It is the last one.

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

House resolution 169 (H. Rept. 56).

Resolved, That the Clerk of the House is hereby authorized to pay, out of the contingent fund, to J. Fred Essary, Carl D. Groat, and Daniel O'Connell the sum of \$2.25 each, for attendance as witnesses before the special committee appointed under authority of House resolution 59, Sixty-third Congress, first session.

Mr. LLOYD. Mr. Speaker, this resolution simply provides for the payment of the three witnesses who appeared in the Glover contempt case.

Will the gentleman yield? Has not the Com-Mr. MANN. mittee on Accounts authority to approve bills for the attendance of witnesses before committees without bringing resolutions into the House?

Mr. GARNER. Not for this special committee.
Mr. LLOYD. Not for special committees.
Mr. GARNER. Not unless authorized by the House, and this committee were not authorized to expend any money whatever. Mr. MANN. I thought they were authorized to subpæna

witnesses Mr. LLOYD. No.

The SPEAKER. The question is on agreeing to the reso-Intion.

The resolution was agreed to.

BUST OF WILLIAM PITT.

Mr. THACHER. Mr. Speaker, I ask unanimous consent that Senate joint resolution 64, which is now on the Speaker's table, be taken up for present consideration by the House.

This joint resolution was unanimously agreed to by the Senate, and is favorably recommended by the Library Committee. It gives permission to the President, at his personal request made to Congress, to accept a bust of William Pitt, to be placed in the White House.

Mr. BARTLETT. Is a similar resolution pending in the

Senate?

Mr. THACHER. Yes.
The SPEAKER. The gentleman from Massachusetts [Mr. THACHER] asks unanimous consent to take from the Speaker's table a joint resolution to authorize the President to accept a bust of William Pitt.

Mr. UNDERWOOD. Mr. Speaker, if the gentleman will yield

for a question-

Mr. MANN. Reserving the right to object— Mr. UNDERWOOD. Yes; I understand that a similar bill has been reported from the Committee on the Library, although it is not on the calendar.

Mr. THACHER. It has, Mr. UNDERWOOD. And that the Committee on the Library have acted favorably on this matter.

Mr. THACHER. We have recommended it.

Mr. UNDERWOOD. And your purpose in asking unanimous consent is merely to expedite the passage of the resolution

Mr. THACHER. That is all.

Mr. MANN. Mr. Speaker, reserving the right to object, I aid not know that the Committee on the Library had acted upon the House joint resolution, because I am sure there has not been a quorum of the committee in the city for some time.

I should have no objection to Lady Paget and other ladies presenting a bust of William Pitt to the United States, but I question very much the propriety of inaugurating a custom of placing in the White House busts or representations of foreigners in any form whatever. The White House is now overcrowded with pictures of Presidents and their wives. In my opinion the White House ought to remain sacred to the representation of Americans.

There are many places where a bust of William Pitt can be properly placed without seeking to place it in the one place of all others in the United States that ought to be kept solely for American citizens, and for the present I shall object.

The SPEAKER. The gentleman from Illinois objects.

Mr. THACHER. Mr. Speaker, may I have the privilege of replying to the distinguished gentleman from Illinois?

The SPEAKER. You can not reply to an objection.

Mr. MANN. I am perfectly willing to reserve the right to

Mr. THACHER. In the first place I want to contradict one statement made by the distinguished gentleman from Illinois. May I have that privilege?

The SPEAKER. The gentleman from Illinois has withdrawn

his objection temporarily.

Mr. THACHER. The gentleman from Illinois stated that he knew that we had had no quorum of our committee in Washington for some time back. Two of the members of that committee, the gentleman from Texas [Mr. Slayden] and the gentleman from Missouri [Mr. Bartholdt], are attending The Hague peace convention as delegates.

The other three Members are the gentleman from New York [Mr. Ten Eyck], the gentleman from Pennsylvania [Mr. Burke], and myself. It is quite true that there was no quorum actually present in Washington. The President sent a message asking the gracious consent of Congress. That was on the 4th of August, and that message was read in this House. sume the Members here heard it read. I tried to get hold of the gentleman from Pennsylvania [Mr. Burke]. I caused to be sent to him a copy of this joint resolution and a copy of the President's request, and he authorized his signature to the favorable recommendation of the resolution.

Mr. MANN. If the gentleman from Massachusetts will allow me, I did not mean to criticize the committee for having made a report because there was no quorum. If the gentleman so understood me, and perhaps it was quite natural, I want to say that I did not mean it in that respect at all. I supposed that the committee had made no report, because I knew that there

was no quorum here.

Mr. THACHER. I thought the gentleman did not quite understand the fact that I had consulted with the gentleman from

Pennsylvania [Mr. Burke].

Mr. MANN. As far as that is concerned, the gentleman might

consult them all and it would make no difference.

The SPEAKER. The rule or decision is that it takes an actual quorum gathered together at one place.

Mr. MANN. But, Mr. Speaker, I was not making any point

upon that at all.

The SPEAKER. The Chair understands that; the Chair was stating it for the information of all Members of the House, because this question was elaborately argued last summer in the matter of the Coosa River Dam proposition.

Mr. TEMPLE. Mr. Speaker, will the gentleman yield?

Mr. THACHER. Yes. Mr. TEMPLE. This is a request to place a bust of William

Pitt in the White House.

Mr. THACHER. A request came from the President of the United States asking permission of Congress, which he has to have, to accept a gift of the bust of William Pitt, whom he called the friend and champion of America, to be put in the White House.

Mr. TEMPLE. It seems to me that when it comes as a request from the President of the United States we ought to bear in mind those who have had the opportunity of visiting Windsor Castle that in the chamber known as the King's closet in that castle there is a fine oil painting of Thomas Jefferson, a signer of the Declaration of Independence. It seems to me that if that can be put in the King's closet at Windsor Castle, we might

put in the White House, at the request of the President of the United States, a bust of William Pitt. [Applause.]

Mr. MADDEN. Will the gentleman yield?

Mr. TEMPLE. If I have any time.

Mr. THACHER. I will yield to the gentleman.
Mr. MADDEN. I just want to say that I wonder whether Windsor Castle is not the private property of the King, and that he has a right to put there anything he sees fit.

Mr. THACHER. Mr. Speaker, I trust that my good friend from Illinois will withdraw his objection.

Mr. MANN. If the gentleman from Massachusetts wants to address the House I will reserve the objection.

Mr. THACHER. The gentleman from Illinois said we had

no room in the White House for a statue of William Pitt.

Mr. COOPER. Will the gentleman permit an interruption at that point?

Mr. THACHER. Certainly.

Mr. COOPER. The gentleman has used the name of William Pitt. Is it William Pitt, Lord Chatham, or his son William Pitt, the great parliamentary leader?
Mr. THACHER. The Earl of Chatham, that is his title, I

The SPEAKER. It is the Earl of Chatham.

Mr. COOPER. Yes; the elder Chatham, our friend during the

Mr. THACHER. That is true. Pittsburgh, Pa., and Pittsfield, in my own State, were named after the elder Pitt, who was born in 1708.

Mr. COOPER. When the gentleman asks permission to have put in the White House a statue or a bust of William Pitt, that would permit a bust or statue of William Pitt, the younger, and that is not the man at all.

Mr. THACHER. It is the elder Pitt, as I think we all understand. Now, I want to say a further word in regard to this matter. If there was one man at the time of the American Revolution who helped the cause of America it was William Pitt. We have found room here in this Hall to put a picture of a foreigner, Gen. Lafayette, and I do not believe the gentleman from Illinois objects to that. Lafayette came over here when he was a young man. I want to say also that this picture was painted by a foreigner. He came over a young man, gave up the best part of his life to assist in the cause of liberty.

In regard to William Pitt I want to give the gentleman a few facts. He was born in 1708. At the age of 27 he became a member of Parliament. Some 10 years afterwards he became paymaster of England, where he made a record for honesty in office much above that of some of his predecessors. He refused to take a single cent that did not properly belong to him. He refused to take any interest on Government deposits, which it had been generally the custom for his predecessors to take, and put the money in the Bank of England without receiving any interest. His record was fine throughout, a model of everything that was honest and statesmanlike.

Benjamin Franklin was his friend and he fought for the cause of American liberty just as much as though he had been here fighting on the battle field. In 1778 he came into Parliament an old man on crutches and made a speech in the cause of America. After the close he fell in convulsions and died a few weeks after, just as John Quincy Adams was taken out from this House of Representatives and died a few months afterwards. I think, on looking into the life of William Pitt, we will find he was a champion of the cause of liberty in England and in America, also, and I certainly trust that if not at this time that at some time later this will be passed.

Mr. SLOAN. Will the gentleman yield?

Mr. THACHER. Yes.

Mr. SLOAN. Is this the same William Pitt, Lord Chatham, who said during the course of the American Revolution that the colonists ought not and should not have the right to make even a horseshoe nail?

Mr. THACHER. William Pitt said he would never consent to taxing Americans without their consent.

Mr. SLOAN. I was taking a specific statement.

Mr. THACHER. I do not recall it.

Mr. SLOAN. I recall it distinctly.

THACHER. I think the gentleman is mistaken, and I would be glad to have the gentleman show me that statement.

Mr. SLOAN. The gentleman can ind it in any most of for Mr. MANN. Mr. Speaker, I have as great an admiration for mr. Mann. Mr. MANN. Mr. Speaker, I have as great an admiration for William Pitt, Earl of Chatham, as any man on earth now living or who ever has lived, but I do not believe we ought to have this reproduction in the White House. It is easy enough to find a place to put the bust, and for the present I object.
The SPEAKER. The gentleman from Illinois objects.

#### EXTENSION OF REMARKS.

Mr. Speaker, I ask unanimous consent to Mr. BRITTEN. extend my remarks in the RECORD.

The SPEAKER. On what?

Mr. BRITTEN. I desire to show by statement my personal observation of what I consider the extreme necessity of the manufacture of torpedoes, from observations made by me during a recent visit to the torpedo station at Newport.

The SPEAKER. The gentleman from Illinois asks unanimous consent to extend his remarks in the RECORD on the subject

Is there objection? of torpedoes.

of torpedoes. Is there objection?

Mr. SAUNDERS. Mr. Speaker, I do not think this is a good time for the discussion of that subject, and I object.

Mr. UNDERWOOD. Mr. Speaker, if this concludes public business to come before the House this morning, the gentleman from Maryland [Mr. Lewis] desires to address the House for 30 minutes, and I ask that he be given unanimous consent to

address the House for 30 minutes.

The SPEAKER. The Chair will state to the House that there is a special order on this Hetch Hetchy bill, which was to have come up on the 15th of the month and was to be a continuing order. Now, the gentleman from Alabama [Mr. Underwood] asks unanimous consent that the gentleman from Maryland [Mr. Lewis] be permitted to address the House at this time for Is there objection?

Mr. RAKER. Mr. Speaker, I understand that if this request for unanimous consent is given the gentleman from Maryland

it will not interfere with the regular order?

The SPEAKER. It will not affect it at all. Mr. UNDERWOOD. Mr. Speaker, I will say I would not make this request at this time to get in the way of the gentleman's bill if it were not for the fact that I intend to move that the House adjourn before 2 o'clock, because we are going to hold a Democratic caucus.

Mr. MANN. I understood the Hetch Hetchy bill was not to be brought up this morning.

The SPEAKER. Is there objection?

Mr. MANN. Mr. Speaker, reserving the right to object, I want to say I shall not object to the request of the gentleman from Alabama that the gentleman from Maryland may address the House because I told the gentleman from Maryland [Mr. Lewis] I would not object. Hereafter I shall object to any insertions in the Record, or extension of any remarks of any kind, until the Democratic side is willing to concede to the

Republican side of the House ordinary courtesy.

The SPEAKER. Is there objection?

Mr. MADDEN. Mr. Speaker, reserving the right to object,
I do not see any reason why one Member of the House should be given unanimous consent to address the House and another Member of the House refused such consent. My colleague has tried two or three times now to get the consent of the House to extend his remarks in the RECORD on the subject of torpedoes.

It is a subject in which all the American people are interested, and I have not any doubt but that the gentleman would be able to discourse upon it intelligently and instructively; but I shall object to any persons being given the right to address the House unless the gentleman from Illinois is given unanimous Mr. SAUNDERS. Mr. Speaker, will the gentleman yield to me? consent to extend his remarks.

Mr. MADDEN. I have not the floor, I think.
Mr. UNDERWOOD. I will yield to the gentleman from

Virginia.

Mr. SAUNDERS. Evidently these remarks grow out of the fact that I objected a few moments ago to the extension of remarks in the RECORD relating to the necessity for additional battleships and torpedoes. I objected for the reason that I did not regard this as an appropriate time to insert such matter in the RECORD, and not, of course, for any personal reasons relating to the gentleman from Illinois [Mr. BRITTEN].

I do not possess the pleasure of the acquaintance of the gentleman from Illinois. Hence there is nothing personal in my ob-jection to his request. If the gentlemen on the other side of the Chamber think that there is any reason why the subject of parcel post should not be discussed at this time, it is perfectly competent and proper for them to object to the request of the gentleman from Alabama [Mr. UNDERWOOD].

The SPEAKER. Is there objection? Mr. MADDEN. Mr. Speaker, I object.

Mr. MANN. Mr. Speaker, reserving the right to object, as I stated-and the gentleman from Virginia [Mr. SAUNDERS] probably was not in the Hall at the time—every request made from this side of the House for more than a week to speak and extend remarks in the Record has been objected to by Members

on that side of the House. It is a pretty poor excuse to say that this is not a good time in which to discuss torpedoes.

Mr. MADDEN. Mr. Speaker, I objected.

#### ADJOURNMENT.

Mr. UNDERWOOD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 c'clock and 12 minutes p. m.) the House, under its previous order, adjourned until Tuesday, August 26, 1913, at 12 o'clock noon.

#### EXECUTIVE COMMUNICATIONS.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

 A letter from the Acting Secretary of War, transmitting, with a letter from the Chief of Engineers, report on preliminary examination of Arkansas River, Ark., below Dardanelle, Ark., with a view to the improvement of the navigation of said river (H. Doc. No. 202); to the Committee on Rivers and Harbors and ordered to be printed, with illustration.

A letter from the Acting Secretary of War, transmitting, with a letter from the Chief of Engineers, report on examination of Licking River, Ky., with a view to the prevention of a cut-off at the town of Farmers, consideration being given to any tender of cooperation on the part of local interests (H. Doc.

No. 201); to the Committee on Rivers and Harbors and ordered to be printed.

### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the several calendars therein named, as follows:

Mr. CARTER, from the Committee on Indian Affairs, to which was referred the bill (S. 2711) to provide for the acquiring of station grounds by the Great Northern Railway Co. in the Colville Indian Reservation in the State of Washington, reported the same without amendment, accompanied by a report (No. 54), which said bill and report were referred to the

Committee of the Whole House on the state of the Union.

Mr. POST, from the Committee on Elections No. 1, to which was referred the resolution (H. Res. 231) declaring William J. MacDonald duly elected a Representative from the twelfth congressional district of Michigan, reported the same without amendment, accompanied by a report (No. 60), which said bill and report were referred to the House Calendar.

Mr. FLOOD of Virginia, from the Committee on Foreign Affairs, to which was referred the bill (S. 2319) authorizing the

appointment of an ambassador to Spain, reported the same without amendment, accompanied by a report (No. 37, pt. 2), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

### CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, the Committee on Pensions was discharged from the consideration of the bill (H. R. 3085) granting a pension to Virginia M. Gaspard, and the same was referred to the Committee on Invalid Pensions.

## PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials

were introduced and severally referred as follows:
By Mr. RUBEY: A bill (H. R. 7516) to prohibit interference with commerce among the States and Territories and with foreign nations, and to remove obstructions thereto, and to prohibit the transmission of certain messages by telegraph, tele-phone, cable. or other means of communication between States and Territories and foreign nations; to the Committee on Agriculture.

By Mr. LONERGAN: A bill (H. R. 7592) appropriating money for the improvement of the Connecticut River between Long Island Sound and Hartford, Conn.; to the Committee on Rivers

and Harbors.

By Mr. GARNER (by request): A bill (H. R. 7593) to establish in the Department of Agriculture a bureau to be known as

the market bureau; to the Committee on Agriculture.

By Mr. RAYBURN: A bill (H. R. 7594) to amend the act of Congress entitled "An act to authorize the construction of a bridge across the Red River and to establish it as a post road," approved January 28, 1910; to the Committee on Interstate and Foreign Commerce.

By Mr. KAHN: A bill (H. R. 7595) providing for the free importation of articles intended for foreign buildings and exhibits at the Panama-Pacific International Exposition, and for the protection of foreign exhibitors; to the Committee on Ways and

By Mr. CONNELLY of Kansas: A bill (H. R. 7596) to increase the limit of cost of the United States post-office building at Beloit, Kans.; to the Committee on Public Buildings and

By Mr. KINKAID of Nebraska: A bill (H. R. 7597) to authorize the Secretary of the Interior to provide special rules and regulations for the opening to homestead entry of lands eliminated from the Nebraska National Forest Reserve by presidential proclamation March 1, A. D. 1913; to the Committee

on the Public Lands.

Also, a bill (H. R. 7598) permitting minors of the age of 18 years or over to make homestead entry or other entry of the public lands of the United States; to the Committee on the Public Lands.

By Mr. MAHAN: A bill (H. R. 7599) granting two condemned cannon to the city of Rockville, Conn.; to the Committee on Military Affairs.

Ry Mr. Talvana and Talvana a

By Mr. TAVENNER: A bill (H. R. 7600) regulating the salary of rural letter carriers; to the Committee on the Post Office and Post Roads.

By Mr. CARY: A bill (H. R. 7601) authorizing the Navy Department to offer and pay rewards for the detection of viola-tions of the antitrust act of July 2, 1890; to the Committee on

By Mr. THOMAS: A bill (H. R. 7602) for the benefit of railway postal clerks; to the Committee on the Post Office and Post

Also, a bill (H. R. 7603) to erect a statue of Jefferson Davis in the Jefferson Davis Home Park, at Fairview, Ky.; to the Committee on the Library.

Also, a bill (H. R. 7604) to correct the military record and provide for the granting of pensions to survivors of certain battalions of Kentucky Militia; to the Committee on Military

Also, a bill (H. R. 7605) for the erection of a public building at Central City, Muhlenberg County, Ky.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 7606) for the erection of a public building at Russellville, Logan County, Ky.; to the Committee on Public Buildings and Grounds.

By Mr. L'ENGLE: A bill (H. R. 7607) to provide for the examination and survey of St. Lucie Inlet, Palm Beach County, Fla.; to the Committee on Rivers and Harbors.

Also, a bill (H. R. 7608) to provide for the examination and survey of New River, Dade County, Fla.; to the Committee on Rivers and Harbors.

Also, a bill (H. B. 7609) to provide for the examination and survey of Lake Worth Inlet, Palm Beach County, Fla.; to the Committee on Rivers and Harbors.

By Mr. RUBEY: A bill (H. R. 7610) to establish a fishcultural station in Shannon County, in the State of Missouri; to the Committee on the Merchant Marine and Fisheries.

Also, a bill (H. R. 7611) to fix the mileage of Senators, Representatives, and Delegates in Congress; to the Committee on

Also, a bill (H. R. 7612) to amend section 2 of an act approved April 19, 1908, entitled "An act to increase the pension of widows, minor children, etc., of deceased soldiers and sailors of the late Civil War, the War with Mexico, the various Indian wars, etc., and to grant a pension to certain widows of the deceased soldiers and sailors of the late Civil War"; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7613) to provide for the securing of deposits in postal savings banks in cities and towns of less than 10,000 inhabitants, by personal bonds or the bonds of bonding companies, when such deposits shall be deposited in National or State banks located in such cities or towns; to the Committee on the Post Office and Post Roads.

Also, a bill (H. R. 7614) to extend the provisions of the pension act of May 11, 1912, to the officers and enlisted men of all State militia and other State organizations that rendered service to the Union cause during the Civil War for a period of 90 days or more, and providing pensions for their widows, minor children, and dependent parents, and for other purposes; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7615) to authorize the payment of pensions monthly; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7616) providing that the United States

shall in certain cases make compensation for the use of high-

ways for carrying free rural-delivery mail; to the Committee on the Post Office and Post Roads.

By Mr. BURKE of Wisconsin: A bill (H. R. 7617) to provide for warning signals for vessels working on wrecks or engaged in dredging or other submarine work; to the Committee on the Merchant Marine and Fisheries.

By Mr. STEENERSON: A bill (H. R. 7618) to amend the new three-year homestead law; to the Committee on the Public Lands.

By Mr. FERRIS: A bill (H. R. 7019) providing for the purchase of a site and the erection thereon of a public building at Anadarko, in the State of Oklahoma; to the Committee on Public Buildings and Grounds.

By Mr. BYRNS of Tennessee: A bill (H. R. 7620) to provide for the appointment of a district judge in the middle and eastern judicial districts in the State of Tennessee, and for other purposes; to the Committee on the Judiciary.

By Mr. SLOAN: A bill (H. R. 7621) authorizing the President of the United States to appoint certain persons in the Regular Army and place them upon the retired list; to the Committee on

Military Affairs.

By Mr. RUBEY: A bill (H. R. 7622) to prohibit interference with commerce among the States and Territories and with foreign nations, and to remove obstructions thereto, and to prohibit the transmission of certain messages by telegraph, telephone, cable, or other means of communication between States and Territories and foreign nations; to the Committee on Agriculture.

Also, a bill (H. R. 7623) to prohibit interference with com-merce among the States and Territories and with foreign nations, and to remove obstructions thereto, and to prehibit the transmission of certain messages by telegraph, telephone, cable, or other means of communication between States and Territories and foreign nations; to the Committee on Agriculture.

By Mr. CLARK of Florida: Resolution (H. Res. 230) seeking information relative to the Monroe doctrine; to the Committee on Foreign Affairs.

By Mr. POST: Resolution (H. Res. 231) declaring that William J. MacDonald was elected a Representative to the

Sixty-third Congress; to the House Calendar.

By Mr. HAWLEY: Memorial of the Legislature of Oregon, asking Congress to investigate the grain-bag monopoly; to the

Committee on the Judiciary.

Also, memorial of the Legislature of the State of Oregon, urging passage of a bill for relief of Harry Hill and others known as the "Sherman County settlers"; to the Committee on Claims.

By Mr. GARNER: Memorial of the Legislature of Texas, favoring investigation and consideration of methods of marketing farm products; to the Committee on Agriculture.

## PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions

were introduced and severally referred as follows:

By Mr. ALLEN: A bill (H. R. 7624) for the relief of William Pool; to the Committee on Claims.

Also, a bill (H. R. 7625) for the relief of Mathias Meyer; to the Committee on Claims.

By Mr. ANDERSON: A bill (H. R. 7626) granting a pension to Thomas O'Reilly; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7627) granting an increase of pension to Victoria Capon; to the Committee on Invalid Pensions.

By Mr. ASHBROOK: A bill (H. R. 7628) granting an increase of pension to Christina Frank; to the Committee on In-

valid Pensions. By Mr. BROCKSON: A bill (H. R. 7629) granting an in-

crease of pension to Jacob C. Wilson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7630) for the relief of George Hallman; to the Committee on Claims.

By Mr. BURKE of South Dakota: A bill (H. R. 7631) for the relief of Bert H. Clark, Gustaf A. Bengston, Maud A. Graham, Grace A. Graham, Lee Hurley, Emma I. Gordon, Mabel H. Dwight, and Nellie A. Pardy; to the Committee on the Public

By Mr. BURKE of Wisconsin: A bill (H. R. 7632) granting an increase of pension to Maggie E. Parsons; to the Committee on Invalid Pensions.

By Mr. DENT: A bill (H. R. 7633) for the relief of the personal representative of Charles W. Hammond, deceased; to the Committee on Claims.

By Mr. DOOLITTLE: A bill (H. R. 7634) granting an increase of pension to Allen C. Mager; to the Committee on Invalid Pensions.

By Mr. DYER: A bill (H. R. 7635) granting a pension to Edward Dodsworth; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7636) granting a pension to Joseph Glass;

to the Committee on Pensions.

By Mr. FREAR: A bill (H. R. 7637) granting a pension to

John H. Rodemeyer; to the Committee on Pensions.

Also, a bill (H. R. 7638) granting an increase of pension to Christopher Schwedus; to the Committee on Invalid Pensions. By Mr. FRENCH: A bill (H. R. 7639) for the relief of Myron

A. Brownie; to the Committee on Claims.

By Mr. GRIFFIN: A bill (H. R. 7640) for the relief of David Crowther; to the Committee on Military Affairs.

By Mr. HAWLEY: A bill (H. R. 7641) granting a pension to

John A. Seeber; to the Committee on Invalid Pensions. By Mr. KIESS of Pennsylvania: A bill (H. R. 7642) granting an increase of pension to George J. Horton; to the Committee on Invalid Pensions

By Mr. KINKAID of Nebraska: A bill (H. R. 7643) granting a pension to Edward P. Child; to the Committee on Pensions.

By Mr. KONOP: A bill (H. R. 7644) granting an increase of pension to Jacob Kohl; to the Committee on Invalid Pensions.

By Mr. LEWIS of Pennsylvania: A bill (H. R. 7645) granting a pension to Sarah A. Hamersly; to the Committee on Invalid Pensions.

By Mr. MARTIN: A bill (H. R. 7646) granting an increase of pension to James Clark; to the Committee on Invalid Pen-

Also, a bill (H. R. 7647) granting an increase of pension to Harvey Smith, alias Harvey Guthrie; to the Committee on Invalid Pensions.

By Mr. PALMER: A bill (H. R. 7648) granting an increase of pension to Elinor F. Rodenbough; to the Committee on Invalid Pensions.

By Mr. PEPPER: A bill (H. R. 7649) granting an increase of

pension to Otto Burkart; to the Committee on Pensions.

Also, a bill (H. R. 7650) granting an increase of pension to Mary J. Donohoo; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7651) granting a pension to Nancy E. Brewer; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7652) granting a pension to Letta E. Wilson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7653) for the relief of Alfred R. Long; to the Committee on Military Affairs.

By Mr. POST: A bill (H. R. 7654) granting an increase of pension to Thomas Whitmer; to the Committee on Invalid Pensions.

By Mr. REILLY of Connecticut: A bill (H. R. 7655) granting an increase of pension to Isabella Smith; to the Committee on Invalid Pensions.

By Mr. RUBEY: A bill (H. R. 7656) granting a pension to Samuel H. Barr; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7657) granting an increase of pension to Avery H. Baucom; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7658) granting a pension to Elizabeth E. Bennett; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7659) for the relief of John C. Bennett; to the Committee on Military Affairs.

Also, a bill (H. R. 7660) granting a pension to Carrie Bradley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7661) granting an increase of pension to George Burgess; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7662) granting a pension to Sarah E.

Burress; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7663) granting a pension to Charles R. Carter; to the Committee on Pensions.

Also, a bill (H. R. 7664) granting a pension to James W. Chaffen; to the Committee on Pensions.

Also, a bill (H. R. 7665) for the relief of Cornelius Christ; to the Committee on Military Affairs.

Also, a bill (H. R. 7666) granting a pension to Mary A. Clay; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7667) granting an increase of pension to George L. Clonts; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7668) granting a pension to J. Frank Cornman; to the Committee on Pensions.

Also, a bill (H. R. 7669) granting a pension to Minnie J. Cotrell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7670) granting a pension to James L. Cox; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7671) granting a pension to Charles S.

Davis; to the Committee on Pensions.

Also, a bill (H. R. 7672) granting a pension to Julia A. Dugan; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7673) granting an increase of pension to John Dowell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7674) granting an increase of pension to Moses H. Davis; to the Committee on Invalid Pension

Also, a bill (H. R. 7675) granting a pension to Addie Davidson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7676) granting a pension to Charles Ed-

wards; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7677) for the relief of Absalom H. Eggers; to the Committee on Military Affairs.

Also, a bill (H. R. 7678) granting a pension to Virginia A.

Elder; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7679) granting a pension to J. F. Ellis; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7680) granting a pension to John S. Ellis;

to the Committee on Pensions.

Also, a bill (H. R. 7681) granting a pension to Sylvania Engle; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7682) granting an increase of pension to

John F. Epperson; to the Committee on Invalid Pensions.
Also, a bill (H. R. 7683) granting a pension to Charles Etzel;
to the Committee on Invalid Pensions.
Also, a bill (H. R. 7684) granting a pension to Bridget Fen-

nessey; to the Committee on Invalid Pensions. Also, a bill (H. R. 7685) granting an increase of pension to Marion A. Franklin; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7686) granting an increase of pension to William H. Furber; to the Committee on Pensions.

Also, a bill (H. R. 7687) granting a pension to John W. Gibson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7688) granting an increase of pension to David C. Hardy; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7689) for the relief of Noah M. Harmon; to the Committee on Military Affairs.

Also, a bill (H. R. 7690) granting a pension to David Hartman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7691) granting an increase of pension to William E. Hoover; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7692) granting a pension to John H. Hubbard; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7693) granting an increase of pension to Robert Jolley; to the Committee on Invalid Pensions

Also, a bill (H. R. 7694) granting a pension to George W. Jones: to the Committee on Invalid Pensions.

Also, a bill (H. R. 7695) granting a pension to Nancy D. Kelly; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7696) for the relief of William Karch; to

the Committee on Military Affairs.

Also, a bill (H. R. 7697) granting a pension to Mamie Kiethley; to the Committee on Pensions.

Also, a bill (H. R. 7698) granting a pension to William F. Lacy; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7699) granting an increase of pension to William G. Lane; to the Committee on Invalid Pensions

Also, a bill (H. R. 7700) for the relief of Henry J. McBroom; to the Committee on Military Affairs.

Also, a bill (H. R. 7701) granting an increase of pension to

James Manning; to the Committee on Invalid Pensions. Also, a bill (H. R. 7702) to correct the military record of Robert W. Marr; to the Committee on Military Affairs.

Also, a bill (H. R. 7703) granting an increase of pension to Levi Maule; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7704) granting an increase of pension to Franklin A. Minor; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7705) granting an increase of pension to William F. Monday; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7706) granting a pension to Thomas Mooney; to the Committee on Pensions.

Also, a bill (H. R. 7707) granting an increase of pension to John H. Morrison; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7708) granting an increase of pension to Alexander Murphy; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7709) granting a possion to Kelly Murphy; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7710) granting an increase of pension to Joseph Odle; to the Committee on Invalid Pensions

Also, a bill (H. R. 7711) granting a pension to Margaret E.

Oursborn; to the Committee on Invalid Pensions, Also, a bill (H. R. 7712) granting a pension to Phœbe F. Phil-

lips; to the Committee on Pensions. Also, a bill (H. R. 7713) granting a pension to P. B. Pulley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7714) granting a pension to Rebecca

Rapalyea; to the Committee on Invalid Pensions. Also, a bill (H. R. 7715) granting a pension to John W. Reid; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7716) granting an increase of pension to Elias Rippee; to the Committee on Invalid Pensions.

Also, a bill (H, R, 7717) granting an increase of pension to William H. H. Rose; to the Committee on Invalid Pensions. Also, a bill (H. R. 7718) granting a pension to James H.

Rowden; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7719) granting an increase of pension to Thomas J. Rowlett; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7720) granting a pension to Elizabeth Saunders; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7721) granting an increase of pension to G. S. Scott; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7722) granting a pension to Walter Skeen; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7723) granting a pension to Henrietta C. Stanton; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7724) granting a pension to Sophie Stephan; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7725) granting an increase of pension to Josephine D. Steffins; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7726) granting a pension to Thomas Stockton; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7727) granting an increase of pension to W. H. H. Stout; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7728) granting an increase of pension to Jerry W. Tallman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7729) granting a pension to Augustus Thompson; to the Committee on Pensions.

Also, a bill (H. R. 7730) granting a pension to Lauson Thompson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7731) granting a pension to Fred Trilsch; to the Committee on Pensions.

Also, a bill (H. R. 7732) granting a pension to Joseph Turn-

bough; to the Committee on Invalid Pensions. Also, a bill (H. R. 7733) granting an increase of pension to Eliza E. Tuttle; to the Committee on Invalid Pensions

Also, a bill (H. R. 7734) for the relief of John Upton; to the

Committee on Military Affairs.
Also, a bill (H. R. 7735) granting an increase of pension to

Aaron Walker; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7736) granting an increase of pension to Mary Westerfield; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7737) granting a pension to Samuel Whitsett; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7738) granting a pension to Abner Williams; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7739) granting a pension to Nicholas J. Williams; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7740) for the relief of Erhard Woener; to

the Committee on Military Affairs.

Also, a bill (H. R. 7741) granting a pension to W. Woolsey;

to the Committee on Invalid Pensions.

By Mr. RUSSELL: A bill (H. R. 7742) granting a pension to

James McGeehee; to the Committee on Invalid Pensions. Also, a bill (H. R. 7743) granting a pension to Mary Mackey

Applegate; to the Committee on Invalid Pensions. Also, a bill (H. R. 7744) granting a pension to William H.

Strothkamp; to the Committee on Pensions.

Also, a bill (H. R. 7745) granting an increase of pension to James Uzzle; to the Committee on Invalid Pensions. By Mr. STEENERSON: A bill (H. R. 7746) granting an in-

crease of pension to James M. Howes; to the Committee on

By Mr. STEPHENS of California: A bill (H. R. 7747) granting an increase of pension to Mary E. Paup; to the Committee on Invalid Pensions

Also, a bill (H. R. 7748) for the relief of A. E. Wagstaff; to

the Committee on Military Affairs.

By Mr. TAVENNER: A bill (H. R. 7749) granting a pension to Andrew J. Leonard; to the Committee on Invalid Pensions.

By Mr. TREADWAY: A bill (H. R. 7750) granting a pension to Clara E. Brass; to the Committee on Invalid Pensions.

### PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. ANDERSON: Papers to accompany bill granting a

pension to Thomas O'Reilly; to the Committee on Invalid Pensions.

Also, papers to accompany bill granting an increase of pension to Victoria Capan; to the Committee on Invalid Pensions.

By Mr. DALE: Petition of the National Liquor League of the United States at Chicago, Ill., protesting against an appro-priation to pay the expenses of delegates to the Anti-Saloon League convention at Milan, Italy; to the Committee on Appro-

Also, petition of the Association of German Authors of America, protesting against a duty on books printed in foreign languages; to the Committee on Ways and Means.

By Mr. DYER: Petition of the St. Louis Branch of the Railway Mail Association, favoring admission in time of peace of railway postal clerks in the service of the United States to the Army and Navy Hospital; to the Committee on Military Affairs.

Also, petition of the United Commercial Travelers of America at Carthage, Mo., favoring 1-cent letter postage; to the Committee on the Post Office and Post Roads.

Also, petition of the National Liquor League of the United States at Chicago, Ill., and the Missouri State Liquor Dealers' Association, protesting against the payment of the expenses of Anti-Saloon League delegates to their convention at Milan, Italy; to the Committee on Appropriations.

By Mr. GRAHAM of Pennsylvania: Petition of the Association of German Authors of America, protesting against the duty on books in foreign languages; to the Committee on Ways and Means.

By Mr. LEE of Pennsylvania: Petition of the Association of German Authors of America, protesting against the proposed import tax on books printed in a language other than English; to the Committee on Ways and Means.

By Mr. LEWIS of Pennsylvania: Papers to accompany bill granting a pension to Sarah A. Hamersly; to the Committee on Invalid Pensions.

By Mr. MANN: Petitions of sundry citizens of Chicago, protesting against a tax on books printed in foreign languages; to the Committee on Ways and Means.

By Mr. MARTIN: Papers to accompany bill granting an increase of pension to Harvey Smith; to the Committee on Invalid Pensions.

Also, papers to accompany bill granting an increase of pension to Jones Clark; to the Committee on Invalid Pensions.

By Mr. REILLY of Connecticut: Petition of Housatonic Valley Pomona Grange, No. 10, South Kent, Conn., favoring the administration policy in regard to an enlarged parcel post; to

the Committee on the Post Office and Post Roads.

By Mr. SABATH: Petition of the Association of German Authors of America, New York, N. Y., protesting against the proposed import tax on books printed in a language other than English; to the Committee on Ways and Means.

By Mr. SCULLY: Petition of the Association of German Au-

thors of America, protesting against a duty on books printed in foreign languages; to the Committee on Ways and Means.

Also, petition of the German-American Alliance of Middlesex Branch, N. J., protesting against a duty on books published in foreign languages; to the Committee on Ways and Means.

By Mr. STEPHENS of California; Petition of the Los Angeles Chamber of Commerce, of Los Angeles, Cal., favoring a strong Navy for the United States; to the Committee on Naval

By Mr. WILLIS: Petition of the Association of German Authors of America, protesting against a duty on books printed in foreign languages; to the Committee on Ways and Means.

By Mr. WILSON of New York: Petition of the Association of German Authors of America, protesting against the proposed duty on books printed in foreign languages; to the Committee on Ways and Means,

By Mr. YOUNG of North Dakota: Petition of the North Dakota State Retail Jewelers' Association, favoring the passage of legislation respecting the sale of watches; to the Committee on Interstate and Foreign Commerce.

## SENATE.

# SATURDAY, August 23, 1913.

The Senate met at 11 o'clock a. m. Prayer by the Chaplain, Rev. Forrest J. Prettyman, D. D. The Journal of yesterday's proceedings was read and approved. PETITIONS AND MEMORIALS.

Mr. SHEPPARD. I present a resolution adopted by the Legislature of Texas relative to the marketing of farm products. I ask that the resolution may be printed in the RECORD and referred to the Committee on Agriculture and Forestry.

There being no objection, the resolution was referred to the Committee on Agriculture and Forestry and ordered to be printed in the RECORD, as follows:

printed in the Record, as ionows:

Whereas there are thousands of dollars lost to the farmers of Texas every year through inadequate marketing facilities and imperfect knowledge in regard to the same; and Whereas every farmers' organization in Texas has declared in favor of State and Federal aid to better marketing conditions; and Whereas this legislature in the present session has appropriated \$15,000 to be used in gathering and distributing information, in regard to more efficient methods of marketing farm crops: Therefore be it

Resolved by the House of Representatives of the Legislature of Texas, That our Representatives and Senators in Congress be urged to give the subject of marketing farry products, and especially those of a perishable nature, their most earnest consideration to the end that some method may be devised to prevent the enormous waste that now annually takes place between the producer and consumer of farm products; and be it further. further

Resolved, That a copy of this resolution, properly indorsed, be sent by the chief clerk of the house to each of the Texas Representatives and Senators in Congress as well as to the Secretary of Agriculture.

I hereby certify that the above resolution was unanimously adopted.

W. R. LONG,

Chief Clerk House of Representatives.

Mr. TOWNSEND presented a memorial from sundry students in summer session at the University of Michigan, Ann Arbor, Mich., remonstrating against the imposition of a duty on books of all kinds imported into the United States, which was ordered to lie on the table.

Mr. OLIVER presented petitions signed by sundry citizens of the State of Pennsylvania, praying for the adoption of an amendment to the Constitution granting the right of suffrage to women, which were ordered to lie on the table.

Mr. LEA presented a petition signed by sundry citizens of the State of Tennessee, praying for the adoption of an amendment to the Constitution granting the right of suffrage to women, which was ordered to lie on the table.

### BILLS INTRODUCED,

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MYERS:

A bill (S. 3023) relating to the duties of registers of United States land offices and the publication in newspapers of official land-office notices; to the Committee on Public Lands.

By Mr. JONES:

A bill (S. 3024) waiving the age limit for the appointment as assistant paymaster in the United States Navy in the case of Chief Commissary Steward Stamford Chapman, United States Navy; to the Committee on Naval Affairs.

By Mr. CRAWFORD:

bill (S. 3025) granting a pension to Roland J. Patrick (with accompanying paper); to the Committee on Pensions.

# AMENDMENTS TO THE TARIFF BILL.

Mr. JONES. I submit an amendment to the tariff bill relative to the provision for an inheritance tax. I ask that the amendment may lie on the table and be printed and that it also may be printed in the RECORD.

There being no objection, the amendment was ordered to lie on the table and to be printed and also to be printed in the

RECORD, as follows:

RECORD, as follows:

Amendment intended to be proposed by Mr. Jones to the bill (H. R. 3321) to reduce tariff duties and to provide revenue for the Government, and for other purposes, viz: Add a new section, as follows:

Sec. —. That a tax shall be, and is hereby, imposed upon the transfer of any property, real or personal, or of any interest therein or income therefrom, in trust or otherwise, to persons or corporations, within the United States or any of its possessions (except the Philippine Islands). In the following cases:

First. When the transfer is by will or by the intestate laws of any State or Territory or of the United States from any person dying selzed or possessed of the property while a resident of the United States or any of its possessions (except the Philippine Islands).

Second. When the transfer is by will or intestate law of property within the United States or any of its possessions (except the Philippine Islands), and the decedent was a nonresident of the United States or any of its possessions at the time of his death.

Third. Whenever the property of a resident decedent, or the property of a nonresident decedent within the United States or any of its possessions (except the Philippine Islands), transferred by will, is not specifically bequeathed or devised, such property shall, for the purpose of this section, be deemed to be transferred proportionately to, and divided pro rata among, all the general legatees and devisees named in said decedent's will, including all transfers under a residuary clause of such will.

Fourth. When the transfer is of property made by a resident, or by

said decedent's will, including all transfers under a residuary clause or such will.

Fourth. When the transfer is of property made by a resident, or by a nonresident when such nonresident's property is within the United States or any of its possessions (except the Philippine Islands), by deed, grant, bargain, sale, or gift made in contemplation of the death of the grantor, vendor, or donor or intended to take effect in possession or enjoyment at or after such death.

Fifth. When any such person or corporation becomes beneficially entitled, in possession or expectancy, to any property or the income thereof by any such transfer, whether made before or after the passage of this act.

by any such transfer, whether made before or after the passage of this act.

Sixth. Whenever any person or corporation shall exercise a power of appointment derived from any disposition of property made either before or after the passage of this act, such appointment when made shall be deemed a transfer taxable under the provisions of this act in the same manner as though the property to which such appointment relates belonged absolutely to the donee of such power and had been bequeathed or devised by such donee by will; and whenever any person or corporation possessing such power of appointment so derived shall omit or fail to exercise the same within the time provided therefor, in whole or in part, a transfer taxable under the provisions of this act shall be deemed to take place to the extent of such omission or falliure, in the same manner as though the persons or corporations thereby becoming entitled to the possession or enjoyment of the property to which such power related had succeeded thereto by a will of the donee of the power failing to exercise such power, taking effect at the time of such omission or failure.

Seventh. The tax imposed hereby shall be, except as otherwise prescribed in paragraph 2 of this section, as follows: ferred, is of the value of less than \$5,000, at the rate of 1 per cent upon the clear market value of such property; if of the value of \$5,000 and the rate of 1 per cent upon the clear market value of such property; if of the value of \$5,000 and the rate of 1 per cent upon the clear market value of such property; if exceeding \$50,000 and not exceeding \$25,000, at the rate of 5 per cent upon the clear market value thereof; if exceeding \$1,500,000 and not exceeding \$1,500,000, at the rate of 1 per cent upon the clear market value thereof; if exceeding \$1,500,000, at the rate of 1 per cent upon the clear market value thereof; if exceeding \$1,500,000, at the rate of 1 per cent upon the clear market value thereof; if exceeding \$1,500,000, at the rate of 5 per cent upon the clear market value thereof; if exceeding \$1,500,000, at the rate of 50 per cent upon the clear market value thereof; if exceeding \$1,500,000, at the rate of 50 per cent upon the clear market value thereof; if the value of over \$15,000,000, at the rate of 50 per cent upon the clear market value thereof; if the value of very \$15,000,000, at the rate of 50 per cent upon the clear market value thereof; if the value of 1 per value of 2 per value value value of 2 per value value value value value value of 2 per value value

upon such payment and delivery of such schedule, list, or statement said collector or deputy collector shall grant to such person paying such duty or tax a receipt or receipts for the same in duplicate, which shall be prepared as hereinafter provided. Such receipt or receipts, duly signed and delivered by such collector or deputy collector, shall be sufficient evidence to entitle such executor, administrator, or trustee to be credited and allowed such payment by every tribunal which by the laws of any State or Territory is or may be empowered to decide upon such executor, administrator, or trustee shall refuse or neglect to pay the aforesaid duty or tax to the collector or deputy collector as a foresaid within the time hereinbefore provided, or shall neglect or refuse to deliver to said collector or state the such executor, administrator, or trustee shall refuse or neglect to pay the aforesaid or the same of the schedule, list, or statement of such legacles, property, or personal estate, under oath as aforesaid, or shall neglect or refuse to deliver the such cases aforesaid, or shall neglect or refuse to deliver the such cases aforesaid, or shall neglect or refuse to deliver the such cases aforesaid, or shall all not ruly and correctly set forth and state therein the clear value of such beneficial interests therein unruly or shall not truly and correctly set forth and state therein the clear value of such beneficial interests therein unruly or shall not truly and correctly set forth and state therein the clear value of such beneficial interests or where no administration upon such property or personal estate shall have been granted or allowed under existing laws, the collector or refused and shall assess the duty thereon, and the collector shall commence appropriate proceedings before any court of the Culter States, in the name of the United States, against such person or persons as may have the actual or constructive custody or possession of such property or personal estate, or any part thereof, and shall subj

PAR. 6. That in all States having a local inheritance-tax law the amount of such local inheritance tax shall be deducted from the normal amount to be collected under the provisions of this section.

Mr. BRANDEGEE submitted five amendments intended to be proposed by him to the bill (H. R. 3321) to reduce tariff duties and to provide revenue for the Government, and for other purposes, which were referred to the Committee on Finance and ordered to be printed.

# PANAMA CANAL EQUIPMENT.

Mr. POINDEXTER submitted the following resolution (S. Res. 169), which was read:

Resolved, That the Isthmian Canal Commission be, and they are hereby, directed to transmit to the Senate information showing as nearly as may be practicable the amount, character, and value of construction machinery, equipment, and material which will be available on the completion of the Panama Canal and which it would be possible to transfer to Alaska for use in railroad and dock construction and coal mining.

Mr. POINDEXTER. I ask unanimous consent for the consideration of the resolution.

Mr. SIMMONS. I shall not object, provided it does not lead to debate. If the Senator will withdraw it in that event I will not make an objection.

Mr. POINDEXTER. I do not think it will lead to any debate.

The VICE PRESIDENT. The Senator from Washington asks unanimous consent for the present consideration of the resolution.

Mr. SMOOT. Let it be read again. The Secretary again read the resolution.

Mr. BRANDEGEE. I should like to ask the Senator from Washington if the execution of this request would involve any

Mr. POINDEXTER. I can not imagine what expense would be involved in it. They have a large, well-organized clerical force, and undoubtedly they have this information already in hand. I imagine that the transmission of the information to the Senate would not involve any expense.

Mr. BRANDEGEE. The transmission, of course, would not involve anything but putting a frank on an envelope and mailing it, if they have the information. I assume it will involve going over the whole equipment on the canal in order to ascertain what could be dispensed with and what is necessary, and in that there is something in the nature of an investigation. I would rather have it, if the Senator would not object, provided if it can be done without expense or some. limited expense. I am willing to have the resolution passed, if the Senator prefers it, as it is.

Mr. POINDEXTER. I would prefer it the way it is. I do not think it will involve any expense for the reason that those in charge of the construction of the canal undoubtedly have

this information in their possession.

Mr. BRANDEGEE. I think the resolution ought to distinguish between the entire amount of machinery and equipment which is now upon the canal and the amount which could be dispensed with and moved to Alaska. As I heard it read, it made no such distinction, but asked for a statement of the entire amount there available and which could be transported to Alaska. The whole of it could be transported to Alaska or any other place if we want to spend enough money to get it there. I suppose the idea is to find out what possibly could be taken to Alaska that may not be needed to be retained upon the canal.

Mr. POINDEXTER. The resolution asks for the amount and character that would be available at the finishing of the canal. Mr. BRANDEGEE. The whole of it would be available, would it not?

Mr. POINDEXTER. That is what we are inquiring. imagine that they have a large amount of machinery and equipment which would not be useful or available for the construction of docks or railroads in Alaska. The very language of the resolution necessarily discriminates between such as would be useful and available for the purposes mentioned and that which would not be.

Mr. BRANDEGEE. I see the Senator's point. I do not ob-

ject to the adoption of the resolution.

The resolution was considered by unanimous consent and agreed to.

## THE TARIFF.

The VICE PRESIDENT. The morning business is closed. Mr. SIMMONS. I ask unanimous consent that the Senate proceed to the consideration of House bill 3321.

There being no objection, the Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 3321) to reduce tariff duties and to provide revenue for the Govern-

ment, and for other purposes.

Mr. SIMMONS. I yield to the Senator from Tennessee [Mr. LEA].

NATIONAL CONSERVATION EXPOSITION AT KNOXVILLE, TENN.

Mr. LEA. I ask unanimous consent for the present consideration of the bill (S. 2065) to provide for participation by the Government of the United States in the National Conservation Exposition to be held at Knoxville, Tenn., in the fall of 1913. A similar measure carrying a larger appropriation than this was passed at the last session.

Mr. SIMMONS. I shall not object, provided it does not lead to debate and if the Senator will withdraw it in that case.

I will withdraw it if it leads to debate. Mr. LEA.

Mr. CATRON. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll. The Secretary called the roll, and the following Senators answered to their names:

Ashurst Bacon Bankhead Brady Brandegee Bristow Bryan Catron Chamberlain Chilton Clapp Clark, Wyo.	Colt Crawford Cummins Fall Fletcher Gallinger Gronna Hughes James Johnson Jones Kenyon	La Follette Lane Lea Lewis Lippitt Lodge McCumber McLean Martin, Va. Martine, N. J. Myers Nelson	O'Gormai Oliver Overman Owen Page Perkins Pittman Poindext Pomerene Reed Robinson Saulsbur,
Clarke, Ark.	Kern	Norris	Shafroth

Sheppard Sherman Shields Shively Simmons Smith, Ariz. Smith, Ga. Smith, S. C. Smoot Smoot Sterling Sutherland

Thomas Thompson Tillman Townsend Vardaman Walsh Warren Weeks

Mr. JAMES. My colleague [Mr. Bradley] is prevented from attendance here by reason of illness. He has a general pair with the Senator from Indiana [Mr. KERN]. I will allow this announcement to stand for the day.

Mr. SHEPPARD. My colleague [Mr. Culberson] is necessarily absent, and is paired with the Senator from Delaware [Mr. DU PONT]. This announcement may stand for the day.

The VICE PRESIDENT. Seventy-three Senators have answered to the roll call. There is a quorum present. The Senator from Tennessee asks unanimous consent for the present consideration of Senate bill 2065.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill. It proposes to appropriate \$50,000 to enable the Government of the United States and its experiment stations to cooperate with and make an exhibit at the National Conservation Exposition illustrative of the functions of the Government and the experiment stations and their educational value in connection with the development and wise use of the natural resources of the United States, especially the advancement of scientific agriculture and the increase of productivity of the soil through improved cultivation and crop selection and the prevention of avoidable wastes; the reclamation of wet and dry lands by drainage and irrigation, respectively; the more economical development and utilization of mineral wealth; the judicious use of and prevention of needless destruction in woodlands for maintaining timber supply and protecting headwaters of streams; the development and utilization of water power; the use and improvement of inland waterways; the preservation of fish and game; the preservation and protection of life in connection with industrial operations; and the economic investigations and operations of the Government with reference to mines and mining, geology, topographic and other surveys, public roads, rural-life improvement, education,

child welfare, and public health and sanitation.

A United States Government board of managers is authorized to be appointed, to be charged with the selection, purchase, preparation, transportation, arrangement, safe-keeping, exhibition, and return of such articles and materials as the heads of the several departments, respectively, decide shall be embraced in the Government exhibit herein authorized. The President of the United States may also designate additional articles of peculiar interest for exhibition in connection with the said Government exhibit. Said Government board of managers shall be composed of three persons now in the employ of the Government and shall be appointed by the President, one of whom shall be designated by the President as chairman of the said board and one as secretary and disbursing officer. The members of said Government board, with other officers and employees of the Government who may be detailed to assist them, including officers of the Army and Navy, shall receive no compensation in addition to their regular salaries, but they shall be allowed their actual and necessary traveling expenses, together with a per diem in lieu of subsistence, to be fixed by the Secretary of the Treasury, while necessarily absent from their homes engaged upon the business of the board. Officers of the Army and Navy shall receive said allowance in lieu of the subsistence and mileage now allowed by law; and the Secretary of War and the Secretary of the Navy may, in their discretion, detail retired Army or Navy officers for such duty. Any provisions of law which may prohibit the detail of persons in the employ of the United States to other service than that which they customarily perform shall not apply to persons detailed for duty in connection with said National Conservation Exposition. Employees of the board not otherwise employed by the Government shall be entitled to such compensation as the board may determine, and such employees may be selected and appointed by said board. The disbursing officer shall give bond in such sum as the Secretary of the Treasury may determine for the faithful performance of his duties, said bond to be approved by said Secretary. The Secretary of the Treasury shall advance to said officer from time to time, under such regulations as he may pre-scribe, a sum of money from the appropriation for the Government exhibit herein authorized, not exceeding at any one time the penalty of his bond, to enable him to pay the expenses of said exhibit as authorized by the United States Government

board herein created, Mr. SMOOT. I me I merely ish to ask one question of the Senator from Tennessee. I notice the report says:

This committee, having conducted a hearing of the officers of the National Conservation Exposition and others, is of the opinion that the exposition should have the approval of the United States.

I suppose the Senator does not understand that the approval of this exposition by the United States places any responsibility on the Government of the United States further than the appropriation provided for.

Mr. LEA. None in the world; and the bill so provides,

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 3321) to reduce tariff duties and to provide revenue for the Government, and for other purposes

Mr. LIPPITT. Mr. President, I should like to have the attention of the Senator from North Carolina [Mr. Simmons] for a moment. In the course of my remarks yesterday in connection with the subject of the bounty paid by Australia the Senator from North Carolina had paragraph E of the administrative part of the bill read into my remarks, he claiming that the countervailing duty that is provided for in that paragraph could be used to counteract the payment of the bounty on tops from Australia. I have since given that subject a little more careful examination than I had the opportunity to do when it was first proposed, and if the Senator will read that paragraph he will see that the Secretary of the Treasury is only authorized to act in case the bounty is paid upon the exportation of any article. If the bounty is paid by the Government of Australia for the manufacture of the article, and applies alike to the article, whether it is used in Australia or whether it is exported, as I read the paragraph it would not be effective.

Now, I do not know exactly in what form that bounty is paid. The only information that I had about it was what has appeared in the daily press. I think it is probable that the bounty is paid by the Government of Australia upon tops manufactured. In such case the situation would be as I described it. If, however, it is only paid in case the tops are exported, which If can not imagine is the case, then the position of the Senator from North Carolina would be correct.

I have brought up the subject for two reasons: One as to its effect upon the woolgrower in this country and the other to show the great efforts which some countries make to en-courage the very things which I think are being discouraged under the policy which is being inaugurated here. I simply wanted to bring to the attention of the Senate the situation as

understand it.

Mr. SIMMONS. Mr. President, my recollection is that before I asked to have the paragraph incorporated in the Senator's remarks, after stating the substance of it, I had asked the Senator from Rhode Island whether he referred to an export duty, and whether that export duty was in the nature of a bounty or otherwise. Of course, this country would have no concern about a bounty paid by a foreign government upon productions in that country unless that bounty was in the nature of a burden upon the exports to this country. bounty paid is in the nature of an export duty, or if it is a bounty confined to exports, then, under this paragraph, the amount of that bounty would be added to the duty fixed in this

Mr. LIPPITT. The way the Senator from North Carolina describes it and the way I have described it I think are the same. We understand the situation alike.

The VICE PRESIDENT. The Secretary will proceed with the reading of the bill.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in paragraph 295, page 87. line 20, before the words "per cent," to strike out "15" and insert "5," so as to make the paragraph

295. Combed wool or tops and roving or roping made wholly or in part of wool or camel's hair, and on other wool and hair which have been advanced in any manner or by any process of manufacture beyond the washed or scoured condition, not specially provided for in this section, 5 per cent ad valorem.

Mr. WARREN. Mr. President, I desire to ask the Senator in charge of this schedule of the bill if he will not allow that paragraph to be passed over for the present? I have at my office some figures which I wish to present a little later in the

Mr. STONE. Very well; let the paragraph be passed over. The VICE PRESIDENT. The paragraph will be passed over.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in paragraph 296, page 87, line 21, before the words "per cent," to strike out "20" and insert "15," so as to make the paragraph read:

296. Yarns made wholly or in chief value of wool, 15 per cent ad valorem.

The VICE PRESIDENT. The question is on the committee

The amendment was agreed to.

Mr. SHEPPARD. Mr. President, on yesterday during the debate it was intimated that an alleged flood of foreign goods came into this country after the enactment of the Wilson tariff law. One would think that the lowering of the tariff rate by that law led to a great increase in importations. I wish to call attention to the exact figures. .

Under the McKinley tariff law, which was enacted in 1890, the largest amount of importations free of duty was in 1892, and their total amount was \$458,000,000 in round numbers. At no time during the operation of the Wilson tariff law did the

imports free of duty reach that amount.

Mr. WARREN. Does the Senator from Texas mean \$458,000,000 or 458,000,000 pounds?

Mr. SHEPPARD. The value of the goods imported free of

duty in 1892 under the McKinley law was \$458,000,000 in round numbers

Mr. WARREN. The Senator means of all imports?

Mr. SHEPPARD. Yes; of all imports admitted free of duty.

I will give the imports subject to duty in a moment.

The highest value of imports free of duty was reached in 1892 under the McKinley law and was \$458,000,000, in round numbers. The amounts free of duty under the Wilson law were as follows, in round numbers: In 1894, \$378,000,000; in 1895, \$376,000,000; in 1896, \$368,000,000; and in 1897, \$381,000,000. The amount of dutiable imports under the McKinley law

reached the highest value in 1891, and that value was \$466,000,-000, in round numbers. At no time during the operation of the Wilson law did the imports of goods subject to duty reach that amount or anything like it.

The amount of imports subject to duty under the Wilson law were, in round numbers, in 1894, \$257,000,000; in 1895, \$354,000,000; in 1896, \$390,000,000; and in 1897, \$407,000,000.

I think these figures will speak for themselves.

Mr. WARREN. Mr. President, my attention was called away when paragraph 296, the short paragraph, was read, and I think that ought to go over with the paragraph relative to yarns

Mr. STONE. Mr. President, the Senator from Wyoming asks that paragraph 296 be passed over with the preceding paragraph. I understand he wishes that paragraph passed over only

Mr. WARREN. Only temporarily, so far as I am concerned. I want to make a very few remarks, and I have some figures that are at my office which I should like to give a little later in the day

Mr. STONE. As I understand the Senator, it will not delay

us in going on with the rest of the schedule?

Mr. WARREN. I am speaking only on my own account. merely wish to delay the consideration of the paragraph a

Mr. SMOOT. Mr. President, I did not understand what object the Senator from Texas [Mr. Sheppard] had in quoting the

figures of importations under the McKinley law.

Mr. SHEPPARD. It was intimated in the Chamber on yesterday that the lower rates of the Wilson law had caused a flood of foreign goods to enter this country; that they had

caused an increase in the importations. Mr. SMOOT. All that was said yesterday, as I remember, was that the Wilson law caused a flood of woolen goods and wastes to come into this country, and that is the absolute truth. More woolen goods and more wool waste entered the United States under the Wilson law than at any former time in our history for the same length of time. The Senator from Texas is quoting the amount of importations of all goods that were upon the free list. Why, Mr. President, under the present law the goods coming into this country free have, I suppose, reached the largest proportion under any law since a tariff bill was first

Mr. SHEPPARD. I also gave the value of goods imported

subject to duty.

Mr. SMOOT. Certainly, Mr. President; and under the present law 51 per cent and a fraction of all the goods imported

into this country come in free.

Mr. SHEPPARD. I understand that, but I say I also gave the value of the goods that came into this country subject to a duty under the Wilson law, and they were smaller in volume than the importations under the McKinley law subject to a duty.

Mr. SMOOT. Certainly, Mr. President; because people at that time did not have the purchasing power that they pre-

wiously had; and not only that—

Mr. SHEPPARD. Did they have it as to woolen goods?

Mr. STONE. Mr. President, I appeal to both Senators to know if they do not think that this debate has at least a very

remote connection with the matter that we now have immediately before the Senate.

Mr. SMOOT. No, Mr. President, it has an immediate connection with it.

Mr. STONE. I think that we ought to go on and make a

little progress. Mr. SMOOT. Another thing I want to say to the Senator from Missouri is that I do not think that he ought to be impatient, because I have said very little upon this schedule so far. The Senator from Texas made a statement to refute a

statement made yesterday, and that statement—
Mr. STONE. I admit that the Senator from Texas has started the ball rolling, but I hope the Senator from Utah will

not keep pushing it along.

Mr. JAMES. Mr. President, in view of the fact that the Senator from Utah has made but three speeches of three hours each on this matter, I think he ought to be permitted to proceed.

Mr. SMOOT. I am very thankful to the Senator from Ken-

tucky for suggesting such a thing. Mr. SHEPPARD. Mr. President

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Texas?

Mr. SMOOT. I do.

Mr. SHEPPARD. I want to say that I am not disturbed in the slightest by the statement of the Senator from Missouri [Mr. Stone] to the effect that Senators are trying to take up time. I have taken up less time than almost any other Senator; and if I have anything to say, I propose to say it, regardless of any insinuations that may be offered here. I had a contribution which I thought was worthy of being made in this debate, and so I made it, as I propose to make any other, if I think it worthy. It is a matter of indifference to me what Senators may think about it.

Mr. SMOOT. All I want to do is to keep the record straight, and I would have been through long, long before this time if the Senator from Missouri [Mr. Stone] had not interrupted.

I simply desire to say, Mr. President, that the statement made

yesterday was that under the Wilson law there was a flood of importations into this country of wastes and of woolen goods;

and I say that that is absolutely the truth and that the figures of the Treasury Department will so prove.

Mr. HUGHES. Mr. President, does the Senator claim that the Senator from Pennsylvania [Mr. Penbose] did not on yesterday give the impression that under the operation of Wilson law there was a general paralysis of industries in this country, and that practically all the manufacturing business of this country was turned over to foreign manufacturers? Did he not make a direct statement of that character in the course of his speech?

Mr. SMOOT. I do not know whether it was a direct statement, but I assume that that is what he said and what he meant; and so far as the woolen business is concerned it is true. Mr. HUGHES. In the absence of the Senator from Pennsyl-

vania I do not like to attempt to quote him. I can only say Mr. SMOOT. I think he was referring particularly to the woolen industry.

Mr. HUGHES. The impression made upon me was that he was referring to the condition of every industry in this country

Mr. SMOOT. Mr. President, he was speaking on the woolen schedule; he was referring to woolen goods; and he spoke of the woolen business. The Senator must remember that several Senators referred to the immense increase in the importation of wastes and woolen goods during the 3 years and 8 months of the operation of the Wilson law over any period in the history of the United States. The importation of such goods during the 3 years and 8 months of the operation of the Wilson law was nearly twenty times more than for the 13 years since that time.

Mr. SHEPPARD. Was that due to the smaller purchasing power of the people and to panicky conditions?

Mr. SMOOT. No matter how hard times may be, people must have clothing; the law compels them to wear clothes; and, of course, if all of our clothing manufactures are virtually paralyzed the people have to get goods from some other part of the world.

Mr. SHEPPARD. But when I showed that all importations subject to duty came in under the Wilson law in less amount than under the McKinley law the Senator says it was due to the fact that the purchasing power of the people had been diminished. If the purchasing power was diminished as to all other goods, why was it not diminished also as to woolen goods? It makes no difference whether or not the statement of the Senator from Pennsylvania was true as to woolen goods, the fact remains that the enactment of the Wilson law did not on the whole cause a great increase of importations and a flood of foreign

goods into this country.

Mr. SMOOT. If the Senator would only study this question and find out what the American production was during those years, what the foreign importations were, and add them together, he would find that the purchasing power of the people was restricted.

Mr. SHEPPARD. Why did they buy so much more woolen

goods, then?

Mr. SMOOT. They did not buy more woolen goods.

Mr. SHEPPARD. The Senator has just said that they

Mr. SMOOT. Oh, they bought more foreign woolen goods, but they did not buy nearly as many American-made goods. The production in this country fell off immensely.

Mr. SHEPPARD. Where are your figures?

Mr. SMOOT. I can give them to the very pound, if the Senator desires.

I rose simply to correct a statement made here in relation to the woolen-goods industry in this country, and I shall let it rest at that.

The VICE PRESIDENT. Does the Chair understand that by agreement concurrence in the committee amendment to paragraph 296 is to be set aside?

Mr. JAMES. I understood the Senator from Wyoming [Mr.

WARREN] to request that the paragraph be passed over.

The VICE PRESIDENT. The paragraph goes over; but the Chair wants to have the record straight, and desires to know

whether, by agreement, concurrence in the committee amendment to that paragraph is to be set aside?

Mr. THOMAS. I will inquire of the Senator from Wyoming

what is his understanding?

Mr. WARREN. Mr. President, there need not be any mis-nderstanding. Paragraph 296 depends very much on the understanding. paragraph which precedes it. If any change should be made in paragraph 295, it would involve a change in paragraph 296. Of course, I may say that Senators on the other side ought not to get frightened, fearing immediate changes. I myself am not fearing that any change will be made; but I should like to submit some reasons why there should, in justice, be a change.

Mr. THOMAS. Perhaps the Senator did not understand the

inquiry of the Chair. We are not frightened at all up to this

time.

Mr. WARREN. I was not certain that the amendment had

been adopted, my attention being diverted at the time,
Mr. THOMAS. We are quite willing that the paragraph shall go over as though the amendment had not been acted upon at all.

Mr. WARREN. I understood that the two paragraphs were

to be passed over for the present, to be taken up later.

The VICE PRESIDENT. But the inquiry of the Chair is as to whether the paragraphs being passed over concurrence in the committee amendment in paragraph 296 is to be set aside, or whether the action on that amendment is to stand and then the paragraph go over?

Mr. WARREN. The paragraph ought to go over, but I do not care to make any motion to reconsider the amendment, although much depends on the preceding paragraph. I think the Senator from Missouri understood that they were both to lie over together. When we return to them, they can be taken up

in whatever condition they may then be in.

Mr. STONE. I understood the Senator to say that his attention was diverted when the committee amendment in paragraph 296 was agreed to, without debate or any suggestion in regard to it, and he immediately stated that he would like to have paragraph 296 passed over, along with the preceding paragraph, and that both should be taken up together. I will state that I have no objection.

The VICE PRESIDENT. Then, the Chair understands that the paragraph goes over as though the amendment were not

agreed to?

Mr. STONE.

Mr. STONE. Oh, well, it is immaterial.
Mr. WARREN. It does not make any difference either way.
The reading of the bill was resumed.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in paragraph 297, page 87, line 26, after the words "ad valorem," to insert "cloths if made in chief value of cattle hair or horse hair, not specially provided for in this section, 25 per cent ad valorem; stockings, hose and half hose, made on knitting machines or frames, composed wholly or in chief value of wool, not specially provided for in this section, 20 per cent ad valorem; stockings, hose and half hose, selvedged, fashioned, narrowed, or shaped wholly or in part by knitting machines or frames, or knit by hand, including such as are commercially known as seamless stockings, hose and half hose, and clocked known as seamless stockings, hose and half hose, and clocked

stockings, hose and half hose, all of the above, composed wholly or in chief value of wool, if valued at not more than \$1.20 per dozen pairs, 30 per cent ad valorem; if valued at more than \$1.20 per dozen pairs, 50 per cent ad valorem; press cloth composed of camel's hair, 10 per cent ad valorem," so as to make the paragraph read:

the paragraph read:

297. Cloths, knit fabrics, felts not woven, and all manufactures of every description made, by any process, wholly or in chief value of wool, not specially provided for in this section, 35 per cent ad valorem; cloths if made in chief value of cattle hair or horse hair, not specially provided for in this section, 25 per cent ad valorem; stockings, hose and half hose, made on knitting machines or frames, composed wholly or in chief value of wool, not specially provided for in this section, 20 per cent ad valorem; stockings, hose and half hose, selvedged, fashloned, narrowed, or shaped wholly or in part by knitting machines or frames, or knit by hand, including such as are commercially known as seamless stockings, hose and half hose, and clocked stockings, hose and half hose, all of the above, composed wholly or in chief value of wool if valued at not more than \$1.20 per dozen pairs, 30 per cent ad valorem; if valued at more than \$1.20 per dozen pairs, 50 per cent ad valorem; press cloth composed of camel's hair, 10 per cent ad valorem.

Mr. LODGE, Mr. President, I wish to call attention to the

Mr. LODGE. Mr. President, I wish to call attention to the fact that in the case of a particular kind of cloth called casket cloth, owing to the way it is made up abroad, the effect of the use of the words "wholly or in chief value of wool" will be to throw it into the cotton schedule with 15 per cent duty.

I shall not undertake to argue the case at any length, but I

desire to print a statement that relates to it.

The VICE PRESIDENT. In the absence of objection, that order will be made.

The matter referred to is as follows:

NEPONSET WOOLEN MILLS, Canton Junction, Mass., May 29, 1913.

Senator Henry Cabor Lodge,

Washington, D. C.

Dear Sir: I own a woolen mill at Canton Junction, Mass., making cloth (sometimes called "faced unions") for covering caskets and coffins.

I have just discovered that I shall be put out of business on account

offins.

I have just discovered that I shall be put out of business on account of the wording of the new tariff bill in Schedule K, paragraph 279, "Cloths, knit fabrics, felts not woven, and all manufactures of every description made, by any process, wholly or in chief value of wool not especially provided for in this section, 35 per cent ad valorem." The particular phrase in this paragraph is, "wholly or in chief value of wool." These words throw 70 per cent of my production into Schedule I, paragraph 257. This leaves a protection of 12½ per cent on account of being a dyed fabric—total protection, 15 per cent.

Our particular fabric—known under the name of casket cloth—can not be used for any purpose other than the covering of coffins, the machinery to produce it being brought over from England, the duty for it being a dyed fabric—total protection, 15 per cent.

The cloth is made with a cotton warp and a low woolen yarn for filling, the latter having a varying percentage of cotton waste. It is also necessary to add a proportion of new cotton to help the spinning.

also necessary to add a proportion of new cotton to neip the spin ning.

The cost of labor is very high, owing to the great amount of work essential to obtain a finished appearance equal to the highest grade of imported broadcloths. The foreign manufacturers are past masters at this kind of work and get an appearance even better than ours. They are also expert manipulators, and will be able to have the chief value cotton and have their goods passed under the cotton schedule. Most manufacturers are able to push their sales and help out on an increased production, thereby reducing the manufacturing cost. I can not ask people to die and thus increase my sales, and my machinery is not adapted to the manufacture of other lines of cloth, and prices are cut low. I am obliged to sell goods 2 yards wide at 37 cents per yard, and 70 per cent of my business is at this price.

I respectfully ask that, under the special conditions and high cost of production, you will give me the woolen protection, either by changing the paragraph mentioned or by a special clause that will put casket cloths and faced unions into the woolen schedule.

Yours, very truly,

Mr. SMOOT. Mr. President, just a word in connection with

Mr. SMOOT. Mr. President, just a word in connection with that item. What the Senator from Massachusetts has said is well taken. The casket cloths are composed mostly of cotton, mixed with the finest kind of wool and wool waste.

Mr. LODGE.

Low-grade woolen yarns. Yes. The reason of that is that they are not Mr. SMOOT. designed to stand wear, but they have to be highly finished face goods.

Mr. LODGE. They have to be finished like broadcloth.
Mr. SMOOT. Yes. While there is considerable wool in it, it
is mostly on the face. This cloth will fall in the cotton schedule,

as the Senator says.

Mr. LODGE. I will add that it requires special machinery,

which has to be imported.

Mr. SMOOT. They are very highly finished goods, and a great deal of labor is required to face-finish them.

Mr. LODGE. That is true.

I also wish to call attention to the fact that the effect of this amendment, as I understand it, will be to give to the heavy, stockings a measure of protection, but just the reverse in the case of the light stockings. I think the Senator from Connect-

icut [Mr. McLean] has figures which show that.

Mr. McLean. What paragraph is the Senator referring to?

Mr. LODGE. I am speaking now of the amendment in paragraph 297, page 88, dealing with the question of stockings. I

say that I think the Senator has figures there to show that for the heavy stockings some protection is given, but with the same

kind of stockings of light weight the reverse is true.

Mr. McLEAN. I think the same principle applies to hose that applies to knitted underwear. It was my purpose to call the attention of the Committee on Finance to the same lack of logic in the rate on knitted wear in paragraph 300.

Mr. LODGE. Very well; then I will let it go until that

paragraph is reached.

The VICE PRESIDENT. The question is upon agreeing to the amendment proposed by the committee.

The amendment was agreed to.

Mr. STONE. Mr. President, I desire to say at this point that it is probable that a little later an amendment will be offered to this paragraph, following the amendment just agreed to, with a view to covering woolen gloves as woolen hose are covered in this paragraph. That amendment is not proposed now, however. I am merely stating that the probability is that it will be offered.

Mr. SMOOT. That would take them out of paragraph 300, in which they now fall?

Mr. LODGE. Yes.

Mr. McLEAN. The same principle is involved in paragraph

Mr. LODGE. The amendment suggested by the Senator from Missouri would take out the articles for which the Senator from Connecticut has the figures and put them in here, where I suppose they belong, because it is the combination of dozens and weight that makes the difficulty.

Mr. McLEAN. Do I understand from the Senator from Missouri that the committee will consider that the same principle

is involved in paragraph 300?

Mr. STONE. Yes. As I understand, woolen gloves would fall under the 35 per cent duty provided in paragraph 300. they should be classified specially in paragraph 297, with a definite rate applying to them, of course it would take them out of paragraph 300, since they would be specially provided for.

Mr. McLEAN. I simply wish to call the attention of the Senator to the fact that the same principle applies equally to the kuitted underwear, the lighter weights receiving no protection at all under the flat rate of 35 per cent ad valorem.

Mr. STONE. That is another question. I was merely advising the Senate that a particular amendment probably would be proposed. Of course we can take it up when we reach it.

Mr. McLEAN. If the Senator says he will take under con-

sideration all the products involved in that section, I have nothing more to say. Otherwise, I should like to call the attention of the committee to the matter.

Mr. STONE. I do not know what the Senator means by taking them under consideration. The committee has had them under consideration.

Mr. McLEAN. I will explain to the Senator what I mean.

Perhaps I may as well do it now as later.

Mr. STONE. Does the Senator wish to address himself now to paragraph 300?

Mr. McLEAN. Paragraph 300; yes.
Mr. STONE. Why not wait until we get to it?
Mr. McLEAN. Very well.

The next amendment of the Committee on Finance was, in paragraph 298, page 88, line 16, after the word "Blankets," to insert "not specially provided for in this section," so as to read: 298. Blankets not specially provided for in this section, and flannels, composed wholly or in chief value of wool, 25 per cent ad valorem.

The amendment was agreed to.

The next amendment was, in paragraph 298, page 88, line 18, after the words "ad valorem," to strike out "flannels composed

wholly or in chief value of wool, valued at above 50 cents per pound, 35 per cent ad valorem."

Mr. LIPPITT. Mr. President, I should like to ask the Senator in charge of this part of the bill the reason for striking out the end of that paragraph, which, in effect, gives flannels valued at over 50 cents per pound 25 per cent duty, whereas similar woolen goods are given 35 per cent duty. In the very next paragraph women's and children's dress goods are given a duty of 35 per cent and woolen cloths generally are given a duty of 35 per cent.

Many of these flannels costing over 50 cents a pound are exactly similar to the women's dress goods, except that they have been napped a little; and in many cases the napping is so slight that it is almost impossible to determine whether the piece of goods is a flannel or otherwise. It seems to me, with-out meaning to question in any way the thoroughness of the committee's research, that they scarcely could have been thoroughly posted in all the great variety of fabrics that will be

affected by this change, and that will be put upon an entirely different footing from other similar goods.

I have here a number of samples that are very interesting as illustrating that point; and I really should like to know just what the committee had in mind when they made the change.

Mr. STONE. The committee had this in mind: Flannels are in universal use as articles of comfort and necessity, and because they are articles necessary to comfort we felt that a duty of 25 per cent ad valorem was a sufficient duty to be levied upon them. We have put on the free list blankets valued at less than 40 cents a pound, and we felt that as a revenue duty this was sufficient.

I have not considered the matter at all from a protective point of view as far as I am concerned. So far as my poor labor goes, I have not been engaged in making a protective tariff, but a revenue tariff, as I understand. But even from the protective standpoint, I should say that the duty left here is adequate.

Mr. LIPPITT. The Senator in his remarks speaks of these goods as though they partook of the nature of blankets. I think if he will glance even for a second at the fabrics I have here

Mr. STONE. Mr. President, I will say to the Senator that I suppose we did not have those exact samples before us, but we had numerous samples of like kind.

Mr. LIPPITT. Certainly the Senator does not think there is any relation between a blanket and that very delicate and fine

piece of dress goods [exhibiting sample]. Mr. STONE. Oh, I do not think blankets are made of that flannel; but I think those flannels keep people warm in the winter when they are going about, as blankets keep them warm

in the winter when they are in bed. Mr. LIPPITT. That is entirely true of every piece of cloth in the entire schedule. What I am trying to point out to the Senator is that under this bill whereas he puts on one piece of cloth that keeps people warm, men's wear goods, a duty of 35 per cent, and he puts on another piece of cloth that keeps women warm, women's dress goods, in the very next paragraph, a duty of 35 per cent, in the case of all these exactly similar pieces of goods, which, if they had not happened to be put through a napping machine for the purpose of giving them a rough face, would also pay a duty of 35 per cent, because that additional labor has been put upon them, he puts a duty of only 25 per cent upon them, and gives as a reason that the revenue is not needed; but he does not say why if it is not needed in one case it is needed in the other exactly comparative Now he speaks about these things as though they were case. blankets.

Mr. STONE. No; I did not. The Senator is too much ac-

customed to saying offensive things of that kind.

Mr. LIPPITT. Mr. President, the Senator from Missouri is not entirely free from the charge of saying offensive things. I have a very distinct recollection of a case very recently when he went out of his way to say them. I wish to say that if stating the facts hurts the Senator's sensitive feelings, I can not I should think he would be sensitive.

Mr. STONE. The Senator always provokes the retorts to which he now objects. If he would behave himself, perhaps he would not have so much occasion to be chastised.

Mr. LIPPITT. I will not go into the relative habits of the

Senator from Missouri and myself.

We were discussing the question of whether the Senator did or did not use an expression from which it could be fairly inferred that he had blankets in mind. I may have misunderstood him. I can only say that that was the inference which I drew from it.

Of course, I know the Senator has at his back the votes necessary to make this change, but I felt that I could not let the matter go by without pointing out the relative injustice of I am not talking about whether he is making a protective tariff or what kind of a tariff it is; but at all events, whatever principle it is made upon, it ought to be a consistent tariff. What I have particularly in mind, which I think is perfectly evident to anybody who will examine these fabrics, is that, so far as that particular amendment goes, it is not consistent.

Mr. STONE. Mr. President, let us have a vote. Mr. SIMMONS. Mr. President, I wish to say that, in my judgment, it is absolutely consistent. Of course, if we were making a tariff for protection, then the rule of consistency would be different from the rule of consistency when you are making a tariff for revenue on the one hand, and on the other hand, a tariff to relieve the people from unnecessary burdens upon the essential things of life.

Mr. President, there are no two articles manufactured in this country that are so essential to the comfort and the health of people as blankets and flannels. The Senator has very well said the blanket is to keep people warm at night. There is absolutely no substitute for it. The flannel is essential to keep people warm during the day. In making this tariff we considered that fact.

It was not necessary that we should make the tariff upon blankets and fiannels identical with the tariff upon ready-made clothing. There is nothing in the theory of a tariff for revenue which requires that sort of consistency. We considered in the question of consistency the question of revenue and the question of the necessity of the people.

If you consider it from the standpoint of consistency, applying the protection theory, I notice here that the average ad valorem duty imposed by the present law upon ready-made clothing is somewhat higher than that imposed upon blankets,

I discover that in 1910 the average was 81.33 per cent on ready-made clothing and in 1912 79.56 per cent on ready-made clothing, while the tariff upon blankets in 1912 was only 72.69

er cent. But that, I say, is unimportant from our standpoint. If the Senator will look at the revenue derived from these two articles under the present law he will see another reason why we saw fit to make a heavier reduction in the duty on blankets than in the duty on ready-made clothing. As I said, they are very nearly the same under the present law, though a little higher, about 7 points higher, on ready-made clothing than on blankets. If the Senator will examine the bracket under the head of blankets he will discover that last year under the present rate of duty there was imported into this country only \$52,000 worth of blankets, and the revenue received by the Government was only \$37,000. It was a prohibitive duty in effect. He will discover in the next bracket, under the head of flannels, that the amount of importations last year was only \$128,000 worth, and the Government realized only \$120,000 in revenue. If he will examine the bracket with reference to ready-made clothing, however, he will discover that last year under the duties now imposed the importations amounted to \$2,191,000 and the revenue received was \$1,742,000.

Therefore, from the revenue standpoint, we did not see the same necessity for a heavy cut in the duty on clothing that we saw in the duty on blankets, because the one was prohibitive and the other was not; the one yielded considerable revenue and the other practically none. We have so adjusted these duties that they will in our judgment produce revenue to the Government, as well as give the people of this country two of the prime necessaries of health, comfort, and happiness at a cheaper rate.

Mr. LIPPITT. I am very glad to know the reasons why in the Senator's mind the duty was changed upon blankets. But the Senator perhaps misunderstands the situation I have presented. I have not said a single word about the duty upon blankets

Mr. SIMMONS. I spoke of blankets and flannels, and I understood the Senator to be speaking about the paragraph on blankets and flannels. They are both in the same paragraph

and at the same rate of duty.

Mr. LIPPITT. What I have been trying to call to the Senator's attention was that a large number of the flaunel fabrics that cost more than 50 cents a pound have no relation. to blankets at all. If my inference from the Senator's remarks was correct that he was speaking of flannels used as underwear. then those fabrics have no relation to flannels of that kind. They are neither blankets for keeping people warm at night nor underwear for keeping them warm in the daytime. They are dress goods, outside garments, exactly the same as are described in the next paragraph as women's and children's dress goods, except that they have been put through a napping machine and have a little different face.

So far as I understand, however, the Senator is not interested in the protective features of the bill and he is discussing it from a revenue standpoint. But if that fabric had not been put through a napping machine it would have been no more nor less apt to be imported than though it had been, and the revenue from it would be a duty of 35 per cent. But when the duty is 35 per cent in one case and 25 per cent in the other, manifestly we will not get the same revenue from the fabric as though it paid the 35 per cent of all its sister fabrics.

I do not care to continue the discussion further. I think I have expressed-

Mr. SIMMONS. Neither do I. Let us have a vote.
Mr. LIPPITT. I think I have explained the situation. I
will say that from the protective standpoint it is one that is of great interest to several of the mills in my section of the country. They do not understand why this one particular fabric that in all the considerations of this bill up to the time it came here have been put upon a parity with other fabrics of the same kind should be singled out in this instance, I felt my-

self that it was due probably to some little misunderstanding of the character of goods that were affected, and I can not say that my mind has been entirely disabused of that idea from the explanations which have been given about it.

Mr. TOWNSEND. Mr. President, if I understood the Senator from North Carolina, he was making a comparison between the item in paragraphs 297 and 298 and 300. He had reference to ready-made clothing. The thing that struck me as inconsistent in the comparison between paragraphs 298 and 299 was in the one case the duty is 25 per cent evidently upon the same kind of cloth.

Mr. SIMMONS. I am speaking of paragraph 300 and paragraph 298. I did not mention paragraph 299. The figures I quoted-

Mr. TOWNSEND. I know the Senator did not, and that is why I thought the Senators were not discussing the same item.

In the one case the duty is 25 per cent and in the other case it is 35 per cent. I am not familiar enough with it to see why there should be that difference on practically the same class of

Mr. SIMMONS. I do not understand the Senator. Does he say the rate in paragraph 299 is different from that in paragraph 300?

Mr. TOWNSEND. No; I am not talking about paragraph 300 at all. I am talking about paragraphs 298 and 299.

Mr. LODGE. As I understand it, the flannels in the portion stricken out by the committee will be made from dress goods in the main.

Mr. LIPPITT. That is the way I understand it. They represent some of the finest and most delicate of the products of the woolen industry.

Mr. LODGE. Exactly; and those dress goods are put at 35 per cent ad valorem, and this particular kind of flannel is put at 25 per cent.

Mr. LIPPITT. This particular kind of dress goods is put at

Mr. SIMMONS. The Senator certainly understands that paragraph 298 has reference only to the material and paragraph 299

to made-up goods. Mr. LIPPITT. Certainly not. Mr. LODGE. Paragraph 299 is not made-up goods.

Mr. LIPPITT. Paragraph 299 applies to these very fabrics, unless they have been napped.

Mr. SIMMONS. I beg pardon.

Mr. LODGE. But the point is that dress goods of a certain kind are put 10 per cent lower than dress goods of another kind. The House had it arranged properly, so far as the classification

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment was, in paragraph 300, page 89, line 6, after the word "wool," to insert "or of wool and india rubber," so as to make the paragraph read:

300. Clothing, ready-made, and articles of wearing apparel of every description, including shawls whether knitted or woven, and knitted articles of every description made up or manufactured wholly or in part, and not specially provided for in this section, composed wholly or in chief value of wool, or of wool and india rubber, 35 per cent ad valorem.

Mr. LODGE. Before the amendment is disposed of I wish to call attention to one item that is included in it under the the term "articles of wearing apparel of every description." Under that clause what are known as wool hats under the previous law have a duty of 44 cents a pound and 69 per cent ad valorem, making an equivalent ad valorem of 82 per cent. That has been cut down from 82 to 35. Under that 82 44 per cent, which was the equivalent, in the year 1912 there were 87,675 pounds imported as against 9.616 pounds in 1907, the importation rising very rapidly under the present duty. work is largely handwork. We have to compete with longer hours abroad, child labor, and also with the difficulty of the short season. This reduction is destructive to this industry, which is carried on by small concerns. There are no large concerns in it. They are all small concerns, and they have had a very hard struggle under the present rate.

I merely desire to call attention to this particular injury, as there are some small factories of that kind in my State, and to ask that a fuller statement, which I hold in my hand, may

be printed with what I have just said in regard to it.

The VICE PRESIDENT. If there be no objection, that will be done.

The matter referred to is as follows:

NEW YORK, May 17, 1913.

Hon. HENRY CABOT LODGE, United States Senate, Washington, D. C.

DEAR SIE: We desire to record our protest against paragraph 300 of Schedule K of the proposed new tariff act—which replaces paragraph

382 of the present schedule—the effect of which is to reduce the tariff duty on wool hats and wool-hat bodies, finished or partly so, from a specific duty of 44 cents a pound and 60 per cent ad valorem to a flat ad valorem duty of 55 per cent.

Under the present tariff, which was equivalent in the fiscal year 1912 to 82.44 per cent ad valorem (Report of Department of Commerce and Labor, No. 15, p. 61), the number of wool hats entered for consumption during the year ending June 30, 1912, more than trebled the number entered for consumption during the previous fiscal year.

The following statement of importations is taken from the reports on commerce and navigation and the Department of Commerce and Labor, showing the following importations of wool hats from 1907 up to and including the fiscal year 1912:

Year.	Pounds.	Cost.
1907	9,616	\$15,900
1998	32,593	51,363
1909	28,923	49,439
1910	19,557	33,305
1911	19,630	47,145
1911	87,675	171,923

The foreign manufacturer, by reason of his cheaper labor, notwithstanding the present duty, is able to compete in this market with the product of our own mills.

The specific duty of 44 cents a pound on the wool hats imported during the fiscal year ending June 30, 1912, was equivalent to 22.44 per cent ad valorem. (Report of Department of Commerce and Labor.)

The free-wool provision of the pending tariff act would offset this equivalent and justify a reduction of the tariff on wool hats to a 60 per cent ad valorem basis, but it is proposed, without any corresponding offset or equivalent, to cut this duty to 35 per cent ad valorem.

The industry can not survive the reduction.

Approximately 41 per cent of the factory cost of the typical wool hat is made up of direct and indirect labor cost. The division of factory costs is approximately as follows:

	GL CGH
Wool	3
Trimmings (band and sweat)	2
Direct labor	2
Indirect labor, including packing, boxing, casing, and other fact	ory
costs	1

It would impose an unreasonable hardship and injustice upon manufacturers to have the tariff law go into immediate effect without an opportunity to dispose of this surplus accumulation and to readjust factory operations to the new tariff conditions.

The wool-hat industry in this country is conducted by individuals, firms, or corporations, none of whom have been formed by consolidation or merger with any other concerns heretofore existing. Such corporations as exist are either family affairs or concerns organized by local subscriptions in towns where they are located. The competition is genuine and keen.

We urge, therefore, that you will use your best efforts to obtain the modification of paragraph 305 to provide for the 50 per cent ad valorem duty, and that in any event in good faith and fair treatment to American manufacturers the time in which the new tariff is to take effect shall allow at least a period of six months for clearances and read-fustment.

fustment. Yours, very truly, EMMONS BROS. Co., M. EMMONS, President.

Mr. McLEAN. Mr. President, the senior Senator from Missouri [Mr. STONE] is absent, and if the chairman of the committee will kindly give me his attention I will endeavor to explain to him what is considered by the knit-goods manufacturers to be a great injustice in this 35 per cent ad valorem duty upon knitted underwear. I have here a comparative statement of the cost in this country and in France and England with regard to knitted underwear. Perhaps I can best explain the point by reading to the Senator a comparison of the cost and the effect of a flat duty with regard to the cost per dozen. In France on, or a nat duty with regard to the cost per dozen. In France on, say, style 100, size 40, weight 4 pounds per dozen, cost \$4 per dozen, the duty would be \$1.40, which would make the total cost of the light-weight underwear \$5.45 abroad. In this country the cost is \$7.24 per dozen. When you come to the heavy weights, taking 11 pounds per dozen, the foreign cost would be \$17.13, the duty \$5.99, making the total cost \$23.12. The American cost is \$20.22. Here you will see that there is an adequate protection. 820.22. Here you will see that there is an adequate protection. But no consideration whatever is paid to the fact that the labor cost in the construction of both the light and heavy weights is practically the same. Consequently the ad valorem flat rate of 35 per cent upon light weight furnishes no protection at all.

I will ask to have this statement put in the RECORD in order that the committee may take notice of it if they desire to do so. The matter referred to is as follows:

Comparative costs under proposed Wilson tariff bill between foreign and American made men's knit underwear manufactured from worsted and worsted merino yarns.

	Style.	Weight, size 40.	For- eign cost.	Duty.	Total cost.	Cost to manu- facture in Amer- ica
French	{ 100 159/57 250/11 400/13	4 pounds	\$4.00 6.30 10.62 17.13	\$1.40 2.20 3.71 5.99	\$5. 40 8. 50 14. 33 23. 12	\$7.24 8.67 13.66 20.22

The above figures as to the present foreign cost on the four garments mentioned were obtained from a large importer of foreign goods and are prices which prevailed in January, 1913. In figuring the cost of these four garments, if made in America under the present cost of labor, the price of wool was figured on a free-wool basis. The above figures show on their face that the proposed Wilson-Underwood bill is not scientific. The lightweight goods could not be made in this country, whereas the heavier goods have a fair protection on them, providing the duty of 35 per cent was actually collected.

Mr. McLEAN. I will not offer an amendment at this time, but unless a change is made I shall offer an amendment when the bill is in the Senate. I want to say to the Senator from North Carolina that I ask it for precisely the same reason that he asked to have the tariff raised on lumber in 1909. He was then, as now, in favor of a tariff for revenue only, and in the debate preceding the fixing of a rate on lumber on April 30, 1909, the Senator from North Carolina used the following language:

The bill under consideration reduces the duty upon rough lumber—that is, sawed board—from \$2 to \$1 per 1,000 feet. The equivalent ad valorem rates are, respectively, about 1 per cent and 5½ per cent.

I am opposed to this reduction and in favor of retaining the present duty upon lumber, because the present rate is upon a revenue basis, and because the proposed reduction will probably not reduce the price of lumber to the farmer and the home builder, or, if at all, only slightly and in a comparatively limited area, while it would work great hardship to the lumber industry and the sections of the country in which this industry is conducted by enlarging the market zone of Canada for this product.

I ask the Committee on Finance to put a reasonable protective duty on these goods, because it is a great industry in my State; in the first place, because of the revenue that the Government would derive by if, and, in the next place, because it will not increase the price of the article to the consumer, as stated by the Senator from North Carolina in his opposition to lowering the rate on lumber; and, thirdly, because reasonable protective duty is placed upon this article it will greatly enlarge the market zone for foreign products.

Mr. SIMMONS. Mr. President, I want to call the attention of the Senator from Connecticut to the fact that under the present law, as is shown by imports entered for consumption for the year ending June 30, 1912, on knit fabrics, not wearing apparel, valued at not more than 40 cents per pound the quantity imported last year was 111 pounds, the value was \$4, and the revenue \$5.79. The rate of duty was 144.75. Of knit fabrics valued at above 40 and not above 70 cents per pound, the quantity imported was 1,007 pounds, valued at \$658. The duties collected amounted to \$772.08, at an ad valorem duty of Valued above 70 cents per pound the impor-117.44 per cent. tations were 7,780 pounds, valued at \$8,428, revenue \$8,058.60; average ad valorem equivalent, 95.62.

Mr. McLEAN. I am aware of those figures.

Mr. SIMMONS. I do not know, Mr. President, what is the difference in the cost of producing this article here and abroad. I have not investigated that. We have not been trying to bal-ance the difference in labor cost here and abroad because we were not trying to make a protective bill. But I imagine that in all the statements we have heard here about the labor cost abroad and the labor cost here are predicated upon the wages paid abroad and the wages paid here. I have made some investigation as to that, and I find that in this country the labor cost of a product does not always depend upon the amount of wages paid, because there is frequently very little relation between the amount of wages per diem per man and the labor cost of a product.

That is true in agriculture and that is true in manufacturing. Farmers paying the same price for labor find at the end of the year that their crops have cost entirely different amounts per unit. One factory paying the same labor cost finds that the labor cost of its product is more than that of another in this And so in Europe the amount of wages paid per diem country. per man does not measure the labor cost of the article.

Mr. McLEAN. If the Senator will pardon me, I do not think

he has my point.

Mr. SIMMONS. I do not desire to enter into any debate. was just saying that as incidental to the statement that we had not considered the labor cost in making up this bill. We have not sought to adjust duties upon that basis.

Mr. McLEAN. If it is the purpose of the Senator to give protection to heavyweight goods and to remove protection from lightweight goods, I have nothing more to say. I was calling

attention to the fact that it stands to reason-

Mr. SIMMONS. Mr. President, where you adopt a tariff system to apply to different weights and the one is more valuable than the other the ad valorem catches it as a rule.

Mr. McLEAN. But the labor cost is practically the same. Mr. SIMMONS. I do not know as to that. I stated to the Senator that I had not made any investigation about the labor cost, and we have not framed this bill upon that basis.

Mr. McLEAN. I think it is safe to assume that the labor cost would be substantially the same in a lightweight garment as in a heavyweight garment, but no consideration at all is taken of added value because of the material. Why not fix it so that it will bear some semblance of justice?

The Senator understands perfectly well Mr. SIMMONS. that if there is an added value to a thing, if it is dutiable ad valorem, then the ad valorem takes up and catches that addi-

Mr. McLEAN. That is precisely the point that I am trying to impress upon the Senator. The rate as fixed—35 per cent—does give adequate protection to the heavier weights. The very fact that the value is added appreciates the effect of the ad valorem duty, and the protection is sufficient.

Mr. SIMMONS. Now, the Senator from Connecticut is talking about protection. He says one gives adequate protection and the other does not give adequate protection. I have stated to the Senator that we were not trying to give protection in the

duties that we impose here.

Mr. McLEAN. If it is the purpose of the committee to expose one product to competition from precisely the same mill and to give to the other protection, I have nothing more to say.

Mr. SIMMONS. Well, Mr. President, our position does not involve that, as explained by me repeatedly this morning.

Mr. McLEAN. That is the effect of this rate. Mr. SIMMONS. I do not care to go into it again.

The Senator from Connecticut has referred to my position upon lumber, and in the very beginning of this debate the Senator from Pennsyvania referred to my position upon lumber. I stated then, and I want to state again, that if the Senator from Connecticut and other Senators will read all I said upon that occasion, they will find that my contention was that under the Payne-Aldrich tariff law heavy protective duties were levied and maintained upon nearly all of the things that enter into the cost of production of lumber-upon the ax and the saw with which the tree is felled, upon the carriage with which the log is hauled, upon the iron and steel rail and the engine of the logging road with which it is transported to the mill, upon the machinery in the mill with which it is sawed into boards, upon the tin and the sheet iron in the drying kilns; and my contention was that these protective duties imposed by the Payne-Aldrich law were a burden and a charge upon the cost of manufacturing lumber, and that the manufacturer of lumber should at least be given a rate that would recoup him for the additional cost upon his product imposed by the high duties upon the things that enter into its production.

That was my contention then, and that is my contention now. I said then, "If you will reduce the duties upon the products that enter into the cost of producing lumber, if you will take the duty of of them than I will not the cost of producing lumber. the duty off of them, then I will vote for free lumber, and do it gladly."

Mr. President, this bill has done practically the very things which I said if done when we were considering the Payne-Aldrich bill I would vote for free lumber. I wish to say again that, in view of that fact, I am going to vote and I have voted for free lumber, and I have done it with a great deal of pleasure.

Mr. BRANDEGEE. Mr. President, I call the attention of the Senator from North Carolina to the fact that the President of the United States, on the 8th day of April, 1913, addressed

Congress and said:

It would be unwise to move toward this end headlong, with reckless haste or with strokes that cut at the very roots of what has grown up amongst us by long process and at our own invitation. It does not alter a thing to upset it and break it and deprive it of a chance to change. It destroys it. We must make changes in our fiscal laws, in our fiscal system, whose object is development, a more free and wholesome development, not revolution or upset or confusion.

Mr. President, it was said repeatedly by the President and by the leaders of his party in the campaign that the intention of

his party, if given power, would be to revise the tariff so as not to injure a single legitimate industry, and that those who were attempting to make the people of this country apprehensive that any legitimate industry which, in the language of the President, had grown up according to our own invitation and under our own laws would be injured was an improper attempt on the part of Republicans to distort and misrepresent his position and

that of his party.

Now, the Senator from North Carolina, the distinguished chairman of the Committee on Finance, stands on the floor of the United States Senate and says that in the make-up of this bill there has been no attempt whatever to even ascertain the difference between the cost of production here and abroad; that there has been no attempt to incorporate a single protective feature in this entire bill; that there has been no attempt to protect any industry that has grown up in this country for the last 40 years under the invitation provided by the laws of the country, the acts of Congress; and that instead of abiding by what the President said in his solemn message to this Congress within four months, of not proceeding to destroy anything, but to make the changes in the fiscal policy of this Government gradual, so that things might be developed and not be upset and reduced to confusion, they boldly state that their intention is to destroy at one swoop the entire system of protection.

If the Democratic Party can consistently claim that this is a wise, discreet, and conservative policy, intended simply to readjust inconsistencies in the existing law, so as not to injure a single legitimate industry, they can turn a more complete somersault than any political party has even succeeded in doing in

this country and still retain power.

Mr. THOMAS. And land on their feet. Mr. SIMMONS. Mr. President, I have stated that we were not making a protective bill. I had not supposed the Senators on the other side thought we were making a protective bill. had supposed that they had been assailing this bill on the ground that it was not a protective measure. To say that we have not considered the conditions of an industry would be to say what is not true with reference to the bill. We have considered the conditions of industry, but we have not considered

these conditions with the view of making a protective measure on the basis of cost of production.

Mr. President, so far as the President of the United States is concerned, he does not need any defense from me or from any other Senator on this side of the Chamber. There has never been a President of these United States, with the possible exception of one, that the people of this country were so strongly behind as the present Chief Executive of this Nation.

There has never been a man in the White House who enjoyed more fully and more completely the confidence of the people of this country with respect to his ability, to his patriotism, and

to his honesty of purpose.

The President of the United States has on various and sundry occasions stated his position with reference to tariff legislation and has made himself perfectly clear. He has not apologized; he has not modified nor retracted anything he has stated. The President of the United States regards, as I happen to know, the bill now pending before the Senate as a fair, just, and full interpretation and expression of his position with reference to the tariff. That being so, Mr. President, I am content; and I am satisfied that Senators on the other side will not be able to show that the President has been at any point inconsistent.

Mr. BRANDEGEE, Mr. President, I did not say that the committee or any member thereof had said that they had not considered the industries of this country in the make-up of this bill. So the Senator has set up a man of straw and valiantly conquered him, more or less irrelevantly, in my opinion. I did say was that I understood the Senator to say, not only to-day but upon a previous occasion, that in the make-up of this bill the majority had not given any consideration whatever to the difference in the cost of production of a commodity in this country and abroad; that their intention was not to equalize the cost of production between an article made in this country and one made abroad nor to equalize the wages paid . to labor, but that their contention-

Mr. SIMMONS. The result would be a protection bill if we

tried to do that.

Mr. BRANDEGEE. Exactly; I have not misunderstood the Senator; he boldly reaffirms what I have stated he said, and which he did not deny. He says that he has made no attempt to make this a protective bill in any respect.

I have not criticized the President of the United States. Senator has pronounced a glowing panegyric upon the President of the United States. I will, however, say, now that the Senator has called attention to the matter, that if the President of the United States approves this bill after what he said in his

message to this Congress on the 8th day of April the President of the United States has turned just as complete a somersault as have the members of his party; but I have no doubt that, with his usually successful and compulsory seductiveness, he will have the entire majority, both in this branch and in the other, trailing submissively in his rear, and that they will be pleased upon this, as upon all other occasions, to give each other complete absolution and to pass bouquets and various flowers to each other until, finally, after the people have had one more chance to express their opinion upon this concoction of absurdities and inconsistencies, there will be placed a little wreath of lilies of the valley upon the corpse which will be interred three years from now. [Laughter.]
Mr. SIMMONS. Mr. President, I only wish to say, in reply

to the Senator, that not only the President, in my judgment, approves this bill as a fair interpretation of his position and of the Democratic position, but I think when the Senator from Connecticut lays up to his soul the unction that this bill is not satisfactory to the people of this country and that they will at some early day, as soon as they have an opportunity, express their disapproval and condemnation of it, the Senator is exceed-

ingly blind to the actual situation in the country.

I am myself as thoroughly convinced that the people of this country are to-day more strongly behind this bill and that, taking them as a whole, it comes nearer giving general satisfaction to the people of this country than any other tariff bill that has ever been framed or presented to a Congress by any party since the foundation of the Government, with the exception of the Walker tariff bill.

Mr. BRANDEGEE. Before it has taken effect.

Mr. SIMMONS. Yes; Senators on the other side of the Chamber said early in the beginning of this discussion that we were going to have a panic as the result of this bill. That was following upon the heels of the argument that has been made for nearly a quarter of a century that we had a panic in 1893 because of the anticipated passage of a Democratic tariff bill that did not become a law until a year after the panic began, and Senators have said that we were to have a repetition of that condition this year, and they have been waiting from day to day ever since this bill was introduced into the House of Representatives, with the solid backing of the Democratic membership of that body behind it, for business disturbance and then a panic. From day to day they have predicted that it would come, while every day the conditions in the country have grown better and better, until to-day, with only a few weeks before this tariff bill goes into effect, there is a condition of prosperity in this country that we have not witnessed in any time in recent There is not a cloud upon the horizon; there is not a responsible business man not interested in the tariff and trying to bring about some increase in duty who does not agree that the country, notwithstanding this bill is about to go into effect, is upon a sound and safe industrial, commercial, financial, and economic basis.

If we had a panic one year before the Wilson bill was passed in anticipation of it, then I want to ask Senators, if this bill is going to produce a panic, why has that panic been so long delayed, and how do they explain the fact we are now after months of discussion about to enter upon a new tariff system with no sign of panic, greatly to the disappointment and

chagrin of some Senators on the other side of this Chamber?

Mr. BRANDEGEE. Mr. President, the Senator need not, because we are considering Schedule K, go "woolgathering" in any such manner as he has been doing in the last few moments. I never have said to the Senate or to anybody else that we were going to have a panic as the result of the passage of this bill.

Mr. McLEAN. I plead not guilty.
Mr. BRANDEGEE. I do think that the glowing conditions of prosperity which the Senator has so ably and truthfully pictured as having existed when the people made the mistake of putting him and his friends into power last November, and which, as the Senator has now borne testimony, exists right down to this minute-I think that that is the greatest tribute to the wisdom and the excellence of the laws under which the country has lived under the administration of the Republican Party

Mr. SIMMONS. Will the Senator let me add, and it is conclusive evidence that the people have no fear of this bill?

Mr. BRANDEGEE. Mr. President, the Senator states that no panic has been produced, although this bill impends over the prosperity of the country like a cloud. The Senator and his friends have been saying for weeks that "the interests" were in a conspiracy to produce a panic for the purpose of discrediting this bill.

Of course it was absurd, as a great many of their statements are absurd, about the intention of the interests to pull down the temple about their own ears. Instead of trying to produce a panic, everybody is talking as cheerfully as he can for the purpanic, everypody is taiking as cheerfully as he can for the purpose of warding off as much as possible of the baleful consequences that are bound to come upon the country. The people who have their notes in the bank to pay for their stocks of goods are trying to prevent any panic which would result in calling their loans. Everybody who is stocked up with goods is trying to whistle as he passes through the umbrageous shade of this impending horror, and to cheer himself up, so that at least he will gain time enough to work off upon the public a portion of the product which he has manufactured with the savings of his business before the floodgates and the bonded warehouses are opened and foreign goods made by cheap labor are dumped upon him in competition in the market where he has produced his goods at higher prices, better wages, and upon American standards of living.

I do not want any panic, and my party does not want any panic. We have not provided any panic at all. The country is prosperous to-day. I congratulate the Senate and the country upon the fact that we have the testimony of the chairman of the Committee on Finance embalmed in the Congressional RECORD, so that if this bill, when put into operation, does not produce conditions which the country will say are an improve-ment upon existing conditions—which, from the Senator's statements, I should judge were about as good as we had a right to anticipate—the people of the country can then turn back to the words the Senator has to-day uttered and contrast their condition then with their condition now as testified to upon the highest Democratic authority and see how much they owe to the Democratic Party and whether it has justified the tem-porary lease of minority power which has been accidentally

conferred upon it. Mr. SMOOT. Mr. President, the picture just painted by the Senator from North Carolina of the wonderful prosperity that is to follow the enactment of this bill into law reminded me of what took place when the Wilson bill was under consideration. I wish to call his attention to the remarks made by Hon. William M. Springer in the House of Representatives when that bill was before that body. This was the prophecy then

made:

Pass this bill and thousands of feet heretofore bare and thousands of limbs heretofore naked or covered with rags will be clothed in suitable garments; and the condition of all the people will be improved. It will give employment to 50,000 more operatives in woolen mills; it will increase the demand for wool, and prices will increase; and with increased demand for labor, wages will increase. Those who favor its passage may be assured that they have done something to promote the general weal, something—

To scatter plenty o'er a smiling land.

That is almost as pretty a picture as the Senator from North Carolina painted this morning as to what we may expect in the way of prosperity in this country upon the passage of the pending bill.
Mr. JAMES.

Mr. President, the Senator from Connecticut makes a very dire prophecy about the future of the Democratic Party. He proceeded to bury us in three years, I believe, and he was kind enough to put some lilies of the valley upon our

graves.

The Senator having attended such a sad and disastrous political funeral last November, his mind naturally turns to graves and to flowers and to funerals. But I wish to say to the Senator that if the Democratic Party does suffer the misfortune of going to the graveyard of which he has spoken, we shall at least be buried in States larger than Vermont and Utah.

I take with a grain of salt all of this assault upon the Democratic Party about a failure to keep its promise to the people and about a betrayal of the people when it comes from one who was himself guilty, with his party, of the greatest betrayal known to the history of American politics; that of the passage of the Payne-Aldrich bill; a betrayal so great that it destroyed his party and left it with two little States as the only evidences that it ever did exist.

Of course the Senator does not want any panic. Of course all these utterances made by the distinguished Senators who have just spoken and by other Senators upon that side, telling us of failures and of lockouts, are for the purpose only of helping the prosperity of the American people. But the Senator will find out that when this bill is passed the country will continue to enjoy even greater prosperity than it now enjoys and that the party to which he belongs can be buried in a State even smaller than Utah at the next presidential election. The Democratic Party is keeping the faith and fulfilling its platform promises upon which we triumphed, and we shall appeal without fear and in full confidence to the American people upon our record here; and that appeal, in my judgment, will find triumphant vindication and approval at their hands.

Mr. BRANDEGEE. Mr. President, I think the Senator from Kentucky has exceeded even the iridescent dream read by the Senator from Utah as dreamed by the Hon. Mr. Springer on a

previous occasion.

Mr. BORAH. Mr. President, I simply rise to say that I do not know what started this filibuster, but I am not in sympathy

The PRESIDING OFFICER (Mr. MARTINE of New Jersey in

the chair). What is the pleasure of the Senate?

Mr. STONE. Let us proceed with the reading of the bill.

The PRESIDING OFFICER. The question is on the committee amendment in line 6, which has already been read.

The amendment was agreed to.

The reading of the bill was resumed, and the Secretary read paragraph 301, on page 89, as follows:

301. Webbings, suspenders, braces, bandings, beltings, bindings, cords, cords and tassels, and ribbons; any of the foregoing made of wool or of which wool or wool and india rubber are the component materials of chief value, 35 per cent ad valorem.

Mr. STONE. Mr. President, I offer an amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated. The Secretary. In paragraph 301, page 89, line 8, before the word "beltings," it is proposed to insert the word "belts"; also, in line 11, after the word "value," it is proposed to insert "and not specially provided for in this section," so as to make the paragraph read:

301. Webbings, suspenders, braces, bandings, belts, beltings, bindings, cords, cords and tassels, and ribbons; any of the foregoing made of wool or of which wool or wool and india rubber are the component materials of chief value, and not specially provided for in this section, 35 per cent ad valorem.

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in paragraph 302, page 89, line 15, after the word "description," to insert "not specially provided for in this section," so as to make the paragraph read:

302. Aubusson, Arminster, moquette, and chenille carpets, figured or plain, and all carpets or carpeting of like character or description, not specially provided for in this section, 35 per cent ad valorem.

The amendment was agreed to.

The reading of the bill was resumed, and the Secretary read to the end of paragraph 309, on page 90.

Mr. STONE. Mr. President, I offer an amendment to para-

graph 309 in the nature of a substitute.

The PRESIDING OFFICER. The amendment will be stated. The Secretary. It is proposed to strike out all of paragraph 309, as printed in the bill, and to insert:

309. Oriental, Berlin, Aubusson, Axminster, and similar rugs, and carpets of every description woven whole for rooms, the value of which exceeds 30 cents per square foot, 50 per cent ad valorem; when valued at 30 cents per square foot and under the same duty shall be assessed as that which applies to the same or similar grades of carpets, plus 5 per cent ad valorem.

Mr. WARREN. Mr. President, may I ask the Senator in brief what is the effect of the proposed amendment? Does it raise the

Mr. STONE. It lowers it. The general effect is to lower the To answer the Senator more specifically, it leaves the duty as it appears in the text of the bill.

Mr. WARREN. Does it raise the duty as to any of the

grades included under it?

Mr. STONE. I was going to say that on whole-woven carpets valued at more than 30 cents per square foot the duty is left at 50 per cent ad valorem, just as in the printed paragraph. On like carpets valued at less than 30 cents per square foot the duty is reduced.

The PRESIDING OFFICER. The question is on the amend-

ment offered by the Senator from Missouri.

The amendment was agreed to.
The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in paragraph 311, page 90, line 13, after the word "wool," to strike out "flax," and in line 14, after the words "part of," to strike out "any" and insert "either," so as to make the paragraph read:

311. Carpets and carpeting of wool or cotton, or composed in part of either of them, not specially provided for in this section, and on mats, matting, and rugs of cotton, 20 per cent ad valorem.

The amendment was agreed to.

The next amendment was, in paragraph 312, page 90, line 19, first two paragraphs of this schedule if the Sena before the word "wholly," to strike out "made" and insert ming [Mr. Warren] is prepared to take them up.

"composed," and in the same line, after the word "in," to strike out "part" and insert "chief value," so as to make the paragraph read:

312. Mats, rugs for floors, screens, covers, hassocks, bed sides, art squares, and other portions of carpets or carpeting, composed wholly or in chief value of wool, and not specially provided for in this section, shall be subjected to the rate of duty herein imposed on carpets or carpeting of like character or description.

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment was, on page 91, to strike out paragraph 314, in the following words:

314. Hair of the Angora goat, alpaca, and other like animals, and all hair on the skin of such animals, 20 per cent ad valorem.

The amendment was agreed to.

The next amendment was, in paragraph 315, page 91, line 7, after the word "animals," to strike out "25" and insert "5," so as to make the paragraph read:

315. Tops made, from the hair of the Angora-goat, alpaca, and other like animals, 5 per cent ad valorem.

The amendment was agreed to.

The next amendment was, in paragraph 316, page 91, line 9, after the word "animals," to strike out "30" and insert "15," so as to make the paragraph read:

316. Yarns made of the hair of the Angora goat, alpaca, and other like animals, 15 per cent ad valorem.

The amendment was agreed to.

The next amendment was, in paragraph 317, page 91, line 12, before the words "per cent," to strike out "40" and insert "35," so as to make the paragraph read:

317. Cloth and all manufactures of every description made of the hair of the Angora goat, alpaca, and other like animals, not specially provided for in this section, 35 per cent ad valorem.

The amendment was agreed to.

Mr. THOMAS. On behalf of the committee I offer an amendment to paragraph 317, which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The PRESIDING OFFICER. The amendment will be stated. The Secretary. On page 91, line 10, after the word "made," it is proposed to insert "by any process, wholly or in chief

value.'

The amendment was agreed to.

The next amendment was agreed to.

The next amendment was, in paragraph 318, page 91, line 16, after the word "surface," to insert "and woven figured upholstery goods"; in line 17, before the words "of the," to strike out "partly" and insert "in chief value of wool or"; in line 18, after the word "alpaca," to strike out "and " and "partly" and insert "or". insert "or"; and in line 19, after the word "velvets," to strike out "50" and insert "40," so as to make the paragraph read:

318. Plushes, velvets, and all other pile fabrics, cut or uncut, woven or knit, whether or not the pile covers the entire surface, and woven figured upholstery goods, made wholly or in chief value of wool or of the hair of the Angora goat, alpaca, or other like animals, and articles made wholly or in chief value of such plushes or velvets, 40 per cent ad valorem

The amendment was agreed to.

The next amendment of the committee was, on page 91, after line 20, to insert a new paragraph, as follows:

3181. The provisions of this schedule (K) shall be effective on and after the 1st day of January, 1914.

Mr. SMOOT. I have heard it stated, of course not on the floor of the Senate, that the committee have that paragraph under consideration and that there is some likelihood it will be changed so as to have the rate take effect upon wool on a certain day and another date for woolen goods. I should like to ask the Senator from Missouri if there is any suggestion of that kind under consideration?

Mr. STONE. I think it would be very well to have the para-

graph. adopted as it is and let that matter go into conference.

Mr. SMOOT. The suggestion is a proper one, and I have no objection to it, but I simply call the attention of the Senator to this. If it went to conference, could there be a date upon woolen goods later than the 1st day of January, 1914, because the latest provision in the Senate committee amendment is the 1st day of January, 1914?

Mr. STONE. It is an entirely new paragraph inserted by the Senate committee, and I should think that the conferees could

make any change they desired.

Mr. SMOOT. I think they can change it anywhere between the date of the passage of the act and the 1st day of January. 1914, but I do not believe they could under the rules extend it beyond that time.

The PRESIDING OFFICER. The question is on agreeing to

the amendment of the committee.

The amendment was agreed to. Mr. STONE. Mr. President, I ask that we go back to the first two paragraphs of this schedule if the Senator from Wyo-

Mr. SMOOT. Before that is done I wish to make a short statement.

I have proposed a substitute for this schedule, and I expected to-day to take it up for consideration and to be voted upon; I also expected to take an hour or so to explain its provisions. But I am not feeling very well to-day. I have a severe headache, and for that reason and that only I shall withhold offering it to-day; but I will offer it when the bill reaches the Senate.

Mr. STONE. Does the Senator not think it preferable to

offer it in the Senate?

Mr. SMOOT. It would not be preferable to me, but I shall

offer it in the Senate, as I said.

Mr. LA FOLLETTE. Mr. President, I introduced yesterday an amendment in the nature of a substitute to this schedule which I propose to offer. I have prepared still another, but as both of them start with raw wool at a less rate of duty than that proposed by the Senator from Utah in the substitute which he will offer, and as I think they should follow his rather than precede it, I shall reserve offering them, and some observations which I propose to submit with them in explanation of their provisions, until we have reached this schedule in the Senate and until after the Senator from Utah has proposed his

Mr. STONE. Now, Mr. President, I will ask the Senator from Wyoming [Mr. Warren] if he is ready to proceed? WOOL TOPS.

Mr. WARREN. Mr. President, I seek recognition now at the suggestion of the Senator at present in charge of the schedule, and I shall take only a few minutes. I wish to address myself to the matter of tops, and, of course, yarns follow. I do this entirely in the interest of the woolgrower, the manufacturer not considered. In view of the fact that wool is the only industry in this bill, highly protected now and heretofore, which is proposed to be absolutely torn down and made free, and that almost immediately, I think we should be entitled to at least some patience in presenting our case and to careful and prayerful consideration thereof, either here on the floor now or by the committee before final passage of the bill.

The woolgrowers feel that the knife has been plunged to its very hilt into their hearts, and they do not like to have the knife turned in the wound and the corpus delicti mutilated. This matter of only a 5 per cent ad valorem duty on tops does

exactly that.

Many years ago I had my attention called to this matter of tops through differences which arose between an editor of a wool and cotton periodical and one of the former presidents of the Wool Manufacturers' Association. The matter called out a good deal of personal feeling and differences, and my sympathies were all against any large duty upon tops. I investigated it with an idea to greatly reduce the duty on tops. So I was not animated by any desire to have a high duty upon that product.

The investigation showed me most plainly, as it has nearly or quite everyone who has worked it out carefully, that if we pass this bill with 5 per cent only on tops the imports to this country will not be in raw wool but will be in tops, because nearly all the cloths are made from yarn, and yarn is made from tops, so that the large proportion of the wool must first

be made into tops.

I understand that the Senate committee in considering this subject has expected to provide that the American woolgrower may be put upon an equality with the foreign woolgrower so that he may be in the world's market. It is impossible, however, to do this if you admit wool free, because of a difference in transportation. That is something I can not perhaps ask the committee to consider and remedy at this time with the views its members have, but in the matter of tops, this proposed differentiation will oblige us in this country to sell the domestic wool as much lower than the foreign wool as the difference is in making up the tops; that is to say, if they are made for 3 to 6 cents a pound less in a foreign country than here, our wool has to go low enough to make up that difference, and added to that we lose the benefit in American labor of so many men as would be engaged in making those tops. In other words, American-grown wool would be shipped to England, made into tops, and returned here, or its equivalent in cost, in order to establish a parity between the domestic and foreign wool.

Mr. HUGHES. The Senator remembers the statement as to

Mr. Heefles. The schaff lemembers the statement as to the difference in the cost of tops made by the Senator from Rhode Island [Mr. Lappitr] yesterday.

Mr. WARREN. I think in his estimate the cost of tops ran from 13 cents in one calculation and grade to as low as 6 cents in the other, made in this country. I have not looked over his remarks.

Mr. HUGHES. My recollection is that the report of the Tariff Board makes the cost of producing woolen tops very

low in this country.

Mr. WARREN. The Tariff Board report is such that it takes a combination of different parts of the report, because they report on the scouring of wool as separate from the combing, and so forth. But I have examined the report of the Tariff Board very closely, and one can deduce at once from it that the difference is against us.

Mr. HUGHES. What does the Senator say is the cost of mak-

ing tops abroad?

Mr. WARREN. The cost of making tops runs from 3 cents and something to 7 cents over there, on different calculations and grades, and the cost here runs from about 6 cents to 13 cents

Mr. HUGHES. In no case would there be a difference of 10 cents.

Mr. WARREN. Oh, no. If the Senator thought I said that there was a difference of 10 cents per pound, there was a misunderstanding. I did not mean that, nor did I intend to say it. Mr. HUGHES. That is what I understood the Senator to

Mr. WARREN. Paragraph 295 of the bill as it passed the House provided that "combed wool or tops, and roving or roping made wholly or in part of wool or camel's hair, and on other wool and hair which have been advanced in any manner or by any process of manufacture beyond the washed or scoured condition, not specially provided for in this section, 15 per cent ad valorem."

The Senate Finance Committee amended this paragraph to

make the rate 5 per cent ad valorem.

The rate of duty carried in the Payne-Aldrich Act of 1909 was 24% cents per pound plus 30 per cent, on combed wool or "tops" valued at not more than 20 cents per pound, or 36% cents per pound plus 30 per cent if valued at more than 20 cents per pound.

Freights from foreign countries to our wool markets, from which the factories purchase their supplies, range from 17 cents to \$1.05 per 100 pounds, while the average rate of the western woolgrower, in localities where most of the wool is grown, is at least an average of \$1.75, running, as it does, from \$1.32 to \$1.98 per 100 pounds railroad freight.

Now, it takes about 3 pounds of grease wool from our ranges to make 1 pound of scoured wool. Therefore the difference is three times that amount on scoured wool, or 2½ to 5 cents per

pound.

The Tariff Board, which made a thorough investigation of the cost of turning wool into tops in this country and England, found that 80 per cent is the approximate excess of the American cost over the English.

The tariff rate on tops under the Dingley and Payne Acts practically has excluded tops from importation into this counry, thus protecting the market for our domestic wool production and creating a field for the investment of capital in mills, and, in addition, and far more important, providing employment for a large number of American workmen engaged in converting unwashed grease wool into a fully cleansed and condensed

product of manufacture ready for the spinner.

I have procured two different calculations of the cost of making tops from grease wool in England and the United States. One was made by manufacturers, and as manufacturers, excepting those who themselves make tops, would benefit by buying tops in a foreign market instead of wool if the labor in the foreign country could be performed for less than in America, I assume their figures would be lower instead of higher than the average in computing the difference in cost. The other set of figures was made for me by a prominent wool dealer, who buys both domestic and foreign wool, and who would prefer to see manufacturers buy, first, home-grown wool, or, second, foreign unmanufactured wool, rather than to see the foreign country perform all the labor and get the benefit of making tops. This dealer's figures make the difference in cost between foreign and domestic tops nearly twice as much as the first mentioned.

And so I have had careful computations made as to what result would obtain from a 5 per cent and a 10 per cent and

also a 15 per cent ad valorem rate.

On a 5 per cent duty basis England would have the advan-tage of us by at least 3 cents a pound. At 10 per cent England would still have the advantage. But on a 15 per cent England would still have the advantage. But on a 15 per cent basis there would be ample difference to protect the American grower. It is quite possible that 12½ per cent might, on an average, cover the ground.

In this connection I would ask to have inserted in the Record in connection with my remarks a communication to the chairman of the Senate Finance Committee, signed by over 100 responsible firms and individuals engaged in the wool business in Boston.

The communication referred to is as follows:

BOSTON. July 24. 1913.

Hon. F. McL. Simmons, Chairman Senate Committee on Finance, Washington, D. C.

Hon. F. McL. Simmons,

Chairman Senate Committee on Finance, Washington, D. C.

Dear Sir: Referring to H. R. 3321. Schedule K. paragraphs 295 and 296, we, the undersigned, engaged in the wool business in Boston, desire to call to your attention that it is our honest practical opinion that the proposed duty of 5 per cent on tops and roving and 15 per cent on yarns, if it becomes effective, will result in very large importations of these partially manufactured products of wool and a relatively much lessened importation of raw wool.

It necessarily follows that wool of domestic growth will sell on a lower basis to meet this competition than it would bring if the competition was more largely with foreign wool in the raw state.

Brown & Adams; Hallowell, Jones & Donald; Farnsworth, Thayer & Stephenson; Cordingly, Barrett & Co.; Manger & Avery; Ayres, Bridges & Co.; Goodhue, Studley & Emery; Adams & Hollingdrake; Robert C. Sears & Co.; Dupee & Meadows; Jacob H. Wood & Co.; A. H. Clifford & Son; Jereniah Williams & Co.; Luce & Manning; Anthony & Waters; William H. Harris; Hobbs, Taft & Co.; Francis Willey & Co.; Alex. Livingstone; Sulzberger & Sons Co.; O. N. Purdy, Jr.; J. W. Foster & Co.; J. Koshland & Co.; Crimmins & Peirce; Eisemann Bros.; Salter Bros. & Co.; George Harrington; Edwin Wilcock; Henry T. Brown; Roope Eddy Co.; Fra & Kennedy & Co.; Frank R. Peters; Swift Wool Co.; Fred M. Blanchard; George S. Wood & Co.; J. P. Boutwell; E. B. Carleton & Co.; Houghton Wool Co.; F. A. Wyman; Louis B. Harding; S. C. Murfitt; George W. Benedict; F. Nathaniel Perkins; Johnson, Sheridan & Co.; Henry & Co.; Henderson & Co.; H. T. Doboson & Co.; G. E. Blaisdell; Caverly & Co.; Standt & Co.; Halls & Nichols; W. R. Bateman; Baker Bros. & Co.; Wills & Nichols; W. R. Bateman; Baker Bros. & Co.; Hills & Nichols; W. R. Bateman; Baker Bros. & Co.; Hills & Nichols; W. R. Bateman; Baker Bros. & Co.; Hills & Nichols; W. R. Bateman; Baker Bros. & Co.; Hills & Nichols; W. R. Bateman; Baker Bros. & Co.; Hills & Nichols; W. R. Bateman; Bak

Mr. WARREN. It would be impossible to say just what percentage of the number of persons employed in mills which manufacture tops solely or as a part of their business would be deprived of their avocation should the industry be annihilated here and transferred to England, Germany, and France. Those familiar with the business believe that upward of 10 per cent, or 16,000 persons out of the more than 160,000 employed in our mills, would be deprived of work if protection equal to the difference in cost of production at home and abroad should be denied.

The loss to the woolgrower would be direct and disastrous, for the market for the greater part of the domestic clip would suffer this difference. Our wool would substantially fall below the world's price because of this handicap. This we can provide against in the pending bill by accepting the House figures rather than those of the Senate committee. Another handicapthat of transportation-we can not so easily remedy, and because of this we certainly ought to remedy this "tops ance as we go along.

Of course, I understand that with the discipline and perfect party organization with which the honorable chairman and the committee in charge of this bill are backed, it is perfectly useless for me to offer an amendment. I do not propose to offer an amendment. I know very well that none would be accepted unless they should take it over and offer it from the other side as one of their own, and I must say that I admire

such organization.

If I have noticed the doings of the Senate accurately, there has not yet been a single roll call in which the solid Democratic Party, with the exception that has been officially made for two Senators, have not followed their leaders and have not carried the point at issue. So I shall move no amendment now, but I want to plead for the woolgrower that, after you have taken away his protection, you leave him on a basis at least equal, or as nearly

equal as may be, in raw-wool value to that of other countries.

Mr. HUGHES. Mr. President—

The PRESIDING OFFICER. Does the Senator from Wyoming yield to the Senator from New Jersey?

Mr. WARREN. I do.

Mr. HUGHES. I wish to get the Senator's idea in reference to this matter. I realize, of course, as everyone must, that this

book show that the duty is somewhere around 100 per cent, and we have reduced it to 5 per cent.

Mr. WARREN. This being Saturday and a half holiday, we ought to have a desire to finish this schedule to-day, and I do not care to go into a technical discussion.

Mr. HUGHES. I do not want the Senator to do that, but I simply wanted to get his point of view with reference to the suggestion he made a minute or two ago, for my own information.

Wool in the raw state is vastly different of course from tops, and we would be greatly handicapped from the standpoint of transporting large numbers of tops. Do I understand the Senator's idea is that with a low duty on tops it would tend to bring imported wool into this country in the shape of tops?

Mr. WARREN. Entirely.

Mr. HUGHES. That is something which ought to be considered, but is it not true that the difficulties the Senator anticipated by the senator and the senator an pates in the way of bringing in wool in the grease would not be obviated by bringing it in scoured; that is preliminary of course to turning it into tops?

Mr. WARREN. I thank the Senator for that suggestion. That is exactly what the woolgrowers are now considering and have been considering, for that matter, in the West, whether it would be possible to do the scouring in a way that might make the product acceptable to the manufacturer and cheaply enough to cover costs of plants for that purpose, and so forth.

Mr. HUGHES. I catch the Senator's idea. He is speaking,

then, not of the transportation of home-grown wool but of for-

eign wool.

Mr. WARREN. I am speaking of how much more it will cost us to get our home-grown wool to the market than it costs to get the foreign wool to our market. In other words, our market, where our manufacturers buy, is such that it costs more to lay down at the factory our home-grown wool from where the largest quantity is supplied than it costs to get it from a foreign country.

I can not expect the committee at this stage of the bill to remedy that. What I do ask is that, having to suffer, as we must, this transportation disadvantage, and having to accept free trade as against the advantages of the other side, we may not have to endure this further disadvantage and loss which a 5 per cent duty only on tops would inflict upon the American

woolgrowers.

The first difficulty they will try to struggle through with by themselves, but as for this second one, 5 per cent tops, it would seem mischievous and triffing to insit upon the Senate cut. Probably what made the trouble, as has been suggested, is that tops were formerly put away up into the sky as to their tariff rate. If I can go back a little and take a moment, I will explain how that originally happened.

Years ago there was a constant friction between woolgrowers and manufacturers. The Woolgrowers' Association had as its president Judge Lawrence, of Ohio, formerly a Member of Congress and formerly, I believe, Comptroller of the Treasury or an assistant. He was for a high tariff, watching closely, of course, the holes in the wall where foreigners were taking advantage of us. In the first Cleveland administration, through a ruling of the Treasury Department, broken tops were allowed to come in with the lowest rate of wastes. The consequence was that the best tops could be mutilated a little and sent in almost at free-

trade rates. That, of course, being taken up later on by Judge Lawrence and his association, he undertook to obtain a rate so high that no tops could be brought in under any circumstances at a profit, on the ground that he wanted, first, to prevent fraud; second, to protect the woolgrower in his products; and, third, to insure the labor of making tops in this country.

For instance, the rate under the Payne-Aldrich Act was 24% cents per pound plus 30 per cent on combed wool or tops valued at more than 30 cents per pound, and 36% cents a pound plus 30 per cent if valued at more than 20 cents per pound. That was entirely above any necessity of protection so far as the real comparison between raw wool and the other was concerned.

But that went into the Dingley bill. Judge Lawrence, whom followed as president of that association, became so angry because I was, as he termed me, a low-tariff man in consid-

ering the Dingley bill, that he never spoke to me afterwards.

Mr. THOMAS. Who was that, may I inquire?

Mr. WARREN. Judge Lawrence. Now, looking at it from any standpoint—and I have here before me, in fact—

Mr. STONE. Did the Senator change his position from a low-tariff man after he and Judge Lawrence—

Mr. WARREN. I am still a low-tariff man. I am a lowtariff man, but not a no-tariff man.

Let me say to the committee, if I had my way I would put is a radical reduction. I recollect that the figures in the hand- a revenue tariff on every article of import that comes into this country, not so much, perhaps, for the amount of revenue as to keep the book account straight. Make it nominal, if you please, in many or most cases, but have everything that comes into this country listed and make it bring some revenueenough, at least, to carry on the expense of assessing and col-I think it would harm no one. It would be so lecting it, trifling that the foreigner would be glad to pay it, as a sort of license; and it would give us the information we want as to the quality, quantity, prices, and so forth, of imports.

I have here a communication, a part of which I may insert in my remarks, from Samuel S. Dale, who is well known as one who opposed bitterly the Payne tariff bill; who has been opposed to high tariffs on wool; who has been for a very low

tariff. He closes as follows:

The Finance Committee's schedule discriminates against the woolgrower, whose product is free, and against the worsted drawing and spinning industries, whose products, roving and yarn, are subject to rates proportionately lower than the rate on finished cloth. These inequalities should be corrected in order that, so far as is possible, all producers may be equal under the tariff law and the country may be spared from further agitation over Schedule K.

Saml. S. Dale, Boston, Mass.

Mr. GALLINGER. Mr. President—
The PRESIDING OFFICER. Does the Senator from Wyoming yield to the Senator from New Hampshire?

Mr. WARREN. I do. Mr. GALLINGER. I was attracted by the observation of the Senator that if he had his way in constructing a tariff bill he would put an import duty on everything that comes into the country. It seems to me if that were done, including tea and coffee and those articles, it would produce a very large revenue, however low the duty might be, and the great industries of the country would have no chance whatever.

Mr. WARREN. Perhaps the Senator did not give due weight to my observation. While I would make them nominal as to a great many things, sufficient only to carry the expense of noting and printing the information for bookkeeping, and so forth, I do not think the Senator and I would differ as to the change and rise of rates necessary from the nominal to the protective in every article, because I desire to plead guilty now, as of old, to being a protectionist, although in this case the protection that I am asking for in this matter of tops is merely to take off one of the inequalities so that the bill may make good what it has proposed to do; that is, give us the world's market at least for our wool product in this country.

As nearly as we can figure it, out of the 160,000 men employed in making cloth, the making of tops in this country

would employ 10 per cent, or 16,000 people.

That is an item to be considered after you have considered the woolgrower. Do you want to cut out that many laborers from doing that work in this country and allow it to be done in another country because the labor there is less than here and because your too low tariff permits them to do all of this labor?

As I have said before, all I can do is to appeal. I should be glad if this committee on its own volition would offer either to strike out their amendment or to name a slightly lower figure than that of the House; but if they are not disposed to do it, if they are not willing to do it, if they feel that even an observation from this side would injure their organization in some way, then I want to appeal in the most earnest manner in which it is possible for a man to appeal, that when they go to conference they may do there as we have had to do a great many times, as the honorable chairman of this committee knows. have had some experience with conferences where we compose our differences and I have, as probably the chairman and other Senators have, sometimes been rather liberal in cuts downward or in rises upward in committee, so that I might have the backing of the Senate to a difference with the House large enough, so that if we found stubborn resistance we could compose our differences somewhere between the higher and the lower figure.

Now, if it should be that out of conference there should come a bill with a 5 per cent duty only, you will have done what I said in opening, not only plunged in the knife, but turned the blade and lacerated the victim after accomplishing the destruction.

If it should go as low as 10 per cent there will be quite large imports. If you go lower than 12½ per cent, you are going to work extreme hardship upon the woolgrower. I hope you will recede from that amendment and allow the House figure to stand as to tops.

Mr. JAMES. Mr. President-

Mr. WARREN. Did the Senator wish to interrupt me?

I thought the Senator was through. Mr. JAMES.

Mr. WARREN. While I am on the floor, as we are at the end now of the wool schedule, I want to speak of one other matter.

I have been waiting to see if the honorable senior Senator from Montana [Mr. MYERS] would come in, because one of the points of his able speech the other day on the free-wool side of the question was that we were the only country in the world except darkest Russia that had any tariff on wool. I may be mistaken, but I have hunted through all the authorities, and I find that Mexico has a tariff on raw wool, Cuba has a tariff on raw wool, Canada has a tariff on certain grades of wool and certain prices, and so on.

I submit herewith a list which I wish to include in my re-

COUNTRIES WITH WOOL TARIFFS.

Mexico: Raw wool, about 11 cents per pound. Cuba: Raw wool from United States, 20 per cent; other countries, 40

per cent.

Canada: Wool, Leicester, Cotswold, Linconshire, Southdown, combing wools, or wools known as luster wools and other like combing wools, such as grown in Canada, 3 cents per pound; worsted tops, 15 per cent; yarns, 30 per cent. (Canadian customs tariff, Apr. 12, 1907.)

Australia: Wool yarns, 10 per cent:
Venezuela: Wool, 7 cents per pound,
Haiti: Wool, 4 cents per pound,
Germany: Combed wool, 47 cents per pound.
France: Combed wool, 32.50 francs per pound.
Italy: Combed wool, 15 lire per pound.

Mr. SIMMONS. Does not the Senator think—Lam merely.

Mr. SIMMONS. Does not the Senator think-I am merely asking him for his opinion-that all the countries that he has named, with the possible exception of Canada, in imposing these

duties do it merely for revenue purposes?

Mr. WARREN. I am not raising that question now, because the honorable Senator who makes the inquiry and I are diametrically opposed in theory, for, of course, I would make a revenue bill with protection considered, and he would make a revenue bill with protection not considered. However, in speaking of free wool and the condition that we are in in competition with other countries, and so forth, I felt it proper to correct what I thought was a misstatement about wool.

There are France, Italy, and other countries that regulate the rates of duty on wool on the basis of whether it is raw or manu-

factured or partly manufactured.

Mr. JAMES. But France has unwashed, washed, and scoured wool free, has it not?

Mr. WARREN. What is the Senator's question?

Mr. JAMES. Has not France unwashed, washed, and scoured wool free?

Mr. WARREN. Yes; France has raw wool free.

Mr. CATRON. Mr. President, I simply wish to state that a few days ago I introduced an amendment to this bill intended as a substitute for Schedule K. I do not desire to call it up now, but I give notice that I shall present it when the bill reaches the Senate, and shall insist on a vote upon it, unless some of the other amendments which would suit me better which have been offered to the schedule shall be adopted.

Mr. JAMES. Mr. President, I desire to place in the RECORD, without reading it, a table showing the population of the various States and the total production, importation, and consumption of wool by States, according to the Thirteenth Census of the

United States, in 1910.

I also desire to file another paper, without reading it, showing the number of farms in each State, the number of sheep in each State, and the number of sheep on each farm in each of the various States.

I also desire to state that the census of 1910 shows that there were 6,351,502 farms in the United States, and that only upon 598,047 farms were there reported sheep, according to the census, which shows that the tariff, which we are told is placed upon wool for the benefit of the farmer, taxes 10 farmers who do not

The PRESIDING OFFICER. Without objection, the tables referred to by the Senator from Kentucky will be printed in the

RECORD.

The tables referred to are as follows:

Population of the United States, by States; total production, importa-tion, and consumption of wool by States, according to the Thirteenth Census of the United States, 1910.

[590,996,078 pounds wool consumed in 1909, or 6.4 pounds per capita.]

States.	Population.	Wool pro- duced.	Wool con- sumed.
New England: Maine. New Hampshire Vermont. Massachusetts. Rhode Island Connecticut. Middle Atlantic:	3,366,416	Pounds. 1,200,000 420,000 1,170,000 217,000 39,750 183,750	Pounds. 4,751,174 2,755,660 2,278,118 21,545,062 3,472,704 7,134,438
New Jersey Pennsylvania.	9,113,614 2,537,167 7,665,111	4,950,000 275,000 6,300,000	58, 327, 130 16, 237, 869 49, 056, 710

Population of the United States, by States; total production, importa-tion, and consumption of wool by States, etc.—Continued.

Indiana Illinois West North Central: Minnesota Iowa Iowa Indiana Iowa Iowa Iowa Iowa Iowa Iowa Iowa Iow			sumed.
Ohio Indiana Illinois Michigan Wisconsin West North Central: Minnesota Iowa Missouri North Dakota South Dakota South Dakota South Atlantic: Delaware Maryland District of Columbia Virginia North Carolina Georgia Fiorida East South Central: Kentucky Tennessee Alabama Mississippi West South Central: Arkansas Mountain: Monthana Idaho Oklahoma Texas Mountain: Montana Idaho Wyeming Calorada New Mexico Arizona Utah Nevada		Pounds.	Pounds.
Indiana Illinois Illinois Illinois Michigan Wisconsin West North Central: Minnesota Iowa Missouri North Dakota South Dakota South Dakota South Dakota Nebraska Kanses South Atlantic: Delaware Maryland District of Columbia Virginia West Virginia North Carolina Georgia Fiorida East South Central: Kentucky Tennessee Alabama Mississippi West South Central: Arkansas Louisiana Okiahoma Texas Mountain: Montana Idaho Wyeming Colorado New Mexico Arizona Utah Nevada	4.767,121	16,900,000	30,509,574
Illinois Michigan Wisconsin.  West North Central: Minnesota Iowa Missouri North Dakota South Dakota South Dakota South Atlantic: Delaware Maryland District of Columbia Virginia North Carolina Georgia Fiorida East South Carolina Georgia Fiorida  East South Carolina Georgia Fiorida  Last South Carolina Georgia Fiorida  Last South Carolina Georgia Fiorida  Last South Carolina Georgia Fiorida  East South Central: Kentucky Tennessee Alabama Mississippi West South Central: Arkansas Louisiana Oklahoma Texas  Mountain: Montana Idaho Wyeming Celorade New Mexico Arizona Utlah Nevada	2,700,876	5, 850, 000	17, 285, 606
Michigan Wisconsin West North Central:  Minnesota Iowa Missouri North Dakota Seuth Dakota Seuth Dakota Nebraska Kansas South Atlantic: Delaware Maryland District of Columbia Virginia West Virginia South Carolina Georgia Florida East South Central: Kentucky Tennessee Alabama Mississippi West South Central: Arkansas Louisiana Oklahoma Texas Mountain: Montana Idaho Wyeming Colorade New Mexico Arizona Uitah Nevada	5, 638, 591	4, 950, 000	36,068,982
Wisconsin  West North Central:  Minnesota  Iowa  Missouri  North Dakota South Dakota  Nobraska  Kansas  South Atlantie:  Delaware  Maryland  District of Columbia  Virginia  West Virginia  North Carolina  Georgia  Fiorida  East South Central:  Kentucky  Tennessee  Alabama  Mississippi  West South Central:  Arkansas  Louisiana  Oklahoma  Texas  Mountain:  Mountain:  Mountain:  Mountain  Idaho  Wyeming  Colorade  New Mexico  Arizona  Uitah  Nevada	2,810,173	11, 475, 000	17,985,097
West North Central:  Minnesota  Jowa.  Missouri North Dakota Searth Dakota Nebraska Kansas  South Atlantic: Delaware Maryland District of Columbia Virginia West Virginia North Carolina South Carolina South Carolina Georgia Fiorida East South Central: Kentucky Tennessee Alabama Mississippi West South Central: Arkansas Louislana Oklahoma Texas Louislana Oklahoma Texas Mountain: Montana Idaho Wyeming Colorade New Mexico Arizona Uitah Nevada			14, 936, 704
Minnesota Iowa Missouri North Dakota Seuth Dakota Seuth Dakota Nebraska Kansas South Atlantic: Delaware Maryland District of Columbia Virginia West Virginia North Carolina Georgia Florida East South Central: Kentucky Tennessee Alabama Mississippi West South Central: Arkansas Louisiana Oklahoma Texas Mountain: Montana Idaho Wyeming Colorade New Mexico Arizona Uitah Nevada	2, 333, 860	6,075,000	19, 000, 101
Iowa. Missouri North Dakota. Seuth Dakota. Seuth Dakota. Nebraska Kansas. South Atlantic: Delaware. Maryland District of Columbia Virginia. Virginia. Virginia. South Carolina. Georgia. Fiorida. East South Central: Kentucky. Tennessee. Alabama. Mississippi. West South Central: Arkansas. Louisiana. Oklahorna. Texas. Mountain:	2,075,708	2,550,000	13, 284, 531
Missouri 2 North Dakota 3 Seuth Dakota 4 Seuth Dakota 5 Nebraska 1 Kansas 5 South Atlantic: 5 Delaware Maryland 1 District of Columbia 7 Virginia 1 West Virginia 1 North Carolina 2 South Carolina 3 Georgia 7 Florida 5 East South Central: 4 Kentucky 7 Tennessee 1 Alabama 1 Mississippi 1 West South Central: 4 Arkansas 1 Louisiana 7 Columbia 1 Columbia 1 Contral: 4 Columbia 1 Columbia	2, 224, 771	5,400,000	14, 238, 534
North Dakota South Dakota Nebraska I Kansas South Atlantic: Delaware Maryland District of Columbia Virginia North Carolina South Carolina Georgia Fiorida East South Central: Kentucky Tennessee Alabama Mississippi West South Central: Arkansas Louisiana Oklahoma Texas Mountain: Montana Idaho Wyeming Colorade New Mexice Arizona Utah Nevada	3, 293, 335	6,020,000	21,077,344
Searth Dakota Nebraska I Kansas South Atlantie: Delaware Maryland District of Columbia Virginia Virginia West Virginia North Carolina South Carolina Georgia Fiorida East South Central: Kentucky Tennessee Alabama Mississippi West South Central: Arkansas Louisiana Okiahoma Texas Mountain: Montana Idaho Wyeming Colorade New Mexico Arizona Uitah Nevada	577,056	1,755,000	3,693,158
Nebraska Kansas South Atlantie: Delaware Maryland District of Columbia Virginia. West Virginia. South Carolina Georgia. Florida. East South Central: Kentucky. Tennessee. Alabama. Mississippi West South Central: Arkansas. Louisiana. Oklahoma Texas. Mountain: Montana Idaho Wyeming. Colorade New Mexico Arizona. Uitah Nevada.	583,888	4,082,500	3,736,839
Kansas.  South Atlantic: Delaware. Maryland. District of Columbia Virginia. Virginia. South Carolina. South Carolina. Georgia. Florida. East South Central: Kentucky. Tennessee. Alabama. Mississippi. West South Central: Arkansas. Louislana. Jokiahoma Texas. Mountain: Montana Idaho Wyeming. Colorada New Mexico Arixona. Uitah Nevada.			
South Atlantic:  Delaware Maryland District of Columbia Virginia. West Virginia. South Carolina. Georgia Florids. East South Central: Kentucky. Tennessee Alabama Mississippi West South Central: Arkansas Louisiana Oklahoma Texas Mountain: Montana Idaho Wyensing Colorade New Mexico Arizona Uitah Nevada	1,192,214	1,625,000	7,630,170
Delaware. Maryland District of Columbia Virginia. West Virginia. North Carolina South Carolina Georgia. Fiorida.  East South Central: Kentucky. Tennessee. Alabama. Mississippi West South Central: Arkansas Louisiana. Jokiahoma Texas Mountain: Montana Idaho Wyensing Colorada New Mexico Arizona. Utah Nevada.	1,690,949	1,312,000	10,821,074
Maryland District of Columbia Virginia Virginia Swest Virginia North Carolina Georgia Fiorida East South Central: Kentucky Tennessee Alabama Mississippi West South Central: Arkansas Louisiana Okiahoma Texas Mountain: Montana Idaho Wyeming Colorada New Mexico Arizona Utah Nevada	000 000	nn 700	# 004 001
District of Columbia Virginia.  Virginia.  West Virginia North Carolina South Carolina Georgia. Fiorids.  East South Central: Kentucky Tennessee. Alabama Mississippi West South Central: Arkansas. Louisiana Oklahoma Texas.  Mountain: Montana Idaho Wyeming Colorade New Mexico Arizona Utlah Nevada	202,322	38,500	1, 294, 861
Virginia. 2 West Virginia. 2 North Carolina. 3 South Carolina. 3 Georgia. 4 Fiorida. 5 East South Central: Kentucky. 5 Temessee. 1 Alabama. 5 Mississippi. 6 West South Central: Arkansas. 1 Louisiana. 1 Okiahoma. 1 Texas. 6 Mountain: Montana. 1 Idaho Wyeming. 1 Colorado New Mexico Arizona. 0 Utah Nevada. 1	1, 295, 346	676,000	8, 290, 214
West Virginia. North Carolina South Carolina Georgia. Ficrids. East South Central: Kentucky. Tennessee. Alabama. Mississippi West South Central: Arkansas. Louisiana. Oklahoma Texas. Mountain: Montana Idaho Wyeming. Colorade New Mexico Arizona. Uitah Nevada.	331,069		2, 118, 842
North Carolina.	2,061,612	1,642,500	13, 194, 317
South Carolina Georgia Florida East South Central: Kentucky. Tennessee Alabama. Mississippi West South Central: Arkansas. Louisiana. Oklahoma Texas. Mountain: Montana Idaho Wyeming Colorade New Mexico Arizona. Uitah Nevada.	1,221,119	3,450,030	7,815,162
Georgia Fierida East South Central: Kentucky. Tennessee. Alabama. Mississippi West South Central: Arkansas. Louisiana Okiahoma Texas Mountain: Montana Idaho. Wyensing. Colorado New Mexico Arizona. Utah Nevada.	2,206,287	765,000	14, 120, 237
Fiorids. East South Central: Kentucky. Tennessee Alabama Mississippi. West South Central: Arkansas. Louisiana Okiahoma Texas. Mountain: Montana Idaho Wyeming Colorada New Mexico Arizona Utah Nevada	1,515,400	187,500	9,696,560
East South Central:  Kentucky. Tennessee. Alabama. Mississippi West South Central: Arkansas. Louisiana. Oklahoma Texas. Mountain: Montana Idaho Wyeming. Colorade New Mexico Arizona. Uitah Nevada.	2,609,121	675,000	16,698,374
Kentucky. Tennessee. Alabama. Mississippi West South Central: Arkansas. Louisiana. Okiahoma. Texas. Mountain: Montana Idaho Wyensing. Colorada New Mexico Arizona. Utah Nevada.	752,619	373,000	4,816,762
Temessee Alabama Mississippi West South Central: Arkansas Louisiana Okiahoma Texas Mountain: Montaina Idaho Wyeming Colorade New Mexico Arizona Uitah Nevada		3337800000	12.000
Temessee Alabama Mississippi West South Central: Arkansas Louisiana Okiahoma Texas Mountain: Montaina Idaho Wyeming Colorade New Mexico Arizona Uitah Nevada	2,289,995	3,800,000	14,655,392
Alabama.  Mississippi West South Central: Arkansas. Louisiana. Oklahoma Texas  Mountain: Montana Idaho Wyensing. Colorado New Mexico Arizona Utah Nevada.	2, 184, 789	1, 236, 000	13,972,650
Mississippi. West South Central: Arkansas. Louisiana. Okiahoma Texas. Montain: Montaina Idaho Wyeming Colorado New Mexico Arizona Uitah Nevada	2, 138, 093	560,000	13,683,795
West South Central: Arkansas. Louisiana. Oklahoma Texas. Mountain: Montana Idaho Wyeming. Colorade New Mexico Arizona. Uitah Nevada.	1,797,114	600,000	11,501,530
Arkansas. 1 Louisiana 1 Okiahoma 1 Texas 2 Mountain: 4 Montana 1 Idaho 2 Wyensing 2 Colorado 3 New Mexico 4 Arizona Utah 3 Nevada 4	TANKS OF THE PARTY		
Louisiana 1 Okiahoma 1 Texas 2 Mountain: Montana 1 Idaho Wyensing Colorade New Mexico Arizona Uitah Nevada	1,574,440	800,000	10,076,474
Oklahoma Texas Mountain: Montana Idaho Wyenning Colorado New Mexico Arizona Utah Nevada	1,656,388	573,500	10,300,883
Texas: 2 Monntain: Montana Idaho Wyeming Colorado New Mexico Arizona Utah Nevada	1,657,155	520,000	10,605,792
Monatain:  Montaina Idaho Wyeming Colorado New Mexico Arizona Utah Nevada	3,898,542	8,943,750	24, 937, 869
Montana Idaho Wyenning Colorado New Mexico Arizona Utah Nevada	0,000,012	0,020,100	24, 301, 000
Idaho W yeming Colorado New Mexico Arizona Utah Nevada	376,053	33,660,000	2,406,739
Wyeming Colorade New Mexico Arizona Utah Nevada			2,083,702
Colorado New Mexico Arizona Utah Nevada	325, 594	18,980,000	
New Mexico Arizona Utah Nevada	145,965	36,037,500	924, 176
Arizona Utah Nevada	799,024	9, 100, 000	5, 114, 754
Utah Nevada	327,301	19, 200, 000	2,094,726
Nevada	204, 354	4,950,000	1,307,866
	373,351	14, 175, 000	2, 389, 446
	81,875	5, 950, 000	523, 960
Pacifie:			
Washington	1,141,990	4,050,000	7,308,736
Oregon	672,765	14, 437, 500	4,305,696
California	2,377,549	13, 300, 000	15, 216, 314
m. t. 1	1 070 000	001 000 000	200 000 cm
	1,972,266	281, 362, 750	590, 996, 678
Pulled wool		40,000,000	
Grand total		321, 362, 750	

The wool production is taken from the Agricultural Yearbook for 1910, and the item "Pulled wool, 40,000,000," being wool pulled from sheepskins, is not distributed to States.

This item is about one-seventh of all the wool produced, and if distributed equally among the States will increase the production figures of each State by one-seventh—an amount not appreciable in the general comparison with the consumption of each State.

Number of farms in United States, census of 1910.

State.	Number of farms.	Number of sheep.	Average number of sheep on each farm.
Maine. New Hampshire. Vermont. Massachusetts. Rhode Island. Connecticut.	60, 016 ,27, 053 32, 709 36, 917 5, 292 26, 815	206, 434 43, 772 118, 551 32, 708 6, 789 22, 418	(1) 114 (1)
New England	188,802	430,672	2 22%
New York	215, 597 33, 487 219, 295	930,300 30,683 883,074	(1) 4½
Middle Atlantic	468, 379	1,844,057	(8)
Ohio Indiana Illinois Michigan Wisconsin	272, 045 215, 485 251, 872 206, 960 177, 127	3,909,162 1,336,967 1,050,846 2,306,476 929,783	14,% 6 4 111 51
East North Central	1, 123, 489	9, 542, 234	81
Minnesota Iowa. Missouri North Dakota South Dakota Nebraska Kansas	156, 137 217, 044 277, 244 74, 360 77, 644 129, 678 177, 841	637, 582 1, 145, 549 1, 811, 288 293, 371 611, 264 293, 500 272, 475	4 51 61 4 8 21 12
West North Central	1,109,948	5,065,009	4,%

1 Less than 1.

2 Average per farm.

* Less than 4.

Number of farms in United States, census of 1910-Continued.

State.	Number of farms.	Number of sheep.	Average number of sheep on each farm.
Delaware	10,836 48,923	7,806 237,187	244
District of Columbia Virginia West Virginis North Carolina South Carolina Georgia Florida	217 184,018 96,685 253,725 176,434 291,027 50,016	804, 873 910, 360 214, 473 37, 559 187, 644 113, 701	414 914 (1) (2) (2) 224
South Atlantic	1,111,881	2,513,553	210
Kentucky. Tennessee. Alabama. Mississippi.	259, 185 246, 012 262, 901 274, 382	1,363,013 795,033 142,930 195,245	(1) 2 2
East South Central	1,042,480	2,496,221	218
Arkansas Louisiana. Oklahoma. Texas	214,678 120,546 190,192 417,770	144, 189 178, 287 62, 472 1, 808, 709	1 1 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2
West South Central	943, 186	2,193,657	21/3
Montana Idaho. Wyoming. Colorado Now Mexico Arizona Utah Nevada	26, 214 30, 807 10, 987 46, 170 25, 676 9, 227 21, 676 2, 689	5,380,746 3,018,478 5,397,161 1,426,214 3,346,984 1,226,733 1,827,180 1,154,795	207 97 490 31 128 136 87 444
Mountain	183, 446	22, 770, 291	124
Washington	56, 192 45, 502 88, 197	475,555 2,689,135 2,417,477	8½ 60 27½
Pacific	189, 891	5, 592, 187	30
United States	6, 361, 502	52,447,861	81

1 Less than 1.

2 Less than 1.

a Less than #.

Mr. SMOOT. Mr. President, I started last evening to prepare a statement similar to that presented by the Senator from Kentucky [Mr. James] as to rice, showing the number of farms producing rice, the amount produced, and the number of States which produced it, following exactly the same line as has the Senator from Kentucky with wool; but I was called away from that work about 10 o'clock and could not return to it. This morning I was called to the depot at 7.30 o'clock and was unable to prepare the statement. I will, however, prepare it at some time in the future.

Mr. JAMES. I will suggest, Mr. President, that I very much hope the Senator will prepare that table. The reason I prepared these particular tables was that I wanted to make it easy for the various Senators who veted for a tax upon wool to explain to the people just how many pounds of wool, in addition to what they produced in a particular State, they had to have imported there in order to supply the consumption; so that they could explain, without any difficulty of research, just how much the burden was upon the consumers of each State, and where it was not a burden how much the benefit was. It was merely in order to make easy those explanations to the public that I have furnished these tables. As an example, in my own State of Kentucky we produced in 1910, as shown by the census, 3,800,000 pounds of wool, and our 2,289,905 population consumed 14,655,392pounds of wool. In other words, we had to import into the State 10,855,392 pounds of wool more than we produced to supply our people, upon which the tariff tax had to be paid.

Mr. SMOOT. And the object I had, Mr. President, in preparing the other table was that I wanted to make it very easy for the Senator from Kentucky and others who voted for a duty upon rice to show that its burden rested upon nearly nine-tenths of the States and of the people of those States who do not produce a pound of rice.

Mr. JAMES. I hope the Senator from Utah, in making that table about rice, will not take the position that rice is as essen-

tial to the living of our people as is clothing.

Mr. SMOOT. Mr. President, there are more pounds of rice consumed in this country to-day than there are pounds of wool used.

Mr. WALSH. Mr. President, I desire to recur to the paragraph of this schedule under consideration, the paragraph in relation to tops, and to say in that connection that I am unable

to agree with the distinguished Senator from Wyoming [Mr. WARREN] that the woolgrower is to any extent whatever interested in the restoration of the 15 per cent duty upon this prodnct which the House bill carries. I desire to introduce what I have to say upon this subject by asking that there be read from the desk an editorial which appeared in the Boston Journal of May 19, 1913. I ask for its reading the more readily, Mr. President, because of its containing some criticism of the Democratic attitude and the Democratic procedure in relation to this measure. It will be discerned from it that it comes from no friendly

Mr. BRISTOW. Mr. President, if the Senator from Montana will yield just a moment before he enters upon the discus-

The PRESIDING OFFICER. Does the Senator from Mon-

tana yield to the Senator from Kansas?

Mr. WALSH. I do. Mr. BRISTOW. I see the Senator from Kentucky [Mr. James] has escaped. I desired to make an interrogatory of him before he left. I believe the Senator from Kentucky has friends present, so I will make the interrogatory, and he may answer when he returns. He has very kindly placed in the RECORD—so he said—a statement of the number of States that produce sheep and the number of sheep in the States, showing from his point of view the number of people that are taxed for the benefit of the sheep growers. I wanted to ask him to place in the Record also the number of manufacturers of cloth and ready-made clothing in the United States, and also a statement of the number of people who wear clothes, in order to show the number of people that he is proposing to tax for the benefit of those manufacturers of ready-made clothing. This bill places a duty of 35 per cent on ready-made clothing and, according to the theory of the Senator from Kentucky, those duties are for

clothes. Mr. WILLIAMS and Mr. WARREN addressed the Chair.

The PRESIDING OFFICER. To whom does the Senator from Kansas vield?

the purpose of protecting the manufacturers of ready-made

Mr. BRISTOW. I yield to the Senator from Mississippi, through the courtesy of the Senator from Montana.

Mr. WALSH. I have the floor, Mr. President. Mr. THOMAS. The Senator from Montana h Mr. THOMAS. The Senator from Montana has the floor. The PRESIDING OFFICER. The Chair realizes that the floor belongs to the Senator from Montana, but he yielded the floor to the Senator from Kansas. Mr. WALSH. I had expected-

Mr. WILLIAMS. I ask the Senator from Montana to yield to me for one or two pertinent or impertinent observations.

The PRESIDING OFFICER. Does the Senator from Mon-

tana yield to the Senator from Mississippi?

Mr. WALSH. I desire to be accommodating upon this matter, but I suggest to the Senators that I have the floor and have something to say

The PRESIDING OFFICER. The Chair recognizes the Sen-

ator from Montana.

Mr. WALSH. I regret that this general discussion should be injected into the midst of my remarks. If any Senator simply desires to ask a question, I shall be very glad to yield.

The PRESIDING OFFICER. Does the Senator from Mon-

tana yield to the Senator from Mississippi?

Mr. WALSH. I do.

Mr. WILLIAMS. I wanted to suggest that perhaps the Senator from Kansas [Mr. Bristow] had inadvertently overspoken himself. He said something about our levying a tax for the benefit of the manufacturers of ready-made clothing. Of course the Senator from Kansas knows that that is not true. He knows that we propose to reduce the taxes which the Republican Party have levied upon the people.

Mr. BRISTOW. Mr. President—
The PRESIDING OFFICER. Does the Senator from Montana yield further?

Mr. WALSH. I do.

Mr. BRISTOW. I shall not pursue the discussion any further, because I recognize that the Senator from Montana wants to complete his remarks, and I will take the matter up later.

Mr. WARREN. Mr. President, will the Senator from Montana yield to me for a second?

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Wyoming?

Mr. WALSH. Yes. Mr. WARREN. I want to address myself for a moment to the Senator from Kansas [Mr. Bristow] and to say that yesterday, when the Senator from Kentucky [Mr. James] proposed to insert in the RECORD certain papers and figures which, I

judge from what he says, have now been inserted, I asked him to advise me so that I might record with them some figures similar to those proposed just now by the Senator from Kansas. I think the Senator from Kentucky probably did not hear me. I hope the Senator from Kansas will take occasion to put such figures into the RECORD. I should be obliged to him if he would do that later on.

Mr. BRISTOW. Well, Mr. Pro Montana will yield just a moment Well, Mr. President, if the Senator from

The PRESIDING OFFICER. Does the Senator from Montana yield further?

Mr. WALSH. I yield. Mr. BRISTOW. I will say that I do not intend to put any such figures in the RECORD. I do not think there is anything in such figures—there is no argument in them. They are simply ridiculous fulminations that are based upon an entirely erroneous theory in regard to tariff taxation.

Mr. WARREN. That is true; but inasmuch as one side has been presented it is well enough to look at both sides of the

picture and compare them.

Mr. BRISTOW. That is true.
Mr. WALSH. Now, I ask that the Secretary read the editorial which I have sent to the desk.

The PRESIDING OFFICER. In the absence of objection, the Secretary will read as requested.

The Secretary read as follows:

#### HOW ABOUT WOOL TOPS?

The Secretary read as follows:

HOW ABOUT WOOL TOPS?

There is a product of wool nanufacture called "wool tops." How it gained the name of "tops," in the first place, is shrouded in some mystery, but during the last 20 years it has demonstrated its right to the title by coming out on top at the various revisions of the indefensible Schedule K. "Wool tops" are the product of the first processes of manufacturing worsted. The cost of turning wool into tops is very small compared with the cost of making wool cloth. And yet when the Dingley bill was framed in the Senate in 1897 "tops" came out on top with a duty as high as that put on finished cloth. There was a scandal over it and it was shown that the paid agent of the wool manufacturers had gained admittance to the secret sessions of the Finance Committee while the Dingley bill was being framed. The correspondence between this agent and his employer was published and showed that the agent had received explicit instructions to let the committee know what the employer needed on "tops." What he "needed" was to have "tops" kept out of the country, and the Dingley duty did this most effectively. This is shown by the fact that, although more than 200,000,000 pounds of wool was imported in 1910, only 2,248 pounds was in the form of "tops." This small quantity must have been brought in by mistake, for it was valued at only \$870, but the duty collected was \$1,243.

That illustrates the way American tariffs have been framed in the past. Are they being framed much better now? Look at "tops" in the Underwood bill. That Democratic measure as it passed the House last week put 15 per cent ad valorem on "tops." What does that mean? The price of foreign "tops" varies from 30 to 70 cents a pound. Fifteen per cent is consequently from 4½ to 10½ cents a pound. There are plenty of "tops" makers in this country who are looking for orders to turn wool into "tops" at 5 to 7 cents a pound, or, say, an average of 6 cents a pound. In other words, the Underwood duty on "tops" is from 75 to

Mr. WALSH. Mr. President, the journal from which the Secretary has just read is published in the city of Boston, the center of the wool-manufacturing industry in this country. paper is an old one, founded in 1833; it is independent in politics; it has a circulation of 95,000 daily; and is owned and published by Frank A. Munsey. I speak of these matters so that the article will not be understood at all to be a party expression, nor an expression of anyone in sympathy politically with this particular bill. It calls our attention to the fact that the subject of tops has furnished scandals heretofore in the construction of tariff bills, and we will do well in the preparation of the measure now under consideration to see that no room is given even for a suggestion of the character which the editorial conveys. I opened this discussion by remarking that the woolgrower, from my point of view, has no interest whatever in raising the duty prescribed by the amendment proposed by the Senate committee, and I think it can be demonstrated upon indubitable grounds that the rate proposed is altogether adequate to furnish whatever protection is necessary, even

from a protective standpoint. Mr. HUGHES. Mr. President-

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from New Jersey?

Mr. WALSH. I do.

Mr HUGHES I should like to ask the Senator if it is the practice now to scour wool where it is grown or if it is shipped in the grease?

Mr. WALSH. It is practically all shipped in the grease.

I desire, Mr. President, to say that if we accept the declaration of the Tariff Board in relation to the cost of producing tops there is no possibility of escaping the conclusion that 5 per cent is all the advantage that is necessary to cover any difference in the cost of production here and abroad. I am going to trespass upon the patience of the Senate long enough to read a few extracts which indicate the views of the Tariff Board. From page 640 I read as follows:

On the other hand, the commission rate for combing would, under normal conditions, cover not only interest on the plant, but whatever profit the comber is able to make besides. To a certain extent the interest and profit of the commission comber may be taken to offset the greater expense of the spinner who makes his own tops, so that the commission rate would approximate the actual net cost of the manufacturer who carried all the processes through in his own establishment.

The distinguished Senator from Rhode Island [Mr. Lippitt] on yesterday thought that it was necessary to add something to the cost of making tops as given by the Tariff Board to cover interest upon the investment and other like expenses; but the Tariff Board itself says that all those items are taken into consideration by the commission man who does the combing for a fee, and therefore the charges made for custom combing necessarily measure the actual cost, and a slight profit, of course, is added. The Tariff Board continues:

Furthermore, the cost per pound of tops will vary according to the relative proportion of tops and noils secured from the process. The scale for commission combing in Bradford, England, differentiates its charges according to the percentage of the units. For instance, the charge for combing merino wools above 56s, quality is 4½ cents per pound where the proportion of tops to noils is 5 to 1 or over. The charge, then, increases as the proportion of noils increases. In general, however, the proportion of noils is seldom greater than 1 to 5—

So we can understand that the Bradford charge for combing is 4½ cents per pound for merino wool-

and this may be taken as the regular commission charge for fine quality wools. On 56s, quality for "carding crossbreds," corresponding to our one-half blood, the charge is 3½ cents; for 50s. corresponding to three-eighths blood, 3½ cents; for 36s. to 46s. equivalent to our low one-quarter blood, the charge is 3 cents; and for low grade prepared, but not carded, the rate is 2½ or 2½ cents.

We have the English rate. Now, as to the American:

There is no standard scale for commission combing in this country. The following, however, may be taken as representative charges: Unwashed Territory wools, half blood or above, 7½ cents a pound; Australian half blood and merino wools, not finer than 70s, quality, and domestic wools, half blood or above, 7 cents per pound; high-quarter blood to half blood, 6 cents (an extra charge is made on unwashed Territory wools); high-quarter blood, 5½ cents; quarter-blood and common combing wools, 5 cents.

So that you have the combing charges in this country and in England for the purpose of comparison. The board continues:

In attempting to arrive at the cost of tops from a consideration of actual mill records for a given period of time, we have found the widest divergencies due to the difference in output. For a six-months period in one mill the average cost of production for all tops was only 4.28 cents per pound, while for another six-months period in the same mill running upon practically the same quality of tops the actual average cost was 9.37 cents a pound.

That is, in America.

The lowest actual cost we have found for making low-quarter blood tops in any given period was 3.24 cents for a six-months production on a greater than normal output. This, however, is an extreme case which could seldom be duplicated by any mill even under the most favorable circumstances.

Accordingly, Mr. President, the Tariff Board gives us the commission charge for combing in this country at 7½ cents, running from 33 cents, the lowest cost, up to something in the neighborhood of 11 or 12 cents.

That is a matter of no great consequence, Mr. President. The important question is the labor cost, because we ought not to impose a tariff here as a premium upon inefficiency of methods. If the methods are so inefficient in this country as to increase the cost and add another element to the difference, as a matter of course no one will assert that we ought to take that into consideration; and even if we did the duty provided here would be adequate, as I shall show, even to take care of that.

Mr. President-Mr. WARREN

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Wyoming?

Mr. WALSH. Yes.

Mr. WARREN. Does the Senator think that we are so inefficient as that?

Mr. WALSH. I certainly do not. I propose to show di-

Mr. WARREN. I myself have been rather distressed, I confess, at the very low estimate which the Senator from Montana and the Senator from Nevada [Mr. PITTMAN], who is not now in the Chamber, have placed upon those who are engaged in the that effect on yesterday; but I am giving the Senate the actual

woolgrowing and the wool-manufacturing industry in this country. I may be wrong, but I have labored under the impression that we had some very skillful men-

Mr. WALSH. Mr. President, I must interrupt the Senator. Will the Senator kindly quote anything that I have stated to the effect that anybody in this country was inefficient or of low

Mr. WARREN. If I understand the English language, the Senator was intimating it very broadly when I asked to inter-

Mr. WALSH. I was reading from the report of the Tariff

Board; I was not giving my views.

Mr. WARREN. I think the notes will not show that the Senator was reading at that particular moment from the report of the Tariff Board.

Mr. WALSH. Of course, if the Senator will call my attention to anything that I did say and it does not express my ideas, I shall gladly withdraw it or say that I was mistaken.

Mr. WARREN. The Senator on yesterday—

Mr. WALSH. I certainly do not care to have the charge made upon this floor that I have made any intimation of want of character or want of efficiency on the part of anybody connected with the manufacturing of wool in this country.

Mr. WARREN. I am very glad to have that declaration.

Mr. GALLINGER. Mr. President-

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from New Hampshire?

Mr. WALSH. I do.

Mr. GALLINGER. Mr. President, I have no special interest in this schedule beyond believing that there ought to be protection to wool and woolens; but I want, if the Senator will permit me, to observe that, as I have been listening to this debate and to other debates, I have noticed that whenever a question is in controversy Senators quote the Tariff Board. That seems to be authority from their point of view. Now, I make this observation simply for the purpose of expressing the hope that when we get to the final consideration of this bill we will create a tariff commission which will be valuable to us in future deliberations.

Mr. WALSH. Mr. President, I interject here, before passing to the next subject in the argument, that in the practice of the law I have always made it a point to endeavor to establish my case, if I could, from evidence provided by the other side. feel that the Tariff Board, as was suggested in the discussion here the other day, would probably, from the manner in which it was constituted, at least present the case not unfavorably to the doctrine of high duties upon these commodities.

Now let me go on. I was going to say, Mr. President, that in the regulation of the rate to my mind practically the only consideration which we are entitled to regard with any particular favor is the difference in the labor cost of making tops in this country and abroad. What is the difference? The Tariff Board gives it at 2.68 cents per pound, as shown by the table which is given at page 642, to which I adverted yesterday.

Mr. WARREN. Mr. President, is that both for washing and combing?

Mr. WALSH. For sorting, scouring, carding, and combing; the elements are all given. I will say now that the usually accurate Senator from Utah [Mr. Smoot] was quite in error yesterday in suggesting that this was the estimate only for low quarter-blood wool. The language of the-

Mr. LIPPITT. Mr. President-

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Rhode Island?

Mr. WALSH. I do.

Mr. LIPPITT. I do not want to interfere with the course of the argument the Senator is making on the labor cost, but it is necessary, in considering that question, to bear in mind the distinction that is usually made in figures of that kind between what is called the direct labor cost and the indirect labor cost. If the Senator will look at the table-I think it is on the next page—where the board give the cost of combing tops at 7½ cents, and will figure through to get the labor cost of all items—not merely the direct labor cost, but all the items of labor cost he will find that they state that the labor cost is 4.27 cents a pound, although they do not include in that table any cost for sorting or scouring the wool, which is in itself somewhere in the neighborhood of 11 cents a pound. For the purpose of the discussion we are now engaged in, we must have the entire cost from the time of purchasing a pound of wool until the top is made. That is nowhere given in the Tariff Board report, except in a fragmentary way; it is nowhere collected as a whole. I merely wanted to make that statement.

Mr. WALSH. I recall that the Senator said something to

labor cost of making tops, as given by the Tariff Board, embracing sorting, scouring, carding, and combing. Now, let me continue. They say with respect to this matter:

The above figures

That is the figures 2.68 cents.

The above figures include tops of fine merino to low quarter bloods.

Then they continue:

A comparison of a large number of mills shows this to be true and that the general expense and fixed charges are nearly equal to the labor cost, so that, excluding interest, the cost of tops in a mill running full time may be taken as ranging from 4 to 5 cents per pound on tops from low quarter bloods to high quarter bloods.

Now I read from the next page-

Mr. SMOOT. That was the statement I made yesterday, and I read it from the Tariff Board report.

Mr. WALSH. Yes; I understand. Mr. SMOOT. And I do not believe I misquoted a word from

Mr. WALSH. Mr. President, on yesterday I said in the course of the discussion of this subject by the Senator from Rhode Island [Mr. Lippitt] that the Tariff Board gave the labor cost of making tops in this country at 2.68 cents, and the Senator erroneously remarked in that connection that that was the cost in the case of low quarter bloods only. I am simply endeavoring to have the RECORD straight.

Mr. President, I have not the RECORD here, and Mr. SMOOT. do not know whether it is in the RECORD this morning or not. wish to say to the Senator, however, that I read from page

642 of the Tariff Board's report, and stated that-

A comparison of a large number of mills shows this to be true, and that the general expense and fixed charges are nearly equal to the labor cost; so that, excluding interest, the cost of tops in a mill running full time may be taken as ranging from 4 to 5 cents a pound on tops from low quarter bloods to high quarter bloods.

The Senator from North Carolina asked me what "low quarter bloods" and "high quarter bloods" meant. I said it was the designation of the grade of wool taken from certain grades of sheep.

Yes. Now that we have the matter straight, Mr. WALSH.

let us not follow it any longer. The Senator was in error in attaching the comment to which he refers to the figures—2.68 which I gave.

Let me continue:

Let me continue:

A comparison of the actual records of two similar plants—one in England and the other in the United States—showed the combing cost for the period of output in question (not including sorting) to be 2 cents in England and 4.27 cents in this country. The American plant, however, was making a slightly higher grade of tops. From the figures in both cases interest and depreciation were deducted, as the English charges were so disproportionately low as to show a difference in book-keeping method on these items.

Another comparison from actual records in England and the United States showed for a year's period an average of receipts of 4 cents a pound in England and 7 cents a pound in the United States; while the profit per pound in the two cases was practically the same, it being very close to 1 cent per pound in each case. This is not an unusual profit per pound in England, and in the case just cited it amounted to 25 per cent of the commission charge in England, as against 14.3 per cent in the United States.

It is further interesting to note that the direct labor cost, excluding labor for repairs, power plant, etc., was in the case of these two plants 69 cents per 100 pounds in England and \$1.76 in the United States, being slightly less than 25 per cent of the total cost in England and 33 per cent of the total cost in England and 33 per cent of the total cost in England and were furnished the board in England to the effect that the direct labor cost is not more than 20 per cent of the total.

Mr. President, when the total labor cost of making a pound

Mr. President, when the total labor cost of making a pound of tops is 2.68 cents, what shall we say is the difference in the labor cost in this country and in England? If, as I suggested yesterday, you can get labor in England for one-half what it costs here, the difference in the labor cost can not exceed 11

cents per pound.

What will a duty of 5 per cent ad valorem produce; that is what will a duty of 5 per cent ad valorein produce; that is to say, what is the actual import price of tops? The report accompanying this bill, sent here for our guidance, gives the unit as something like 80 cents. But we should be entirely wrong in assuming that that would be the price were the importations considerable in number. The present rate is and was intended to be substantially prohibitive. But the Tariff Board gives us the cost of tops, or what the market price was.

Mr. SIMMONS. Let me call the Senator's attention to the fact that the 81 cents per pound given as the cost in the tables accompanying the bill to which the Senator has referred does not include the duty. That is the invoice cost of the product.

Mr. WALSH. Certainly. I am speaking of the invoice price. At page 645 of the Tariff Board report is a table which gives the fluctuations in the cost of tops in this country and abroad. The domestic half-bloods since 1907 have ranged from 65 cents to 80 cents per pound. The domestic three-eighths bloods have ranged from about 57 to about 68 cents per pound. The foreign

three-eighths bloods have ranged from 58 to 73 cents per pound. The general range is from 45 cents for the very lowest grade to about 87 cents for the very highest grade.

So that we have here the actual cost of tops, the foreign price and the domestic price. The foreign price is what we are chiefly concerned in now. That is the invoice price, which runs from 40 cents for the lowest grades up to about 85 to 90 cents for the highest grades, the general average being somewhere between 60 and 70 cents per pound, perhaps

But let us take the lowest grades, and the duty charge is 5 per cent of 40 cents, or 2 cents a pound. It must be conceded upon this record that the actual cost of producing low-grade tops from the low-grade wools does not exceed altogether from 4 to 5 cents, or possibly as high as 6, and the labor cost is not more than 20 per cent of the total cost of the product. So your

very lowest grades are amply protected by a 5 per cent duty.

Take the higher grades, commanding 80 cents a pound. Five per cent of 80 cents is 4 cents per pound. No one pretends that the difference in the labor cost, or indeed the total labor cost

for that matter, reaches anything like 4 cents per pound.

Mr. WARREN. Oh, Mr. President, I think the Senator should temper that remark. Men have claimed it. The Senator says no one will claim it. I do not believe he wants to be put in that position. It has been claimed by a great many men. It has been claimed here on the floor of the Senate, for that

Mr. WALSH. Perhaps, then, I had better say that it is impossible to reach the conclusion from the evidence before us that the labor cost in the case of the production of the highest

grade of tops is greater than 4 cents.

Mr. WARREN. If the Senator will allow me, I wish to say that I myself am neither discrediting the Tariff Board report nor am I undertaking to adopt it; but I do say that in order to represent it fully one must take the tables together, as stated a moment ago by the Senator from Rhode Island; and if we are figuring out tops or anything else we must take the different sections together.

There have been quotations made from that report by various Senators which remind me of the old saying that you can prove anything, any theory or doctrine, from the Bible if you are permitted to select parts of sentences, and so forth. But I have not been able to figure out-and I have submitted the matter to a great many people—any such slight cost as the Senator says.

Will the Senator permit me to go a little further? In opening his remarks the Senator cited the Boston Journal. Of course the Senator will not undertake to say that that is especially a

wool periodical.

Mr. WALSH. I did not offer it as such.

Mr. WARREN. It is merely one of the daily papers. I have read it, off and on, for a great many years. It changes ownership often, and changes its politics and ideas. I do not wonder that the Journal should speak of it as a scandal in former times when the rate was so very high, as I quoted it here. It was very much like the shoddy matter we spoke of yesterday, which was evidently adopted with the idea of keeping out tops, because

Mr. WALSH. Let me say to the Senator from Wyoming that I really supposed he was going simply to make a remark. I do not feel as if-

The PRESIDING OFFICER. Does the Senator from Montana decline to yield further?

Mr. WARREN. I do not wish to trespass upon the Senator's

time.

Mr. WALSH. I simply wish to say that it would be scarcely fair to get into a long discussion with me in the midst of my argument.

I myself have been rather liberal in per-Mr. WARREN. mitting others to break in on me, but I shall await my time.

WALSH. Mr. President, inasmuch as it seems to be absolutely demonstrated from the evidence before us that the rate carried by this bill is adequate, I wish to direct attention for a few moments to a consideration of the persons who will get the benefit of any increase over the rates provided by the amendment proposed by the Finance Committee. The fact is that if they are not the exclusive manufacturers, practically the only firms manufacturing tops for commercial purposes in this country are the Arlington Mills and the American Woolen Co. They manufacture them for sale to other spinners and weavers.

In the years 1895 and 1896 the Arlington Mills, with which William Whitman, prominent in connection with tariff legislation for 40 years, was intimately associated, constructed what he represented, and accurately, too, in a letter to Mr.

Dingley, to be an enormous mill for the manufacture of tops. The way in which he came to build that mill contains an impressive lesson to us in connection with this tariff measure.

The Wilson bill of 1894 had been passed, reducing materially, as does this bill, the duties upon manufactured woolens. then became necessary for the Arlington Mills to look about to see whether new economies could not be introduced into the business in order that they might meet the conditions which then confronted them. The result was that the Arlington Mills were constructed. Mr. Whitman was the chief factor in that great work, and he naturally felt very proud of it. He had every cause to be. He felt so proud of it that he wrote a book about it, called Tops, a copy of which I have on my desk before me. The considerations that prompted the establishment of that mill are set forth as follows in the book:

that mill are set forth as follows in the book:

The management of the Arlington Mills was first brought to the investigation of the foreign methods of specialization in the summer of 1894, when legislation was pending to remove the duty on foreign wool, and otherwise so to change the status of the manufacture as to amount to an economic revolution. It appeared necessary to prepare to adapt American methods to new conditions; and the treasurer of the Arlington Mills visited Europe during the summer in question and acquired all the information possible upon the system of manufacturing there prevailing. He became convinced that to secure the best possible results in this country radical changes were necessary, beginning at the very foundation. It was made clear to him that the most successful combed-wool manufacturers abroad depended primarily upon the cheapness and perfection with which their wool tops were produced, and also that this cheapness and perfection combined were only possible when the manufacture was specialized on a large scale.

And therefore the mills were built. He says further concerns.

And therefore the mills were built. He says further concerning their capacity:

It is calculated that there can be delivered from this building, with these improved expediting processes, 300,000 pounds of tops a week, requiring for their production between 600,000 and 800,000 pounds of greasy wool per week. The top mill is thus capable of consuming the entire wool clip of the States of Ohio and California, which, next to Texas, are the two largest woolgrowing States of the Union. The fleeces of 20,000 sheep will pass through its machinery every day that it is in full operation. Its capacity is equal to one-eighth of the total wool clip of the United States.

Mr. President, the connection of Mr. Whitman with the duty upon wool tops is a matter which has been presented to this body upon a number of occasions. The letters which passed between him and Mr. North, who was introduced into the privacy of the Senate Finance Committee while it was engaged in the preparation of the Dingley bill, were read by the Senator from Missouri [Mr. Reed] at an early stage of the consideration of this bill. I do not purpose to go over those letters now, but I am going to invite the attention of this body to some further revelations in relation to that matter which have lately come to the attention of the public.

Before going into that I wish to refer to these letters, showing the individual and personal interest of Mr. Whitman in this particular schedule.

In a letter to Mr. North, under date of April 6, 1897, he said:

Mr. North, no change ought to be made in the top schedule. It is right just as it stands. It is an enormous reduction from the McKinley law. No possible legislation in connection with the woolen schedule could be so dangerous to the woolen industry as legislation that would favor the importation of tops, and all the representatives of the woolgrowers would oppose legislation that would in any way favor the importation of tops.

Of course they would, under a system pursuant to which wool is not admitted free.

wool is not admitted free.

I depend upon you to look out for my interest in this regard. You know how anxious I have been that tops should be made dutiable at less rates than the McKinley law, and you also know how important it is, not only to me but to the whole worsted industry of the United States, that such rates of duty should be imposed upon tops as will enable them to be made here and not be imported from foreign countries. If there is a single point in reference to this that you do not understand, you ought to communicate with me at once, so that it may be explained. There would be no difficulty in my satisfying the members of the subcommittee on this point, and if there is the slightest danger of any change I must see these gentlemen before it is too late.

If they understand the matter properly, they will make no change. The prosperity of the woolen industry in this country depends wholly upon the ability of the domestic manufacturers to manufacture the tops here. What a ridiculous position we would be in under any legislation that would favor importing tops and discontinuing making them here.

A little explanation of this matter is necessary. Under the

A little explanation of this matter is necessary. Dingley law tops fell under a clause which provided for a duty upon all manufactures of wool advanced in any degree beyond the scouring stage. Mr. Whitman thought it would be advisable to have a paragraph dealing specifically with tops. He proposed such a measure, and it was included in the bill; but when it came to the Senate, for reasons which will be adverted to at some other time, when I hope to address the Senate at length upon this subject, it was excised, and the provision in the Mc-

Kinley bill was incorporated in the Dingley bill.

When the bill got into conference Mr. Whitman was exceedingly solicitous and anxious indeed about the provision which

covered the subject of tops, and he wrote Mr. North as follows-I read only the postscript of a letter dated July 10, 1897:

P. S.—I am unable to go to Washington and have no one to look out for my interests there but yourself, and I depend upon you. Of course Messrs. Aldrich and Dingley will do all they can, but I depend upon your letting them know what I need. I depend upon you. Dress goods, yarns, and tops.

So, Mr. President, we have learned, I think, who the people are who are most vitally interested in the duty upon tops, for which such a struggle is made upon this floor. But a thing to which I desire to invite attention now, which was revealed a long time ago, is that this same Mr. North, who at that time was secretary of the National Association of Wool Manufacturers, drawing from that organization, which was vitally interested in this wool schedule, a salary of \$4,000 a year, was so fortunate as to have his services in the Finance Committee so highly appreciated by his employers that a number of them gathered together and made him a gift of \$5,000 shortly after the passage of the Dingley Act. In further appreciation of his arduous work they increased his salary on the 1st of January following, 1898, from \$4,000 to \$6,000 a year. He drew that salary of \$6,000 during the year 1898. At about that time a very determined effort was made by Mr. Whitman to have this man installed in the responsible position of Director of the Census. It was unavailing. But in the month of July of the year 1898, while he was still drawing a salary of \$6,000 a year from the National Association of Wool Manufacturers, he had friends powerful enough to secure him the place of chairman of the Industrial Commission recently created. He held that position for about a year, when, in 1899, although it was felt that a man directly interested in any statistics that would be prepared that would be made the basis of future tariff legislation should not be installed in the position of director, he was made chief statistician of the Census. He held that position until the year 1903, when he became Director of the Census. Mind you, all this time he was drawing a salary of \$4,000 a year from the National Association of Wool Manufacturers, drawing meanwhile a salary from the Federal Government in these responsible positions these responsible positions.

Mr. Whitman very frankly admitted upon the witness stand that while Mr. North was thus engaged in aid of the majority members of the Senate Finance Committee, if he was, in fact, then in the employ of the Federal Government, it would be utterly wrong for him to convey to Mr. Whitman or to anyone else from day to day the transactions of that committee. His actions in that regard were, however, excused upon the ground that he was not in the employ of the Government at all and was receiving no compensation from it. Yet it was disclosed that although he got no salary from the Government for his services, his daily expenses all of the time he was thus employed, his living expenses here, and his transportation from this city to the city of Boston and back were all paid out of the Treasury, and the vouchers are on file in the office of the Secretary of the United States Senate.

So I say we ought to regard with a great deal of care and a great deal of caution any suggestion that the duty on tops ought to be elevated to 15 per cent, or anything like 15 per cent, or anything in advance of the rate proposed by the Senate Finance Committee, which is entirely adequate, as appears from the record made by the Tariff Board, to take care of this particular item.

Mr. WARREN. Mr. President, I am sorry to see that the Senator from Montana [Mr. WALSH] has allowed the old and reasonable prejudice, if prejudice is ever reasonable, created by the old very high rates on tops, to influence him as far as it seems to have done. The rates at the time of which he has spoken were 24% cents per pound plus 30 per cent ad valorem on one class of tops and 36% cents per pound plus 30 per cent on another, which is quite different from 11 cents to 4 cents per pound, as proposed by the present measure under the amendment of the Senate committee, which is only 5 per cent ad valorem.

I hope the Senator will permit me to refer for a moment to an interruption of yesterday with which the Senator favored me when I had the floor, in which he inquired just when I had changed my mind and consented to the idea that we could submit to a lower tariff rate on wool and woolens. I could hardly see how that information would be necessary to the Senator or how it bore on the question then at issue, and, of course, I was not willing to consider that it was thrown in to embarrass me; but I could not help thinking at the time how natural it is for us to change our minds. Sometimes it becomes very evident that new converts are a good deal more radical than the old-timers when a man changes his religion or his politics or his ideas on finance or public economy.

The Senator, if I remember rightly—and I think I have the documents here—participated with the Wool Growers' Association, I think at Helena, the capital of his great State, when it met in 1908, just before the matter of the Payne-Aldrich tariff bill was to come up in the Congress of the United States. He was there made a member of the committee on resolutions, perwas there made a member of the committee on resolutions, performed his duty very satisfactorily, and, as I learn, made quite an extended, and, as he always does, able speech. His partner—I believe it was his partner, Mr. Penwill—was also there, and participated. As I am informed, they unanimously adopted, among other resolutions, this one:

Resolved, That we approve the present tariff on wool and hides, and deprecate any attempt to alter or modify the same.

This was the Dingley tariff bill.

Mr. President, as Montana is a neighboring and adjoining State and as she has industries that lie alongside and are similar to those of Wyoming, and undoubtedly these two are the two greatest wool and sheep growing States in the Union, I naturally looked with much interest to what was done at that meeting.

In my duties here in the consideration of the various measures that come up, while I always wish to be first for the country at large, I nevertheless think it is no discredit to be especially anxious to provide for the State I have the honor in part to represent and those near it, and especially those interested

in the same lines of business.

Standing as I did here, backed up by a resolution from a committee made up from both Democratic and Republican members, of which the Senator from Montana was a most distinguished Democratic member, and a greatly honored member, I, with others, stood by the tariff bill as they asked us to stand by it.

It is difficult to say just when a man changes his mind, as I explained yesterday; but while the Senator was asking me when I changed my mind, possibly he would have been willing to tell us when he changed his. At that time I was in a re-sponsible position here, and if he had changed his mind soon enough and had informed me then of a different opinion, I might have voted differently on the duty on tops, which were at the extravagant figure I have read-more than fifteen times as high as in this bill. It is always honorable to change one's

I am sorry that in thus changing his mind the Senator has become embittered, as it seems to me-and I say it with all respect—against the item of tops, because, for sooth, in times past it has been an article of scandal, and there have been personal differences, and even while I do not charge it, disreputable prac-

tices. I have no interest in all or any of that,

I have no interest whatever in wool manufacturing and no interest in tops except for the woolgrower. I plead for them If the Senator thinks that his State believes that there should be no tariff on wool, of course he is in the right path to take the course he does. But I beg to say that I have given the matter great attention. I have heard from a great many of our woolgrowers; I read the papers that come from Montana; I read the observations that are made on the actions of their Senators here. I am always pained to see anything that is not commendatory. I do not believe that woolgrowers as a whole, in that State or any other, feel as the Senator does about it—that the woolgrowers are in no danger because of the small 5 per cent tariff duty on tops.

Mr. SMOOT and Mr. JAMES addressed the Chair.
The VICE PRESIDENT. The Senator from Utah.
Mr. SMOOT. Mr. President, I do not intend to keep the
Senator from Kentucky off the floor for many minutes.

Mr. JAMES. Go ahead.
Mr. SMOOT. I do not propose to say very much upon this top question at this particular time. I will, however, when I discuss the substitute that I have proposed for this schedule,

go into that question in detail.

As the distinguished Senator from Montana has read a newspaper article taken from the Boston Journal in relation to the top question and the duties required upon that article, stating that the Journal was established in 1893 as I heard it, I can not help but take the time of the Senate long enough to read what the Wool Record, of Bradford, England, thinks upon this sub-

I know that it is very unpopular at this time to have an American citizen who may be interested in any kind of business have anything whatever to say about the rates in a tariff bill. The importers and foreign manufacturers are the ones listened to to-day. I want to read from the Wool Record, and I wish to say to the Senators that the Wool Record was established in

the year 1837, nearly 60 years before the Boston Journal was established.

Mr. WALSH. No; the Boston Journal was established in

1833. It beat it by four years.
Mr. SMOOT. The Wool Record is located at Bradford, the great wool center of England. The Boston Journal, as the Senator said, is located at Boston, one of the great wool centers of the United States. I will read the editorial of this great journal in its issue of July 3, 1913. I received it from England but a few days ago.

and but a few days ago.

The cable intelligence that the Democratic caucus have decided to recommend a further reduction in the duties appertaining to Schedule K, and to place tops, noils, wastes, and blankets on the free list has this week formed the subject of much discussion in wool circles, both in London and Bradford, and visions both bright and otherwise have been seen. We certainly think that the news need not be taken too seriously. Of course, some are for and others are against such a bill, but we doubt if these partly and fully manufactured articles will be placed on such a favorable footing. If such a thing had to happen as that tops should be put on the free list, it would mean very little wool being shipped to the United States, the bulk of American users preferring the combed article. It is hard to conceive that even the Democratic section of the House of Representatives would favor such a move, for it would at once bring to a complete standstill a good deal of American textile machinery, besides leading to the throwing out of work of a large number of employees. Even with only a 15 per cent duty on tops, large shipments of that commodity are certain to be made, for we can not see that the United States top makers can successfully compete with Bradford firms on so low a duty. We are convinced that whatever duties ultimately become law, a big trade is going to be done in something, and everything seems to indicate that large shipments will be made in practically all lines of wool and textiles. Naturally the idea of placing tops on the free list finds no approval among American wool buyers in Coleman Street, for they see that it will be impossible to produce tops on anything like a basis at which Bradford top makers will be able to offer them.

Mr. President, that is the latest issue of the Wool Record

Mr. President, that is the latest issue of the Wool Record that I have received, and it says that even with 15 per cent duty there will be large quantities of tops imported into this country

At this time I am not going into the question of the Tariff Board's report and show by it the actual difference of cost of making tops in this country compared with that of making them in foreign countries, but when I do I do not propose to take the lowest priced top made in this country and compare it with

the highest priced made in a foreign country.

I received last night the quotations on tops at Bradford, ingland. With wool the highest it has been for years on ac-England. count of the shortage of the wool crop of last year of 240,000,000 pounds, tops are quoted to-day at Bradford, England, at from 30 cents to about 62 cents per pound. A great quantity of tops that would be shipped into this country would be the grade of tops that would produce the number of yarns that enters into the great bulk of the goods made in this country. All will concede that to be a fact, and the Bradford price would be from 35 to 40 cents per pound on this class of tops. Five per cent on 35 cents is  $1\frac{3}{4}$  cents a pound, and 5 per cent upon 40 cents is 2 cents a pound.

The Senator wanted us to believe that the only difference in the cost of producing tops in this country and in England was the cost of labor. Mr. President, that can not be true. There is not a mill that does not cost more to erect in this country than it costs in England. All the machinery that is used for the manufacturing of tops costs more in this country than in England. The interest upon the increase of both is a charge against the cost of tops. The incidental expenses, the interest charges, the overhead charges, and all the expenses incident to maintaining and supplies are establishment of that kind are maintaining and running an establishment of that kind are higher in this country than they are abroad. All these things must be taken into consideration instead of merely the ques-tion of the difference in the cost of labor in arriving at the difference of cost of making tops.

Therefore, Mr. President, I believe that with the 5 per cent duty upon tops it will not only allow tops to be imported into this country in great quantities, displacing American wool, but it will have an effect upon the price paid for American wool, for every pound of tops that is imported into this country means the displacement of at least 3 pounds of American wool in the grease; and if they can be imported for less than they can be made here, just the amount that they can be imported less than they can be made here in this country will affect the price

of American wool.

The American woolgrower has but one market, and that market is the woolen manufacturer in this country. If he is placed in a position where he can not purchase wool, of course it is going to affect the price that the farmer receives for that article.

I suppose there is nothing that can be said or no plea which can be made by any human being that will change the mind of the committee reporting this amendment into the Senate.

Mr. THOMAS. No; we are ready to vote.

Mr. SMOOT. The Senator from Colorado shakes his head and says, "No; we are ready to vote." We have heard that statement in this Chamber beginning the very first day that the bill was discussed and repeated until this moment, when the Senator from Colorado reiterates it, positive of his position, knowing that he has the votes back of him to force it through. no matter what the result may be to the farmer, the wool-grower, or the manufacturer of this country.

Mr. JAMES. Mr. President, I placed in the Record about an hour since a table showing the number of sheep produced in the various States and the number of pounds of wool produced and the number of pounds of wool consumed. I then answered some questions submitted by the Senator from Utah and some other Senators, and the Senator from Montana [Mr. Walsh] took the floor and I went down to eat lunch. The Senator from Kansas rose and made this observation:

I see the Senator from Kentucky [Mr. James] has escaped. I desired to make an interrogatory of him before he left.

Mr. President, I am frank to admit that if I had known the Senator from Kansas was going to speak perhaps I should have escaped. I do not think he ought to find fault with anyone who seeks refuge from the Chamber when he proceeds to speak. But he ought not to have charged me at that particular moment with fleeing from the Chamber because of the fact that I feared he intended to speak or propound a question to me. had no idea of it. The truth of it is the question he propounded is not a new one with the Senator. It was propounded to me yesterday by the Senator from Wyoming [Mr. WARREN].

But the question he wanted to ask me was this, that as I had made it easy for the people in his State and in mine to know how many pounds of wool were produced there, to know how many pounds of wool had to be imported, if any, to supply the people there, I should have also supplied a table showing the number of manufacturers of clothing in the various States, and then the number of people who wear clothes.

Mr. President, I should be very glad to do that. I should be very glad to submit such a table. The Senator can do it himself, but if he will not do it, I am willing to do it for him-to take this bill under consideration in the Senate and to show the rates of the present law upon woolen clothes and to show the reduction made upon those same articles in our bill, a reduction from 100 and more per cent down to an average of 25 per cent.

I am willing to leave to the people of Kansas or Kentucky, or any other State in the American Union, what they shall say on a vote that will be cast against this bill for the maintenance of the existing rates of the present law.

Now take the State of Kansas. Kansas in 1910, according to the census, had 1,690,940 people. She produced 1,312,000 pounds of wool and her people consumed 10,829,074 pounds of wool.

In other words, there had to be imported into the State of Kansas 9,500,000 pounds of wool more than was produced there in order to supply the inhabitants of that State.

I put this in the RECORD in order to make it easy for the Senator from Kansas to point out to the people the pounds of wool produced there, the pounds of wool consumed by the people there, and then let him figure up for that constituency that have to pay this burden just how much additional tax he places upon them in order to give protection, as he calls it, to an industry that had, in 1910, 272,000 sheep, or an average of 11 sheep to each farmer.

There is not a great civilized government in this world that does not place wool upon the free list. It is a great basic product, and every time you give a protective tariff upon wool you give to the manufacturer a compensatory duty of four to one upon the cloth, and all of it has to be paid by the people who use the product of the wool industry.

Mr. President, it might also be asked of the Senator from Kansas why his party provides a tariff upon cotton clothes and places cotton upon the free list. This bill places the great necessities of life upon the free list and the Senator can not make me shrink from a comparison of the number of factories and those who consume clothes, as provided by this bill under consideration.

But I beg only that accompanying that shall be the rates of the existing law and the proposed rates of this bill and then let the American people say whether or not a vote cast against

this bill is a proper one.

Mr. BRISTOW. Mr. President, the Senator from Kentucky has very kindly stated, and I presume with accuracy, the number of pounds of wool that are produced in the State of Kansas, and then has estimated the number of pounds of wool that are consumed in the form of clothing by the people of that State.

I desire to say to him that in this bill he removes the tax that would serve as a protection for the men who produce the have heard it advocated in the other House, that if there was a

wool, and he still imposes a tax upon every pound of wool that is consumed by the people of that State. Instead of relieving the people of Kansas from the tax that is imposed upon the clothing that they wear, he takes from them the protection from the product which they produce and retains the tax upon the clothing that they wear.

And because some of us contend that the man who produces the wool should be treated with as much consideration as the man who takes the wool and weaves it into cloth or transforms it into a garment, the Senator assumes to reprimand us for such an attempt. This schedule, from the time the wool leaves the farmer's hands until it is consumed and worn out by his family, there is a protective tax imposed upon every process. who touches it from the day that it leaves the farm until it goes into the gutter has a protective duty on his work. The only man who is not given consideration in the handling of wool is the man who grows the sheep upon the American farm.

Mr. LANE, Mr. President-The VICE PRESIDENT. Does the Senator from Kansas yield to the Senator from Oregon? •

Mr. BRISTOW. I do.

Mr. LANE. I should like to say that I am becoming confused in this argument. Yesterday I heard, or thought I did, an advertisement spread into the Record by the Senator from Pennsylvania [Mr. Penrose] showing that the woolen manufacturers of England were going to make an onslaught in this country with manufactured woolen articles and that the result was going to be disastrous to the American people; and here at this time we hear the Senator from Kansas state the oppo-

site of that. I say I am becoming confused.

Mr. BRISTOW. The Senator need not become confused as to what I have said. I am not complaining of the duties fixed upon the clothing here, and I am not asking that they be increased. I am not complaining here that the manufacturer of woolen goods has not been properly protected. I do not know whether he has or not; but this I do know, that he has been given consideration, he has not been placed on the free list, and I have been arraigned here because I am contending that the farmer has as much right to consideration from the American Congress as the manufacturer who takes the farm product as his raw material and begins to transform it into other products.

When the wool is taken to the factory the first process is to wash it and get the grease out of it, and the man who washes it and takes the grease out of it is given a protective duty of 15 per cent on the labor he expends in taking the grease out of that wool. Then it is combed into what they call tops, that we have been hearing so much about this morning, and the man who produces the tops from the wool has in this bill a protective duty of 5 per cent. It is contended here by men who claim to be experts that that is not enough. I do not know whether it is or not, but he gets a duty; though it may be small, he gets something.

And then you go to yarn, and this hill gives the man who takes the tops and transforms them into yarn 15 per cent pro-

tection for his work and labor.

Then the next step is the making of cloths, knit fabrics, and so forth, and the man who takes the yarn and transforms it into cloths and knit fabrics gets 35 per cent in this bill. I presume that that 35 per cent represents some of the tax that has been laid upon the yarns and the tops. In that 35 per cent I suppose is included some compensation to the man who weaves the cloth for the tax that has been paid upon the yarn from which the cloth is made. If the Senator's logic is good as to the farmer—that is, if a duty on raw wool increases the duty to be placed on cloth because it has to be carried into the cloth duty as a compensatory duty-the same ought to be true as to the duty on yarns and tops. He therefore puts a higher duty on the cloth because there is a duty on the yarn and the tops.

Mr. JAMES, Will the Senator yield a moment? Mr. BRISTOW. From his point of view, therefore, should be not take the duty off the yarn because by so doing he could reduce the duty on cloth?

Mr. JAMES. Why did not the Senator follow that policy upon cotton cloths when his side of the Chamber were making a tariff? With the cotton of the farm harder to produce than wool, in a hotter climate, under circumstances where toll is really burdensome, why was it the Senator put cotton on the free list and put a tax upon the manufactured product?

Mr. BRISTOW. Because the American people produce more cotton than any other country in the world and export over a million pounds, and it would not have done him any good to put it there.

Mr. JAMES. I have heard it stated here several times, and

tariff upon a certain character of cotton produced in this coun--long staple cotton, sea-island cotton-it would mean many million dollars to those who raise cotton in this country.

Mr. BRISTOW. I have not given that careful consideration. but it might be to the interest of this country to put a tariff on the long-staple cotton. I am not ready to say it would; I would want to give it consideration. If it is for the best interest of our country to place it there, I would vote for it without any hesitation.

Mr. SMOOT. I suppose the Senator remembers very well that there was an amendment offered to the Payne-Aldrich bill placing a duty upon that same class of cotton, and it would have been placed upon that class of cotton in the Payne-Aldrich bill if it had not been for the Democratic vote on the other side of the Chamber.

Mr. JAMES. It is the first time that I have heard that the Democrats were in control of the Senate until the 4th of last March. I thought the Republican Party had been in control of

the Senate for the last 16 years.

Mr. BRISTOW. Mr. President, I will advise the Senator that if it had not been for Democratic votes many of the duties concerning which he complains in the present law would not have been there, and one of them was a duty on iron ore.

I can tell the Senator another thing Mr. BRISTOW. Iron ore was placed on the dutiable list by Democratic votes in this Chamber, and the present chairman of the Committee on Finance cast one of them.

Mr. JAMES. It is the first time that I have heard that the majority party undertook to escape its responsibility by trying to throw the burden upon the minority party, but the Sena-

Mr. BRISTOW. Oh-

Mr. JAMES. Just a moment. I want to say to the Senator that if the people had not elected a majority of Republicans to the Senate four years ago there would not have been on the statute books this iniquitous and burdensome tariff law that

robs ninety-nine men in America for the benefit of one.

Mr. BRISTOW. It may be that the Senator is not advised as to the revision of the tariff in 1909, but I think he is; and I think the Senator knows that when some of us were fighting here for reduced duties and against duties that we did not believe were justified, we would have been successful if the Democratic Party-Democratic Senators, I should say; I am not charging this to the Democratic Party or to the Republican Party; I am talking about conditions as they exist-if Democratic Senators had not voted for duties then which they are denouncing now. As I say, the duty on iron ore is one of them

and lumber was another.

Mr. SHERMAN. Will the Senator from Kansas yield to me? The VICE PRESIDENT. Does the Senator from Kansas yield to the Senator from Illinois?

Mr. BRISTOW. I yield to the Senator for a moment. Mr. SHERMAN. I am ready, Mr. President, to accept the statement made by Senators who represent the adverse party. The conditions governing the production of sea-island cotton, in my judgment, have now reached a stage that, in order to properly grow and market the sea-island cotton in this country, some fair degree of protection ought to be put upon it; and I will announce in the presence of Democratic Senators that I am ready, if they will add a paragraph of that kind to the bill, to vote for adequate protection of sea-island cotton now and hereafter. I believe that would be just. I happen to have had occasion at one time in my life to look into the matter, and I believe if the Senator from Kansas had the information which some of us possess on that question he would answer in the affirmative as readily as have I.

Mr. STONE. Now, Mr. President, I should like to dispose

of these two paragraphs.

Mr. BRISTOW. Mr. President-

The VICE PRESIDENT. The Senator from Kansas has not yielded the floor.

Mr. BRISTOW. I am not through at all, I wish the Senator to understand. I have a few more things which I expect to say. I believe I had reached the production of cloth, upon

which a duty of 35 per cent is imposed by this bill.

We next come to blankets, upon which a duty of 25 per cent is imposed. I suppose the committee found it necessary to put a duty of 25 per cent upon blankets because there is a duty upon yarns. Of course if there had been no duty upon yarns or upon tops it would not have been necessary to impose a duty of 25 per cent upon blankets; but imposing a duty upon the raw material out of which the cloths and blankets are made—that is, the yarns—it is necessary to impose a higher duty on the cloth and blankets, in order to compensate the The duty on wool is not one that touches my constituency with

manufacturer of blankets and of cloth for the duty that he has to pay when he buys his yarns.

Mr. JAMES. We put some blankets upon the free list, as the Senator from Kansas doubtless has observed.

Mr. BRISTOW. I notice that there are some few, which are probably made mostly of cotton.

Mr. SMOOT. That was a political rate.

All of yours were political rates.

Mr. BRISTOW. Now, we come to women's and children's dress goods, and upon women's and children's dress goods the committee find it desirable to impose a duty of 35 per cent ad valorem-quite a comfortable duty, more than a third of the value. I suppose that this duty of 35 per cent is found necessary because of the duty imposed upon yarns from which the cloth and the dress goods are made. So, in order to protect the manufacturer of yarns, a higher duty—a duty of 35 per cent-is imposed upon the clothes which the women and chil-

Then we come to ready-made clothing. As to the millions of pounds of cloth-if I may have the attention of the Senator from Kentucky [Mr. James] about this matter, in which he has become so interested in regard to the people of Kansasas to the millions of pounds of wool which the people of Kansas have consumed, every pound of it is burdened by a tax put there by the Senator from Kentucky by his vote and which now meets his approval. There is a compensatory duty imposed on every pound of this clothing because the Senator from Kentucky found it necessary to give a protective duty to the manufacturer of yarn; but he holds up his hands in horror when a Senator from Kansas asks that the producer of wool be treated with the same consideration with which the Senator from Kentucky has treated the manufacturers of cloth and of yarn.

You can go through this bill and take up every item and every paragraph in it that relates to farm products and that principle prevails, and there is no schedule that manifests more clearly

its indefensible discrimination than does Schedule K.

Schedule K was attacked by a great Senator, Mr. Dolliver, upon this floor four years ago, and his speech on that occasion has had many feeble imitations here since this session began. Many Senators have tried to pattern after it and have read into the RECORD the same letters, have undertaken to formulate the same denunciations against Schedule K, and yet these same Senators in this bill take those reductions off the protection which the farmer got in Schedule K of the present law and mighty little of it off of the protection which the manufacturers got in that law. When you deduct from this measure the duty on wool and the compensatory duties that were imposed on cloth and clothing because of that duty on wool, which it was alleged simply made the manufacturer good, you leave the actual protective duties to the manufacturer very much where they were.

I am not one who believes that those compensatory duties that were imposed in Schedule K of the present law were justified; I do not believe that they were imposed in a proper way; I think they were far greater than they ought to have been; but when you take them out and come to the protective duties pure and simple which are given the manufacturers in this bill the reductions are not so important as to justify the proud boast that we have so frequently heard by the friends of this meas-So that the burden of the reduction which is claimed here is taken not from the manufacturer but from the producer of

The Senator from Montana [Mr. Walsh] spoke with force and commendable emphasis in denouncing the connection of Mr. North with the making of the tariff bill four years ago, but I have not been much interested in the discussion of Mr. North's connection with the tariff bill since the exposition made by former Senator Dolliver, of Iowa, because the power which he exhibited in exposing the scandal connected with that has never been approached by any Senator upon this floor. It is only the Senators who have come into the Chamber since that speech was delivered who have ever presumed to follow it up and to undertake to imitate it.

I invite the attention of the Senator from Montana, who has so vigorously denounced Mr. North, to the fact that this bill, which he is supporting with such carnestness, preserves a protective duty upon every item in which Mr. North was interested. There is not a manufacturer whom Mr. North represented here or anywhere else who has not a protective duty in this bill on the product which he turns from his looms. The only man who greatly suffers from the action of the framers of this bill is the

much personal interest. Kansas is not a large wool-producing State. I have made these remarks because I believe that this bill is discriminatory and unjust; and, furthermore, I do not want anyone to believe for a moment that he can force me to vote for a bill which I believe is wrong, for the reason there is now a law upon the statute books of which I disapprove and against which I voted. If such reasoning as that were to prevail, then a man would be compelled to vote for things which he believed were wrong, because a wrong had been done at another time in the consideration of another measure.

The question for consideration here is not whether this is a better or a worse bill than the present law, but whether or not this is a just bill and one that is worthy of the approval of Senators who are called upon to approve or condemn it. So far as I am concerned, when I cast my vote on this measure, it will be an indorsement or a failure to indorse the measure on its merits. I will not be coerced into voting for things that I believe to be iniquitous, because the bill contains a number of things for which I should be glad to vote if I were given the oppor-

While I am on my feet, I may say that for some reason that has not yet been explained, those in control of the national legislation this year have seen fit to group these tariff schedules into one bill, instead of bringing them in as separate bills as they did a year ago.

If this bill had been brought in schedule by schedule, as has been advocated for some years by leaders on both sides of the aisle of this Chamber, there are schedules here which, with some slight changes I would gladly support; but because the majority have apparently seen fit to crowd them into one bill, in order to force through Congress legislation which I believe to be unjust and pernicious, will not be sufficient reason for me to support such iniquitous legislation. Why could we not have had schedule by schedule presented to us as we had a year ago? Why this change? If that was a good system of legislation then, why is it not now? That is for the Senators who are responsible for this legislation to answer. It seems to me that the reason for abandoning schedule-by-schedule revision is that certain leaders felt that if the tariff were revised in that way there were some schedules carrying certain provisions which they desired to pass that could not be passed. was the reason, I believe, for grouping the schedules in former They have been grouped together in order that Congresses one schedule might carry another through.

We felt that we were getting away from that system, which has been denounced with vehemence, as I have said, on both sides of this Chamber; but, no; the same policy, the same purpose to force into the law provisions and measures that could not be forced there without such a grouping of schedules has been thought desirable, and, therefore, they have been grouped.

Mr. JAMES. Will the Senator yield to me right there? Mr. BRISTOW. Certainly.

Mr. JAMES. Of course, with 13 schedules in a tariff bill one schedule might be passed upon the theory that a certain amount of revenue would be produced by another schedule, but as matters went along the second schedule might be dedefeated entirely and the rates in the schedule first considered having been based upon the theory that the second schedule would be adopted there might be a large loss of revenue, and then you would have to go back and revise the first schedule. That is the trouble about revising the tariff schedule by schedule, as the Senator can very easily see.

As I understood the Senator, he said this bill was not perfect. Of course no tariff bill is ever perfect, but the question the Senator must answer when the roll call comes is whether or not this bill is a better bill, taking it as a whole, than the existing law. If it is, in my judgement, the Senator can not excuse himself to the satisfaction of the good people of Kansas by saying this is not a perfect bill. They are going to ask him Is it a better bill and less oppressive upon the people than the existing law? That is the issue the Senator from Kansas must

Mr. BRISTOW. Mr. President, I deny the issue. That is not the question which I expect to answer. If the Senator wants an answer, however, I can give him my opinion. The pending bill is not any better than is the existing law. I voted against the Payne-Aldrich bill; I denounced it; I do not believe in it; but as excessive and as unreasonable as some of the duties in that bill were, it was a consistent measure, because it undertook to protect American industries, although in protecting them there were injected into the measure provisions which I believe to be iniquitous.

The pending bill protects some of the same industries, though not all of them to so great an extent. It sacrifices the agricultural interests of this country in a manner that has never been approached or undertaken in any tariff legislation of the past; and I is chairman of the Progressive State committee, and it is the

because of its unjustifiable discriminations I have declared against this measure.

The Senator from Minnesota [Mr. Nelson] has just handed me a memorandum, stating that the Walker tariff, which was praised so extravagantly by the Senator from North Carolina [Mr. SIMMONS] this morning as being the best of all tariff measures, the one now pending more nearly approaching it in excellence than any other, imposed duties of 20 per cent on barley, beef, corn and corn meal, flaxseed, hams and bacon, rye and rye flour, oats and oatmeal, wheat and wheat flour.

Mr. WARREN. Mr. President, and that bill was based upon

the idea of protecting raw materials, the farmers' product, all

the way up.

Mr. BRISTOW. I do not pretend to be a tariff expert; I have a very limited knowledge of the Walker bill, but I think the Walker bill-and in this I agree with the Senator from North Carolina-was a much better bill than the pending one. It was certainly drawn upon a much more justifiable principle.

As to the schedule-by-schedule theory of revising the tariff, I realize the force of the argument the Senator from Kentucky [Mr. James] has made. I have heard it before; it is the usual argument to sustain the old system; it is the argument which has been made for combining all the schedules into one bill. That policy, however, was abandoned last year by the House of Representatives; and the Senator from Kentucky was then a Member of that body and a distinguished member of the Ways and Means Committee that prepared the schedule-by-schedule tariff bills. I presume he believed then that a schedule-by-schedule revision to be a better system. Under that plan each schedule would stand upon its own merits. Why has he changed his views this year?

The argument as to the effect a reduction or an increase in the duties imposed by one schedule might have upon the revenues would be a potent and powerful argument to me in behalf of a bill which the committee would report on any one schedule. That is true, and I believe it would be given full weight by the

Senate or by the Congress.

The objection to the old system, as I have said, was that it enabled those interested to force into a tariff bill duties that ought not to be there, because Senators or Members of the House would not vote against a measure having in it more provisions in which they believed than it had provisions in which they did not believe, and upon that theory the Democratic Congress has gone back to the old machine methods of tariff making.

I want to say to the Senator from Kentucky and to the Senator from North Carolina that if Senators on this floor would vote their convictions and use their own judgment upon the items of this bill, it would not pass; and, failing to pass, the tariff would then be revised, and revised at this session in harmony with the best judgment of the Congress, upon whom the responsibility of revising it depends. No Senator can excuse himself for voting for a measure he believes to be wrong because it is alleged that that is the best he can get. It is not the best we can get if every Senator will follow his conscience and his convictions independent of party caucuses and partisan influences that swerve him from what he believes to be his line of duty. So far as I am concerned, I propose to vote for the paragraphs in this bill which I believe are right and against those which I believe to be wrong; and when the bill is finally made up, if I do not believe it to be a just measure, I intend to vote against it.

Mr. STONE. Mr. President, the Senator from Kansas [Mr. Baistow] has made a great speech, and, to the general delight of all, has finally concluded it. Unless there is some other Senator who feels that he ought to deliver himself of some burden of concealed wisdom, and that that is of more importance than the winding up of this business, I should like now to proceed with the consideration of the immediate matter before the Senate.

Mr. WEEKS. Mr. President, I should like to take a short time before consent is given to proceed, as requested by the Senator from Missouri.

Mr. STONE. I beg the Senator's pardon.
Mr. WEEKS. Mr. President, a short time ago the Senator from Montana [Mr. Walsh] called as a witness the Boston Journal, and, if his other statements were not more accurate than the ones which he casually made about the Boston Journal, they should at least be revised. I do not think it is of great importance whether the Boston Journal is 20 years old or 50 years old; but it is more than 50 years old, to my certain knowledge. Evidently the Boston Journal was called as a witness because the Senator from Montana supposed it to be an independent paper owned by Mr. Frank A. Munsey.

As a matter of fact, it is not owned by Mr. Munsey at all. far as the public knows it is owned by Mr. Matthew Hale, who organ of the Progressive Party in New England. So it is neither Mr. Munsey's paper nor an independent paper.

The article which was quoted was not signed, and therefore it is impossible to say whether it was written by a tariff expert or by some one who does not know the difference between a wool top and a spinning top. I suspect the latter, but I do not think it should be giver any great weight in this debate. I think the Boston Journal has leanings toward the protective policy, and, as such, it deserves credit; but its owners would not claim for it expert standing on this subject; therefore I do not think the article quoted is entitled to any particular weight by the Senate.

The Senator from Montana referred once more and in practically the same language, and using the same facts which have been known to the public for the past 16 years, to the relations between Mr. Whitman, of the Arlington Mills, and Mr. North. I did not note anything new in the quotations which he used, but they were evidently made to prejudice opinion on the particular

topic which is now being considered.

It is true that Mr. Whitman is largely interested in the Arlington Mills, that he did construct the first mill for the manufac-ture of tops in this country, and that he has been an active advocate of the protective tariff for a great many years. He has appeared before the committees of Congress at different times. He appeared before the subcommittee having in charge this particular schedule, I am told, and I have no doubt he made an illuminating and informing statement to that committee on the matter in which he was interested; but the statement made by the Senator from Montana that the Arlington Mills and the American Woolen Co. are substantially the only manufacturers of tops in this country is very far from correct. It is true they are large manufacturers of tops, but the American Woolen Co. has, I am informed, at times been a large purchaser of tops, and there are a great many manufacturing concerns in the United States which manufacture their own tops as well as yarns and cloths. There are also many-I do not recall the number-engaged entirely in manufacturing tops.

Incidentally this industry is in the poorest condition it has been during the last 25 years. The woolen industry, except in special cases, has never been a particularly profitable one in the United States; and the stock of the Arlington Mills, to which the Senator from Montana [Mr. Walsh] has referred, is now selling at the lowest price it has sold for many years. dentally it has recently reduced its dividend one-half, a statement which usually brings joy to the hearts of the Democrats. I would rather see it prosperous, whoever owns it or whoever controls it, because if it is prosperous those who are connected with it are sure to be so, not only the owners of the mills but

I have not taken any time in the discussion of this particular schedule. It has been pretty fully discussed by other Senators who have given much time and consideration to it. I am well aware that the business men of this country, knowing that the Senate is in the hands of the Philistines, and that we are not going to get in the end any different results than have been reported, are desirous of having this bill passed. As far as I am concerned I should be glad, as soon as reasonable state-ments can be made of the reasons why particular schedules should not be adopted as they have been proposed, to have a vote on all schedules and on the bill-the sooner the better, in my judgment, from the standpoint of the Senate and the standpoint of the country at large. But I do not wish by my silence to have it inferred that I am in any way in approval of the rates proposed in this particular schedule.

Massachusetts is very largely interested in the woolen and worsted industry. Boston is the great wool center of the United States. Massachusetts is the leading State in the manufacture of the control o facture of woolen and worsted goods. A large percentage of our people are vitally interested in it. In my judgment this is the industry which is going to be most immediately and seriously affected by the passage of this bill. As I have just said. the woolen and worsted business is not in a very prosperous condition at best, and it has not been during the last 10 years, when duties have been high, as everyone knows. Just now, and indeed for the last several months, this business has been prostrated to a degree not known since 1895. I doubt if there are many woolen or worsted mills in this country that are running more than half time to-day; and no mill can make a profit running at one-half of its capacity.

I am opposed to every feature of this schedule-as opposed to putting wool on the free list as I am to other parts of it. think putting wool on the free list is entirely without justifica-tion. The world's production of wool does not vary greatly. It has not increased materially in this country, if at all, during the past 10 years, when the duty has been very high. If there is to be increased production anywhere, it is going to be in other countries, where lands are cheaper than they are in this country. Putting wool on the free list is going necessarily, in my judgment, to reduce somewhat the production in this country, if not largely so; and it is going to increase the production, if there is an increase, in other countries. Therefore we are throwing away the revenue which we have been getting from the importations of wool without any compensating benefit to the users of woolen goods in any form, unless the total production is largely increased, which I doubt.

There is a large amount of capital invested in the wool business which will be affected by the proposed change. raisers of wool are entitled to reasonable protection, and the proposed action will, in effect, put a bounty on foreign wool and result in the importation of tops instead of wool.

But even if wool is put on the free list, I believe the other duties have not been arranged in such a way as to produce the results to which manufacturers are entitled. The question of tops has been very fully debated to-day or will be later. I think there is too great proneness for those who believe in a higher rate to take one class of tops as an example, and those who believe in the proposed rate to take a lower class of tops for their example. But I doubt if there is a manufacturer of tops in the United States who will claim, or any evidence can be submitted here to show, that the average top can be produced at the rate proposed in this bill. I have no doubt that the average is very much higher, and certainly the average cost in Great Britain is higher than the rate proposed by the bill. But even if the top rate were satisfactory, no provision has been made to provide for rovings, which are the next step in the production of cloths. The cost of producing rovings adds at least 50 per cent to the cost of producing tops, and rovings should be limited in the number of yarns in them, so that there may be a differentiation between rovings and yarns.

There is no way of telling, as this bill is framed, whether a certain product is a roving or a yarn. The result is that they go from the top stage, through rovings, of which there are 6 or 8 different numbers, up to the yarn stage, of which there are some 20 numbers, with exactly the same rate of duty on tops and on rovings, and possibly going over into the yarn numbers; then it is proposed to put a duty of 15 per cent on yarns.

There should be in framing the bill a differentiation between tops and rovings and between rovings and yarns, and when it comes to yarns there should be a variation in the rate of duty imposed on coarse yarns and fine yarns. The Bradford commission price for producing yarns varies greatly, because the cost of producing yarns of a very fine quality is materially greater than the cost of producing coarse yarns.

From all these standpoints I believe this schedule should be revised. I believe there should be a duty on wool. I believe the rate on tops should be increased; that there should be a distinct and separate rate on rovings; that there should be an increased and equalized rate on yarns. Even admitting that wool should be put on the free list, these intermediate changes should be

made by the framers of the bill.

I have taken all the time I propose to take at this time, and I have simply taken this to voice what I believe is substantially the unanimous sentiment of the people of Massachusetts, and this applies to dealers in wool, to manufacturers of tops, rovings, yarns, and cloth alike. Without exception, as far as I know, they believe that the rates in this schedule are inadequate, and that they are so framed that they will produce great inequalities.

Mr. STONE. Mr. President, I ask that we may have a vote on the committee amendment in paragraph 295.

The amendment was agreed to.

Mr. STONE. I understood that the committee amendment in paragraph 296 had been agreed to; but in order that there may be no question about it, I ask that it may now be submitted.

The VICE PRESIDENT. The question is upon agreeing to

the committee amendment in paragraph 296.

The amendment was agreed to.

The amendment was agreed to.

Mr. STONE.

Mr. STONE. That concludes the wool schedule.
Mr. SMOOT. That concludes it, with the understanding that
if the Senator from Wyoming desires to speak upon paragraph 296 he may do so.

Mr. STONE. I will say that the Senator from Wyoming asked that paragraphs 295 and 296 might both go over, so that if he desires to do so he may speak upon the two together.

Mr. SMOOT. And the remarks he will make will cover the

Mr. STONE. Yes. I should like, before we take up the next schedule, to revert to paragraph 324 of the silk schedule and to offer an amendment which I send to the desk.

The VICE PRESIDENT. The amendment will be stated. The Secretary. In paragraph 324, page 95, line 23, before the word "beltings," it is proposed to insert "belts."

The Secretary. Also, on page 96, line 3, after the word "manner," it is proposed to insert "and not specially provided for in this section."

The amendment was agreed to.

Mr. SIMMONS. Mr. President, the next schedule is the one relating to papers and books. The one following that deals with sundries. Those two schedules and the free list are the only schedules left undisposed of.

The chairman of the subcommittee having in charge Schedule M and Schedule N is detained from the Senate on account of sickness in his family. I ask that those two schedules may be passed over, and that the Senate may now take up the free list, beginning on page 123.

Mr. LODGE. Do I understand the Senator is going to pass over the paper schedule?

Mr. SIMMONS. Yes. The Senator from Maine [Mr. Johnson], who is the chairman of the subcommittee, and who has given great study to that subject, is not in the Chamber to-day on account of illness in his family. I should not like to take up the schedule in his absence. Of course if there is an insistence about it we will do it, but I should much prefer to take up the free list.

Mr. LODGE. Certainly.

Mr. SIMMONS. If any Senator who desires some item in the free list passed over happens to be absent or is not ready we will consent to its going over.

Mr. LODGE. Is the Senator going to pass over the sundries

schedule also?

Mr. SIMMONS. Yes. The Senator from Maine [Mr. Johnson] is also chairman of that subcommittee. There are only three schedules left now-sundries, papers and books, and the free list.

Mr. SMOOT. I am quite positive there are some Senators who desire to speak upon some of the items in the free list who had no idea it would be reached to-day. If I knew the particular paragraphs in which they were interested I would ask that they might go over, but I am not informed as to which those paragraphs are.

Mr. SIMMONS. I think there will be no difficulty about it. If any Senator should come in and state that he was absent and should want to discuss a paragraph that we had passed, we would return to it without any objection on this side

Mr. LODGE. Mr. President, there is one article in the free list which I do not suppose we shall reach, even if we begin on the free list at this moment, but which is also involved in the third paragraph of the paper schedule. It involves a question not of rates but of the countervailing duties in regard to the exportation of wood and wood pulp from Canada.

When that is reached, if the Senator desires, Mr. SIMMONS.

we will pass over it.

Mr. LODGE. I shall be very glad to discuss it, if the Senator is willing. I am ready to go on with it, I supposed we should take up paper this afternoon.

Mr. SIMMONS. I should very much prefer that the Senator

from Maine should be here when that is discussed.

Mr. LODGE. I will wait, of course, for the Senator from Maine, if that is the desire. There are some items in the free list which I should like to discuss. Of course I had no idea that that would come before the sundries and the paper schedule, and I have not my papers here, so that there are some things I shall have to ask to have passed over for myself. I do not know how it is with other Senators.

Mr. SMOOT. Mr. President, I desire to say that the senior Senator from Pennsylvania [Mr. Penrose] expected to offer his proposed substitute for Schedule K before its consideration was completed in the Committee of the Whole. He had no idea that we would get through with the schedule to-day. So if the Senator is back on Monday or Tuesday, before the bill gets into the Senate, no doubt the Senator having the bill in charge will allow him to offer his substitute then.

Mr. SIMMONS. Of course, if at some time before the Senate gets through with the bill the Senator from Pennsylvania desires to offer a substitute, there can be no objection to that course.

Mr. SMOOT. I simply wanted to have that understood, because the Senator from Pennsylvania was compelled to leave the city to-day.

Mr. SIMMONS. Then I ask that the Secretary may read

the bill, beginning with the free list, on page 123.

The reading of the bill was resumed, beginning under the heading "Free list," on page 123, line 21.

The next amendment of the Committee on Finance was, in paragraph 401, page 124, line 11, after the word "machines," to strike out the word "and"; and in the same line, after the

word "gins," to insert "beet and sugar-cane machinery," so as to make the paragraph read:

401. Agricultural implements: Plows, tooth and disk harrows, headers, harvesters, reapers, agricultural drills and planters, mowers, horserakes, cultivators, thrashing machines, cotton gins, beet and sugar-cane machinery, wagons and carts, and all other agricultural implements of any kind and description, whether specifically mentioned herein or not, whether in whole or in parts, including repair parts.

The amendment was agreed to.

The next amendment was, in paragraph 402, page 124, line 16, after the word "and," to insert "all," and in the same line, after the word "albumen," to strike out the comma, so as to make the paragraph read:

402. Albumen, blood, and all albumen not specially provided for in this section.

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 124, line 19, to insert a new paragraph, as follows:

403½. Alizarin, natural or synthetic, and colors obtained from alizarin, anthracene, and carbazol.

Mr. SMOOT. I ask that that paragraph may be passed over. Mr. SIMMONS. That is satisfactory.

The VICE PRESIDENT. Paragraph 4031 will be passed over.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in paragraph 404, page 124, line 21, after the words "sulphate of," to insert "perchlorate of," so as to make the paragraph read:

404. Ammonia, sulphate of, perchlorate of, and nitrate of.

The amendment was agreed to.

The next amendment was, on page 144, line 22, to insert a new paragraph, as follows:

4045. Antimony ore, stibuite and matte containing antimony, but only as to the antimony content.

Mr. THOMAS. Mr. President, when the paragraph of Schedule C relating to antimony was before the Senate the suggestion was made by the Senator from Utah that antimony matte would be included instead of excluded from that section. I have since examined into the matter, and I am convinced that the Senator is right. So this paragraph will be taken back by the

committee and we probably shall make a change in it.

The VICE PRESIDENT. Paragraph 404½ will be passed over.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in paragraph 405, page 125, line 23, after the word "horses," to strike out "asses, cattle"; in the same line, after the word "mules," to strike out "sheep, swine, and goats" and insert "and asses," so as to read:

Horses, mules, and asses straying across the boundary line into any foreign country, or driven across such boundary line by the owner for temporary pasturage purposes only, etc.

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in paragraph 412, page 127, line 10, after the word "means," to insert "steel boxes," and, in the same paragraph, page 128, line 10, after the word "repairs," to insert "at the rate at which the article itself would be subject if imported," so as to make the paragraph read:

the article itself would be subject if imported," so as to make the paragraph read:

412. Articles the growth, produce, or manufacture of the United States, when returned after having been exported, without having been advanced in value or improved in condition by any process of manufacture or other means; steel boxes, casks, barrels, carboys, bags, and other containers or coverings of American manufacture exported filled with American products, or exported empty and returned filled with foreign products, including shooks and staves when returned as barrels or boxes; also quicksilver flasks or bottles, iron or steel drums of either domestic or foreign manufacture, used for the shipment of acids, or other chemicals, which shall have been actually exported from the United States; but proof of the identity of such articles shall be made under general regulations to be prescribed by the Secretary of the Treasury, but the exemption of bags from duty shall apply only to such domestic bags as may be imported by the exporter thereof, and if any such articles are subject to internal-revenue tax at the time of exportation, such tax shall be proved to have been paid before exportation and not refunded; photographic dry plates or films of American manufacture (except moving-picture films), exposed abroad, whether developed or not, and films from moving-picture machines, light struck or otherwise damaged, or worn out, so as to be unsuitable for any other purpose than the recovery of the constituent materials, provided the basic films are of American manufacture, but proof of the identity of such articles shall be made under general regulations to be prescribed by the Secretary of the Treasury; articles exported from the United States for repairs may be returned upon payment of a duty upon the value of the repairs at the rate at which the article itself would be subject if imported under conditions and regulations to be prescribed by the Secretary of the Treasury; Provided, That this paragraph shall not apply to any article

ported without payment of internal-revenue tax shall be reimported it shall be retained in the custody of the collector of customs until internal-revenue stamps in payment of the legal duties shall be placed thereon: And provided further. That the provisions of this paragraph shall not apply to animals made dutiable under the provisions of paragraph 405.

The amendment was agreed to.

The reading of the bill was resumed, and the Secretary read

down to paragraph 416, on page 129.

Mr. LODGE. I ask that paragraph 416 may be passed over. My colleague [Mr. WEEKS] has left the Chamber, and I know he desires to be heard upon it. I do not wish to speak upon it

Mr. SIMMONS. That is satisfactory.

The VICE PRESIDENT. May the Chair inquire of the Senator from Massachusetts whether there is any objection to agreeing to the committee amendment before the paragraph goes

Mr. SIMMONS. I should have asked that that paragraph go over if the Senator from Massachusetts had not done so, as the committee desires to consider somewhat further its own amend-

The VICE PRESIDENT. Paragraph 416 will be passed over. The reading of the bill was resumed, and the Secretary read down to paragraph 423, on page 130.

Mr. SMOOT. I ask that paragraph 423 may be passed over. The Senator from North Dakota [Mr. Gronna] requested that

that he done

The VICE PRESIDENT. Paragraph 423 will be passed over. Mr. NELSON. In reference to paragraph 423, I suggest to the Senators in charge of the bill that they strike out the 600-foot limitation and make it "700 feet to the pound," because there is a good deal of the better quality of manila twine that runs that much to the pound.

Mr. THOMAS. I will state to the Senator that the paragraph went over upon the request of the Senator from Utah.

Mr. NELSON. Has the paragraph gone over? Very well. Before I sit down, then, I wish to suggest to the Senators on the other side who have charge of the bill that the limitation should be entirely removed; that binding twine ought to be free, whether it runs 600 or 700 or 800 feet to the pound. I am not sure but that some of it, the best quality of manila twine, will run 750 feet to the pound; and I should be glad if

the committee would make the proper amendment.

Mr. KENYON. Mr. President, I wish to inquire of the Senator from Minnesota why it would not be advisable to strike out all of that paragraph after the word "twine," if the intention is to put all binding twine on the free list? I know that was the desire of the Senator Property Parks.

that was the desire of the Senator from North Dakota.

Mr. NELSON. I think it would be best to strike it all outto strike out the limitation altogether. If you retain it, however, I suggest that it ought to be "not more than 750 feet to

Mr. McCUMBER. Mr. President, the trouble with the suggestion of striking out the limitation is that twine might be imported as binding twine which could not be used for that purpose and would be used for other purposes. As this is intended to refer only to binding twine, there ought to be a limit on the size, and I think if it should be made 750 feet to the pound it would cover everything that could be called binding twine.

The reading of the bill was continued.

The next amendment of the Committee on Finance was, on page 130, after line 16, to insert a new section, as follows:

4271. Blankets, composed wholly or in chief value of wool, valued at less than 40 cents per pound.

Mr. SMOOT. Let that go over, Mr. President. The VICE PRESIDENT. The paragraph will go over.

The reading of the bill was continued.

The next amendment of the committee was, in paragraph 430, page 130, line 25, after the word "use," to strike out the remainder of the paragraph, in the following words:

Press cloths, composed of camel's hair, imported expressly for oil-milling purposes and marked so as to indicate that it is for such purposes, and cut into lengths not to exceed 72 inches and woven in widths not under 10 inches not to exceed 15 inches, and weighing not less than one-half pound per square foot.

The amendment was agreed to.

The reading of the bill was continued.

The next amendment of the committee was, in paragraph 433, page 131, line 13, after the word "muster," to strike out "engravings"; in line 14, before the word "lithographic," to strike out "etchings"; in the same line, after the word "prints," to strike out "bound or"; in the same line, after the word "unbound," to strike out "and charts"; and in line 15, before the

word "which," to insert "or in bindings over 20 years old, and charts," so as to make the paragraph read:

433. Books, maps, music, photographs, lithographic prints, unbound or in bindings over 20 years old, and charts, which shall have been printed more than 20 years at the date of importation, and all hydrographic charts, and publications issued for their subscribers or exchanges by scientific and literary associations or academies, or publications of individuals for gratuitous private circulation, not advertising matter, and public documents issued by foreign governments.

Mr. LODGE. Mr. President, I wish to discuss those committee amendments. I do not understand why engravings, etchings, and charts should be taken from the free list. It seems to me that those are objects of general interest, educational and artistic. I suppose they are put somewhere on the dutiable list. The paragraph of the free list now reads:

Books, maps, music, photographs, lithographic prints, unbound or in bindings over 20 years old, and charts.

Mr. HUGHES. The change was merely one of phraseology, so far as charts are concerned.

Mr. LODGE. I see it was a change only in phraseology. Lithographic prints, to which I have no sort of objection, were added, but I do not see why engravings and etchings, which are far more valuable artistically than lithographic prints, should be taken from this clause. I hope that will not be done.

Mr. STONE. I suggest to the Senator that for the present, in the absence of the Senator from Maine [Mr. Johnson], we

may pass over the paragraph.

Mr. LODGE. I am perfectly willing to let it go over, but I should like to call the Senator's attention to another point. The committee has added "or in bindings over 20 years old, and charts." I think the intention of that amendment is entirely proper. Books of great value are often sent abroad and bind-I think the intention of that amendment is entirely ings of great cost are put upon them. I think it would be just as well if the bindings were made here; but, anyway, I see no reason why they should not pay a revenue duty. But it is so worded as to leave a very serious ambiguity; that is, whether it is only the binding or whether it covers the book also. Take a case like this—I happened to take it from an English catalogue: A first folio Shakespeare worth \$20,000, of course free under our law, as it always has been, would come in free. If you put a binding on it, in the particular case I am referring to, worth \$15, I do not think it is perfectly clear that you would not tax that book at the value of \$20,000. That is not the intention of the framers of the paragraph, of course. Such has never been the intention. I think there is an ambiguity, which I wish the committee would look into if they are going to take the amendment back. I have not attempted to reword it.

Mr. STONE. It seems to me that books, maps, and so forth, unbound, or in bindings over 20 years old, would indicate that

they had been printed more than 20 years.

Mr. HUGHES. I will say to the Senator that that language was added in order to correct a practice. It has been the custom, I understand, to send books abroad and have them bound. The books have been printed in this country and they are re-bound on the other side, and merely because they were printed more than 20 years ago they would be admitted free, whereas the object in putting them on the free list was to permit books more

than 20 years old to come in free.

Mr. LODGE. Certainly; I understand that.

Mr. HUGHES. This discriminated very much against our bookbinders, and they complained about it.

Mr. LODGE. I will take that in conjunction with paragraph

Books of all kinds, bound or unbound, not specially provided for, 15 per cent ad valorem.

That is limited in the case of the English language to books

less than 20 years old.

Mr. THOMAS. I will say to the Senator from Massachusetts that paragraph 337 will probably be reported to the Senate in a different form.

Mr. HUGHES. In any event the Senator will notice that if that language stays as it is, it would provide that books of all kinds, bound or unbound, not specially provided for, would have 15 per cent ad valorem. This applies only to books with bindings of a certain age.

Mr. LODGE. No; the way you have it worded it applies to

bindings over 20 years old.

Mr. HUGHES. But if they are in bindings over 20 years old they must have been printed more than 20 years.

Mr. LODGE. That brings me just to the point. If the binding is over 20 years old it does not follow that the book is over 20 years old. Very frequently an old binding is purchased and placed by book fanciers on a book; in order to have the binding in the same period as the book when written.

Old print bindings command an immense price, and very often they are taken off the book to which they belong and applied to some book of great value. It does not necessarily follow that that is an exception to paragraph 337. Of course, the purpose of these clauses always has been to limit the books that had to bear a duty to books printed in the English language and that were less than 20 years old. That was the dutiable class.

Mr. HUGHES. Then it was found that books were collected

in this country and sent abroad to be cheaply bound and brought

in free of duty.

Mr. LODGE. I am entirely in sympathy with the purposes of the amendment, as I said in the beginning, putting a duty on new bindings, but I am afraid the way it is worded leaves great ambiguity.

Mr. HUGHES. The paragraph will go over.

Mr. LODGE. I hope those paragraphs will be amended by the committee so as to make it clear that the object is to place the duty on binding that is less than 20 years old. The paragraph is going back. I only desired to call the attention of the committee to it and to express the hope that they will consider those two paragraphs in conjunction.

The next amendment of the committee was, in paragraph 434, page 131, line 22, after the word "Books," to strike out "and pamphlets printed chiefly in languages other than English; also books," and in line 24, after the word "blind," to insert all textbooks used in schools and other educational institutions; Braille tablets, cubarithmes, special apparatus and objects serving to teach the blind, including printing apparatus, machines, presses, and types for the use and benefit of the blind exclusively," so as to make the paragraph read:

434. Books and music, in raised print, used exclusively by the blind, and all textbooks used in schools and other educational institutions; Brallle tablets, cubarithmes, special apparatus and objects serving to teach the blind, including printing apparatus, machines, presses, and types for the use and benefit of the blind exclusively.

Mr. NELSON. Mr. President, I trust the Senator in charge of this paragraph will let it be passed over. The amendment reported by the committee, I think, ought to be modified. I should like to have it passed over in order that the committee may give it further consideration.

Mr. LODGE. There will be a good deal of debate on para-

graph 434.

The VICE PRESIDENT. Paragraph 434 goes over. Para-

graph 433 has also gone over.

The next amendment of the Committee on Finance was, in paragraph 435, page 132, line 7, after the word "use," to strike out "and" and insert "or"; and, in line 11, after the word "use," to strike out "and" and insert "or," so as to make the paragraph read:

435. Books, maps, music, engravings, photographs, etchings, lithographic prints, and charts, specially imported, not more than two copies in any one involce, in good faith, for the use or by order of any society or institution incorporated or established solely for religious, philosophical, educational, scientific, or literary purposes, or for the encouragement of the fine arts, or for the use or by order of any college, scademy, school, or seminary of learning in the United States, or any State or public library, and not for sale, subject to such regulations as the Secretary of the Treasury shall prescribe.

The amendment was agreed to.

The Secretary continued the reading of the bill.

The next amendment of the committee was, on page 132, to strike out paragraph 438, in the following words:

438. Bran and wheat screenings.

Mr. McCUMBER. I ask that that paragraph may go over.

The VICE PRESIDENT. Paragraph 438 goes over.

Mr. THOMAS. Mr. President, I wish merely to call the attention of the Senator from North Dakota to the fact that paragraph 438 was stricken out because the items there are included in the subsequent paragraph relating to wheat and wheat flour and the products of wheat.

Mr. McCUMBER. I presume that is true; but I want to look

into it, if the Senator has no objection.

Mr. THOMAS. Very well.

The Secretary continued the reading of the bill.

The next amendment of the Committee on Finance was, in paragraph 450, page 133, line 15, after the word "separators," to insert "sand-blast machines, sludge machines," so as to make the paragraph read:

machines, typewriters, shoe machinery, cream separators, sand-blast machines, sludge machines, and tar and oil spreading machines used in the construction and maintenance of roads and in improving them by the use of road preservatives, all the foregoing whether imported in whole or in parts, including repair parts. 450. Cash registers, linotype and all typesetting machines,

Mr. SHERMAN. I should like to have paragraph 450 passed over for the present.

Mr. SIMMONS. Does the Senator object to action upon the committee amendment to that paragraph?

Mr. SHERMAN. I wish to be heard on only one item of the paragraph. After it has been passed over it can be taken up for consideration at any time. The Senator from Ohio [Mr. BURTON] is not here.

Mr. SIMMONS. I ask that the committee amendment to that paragraph be acted on now.

Mr. SMOOT. But not that the paragraph be finally passed

Mr. SIMMONS. Not finally passing upon the part which the Senator wishes to discuss.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.
Mr. LODGE. Now it is to be passed over.
The VICE PRESIDENT. The paragraph will be passed over. The next amendment of the committee was, on page 133, after line 19, to insert as a new paragraph:

4501. Cast-iron pipe of every description.

Mr. SMOOT. Let that go over to-day. The VICE PRESIDENT. Paragraph 4501 goes over.

Mr. SIMMONS. Did we not discuss that very elaborately and take a vote upon it?

Mr. SMOOT. Not upon the wording of this paragraph, "cast-iron pipe of every description." The junior Senator from Pennsylvania [Mr. OLIVER] is not here, and I think he desires to

submit a few remarks on it.

The VICE PRESIDENT. Paragraph 450½ will be passed

The next amendment of the committee was, in paragraph 452, page 433, line 22, after the word "Catgut," to insert "for surgical use, and," so as to make the paragraph read:

452. Catgut, for surgical use, and whip gut, or worm gut, unmanufactured.

The amendment was agreed to.

The next amendment was, on page 133, after line 23, to insert as a new paragraph the following:

4521. Cement, Roman, Portland, and other hydraulic.

The amendment was agreed to.

The reading of the bill was continued.

The next amendment was, in paragraph 460, page 134, line 14, after the word "tar," to insert "dead or creosote oil," and in line 15, after the word "as," to insert "anthracene and anthracene oil," so as to make the paragraph read:

460. Coal tar, crude, pitch of coal tar, wood or other tar, dead or creosote oll, and products of coal tar known as anthracene and anthracene oil, naphthalin, phenol, and cresol.

The amendment was agreed to.

The next amendment was, on page 135, line 10, to strike out paragraph 471, in the following words:

471. Coral, marine, uncut, and unmanufactured.

The amendment was agreed to.

The next amendment was, in paragraph 476, page 135, line 16, after the word "kryolith," to insert "natural," so as to make the paragraph read:

476. Cryolite, or kryolith, natural.

The amendment was agreed to.

Mr. SMOOT. Let that paragraph go over.

The VICE PRESIDENT. Paragraph 476 goes over with the amendment agreed to.

The next amendment was, on page 135, after line 22, to insert as a new paragraph:

4813. Glaziers' and engravers' diamonds, unset, miners' diamonds, and diamond dust.

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in paragraph 485, page 136, line 15, before the word "birds," to insert the word "fowls," so as to make the paragraph read:

485. Eggs of fowls, birds, fish, and insects (except fish roe preserved for food purposes): Provided, however, That the importation of eggs of game birds or eggs of birds not used for food, except specimens for scientific collections, is prohibited: Provided further, That the importation of eggs of game birds for purposes of propagation is hereby authorized, under rules and regulations to be prescribed by the Secretary of the Treasury.

Mr. LODGE. Mr. President, I presume the word "fowls" is to be inserted there in order to make sure that eggs of poultry are put on the free list. Of course the hen is a bird, but the word "poultry" seems more natural.

Mr. WILLIAMS. What was the question?

Mr. LODGE. I was asking about the insertion of the word "fowls." I suppose it was done to make sure that the eggs of poultry were placed on the free list. Mr. WILLIAMS. I think that is right.

The VICE PRESIDENT. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

Mr. WILLIAMS. I ask to recur to paragraph 416 for a mo-

The VICE PRESIDENT. The Chair will state that the para-

graph has gone over by agreement.

Mr. WILLIAMS. I understand that; but I want to offer an amendment to perfect it, and I thought then it could go over as perfected. Of course it will have to be recurred to by unanimous consent, if at all, because it was passed over in that way. I desire to move to amend the committee amendment by striking out the words "nor in any manner loaded so as to increase the weight per yard."

I have consulted with members of the committee, and we think we have made a mistake in the insertion of that language.

So I desire to move to strike it out.

Mr. LODGE. I do not rise to object to the amendment, but that whole paragraph was passed over, and I think the amendment had better be reserved until we again take it up. nothing with that paragraph at all, but passed it over.

Mr. WILLIAMS. I thought I had obtained unanimous consent to recur to it, for the purpose of perfecting it. If I have not obtained unanimous consent, of course, I will not proceed. I understood the presiding officer to put the question to the

The VICE PRESIDENT. The question was not put; but there was no objection made.

Mr. WILLIAMS. That is what I understood. Did the Chair

ask if there was objection?

Mr. LODGE. It was agreed by unanimous consent to pass

the paragraph over.

Mr. WILLIAMS. I understood that; but I then asked unanimous consent to recur to it, for the purpose of perfecting the committee amendment, so that when it is passed over it is passed over as we want it to be, and not as we do not want it

Mr. LODGE. I have no objection to the amendment. Mr. WILLIAMS. Then, I move to strike out the words "nor in any manner loaded so as to increase the weight per yard."

The VICE PRESIDENT. The amendment to the amendment

will be stated.

The Secretary. In paragraph 416, page 129, line 13, after the word "process," it is proposed to amend the amendment of the committee by striking out the words "nor in any manner loaded so as to increase the weight per yard."

The VICE PRESIDENT. The question is on agreeing to the

amendment to the amendment.

The amendment to the amendment was agreed to.
The VICE PRESIDENT. The paragraph now goes over.

Mr. McLEAN. Mr. President, I should like to call the attention of the Senator in charge of this portion of the bill to the fact that if paragraph 471, on page 135, is stricken out without providing a substitute narrowsch, the content of the paragraph (the paragraph the paragraph to the paragra providing a substitute paragraph, the sequence in the numbers will be broken.

Mr. LODGE. That is a matter that can be attended to in conference.

Mr. McLEAN. It can easily be remedied by advancing the numbers of the succeeding paragraphs until we get to paragraph 4814.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in paragraph 486, page 136, line 23, after the word "corundum," to insert "and crude artificial abrasives, not specially provided for," so as to make the paragraph read:

486. Emery ore and corundum, and crude artificial abrasives, not specially provided for.

Mr. SMOOT. I ask that that paragraph may be passed over. The VICE PRESIDENT. The paragraph will be passed over. The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in paragraph 492, page 137, line 10, after the words "Flax straw," to insert "flax, not hackled or dressed; flax hackled, known as 'dressed line,' tow of flax and flax noils; hemp, and tow of hemp; hemp hackled, known as 'line of hemp,'" so as to make the paragraph read:

492. Flax straw, flax, not hackled or dressed; flax hackled, known as "dressed line," tow of flax and flax noils; hemp, and tow of hemp; hemp hackled, known as "line of hemp."

Mr. McCUMBER. I ask that paragraph 492 be passed over. Mr. SIMMONS. I ask the Senator if he would have any objection to discussing it this afternoon?

Mr. McCUMBER. I wish to offer an amendment to the para-

graph, which I can not draw at this time. I do not desire to

discuss the duty on flax, I will say to the Senator, any further than I have done.

Mr. SIMMONS. Very well,
The VICE PRESIDENT. The paragraph will be passed over. The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 137, after line 19, to insert a new paragraph as follows:

4961. Fulminates, fulminating powder, and other like articles not specially provided for in this section.

The amendment was agreed to.

The next amendment was, on page 137, after line 21, to insert a new paragraph, as follows:

4963. Furs and fur skins, undressed.

The amendment was agreed to.

The next amendment was, on page 137, after line 23, to strike out paragraph 498, as follows:

498. Glass enamel, white, for watch and clock dials.

Mr. LODGE. Mr. President, I should like to ask why glass enamel used in the manufacture of watch and clock dials, on which there has been a very heavy reduction of duty, has been stricken from the free list and put on the dutiable list? Perhaps it is not put on the dutiable list; I have not been all through the free list, but I understand that it is on the dutiable The committee withdrew the watch paragraph.

Mr. HUGHES. This item has been put in Schedule B. The reason it was stricken from the free list was because of the difficulty in the administration of the law and because of the

conflict with the other paragraph in Schedule B.

Mr. LODGE. Glass enamel used for watch and clock dials is on the free list now, and, as I have said, the duty on watches and clocks has been immensely reduced. It seems to me, inasmuch as the watch paragraph has been withdrawn the enamel paragraph ought to be taken into consideration by the committee in connection with perfecting the watch paragraph, which, as I have said and as the Senator is aware, has been withdrawn.

Mr. SMOOT. The Senator will find that it falls now in

paragraph 98.

Mr. HUGHES. Yes; paragraph 98.

Mr. SMOOT. An amendment was reported and agreed to adding glass enamel to the fusible enamel covered by that paragraph, so that it will carry a duty of 20 per cent.

Mr. LODGE. It will carry a duty of 20 per cent.

Mr. HUGHES. That has been adopted and is not in controversy, as I understand. The watch paragraph was taken back not for that reason, and this amendment was reported, I will say to the Senator, because, as I have said, it was found impossible to permit this glass enamel for watch dials to come in free without throwing the door open for all glass enamel. That is the difficulty.

Mr. LODGE. It has been done for a good many years without letting in all glass enamel.

Mr. HUGHES. It did let in all glass enamel.

Mr. LODGE. It does seem to me that it ought to be taken into consideration with the watch paragraph; and I will ask that the paragraph be passed over for the present, until the watch paragraph is taken up.

The VICE PRESIDENT. Paragraph 498 will be passed

The reading of the bill was resumed.

The next amendment of the Committee on Finance was. in paragraph 505, page 138, line 24, after the word "Gum," to insert "Amber in chips valued at not more than 50 cents per pound," so as to make the paragraph read:

505. Gum: Amber in chips valued at not more than 50 cents per pound, copal, damar, and kauri.

Mr. SMOOT. I ask that the paragraph go over, in order that I may have an opportunity to offer an amendment to it, not for any discussion.

The VICE PRESIDENT. There is no objection, as the Chair understands, to the committee amendment. The question is on agreeing to the amendment.

The amendment was agreed to.

The VICE PRESIDENT. The paragraph will be passed over. The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 139, beginning in line 1, to insert a new paragraph, as follows.

505%. Gunpowder, and all explosive substances, not specially provided for in this section, used for mining, blasting, and artillery pur-

The amendment was agreed to.

The next amendment was, in paragraph 518, page 140, line 2, after the word "water," to insert "and colors obtained from indigo," so as to make the paragraph read:

518. Indigo, natural or synthetic, dry or suspended in water, and colors obtained from indigo.

Mr. SMOOT. Let that paragraph be passed over.

The VICE PRESIDENT. Paragraph 518 will be passed over. Mr. SIMMONS. Mr. President, I do not suppose the Senator has any objection to action upon the committee amendment.

Mr. SMOOT. The reason I asked that the paragraph go over is that I want to call the attention of the Senate to the words

and colors obtained from indigo."

Mr. SIMMONS. Then the Senator is objecting to the commit-

tee amendment.

It is the amendment to which I am objecting, Mr. SMOOT. because I do not believe that the committee has really gone into the subject sufficiently to realize where that wording will lead.

Mr. SIMMONS. Very well; it is satisfactory that the paragraph go over.

Mr. SMITH of Georgia. We will be glad to have the Senator indicate his objection, so that we may consider it.

Mr. SMOOT. I have no objection whatever to indigo going on the free list. The only objection I have is to the amendment inserting the words "and colors obtained from indigo," because that language will conflict with the provision affecting other colors' now on the dutiable list, and I can not see how the provision is going to be administered.

Mr. SMITH of Georgia. Can the Senator indicate some of the

colors?

Mr. SMOOT. Oh, there are a good many of the coal-tar dyes

which are derivatives of indigo.

Mr. SMITH of Georgia. Does not the paragraph imposing a duty on coal-tar dyes provide for an exception where they are otherwise specially provided for? The purpose of the committee was to put these derivatives on the free list.

Mr. SMOOT. That is the trouble. One paragraph imposes a duty on the article not otherwise specially provided for and the other provides that it shall be free. I am not objecting, as I have said, to indigo going on the free list, for that is proper and right; but the wording of the amendment is going to result in a conflict.

Mr. STONE. Let the paragraph be passed over.

The VICE PRESIDENT. The paragraph will be passed over.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in paragraph 522, page 140, line 9, after the word "pyrites," to insert "iron in pigs, iron kentledge, spiegeleisen, wrought iron and scrap and scrap steel; but nothing shall be deemed scrap iron or scrap steel except secondhand or waste or refuse iron or steel fit only to be remanufactured; ferromanganese; iron in slabs, blooms, loops or other forms less finished than iron bars, and more advanced than pig iron, except castings, not specially provided for in this section," so as to make the paragraph read:

522. Iron ore, including manganiferous iron ore, and the dross or residuum from burnt pyrites; iron in pigs, iron kentledge, spiegeleisen, wrought iron and scrap and scrap steel; but nothing shall be deemed scrap iron or scrap steel except secondhand or waste or refuse iron or steel fit only to be remanufactured; ferromanganese; iron in slabs, blooms, loops or other forms less finished than iron bars, and more advanced than pig iron, except castings, not specially provided for in this section.

The amendment was agreed to.

The next amendment was, in paragraph 532, page 141, line 1, after the word "Lard," to insert "lard compounds, and lard substitutes," so as to make the paragraph read:

532. Lard, lard compounds, and lard substitutes.

The amendment was agreed to.

The next amendment was, in paragraph 534, page 141, line 3, after the numerals "534," to strike out "All leather not specially provided for in this section and leather board or compressed leather; leather cut into shoe uppers or vamps or other forms suitable for conversion into boots or shoes" and to insert "Sole leather, leather board or compressed leather, grain, buff, and split leather, all dressed upper leather, including patent, japanned, varnished, or enameled upper leather and shoe-lining leather, all of the foregoing for boot and shoe manufacturing purposes; leather cut into vamps or other forms suitable for conversion into boots or shoes; belting, harness and saddle leather, leather waste, skins for morocco, rough leather, tanned but not finished"; in line 16, after the word "or," to insert "in"; and in line 17, after the word "unfinished," to strike out "composed wholly or in chief value of leather," so as to make the paragraph read:

534. Sole leather, leather board or compressed leather, grain, buff, and split leather, all dressed upper leather, including patent, japanned, varnished, or enameled upper leather and shoe-lining leather, all of the

foregoing for boot and shoe manufacturing purposes; leather cut into vamps or other forms suitable for conversion into boots or shoes; belting, harness and saddle leather, leather waste, skins for morocco, rough leather, tanned but not finished; boots and shoes made wholly or in chief value of leather; leather shoe laces, finished or unfinished; harness, saddles, and saddlery, in sets or in parts, finished or unfinished. harness, finished.

Mr. WEEKS and Mr. PAGE addressed the Chair.

The VICE PRESIDENT. The Senator from Massachusetts. Mr. WEEKS. I should like to have that paragraph go over. Mr. STONE. Which paragraph?

Mr. WEEKS. Paragraph 534. Mr. PAGE. I was about to ask the same favor, Mr. President. Mr. GALLINGER. Before that paragraph goes over, I should like to ask the Senator in charge of the bill whether or not the paragraph on page 117, paragraph 376, which has been stricken out, has been included in this paragraph 534, on page 141? Is paragraph 534 intended to include that, or does some other provision cover it?

Mr. SMOOT. It is in paragraph 534.

Mr. GALLINGER. It is not worded in the same way.
Mr. THOMAS. That is included in the phraseology of the amendment to paragraph 534. I will call the Senator's atten-

tion to line 12, page 141.

Mr. GALLINGER. I observe it is included, and I hope the paragraph will go over, because it ought to be very seriously considered.

Mr. THOMAS. It goes over, as I understand, by request of the Senator from Massachusetts [Mr. Weeks].

The VICE PRESIDENT. Paragraph 534 will be passed over.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 141, after line 24, to insert a new paragraph, as follows: 5371. Limestone-rock asphalt; asphaltum, and bitumen.

The amendment was agreed to.

The next amendment was, in paragraph 543, page 142, line 7, after the word "of," to insert "natural," so as to make the paragraph read:

543. Manganese, oxide and ore of, natural.

The amendment was agreed to.

The next amendment was, in paragraph 548, page 142, line 15, after the word "section," to insert:

after the word "section," to insert:

Provided, That meat and meat products brought to the United States shall be subject to the same inspection by the Bureau of Animal Industry of the Department of Agriculture as prescribed by the act of June 30, 1906, for domestic cattle and meats, unless the Secretary of Agriculture shall be satisfied that the government of the country whence the meat or meat products are exported maintains and enforces a system of inspection equal to our own, or satisfactory to him as being competent to protect the public health, in which case the certificate of such government that such inspection has been made shall be sufficient.

So act to reals the recognity read.

So as to make the paragraph read:

So as to make the paragraph read:
548, Meats: Fresh beef, veal, mutton, lamb, and pork; bacon and
hams; meats of all kinds, prepared or preserved, not specially provided
for in this section: Provided, That meat and meat products brought to
the United States shall be subject to the same inspection by the Bureau
of Animal Industry of the Department of Agriculture as prescribed by
the act of June 30, 1906, for domestic cattle and meats, unless the
Secretary of Agriculture shall be satisfied that the government of the
country whence the meat or meat products are exported maintains and
enforces a system of inspection equal to our own, or satisfactory to him
as being competent to protect the public health, in which case the certificate of such government that such inspection has been made shall be
sufficient.

Mr. McCUMBER. I ask that paragraph 548 may go over for the purpose of giving me an opportunity to prepare an amendment.

Mr. CUMMINS. Mr. President, before it goes over, I think it only fair that I should present, probably not the same kind of amendment in the mind of the Senator from North Dakota, but one which was printed a long time ago and was referred to the Committee on Finance. It relates to the proviso that has been offered by the committee. I ask the Secretary to read it.

The VICE PRESIDENT. The amendment will be stated. The Secretary. It is proposed to strike out the proviso offered by the committee, and to insert in lieu thereof the following:

following:

Provided, however, That none of the foregoing meats shall be imported into the United States from any foreign country unless and until the President, after due investigation, has found and proclaimed that the Government of any such foreign country has established and is maintaining a system of meat inspection which is the substantial equivalent and is as efficient as the system established and maintained by the laws of the United States in the Department of Agriculture; and especially that the system of such foreign country provides for the examination of all cattle, sheep, swine, and goats before they are allowed to enter into any slaughtering, packing, meat canning, rendering, or similar establishment in which they are to be slaughtered and the meat or meat products thereof are to be used for food: And provided further, That no meat imported into the United States from any foreign country shall be sold in the United States until it is examined and inspected, after arrival and before sale, by inspectors appointed by the Secretary of Agriculture; and the provisions of an act making

appropriations for the Department of Agriculture for the fiscal year ending June 30, 1908, relating to post-mortem examinations and inspections of the carcasses and parts thereof of cattle, sheep, swine, and goats are hereby made applicable to carcasses, parts thereof, and meats so imported into the United States from any such foreign country.

Mr. CUMMINS. Mr. President, if the amendment the Senator from North Dakota has in mind does not relate to meat inspection, I shall be very glad to submit my views with regard to the subject now, and have this part of it acted upon. It is more convenient for me to do it now than it may be when the paragraph is again reached.

Mr. McCUMBER. I will reply to the suggestion of the Senator from Iowa that the amendment I had in mind was one which would make this section similar to the section which provides for the free importation of wheat, namely, providing for a duty against the meats of any country equivalent to the duty levied by that country upon American meats, and it has no reference whatever to the matter of inspection.

Mr. CUMMINS. I believe that meat ought not to be upon the free list, but if free, should be under the conditions suggested by the Senator from North Dakota.

Mr. LA FOLLETTE. Mr. President—
The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from Wisconsin?

Mr. CUMMINS. I do.

Mr. LA FOLLETTE. I should be very glad, indeed, to hear the Senator this afternoon, if it is more convenient for him to address himself to this paragraph at this time than it would be at a later period; but I shall ask to have the paragraph passed over with a view to offering something upon the paragraph later. I shall be very glad, however, to defer that request until after the Senator has spoken.

Mr. CUMMINS. Very well. As there seems to be a desire to have it go over, if I am not here when the amendment is reached, I desire to have it voted upon without any argument

on my part.

I do not think the Senator from Iowa WILLIAMS. quite understands the situation. I do not think there is any desire to have it go over. The desire is to have him deal with it now, as far as he can.

CUMMINS. I think there is. My idea was, if the amendment I have proposed does not interfere with the amendment suggested by the Senator from North Dakota, to have the inspection part of it disposed of to-night.

Mr. WILLIAMS. I think we ought to do that.

Mr. CUMMINS. But I think the Senator from Wisconsin has it in mind, possibly, to consider that part of it,

Mr. LA FOLLETTE. Yes; but I very cheerfully consented, so far as I was concerned, to the Senator proceeding this afternoon if it suits his convenience.

Mr. CUMMINS. But I would rather defer what I have to say than to debate the amendment now and have it voted upon at some other time.

Mr. LA FOLLETTE. I understood the Senator to say that it might not be convenient for him to be here at all when it is taken up again.

Mr. CUMMINS. It may not be.

Mr. LA FOLLETTE. In that event, of course, the Senate would miss the opportunity to hear the Senator's views upon this paragraph. I am sure all of us would be very glad to hear them

Mr. CUMMINS. I do not know whether it will be convenient or not. I know that I shall be necessarily absent for a day or two while the bill is under consideration. I shall hope to be here. But in order that Senators may know my reasons for the amendment I have offered, I shall very briefly call to their attention the scope of the amendment proposed by the commit-tee and the scope of the amendment I have offered as a substitute for the committee amendment.

I do not believe meat should come into the United States unconditionally free; but if meat is to come to the United States to be consumed by the people of the United States, it seems to me we ought to have the same protection against foreign meat that we have provided against domestic meat. There can be no reason why we should allow the foreigner to supply us with diseased meat and exclude our own people from supplying us with the same kind of meat. It certainly can not have been in the mind of the committee to place upon the introduction of foreign meat into the United States a less rigorous condition than we have already attached to the introduc-tion of domestic meat into the channels of interstate com-

If I show favor to one or the other, I intend to show it to our own people, although I am not contending that, so far as inspection is concerned, there should be any favor shown to either.

The purpose of my amendment is to put the foreigner on exactly the same footing that we have already arranged for the domestic manufacturer.

Now let us see. The amendment suggested by the committee reads in this way:

Provided. That meat and meat products brought to the United States shall be subject to the same inspection by the Bureau of Animal Industry of the Department of Agriculture as prescribed by the act of June 30, 1906, for domestic cattle and meats, unless the Secretary of Agriculture shall be satisfied that the government of the country whence the meat or meat products are exported maintains and enforces a system of inspection equal to our own, or satisfactory to him as being competent to protect the public health, in which case the certificate of such government that such inspection has been made shall be sufficient. sufficient.

The first thought that arises in one's mind when he is examining this language must be that, while we have established a system of ante-mortem examination and inspection with regard to our meat-manufacturing industries, we are about to allow foreign meats to enter our country without any ante-mortem examination unless it happens that the country from which they come has established such a system. I want the Senate to be perfectly clear upon that point, because I am sure the committee has made a mistake in the matter.

Mr. WILLIAMS. Mr. President, if I understand the Senator, he wants the Government of the United States to make an ante-mortem examination of meats in the Argentine Republic and in Australia, and in Germany, and in France, and in Canada, and in all the balance of the world.

Mr. CUMMINS. The Senator from Mississippi is not so clear as he usually is, because I have not suggested anything of the kind, and of course I recognize the futility of suggesting anything of the kind.

Mr. WILLIAMS. I so understood him, because the Senator said that while we subjected our own cattle to an ante-mortem examination, we were not going to subject foreign cattle to that examination.

Mr. CUMMINS. Precisely; I did so say.
Mr. WILLIAMS. And the amendment which the committee has offered says that these cattle shall not be admitted free unless

Mr. CUMMINS. These are not cattle. This is meat. Mr. WILLIAMS. I mean meat; that this meat, then, shall not be admitted free unless it has been subjected to an examination the same as or equal to that to which we subject our cattle-that is, subjected to this examination by the government of the country of export before it comes-or unless the Secretary of Agriculture thinks the system of examination to which the cattle and meat are subjected in their own country is sufficient to protect the public health.

That is the committee amendment, and there is no quarrel with it unless it be one of two things: Either that we ourselves should make an ante-mortem examination of the meat-of course you have to make it of cattle, because that is what an ante-mortem examination of meat necessarily is; it is cattle while living—or that there should be an examination of the viscera at the port of entry. I take it, however, that the Senator does not mean that there should be an examination of the viscera at the port or anything of that kind. He does not want

nat. That is the system Germany invokes.

Mr. CUMMINS. I am not establishing a system. I am simply taking the system we already have established in this country.

Mr. WILLIAMS. That is precisely what the committee amendment does

Mr. CUMMINS. I am sure the Senator from Mississippi is wrong with regard to it, and if he will review the amendment he will see that he is wrong. I will undertake now to analyze it a little further.

The paragraph, to be understood, must be read as a whole: Meats: Fresh beef, veal, mutton, lamb, and pork; bacon and hams; meats of all kinds, prepared or preserved, not specially provided for in this section: Provided, That meat and meat products brought to the United States

I pause there to say that of course they are brought here after the animals from which the products come are killedshall be subject to the same inspection-

That is, the meats shall be subject to the same inspectionby the Bureau of Animal Industry of the Department of Agriculture as prescribed by the act of June 30, 1906, for domestic cattle and

This is the requirement, then, that when the meats reach this country they shall be subjected to the same inspection that we require for our own meats, as provided in the law of 1906, although that law was reenacted at a later time and possibly changed a little. However, that is immaterial. But in this amendment the committee has provided simply for an inspection of the meat after it reaches the United States; that is all. You have given the Secretary of Agriculture authority to waive that requirement in a certain contingency; and now I shall proceed to read further. This examination on immediate to be made. to read further. This examination or inspection is to be madeunless the Secretary of Agriculture shall be satisfied that the Government of the country whence the meat or meat products are exported maintains and enforces a system of inspection equal to our own, or satisfactory to him as being competent to protect the public health, in which case the certificate of such Government that such inspection has been made shall be sufficient.

Suppose the Secretary of Agriculture decides that the country from which the meat comes has no adequate system of inspection, what then? He then inspects the meat as it reaches the ports of the United States. If the meat passes the inspection it must be admitted into the United States, and there is no opportunity whatever to make an ante-mortem examination, nor could the authorities of this country require that an autemortem examination should be made.

If it were true that all the protection we need against impure meat can be given through a post-mortem inspection, I should have no complaint to make of the committee amendment. But we all know—I do not know it very well except from reading the literature upon the subject—that there are some diseases against which people can not be fully protected save by ante-mortem examination or inspection. Therefore in our country, before an animal can be slaughtered in any packing plant, it must be inspected alive; and if it fails to pass the inspection it is not permitted to be manufactured into food.

The Senator from Oregon [Mr. LANE] questions that. I know what I am speaking of, because, fortunately, I have the regulations before me.

Mr. LANE. Mr. President, I was merely questioning this: I desire to call the Senator's attention to the fact that all animals brought into the stockyards are slaughtered on the same floor; and those which are diseased and unfit for human food, in the opinion of the inspector, are sent out to be used as ferti-

Mr. CUMMINS. Certainly.

Mr. LANE. The ante-mortem examination does not amount to so much. It is the post-mortem examination which is the more important, and decides whether or not the meat shall be used for human food.

Now I did not shake my head at the Senator to confuse him or dispute his statement. The other proposition is one just as strong as the contention which he makes. If there is no means of ascertaining what form of post-mortem examinations they make of a meat supply in a foreign country then you are in as great a danger as you are from the other contention, and it is equally urgent.

Mr. CUMMINS. Of course if it were any ailment of the human body I would accept the view of the Senator from Oregon as conclusive, but inasmuch as this refers to another kind of animal I must differ from him with regard to the value of the ante-mortem inspection.

I repeat, Mr. President, there is no reason for making a favorite of the butcher in Argentina or the butcher in Canada. If we are to expose our own people to the free competition of the world, we certainly ought to care enough about the health and the welfare of our own people to take exactly the same precautions against diseased meat when the foreigner tries to feed us as when our own people try to feed us.

Mr. LANE. If the Senator will allow me just a moment more, I will state the point to which I wished to call his attention. I did not raise it to dispute or to embarrass the Senator

Mr. CUMMINS. The Senator does not embarrass me in the least.

Mr. LANE. Anyway I do not dispute the point the Senator is trying to make. The meat of the animal, as a rule, does not show the effect of disease. In diseased cattle unfit for human food a diseased condition manifests itself in the viscera. In a number of cases a steer or cow will look to be fat and well fed and upon an ante-mortem examination would be an ideal subject out of which to make beef, but on a post-mortem examination it is frequently found to be infected with tubercular tissue in the lungs and unfit for food.

Mr. CUMMINS. I have not questioned the latter statement. I think it requires both an ante-mortem and a post-mortem inspection in order to be sure that we have pure meat; and why in the world we require our own packers and butchers and our own farmers to submit to ante-mortem examination and do not require such an examination from the foreigner is more than I can understand. It is utterly impossible for me to conceive why this discrimination is made in favor of the importer of

Mr. GALLINGER. Mr. President-Mr. CUMMINS. I yield to the Senator.

Mr. GALLINGER. This is a matter that greatly interests If I understand the Senator from Iowa, he is absolutely right in his contention. I would not interrupt the Senator, but would wait if I were not called out of the Chamber.

Mr. CUMMINS. I am very glad to yield to the Senator. Mr. GALLINGER. The Senator's idea is that we should insist that every foreign country from which meat is sent to us shall have substantially the same ante-mortem examination that

Mr. CUMMINS. A simple reading of my amendment will indicate just what I desire, and my objection against substituting a mere inspection after slaughter and after the meat has traveled across the ocean in order to reach the American shore,

The amendment which I have proposed is:

The amendment which I have proposed is:

That none of the foregoing meats shall be imported into the United States from any foreign country unless and until the President, after due investigation, has found and proclaimed that the Government of any such foreign country has established and is maintaining a system of meat inspection which is the substantial equivalent and is as efficient as the system established and maintained by the laws of the United States in the Department of Agriculture.

Mr. GALLINGER. It seems to me, Mr. President, that that amendment ought to be agreed to without objection, and we ought to insist that meat sent to us from abroad should be as carefully inspected as the meats that our own people produce.

Mr. CUMMINS. I supposed that it would be accepted. I did not dream that when it was known that this proposal of the committee allowed meats to come here subject only to postmortem examination there would be objection to so strengthening the regulation as to require that the foreign country should maintain the same efficient system of inspection that we maintain for ourselves.

Mr. LANE. Mr. President-

The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from Oregon?

Mr. CUMMINS. I do.

Mr. LANE. I wish to say to the Senator that I agree with him in his desire and wish that every possible safeguard shall be thrown around it, and if this does not cover it I would be very glad to join with him in getting the best possible provision we can.

Mr. CUMMINS. I am very glad to hear the Senator from Oregon say that. I am attempting to show—and it can be shown so clearly that it is impossible to dispute it—that this does not require more than a post-mortem inspection, and that if meats were to come in from every part of the world, from countries that had no system of inspection, they would enter our market subject only to the post-mortem examination required by our law.

The chief difference between the amendment proposed by the committee and the amendment which I have proposed is that if the meat does not come from a country that has established a system of ante-mortem examination it can not enter our markets, and even after it does enter our markets then it is subject to the same post-mortem inspection that we have provided for With regard to the post-mortem inspections I have no quarrel at all with the amendment proposed by the committee

Mr. WILLIAMS rose.

Mr. CUMMINS. Does the Senator from Mississippi desire to

Mr. WILLIAMS. No; I desire to read the Senator's amendment and reply to the Senator when he gets through.

Mr. CUMMINS. Very well. I have but a few v

Very well. I have but a few words more to say about it.

In the law of March 4, 1907, making appropriations for the Agricultural Department for the year ending June 30, 1908, there is found this provision:

there is found this provision:

For meat inspection: That hereafter, for the purpose of preventing the use in interstate or foreign commerce, as hereinafter provided, of meat and meat-food products which are unsound, unhealthful, unwholesome, or otherwise unfit for human food, the Secretary of Agriculture, at his discretion, may cause to be made, by inspectors appointed for that purpose, an examination and inspection of all cattle, sheep, swine, and goats before they shall be allowed to enter into any slaughtering, packing, meat-canning, rendering, or similar establishment in which they are to be slaughtered and the meat and meat-food products thereof are to be used in interstate or foreign commerce; and all cattle, swine, sheep, and goats found on such inspection to show symptoms of disease shall be set apart and slaughtered separately from all other cattle, sheep, swine, or goats, and when so slaughtered the carcasses of said cattle, sieep, swine, or goats, and when so slaughtered the carcasses of said cattle, sieep, swine, or goats shall be subject to a careful examination and inspection, all as provided by the rules and regulations to be prescribed by the Secretary of Agriculture, as herein provided for.

All that I ark is that before meat shall come from any

All that I ask is that before meat shall come from any other country into the United States the country from which it is exported shall have established either this system for inspection or some other system equally efficient. If it had been thought that a post-mortem inspection would preserve the country from impure meat, there would have been no provision in the law for the ante-mortem inspection. This statute was passed a long time ago, and the Department of Agriculture has established in this country a system of inspections before slaughter, and after slaughter another system of inspections. I hope the Senate will not confuse the two things. They are perfectly distinct. The inspections are carried on for the same general purpose, and carried on because one is not adequate without the presence of the other.

In order to show that I want to indicate what the Department of Agriculture has done. I have in my hand a public document of the Sixty-second Congress, third session. It is a letter from the Secretary of the Treasury, transmitting a statement prepared by the Secretary of Agriculture showing the number of persons employed in meat inspection, the amount paid each, and so forth, for the fiscal year ended June 30, 1912. It is a very comprehensive document, and indicates better than anything I could say just what the country is doing in order to prevent impure meats from entering interstate commerce.

I wish also to refer to a bulletin issued by the Department of Agriculture, giving instructions that are to govern the branding of carcasses and the primal parts of animals after they are slaughtered.

I read a little of it. It is order 150, regulation 17, section 5:

Beef carcasses.—In each instance the brands shall be affixed so as to mark the following primal parts: Rounds, loins, ribs, chucks, flanks, plates, and briskets: also the kidney fat and cod fat. Other primal parts may be marked if required by local conditions.

Then proceeds the same kind of regulation with regard to calf carcasses, sheep carcasses, shipper pigs, and hog carcasses, canners, and so forth.

I have mentioned these things in order to show that there are two branches of this great preventive system: First, the antemortem inspection, and second, the post-mortem inspection; and the committee, unfortunately, has provided for the introduction of foreign meats upon a post-mortem examination only.

I repeat that because I do not believe it is generally understood by my friends on the other side that there is an attempt here to favor the foreign manufacturer of meats as against the home manufacturer of meats.

I, of course, do not expect the activities of the United States to extend to any foreign country, but it is within the power of any foreign country to establish just as efficient a system of inspection as we have, and my amendment is that unless it is so done and unless the President is so advised and unless he issues his proclamation accordingly, no meats can come in from that country, and even after that examination is had and the meats come here, then they ought to pass the same inspection precisely that our meats pass after slaughter and before they are shipped in the way of commerce.

This being accomplished, we have treated the foreign manufacturer exactly as we have treated the home producer of meats; and unless we do exclude meats from countries that have no such system we will have given a premium to the packers of Argentina and the packers of Canada in their effort to supply the people of this country with meat.

While I do not think it is a sound economic proposition, I am conscious of a good deal of sympathy with the desire to supply the people of the country with the necessities of life at the lowest possible cost; but there is no economy in supplying the people with impure meat, and there is no justice in giving a bounty upon the importation of meat. At least treat our own people as though they were entitled to the same consideration that we are endeavoring to extend to the people of other countries.

Mr. PAGE. Before the Senator takes his seat-

Mr. CUMMINS. I yield to the Senator.

Mr. PAGE. I should like to ask him if it is not a fact that after diseased cattle have been slaughtered it is possible to so far remove the indication of disease that the inspector would find it impossible to detect it?

Mr. CUMMINS. I did not intend to enter into the technical part of it, but there are diseases that can be detected by an ante-mortem inspection that can not be detected at all in the meat after slaughter. That is the very purpose of the ante-mortem inspection. I assume that if there were attached here a condition that all meats should be accompanied with the viscera of the animal out of which the meats come there might be an additional protection, but that of course is absurd, and we have the meat here in the carcass, chilled or frozen. The way the meats will come into the United States will be either chilled or frozen, depending upon the distance over which the meats travel, and when they thus reach the United States, although the animals from which they were made may have been so diseased that the meats are utterly unfit for human food, the inspector here will be oftentimes incapable of detecting or exposing that disease.

If the Senate desires to encourage that sort of thing, I shall have to revise my opinion of my very good friends upon the other side. I do not think they want to do anything of the sort.

Mr. LANE. Mr. President— Mr. CUMMINS. I yield to the Senator from Oregon.

Mr. LANE. I wish to confirm the statement of the Senator from Iowa. An examination of fibers and muscles will not show whether the animal has been diseased; but in very few cases will it show the indications of disease. The Senator is right. The presence of the disease can be ascertained by an examination of the animal before it is slaughtered and by an examination of the viscera after it is slaughtered; the more important, I think, is the examination of the viscera. We should require both.

Mr. CUMMINS. Mr. President, I hope that this will not be looked upon on the other side of the Chamber as a hypercritical suggestion upon my part. This is real. We all know that vast expense has been incurred in the effort to secure pure meat, and if we allow our foreign rival to escape a part of that expense—the expense involved in these investigations—he will bring his meat here under unfair conditions and without regard to the effect upon the public health.

I therefore submit this amendment, reasserting that the chief difference between it and the amendment proposed by the committee is that in mine whatever system is in force in the United States as to ante mortem inspection its equivalent must be found to exist in the country from which the meats come; as to inspection after arrival in America, there is no substantial difference between the committee amendment and my own.

Mr. WILLIAMS. Mr. President, the fatal errors about the Senator's amendment are, in my opinion, twofold: First, he gives no credence at all to the certificate of any country where a system of inspection is maintained identical with or equal to ours. We have been making the welkin ring with our complaints of foreign governments not accepting our certificates as sufficient evidence of the fact of the proper inspection, ante mortem and post mortem, of our meat.

The next defect in the Senator's amendment is that, no matter whether the foreign country has a system of inspection equal to ours or not, he proposes to subject the meat, after it arrives here, to a reinspection by the officers of this Government, even in the case of countries which have a system of cattle and meat inspection fully equal to our own.

What is the consequence? Some of the meats are brought in cans, some of them are imported in barrels, and they can not be reinspected except by uncanning and unbarreling.

The Senator seems to have misunderstood the committee amendment. He seems to think that the foreign system of inspection, to which the committee refers, is simply post-mortem inspection, whereas the very language of the committee amendment is to the contrary. I read it:

Provided, That meat and meat products brought to the United States shall be subject to the same inspection by the Bureau of Animal Industry of the Department of Agriculture as prescribed by the act of June 30, 1906, for domestic cattle and meats—

That refers to the inspection of the meat. Then this follows:

Unless the Secretary of Agriculture shall be satisfied that the government of the country whence the meat or meat products are exported maintains and enforces a system of inspection—

Inspection of what? Why, both of cattle and meats—equal to our own.

Because up above it says that meat shall be subject to the same inspection as is "provided by the act of June 30, 1906, for domestic cattle and meats."

Now, the language is:

Unless the Secretary of Agriculture shall be satisfied that the government of the country whence the meat or meat products are exported maintains and enforces a system of inspection—

Not the inspection of meat merely-

equal to our own, or satisfactory to him as being competent to protect the public health.

And so forth.

In which case, under the comity of nations, a system of inspection equal to our own there existing, or a system of inspection satisfactory to the Secretary of Agriculture as representing our Government, so as to avoid making it maintain a system identical with ours, which they probably would not want to do—they have their own notions and it might go further than ours—then, in that case, under the comity of nations, the certificate of the government of the country whence the meat is imported to this country shall be accepted as sufficient, just as we insist that our certificate of the fact that our meat has been inspected shall be accepted as sufficient.

Another defect about the Senator's amendment is that after the Senator once finds a country which has a system of cattle and meat inspection to suit him, then he lets all meats come in from that country, whether they have been actually inspected by the Government or not, because he does not require the certificate of that Government to accompany the meats. For example, there is any amount of meat killed in the United States which is never inspected by the Federal Government. Therefore the countries over there demand not only that we shall have a competent system of inspection, but that the certificate of the Government to the fact that the meat has been inspected shall accompany the importations of it into those countries. Under the Senator's amendment, after you had once got yourself satisfied and the President had proclaimed that the system of inspection in the foreign country was sufficient, then the meat could be sent here without a certificate. It might be meat which had not undergone inspection.

Mr. President, if, to "make assurance double sure," the Senator has any doubt about the system of inspection in the foreign country covering cattle as well as meat, if he has any doubt about my conclusions being right, that the inspection refers back to the act of June 30, 1906, and to the language "cattle or meat," that can be cured by putting in the words "of cattle and meat," following the word "inspection," in line 23, so that it would

read:

Unless the Secretary of Agriculture shall be satisfied that the Government of the country whence the meat or meat products are exported maintains and enforces a system of cattle and meat inspection—

Instead of merely a "system of inspection"-

equal to our own, or satisfactory to him as being competent to protect the public health, in which case the certificate of such Government that such inspection has been made shall be sufficient.

If there is any defect in this committee amendment at all, it is that there might be added to it the words "and no meat under any circumstances shall be imported without the certificate of the country whence it was exported.

Mr. CUMMINS. Mr. President, I am inclined to think that the criticism of the Senator from Mississippi upon my amendment with regard to the necessity of a certificate accompanying the meat is sound. I think it ought to have that provision in it, and before the amendment is voted upon I will modify it in

that way. I had not thought of that particular point.

Mr. WILLIAMS. Now, Mr. President—

Mr. CUMMINS. If the Senator will wait a moment—

Mr. WILLIAMS. I am willing for this paragraph to be passed over, and the Senator and I can get together, or the Senator and the subcommittee can get together, and we can draw an amendment that will satisfy us both, I suppose.

Mr. CUMMINS. Just a moment before we do pass it over. Let us not obscure the issue. Under the amendment of the committee meats could come here from a country having no system of inspection at all of any kind, and we must accept those meats if they pass the post-mortem inspection provided for in the amendment. That is the thing I desire to avoid. I want those meats to come here, if they come at all, from a country with a system of ante-mortem examination.

Mr. WILLIAMS. Now, let us see if we understand each

other. Does the Senator want to fix it so that no meat can be

imported from Mexico?

Mr. CUMMINS. Well, I have not particularized as to countries. I know that we do this thing in order to protect our people from our own manufacturers, and I assume that we ought to require the same thing of a foreign manufacturer.

Mr. WILLIAMS. Mr. President, one other point and I shall cease talking. There seems to be an impression in the minds of some Senators that this amendment here is to provide for the inspection of cattle. That is provided for under the existing law, which applies not only to cattle in interstate commerce but to cattle in foreign commerce as well, and the Department of Agriculture has a very rigid inspection of live cattle brought into the country. That, however, has nothing to do with this amendment, but I found that idea in the minds of some of the Senators and I wanted to dissipate it. That is under a different law. I do not think the Senator's amendment is as good as the committee amendment. It may be that the committee amendment might be strengthened, and I am perfectly willing that it shall go back to the committee for that purpose, and I shall be very much pleased at any time to call the subcommittee together and have the Senator appear, and we will sit as a subcommittee and concoct an amendment that will be satisfactory.

Mr. CUMMINS. I will be glad to attend in answer to any

summons of that kind.

Mr. McCUMBER. Mr. President, as I will undoubtedly submit an amendment to this particular paragraph, I desire to present it now, so that it may be considered by the committee. I would prefer, if it were possible, that a duty should be present it now, so that it may be considered by the committee. I would prefer, if it were possible, that a duty should be levied equal in amount to the duty levied by any other country upon our meats; but I am inclined to think that would be in

conflict with the favored-nation clause of some of our treaties, and hence that we would have to be specific in the general law. I present the amendment with the statement that I will ask for a vote on it during the consideration of the particular paragraph.

The VICE PRESIDENT. The Secretary will state the amendment.

The Secretary. On page 142, at the end of line 26, it is proposed to add the following proviso:

Provided further, That any of the foregoing specified articles shall be subject to a duty of 20 per cent ad valorem when imported, directly or indirectly, from any country, dependency, or other subdivision of Government, which imposes such a duty on such articles imported from the United States.

Mr. BRANDEGEE. Mr. President, I desire to ask the Senator from Iowa whether the act of June 30, 1906, referred to

provides for ante mortem inspection?

Mr. CUMMINS. It does. The act of June 30, 1906, is the agricultural appropriation bill for that year, and the part of it relating to inspection is practically, if not exactly, reproduced in the appropriation act of March 4, 1907, and is the present law upon the subject. It does provide for ante-mortem inspection.

Mr. BRANDEGEE. In what respect does the act of 1908 differ?

Mr. CUMMINS. There is no difference; the two are substantially identical.

Mr. SIMMONS. I ask that the Secretary proceed with the reading of the bill.

Mr. NORRIS. Mr. President— Mr. SIMMONS. I understand that action is not desired on the pending paragraph this afternoon.

Mr. LA FOLLETTE. I have asked that that paragraph go

Mr. SIMMONS. I understood that the Senator from North Dakota [Mr. McCumber] and the Senator from Wisconsin [Mr. LA FOLLETTE] had asked that it be considered hereafter.

Mr. NORRIS. Before the paragraph goes over, I desire to make an observation. I should like the attention of the senior Senator from Mississippi [Mr. WILLIAMS]. In regard to this particular proviso 1 think the words commencing at the end of line 23, "or satisfactory to him as being competent to protect the public health," ought to be stricken out of the proviso.

It strikes me that, containing these words, the proviso certainly gives to the foreign shipper of meats an advantage over the producer in this country. It is set forth in the beginning

of the proviso:

That meat and meat products brought to the United States shall be subject to the same inspection by the Bureau of Animal Industry of the Department of Agriculture as prescribed by the act of June 30, 1906, for domestic cattle and meats, unless—

Here are the two exceptions-I have no fault to find with the

Unless the Secretary of Agriculture shall be satisfied that the Government of the country whence meat or meat products are exporte maintains and enforces a system of inspection equal to our own are exported

It seems to me that is all right; I do not see how anyone could find fault with that; and, if it ended there, I would have no criticism to make. That is one exception. Here is the other one, and these are the words that I think should be stricken

Or satisfactory to him as being competent to protect the public health.

In our law there is no such exception existing.

Mr. WILLIAMS. Yes; but we make our own law.

I understand that. Mr. NORRIS.

Mr. WILLIAMS. The purpose of that was this: We can not enforce identity of legislation

I understand that. Mr. NORRIS.

WILLIAMS. And so we are compelled to leave it to somebody to determine when different legislation is competent to accomplish the purpose which we wish, which is to protect the public health, and in that event we thought the Secretary of Agriculture was the proper person to determine it.

Mr. NORRIS. If the Senator will listen a moment, I think that situation is completely met by the first exception, namely, that the inspection law of the foreign country must be equal to our own. It does not have to be identical, and nobody is contending that it should be. Let us take, for instance, a producer

Mr. WILLIAMS. One moment. It says "the same," and then it says "equal to," and then it says "shall be satisfactory

country had the remainder of the law, but did not have that particular provision, it would not be equal to ours, would it?

Mr. NORRIS. If the Secretary of Agriculture found that the foreign law of inspection was equal to ours, even though it had something ours did not have or omitted something that ours did have, he would have the right to admit the meats, even though the language I want stricken out was stricken out. Let us take our own people, and suppose we have a Secretary of Agriculture who has an idea of meat inspection that does not come up to the prescribed rule laid down by the law of Congress—we may have such a Secretary at some time; and I say that without intending to cast any reflection upon any Secretary of Agriculture—there may be a difference between honest men's minds as to what the inspection should be, but in this country we have provided by law what that inspection shall be; and the Secretary of Agriculture will enforce that law, even though he thinks the law is too severe. That applies to everybody in this country who produces meat products and puts them into interstate commerce.

With the foreigner, however, it would be different. The Secretary would then say: "You have not complied with our law over there, but so far as my judgment is concerned your law is good enough, and I will let it go through," and with this amendment he would have a right to do it. In this country must comply with a law that we have laid down. That would give to the foreigner the right to come in if the Secretary was willing that he should do so, whether he had an inspection law that was equal to our own or not. That is a discrimination

that I do not believe the Senator wants to make.

Mr. WILLIAMS. Our intent, at any rate, was that whether their inspection law was equal to ours or not, even if in our opinion it was not so good a system of inspection as ours, still if in the opinion of the Secretary of Agriculture it was a system competent to protect the public health the meat should be

allowed to come in for the use of the American people. It is not the easiest thing in the world, you know, to do what we are trying to do here. Nations have been quarreling for I do not know how many years about the abstract proposition, which does not disturb anybody's peace or comfort, as to what degree of longitude is to be taken as a beginning in making maps. They have never agreed about it yet. They can not agree about an equal unit of coinage; and they never will make statutes that are equal to one another upon the subject of meat inspection.

One will be superior, in the opinion of a foreign country, and ours will be superior in our opinion. But who is going to judge of the quality? This language was put in here afterwards for the very purpose which seems to strike the Senator as being a discrimination against our own people. It is not, because if Congress changed our present inspection laws it might change them for the worse.

Mr. NORRIS. Why, of course.

Mr. WILLIAMS. The system might not be so good as it is now.

Mr. NORRIS. And it might make them better; but Congress has the right to do that, and the Secretary of Agriculture has not.

Mr. WILLIAMS. But we have conferred upon the Secretary of Agriculture, in all of our domestic quarantine laws and every-

thing else, most exhaustive powers.

Mr. NORRIS. Exactly; but we have not conferred on him in this particular line the right to say whether or not meat produced in this country which applies for admission into interstate commerce shall go into interstate commerce. We have prescribed by law when it shall go in and when it shall stay out.

Mr. WILLIAMS. Mr. President, we prescribe by law to our own citizens a certain inspection, because we have the sovereign power to do it. We can not prescribe to foreign nations, under any comity of nations that exists anywhere, that they shall adopt certain legislation.

Mr. NORRIS. Nobody contends that.

Mr. WILLIAMS. All we have a right to do is to say that for the purpose which we have in view, to wit, the protection of the people of America in their public health against diseased or bad meats or meats which have not been subjected to an inspection sufficient to satisfy us that they are not dangerous, they shall not be included among the meats admitted free under this paragraph.

By the way, we did not draw up this paragraph by ourselves in 10 minutes. We took some little thought about it, and we consulted the Bureau of Animal Industry about it. We have not acted like children at play at all. So when we got through we did not stop where the Senator wants us to stop, because it occurred to us that there still might be nations that had inspection laws which were not so good as ours, in our opinion at

any rate. And yet which, in the opinion of the Secretary of Agriculture—for the right to give the opinion had to be lodged somewhere—were of such a character as to protect the public health of the American people from bad meat,

Mr. NORRIS. Does the Senator mean to say that his committee had the intention of admitting meat from foreign countries where the inspection was not so good as is required of our own

people to get their meat into interstate commerce?

Mr. WILLIAMS. Absolutely, provided it was good enough to satisfy the Secretary of Agriculture that the meat coming from there would not injure our people.

Mr. NORRIS. Of course, then, the Senator has undertaken

to do exactly what he has done.

Mr. WILLIAMS. Yes.

Mr. NORRIS. He has provided here that meats that come from a foreign country need not bear so critical an inspection as meats that are produced in this country, provided the Secretary of Agriculture is of the opinion that it would not hurt anybody to eat them.

Mr. WILLIAMS. Or provided the Secretary of Agriculture is of the opinion that the system of inspection they have is good

enough to protect the public health.

Mr. NORRIS. Yes; that it is good enough to protect the public health. Let me call the Senator's attention to this condition: Suppose a bill were brought in here, and were up for consideration to-day, that would change all the law we have on the subject by simply substituting for it these words:

That no meat produced in the United States shall be permitted to enter into interstate commerce unless it has been inspected in such a way that it is satisfactory to the Secretary of Agriculture as being competent to protect the public health.

Does the Senator suppose we would pass a law of that kind? Yet that is the kind of law we are going to pass, if we pass this bill, with regard to meat coming from a foreign country.

Mr. WILLIAMS. We would not pass such a law, for the very simple reason that must be plain and palpable and obvious to anybody—that we, as a Congress, have the power to prescribe the exact regulations which we desire; and therefore it would be stupid, or it would be cowardly, one or the other, to permit the Secretary of Agriculture to act as the legislature in our stead. But we have no legislative power abroad.

Mr. NORRIS. Why, of course not; but you are going to let the Secretary of Agriculture be the legislature as far as imported meats are concerned. It is true that we can not legislate for foreign countries. We can legislate for our own, however; and we can provide by law rules and regulations that must be complied with by the foreigner before he is permitted to bring his products into this country. That is what we ought to do.

Mr. WILLIAMS. There is no doubt about that; and we could provide in this very act, if we chose, that no meat should be admitted into America at all unless the country whence it was imported had adopted in its exact language the law of the United States.

Mr. NORRIS. I understand that.

Mr. WILLIAMS. But that was not the intention of the committee, and that is why the committee did not do it.

Mr. NORRIS. And that is not my intention. I would not want to have the committee do that. I think you have gone as far as you ought to go when you make the first exception, and say that unless the Secretary of Agriculture shall be satisfied that the government of the country whence the meat or meat products are exported makes and enforces a system of inspection equal to our own we will not regard it as sufficient.

Mr. LODGE. Mr. President-

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Massachusetts?

Mr. NORRIS. Certainly.

Mr. LODGE. I simply wanted to suggest to the Senator that other countries have compelled us in the past to make regulations satisfactory to them by excluding our meats at times, as we all know. We have had great controversies with Germany, and also at one time with England, as to the regulations governing the inspection of our meats.

This amendment, if the Senator will pardon me a moment, contains two antagonistic propositions. One is that the foreign system shall be, in the judgment of the Secretary, which we must invoke, equal in efficiency to our own. The other practically wipes out that provision, and says that any system which the Secretary thinks is competent to maintain the public health shall be accepted.

Mr. WARREN. May I ask the Senator from Massachusetts a question? I will not ask him what the regulation is now, but has not England demanded of us a great deal of the time that our hogs, sheep, and cattle shall go there alive and be slaughtered in England rather than taken in there as meat?

Mr. LODGE. Certainly. We have had many controversies about it; we have had to satisfy them as to the character of our inspection and regulation, and there is no reason why they should not satisfy us.

Mr. WILLIAMS. Well, they do.

Mr. LODGE. I say satisfy us-satisfy the law that Con-

gress passes, not the Secretary.

Mr. WILLIAMS. In reference to what the Senator from Wyoming has just said, of course some of these nations, desirous of prohibiting the entry of American meat, and not desirous of saying so in so many words, went to very great extremes. Germany demanded an inspection of the viscera, because she knew it was practically an impossibility, and therefore prohibited our meats. She had a right to do that. We would have a right to say here, if we wanted to, that that should be done, of course; but we do not want to. We are not trying to make this provision impracticable of administration. We are trying to get meat for the American people from abroad free of duty, but at the same time we are trying to take every proper measure to see that it is healthful.

Mr. LODGE. Germany was obliged to abandon' those ex-

treme positions.

WILLIAMS. I understand: I was simply illustrating

how that would be.

Mr. WARREN. Not only have we done that, but we have by legislation provided for our own people a very exacting law and regulation. I assume the Senator from Mississippi and his party expect that we shall be as particular as to the meat from other countries as we are with the packers in our own country who are delivering food to us across State lines.

Mr. WILLIAMS. I have no fear that the Secretary of Agriculture will ever admit meat from a country that does not

establish a system that protects the public health.

Mr. CUMMINS. Mr. President-

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Iowa?

Mr. NORRIS. I yield. Mr. CUMMINS. I hope the Senator from Nebraska will not lose sight of the fact that the part of the committee amendment to which he has referred relates only to the admission of meats upon a certificate, and without any examination on the part of this country. I have not objected to that part of the amendment so much as I have to the other, which admits meats into this country without any ante-mortem inspection.

Mr. NORRIS. Of course I was not discussing the Senator's

amendment.

Mr. CUMMINS. I did not know whether it had caught the

eye of the Senator from Nebraska.

Mr. NORRIS. I understood, of course, the Senator's argument; but this particular amendment applies to an entirely different point.

Mr. CUMMINS. The proviso there, or the subsequent part of the amendment, simply allows meats to come in without any home examination provided the Secretary of Agriculture finds there is a foreign system of inspection something like our own.

Mr. NORRIS. He does not even need to find that it is some-

thing like our own if it satisfies him.

No; something like our own, or what he Mr. CUMMINS.

thinks to be sufficient to protect our people.

Mr. NORRIS. He may, as a matter of fact, know, and it may be public knowledge, that it has not any resemblance to our system of inspection. It may be nowhere near so good. If the man who happens to be Secretary of Agriculture thinks it is good enough, he can issue an order that will permit meat from that country to come in on the certificate of the Government of the country that it has made the inspection which he has said, in his judgment, is good enough.

Mr. SHERMAN. Mr. President, may I make an inquiry?

The VICE PRESIDENT. Does the Senator from Nebraska

yield to the Senator from Illinois?

Mr. NORRIS. I yield to the Senator. Mr. SHERMAN. I wish to clear up my mind on one point as to this amendment, or either amendment. Will meats bearing a foreign certificate thereby become incapable of being excluded from the port of entry if they have spoiled in transit?

I have known of a good many cases where meat at the initial point of shipment was all right, but at destination it was not. If it comes to our port with a foreign certificate, under this paragraph, as written, will it or not be admitted? If it comes from a government whose system of inspection has been approved by the Secretary of Agriculture-and on that I am making no question-it comes bearing a foreign certificate, but when it reaches the port of entry here it may have been spoiled in transit, from various causes, such as defective re-

frigeration, climatic causes, defects in the construction of the vessel, storms, and the like. That frequently happens in

After the meat has received its certificate from a foreign government, is it not, under that certificate, proper to admit it,

and would it not be admitted?

Mr. NORRIS. Mr. President, while the Senator's question has no bearing on the point that I was making in regard to this particular amendment, it seems to me clear, since he has propounded the query to me, that the certificate of the foreign Government would go only to show, and would be evidence only to show, that the inspection provided for by the foreign country had been made in regard to the particular meat in question. It might be excluded for other reasons, of course. The point I make on this amendment is that if we pass this proviso without any change we provide one rule and one law for American meat in interstate commerce and an entirely different one that may be less exacting when the meat comes from a foreign country.

I desire to offer and have pending for the consideration of the committee or the Senate when this paragraph is taken up, as I understand it is going over, an amendment to strike out the words commencing with the word "or," in line 23, and ending with the word "health," in line 25.

The VICE PRESIDENT. The amendment will be stated. The Secretary. It is proposed to strike out of the committee

amendment, commencing on line 23, page 142, the following

Or satisfactory to him as being competent to protect the public health.

Mr. WILLIAMS. Mr. President, I wish to offer an amendment to be pending when this paragraph comes back. I want to give notice of it now, so as to have no doubt about the point I make. After the word "inspection" I move to insert the words of cattle and meat."

I do that so that there will be no doubt of the character of

the inspection.

Mr. CUMMINS. May I ask the Senator from Mississippl just

where that will come in?

Mr. WILLIAMS. Right after the word "inspection." Mr. GALLINGER. Mr. President, I am sure that our friends on the other side feel that we have made good progress to-day in the consideration of the bill.

Mr. KERN. Will the Senator yield to me for a certain mo-

tion?

Mr. GALLINGER. It is 6 o'clock, and I would be glad to yield.

Mr. KERN. I move that the Senate adjourn.

The motion was agreed to, and (at 6 o'clock p. m.) the Senate adjourned until Monday, August 25, 1913, at 11 o'clock a. m.

# SENATE.

## Monday, August 25, 1913.

The Senate met at 11 o'clock a. m.

Prayer by the Chaplain, Rev. Forrest J. Prettyman, D. D. The Journal of the proceedings of Saturday last was read and approved.

CALLING OF THE ROLL.

Mr. SMOOT. Mr. President, I suggest the absence of a quo-

The VICE PRESIDENT. The Secretary will call the roll. The Secretary called the roll, and the following Senators answered to their names:

Martine, N. J. Nelson Norris O'Gorman Oliver Overman Ashurst Bacon Bankhead Gallinger Hughes James Smith, Ariz. Smith, Ga. Smith, S. C. Borah Brady Brandegee Johnson Jones Kenyon Kern Smoot Sterling Stone Sutherland Bristow Page Perkins Pittman Pomerene Bryan Chamberlain Chilton La Follette Swanson Thomas Thompson La Follette Lane Lea Lewis Lippitt Lodge McCumber McLean Martin, Va. Clapp Clark, Wyo. Clarke, Ark. Cummins Ransdell Tillman Townsend Vardaman Walsh Robinson Sheppard Sherman Shively Fletcher Simmons Williams

Mr. SHEPPARD. My colleague [Mr. Culberson] is unavoidably absent. He is paired with the Senator from Delaware [Mr. Du Pont]. This announcement may stand for the day.

Mr. JAMES. I wish to announce that my colleague [Mr.

BRADLEY] is detained from presence here by reason of illness, He has a general pair with the Scuator from Indiana [Mr.

KERN]. I will ask that this announcement may stand for the

Mr. SMOOT. I desire to announce that the junior Senator from Wisconsin [Mr. Stephenson] and the senior Senator from Delaware [Mr. DU PONT] are detained from the Senate on account of illness. I will allow this notice to stand for the day.

The VICE PRESIDENT. Sixty-four Senators have answered

to their names. There is a quorum present.

#### RAILROAD LAND GRANTS.

The VICE PRESIDENT laid before the Senate a communication from the Secretary of War, transmitting, in response to a resolution of the 19th instant, a circular containing a schedule of land-grant and bond-aided railroads of the United States, together with a map showing such railroads and their connections, which, with the accompanying paper, was ordered to lie on the table.

### POST-ROAD IMPROVEMENT.

The VICE PRESIDENT laid before the Senate a communication from the Postmaster General and the Acting Secretary of Agriculture, transmitting, pursuant to law, a joint report on the progress of post-road improvement, which, with the accompanying paper, was referred to the Committee on Post Offices and Post Roads.

## PETITIONS.

Mr. PERKINS presented petitions of sundry citizens of Artesia, Bay City, Long Beach, Los Alamitos, and Anaheim, all in the State of California, praying for the adoption of a proposed tariff referendum, which were ordered to lie on the table.

Mr. McLEAN presented a petition of Housatonic Valley Pomona Grange, No. 10, Patrons of Husbandry, of South Kent, Conn., praying for the enactment of legislation providing for the enlargement of the parcel-post system, which was referred to the Committee on Post Offices and Post Roads.

## BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. WALSH .

A bill (S. 3026) to authorize the issuance of a patent to E. T. Broadwater for the south half of the southeast quarter of section 13 and the east half of the northeast quarter of section 24, township 32 north, range 21 east, Montana meridian; to the Committee on Public Lands.

A bill (S. 3027) granting a pension to Mary E. Perry; to the

Committee on Pensions.

By Mr. LIPPITT:

A bill (S. 3028) granting a pension to Rosanna B. Harris; A bill (S. 3029) granting an increase of pension to Thomas

A bill (S. 3030) granting an increase of pension to Lewis Walker

A bill (S. 3031) granting an increase of pension to Joseph A.

A bill (S. 3032) granting a pension to Caroline McGoue;

A bill (S. 3033) granting an increase of pension to Esther Harrigan:

A bill (S. 3034) granting an increase of pension to Mary A.

Johnson; and A bill (S. 3035) granting a pension to Timothy McCarty; to the Committee on Pensions.

By Mr. McLEAN

A bill (S. 3036) for the relief of certain widows of soldiers

now drawing pensions; and A bill (S. 3037) granting an increase of pension to Julia E. Booth (with accompanying papers); to the Committee on Pen-

By Mr. SHERMAN:

A bill (S. 3038) for the relief of Thomas Riley; to the Committee on Military Affairs.

A bill (S. 3039) granting a pension to Kate A. Trapper; and A bill (S. 3040) granting an increase of pension to George T. Smith; to the Committee on Pensions.

By Mr. SHAFROTH:

A bill (S. 3041) providing for the retirement of the nationalbank notes, the gold certificates, and the United States notes now outstanding by the issuance of United States notes redeemable in gold and for the establishment of a 50 per cent gold redemption fund; to the Committee on Banking and Currency.

Page; and A bill (S. 3043) granting an increase of pension to Anna T. Russell; to the Committee on Pensions.

A bill (S. 3042) granting an increase of pension to Aaron B.

HEARINGS BEFORE THE COMMITTEE ON PRIVILEGES AND ELECTIONS.

Mr. KERN submitted the following resolution (S. Res. 170), which was read and referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Committee on Privileges and Elections, or any subcommittee thereof, be authorized during the Sixty-third Congress, to
administer oaths, send for books and papers, to employ a stenographer
at a price not to exceed \$1 per printed page, to report such hearings as
may be had in connection with any subject which may be pending before said committee, to cause the proceedings before said committee to
be printed, if by said committee deemed expedient; that the committee
or subcommittee may sit during the sessions or recess of the Senate,
and that the expense thereof shall be paid out of the contingent fund
of the Senate.

#### THE TARIFF.

The VICE PRESIDENT. The morning business is closed.

Mr. SIMMONS. I ask unanimous consent that the Senate proceed with the consideration of House bill 3321.

There being no objection, the Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 3321) to reduce tariff duties and to provide revenue for the Government, and for other purposes.

Mr. THOMAS. I ask unanimous consent to turn to paragraph 404½ on page 124. It was passed over temporarily on Saturday. I wish to offer an amendment to it.

The VICE PRESIDENT. The paragraph will be read.

The Secretary. The proposition of the committee was to insert as a new paragraph:

404%. Antimony ore, stibuite and matte containing antimony, but only as to the antimony content.

Mr. THOMAS. In the first line of the paragraph I move to strike out the comma after the word "ore" and to insert the word "and"; and in the same line, after the word "stibnite," to strike out the words "and matte.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. THOMAS. I now ask unanimous consent to revert to paragraph 146, page 42, Schedule C, which relates to the same subject. In the first line of the paragraph, after the word "metal," I move to insert "and matte containing antimony, but not containing more than 10 per cent of lead," so as to read:

146. Antimony, as regulus or metal, and matte containing antimony, but not containing more than 10 per cent of lead—

And so forth.

The amendment was agreed to.

Mr. THOMAS. I now ask the Senate to turn to paragraph 485, page 136. In line 15 of that page, and the first line of the paragraph, I move to strike out the word "fowls" and to insert the word "poultry," so as to read:

Eggs of poultry, birds, fish, etc.

The VICE PRESIDENT. Without objection, the vote whereby the committee amendment inserting the word "fowls" was agreed to will be reconsidered, and the committee now proposes an amendment which will be stated.

The Secretary. Before the word "birds" strike out the proposed amendment of the committee, the word "fowls," and

in lieu thereof insert the word "poultry."

The amendment was agreed to.
The VICE PRESIDENT. Where shall the bill be taken up?
Mr. SIMMONS. Paragraph 549 is the next paragraph.

The Secretary resumed the reading of the bill on page 143, line 1, paragraph 549.

The next amendment of the Committee on Finance was, on page 143, line 5, to strike out paragraph 550 in the following words:

550. Meerschaum, crude or unmanufactured.

The amendment was agreed to.

The reading of the bill was continued to the end of line 4 on page 144, the last line read being the following:

557. Myrobolans, fruit.

Mr. SMOOT. Mr. President, I should like to ask the Senator having charge of this portion of the bill why the word "fruit" is added in that paragraph? The myrobolan is a fruit.

Mr. THOMAS. The Senator from Utah will notice that the paragraph has not been modified by the Senate committee, and consequently I am unable to answer the Senator's question. We

simply accepted it without examination. Mr. SMOOT. I desire to say, however, that there has been no misunderstanding in relation to the importation of myrobolans, for never in the history of tariff legislation has a question in regard to their importation arisen. Everybody knows that the myrobolan is a fruit, and so I can not see why the word "fruit" is added in that paragraph. There is a comma after the word "myrobolans," and then the word "fruit" is added. I think if the phraseology is retained as it is it will result in a discussion and perhaps a conflict as to its meaning.

Mr. THOMAS. The Senate committee made no investigation of the subject at all; but, as I have said, simply accepted the paragraph as we did not see any reason why it should be

Mr. SMOOT. Then I move that the word "fruit" be stricken from paragraph 557, page 144, line 4.

Mr. SIMMONS. Mr. President, I understand the Senator to say that the myrobolan is a fruit?

Mr. SMOOT. There is no doubt about it. Mr. SIMMONS. If that be so, what harm would that desig-As the Senator from Colorado [Mr. Thomas] has said, I do not think any special investigation was made by the subcommittee as to that, and I do not see any harm in the word "fruit" being added. Is any part of the myrobolan not a fruit?

Mr. SMOOT. Of course a part of the tree is not a fruit,

Mr. SIMMONS. It does not refer to the tree. The Senator from Utah does not understand that it refers to the tree, does he?

Mr. SMOOT. Not at all; but I want to call the Senator's attention to the fact that in the present law the paragraph simply reads "Myrobolans," and now the framers of this bill have put a comma after the word "myrobolans" and have added the word "fruit." If it is desired that the phraseology shall apply only to fruit, then strike out the comma.

Mr. SIMMONS. I think the Senator from Utah is right in that suggestion. It should read "Myrobolans fruit," striking out the comma.

at the comma. I think the punctuation is wrong.

The VICE PRESIDENT. The amendment proposed by the

Senator from Utah will be stated.

The Secretary. In paragraph 557, page 144, line 4, after the word "Myrobolans," it is proposed to strike out the comma, so as to read:

557. Myrobolans fruit.

The VICE PRESIDENT. Is that satisfactory to the Senator from Utah?

Mr. SMOOT. 'It will be perfectly satisfactory to me if that

amendment is made, Mr. President.

The VICE PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from Utah.

The amendment was agreed to.

The reading of the bill was resumed, and the Secretary read paragraph 558, as follows:

558. Cut nails and cut spikes of iron or steel, horseshoe nails, hobnails, and all other wrought-iron or steel nails not specially provided for in this section; wire staples, wire nails made of wrought iron or steel, spikes, and horse, mule, or ox shoes, of iron or steel, and cut tacks, brads, or sprigs.

Mr. McLEAN. Mr. President, some time ago I introduced an amendment which, in substance, proposes to insert after the words "cut nails," in line 5 of that paragraph, the words nail rods." I call the attention of the committee to the fact that in paragraph 115, page 33, nail rods, which are the raw material from which the horseshoe nails are made, carry a duty of 10 per cent ad valorem. It seemed to me that if the nails were to come in free, the Swedish iron, from which such nails are made, should also come in free. As I understand, very little of that iron is produced in this country. If it is the purpose of the committee to lay a duty upon the rod and to let the finished product come in free, I have nothing more to say.

Mr. THOMAS. Mr. President, the committee will further

consider that paragraph and also the suggestion of the Senator from Connecticut, for which I thank the Senator.

The VICE PRESIDENT. The Chair understands the paragraph goes back to the committee

Mr. THOMAS. Yes, Mr. President. The VICE PRESIDENT. Is it the request that the whole

paragraph shall go back to the committee?

Mr. THOMAS. I do not think it necessary to take the entire paragraph back to the committee if that mere change is the only suggestion in regard to it. I would suggest that the whole paragraph be approved subject to further consideration of the suggested amendment of the Senator from Connecticut [Mr.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in paragraph 559, page 144, line 11, after the word "darning," to insert "and needles for shoe machines," so as to make the paragraph read:

559. Needles, hand sewing and darning, and needles for shoe ma-

The amendment was agreed to.

The reading of the bill was resumed and continued to the end of paragraph 561, which is as fellows:

561. Nuts: Marrons, crude; coconuts in the shell and broken coconut meat or copra, not shredded, desiccated, or prepared in any manner.

Mr. GALLINGER. Mr. President, I call attention to the spelling of cocoanut in that paragraph. As spelled there it is manifestly incorrect. The word, of course, should be spelled e-o-c-o-a-n-u-t. That correction of spelling should be made both in line 20 and in line 21.

Mr. THOMAS. That is an error, of course, in both those

lines, and I move that the spelling be corrected.

The VICE PRESIDENT. The Chair is going to rule that the spelling in the bill is a matter that can be corrected without

action by the Senate.

Mr. GALLINGER. Still, Mr. President, the Secretary might not have observed the incorrect spelling, and therefore it is well to call attention to it.

Mr. THOMAS. Idem sonans.

The VICE PRESIDENT. The suggestion of the Senator from New Hampshire was timely, but it is not necessary that the correction of spelling be put to a vote of the Senate.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 144, after line 24, to strike out paragraph 564, as follows: 564. Oatmeal and rolled oats and oat hulls.

The amendment was agreed to.

The next amendment was, in paragraph 566, page 145, line 3, after the word "palm-kernel," to insert "perilla," so as to read: 566. Olls: Birch tar, cajeput, coconut, cod, cod liver, cottonseed, croton, ichthyol, juglandium, palm, palm-kernel, perilla.

The amendment was agreed to.

The reading of the bill was resumed, and the Secretary continued the reading of paragraph 556, as follows:

Soyn-bean, and olive oil rendered unfit for use as food or for any but mechanical or manufacturing purposes, by such means as shall be satisfactory to the Secretary of the Treasury and under regulations to be prescribed by him; Chinese nut oil, nut oil or oil of nuts not specially provided for in this section; petroleum, crude or refined, and all products obtained from petroleum, including kerosene, benzine, naphtha, gasoline, paraffin, and paraffin oil; lubricating oils not specially provided for in this section; and also spermaceti, whale, and other fish oils of American fisheries, and all fish and other products of such fisheries.

Mr. SMOOT. Mr. President, in line 10 of the paragraph the words "lubricating oils not specially provided for in this section" constitute a new provision in any tariff bill. There are many oils that are used for lubricating that are also used extensively for other purposes, as Senators must know. Really I do not see how this provision is going to be administered. I know from experience that we use oils in woolen mills for lubricating purposes, and they are also used in the manufacture of woolen goods. I am quite sure that when the committee's attention is called to this they will consent to strike those words out of the paragraph, because if they are not stricken out it will be absolutely impossible to administer the law affecting lubricating oils. I ask the Senator from Colorado if he is not willing to have those words stricken out of the paragraph.

I want further to say to the Senator that every oil that is used for lubrication is already provided for in the bill, and this constitutes a duplication of words which will simply bring confusion

Mr. THOMAS. I was going to suggest to the Senator that he let the paragraph be adopted as to the remaining portions, and the committee will take the particular matter to which he has referred under consideration.

Mr. SMOOT. That will be satisfactory. I am quite sure that when the committee do take it under consideration they will arrive at the same conclusion that I have.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in paragraph 571, page 145, line 21, after the word "jute," to insert "hemp, and flax"; and, in line 25, after the word "bags," to strike out "used chiefly," and insert "suitable," so as to make the paragraph read:

571. Paper stock, crude, of every description, including all grasses, fibers, rags, waste, including jute, hemp, and flax waste, shavings, clippings, old paper, rope ends, waste rope, and waste bagging, and all other waste not specially provided for in this section, including old gunny cloth and old gunny bags, suitable for paper making.

Mr. SMOOT. Mr. President, before passing upon that amendment I merely want to ask a question, so as to make sure what is the meaning of the provision. In line 21 the committee want is the heating of the provision. In line 21 the committee have added the words "hemp, and flax," and then follow the words "waste, shavings, clippings, old paper, rope ends," and so forth. If they mean hemp and flax waste, then, of course, there should not be a comma after the word "hemp."

Mr. THOMAS. There should not be a comma after the word

"hemp."

The VICE PRESIDENT. The amendment will be stated. The Secretary. In the committee amendment, in paragraph 571, page 145, line 21, it is proposed to strike out the comma after the word "hemp." Mr. LODGE. Ought there to be a comma inserted after the word "flax"; or is it meant to read "flax waste"?

Mr. SMOOT. "Flax waste."

Mr. SIMMONS. Yes; "flax waste."

Mr. LODGE. Then the suggestion of the Senator from Utah is correct.

Mr. SMOOT. The comma ought to be stricken out.

Mr. SIMMONS. It is very clear that the comma ought to be stricken out.

The VICE PRESIDENT. The question is on agreeing to the amendment to the committee amendment striking out the comma after the word "hemp."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The reading of the bill was resumed, and paragraph 572 was read, as follows:

572. Printing paper (other than paper commercially known as handmade or machine handmade paper, japan paper, and imitation japan paper by whatever name known), unsized, sized, or glued, suitable for the printing of books and newspapers, but not for covers or bindings, not specially provided for in this section, valued at not above 2½ cents per pound, decalcomania paper not printed.

Mr. LODGE. I ask that paragraph 572 may be passed over.

t is connected with the paper schedule, which we have entirely passed over, and I think they ought to be taken up together.

Mr. SIMMONS. That may be done if the Senator so desires.

Mr. LODGE. They can all be taken up together when the paper schedule is considered.

Mr. SIMMONS. Ver. I think it will be better to debate them.

Mr. SIMMONS. Yes; I think it will be better to debate them

at one time

The VICE PRESIDENT. Paragraph 572 will be passed over.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in paragraph 575, page 146, line 10, after the word "cut," to insert 'flaked," so as to make the paragraph read:

575. Pearl, mother of, and shells, not sawed, cut, flaked, polished, or otherwise manufactured, or advanced in value from the natural state.

The amendment was agreed to.

The reading of the bill was resumed, and continued to the end of paragraph 578, which is as follows:

of paragraph 578, which is as follows:

578. Philosophical and scientific apparatus, utensils, instruments, and preparations, including bottles and boxes containing the same, specially imported in good faith for the use and by order of any society or institution incorporated or established solely for religious, philosophical, educational, scientific, or literary purposes, or for the encouragement of the fine arts, or for the use and by order of any college, academy, school, or seminary of learning in the United States, or any State or public library, and not for sale, and articles solely for experimental purposes, when imported by any society or institution of the character herein described, subject to such regulations as the Secretary of the Treasury shall prescribe.

Mr. SMOOT. Mr. President, one word on that paragraph. I call attention to the words in line 25, page 146, and the words in line 1, page 147, reading "and articles solely for experimental purposes." The expression is too vague to be used in a tariff bill. I believe it would be impossible to forecast just what class of articles would be entitled to the benefit of it. It seems to me it might be construed to include everything that an institution such as indicated in the paragraph might use for its chemical and physical laboratories or work rooms. It might be held to include furniture, fixtures, and everything required in an experimental process in any such institution. I ask the committee to consider those words and see if they are not too broad in their scope

Mr. THOMAS. The Senator, of course, has noted that the articles referred to in the paragraph are to be admitted under "such regulations as the Secretary of the Treasury shall prescribe."

Mr. SMOOT. But when there is a specific statement in a law, the Secretary of the Treasury can not change the law.

Mr. THOMAS. I understand the Senator to say that the language is not sufficiently specific to prevent abuse. I may have misunderstood the Senator.

Mr. SMOOT. That was not my intention, I will say to the

Senator, if I did say it.

Mr. SIMMONS. I do not think the trouble the Senator anticipates can possibly arise. Of course, the paragraph must be construed as a whole. If the language which he criticizes were standing separate and apart, no doubt his deductions would be proper and sound; but, taking it in connection with the whole context, I think any tribunal would construe the articles referred to as articles of a similar character and kind with those referred to above, and used for similar purposes as those re-ferred to above. The Senator will notice that the paragraph begins:

578. Philosophical and scientific apparatus, utensils, instruments, and preparations, including bottles and boxes containing the same, specially imported in good faith for the use and by order of any society or institution incorporated or established solely for religious, philosophical, educational, scientific, or literary purposes.

I think, being embraced in that paragraph and following the words I have quoted, the word "articles," as used in the sentence to which the Senator refers, would be taken in connections. tion with those general designations above and that its meaning would be limited and restricted.

Mr. SMOOT. Mr. President, let me call the Senator's attention to the fact that instruments—

Mr. SIMMONS. If the Senator will permit me, I will say that, rather than to consume time in further discussion, we will investigate the matter, and if we think, after investigation, that it is subject to the criticism of the Senator we will bring in an

Mr. SMOOT. Just one other word, so that the Senator him-self will get a clear understanding of what my construction of Mr. SMOOT. the language is. For instance, it specifically names instruments, including boxes and bottles, and so forth. Then below

And articles solely for experimental purposes.

Where? In religious, philosophical, educational, scientific, or literary institutions. Let me say to the Senator that many of those institutions educate certain students in agriculture, and tools can and must be used in that connection. for experimental purposes. Under this paragraph, in my opinion, wherever the authorities of an institution wanted to import any kind of an instrument, whether it were in the chemical department, the agricultural department, or any other depart-

ment of the institution, they could import it free of duty.

Mr. LA FOLLETTE. Mr. President, if the Senator will permit me, does not the Senator think that if the articles are imported for educational purposes, and to be used in connection with training the youth of this land, they ought to be imported free, whether they be tools or instruments, or whatever they may be?

Mr. SMOOT. If there were a limit, Mr. President-

Mr. LA FOLLETTE. They will be imported under such regulations as the Secretary of the Treasury sees fit to impose, and it seems to me clear that he will make such requirements as will insure their being used for educational purposes.

Mr. SIMMONS. I think the Senator is entirely correct in

that

Mr. LA FOLLETTE. I do not think the committee will have any difficulty with the paragraph when they come to reconsider it.

Mr. SIMMONS. I think any court or board of appraisers construing this language would, under the ordinary rules of legal construction, necessarily interpolate into the sentence the words "similar articles" as having reference to the articles enumerated before.

Mr. GALLINGER. Mr. President, I see some danger in the

provision as it is printed.

If the Secretary of the Treasury could trace the use of whatever instruments are enumerated in this paragraph, he might then regulate it. But unless we entirely depend upon the good faith of these institutions, which perhaps we ought to do, I can see very clearly that they could import pretty much anything, saying that it was for experimental purposes. I do not know what they want to experiment with. These articles are designated here as "philosophical and scientific apparatus, utensils, instruments, and preparations." I assume that they have been experimented with and that they have passed into commerce, and that no further experimentation would be required.

The danger is, from my viewpoint, of a great many of these instruments and preparations being brought into our country ostensibly for experimental purposes, when, as a matter of fact, they would not be used for those purposes. But as the committee is going to take up the matter I do not think it is worth while to discuss it any further. Possibly I am wrong in my interpretation of what may happen.

Mr. JAMES. Does the Senator think it very probable that these institutions, incorporated for religious, philosophical, educational, scientific, or literary purposes, would engage in the importation of these instruments for the purpose of defrauding the

Government out of its revenue?

Mr. GALLINGER. I do not think they would. I am frank to say to the Senator that I think they would act in good faith and not engage in smuggling or fraud.

Mr. SIMMONS. While at first blush I think there is no necessity for any change, if the Senator from Utah insists upon it, we will consider the question whether the paragraph should be amended. But I should like to have the paragraph adopted with that understanding.

Mr. SMOOT. That is satisfactory to me. Mr. JAMES. Since the bill provides the Since the bill provides that works of art and many other things may be brought in here free, provided they are to be placed in institutions where they are to be open to

the public, it seems to me as though we might risk permitting educational and religious and literary institutions to import scientific instruments for the betterment of humanity, without throwing upon them a suspicion that they would become smugglers of that property in order to avoid the payment of a tax.

Mr. SMOOT. If that is the case, the proper thing to do

would be to put them all upon the free list. I have no objec-

tion to that if the Senator desires to do it.

Mr. JAMES. We do place them on the free list so far as these particular institutions are concerned; but we separate or distinguish between institutions of this character which are generally institutions of charity and those which are institutions for the purpose of making money.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 147, after line 5, to insert a new paragraph, as follows: 5801. Photographic and moving-picture films, sensitized but not exposed or developed.

The amendment was agreed to.

The reading of the bill was resumed.

The reading of the bill was resumed.

The next amendment was, in paragraph 584, page 147, line 16, after the words "carbonate of," to insert "cyanide of"; in line 17, before the word "sulphate," to strike out "and"; in the same line, after the words "sulphate of," to strike out "crude or refined"; and, in line 18, after the words "hydrate of," to strike out "crude or refined," so as to make the paragraph read:

584. Potash: Crude, or "black salts"; carbonate of; cyanide of; sulphate of; hydrate of, when not containing more than 15 per cent of caustic soda; nitrate of, or saltpeter, crude; and muriate of.

The amendment was agreed to.

Mr. McCUMBER. Mr. President, I ask that paragraph 585

may go over for the purpose of amendment.

Mr. SIMMONS. Mr. President, on Saturday afternoon we passed over some paragraphs by consent, because we took up this schedule rather unexpectedly to many Senators, To-day, however, while I do not wish to lay down any rigid rule, I should like to have us conclude the consideration of the various paragraphs wherever we can. Has the Senator any special objection to proceeding with the discussion and consideration of

paragraph 585 at this time?

Mr. McCUMBER. We have been passing over a number of paragraphs, with the general understanding that those that would require argument of any kind or those in which amendments might be offered would be taken up by themselves, and that we would get through with the unobjected portions first. I really think the Senator will gain time if he will first eliminate from discussion all of the portions of this schedule to which no objections will be urged. I think it will give us a little time to prepare the amendments and be ready to discuss them, and that the argument will be much more brief than if we were to take them up singly.

Mr. SIMMONS. If the Senator says he is not prepared now,

I will make no further insistence. I simply wished to call attention, not so much in the case of this particular paragraph as in others, to the fact that I thought we were operating Saturday under a somewhat different rule from the one which ought to obtain to-day, because on Saturday evening we suddenly en-tered upon the consideration of a schedule before it was reached

in regular order.

Mr. McCUMBER. I was about to ask that question of the Senator, but when we came to paragraph 572 I noticed that it was requested that it might go over, and the request was granted. I therefore assumed that the chairman had taken it for granted that all these objected ones should go over until we had disposed of the unobjected paragraphs.

Mr. SIMMONS. That paragraph went over because we wanted to consider it in connection with Schedule M, which has not yet been reached. As I stated, however, I do not wish to lay down any hard and fast rule about the matter.

Mr. McCUMBER. There are only two or three items that I

shall want to have go over.

Mr. SIMMONS. I was simply calling attention to the situation. I had hoped that to-day we would not pass over any more paragraphs than absolutely necessary. If the Senator is not ready, however, I shall not object to this one being passed over.

Mr. McCUMBER. If I thought it would facilitate the prog-

ress of the bill, I would go right ahead now and make my dis-cussion upon this paragraph; but I believe we will gain a little time if we take it up separately, later.

Mr. SIMMONS. Very well.

The VICE PRESIDENT. Paragraph 585 is passed over.

The reading of the bill was resumed.

combinations with acids and compounds, not subject to duty in this section" and insert "Quinia, sulphate of, and all alkaloids or salts of cinchona bark," so as to make the paragraph read:

588. Quinia, sulphate of, and all alkaloids or salts of cinchona bark. Mr. JOHNSON. Mr. President, I ask that that paragraph

may be passed over for the present.

The VICE PRESIDENT. Paragraph 588 will be passed over.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in paragraph 598, page 149, line 14, after the word "Santonin," to insert "and its combinations with acids, not subject to duty under this section," so as to make the paragraph read:

598. Santonin, and its combinations with acids, not subject to duty under this section.

Mr. SMOOT. Mr. President, the House reported that paragraph with the single word "Santonin" The Senate has added "and its combinations with acids, not subject to duty under this section."

In chemistry a salt is a combination of an acid with a base. It seems to me that if you use the word "acids" it is only reaching about halfway what the committee intended, or else the word should not be used at all. I ask the Senator having this part of the bill in charge if the paragraph would not be very much better if it remained just as the House had it? There never has been any question as to the administration of it. Everybody knows just what it is; and it does seem to me that with the wording here there would be a conflict.

Mr. JOHNSON. Mr. President, the committee suggested this change because santonin does come into this country in combination with acids, and with acids which are not dutiable. It is proposed to admit santonin in combination with such acids free of duty. It may be combined with other acids which are duti-

able, however.

Mr. SMOOT. If that be the case, I can not see why the committee used the words "not subject to duty under this section." If, however, the object is as stated by the Senator, it seems to me it ought to be specifically stated, and the words "not subject to duty under this section" should be stricken out.

Mr. LODGE. Mr. President, the paragraph certainly is wrongly punctuated. The comma after "acids" ought to come out, because the paragraph applies only to acids not subject to duty, as I understand. If santonin is in combination with an acid that is subject to duty, the paragraph does not apply; it does not go on the free list.

Mr. JOHNSON. I think the Senator from Massachusetts is entirely correct. The comma should come out.

Mr. LODGE. The comma certainly ought to come out. What-

ever is done with the amendment, the comma ought to come out. The Secretary. In the committee amendment, in paragraph 598, page 149, line 14, after the word "acids," it is proposed to strike out the comma.

The amendment to the amendment was agreed to.

Mr. SMOOT. Mr. President, certainly the Senator will admit that there is no use in putting those words in the section, because if that is the case, all the Senator wants to cover is santonin and its combination with acids. If that is all there is to it, there is no need of putting the balance of the words in this paragraph.

Mr. JOHNSON. If santonin is in combination with an acid that is free of duty, the combination comes in free; but if it is in combination with an acid that is dutiable, it does not come

in free. I wish to have that made plain.

Mr. SMOOT. I simply wanted to call attention to it. The VICE PRESIDENT. The question is on agreeing to the

committee amendment as amended.

The amendment as amended was agreed to.

The next amendment was in paragraph 599, page 149, line 16, to strike out "Cardamom" and insert "Cardamon."

Mr. THOMAS. Our attention has been called to the fact, and investigation shows it is correct, that the original spelling of the word and not the amendment is correct. We therefore ask that the amendment be disagreed to.

The amendment was rejected.

The next amendment was, in paragraph 599, page 149, line 22, after the word "seedlings," to fisert "4 years old or less," so as to make the paragraph read:

599. Seeds: Cardamom, cauliflower, celery, corlander, cotton, cummin, fennel, fenugreek, hemp, hoarhound, mangelwurzel, mustard, rape, St. John's bread or bean, sorghum, sugar beet, and sugar cane for seed; bulbs and bulbous roots, not edible and not otherwise provided for in this section; all flower and grass seeds; coniferous evergreen seedlings 4 years old or less; all the foregoing not specially provided for in this section.

The amendment was agreed to.

The next amendment was, in paragraph 588, page 148, line 24, after the numerals "588," to strike out "Quinine, and its after the word "dip," to strike out "containing five one-hun-

dredths of 1 per cent of arsenic or more, not specially provided for in this section," so as to make the paragraph read:

600. Sheep dip.

The amendment was agreed to.

The reading of the bill was continued to line 3, on page 150, the last line read being as follows:

602. Shrimps, lobsters, and other shellfish.

Mr. SMOOT. Will the Senator state why the word "lobis included in the paragraph?

Mr. THOMAS. It was included by the House.
Mr. SMOOT. I know that the House included it.
Mr. THOMAS. We made no further investigation of it, but accepted it as the House sent it to us.

Mr. SMOOT. Of course, "and other shellfish" would cer-

tainly include lobsters.

Mr. THOMAS. It would include shrimps also.

That is hardly a shellfish. Mr. SMOOT.

Mr. THOMAS. I do not know.

Mr. SMOOT. There is not any question about lobster being a shellfish, of course.

Mr. WILLIAMS. Is there any question about shrimps being shellfish?

Mr. SMOOT. I do not know.

Mr. WILLIAMS. When we can say one and other shellfish, what is the trouble about saying two and other shellfish?

Mr. SMOOT. There is no special trouble if that is what you want to say, but I do not think it is necessary.

The reading was continued.

The next amendment of the committee was, in paragraph 609, page 150, line 14, after the words "arseniate of," to insert cyanide of," so as to make the paragraph read:

609. Soda, arseniate of, cyanide of, sulphate of, crude, or sa and niter cake, soda ash, silicate of, nitrate of, or cubic nitrate.

The amendment was agreed to.

The reading of the bill was continued, as follows:

610. Soya beans.

Mr. JONES. I wish to ask the Senator in charge of the bill whether he is sure that the spelling of that bean is correct? I received quite a number of letters in reference to that matter urging that soya beans might go on the free list, and it is my recollection that it is spelled s-o-i-a. Unless the Senator is sure of the spelling, it might make some difference.

Mr. SHIVELY. The spelling in the present law has been maintained in that respect. I think it is right just as it is.

Mr. JONES. Very well, then, unless I should find something

to the contrary

Mr. SIMMONS. I will state to the Senator from Washington that I myself raise some of those beans, and I have been very much interested in them. I have discovered in reading the literature that the word is spelled in various ways, but in this

way more frequently than in any other.

The reading of the bill was continued to line 2 on page 151. Mr. THOMAS. I think in the last paragraph read the Secretary read "foreign postage or revenue stamps."

there is no word "postage" there.

Mr. JAMES. The language is "foreign postage or revenue

Mr. THOMAS. The word "postage" does not appear in the handbook. It is my mistake.

The reading of the bill was continued.

The amendment of the committee was, on page 151, after line 18, to insert as a new paragraph the following:

615. Steel ingots, cogged ingots, blooms and slabs, die blocks or blanks, and billets, if made by the Bessemer, Siemens-Martin, openhearth, or similar processes, not containing alloy, such as nickel, cobalt, vanadium, chromium, tungsten, or wolfram, molybdenum, titanium, iridium, uranium, tantalum, boron, and similar alloys.

The amendment was agreed to.

The reading of the bill was continued.

The next amendment was, in paragraph 618, page 152, line 9, to strike out the words "all salts thereof" and insert "its combinations with acids, not subject to duty under this section." so as to make the paragraph read:

618. Strychnia or strychnine, and its combinations with acids, not subject to duty under this section.

Mr. JOHNSON. Mr. President-

Mr. SMOOT. I was simply going to call the Senator's attention to the amendment offered to that paragraph by the commit-tee and to state that the use of the words "its combinations with acids" eliminates strychnine from the paragraph and will make strychnine dutiable. If that is the object the Senator had in

view I have nothing more to say.

Mr. JOHNSON. It seems to me that the language will not bear the interpretation the Senator puts upon it. The words

used are "strychnia or strychnine." I suggest that the comma be stricken out after "acids."

Mr. SMOOT. A Senator asked me if strychnine comes in free as combinations of acids. I am speaking of strychnine

Mr. JOHNSON. It is here upon the free list specifically mentioned.

Mr. STONE. The Senator from Utah is mistaken.

Mr. SMOOT. It is my opinion that with the wording here it will come in dutiable. I am not going to say more. I will look it up and wait until the bill gets into the Senate before offering an amendment.

Mr. LODGE. I think the comma ought to come out after the word "acids."

Mr. JOHNSON. I have already made that suggestion.

Mr. LODGE. I beg the Senator's pardon. I did not hear him.

The SECRETARY. In line 10, strike out the comma after acids.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The reading of the bill was continued.

The next amendment was, in paragraph 621, page 152, line 16, after the word "Swine," to insert "cattle, sheep, and all other domestic live animals suitable for human food not otherwise provided for in this section," so as to make the paragraph

621. Swine, cattle, sheep, and all other domestic live animals suitable for human food not otherwise provided for in this section.

Mr. McCUMBER. I ask that the paragraph may go over. The VICE PRESIDENT. The paragraph will go over.

The Secretary continued the reading of the bill.

Mr. WILLIAMS. I understand that the Senator from North Dakota has asked that paragraph 621 shall go over. Why should we do that? We discussed it very freely when we reached the other paragraph in the agricultural schedule. Why can we not let it be disposed of? If the Senator has any amendment to offer, let him offer it now. We took half a day on it back yonder some days ago.

Mr. McCUMBER. Mr. President, I do not know when the half a day was taken up. Of course I have taken no time on it as yet, and I thought it would be better and we would save a little time if I would discuss those paragraphs together when we get through with the schedule, and eliminate from the discussion all the paragraphs except those that would oblige argument. I still believe we will gain time by that course. take it up and take time on this paragraph, but possibly I would repeat some of the arguments upon some other paragraph.

Mr. WILLIAMS. When we had under consideration the paragraph as passed by the House to which the free listing provisions were a substitute the whole subject went through the fullest discussion, and the hope was that the time we then consumed would prevent the consumption of time later on. I shall not object to the request of the Senator to let the paragraph go over, but it does seem to me there ought to be an end of litigation somewhere.

Mr. McCUMBER. The Senator will find, as I think he has found in the past, that I have never taken excessive time upon any one schedule. I will state what I have to state in the form of an amendment, and will give my reasons very briefly for the amendment, and will then let it go to a vote.

Mr. STONE. Very well. Let the reading proceed.

The reading of the bill was continued to line 22, on page 152, the last line read being the following:

624. Tallow.

Mr. SMOOT. I should like to suggest to the Senator having this paragraph in charge that he insert the word "animal" before "tallow" in the paragraph, so that it will apply only to animal tallow.

Mr. WILLIAMS. Is there any other sort of tallow?
Mr. SMOOT. There is, Mr. President. There is a tallow known as vegetable tallow, which is used for entirely different purposes, and there have been conflicts already in the importation of it. In a case of the United States against Davis, Turner & Co. it was specifically stated that it was "a mixture chiefly composed of saponified fat, unsaponified fat, and alkaline silicate," and it was commercially known as vegetable tallow.

Mr. WILLIAMS. I understand the court has decided that

vegetable tallow is not tallow. It is just something or other that is called vegetable tallow, but it is not tallow; and there is no trouble about what this means. It means animal tallow.

Mr. SMOOT. It is not animal tallow; that is what the court says. If you want that kind of tallow to come in free, well and good. I am not complaining of that, but if you want only animal tallow to come in free the word "animal" ought to be

Mr. WILLIAMS. The Senator is hypercritical. The Payne-Aldrich bill used the word "tallow."

Mr. SMOOT. I am perfectly aware of that. Mr. WILLIAMS. It did not say "animal tallow." But it seems somebody wanted to get a certain kind of vegetable tallow in free, and it seems the courts decided against them. The matter is res judicata. It seems that the court took the view that the framers of the Payne-Aldrich bill took, and this committee took, that tallow means tallow and does not mean something made out of vegetables. Any dictionary will show that tallow means just what every boy who was raised in the country knows it means. I do not see any necessity for inserting the word "animal."

Mr. SMOOT. All I wanted was that there should be no question about it and that it should simply apply to animal tallow. Mr. WILLIAMS. There is no question about it. The courts

decided it; it is settled.

The next amendment of the Committee on Finance was, in to strike out "of nutgalls, of Persian berries," and the comma and insert "and"; in the same line, after the word "bark," to strike out the comma and the words "of sumac" and insert a strike out the comma and the words "of sumac" and insert a semicolon; and, on page 153, line 1, after the word "chestnut," to strike out the semicolon and insert a comma, so as to make the paragraph read:

626. Tanning material: Extracts of quebracho and of hemlock bark; extracts of oak and chestnut, and other barks and woods other than dyewoods such as are commonly used for tanning not specially provided for in this section; nuts and nutgalls and woods used expressly for dyeing or tanning, whether or not advanced in value or condition by shredding, grinding, chipping, crushing, or any other process; and articles in a crude state used in dyeing or tanning; all the foregoing not containing alcohol and not specially provided for in this section.

Mr. BRANDEGEE. Let'that go over. The paragraph fixing the duty upon these extracts, paragraph 317, was passed and I should like to consider the two paragraphs together. They-

Mr. STONE. All right; let it go over. The VICE PRESIDENT. Paragraph 626 goes over.

The next amendment was, on page 153, to strike out paragraph 631, as follows:

631. Terra alba, not made from gypsum or plaster rock.

The amendment was agreed to.

The next amendment was, in paragraph 644, page 155, line 14, before the word "residents," to insert "such," so as to make the paragraph read:

the paragraph read:

644. Wearing apparel, articles of personal adornment, toilet articles, and similar personal effects of persons arriving in the United States; but this exemption shall include only such articles as were actually owned by them and in their possession abroad at the time of or prior to their departure from a foreign country, and as are necessary and appropriate for the wear and use of such persons and are intended for such wear and use, and shall not be held to apply to merchandise or articles intended for other persons or for sale: Provided, That in case of residents of the United States returning from abroad all wearing apparel, personal and household effects taken by them out of the United States to foreign countries shall be admitted free of duty, without regard to their value, upon their identity being established under appropriate rules and regulations to be prescribed by the Secretary of the Treasury: Provided further, That up to but not exceeding \$100 in value of articles acquired abroad by such residents of the United States for personal or household use or as souvenirs or curios, but not bought on commission or intended for sale, shall be admitted free of duty.

The amendment was agreed to.

The next amendment was, on page 155, after line 18, to strike

646. Wheat flour and semolina: Provided, That wheat flour shall be subject to a duty of 10 per cent ad valorem when imported directly or indirectly from a country, dependency, or other subdivision of government which imposes a duty on wheat flour imported from the United States.

And to insert the following:

646. Wheat, wheat flour, semolina, and other wheat products: Provided, That wheat shall be subject to a duty of 10 cents per bushel, that wheat flour shall be subject to a duty of 45 cents per barrel of 196 pounds, and semolina and other products of wheat 10 per cent ad valorem when imported directly or indirectly from a country, dependency, or other subdivision of government which imposes a duty on wheat or wheat flour or semolina or any other product of wheat imported from the United States.

Mr. McCUMBER. I ask that that paragraph may go over.

Mr. STONE. Very well; go on.

The VICE PRESIDENT. Paragraph 646 goes over.

The next amendment was, in paragraph 647, page 156, line 8, before the word "wire," to strike out "Barbed" and to insert "All barbed"; in line 9, after the word "than," to strike out "No. 6" and insert "twenty one-hundredths of 1 inch in diameter"; in line 10, after the word "than," to strike out "No. 14 wire gauge" and insert "eight one-hundredths of 1 inch in diameter"; in line 13, after the word "than," to strike out "No. 6" and insert "twenty one-hundredths of 1 inch in diam-

eter"; and in line 14. after the word "than," to strike out "No. 14 wire gauge" and insert "eight one-hundredths of 1 inch in diameter," so as to make the paragraph read:

647. All barbed wire, galvanized wire not larger than twenty one-hundredths of 1 inch in diameter and not smaller than eight one-hundredths of 1 inch in diameter of the kind commonly used for fencing purposes, galvanized-wire fencing composed of wires not larger than twenty one-hundredths of 1 inch in diameter nor smaller than eight one-hundredths of 1 inch in diameter, and wire commonly used for baling hay or other commodities.

The amendment was agreed to.

The next amendment was, in paragraph 649, page 156, line 21, after the words "hop poles," to insert "hop poles," so as to make the paragraph read:

make the paragraph rend:

649. Wood: Logs, timber, round, unmanufactured, hewn or sawed, sided or squared; pulp woods, kindling wood, firewood, hop poles, hop poles, fence posts, handle bolts, shingle bolts, gun blocks or gunstocks rough hewn or sawed or planed on one side; hubs for wheels, posts, heading bolts, stave bolts, last blocks, wagon blocks, oar blocks, heading blocks, and all like blocks or sticks, rough hewn, sawed, or bored; sawed boards, planks, deals, and other lumber, not further manufactured than sawed, planed, and tongued and grooved; clapboards, laths, pickets, palings, staves, shingles, ship timber, ship planking, broom handles, sawdust, and wood flour; all the foregoing not specially provided for in this section.

Mr. JONES. I ask that that paragraph be passed over. The VICE PRESIDENT. The paragraph will be passed over at the request of the Senator from Washington.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in paragraph 650, page 157, line 7, after the word "Cedar," to insert "including Spanish cedar"; and in line 10, after the word "cedar," to insert "(Juniperus virginiana)," so as to make the paragraph read:

paragraph read:
650. Woods: Cedar, including Spanish cedar, lignumvitæ, lancewood, ebony, box, granadilla, mahogany, rosewood, satinwood, and all forms of cabinet woods, in the log, rough, or hewn only, and red cedar (Juniperus virginiana) timber, hewn, sided, squared, or round; sticks of partridge, hair wood, pimento, orange, myrtle, bamboo, rattan, reeds unmanufactured, india malacca joints, and other woods not specially provided for in this section, in the rough, or not further advanced than cut into lengths suitable for sticks for umbrellas, parasols, sunshades, whips, fishing rods, or walking canes.

The amendment was agreed to.

Mr. TOWNSEND. Mr. President, when we passed the paragraph including mahogany lumber I gave notice that I would bring the matter up at this point, but I am satisfied, after having discussed the subject at that time and in view of the action of the Senate, that it would do no good now to offer an amendment to that paragraph, so I am not going to do so.

Mr. LODGE. I ask that the next paragraph, paragraph 651, It is part of the paper schedule and involves be passed over.

the whole question of countervailing duties.

The VICE PRESIDENT. Paragraph 651 will be passed over.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in paragraph 652, page 158, line 17, after the word "camel," to insert "Angora goat, alpaca"; in line 18, after the word "animals," to insert "not specially provided for in this section"; and in line 19, after the word "animals," to insert "and paper twine for binding any of the foregoing. This paragraph shall be effective on and after the 1st day of December, 1913," so as to make the paragraph read:

652. Wool of the sheep, hair of the camel. Angora goat, alpaca, and other like animals, not specially provided for in this section, and all wools and hair on the skin of such animals, and paper twine for binding any of the foregoing. This paragraph shall be effective on and after the 1st day of December, 1913.

The amendment was agreed to.

The next amendment was, in paragraph 653, page 159, after the word "section," at the end of line 2, to insert "This paragraph shall be effective on and after the 1st day of December, 1913," so as to make the paragraph read:

653. Wool wastes: All noils, top waste, card waste, slubbing waste, roving waste, ring waste, yarn waste, bur waste, thread waste, garnetted waste, shoddles, mungo, flocks, wool extract, carbonized wool, carbonized noils, and all other wastes not specially provided for in this section. This paragraph shall be effective on and after the 1st day of December, 1913.

The amendment was agreed to.

Mr. LODGE. The next paragraph as passed by the House has been stricken out and in lieu thereof the committee report a substitute paragraph. I should like to have that amendment passed over. It is a separate matter, and I think it will lead to a good deal of debate.

The VICE PRESIDENT. Paragraph 654, with the com-

mittee amendment, will go over.

The reading of the bill was resumed and continued to the end of paragraph 657, on page 162, which is as follows

657. Works of art, productions of American artists residing temporarily abroad, or other works of art, including pictorial paintings on glass, imported expressly for presentation to a national institution or to any State or municipal corporation or incorporated religious

society, college, or other public institution, including stained or painted window glass or stained or painted glass windows, and except any article, in whole or in part, molded, cast, or mechanically wrought from metal within 20 years prior to importation; but such exemption shall be subject to such regulations as the Secretary of the Treasury may prescribe.

Mr. THOMAS. I ask that paragraph 657 be referred back to the committee.

The VICE PRESIDENT. Paragraph 657 will be passed over

and referred back to the committee.

Mr. LODGE. I ask that paragraph 658, which is really connected with paragraph 654, be also passed over, so that the two paragraphs may be taken up together.

The VICE PRESIDENT. Paragraph 658 will be passed over. The reading of the bill was resumed and continued to the end of paragraph 659, on page 164.

Mr. LODGE. That finishes the free list, and I presume we

are not going on now with section 2.

Mr. KENYON. I offer an amendment in the nature of a new

paragraph, to be known as paragraph 660.

Mr. THOMAS. If the Senator will allow me, I want to make a verbal correction. In paragraph 656, page 162, line 7, the word "section" should be stricken out and the word "paragraph" inserted.

The VICE PRESIDENT. The amendment will be stated.

The Secretary. On page 162, line 7, it is proposed to strike out the first word in the line, the word "section," and in lieu insert the word "paragraph."

The amendment was agreed to.
The VICE PRESIDENT. The amendment proposed by the
Senator from Iowa [Mr. Kenyon] will be stated.
The Secretary. On page 164, after line 5, it is proposed to

insert a new paragraph, as follows:

insert a new paragraph, as follows:

660. Whenever it shall be found by a Federal court of competent jurisdiction, and said finding is unchallenged either by appeal or writ of error, or if challenged and said decision is sustained by the court of last resort, that any article or commodity upon which a duty is levied under this act is under the control of a monopoly or combination formed or operating in violation of the act of July 2, 1890, or substantially under such control, no further duty shall be levied or collected on such article or commodity, and the same shall therefore be admitted free of duty.

It shall be the duty of the Attorney General to advise the Secretary of the Treasury of the termination and result of all actions, either civil or criminal, brought under said act of July 2, 1890, commonly known as the Sherman Antitrust Act, and whenever the Secretary of the Treasury shall receive such information from the Attorney General it shall be his duty to promulgate the necessary orders and rules to carry out the provisions of this section.

Mr. STONE. I inquire where that amendment is to come in? The VICE PRESIDENT. As section 660, at the end of the free list.

Mr. KENYON. Mr. President, I know it is futile to discuss the amendment, and I am not going to do so. As we are now legislating under a secret caucus system, there is but little use in any discussion, and I will merely ask for a vote. I ask for the yeas and nays on the amendment.

The year and nays were ordered, and the Secretary called the

name of Mr. ASHURST.

Mr. BRISTOW. Mr. President, I should like before the vote is taken to ask the Senator from Iowa to explain briefly, at least, the full effect of his amendment.

The VICE PRESIDENT. The Chair has no power to stop

a roll call.

Mr. BRISTOW. But I was on my feet addressing the Chair at the time the roll call was commenced.

Mr. CLARK of Wyoming. I do not think any response has

been made.

The VICE PRESIDENT. The Secretary informs the Chair that there has been no response. So the roll call will be stonned.

Mr. TOWNSEND. I suggest the absence of a quorum.

The VICE PRESIDENT. The absence of a quorum being suggested, the Secretary will call the roll.

The Secretary called the roll, and the following Senators

answered to their names:

Shively Simmons Smith, Ariz. Smith, Ga. Smith, S. C. Smoot Ashurst Bacon Borah Gallinger Norris O'Gorman Overman Owen Hughes James Johnson Brady Owen
Page
Penrose
Perkins
Pittman
Poindexter
Pomerene
Ransdell
Reed Brandegee Bristow Jones Kenyon Kern La Follette Bryan Catron Stone Sutherland Thomas Thompson Tillman La Follette
Lane
Lea
Lewis
Lippitt
Lodge
McCumber
Martin, Va.
Martine, N. J. Catron Chamberlain Chilton Clapp Clark, Wyo. Crawford Townsend Vardaman Walsh Reed Robinson Cummins Shafroth Williams Fletcher

Mr. McCUMBER. I desire to announce the necessary absence of my colleague [Mr. GRONNA]. He is paired with the Senator from Illinois [Mr. Lewis].

The VICE PRESIDENT. Sixty-four Senators have answered

to the roll call. There is a quorum present.

Mr. SIMMONS. When the Senator from Iowa originally offered this amendment, probably not exactly in its present form but in substance the same as the amendment he now offers, I understood that it would be referred to the committee and that we would give consideration to it. I ask now if the Senator is not willing that it should take that course?

Mr. KENYON. Mr. President, I introduced a similar amendment, perhaps not precisely the same in phraseology, six weeks ago; so, of course, there has been ample time for its considera-

tion by the committee.

Mr. SIMMONS. I will state to the Senator from Iowa that since then there has been no meeting whatever of the committee. It was our purpose to go on with the bill until it was about finished, and then to have a meeting of the committee for the purpose of taking up and considering all the matters we had passed over, this being one of them. I will say to the Senator that the subcommittees are going to begin to meet to-night.

Mr. WILLIAMS. That can not be done.

Mr. KENYON. I have not been able to hear all the Senator said.

Mr. SIMMONS. There is so much confusion that I can hardly hear what is being said.

Mr. JAMES. I ask for order, Mr. President. The VICE PRESIDENT. Senators will be seated.

Mr. KENYON. This amendment being in line with the Democratic platform, I assumed that it would be adopted without much discussion.

Mr. SIMMONS. I simply wished to ask the Senator if he was willing that the matter should take the course that other new amendments have taken in this bill, and go to the committee?

Mr. KENYON. Of course this is not a new amendment. It was introduced six weeks ago.

Mr. SIMMONS. There has been no meeting of the committee

since the amendment was offered, as I explained to the Senator.

Mr. KENYON. I asked for a vote on it before, and I under-

stood the Secretary had commenced to call the roll.

Mr. PENROSE. Mr. President, will the Senator permit me to

make a query?
Mr. KENYON.

Mr. KENYON. Certainly. Mr. PENROSE. I expect to vote for this amendment, but I should like to ask the Senator from Iowa just how it would work out. Suppose a certain concern was declared a trust, but

a similar product was made by a large number of other concerns in the country, where would you draw the line?

Mr. KENYON. I have not covered the trust proposition. I have covered only cases falling under the second section of the act, where there is a monopoly, so decreed by a Federal court. I have not attempted to cover the trust question.

Mr. BORAH. Mr. President, I understood the roll call had begun. Is that true?

The VICE PRESIDENT. It is not; because there had been

no answer to the roll call.

Mr. SIMMONS. Mr. President, I move as a substitute for the motion of the Senator from Iowa that the amendment be referred to the Finance Committee.

Mr. LODGE. Upon that I ask for the yeas and nays.

Mr. McCUMBER. Mr. President, I believe that opens up the subject. I therefore should like to have a little explanation from the Senator from Iowa as to the effect and operation of the amendment which he offers.

I will put this case: Suppose there is a monopoly that controls a large percentage of a product, enough of it so that it is able to control prices, and yet other smaller concerns are manufacturing the product, would not the operation of this amendment place the product of the trust or combination or monopoly as well as the product of those who were not connected with the monopoly upon the free list?

Mr. KENYON. Undoubtedly; and of course that might work some hardship to the small manufacturer.

Mr. McCUMBER. It might work some hardship on the smaller concerns.

Mr. KENYON. I have provided in this amendment that where a court has decreed something to be in the control of a monopoly the article shall then be placed on the free list. Of course it is true, as the Senator suggests, that there may be some small concerns which would be injured by that course.

Mr. McCUMBER. Then here is another case which might

not come under the classification of a monopoly under the anti-

trust law, but I will present the case to the Senator. Suppose there is a patented article that is manufactured by but one firm or one individual under a patent and under a protection given by the laws of the United States to the patentee or his assignee, would not that product also come under the provision of the Senator's amendment?

Mr. KENYON. No; not at all; because a court could not properly decree that to be a monopoly in violation of the Sher-

Mr. STONE obtained the floor.

Mr. SUTHERLAND, Mr. President—
The VICE PRESIDENT. Does the Senator from Missouri The VICE PRESIDENT. Do yield to the Senator from Utah?

I will yield if the Senator wishes me to do so. Mr. SUTHERLAND. I simply wanted to ask the Senator from Iowa a question. I will postpone it until the Senator is

Mr. STONE. I wish to say that so far, in the consideration of the schedules, when Senators on the other side or on this side have asked that a paragraph should be passed over, or that for reasons stated it should be further considered by the committee, those who were in charge of the conduct of the bill have not objected. Now an amendment has been proposed. It seems to me some Senators are inclined to change the rule that has heretofore obtained during the consideration of this measure. I am of the opinion that some of them think perhaps they see a chance here of some political advantage-a chance to make it a

sort of political question.

So far as I am concerned, Mr. President, I am ready to vote on the amendment now. I am not one of those who get fright-ened and run away because they hear a little noise. I am ready to go on now, speaking purely from the individual point of view. But I do say that when the chairman of the Finance Committee, who has been exceedingly courteous and obliging, asks that this amendment should go over for the further consideration of the committee, it is a rather ungracious thing in itself for any Senator to object to it. I think if he desires it to go over it should go over, just as requests made this morning several times by Senators on the other side were immediately acceded to. Just why a different rule of procedure should be insisted upon now I do not know, and it strikes me with dis-

Mr. KENYON. Mr. President, I am not going to ask for anything out of the regular order. If the Senator asks that the

amendment go over, I shall not object.

Mr. STONE. No; personally, I do not care whether it goes over or not. I stand ready to vote upon it. But what I do say is that since the chairman of the committee has asked that it may go over for further consideration by the committee itself. I do not believe any Senator on the other side should protest against it or object to it.

Mr. KENYON. As far as I am concerned, I do not object

to its going over.

The VICE PRESIDENT. Is there objection to the reference

of the amendment to the committee?

Mr. SUTHERLAND. Mr. President, before the matter goes over I should like to ask the Senator from Iowa a question, so that I may understand his amendment.

Is it the understanding of the Senator from Iowa that if this amendment should be adopted, and it were found by a court that some concern monopolized the trade in a given article as between two States, that would automatically put the article upon the free list?

Mr. KENYON. I have left that absolutely where the court determines it. That is all up to the court in a suit under the Sherman Antitrust Act. I limit it to that because I have real-

ized all these difficulties that would otherwise arise.

Mr. SUTHERLAND. I consider the matter a somewhat grave one, and I desire to understand it if I can. The language of the Sherman antitrust law, with reference to this particular subject, is not fresh in my mind; but I have an impression that the act would be violated if the control of a particular article were monopolized as between only two States, and it would not be necessary that it should be monopolized in all the States.

Mr. KENYON. I can not agree with the Senator at all as to that. To monopolize, according to the definition given in the Century Dictionary, is to create a monopoly of an article, to have an exclusive right of trading in it; as, to monopolize all the corn in a district. A monopoly in the traffic between two States would not, in my judgment, be such a monopoly as would be a violation against which a court would enter a

Mr. SUTHERLAND. It would be sufficient to violate the first section of the act if there were a restraint of trade between two States.

Mr. KENYON. This amendment does not touch the first section of the act—only the second section of the act.
Mr. SUTHERLAND. I know it does not.

Mr. WALSH. Mr. President, I am very much interested in the colloquy occurring between the Senators, but I am unable to hear it

The VICE PRESIDENT rapped with his gavel.

Mr. SHIVELY. Mr. President, will the Senator from Utah yield to me a moment?

Mr. SUTHERLAND. Certainly.

Mr. SHIVELY. The amendment submitted by the junior Senator from Iowa contemplates placing an article on the free list after there has been a judicial determination that it has been the subject of control by a monopoly. Does not that put the article on the free list just at the time that it is assumed the court has dissolved the monopoly and restored competition?

Mr. KENYON. There are instances where the court has not dissolved the monopoly. If this matter is to be discussed, I shall be glad to go into the discussion. If we are to have a vote,

or if it is to go over, there is no use in discussing it.

Mr. SIMMONS. Mr. President—

Mr. SUTHERLAND. Mr. President, I thought I had the floor.

Mr. SIMMONS. I think the Senator from Iowa [Mr. KEN-YON | has the floor.

Mr. SUTHERLAND. No; the Senator from North Carolina is mistaken

Mr. KENYON. Yes; he is mistaken. Mr. SIMMONS. I may be. Then I Mr. SIMMONS. I may be. Then I ask, if I may interrupt the Senator from Utah, if he has the floor?

Mr. SUTHERLAND. I yield to the Senator.

Mr. SIMMONS. I was going to suggest that as the matter has gone over

Mr. SUTHERLAND. Mr. President, the matter has not gone

Mr. SIMMONS. I thought there was consent that it should go over.

Mr. SUTHERLAND. The request is pending.

Mr. SIMMONS. Very well. If the matter has not gone over, shall not make the observations I intended to make.

Mr. SUTHERLAND. Mr. President, I wish to make a very brief observation about this matter before it is acted upon,

either by way of sending it over or voting upon it.

If I understand the amendment, and as I understand it at present, I should not feel justified in voting for it. If I understand the effect of the amendment, it would be to punish the innocent producers of a given article in common with those who are guilty. If the court determines that a particular article is under the control of a monopoly, then it goes automatically upon the free list and protection is denied to those who are producing the same article, however innocent they may be of sharing in the monopoly.

Mr. BORAH. Mr. President—
The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Idaho?

Mr. SUTHERLAND. I do.

Mr. BORAH. If there is a monopoly of an article, it involves the power to fix prices. Therefore the independent producer has not very much opportunity in the field, anyway. seems doubtful if this amendment will be effective, yet I do not see that the amendment will hurt the independent who is already under the surveillance of the monopoly.

Mr. SUTHERLAND. The decision of a court in a civil proceeding that there is a monopoly would carry with it an injunction against the further maintenance of the monopoly and put an end to it. The effect of this amendment would be to punish persons in no way responsible for the wrong after the monopoly had been ended; at least it is presumed that it would be ended by the decision of the court restraining its further operation.

But however that may be, the second objection which it occurs to me to make to this suggestion is that in addition to imposing this as a punishment upon those who are guilty of creating a monopoly the Government is punishing itself by depriving itself of revenue which may amount to a very considerable sum. Why should the Government of the United States deprive itself of perhaps millions of dollars of revenue as a punishment to persons who are engaged in monopolizing trade? Why not punish the persons in a more direct way by imprisoning them or by large fines, which would add to instead of taking from the Treasury?

It does not seem to me it is a wise thing for the Government of the United States deliberately to deprive itself of a large amount of revenue as a part of the punishment of a criminal offender.

Mr. BRISTOW. Mr. President-

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Kansas?

Mr. SUTHERLAND. I do.

Mr. BRISTOW. The Senator from Utah suggested that when the court found a monopoly to exist it dissolve it, and that ended it. When was a monopoly ended in that way, and what was it?

Mr. SUTHERLAND. I do not at the moment recall any case; but certainly the court has the power to issue an injunction in

such a case

Mr. BRISTOW. The Standard Oil Co. and the American Tobacco Co. and the Aluminum Co. of America have been pronounced monopolies. They run on just the same, however, and this bill protects the product of every one of those concerns except the Standard Oil Co.

Mr. President Mr. REED.

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Missouri?

Mr. SUTHERLAND. I do,

Mr. REED. I am thoroughly in sympathy with choking a monopoly to death by any possible means; but I wish to ask the Senator from Utah just what would have been the effect, in his opinion, upon the revenues of the Government if at the time the Tobacco Trust was declared to be a trust we had immediately permitted all tobacco to come in free? How much would it have cost the Government, in that event, to have imposed that particular punishment upon that trust?

Mr. SUTHERLAND. I do not remember the figures involved.

Mr. REED. A very large sum.
Mr. SUTHERLAND. It would have been a very large sum.

Mr. SMITH of Georgia. Twenty-five million dollars. Mr. REED. Twenty-five million dollars, I am informed.

Mr. SMITH of Georgia. In the same connection, I should like to ask the Senator what would become of our own people, producing tobacco here in this country, with an internal-revenue tax on our home tobacco and \$25,000,000 of revenue thrown away on our foreign tobacco?

Mr. BRISTOW. Mr. President, the Senator from Georgia suggested that if the amendment offered by the Senator from Iowa had prevailed we would have lost \$25,000,000 because of the tariff duties imposed on tobacco. Of course, we would not have lost the internal-revenue tax on tobacco. Now, why should not all the revenue be collected by an internal-revenue tax on tobacco instead of having a protective-tariff duty to bring us \$25,000,000? Is tobacco entitled to any more consideration than any other agricultural product? The Senator from Georgia is afraid that we will lose revenue because of the removal of the protective duty on tobacco; yet this bill takes it off the other farm products and puts them on the free list. Why should tobacco be treated with more consideration than other farm products

Mr. SMITH of Georgia. If the Senator will allow me, I only threw out the suggestion that if with the decree rendered against the tobacco company at once all tobacco imported into the United States had gone on the free list we would have lost \$25,000,000 from import cuties, and we would have left at the same time our internal-revenue tax upon our domestic products. So we would have had a tax upon our domestic product, while our markets would have been open to tobacco from the world

If as a matter of justice to our domestic product of tobacco, we had followed with a removal of the internal-revenue tax on tobacco, how much more that would have added to the loss of . our revenue I do not know.

I was simply calling attention to the subject that our minds might view it broadly and see what we would do.

Mr. BRISTOW. May I inquire of the Senator could not a provision be made whereby the imported tobacco would bear the

same consumption tax as the domestic product?

Mr. SMITH of Georgia. I was simply calling attention to the situation which this amendment would produce and making an inquiry, and I suggested that there was room for reflection before we voted upon it.

Mr. BRISTOW. The internal-revenue tax on tobacco is a consumption tax, and it can be imposed on foreign tobacco as

well as on domestic tobacco.

Mr. O'GORMAN. Mr. President, I understood a request was made to have this amendment referred to the committee. have heard some intimation that there are Senators present who are prepared to discuss the merits. For myself I consider this proposal so important that it should at least in the first instance have the advantage of consideration by the Finance Committee, and if it be necessary to repeat the request I ask unanimous consent that the amendment go to the Finance Committee for consideration and report.

Mr. JONES. I wish to ask the Senator a question. I merely wish to ask him if the Democratic caucus in considering the

important propositions of the bill considered the advisability of putting some provision of this character in it?

Mr O'GORMAN. I can not definitely answer the Senator's question, but I simply desire to repeat that for myself this is a very important question and no attempt should be made to dispose of it without giving the committee an opportunity to consider and report upon it.

Mr. GALLINGER obtained the floor.

Mr. SUTHERLAND. Will the Senator from New Hampshire allow me?

Mr. GALLINGER. I will yield to the Senator. Mr. SUTHERLAND. I wish to supplement what I said on this subject by calling attention to the language of the Sherman Antitrust Act with reference to monopolizing trade. The second section provides that-

Every person who shall monopolize, or attempt to monopolize, or combine or conspire with any other person or persons to monopolize, any part of the trade or commerce among the several States or with foreign nations shall be deemed guilty of a misdemeanor.

And so on.

So, as I understand it, if the monopolization has extended, for example, to only one-tenth of the trade, the other nine-tenths of the trade are to be penalized by this provision. If it is monopolized between two or three of the States of the Union, that is a monopolization among the several States-it does not have to be among all the States in the Union-and the producers in all the remaining States are to be penalized by a provision of this kind on account of acts affecting only two or three States.

Mr. GALLINGER. Mr. President, there is one point which troubles me and I should like to ask the Senator from Iowa a question. The general purpose of the amendment quite appeals to me. Let me ask the Senator this question: Suppose the court declares that a certain concern is engaged in producing goods which is a monopoly or combination under the law, the article so produced would, I suppose, automatically or speedily go on the free list. Suppose that the combination is dissolved under the findings of the court, and there is not any further monopoly or combination, what, then, about the duty on the goods produced by that former combination? How would we arrange that matter?

Mr. KENYON. If the combination had been built up by the aid of tariff duties and then had been dissolved, I think we need not be overcareful in considering the interests of those

who built up the monopoly.

Mr. GALLINGER. The difficulty in my mind is this: Where the monopoly is found guilty not only the product of that monopoly but the product of all independent corporations would go on the free list and they would all in a sense be punished. If the monopoly was dissolved, would you keep those products on the free list until we legislated to the contrary?

Mr. KENYON. I realize that this argument can be properly made; some plan might be devised so that tariff duties would be put back where a competition actually came to exist, but I had not believed that it would work a particular hardship to anyone who did not deserve to suffer some hardship.

Mr. GALLINGER. There may be other objections, but I will say that that is the most serious point which has occurred to me in reference to the proposed amendment.

Mr. KENYON. I think it is a matter of serious consideration.

Mr. CUMMINS.

CUMMINS. Mr. President—
VICE PRESIDENT. Does the Senator from New Hampshire yield to the Senator from Iowa?

Mr. GALLINGER. I am through, Mr. President.

Mr. CUMMINS. Mr. President, the principle sought to be enforced in this amendment I think is sound, and I expect to vote for it. I think it is only fair to myself to say that I believe there is another way of reaching the result that would be more effective. I say it because four years ago I introduced an amendment to the tariff bill attempting to reach the same conclusion. It was voted down at that time. I reintroduced it at this session and it is now upon the table as a proposed amendment to this bill.

The plan that I thought was most effective was a judicial proceeding based upon the allegation that substantial competition had ceased to exist in the United States with regard to a certain article or commodity or a series of articles or commodities, and a trial upon that issue and a decree certified to the Secretary of the Treasury upon which the article or commodity or series of articles or commodities would be placed upon the free list. Then, if thereafter conditions should change and competition, which is the real thing sought to be secured or maintained, should appear, by a similar process the decree of the court would be modified or set aside and the article again

put upon the dutiable list in accordance with the will of

I believe that would be a more practicable method of reaching the result desired by my colleague than the one proposed here, although I regard the principle as so important that I would have no hesitation in voting for the amendment as it now is.

think, however, there has been a little misapprehension among some of my brother Senators here with regard to the scope of this amendment. I do not think it is confined to the second section of the antitrust law. I think a decree under the first section of the antitrust law would call into operation the consequences of the amendment. It provides:

That any article or commodity upon which a duty is levied under this act is under the control of a monopoly or combination.

A combination to restrain trade or commerce among the States is one of the things prohibited by the first section of the act, whether it has reached the full extent of a monopoly or not.

But if this matter does go over I want to suggest to my colleague one thought. Suppose in proceeding under the antitrust law a decree is rendered against the defendant, and then we have some court that will have the courage to carry out the real design of the law and appoint a receiver and sell the property of the offending combination or corporation, selling it to those who will buy and who will continue, of course in disintegrated parts, the same business. That is the procedure which really ought to be adopted. We have been altogether too careful of these combinations and monopolies. We have been too tender of their supposed right. I think in nearly all of them there ought to have been a receiver appointed and the property ought to have been sold at a receiver's sale, so that whoever wanted to buy could buy and continue the business. In that event, of course-assuming that the property was sold to different people-competition would at once begin, and a punishment such as would be inflicted here would fall not upon the guilty but upon those who might buy.

very much hope that it will be the future of the antitrust law that we shall add to it a real penal provision, a provision for imprisoning those who are guilty of violating it, and then proceed to sell the property that is condemned by the law, so that those who have committed the crime can have no benefit arising from their guilty acts. Then we will have, I think, the real object of the antitrust law fulfilled, namely, the institution of competition in the stead of monopoly.

Mr. BRISTOW. Mr. President, I should like to inquire of the Senator from Iowa how we are to get any practical and effective results from the dissolving of these monopolies. Supreme Court declared that the Tobacco Trust was a monopoly and that the Standard Oil Trust was a monopoly, and then it also declared that the merger of the Union Pacific and the Southern Pacific Railroad was in violation of the Sherman antitrust law; but as soon as the decisions were rendered the Department of Justice conferred with the parties affected, who sought to find out how they could avoid the effect of the decree and carry on the monopoly the same as they did before the

Mr. CUMMINS. I am not now defending the Department of Justice in trying to devise some plan of disintegration and reconstruction. I can not be drawn into any kind of defense of what has taken place. All that I say is that in the tobacco decree the Circuit Court of Appeals in the State of New York held that the plan did institute competition and did disintegrate and destroy monopoly. I do not concur in that opinion. I do not think it has done the work that it ought to have done.

My only suggestion was that inasmuch as the purpose of the antitrust law is to maintain competition in the business of the United States we ought to do everything we can to further that purpose, and if a monopoly is established and decreed, then it ought to be so dissolved as to bring about a condition of competition. I have enough faith in the Government of my country to believe that it will profit by the mistakes that have occurred in the past, and that the law will be administered some time in the interest of the American people and to accomplish the real purpose of those who frame the law.

Mr. BRISTOW. Mr. President

Mr. CUMMINS. I yield to the Senator.
Mr. BRISTOW. If the Senator will yield again, I know the Senator's views upon this question and I know how strong he feels upon it. It may be that at some time when the courts render a decision declaring the Sherman antitrust law violated the decree of the court and the law may be permitted to take its course without the Department of Justice conniving with those who have been found guilty in undertaking to perpetuate the condition that existed before the decision under some other form.

Mr. LEWIS. Mr. President-

Mr. BRISTOW. In the case of the Tobacco Trust and the Standard Oil Trust and the dissolution of the Union Pacific and the Southern Pacific merger it seems to me that that has been the result. The control of traffic is the same and the control of the business is the same in every one of these cases, so far as the effect upon the public is concerned, as it was before the decision was rendered.

Mr. LEWIS. Will the Senator allow me?

Mr. CUMMINS. I yield to the Senator from Illinois. Mr. LEWIS. I thank the Senator from Iowa for yielding. May I take advantage of his courtesy to ask the Senator from Kansas who has just spoken what evidence does the distinguished Senator have upon which he can charge the Department of Justice with having connived with those violating railroads in perpetrating any act that neutralized the decree of the court and perpetuated a monopoly? From what source does my distinguished friend get his information? From the newspapers?

Mr. BRISTOW. Yes; and the ultimate decision as to what these corporations could do in the disposition of the stock. The Senator from Illinois knows that the financial interests that controlled those two railroads before control them now; that the dissolution is a mere paper dissolution, and that as far as the effect on property owned is concerned it has been of little

consequence

Mr. LEWIS. I concede the fact very largely as the distinguished Senator says, in so far as the decision is concerned. I admit that when the decisions were rendered their final effect was a nullity, in so far as any result was secured by the American people. I regret to say the decisions perpetrated offenses on the people, cast upon the courts reflections of con-

tempt, and brought the law to a plane of derision.

Yet I ask my distinguished friend if, admitting that fact, he feels justified in his high position to charge the present Attorney General and the Department of Justice with having "conwith those who had violated the law in perpetrating that violation and continuing it? I ask him has he had the opportunity to confer with the Attorney General to get the facts, and does he not know that the President of the United States has given his approval to whatever disposition of the subject was finally had and could only have been approved because justice could have been arrived at under the circumstances? Has the Senator conferred with the Attorney General and obtained the real information apart from current rumors?

Mr. BRISTOW. I have not conferred with the Attorney General. I have only taken my information from what I have read as to the final agreement that was ultimately approved and which I think perpetuated, in fact, the condition which existed before the decision was rendered. The conditions now are the same so far as commerce goes as they were before the decision in the Standard Oil case, and the Tobacco case has not been materially changed, and the same is true as to the Merger

Mr. LEWIS. Then, as I understand the distinguished Sena-tor, he was giving his conclusion as to what he feels was the effect of what has transpired and not assuming to give information on the facts?

Mr. BRISTOW. I learn from the public press that the Attorney General conferred very extensively with the parties in interest in the Merger case.

Mr. LEWIS. But the Senator failed to seek information from

the only source he should have gone to.

Mr. BRISTOW. There was no need of such consultation. results of these conferences were published and the published accounts have never been questioned. A final agreement was reached whereby the stock should be controlled by certain parties instead of being put upon the market and sold as the decree of the court provided.

Mr. LEWIS. May I ask, Does the Senator charge the present Department of Justice with conniving-conniving at a wrong

upon the people perpetrated by the courts?

Mr. CUMMINS. Mr. President, may I suggest that it is rather fruitless now to enter upon an argument as to the merits of

the Southern Pacific and Union Pacific case?

Mr. LEWIS. I rather think I am violating the courtesy of the distinguished Senator from Iowa, who yielded to the interruption, when my distinguished friend from Kansas and myself enter upon a colloquy at this particular time. Later I shall address the Senate on the subject. I must have a reply from the Senator, however, as to his meaning.

Mr. CUMMINS. I suggest as there is no duty on railroads

the amendment would not apply to a case like the Union Pacific

Railroad.

Mr. BRISTOW. If the Senator will permit me, I suppose that instead of using the word "connive" I had better have used another word, because the general impression which follows that language would be that designedly the Attorney General sought to aid these men to continue to violate the law. I would not charge the Attorney General with that, but I do think as a result of his conferences and as a result of the agreement that the public has been robbed of any benefit that might have come to it from such decision. Nothing has been accomplished by that long legal controversy that attracted so much attention.

Mr. LEWIS. I think we now understand the Senator from

Mr. CUMMINS. Mr. President, I have suggested the scope of the amendment that I proposed four years ago and that is before the Senate again, but I desire before I take my seat to congratulate my colleague upon the soundness of the principle that he has embodied in his amendment. I congratulate him and the country also because he has succeeded in awakening the interest and attention of Senators to the very important and vital subject, and if from this effort to relieve the country from the oppression of monopolies their power is curtailed we are all to be congratulated. Inasmuch as my colleague has asked that the matter go over or be referred to the Committee on Finance, I hope that his request will be accepted by Senators and that when the Finance Committee shall have considered the subject carefully and brought in whatever provisions it may think will meet the condition, we will then have an opportunity to discuss the whole matter comprehensively as well as analytically. It is one that well deserves the most serious consideration of the Senate.

Mr. WALSH. Mr. President, as I understand the parliamentary situation at the present time, this matter is before the Senate on a motion to refer the amendment of the Senator from Iowa to the Finance Committee.

Mr. SIMMONS. Will the Senator permit me? Mr. WALSH. Certainly.

Mr. SIMMONS. That amendment was before the Senate, and I moved to refer it to the Finance Committee.

Mr. LODGE. The amendment has gone over.

Mr. SIMMONS. The Senator from Iowa, I understood, announced that he was content that it should go to the Finance Committee, and-

Mr. KENYON. I did. Mr. SIMMONS. And in substance withdrew his amendment for the time being

Mr. LODGE. The amendment has gone over by unanimous consent, I understand.

Mr. SIMMONS. It has gone over, as I understand, at the request of the Senator from Iowa, and I hope we may

Mr. KENYON. It is my understanding that it is to be referred to the committee. I offer no objection to that course.

Mr. STONE. Let us go on with the bill.

The VICE PRESIDENT. The Chair for half an hour has been anxious to inquire whether anybody objected to the amendment going to the Finance Committee, and he is going to ask that question now. The Chair hears no objection. The order for the yeas and nays will be vacated, and the amendment will be referred to the Finance Committee.

Mr. SIMMONS. As we have finished the free list except those paragraphs which have been passed over, I ask that we return to Schedule M-papers and books-at the point where

we left off when we took up the free list.

Mr. LODGE. I think the two first paragraphs of the paper schedule have been read. Am I right?

Mr. SIMMONS. Yes; the Senator is right. Mr. LODGE. We stopped at paragraph 330, and I made the request that paragraph 330 be passed over. I understand that is the situation, and that we went no further in the paper schedule at that time.

Mr. SIMMONS. I think the Senator is correct about that. The PRESIDING OFFICER (Mr. Walsh in the chair). the Senator from Massachusetts will pardon the Chair, the Secretary informs him that paragraph 330 was read; and after it was read and the committee amendment agreed to, it was then passed over for further consideration.

Mr. LODGE. That is my memory of just what happened. Mr. SIMMONS. The Senator is correct about that. Does the Senator desire to take up that paragraph now?

Mr. LODGE. I am ready to take it up if the Senator wishes.

I understand we are at the paper schedule.

Mr. SIMMONS. Very well.

Mr. LODGE. Mr. President, paragraph 330 must really be taken in conjunction with paragraph 651 of the free list, which places paper under 21 cents a pound upon the free list and

imposes certain countervailing conditions. This does the same in regard to the paper over 21 cents, which is to bear 12 per cent ad valorem, and it also imposes countervailing conditions. Those additional duties or countervailing duties are based upon the following conditions in the foreign country: "The imposition of any export duty, export license fee, or other charge of any kind whatsoever in the form of an additional charge or license fee or otherwise." Those are the conditions upon which the countervailing duty is to be imposed, and they are sub-stantially the same in the free list, except that there the countervailing duty is to rest only upon chemical pulp, about which I shall say something later.

I wish first to take up the inadequacy of the statement of conditions on which the countervailing duty in paragraph 330 shall come into operation. In the case where the export of wood or wood pulp is forbidden from the Province or dependency-that is, from Canada, for it all relates to Canada-there is no opportunity to impose the countervailing duty; no provision is made for that case of prohibition arising; and yet that condition is much more hostile and much worse for our trade than the imposition of an export duty or of a license fee.

As a matter of fact, in Canada they are prohibiting the export of wood or wood pulp. The cases in which it is obtained are only those in which an American company has erected a mill in Canada-I do not mean its only mill, but a mill in

Subsequent to the passing of the reciprocity act the Province of New Brunswick also prohibited the exportation of wood from its Crown lands.

The Treasury Department, in ruling on the reciprocity act in Treasury Department Circular No. 48, Division of Customs, dated July 26, 1911, allowed paper from freehold lands to come in free, but subjected paper made from wood from Crown lands in these Provinces to the duties provided for in the Payne Tariff Act.

By an order in council dated July 12, 1912, the Province of British Columbia removed the restrictions from certain specified Crown lands west of the Cascade Range, and the Treasury Department, by order of August 12, 1912, ruled that paper made from wood cut on these specified tracts was entitled to free entry. It has since been ascertained that this land was leased to the Powell River Paper Co., a company with an output of 200 tons per day, the only large paper company in British Columbia and the only manufacturer of news print paper. This company ships neither wood nor pulp to the United States

Immediately agitation was started by the large paper manufacturers in the other Provinces, and on December 31, 1912, the Province of Quebec, by lieutenant governor in council, passed the following order:

EXECUTIVE COUNCIL CHAMBER, Quebec, 31st December, 1912.

Quebec, 31st December, 1912.

Present: The lieutenant governor in council.

It is ordered that the obligation to manufacture in Canada any timber cut on Crown lands, as enacted by article 13 of woods and forests regulations, shall not apply to the timber cut from the 1st day of May, 1911, and which will be cut hereafter on the timber limits hereinafter described, and that all pulp wood cut from the 1st day of May, 1911, or which will be cut hereafter on the said timber limits, or the paper, paper board, or wood pulp manufactured from the wood cut on such timber limits, may be exported free of any export duty, or any other charge of any kind whatsoever, or any prohibition or restriction in anywise relating to such exportation.

Lake Kenogami (Plessis), No. 21; Mesy South, No. 26; Riviere-aux-Ecorces, No. 20; Mesy, No. 25; River Pikauba, No. 16; Township Dequen, No. 149; Caron, No. 29; Riviere-aux-Ecorces west; Riviere-aux-Ecorces east.

Dequen, No. 149; Caron, No. 29; Riviere-aux-Beorees west; aux-Ecorees east.

River St. Maurice, No. 6 west; River St. Maurice, No. 10 west; River St. Maurice, No. 11 west; River St. Maurice, No. 12 west; Riviere-au-Rat. No. 1 south; River Wesseneau. A, B, C, D.

St. Maurice west, No. 13; St. Maurice west, No. 14; Trench west, No. 1; Croche west, No. 4; Arriere Croche, B.

Lake Clair, No. 2 west; Lake Clair, No. 2 east; Mattawan, No. 2 south. No. 5 south. No. 5 rear south, No. 6 south, No. 6 rear south, No. 7 south, No. 5 north, No. 7 north; Croche, No. 1 east. No. 3 east, No. 3 rear east, No. 1 west, No. 2 west, No. 3 west, No. 5 west; Bostonnais, No. 1 north; Bostonnais, No. 2 north, half west.

**Clerk Executive Council ad Interim.**

The lands exempt from prohibition as to export in this order are said by the Canadian papers to belong to four companies. It is certain that a large part of the land belongs to such companies.

The first paragraph of the order exempts lands in the Lake Kenogami region which are leased by the Price-Porritt Co. This company has paper mills at Jonquiere, with a capacity of 236 tons news print per day.

The River St. Maurice district lands are leased to the Laurentide Co., with paper mills at Grand Mere, capacity 210 tons news print per day, and to the Belgo Canadian Pulp & Paper Co., with a capacity of 145 tons per day.

At the present time I do not know who leases the Lake Clair district, but the Canadian papers state that the Wayagamack Paper Co. is freed of restrictions by the order, and it is prob-

able that this region is leased by them.

These companies manufacture their own paper, and do not ship wood or pulp board to the United States. Porritt Lumber Co. ships some pulp to the United States, but this is shipped from Rimouski, where they have a pulp and no paper mill, and the wood does not come from the exempted lands.)

The Montreal Daily Star, January 3, 1913, commenting on the action of the Quebec Government, says of these companies: "These are the only four in the Province which draw their material from the Crown lands." Whether this is true I do not know, but the figures cited above show that three of these four companies have a capacity of 591 tons of news print per day (the Wayagamack Co. is a new company, and its capacity is unknown to me at the present time), while all the other paper companies in Quebec, 15 in number, have a total capacity of only 369 tons, including in their output not only news but wrapping, manila, building, board, and book.

The purpose and effect of this order of the Quebec Government is thus characterized in the Quebec Chronicle of December

31, 1912:

By this it is thought that the limit holders will be enabled to get free entry for their paper, but will, it is understood, see that no wood is exported from their holdings, even though the restrictions are re-moved. It remains to be seen if the astute Uncle Sam is likely to be flimflammed by any such transparent device.

It is a matter of common knowledge in Canada that appeal is being made by Canadian paper manufacturers in Ontario and New Brunswick to the provincial Government, and that it is expected that these Provinces will follow the example of Quebec.

The orders of these two Provinces-British Columbia and Quebec—are clearly only a subterfuge; and are intended not to give free raw material to the United States, not to bring in one single foot of pulp wood or even one pound of wood pulp, but are intended simply to evade the United States customs and to compel citizens of the United States who desire to continue or engage in the business of the manufacture of paper to do so on the Canadian side of the line if they propose to look to Canada for their wood supply.

The Province of Quebec covers subtantially 340,000 square iles, which is apportioned as follows:

Square sapportioned as rollows.	are miles.
Owned by Province Crown lands in timber Owned by Province Crown lands burned, waste, and culled Private lands under seigniory Private lands under letters patent	200, 000 106, 000 16, 000 18, 000
Total	340,000

Of the 34.000 square miles of private land much is under cultivation, and only 8,000 square miles is in timber of all kinds.

It appears from these figures that the Province of Quebec has left but one twenty-fifth of her timber area open to the United States for the furnishing of raw material, and of that twentyfifth sales have been made within the last year as high as \$20 per acre, which is more than double the price for which lands have been selling upon the American side of the line, and the price makes it prohibitory as to a wood supply for American mills. From these free lands the Canadian manufacturer can export his paper into this country free, while the American manufacturer is compelled to pay duty for shipping his paper into the Canadian Provinces.

Previous to the year 1910 the Province of Quebec had leased many thousand square miles of Crown lands to owners of paper mills located in the United States. These leases contained certain restrictions and obligations, but in none of them was there any attempt to prohibit the exportation of pulp wood.

During the year 1910, however, an absolute prohibition was placed upon importations of wood cut from Crown lands.

Immediately after the passage of the Canadian reciprocity act New Brunswick, which had also leased to Americans Crown lands which the manufacturers desired for a supplemental wood supply, and in some cases had cut from them, passed a prohibition order which absolutely prohibited the importation of wood.

Mr. President, I think I have shown by what I have said what the attitude of Canada was at the time of the passage of the reciprocity act. I wish now to show the ground they are taking with reference to this bill.

The Saguenay Lumber Co., which, as I understand, is a Maine company, with headquarters at Portland, addressed the follow-

ing letter to the premier of the Province of Quebec, signed by Mr. Morton, its treasurer:

PORTLAND, ME., January 6, 1913.

The honorable PREMIER OF THE PROVINCE OF QUEBEC, Quebec City, Quebec.

Quebec City, Quebec.

Siz: Your letter of November 28 was duly received acknowledging ours of the 27th.

I am informed that under date of December 31, 1912, an order in council was passed removing all prohibition or restriction in anywise relating to the exportation of pulp wood, paper, paper board, or wood pulp from certain specified Crown land timber berths or licenses.

As our timber holdings in the Province or Quebec are all Crown lands, acquired and held, we believe under precisely the same conditions governing those cited in the order in council, above mentioned, we presume we are upon proper application entitled to enjoy the same exemption.

tion.

Will you kindiy advise us at once on this point? We desire the information for use, not only to our own advantage but also to the advantage of the provincial revenues.

Yours, very respectfully,

SAGUENAY LUMBER CO.,
Per C. W. MORTON, Treasurer.

Here is the reply from Mr. Gouin, who is the prime minister of the Province of Quebec:

Office of the Prime Minister, Province of Quebec, Quebec, January 21, 1913.

C. W. Morton, Esq., Treasurer Saguenay Lumber Co., Portland, Me.

Dear Sir: In reply to your letter of the 6th instant I must state that the order in council of December 31, 1912, to which you refer, has been adopted in favor of four companies which convert into paper, in the Province of Quebec, the timber they cut on Crown lands. As you are not in the same position, we can not make the same exception for your company. Yours, truly,

Then here is a telegram from the Riordon Paper Co., signed by their sales manager:

Riordon Paper Co. (Ltd.). Confirmation. We sent you a telegram this date per C. P. R. Telegraph Co., G. N. W. Telegraph Co., of which the following is a correct copy:

MONTREAL, February 3, 1913. ARTHUR C. HASTINGS, 50 Church Street, New York City:

We saw Hon. Jules Allard to-day, who stated any present or future manufacturer of paper in the Province be given equal privilege with four companies already given free wood, but not for pulp; declined free our wood for sulphite export, although Laurentide sulphite be free.

THE RIGHDON PULP & PAPER CO. (LITD.).
T. J. STEVENSON, Sales Manager.

There is the actual situation. The Canadians are prohibiting the export of either wood or pulp wood or wood pulp unless the American company has a mill on the Canadian side. That is a far severer and more discriminating burden than an export duty or a license fee, and I think that it ought to be met in some way by an amendment to the pending bill. That policy of prohibition has been begun in many of the Provinces, and it is being extended.

As to the countervailing duty proposed in the free list, paragraph 651, the countervalling duty, if imposed, is to rest entirely upon chemical pulp. There is very little chemical pulp exported from Canada. Chemical pulp costs more than the paper which is made free. Print paper is exempted from duty up to 2½ cents a pound, and chemical pulp costs in the neighborhood of 3 cents a pound. As I have said, it costs more than the paper that you make free of duty.

When you impose a countervailing duty on chemical pulp alone, you impose a countervailing duty that is of no value whatever; it amounts to nothing. The Canadian Provinces can disregard it; they can exclude us; they can put on bounty fees; they can put on export fees; they can do anything they please and all our retaliation in paragraph 651 is confined, as I read it, to chemical pulp, which amounts, as I have said, to absolutely nothing. It is brutum fulmen; it would have no result whatsoever.

If we are going to impose a countervailing duty, as I think we should-I think the policy outlined in paragraph 330 and in paragraph 651 is a sound policy—we should make it so that it will work. If the intention of the committee framing the bill and the intention of the Congress is to give these great advantages to one of Canada's chief products only on condition that she treats us in the same way, surely we ought to make our countervailing duties effective.

Mr. WILLIAMS. Mr. President—
The PRESIDING OFFICER. Does the Senator from Massachusetts yield to the Senator from Mississippi?

Mr. LODGE. Certainly.

Mr. WILLIAMS. I suppose, of course, the Senator has read this paragraph very carefully; but he seems to have neglected to notice a part of the first clause of the proviso.

Mr. LODGE. To which paragraph is the Senator referring?

Mr. WILLIAMS. Paragraph 651, which provides that-Mechanically ground wood pulp, chemical wood pulp, unbleached or bleached, and rag pulp-

Shall come in free.

Then follows the proviso:

Provided, That if any country, dependency, province, or other subdivision of government, shall impose an export duty or other export charge of any kind whatsoever, either directly or indirectly (whether in the form of additional charge, or license fee, or otherwise), upon printing paper, rag pulp, mechanically ground wood pulp, chemical wood pulp, or wood for use in the manufacture of wood pulp—

Then follows this provision-

the amount of such export duty or other export charge upon an equal amount of rag pulp, mechanically ground wood pulp, or chemical wood pulp, or upon an amount of wood for use in the manufacture of wood pulp necessary to manufacture such chemical wood pulp, or upon an amount of printing paper ordinarily manufactured from such wood pulp, shall be imposed as a duty—

Mr. LODGE. Shall be imposed as a duty on what?

Mr. WILLIAMS. I read:

Upon chemical wood pulp when imported directly or indirectly from such country, dependency, province, or other subdivision of government.

Mr. LODGE. That is precisely what I have said. The burden is imposed only upon chemical wood pulp.

Shall be imposed as a duty upon chemical wood pulp.

We do import very little chemical wood pulp from Canada and there is no probability that we ever shall.

Mr. WILLIAMS. The language of the House bill was "chemically ground wood pulp" and we have changed it to "chemical wood pulp."

Mr. LODGE. That does not make any difference; the word "chemical" is used. The case of prohibition is covered here, but not in paragraph 330; and prohibition certainly ought to be inserted in paragraph 330. Paragraph 651 provides that—

If any country, dependency, province, or other subdivision of government shall prohibit the exportation of printing paper, rag pulp, mechanically ground wood pulp, chemical wood pulp, or wood for use in the manufacture of wood pulp—

That includes everything-

there shall be imposed a duty of one-tenth of 1 cent per pound upon chemical wood pulp when imported directly or indirectly from such country, dependency, province, or other subdivision of government.

The countervailing duty is not imposed on all the articles, but only on one article, and that the one which Canada does not export and will not export; in other words, that provision is made perfectly useless by being limited to chemical wood pulp.

I have here a statement about the manufacture of bleached wood pulp. I do not desire to delay the Senate by reading the whole of it, but, as it is not very long, I will ask to have it I merely desire to call attention to the following printed.

A ground wood pulp mill having a capacity of 30 tons of pulp per day can be built, including cost of water power, for approximately \$150,000, while a bleached sulphite pulp mill of the same capacity will cost \$450,000.

That is chemical wood pulp.

The value of ground wood pulp f, o, b, the mill is approximately three-fourths of a cent per pound, while the value of bleached sulphite pulp f, o, b, the mill is 22 to 3 cents per pound.

The one is more expensive than the paper which you make free and the other is not more than a third as expensive.

I ask that the statement to which I have referred may be printed in the RECORD at this point.

The PRESIDING OFFICER. In the absence of objection,

permission is granted. The matter referred to is as follows:

STATEMENT IN REGARD TO THE MANUFACTURE OF BLEACHED SULPHITE

PULP.

In this Schedule M of the new tariff bill, relating to pulp, paper, and books, there seems to be a complete misunderstanding of the difference between mechanically ground wood pulp and fine chemical bleached sulphite pulp. This is probably due to the fact that the bleached sulphite pulp is a comparatively newcomer in the United States in the paper industry.

The first mill completed and now running was started in 1889, and owing to the newness of the art and the imperfection of the machinery used in the entire process, it was several years after that before these defects were remedied and the mill was running steadily and evenly, making this grade of pulp.

As is well known, in manufacturing ground wood pulp the mills are necessarily located where there is ample power and on rivers. The logs are run down the river and are taken into the mill by specially contrived machinery and brought to the saws, where they are cut into about 2-foot lengths, without further handling, and then barked. They then go by carriers to the grinders, which are simply revolving grindstones, against which this wood is held by hydraulic pressure and ground into pulp. It is then collected and splinters of wood separated from the pulp by machinery. The pulp is then ready for use in the manufacture of paper and is carried by pipes in a fluid state to paper engines, where it is used. The apparatus is very simple of construction, and the buildings, however well built, are generally only of one story, easily constructed and easily maintained.

A ground wood pulp mill having a capacity of 30 tons of pulp per day can be built, including cost of water power, for approximately

SIGORD—SENATE.

\$150,000, while a bleached sulphite pulp mill of the same capacity will cost \$450,000.

The value of ground wood pulp f. o. b. the mill is approximately three-fourths of a cent per pound, while the value of bleached sulphite pulp f. o. b. the mill is 22 to 3 cents per pound.

Into 4-foot lengths, piled, and seasoned for about six months. They are then taken by hand and carefully barked, removing not only the outside bark but the yellow skin next to the wood. They are then spilt and the knots are bored out of the wood. If there are any bad ends which have shrinkage of about 22 per cent is the measured cord. The wood is then taken by a carrier to the chippers. These cut the log into uneven chips. In order to remedy this and to have even material to cook, the chips are carried into a chip crusher, and after being crushed are elevated revolving screen with slots of a suitable size to allow wood the right size for cooking to drop through. The larger pieces of wood are thrown out of the end of the screen and go through what is called a rechipper. All these chips are then carried to the top of the digester building by a timb large and the state of the control of the top of the digester building by a timb large and the state of the control of the top of the digester building by a timb large and lined with cement, which cement is further protected by aciderated the state of the control of the control

TABLE I.	P	day.	
Carpenters	\$2.50	to	\$3.00
Blacksmiths Machinists	2, 50	to	2.75
Masons	2.00	-	4, 00
Pipe fitters			
General repair men	2. 50	to	3. 50
Oilers		5	2. 20
Ash pullers	2. 35	to	2. 90
Electrical engineers			4.00
Acid makers			2.70
Bleach makers			2. 15
Chipper men		to	2.00
Cookers	2. 50	to	3. 25

# TABLE II.

	MAXIMUM WAGES PER HOUR.	
	[Compiled by the Imperial Government of Germany, 1910.]	
		\$0.06
1,802	skilled unskilled	. 08
423	skilled unskilled	. 11
	skilledskilled	. 13

Similar labor in United States of America.

100 unskilled 993 skilled 1,802 unskilled 1,752 skilled 423 unskilled 423 skilled 136 skilled __ \$0. 15 to \$0. 18 . 20 . 25

It should also be borne in mind in comparing this process with the ground-wood process that in making bleached sulphite pulp there must be a large chemical apparatus; probably a comparatively small mill, say 25 to 30 tons capacity, would make more bisulphite liquor than all the chemical manufacturing establishments in the United States put together. To do this the apparatus must be of first-class construction. All pumps and pipe connections and coolers must be of bronze and lead. The water used must be cold, and mills go to large expense sinking artesian wells for the purpose of having cold water in summer. The apparatus must be kept in constant and perfect repair, as any leak makes sulphuric acid, which causes a loss and injury to the pulp.

as any leak makes sulphuric acid, which causes a loss and injury to the pulp.

Attention was called to the shrinkage of 22 per cent in the cleaning of the wood as additional cost in this process. It should also be stated that in bleaching the pulp and in the further handling of it after it is bleached, there is a loss of some 10 to 12 per cent, or in other words, out of 10 tons cooked there will be a shrinkage of 1 ton, which of course materially adds to the cost of the finished pulp.

In the making of this pulp, the waste from sawmills, viz, slabs, can be used and are used in large quantities. There are in the South to-day a great many sawmills which could convert their slabs into sulphite pulp. It costs more for labor to handle and clean them, but when prepared they are the best wood of the tree. The fiber is longer on the outside of the tree, and there is less incrustating matter around the fiber to dissolve out, as can readily be seen by looking at the crosscut of a spruce log.

the fiber to dissolve out, as can readily be seen by looking at the crosscut of a spruce log.

It will be noticed that in making bleached sulphite pulp, we do the equivalent, at least, of everything that is done in making good book papers, and as this pulp sells from 2\frac{3}{2} cents per pound to 3 cents per pound, it will be seen that none of it can be used in news print or any paper, except in the fine papers that are dutiable under the new tariff.

Bleached sulphite pulp must be of good quality or it is useless. It must be clean and white and have a good color and good felting quality or it can not be used in fine papers. It is not wanted in cheaper papers, as it has not the strength of unbleached fibers and costs more.

We claim for these reasons that we should be put into the same class with fine papers, and that it will work no hardship to any other branch of the paper or pulp industry, but enable American mills making fine papers to obtain pulp of domestic manufacture and not be wholly dependent on foreign mills.

MOUNT TOM SULPHITE PULP CO.,

MOUNT TOM SULPHITE PULP CO., THE RUSSELL CO., General Managers, By Chas. C. Springer, Vice President.

Mr. LODGE. Mr. President, it is perfectly clear to my mind that the committees of both Houses, in giving to Canada these great advantages, these great opportunities for trade, intended to put us on an equality. They have recognized the danger of prohibition in paragraph 651, but they have done nothing about paragraph 330, and paragraph 330 covers dutiable papers. In regard to such papers, they can impose any burden they please on wood to be used in the manufacture of paper, wood pulp, or pulp wood; they can impose any prohibition they please on every part of it, and there is no means of retaliation.

In paragraph 651 you mention particularly prohibition as one of the things to be specially encountered; and I think there certainly can be no greater obstacle to trade and nothing more unfair than to have the country to whose products we are opening our market escape prohibiting the export of articles we need when countervailing duties could be placed upon her if she imposed an export duty or demanded an export fee. On the other hand, it is futile to confine your retaliation in the freelist paragraph 651 to chemical wool pulp. You might just

as well not write the clause. I have called these facts to the attention of the committee; I

am not now contesting the low rate; I am not now contesting the action you have seen fit to take in placing print paper valued at less than 2½ cents a pound on the free list; but I think that you ought to carry out your own policy, which is clearly laid out in those paragraphs, in such a way as to be effective; in other words, paragraph 330 is ineffective because you omit prohibition, and paragraph 651 is ineffective because you confine your retaliation to chemical pulp.

It is inconceptable to me that any complition cheef attacks.

It is inconceivable to me that any committee should attempt

to evade the countervailing duty by any scheme of any kind or any trick of phraseology, and certainly not by a scheme so obvious as the one I have indicated. I think if there are to be countervailing duties at all they ought to be made effective countervailing duties. In paragraph 330 prohibition ought to be mentioned as one of the grounds for the countervailing duty, and in paragraph 651 the countervailing duties ought to apply to all articles and not to one; they ought to apply to all articles of this kind that are exported from Canada; not be confined alone to an article which is in only a small amount exported from Canada, which is an article of very high price and which, think, ought not to be on the free list at all; but that is another question.

Mr. President, I have drawn up no amendment on the subject

and I do not mean to offer one at this time, but I hope the committee will take these points into consideration. I have not

made these criticisms with any view of delaying the Senate, but in perfect good faith for the consideration of the committee, and I think they deserve consideration if the policy of countervailing duties, which both Houses have adopted, is to be carried out effectively.

Mr. WEEKS. Mr. President, I do not wish to delay the proceedings unduly, but this is a very important question from the standpoint of New England, and I desire to supplement somewhat the observations which have been made by my colleague [Mr. Lodge] on this question, especially as to other features

than those on which he has dwelt.

There are really three questions involved in this legislationfirst, whether it is wise or unwise to entirely remove the duty on paper selling for less than 21 cents a pound; second, whether the countervailing duties proposed in this bill sufficiently protect the paper makers of this country; and third, whether we are opening a channel by which a large proportion of the raw material of this country will eventually be manufactured in Canada rather than in the United States. It is those questions to which I particularly wish to address myself.

It is a very complicated proposition from the standpoint of Canada, because the Canadian Government may regulate what shall be done so far as her imports into Canada are concerned, but she can not regulate what shall be done by the Provinces of Canada with their own products; and it will be noted that the action which has been taken by the different Provinces is local action, applying to the products of the Province itself, with which Canada, as a distinct Government, has nothing whatever to do, as I understand.

The paragraph comes from the Committee on Finance just as it passed the House. It provides, among other things, that news print paper "valued at not more than 21 cents per pound' shall be free from duty. But it also provides for more than

that.

To pass the tariff bill with this paragraph unamended will be an act of the rankest injustice. We should not lose sight of the fact that the provincial governments of Canada are placing more and more restrictions every day on the manufactured products of the Canadian forests. We can not object to what the Canadian Provinces do for their own people, but I most emphatically protest against any legislation enacted by Congress that will be the means of enriching Canada at the expense of the United States. The real effect of this para-graph as it now stands is that it turns over to Canada the raw products of our rich and great forests for the purpose of manufacture. If the bill becomes a law with this paragraph unamended, along with many others in like circumstances, its title should be changed so as to read: "An act to ruin Ameri-can industries, and for other purposes." No other interpretation can be given it.

The pulp and paper mill industry is of great proportions in New England. Maine is a factor in this valuable industry. The entire country is benefited by its present enormous growth. In the State of Maine alone some \$40,000,000 of capital is invested in more than two score of plants. Thousands of men are employed and the benefits to the State and Nation in labor,

freight, and many other channels are enormous.

Northern Maine contains millions of acres of unbroken forests. This virgin territory slopes toward and is drained by the St. John River. A conservative estimate places in that territory about 50,000,000 cords of pulp wood. This would produce 2,000 tons of news print paper each day for many generations to come. On the other side of the St. John River, in Canada, plans are now being promulgated for the construction of great paper mills. And thus we see what the effect will be if we pass this paragraph in an unamended form. It would be simply the delivery of 4,000,000 acres of Maine forests to the paper companies along the St. John on the other side of the border, the placing of a great store of raw material for manufacturing into the finished product to the profit of foreign markets, and the loss of a great American industry to the gain of a foreign nation for all time. To allow the paragraph to pass in its present form will also retard the great development of our natural resources in that section of the country. The great strides in the development of water power for manufacturing purposes now so general will cease. In other words, it means that the Congress of the United States grants to Canada what it refuses to give to the people of its own countryan opportunity to continue in business

In 1908 a select committee of the House of Representatives was appointed to conduct investigations concerning pulp, pulp wood, and paper. That committee made an exhaustive investigation under the leadership of Hon. James R. Mann. That report, among other things recommended, pointed out the importance to our country of utilizing the Canadian forests of

The proposed paragraph in its unamended form casts aside this recommendation, together with our own forests thrown in for Canada's benefit

The Mann report recommends:

The Mann report recommends:

That in the long run it will be mutually profitable, both to the publishers and other users of cheap paper in the United States, to the mills producing print paper, to the owners of American spruce forests, to the owners of the Canadian spruce forests, and to the mutual good feeling and respect of our two countries if a considerable reduction be made in the tariff on the cheaper grades of print paper, dependent, however, upon receiving from Canada (so far as the supply comes from her) the removal of all discriminations now existing in that country or its Provinces against the exportation of pulp wood into the United States and the prevention of future discriminations in the exportation of either ground wood or paper.

Mr. collegeme LMr. I special has pointed out in what way this

My colleague [Mr. Lodge] has pointed out in what way this

will be prevented if the bill passes unamended.
We must not lose sight of the fact that the Mann committee recommended a revision of the then existing tariff-the Dingley law-to the following schedule: One-tenth of 1 cent a pound on paper valued at not over 24 cents a pound, and two-tenths of 1 cent a pound on paper valued above 24 cents a pound and not above 2½ cents a pound. This was a reduction on ordinary news print paper from \$6 a ton to \$2 per ton. Then the Mann report

The retention of a duty of one-tenth of I cent per pound, as suggested, is justified both on the principles of a tariff for revenue and a tariff for protection. It is not desirable to strike down or injure the present paper mills in the United States. To do so would not only be very expensive to the present paper-mill owners and employees, but would probably in the future enhance the cost and price of paper. The duty proposed is about equal to the additional cost of labor in the United States and the additional cost of materials used by the paper mills caused by other tariff provisions.

Contrasting the recommendation of the Mann committee made after a thorough study of conditions both in the United States and Canada with the paragraph now under consideration, we find that American industries as well as American labor were never lost sight of by the investigators, while the present tariff bill as it passed the House has discarded all rights of both industry and labor.

Protests were made by paper manufacturers before the different committees of the House at hearings in 1911, 1912, and this year. I have here a protest from the president-secretary of the International Brotherhood of Pulp, Sulphite, and Paper Mill Workers, comprising all the mill workers in the United States and Canada, which I wish inserted in my remarks at this point.

The PRESIDING OFFICER. In the absence of objection,

that order will be made

The matter referred to is as follows:

INTERNATIONAL BROTHERHOOD PULP, SULPHITE, AND PAPER MILL WORKERS OF THE UNITED STATES AND CANADA, Fort Edicard, N. Y., May 31, 1913.

PAPER MILL WORKERS OF THE UNITED STATES AND CANADA,

Port Edward, N. Y., May 31, 1913.

Hon. John W. Weeks,

Washington, D. C.

Honorable Sia: I note in the daily press the fact that there is considerable said in regard to the cotton, woolen, and sugar schedule of the Underwood bill; in no case have I read of the paper schedule. On this subject I desire to say that if a reduction in tariff on news print paper was going to benefit the 95,000,000 people of the United States in general then, perhaps, a revision would be for the general good; but the Nation can not benefit by the removal of duty on this article in any way, shape, or manner. If there is anyone to be benefited by this bill, in so far as it affects paper, it is solely, simply, and only newspaper publishers, and they, perhaps, will charge the consumer as much for a paper under the removal of duty as they now charge for a copy. Since the reciprocity bill became a law some of the publishers have increased the price of their publications.

Why paper costing 2½ cents a pound is permitted to come in free of duty, while a duty is still retained on paper costing more than that amount, is more than I can understand, and, as stated in a previous communication, is discriminating class legislation, pure and simple, which is bound to affect the American workmen as regards their hours and wages. There never has been a question as to the necessity for a duty on other grades of paper than that costing 24 cents a pound or less. Knowing that duty is necessary on the most expensive papers made in order to protect the industry convinces us of the discrimination which the Underwood bill carries with it by permitting the free entry of paper and pulp from Canada and other foreign countries and in not making provision for the raw material, especially the wood in certain Provinces of Canada. This country is not entirely dependent on Canada for wood, as you know, but Canada certainly must depend on this country for a market for the finished product.

The men who are members of

our Canadian neighbors the products of the Maine forests at

John H. Malin, President-Secretary. Mr. WEEKS. The paragraph unamended will turn over to

the very time the Provinces of Canada are legislating more and more by way of restrictions that compel the manufacture within the Dominion into finished products the products of her forests. It is a discrimination against New England, but even this failed to make any impression upon the House. The Mann committee did not overlook that discrimination.

I have here copies of the different acts that have been passed by the different Provinces of Canada applying to this subject. I should like to have such of those as are not included in the remarks made by my colleague [Mr. Longe] included in my remarks

The PRESIDING OFFICER. There being no objection, that order will be made.

The matter referred to is as follows:

EXHIBIT A. ONTARIO.

[Order of lieutenant governor in council, Sept. 16, 1897.]

[Order of Heutenant governor in council, Sept. 16, 1897.]

Section 1. No timber licensee or holder of a permit engaged in cutting, taking, or removing saw logs or timber upon or from the lands of the Crown, or driving, floating, or towing the same in Canadian waters, and no other person, firm, or company engaged in or about any such work under the authority or with the assent of such licensee or holder of a permit, shall employ or engage, or permit to be employed or engaged, in any capacity whatever in and about or in connection with such cutting, removing, driving, floating, or towing in Canadian waters, any person who is not a resident of and domiciled in Canada, excepting the following persons, viz: The agent or manager having charge or supervision of the entire lumbering operation carried on by any person, firm, or company within the Province of Ontario, the head bookkeeper or accountant under such agent or manager, and one estimator or explorer, unless under special permission of the commissioner of Crown lands expressed in writing.

Sec. 4. All horses, cattle, sleighs, and all provisions, pork, flour, tea, and all tools and hardware, such as chains, axes, saws, and all other tools, supplies, or material of any kind whatsoeyer required or used in connection with the taking out of saw logs or timber cut upon Crown lands shall be purchased in Canada.

EXHIBIT B. ONTARIO.

[63 Vict., ch. 11, Apr. 30, 1900.]

(1) All sales of timber limits or berths by the commissioner of Crown lands which shall hereafter be made and which shall convey the right to cut and remove spruce or other soft-wood trees or timber other than pine, suitable for manufacturing pulp or paper, and all licenses or permits to cut such timber on the limits and berths so sold, and all agreements entered into or other authority conferred by the said commissioner by virtue of which such timber may be cut upon lands of the Crown, shall so be made, issued, or granted subject to the condition set out in the first regulation of Schedule A of this act, and it shall be sufficient if such condition be cited as "the manufacturing condition" in all notices, licenses, permits, agreements, or other writing.

Schedule A.

Schedule A.

(1) Every license or permit conferring authority to cut spruce or other soft-wood trees or timber, not being pine, salitable for manufacturing pulp or paper, on the ungranted lands of the Crown, or to cut such timber reserved to the Crown on lands leased or otherwise disposed of by the Crown, which shall be issued on and after the 30th day of April, 1900, shall contain and be subject to the condition that cli such timber cut under the authority or permission of such license or permit shall, except as hereinafter provided, be manufactured in Canada; that is to say, into merchantable pulp or paper, or into sawn lumber, woodenware, utensils, or other articles of commerce or merchandise, as distinguished from the said spruce or other timber in its raw or unmanufactured state; and such condition shall be kept and observed by the holder or holders of any such license or permit who shall cut or cause to be cut spruce or other soft-wood trees or timber, not being pine, suitable for manufacturing pulp or paper, under the authority thereof, and all such wood trees or timber, cut into logs or lengths or otherwise, shall be manufactured in Canada as aforesaid. It is hereby declared that the cutting of spruce or other soft-wood trees or otherwise, shall be manufactured in Canada as aforesaid. It is hereby declared that the cutting of spruce or other soft-wood trees or timber, not being pine, suitable for manufacturing pulp or paper into cordwood or other lengths, is not manufacturing the same within the meaning of this regulation. Schedule A.

EXHIBIT C.

[A. Campbell Reddie, deputy clerk executive council.]

Certified copy of a report of a committee of the honorable the executive council, approved by his honor the lieutenant governor, on the 12th day of July, A. D. 1912.

To his honor the LIEUTENANT GOVERNOR IN COUNCIL:

To his honor the Lieutenant Governor in Council:

On a memorandum from the honorable the minister of lands, which has been accepted and approved by council, it is ordered that, notwithstanding anything contained in the following pulp leases granted by His Majesty the King, therein represented by the honorable the chief commissioner of lands for the Province of British Columbia, on the 9th day of January, 1907, demising the following lands in the Province of British Columbia, that is to say:

Lease No. 2: Lots 148 to 155, inclusive; lots 160 to 160A, inclusive; lots 162 to 167, inclusive; all in range 1, coast district. Lots 104 to 122, inclusive; lots 124 to 151, inclusive; lots 153 to 154, inclusive; all in range 2, coast district;

Lease No. 5: Lot 493, range 1, coast district;
or any other prohibition or restriction whether by law, order, regulation, or contractual relation, directly or indirectly, obtaining in the premises, all pulp wood which has been or shall be cut on the lands described in the sald leases, or the papers, board, or wood pulp manufactured from the wood cut on said lands may be exported free of any export duty, export license fee, or other export charge of any kind whatsoever, or any prohibition or restriction in any wise relating to such exportation.

And that a certified copy of this minute, if approved, be forwarded E. V. Bodwell, Esq., solicitor, Victoria.
Dated this 11th day of July, A. D. 1912.

WM. R. Rose, Minister of Lands.

Approved this 12th day of July, A. D. 1912.

RICHARD McBride,

Presiding Member of the Executive Council.

EXHIBIT D. ORDER.

EXECUTIVE COUNCIL CHAMBER, Quebec, December 31, 1912.

Present: The lieutenant governor in council.

It is ordered that the obligation to manufacture in Canada any timber cut on Crown lands, as enacted by article 13 of woods and forests regulations, shall not apply to the timber cut from the 1st day of May, 1911, and which will be cut hereafter on the timber limits hereinafter described, and that all pulp wood cut from the 1st day of May, 1911, or which will be cut hereafter on the said timber limits, or the paper, paper board, or wood pulp manufactured from the wood cut on such timber limits, may be exported free of any export duty, or any other charge of any kind whatsoever, or any prohibition or restriction in any wise relating to such exportation.

Lake Kenogami (Plessis), No. 21; Mesy South, No. 26; Riviere-aux-Ecorces, No. 20; Mesy, No. 25; River Pikauba, No. 16; Township Dequen, No. 149; Caron, No. 29; Riviere-aux-Ecorces west; Riviere-aux-Ecores east.

River St. Maurice, No. 6 west; River St. Maurice, No. 10 west; River

quen, No. 149; Caron, No. 29; Riviere-aux-Ecorces (1884); Ecorces east.

River St. Maurice, No. 6 west; River St. Maurice, No. 10 west; River St. Maurice, No. 11 west; River St. Maurice, No. 12 west; Riviere-au-Rat, No. 1 south; River Wesseneau, A. B., C. D.

St. Maurice, west, No. 13; St. Maurice, west, No. 14; Trench, west, No. 1; Croche, west, No. 4; Arriere Croche, B.

Lake Clair, No. 2 west; Lake Clair, No. 2 east; Mattawan, No. 2 south; No. 5 south; No. 5 rear south; No. 6 south; No. 6 rear south; No. 7 south; No. 5 north; No. 7 north; Croche, No. 1 east; No. 3 east; No. 3 rear east; No. 1 west; No. 2 west; No. 3 west; No. 5 west; Bostonnais, No. 1 north; Bostonnais, No. 2 north half west.

WM. Learmonth,

Clerk Executive Council per interim.

EXHIBIT E. NEW BRUNSWICK. [1 Geo. V, ch. 10.]

Every timber license or permit conferring authority to cut spruce or other softwood trees or timber, not being pine or poplar, suitable for manufacturing pulp or paper, on the ungranted lands of the Crown, shall contain and be subject to the condition that all such timber cut under the authority or permission of such license or permit shall be manufactured in Canada—that is to say, into merchantable pulp or paper, or into sawn timber, woodenware utensils, or other articles of commerce or merchandise as distinguished from the said spruce or other timber in its raw or manufactured state; and such condition shall be kept and observed by the holder or holders of any such timber licenses or permit who shall cut or cause to be cut spruce or other softwood trees or timber, not being pine or poplar, suitable for manufacturing pulp or paper under the authority thereof, and by any other person or persons who shall cut or cause to be cut any of such wood trees or timber under the authority thereof, and all such wood trees or timber cut into logs or lengths or otherwise shall be manufactured in Canada as aforesaid. It is hereby ordered that the cutting of spruce or other softwood trees or timber, not being pine or poplar, suitable for/manufacturing pulp or paper into cordwood or other lengths is not manufacturing within the meaning of this section.

## EXHIBIT F. NEW BRUNSWICK.

NEW BRUNSWICK.

[Mar. 20, 1913, 3 Geo. V. Act re timberlands of the Province.]

A license, to be known as "the pulp and paper license," which shall contain as part of its conditions the following provisions and requirements: At least 50 per cent of the lumber cut yearly upon the said Crown lands under such license shall be manufactured into pulp and paper or other manufactures of pulp within the Province of New Brunswick; that the licensee agrees, upon taking out the license, that he shall acquire or erect and operate a pulp mill within three years of the date of taking out of such license, and that he shall acquire or erect and operate a paper mill or other mill which manufactures goods into which pulp largely enters as raw material within five years from the same date, and that both the pulp and paper mill, or other mill, as aforesaid, shall be of sufficient capacity to manufacture the quantity of timber above mentioned, and, further, that the operation of such pulp and paper mill, or other mill, as aforesaid, shall be continuous from year to year, such licenses to be renewable for a period of 30 years, and shall be subject to an extension for a period of 20 years from the termination of the 30-year period upon the condition hereinafter provided; the renewal from year to year for the 30-year period and the yearly renewals during the extended period of 20 years to be subject to a satisfactory compliance on the part of the licensee with such rules and regulations as may be made from time to time by the licentenat governor in council in dealing with the Crown lands of the Province.

Mr. WEEKS. It was provided in the statement delivered to

Mr. WEEKS. It was provided in the statement delivered to Secretary of State Knox, under date of January 21, 1911, and signed by the Canadian commissioners, that whenever the Provinces "from all parts of Canada" put pulp and paper of the classes mentioned on the free list (of the reciprocity bill) then the Dominion of Canada will admit similar articles free of duty. Canada has now and had then no authority to compel the Provinces to permit the exportation of their wood into the United States free of all restrictions. The reciprocity question then was but a conditional agreement on the part of Canada. The Canadian Provinces have no authority to negotiate a treaty with the United States which would provide for the free entry of pulp wood and paper into the United States and in reciprocal agreement with our country, for such an agreement is wholly within the power of the Dominion Government. So Canada went just as far as it could go by making the conditional agreement above referred to. Canada has no authority to compel the Provinces to permit the exportation of wood into the United States without restrictions. This is absolutely a provincial power, yet the Dominion of Canada has the power, as well as the right, to say upon what terms products of the United States shall be admitted into Canada. And even now, in face of all of this discrimination, Congress proposes to turn over to the Dominion of Canada, in spite of the protestations of American industry and American labor, the raw products of many great forests of our country, whereby Provinces in Canada will be financially benefited.

No one can deny that the American manufacturer of news print paper is entitled to a just protection. If, however, it is the policy of the present administration to put news print paper on the free list, then in all fairness there should be secured to these manufacturers a source of supply of their most important raw material-wood and wood pulp-without any restrictions whatsoever.

There are many mills in this country—notably, I think, the mills in the State of New York, at Fort Edward, Glens Falls, and Watertown-which obtain substantially their entire supply of material from Canada. Those mills employ a large amount of capital and many men, and unless they are protected in this legislation it seems to me they necessarily must go out of business

Mr. GALLINGER. Mr. President, will the Senator permit me to ask him a question at this point? The PRESIDING OFFICER. Does the Senator from Mas-

sachusetts yield to the Senator from New Hampshire?

Mr. WEEKS. Yes.

Mr. GALLINGER. Is it not almost inevitable that those mills shall go out of business, the forests having been exhausted in the vicinity of the mills, unless they get the products from Canada?

Mr. WEEKS. It seems to me so. Unless they are protected by this legislation, so that they can get their raw material, it seems to me they must necessarily go out of business

I should like to have inserted in my remarks a statement of product of the manufacturers of paper and wood pulp in the United States and the Dominion Provinces.

The PRESIDING OFFICER. There being no objection, that order will be made.

The matter referred to is as follows:

MANUFACTURES OF PAPER AND WOOD PULP IN THE UNITED STATES.

Census 1909.

Census.	Number of estab- lish- ments.	Wage earners (average number).	Capital.	Wages.	Value of products.
1909	777	75,978	\$409,348,000	\$40,805,000	\$267,657,000

THE PAPER AND WOOD PULP INDUSTRY OF NEW ENGLAND. Censuses of 1969 and 1899.

		MAIN	(E.	2.07	3
Census.	Number of estab- lish- ments.	Wage earners (average number).	Capital.	Wages.	Value of products.
1909 1899	45 35	8, 647 4, 851	\$65,133,000 17,473,000	\$5,267,000 2,163,000	\$33,950,000 13,223,000
Increase	10	3,796	47,660,000	3,104,000	20,727,000
	7.7	NEW HAM	PSHIRE.		E S. W. J.
1909 1899	34 29	3,413 2,391	\$27,534,000 8,163,000	\$2,106,000 1,037,000	\$13,994,000 7,245,000
Increase	5	1,022	19,371,000	1,069,000	6,749,000
		VERMO	NT.		
1909 1899	25 27	1,030 1,216	\$8,432,000 4,854,000	\$594,000 571,000	\$3,902,000 3,385,000
Increase	12	1 186	3,578,000	23,000	517,000
		1 Decre MASSACHI			omu Ja
1909	88 93	12,848 9,061	\$42,524,000 26,693,000	\$6,542,000 3,938,000	\$40,097,000 -22,141,000
Increase	15	3,787	15,831,000	2,604,000	17,956,000
		1 Decre	ase.		

RHODE ISLAND.

The census reports no pulp or paper establishments in Rhode Island.

Census.	Number of estab- lish- ments.	Wage earners (average number).	Capital.	Wages.	Value of products
1909	51 49	1,720 1,425	\$7,195,000 3,968,000	\$924,000 633,000	\$5,527,000 3,565,000
Increase	2	295	3,227,000	291,000	1,962,000

Mr. WEEKS. Since the passage of the act of 1909 there has been a marked development of the news print-paper manufacturing business in Canada and substantially no increase in the United States. As late as 1911 there were manufactured in Canada not over 445 tons of paper a day. The increase last year was 430 tons a day. Up to date this year there has been an increase of 225 tons a day. By January 1, 1914, there will be added to that capacity 390 tons more. In other words, there will have been a total increase last year and this year of 1,055 tons per day capacity, or a total capacity of Canadian mills of 1,495 tons a day. The total production of the mills of the United States is only about 4,000 tons a day; so that the capacity of the Canadian mills, which in 1909, and in fact in 1910, was only a little over 12 per cent of the capacity of our mills, will be on the 1st of January, 1914, substantially 40 per cent of the capacity of the American mills. In the meantime the increase in the United States for the last year was only 235 tons a day, only about half that in Canada, and up to date this year 110 tons a day. So that the increase in the United States during the past two years, without considering what will be developed before the 1st of January, 1914, by Canada, has been only 50 per cent of the increase of the Canadian mills.

I present an article printed in the Paper Trade Journal, under date of July 28, 1913, which goes into this question of the production of Canadian mills, which I should like to insert in my remarks at this point.

The PRESIDING OFFICER. If there be no objection, that will be done.

The matter referred to is as follows:

CANADIAN NEWS—REMARKABLE GROWTH OF NEWS-PRINT INDUSTRY IN CANADA—PROGRESS OF PAPER PLANTS IN COURSE OF CONSTRUCTION AND IMPROVEMENT—QUEBEC HOLDS PREMIER POSITION IN PULL—USE OF BALSAM FIR—LABOR MARKET SAID TO BE OVERSUPPLIED—INDUSTRIAL ACCIDENTS—LOSSES FROM FOREST FIRES EXAGGERATED—BARBER PAPER AND COATING MILLS HAVE AN OUTING.

## [From our regular correspondents.]

[From our regular correspondents.]

MONTREAL, QUEBEC, July 28, 1913.

A. G. McIntyre, the retiring secretary of the Canadian Pulp and Paper Association, gives some remarkable figures relating to the production of news print in Canada. He states that the present production in Canada is 1,300 tons a day, made up as follows:

Quebec: Laurentide, Grand Mere, 200 tons; Belgo-Canadian Pulp & Paper Co., Shawinigan Falls, 100 tons; Canada Paper Co., Windsor Mills, 50; Ed. Crabtree & Sons, Joliette, 25; E. B. Eddy Co., Hull; Jos. Ford & Co., Fort Neuf, 5; Jonquiere Pulp Co., Jonquiere, 40; Alex. McArthur & Co., Joliette, 25; News Pulp & Paper Co., St. Raymond, 30; Price Bros. & Co., Kenogami, 150; total daily production for Quebec Province, 685 tons.

Ontario: J. R. Booth, Ottawa, 125; Lake Superior Co., Sault Ste. Marie, 200; Riordon Paper Co., Merritton, 10; Spanish River Pulp & Paper Co., Espanola, 150; total, 485.

British Columbia: Powell River Co. (Ltd.), 150.

In addition to this 1.300 tons, before January 1, 1914, these figures will be increased by 390 tons, as follows: Ontario Paper Co., Thorold, Ontario, 120; Fort Frances Pulp & Paper Co., Fort Frances Pulp & Paper Co., Fort Frances, Ontario, 120; Donnacona Paper Co., Donnacona, Quebec, 50; Powell River Co., Powell River, British Columbia, 100; total, 390.

Last year the increase in tonnage in the production of news print in Canada was 430 tons per day. So far this year an additional 235 tons has come on the market, and this will be increased by another 390 tons per day by the end of the present year. These figures compare with an increased production in the United States for 1912 of only 235 tons per day, and for the present year an increase of 110 tons.

At the present time Canada is exporting to the United States at the rate of 600 tons of news print a day, which is 98 per cent of the total imports of the United States. Eighty per cent of this has been entering free under clause 2 of the reciprocity act. If the new tariff permits all news print to enter fre

Mr. WEEKS. That is a quotation from the Canadian correspondent of the Paper Trade Journal, with other figures which I have been given leave to print.

It seems to me this demonstrates the fact that if we put paper on the free list we are not legislating for the future development of our industries in this country. There is no development of our industries in this country. doubt that we have raw material in different localities sufficient to produce all the paper we use—we manufactured substantially all we required before 1908—at least as far in the future as we can determine any subject. I am confident that in the South especially there is going to be a marked increase in the manufacture of paper from raw material which now very largely

goes to waste; and in many sections of the North the tops of trees and other refuse which may be turned into paper are not being utilized.

If this is so, it is not a question of insufficient raw material which is involved in continuing the development of our paper industry; but under the laws of to-day we are not developing our industry as we have in the past, and our neighbors in Canada are developing theirs with extraordinary strides.

From the standpoint of the paper industry it seems to me the committee should give further consideration to the proposition of putting paper on the free list. No commission has ever recommended that this action should be taken; and the Mann committee—a committee being made up of Democrats and Republicans alike—recommended in a unanimous report that a duty of \$2 a ton should be placed on print paper.

I am not going to take the time of the Senate to discuss further the question of countervailing duties, which has been carefully covered by my colleague [Mr. Lodge]. But it does seem to me that this whole question is of such vital importance to a great American industry and will be of so little difference to the American consumer, that it should be given further consideration. It is not probable that a duty of \$2 a ton or any similar duty would impose any additional burden upon the purchasers of newspapers, and I doubt if it would make any difference in the price of print paper. There is certainly ample capacity on this continent to supply all of our demands, in Canada and the United States, and leave a surplus product,

if it is used at its full capacity.

There is one point about the manufacture in Canada to which I wish briefly to refer, and that is, that not only have the Canadian authorities—or, rather, the authorities of the Province of Quebec-refused to give our leaseholders on the Crown lands the same privileges they give to their own local manufacturers, they place the American manufacturer in the position of bidding against the local manufacturer for pulp wood that is on free lands. There are in the Province of Quebec something like 335,000 square miles that were originally timbered. Of this area about 100,000 square miles has been cut over and burned over. Of the balance, 200,000 square miles in round numbers, are Crown lands, from which we are practically excluded under the present regulations, leaving but 35,000 square miles available for the American operator, even if he were not put in active competition with the Canadian operator. But additional burdens have been placed on the American operator, not only in requiring the wood from the Crown lands to be converted into pulp in Canada, but when that did not seem to be sufficient they made an additional requirement that one-half of the product of the pulp mills should be converted into paper in Canada.

Can there be any doubt that it is to be the policy of all the Provinces of Canada to compel the manufacture of wood into pulp and of pulp into paper within those Provinces? So our plants which have been dependent on that source of supply are going to lose their business, and in addition we are going to allow the finished product to come in here in competition with our own product.

I hope the committee will give the whole subject further consideration. I feel sure that it is entitled to a thorough going over, and that it will be a gross injustice if this legislation is allowed to pass in its present form.

Mr. SMOOT. Mr. President, I was going to refer to the same subject matter referred to by the senior Senator from Massachusetts [Mr. Lodge] relative to the paper paragraphs. He has so admirably presented the questions involved that I am not going to take the time of the Senate now to go over the same ground.

Of course, I can see that it will immensely please some people in this country, who are and have been deeply interested in rates on print paper, if the bill passes in its present form, because then the great amount of money which they have spent will be justified and the fight they have made for years will be successful.

As I say, I am not going to take the time of the Senate to emphasize what was so well said by the Senator from Massa-chusetts. But I am in full accord with every word he uttered, and I believe when the committee carefully considers the question again it will come to the same conclusion and this provision will be modified before the Senate is asked to vote on it.

In this connection I wish to call the committee's attention to another point, and that briefly. It is the statement that was made by Mr. Doherty in relation to paragraph 330, fo which I now wish to revert. This is what he says:

This paragraph covers only printing paper which is valued at over 2½ cents per pound. All other printing paper is transferred to the free list, paragraph 572. The provise imposing countervailing duties is changed so that it operates only in the event that an "export duty, export license fee, or other charge of any kind whatsoever (whether in

the form of additional charge or license fee or otherwise)" is imposed by the foreign country. The additional duty imposed is the amount of the export duty or export charge, and it applies only to dutiable printing paper, not to free paper. No penalty is imposed here for the restriction or prohibition of exportation by the foreign Government. See paragraph 651.

An interesting point to consider here is the effect of the enactment of this paragraph on that portion of section 2 of the act of July 26, 1911 (Canadian reciprecity act), which admits to entry free of duty paper imported from Canada valued at not more than 4 cents per pound. With respect to printing paper valued at more than 2 cents per pound. With respect to printing paper valued at more than 2 cents and not more than 4 cents per pound, it is manifest that there is a complete repugnance between the two statutes, for by the terms of one of them, the act of 1911, it is free of duty, and by the terms of the other, H. R. 3321, it is subject to a duty of 12 per cent ad valorem. Nor can the two statutes be se construed as to stand together. Under such circumstances the rule of law is that the statute of later date must prevail over the earlier statute, as being the latest expression of the legislative will, and that consequently the earlier statute stands repealed by implication.

In that connection I desire to refer, without reading, to the decision in the case of District of Columbia v. Hutton (143 U. S., 18) and also United States v. Ranlett & Stone (172 U. S., 133), holding squarely to that doctrine.

Of course there are many expressions in the reported cases to the effect that repeals by implication are not favored, and especial emphasis has been laid upon this rule in the construction of revenue laws. Nevertheless, there is no manner of doubt as to the result when the later statute is in direct conflict with the earlier one, as is the case here. That is shown in Butler v. Russell (Cliff., 251).

In considering this matter there are two things which it is important to keep in mind: First, that section 2 of the Canadian reciprocity act did not depend for its effectiveness upon ratification or acceptance by Canada, but went into effect immediately upon the President signing the bill, and it is the law to-day.

Mr. HUGHES. Mr. President, there is no doubt about that point, but it was understood on this side that this language would be substituted for that of the act of 1911. We intended to change that so far as the valuation is concerned.

Mr. SMOOT. My object in calling attention to this matter is that the Canadian reciprocity act admits free of duty paper up to 4 cents a pound.

Mr. HUGHES. Four cents a pound; and this bill cuts it

down to 21 cents a pound.

Mr. SMOOT. But that is not what the law says; and I do not believe the authorities or courts who construe this bill when it becomes a law will say that the Canadian reciprocity act is repealed by implication when the proposed bill says that the value of the paper shall be  $2\frac{1}{2}$  cents a pound, whereas the Canadian reciprocity act provides it shall be under 4 cents a

Mr. HUGHES. That is what we believe. We believe that in effect the rate of duty existing between this country and Canada is changed by this bill, as other rates existing between this country and Canada and other countries are changed by the provisions of this bill.

Mr. SMOOT. I think that would be a perfectly fair construction to be put upon it, although it does not say that it is re-pealed in any way in the bill; and perhaps that construction could be put upon it if the values of the papers were the same in the present law and the proposed law. But there is that difference; and what is the officer administering the law going to do when the question comes up as to the difference between 2½ cents a pound and 4 cents a pound? There will be no question about it up to 24 cents a pound; but what construction is going to be placed upon the paper imported into this country between 2½ cents a pound and 4 cents a pound?

Mr. HUGHES. Why, the officer is going to hold, I imagineat least I confidently hope he will—that that law has been repealed by this bill.

Mr. SMOOT. Mr. President, I very much doubt whether it will be, and some of the best attorneys with whom I have discussed this subject hold the same view.

I am going to leave it entirely with the committee to consider this question, along with the question that has been submitted here by the senior Senator and the junior Senator from Massachusetts.

In this connection I desire also to say that every prediction that was made at the time of the passage of the Canadian reciprocity act in relation to the increased manufacture of paper in Canada has been verified, and more than verified. I call attention to the companies which have been organized for the purpose of manufacturing pulp and paper in Canada since the agitation concerning section 2 of the Canadian reciprocity act began about three years ago. I shall ask, without reading, to have printed in the Record a list of the companies that have been organized in Canada, the location of those companies, and their capitalization.

The PRESIDING OFFICER. There appearing to be no objection, that order will be made.

The matter referred to is as follows:

Name of company.	Located at—	Capitaliza- tion.
Abitibi Pulp & Paper Mills (Ltd.) The Beaver Co	Iroquois Falls, Ontario	\$3,000,000 500,000 1,000,000 250,000 40,000
turing Co. Empire Paper Products Co. (Ltd.) Fort Frances Pulp & Paper Co. Inter-Lake Tissue Mills (Ltd.). National Bag & Paper Co. Ontario Paper Co. (Ltd.). Pulp Products Co. The Quinze Development Co. (Ltd.). Standard Chemical Iron & Lumber Co. of Canada (Ltd.).	Sombra, Ontario. Fort Frances, Ontario. Thorold, Ontario. Ottawa, Ontario. Thorold, Ontario. Campbelliord, Ontario. Cobalt, Ontario. Toronto, Ontario.	40,000 50,000 250,000 250,000 1,000,000 400,000 50,000 6,000,000
Suburban Construction Co. (Ltd.)	do	12,930,000
Bell's Galleries (Ltd.) British Canadian Paper Mills (Ltd.)	Montreal, Quebecdo	400,000 500,000
Canada Paper & Pulp Co.  Constructed Works (Ltd.).  Forest Reserve Pulp & Paper Co.  B. Grier (Ltd.).  The Manouan Power & Pulp Co.  The National Paper Co.  Bayless Pulp & Paper Co.  Richelieu Co. (Ltd.).  Robervale Paper Co. (Ltd.).  Robervale Paper Co. (Ltd.).  S. Shore Power & Paper Co.  E. Villeneuve & Co. (Ltd.)  Canadian Pulp & Paper Co.  The Wanukesha Pulp Co.  Wayagamack Paper Co.  McLaren Lumber Co. (Ltd.).  St. Lawrence Pulp & Paper Co.  Columbia Paper Co.  Columbia Paper Co. (Ltd.).  Crown Timber & Trading Co.  Dominion Development Syndicate (Ltd.).  Fort George Timber & Trans. Co.  Island Lumber Co. (Ltd.).  Realty Fruit & Land Co. (Ltd.).  Wolverine Lumber Co. (Ltd.).	Ha Ha Bay, Chicoutimi County, Quebec. Montreal, Quebec. Quebec. Montreal, Quebec. Montreal, Quebec. Montreal, Quebec. Beaupre, Quebec. Robervale, Quebec. Montreal, Quebec. Baptist Island, Quebec. Baptist Island, Quebec. Baptist Island, Quebec. Buckingham, Quebec. Quebec.  Vancouver, British Columbia. do. do. Revelstoke, British Columbia. do. do. Revelstoke, British Columbia. do. do. Near Nelson, British Columbia.	71, 390, 000 71, 390, 000 75, 000 500, 000
	1100 10000, 211000 0000000	6,550,000
Consolidated Pulp & Paper Co. (Ltd.) Richards Manufacturing Co. St. George Pulp & Paper Co. Edmunston Pulp & Paper Co. Grand Falls Co.		5,000,000 300,000 400,000 250,000 5,000,00
	The state of the state of	11,010,000
Internations Contracting Co. (Ltd.) Northern Coal & Coke Co. (Ltd.) J. F. Welwoods & Co. (Ltd.)	. Winnipeg, Manitoba	50,000,000 1,000,000 300,000
		51,300,000

Mr. SMOOT. So that the Senate may know, without going into detail, I shall call its attention only to the total capitalization, which amounts to \$152,180,000, that has been invested in Canada within the last three years in companies for the purpose of making pulp and print paper to send to the United States free of duty.

I also have here a list of nearly half as many more companies that are not yet organized but are proposed to be organized. While this has been going on in Canada we have not increased our output, nor have we increased the number of manufacturers here by 1 per cent. In fact, I believe there are less mills running to-day than there were three years ago. Of course. that does not have any particular bearing upon the question that I rose to discuss. That is a matter of policy, but I want to record my protest against any such policy.

Mr. HUGHES. I presume the Senator is familiar with the provision found in T, repealing all acts and parts of acts inconsistent with this act.

Mr. SMOOT. I am familiar with the language, but I do not think that paper between 2½ and 4 cents per pound would be inconsistent with this act. That is my position.

Mr. GALLINGER. Mr. President, after the exhaustive and, from my viewpoint, conclusive arguments already made on

this item. I will not detain the Senate more than a few

On the 18th day of June, 1909, when this question was before the Senate, I made a somewhat exhaustive argument on the subject, and was gratified to find that we had legislation in that bill which was not entirely destructive to this industry. At that time protests were made against this proposed legislation by the Adirondack Timber Land Owners of New York; the Forestry Commission of Maine; the Forestry Commission of New Hampshire; the American Builders of Machines for Paper Making; the American Manufacturers of Machinery for Paper Making; the American Manufacturers of Paper Makers, Felts, and Jackets; the American Manufacturers of Fourdinier Wire Cloth, composing 16 independent concerns; the American Paper and Pulp Association; the Congress of the Knights of Labor; the International Brotherhood of Pulp, Sulphite, and Paper Mill Workers; and the International Brotherhood of Paper Makers.

So far as I know, there has been no change of opinion on the part of the people and corporations who protested against legislation such as is contemplated in this bill. That opposition stands to-day as it did four years ago, and on the other side stands to-day, as he did four years ago, Mr. John, Norris, the representative of the great metropolitan newspapers of this country, a man who has seemed to have in matters of legislation on this subject an influence that to my mind is quite unaccount-

able, but it is at the same time quite undeniable.

I had supposed, Mr. President, from some matters that came to my attention a little while ago, that the committee would report an entirely different provision from what is found in the bill, and I still hope that after the discussion had to-day the committee will see the wisdom of making some change in the bill that will protect our own people in the manufacture of paper and not give the industry entirely over to our Canadian

neighbors

This bill, Mr. President, from beginning to end-not intentionally-legislates in favor of Canada as against the United States. It is a matter of congratulation, as I chance to know, on the part of the Canadians that they are accomplishing even more through the passage of this bill and its enactment into law than they could possibly have expected. On this matter of papers and paper making of wood pulp it seems to me that we could well pause and ask ourselves seriously the question whether we should at least not have real, genuine reciprocity between this country and the Dominion of Canada.

I content myself, Mr. President, with that simple suggestion, repeating the hope that the committee will, upon further consideration and contemplation, come to the conclusion that we are being discriminated against in this legislation and that some reasonable degree of relief should be given to the industry

in the United States.

Mr. JOHNSON. Mr. President, this is a question of vital importance to a large number of people in the State of Maine. I had the opportunity when the reciprocity bill was before Congress to offer at that time the predictions which were made by people interested in paper making in my State, and in others as to the result which would follow the passage of that law. That went into effect August 1, 1911, I believe, and since that time the importations of paper from Canada which have come in free have equaled somewhere about 80 per cent, I think, the Senator from Utah [Mr. SMOOT] stated. Since that time we have had free importations of news print paper, not only of paper valued at 2½ cents a pound, but of paper paying as high as 4 cents a pound.

The bill, the Senate will notice, admits free of duty only paper costing 2½ cents a pound. That is intended to take news print paper, the commercial value of which is about \$40 a ton. Above that, paper which enters into the making of magazines and books bears a rate of duty under the bill of 12 per cent ad valorem, a very little less than it bears under the Payne-Aldrich law. That is an equivalent ad valorem of a little over 15 per cent. There is some slight reduction made.

The Senator from Utah said that the predictions made when we had the reciprocity hearings in regard to the effect upon our paper makers in this country and upon our paper interests had been borne out. I want to call attention to the fact that last year we produced in this country \$99,000,000 worth of paper valued at less than 24 cents a pound; that we imported only \$940,000 worth; and that we exported \$3,700,000 worth of that same kind of paper.

Mr. SMOOT. Will the Senator permit me?

The PRESIDING OFFICER. Does the Senator from Maine yield to the Senator from Utah?

Mr. JOHNSON. Certainly.

Mr. SMOOT. So that the Senator may not misunderstand me or I him, as the case may be, I wish to say that in saying that I had reference to the predictions which had been made in 1911 to the effect that it would not be many years before the business would increase in Canada, and that through that increase and through the competition in that country with free paper it would then interfere with our paper manufacturers in this country. In substantiation of that, to show that the prediction had been borne out, I called attention to a list of something over 60 new concerns incorporated in Canada, with a combined capitalization of \$152,000,000, and all those organizations have been formed since the Canadian reciprocity act.

Mr. JOHNSON. I think I understood the Senator, and I did not misrepresent his position in the matter. But I want to call his attention to a fact well known to me, that the forests, even those unbroken forests in Maine to which the Senator from Massachusetts alluded, are fast disappearing. I see little slender poles cut and floated down the rivers to-day where when I was a boy I saw good-sized logs brought to the mills. It will be only a matter of a few years before those forests will

disappear.

The places where mills are going to be erected will be where the logs can be obtained. That is the reason why the pulp and paper industry largely of course goes over to the Canadian

side. It is because there they get vast supplies of timber.

In my own State those supplies have been pretty well bought out. The concerns which established themselves there, and they are good, reliable corporations, have looked ahead and been farsighted enough to get supplies of spruce which will last for many years to come. I say they are all supplied, or practically so; and it would be pretty difficult for any big concern to go into that State and find to-day a supply of spruce which would be adequate for a paper mill of any size. The Great Northern Paper Co., which has a large news-paper plant, I think perhaps the largest one in the county, at Millinocket, in the State of Maine, making news print paper, has behind it large tracts of forest land which it purchased years ago with wisdom and farsightedness

With the conditions which exist with us the evil consequences which were predicted did not follow. The price of news print paper did not go down, neither did Canada flood us with paper. We were able to export, as is shown by the figures I have given, last year four times as much as we imported of this particular

kind of paper.

I fully sympathize with the position which has been taken and so well stated by the senior Senator from Massachusetts [Mr. Lodge] that something should be done, if possible, to compel Canada to give us access to her forest products. I should like to see that done if possible. But I do not believe it is necessary to provide for a duty upon print paper under the conditions which exist and when the trade journals claim that the last year has been a most successful one for the paper makers in this country. However, I should welcome any legislation which would compel Canada to open up her forest products so that we might get them for the use of our mills. But at the present time I know of no way that we can legislate to make Canada let us have her forest products unless she desires to do so. The countervailing duty which has been put in the bill, and to which the Senator from Massachusetts called attention, is but a slight one, resting only upon the chemical wood pulp, and that is but a small part of the importations. I think he is not quite correct in saying that we do not import any from Canada. I think we import some.

Mr. LODGE. I mean spruce. Mr. JOHNSON. Some of it comes from Norway, Germany, and Sweden.

Mr. LODGE. It is not an effective retaliation.
Mr. SMOOT. Can the Senator give us a reason why the countervailing duty only applies to chemical wood pulp and not to the mechanically ground wood pulp?

Mr. JOHNSON. No; I will have to confess that I do not

understand why it should not have been applied to all kinds of

pulp as well as chemical wood pulp.

Mr. SMOOT. I believe I know myself why a powerful organization in this country wants it to apply only to chemical wood pulp. It is because of the fact that the importations are so small that they amount to nothing, and all they are interested in is to have mechanically ground wood pulp come in. I wondered why mechanically ground wood pulp was not included here in connection with the chemical wood pulp.

Mr. JOHNSON. I am unable to give the Senator the information he asks for. I know that the chemical wood pulp is used only to a slight extent in the manufacture of print paper. About one-fifth is chemical wood pulp, and about one-fourth is mechanically ground wood pulp. The proportion is about four

Mr. SMOOT. Then I ask the Senator does he not believe that the duty should apply to mechanically ground wood pulp the same as to chemical wood pulp? If we are going to have a countervailing duty at all, should it not apply to both?

Mr. JOHNSON. I would be very glad to state my personal opinion about it. I should like to see it apply.

Mr. SMOOT. Then I hope the Senator will change the

schedule and make it apply to all pulp.

Mr. CLARK of Wyoming. Mr. President, the plous hope just expressed by the Senator from New Hampshire [Mr. Gallinger] and which is now repeated by the Senator from Utah [Mr. Smoot] that the committee would take this and other schedules under more careful and prayerful consideration before final action does not find any echo in my mind. Upon that point I have a few observations which I have been desirous of making, and I

think I will take this opportunity.

I am fully convinced that, so far as this bill is concerned, any and all argument is utterly futile. Undoubtedly the result is already fixed both in Committee of the Whole and in the Senate. The Democratic Party in this body believes, or at least accepts, the conclusion that the verdict of a Democratic caucus is the last word of wisdom on the question of the tariff. It is the first time, in this body at least, when the conscience of the representative of a State and the interests of his State are both sought to be smothered by a majority vote in secret caucus. It is no secret that on this measure if each Senator was free to vote as his conscience and judgment dictate, the bill as it would finally pass the Senate would be a vastly different bill in many of its provisions from the one now before us and which, against rhyme or reason, will be written into law under a false plea of party loyalty and against the best judgment of the majority of the Members of this body. It is generally believed that the party edict has even gone out that this bill must be voted for as prepared, and that no amendments, even if they should be in themselves just and beneficial, shall be for a moment accepted or tolerated unless the same shall be proposed by the Democratic members of the Finance Committee. The Democratic majority have in their action in preparing, presenting, and passing this bill struck a blow at the very foundations of our Government. Free and open discussion and liberty of conscience is as effectually destroyed as though it were done by armed force or the leaden bullet.

An almost incomprehensible fact in connection with this bill is the complete reversal of conviction which has taken place on the other side of this Chamber; Senators who for years have been preaching against closed committee doors and the party caucus have suddenly seen a new light and now, judged by their action at least, believe that the part of wisdom is found in preparing this bill behind locked doors and with a secrecy that makes every former action along that line look like the widest publicity; Senators who have preached and clamored insistently, in season and out of season, for the widest publicity in legislative procedure, have consented to an iron-bound and copperriveted agreement on this great measure, which affects as no other legislation can affect the great mass of the American peo-ple. For the first time in the history of Congress the party caucus on general legislation has made its appearance in the Senate, and I am told that under the persuasive influence of the party lash, Senators are going to vote items and schedules into this bill against their own judgment and conscience and which they believe will seriously injure their own States and cripple, if not utterly destroy, legitimate industries without compensating benefits to the Nation at large.

It is, of course, urged, both in private and in public discussion, that a Senator should make concessions on single items in this bill in order to supplant the present law with a real Democratic measure "all wool and a yard wide," and with the "name blown in the bottle," and that the choice lies between the existing law and the measure now before us, and that party regularity is to be tested by the ability to swallow this bill practically without amendment as to policy or rates and without the crossing of a "t" or the dotting of an "i," but the choice does not lie between the present law and the proposed bill. It could lie between the present law and the proposed bill amended in such particulars as that individual judgment and conscience might not be smothered and so that legitimate industries might not be entirely destroyed. I believe it is in the power of Democratic Senators on this floor, from sugar-producing States, who do not believe in free sugar, who do believe that it will work great harm in their States, and who do not believe that free sugar, judging from any party declaration, is or should be made test of party loyalty, to so amend this bill as to preserve

the industry in their States, satisfy their own consciences and at the same time, judged by any just standards, maintain their party fealty, but because of influences that have been brought to bear from all quarters, from the highest to the lowest, I fear greatly that no such amendments will be offered by those Senators, and if offered by others will be by them voted against. I believe there are Senators on the other side of the Chamber from wool-growing States who do not believe in the policy of free wool, who believe that such a policy will be most harmful to their State and people, who could avert such a calamity by proposing an amendment restoring wool to the dutiable list if not at its present rate, at least at such a moderate rate as would minimize the disaster. This would in no sense mean that the theory of a tariff for revenue had been abandoned or that the result would be a virtual reenactment of the Payne law, but would simply mean that in tariff, as in other legislation, some respect would be paid to the necessities and welfare of the States represented by such Senators; but I fear no such amendment will be by them offered, and if it shall be offered by other Senators they will be recorded against it; their judgment and consciences and the welfare of that industry in their States will be in bond until the passage of this bill.

But it is still urged as a reason for the passage of this bill, or, perhaps, to be more accurate, as an excuse for its passage, that some bill must be passed because of the iniquities of the present law. That argument does not appeal to me. If the purpose is to pass a just and scientific bill, suited to conditions, that evidence must, however, be found in the bill itself and not in comparison with any other bill or law. I will, however, pause to say that in the comparison of the present bill and the Payne-Aldrich law, that law does not suffer in the slightest degree. I am not one of those who see no good in the present law. My belief is that under that law the country has had a period of prosperity which it is an idle dream to think can be continued or approached under the pending bill. Aldrich law took due notice of the welfare of established and growing industries and recognized the necessity of a difference of wage and conditions between the American workman and the workman beyond the seas. This bill, both in its terms and in the statements of its sponsors and advocates in this Chamber, frankly and affirmatively disregards both. The Payne-Aldrich law recognized the protective policy generally applied to producer and manufacturer alike. The present bill cuts the manufacturer to the quick and leaves the farmer and other producer of America stripped to the buff and sends him to compete on unequal and destructive terms in the open market of his own country. No, Mr. President, the Aldrich law does not suffer by comparison, and it would be well for this country if in the construction and consideration of this measure we had the wise counsel and the broad knowledge of the former Senator from Rhode Island.

You Senators from beet-sugar States bear no command from your States nor from the Nation to strike down a great and growing and beneficial industry of that State at the command of party caucus. You are not impelled to do so on the ground that a revenue tariff is for the best interests of the country, for your own tariff makers have repeatedly declared that sugar is par excellence the great and natural revenue producer, large in results, easy and sure of collection, and equitably distributed. You are throwing away a magnificent revenue, destroying a great industry, crippling your States, and benefiting no one except the foreign grower and the great sugar-refining companies, long since convicted of falsifying weights and defrauding your Government. And to what end? Do you think the breakfast table will be any cheaper because of the \$50,000,000 you are giving to the refineries? You are well aware that sugar is about the only article of general consumption that has not responded to the rise of prices in this country and the world over, and that while any raise in price would be passed on to the consumer, any benefit from a reduction in the tariff would stop with the foreign producer and the American refiner. It is an unexplainable thing to me that Senators will vote into this bill free sugar, with all its attendant consequences-loss of revenue, a great industry destroyed, depreciated land values, and closing the door to future splendid development and early supply for all home consumption-at the demand of other Senators, with no command from their own States or from the country at large.

And this sacrifice of personal judgment and the best and proper legitimate interests of States and constituents, with all the attendant disastrous results, are to be brought about in the name of party regularity. The individual Senator becomes a simple and responsive machine whose sole duty and ambition is to mechanically register the will of the majority of his party colleagues, and that majority, in turn, receives the commands and surrenders its legislative integrity and judgment to the persuasive influence of Executive interference. Of course, this is denied by our friends across the aisle. It is denied that any improper influence has been or is being exerted by the Executive, and assert with apparent candor and a knowing wink that the Democratic caucus did not pass any resolution binding particular Senators to abide by the will of the majority. What is improper influence by an Executive, and what is the binding force of caucus action depends probably on the point of view.

One of the results of this legislation, and, indeed, a prime purpose, is to largely increase the imports of goods produced in foreign countries by foreign labor. Analyzed, just what does this mean? The statisticians of the committee estimate the increased importations for the year will be \$123,000,000. With an equal market and an equal ability to purchase, this means that \$123,000,000 worth of goods heretofore produced in our own country and with our own labor will be produced abroad. At a low estimate the actual labor in the cost of such goods here would be 25 per cent, or more than \$30,000,000. In othe, words, this bill, aside from the injury to our manufacturers, proposes to take \$30,000,000 annually from the wages of the American workman and generously donate that amount, by the mere passage of this bill, to the foreign producer and the foreign workman. I am a protectionist, and this argument and conviction appeals to me as it does not to our friends on the other side of this Chamber. In my vote I am, upon my conscienc., compelled to consider the question of wages and other costs of production, and being so interested in the wages, I want, with all my heart, to produce in America, so far as is possible, the goods to supply the needs of the American market. In other words, I have the earnest wish that, so far as possible, America shall do her own work. Therefore I can not look with your complacency on the sorry spectacle of transferring \$30,000,000 annually from the pay envelope of the American workman to that of the workmen in like industries across the sea. We are in this bill throwing open to the labor of the world the splendid American market, the greatest on earth; and as you boast that in fixing rates in this bill no consideration whatever has or will be paid to the cost of production, including labor, that means that you are planning to admit to our market full competition of foreign labor with our own, with no consideration of the differences of wage scales, standard of living, or any of the other differences of conditions here and abroad. This can produce but one final result, and that will be an equalization of wages in the competing industries here and abroad.

I for one do not like that outlook. I do not believe conditions or the country demand such a sacrifice, and at the risk of arousing the ire of my friend, the distinguished senior Senator from Missouri, I must submit that as it appears to me the future industrial condition of the Nation under this bill is far from rosy. The Senator from Missouri was, I am afraid, in something of a temper when he was scolding Senators on this side because of their style of debate. In his haste to ayert the effect of just criticism of the bill, he attacked the integrity of the debate on this side in the following remarkable language:

Every Senator who has spoken on that side has in some way assured the country that ruin was coming by leaps and bounds. And, Mr. President, I believe it to be true that it is a part of the fixed program of the Republican side of this Chamber to create a widespread impression and a fear throughout the country of coming disaster, with the hope of precipitating industrial and commercial conditions that will redound to their party and political advantage.

Mr. President, the Senator from Missouri is mistaken. The Senators on this side are not prophets of evil, but they know the tariff history of this country and are impressed with the danger and folly of this bill, and some of them, at least, believe that if the bill were especially designed to cripple the American farmer in his own country, drive the American mechanic from our own shops, and finally force the American manufacturer to an unfair and destructive competition in our own market place, then that design has been most skillfully and ruthlessly carried out.

Mr. SMITH of South Carolina. Mr. President, we have just listened to another dissertation upon the iniquities that are about to be perpetrated upon the people of this country, especially upon the so-called American laborer, and I wish merely for a few moments to submit some figures, to show just what good faith we are keeping in this respect, which I have prepared carefully from authorities in this country that I quote, and I hope Senators will, if they doubt the accuracy of the figures, take the pains to ascertain whether or not they are correct.

In the discussion of the tariff the argument used by the protectionists in the main has been to the effect that it is necessary to legislate for protection in order to grant to American wage earners a higher rate of wage than obtains in foreign countries. This is based upon the contention that the genius of our Government, differing from foreign Governments, should insure to the

wage earner, by virtue of that difference, his share in whatever prosperity this country may enjoy. This contention in reference to the wage earner is held as only a part of the theory of the protectionists. The advocates of this school of politics also claim that protection is necessary in order to keep alive certain American industries.

Another element that enters, more or less accepted by all those of this faith, is that protection is essential in order to start development of enterprises in America, properties which without protection would not be started or developed. It has been very interesting to some of the Democrats to see the different lines of argument offered. The first inception of the idea of protection was based upon the necessity that this country stood face to face with developing its own manufacturing enterprises and other industries where like enterprises and industries were developed in older countries, and these being developed in foreign countries were able to supply the markets of the world at a price which could not be maintained by the industries in America, by virtue of the fact that the cost incident to establishing these industries and training unskilled labor put them at such a disadvantage that they practically could not live and compete with old and well-established lines of industry similar to the ones they were attempting to promote. In the beginning this seemed to be a plausible line of argument. In this present debate on the tariff question, men not only of the Republican or protectionist faith, but some Democrats, have been so bold as to state that certain industries, among them sugar, were made possible by protection, had only lived by virtue of protection, and would die without it. But the most strenuous advocates of the protective theory are those, both of the standpat faction and the progressive faction in the Republican ranks, who maintain that protection is essential for the benefit of the American laborer.

I shall not take up a great amount of time of the Senate, but I want to call attention to this particular phase of their argument—their love of the laborer, their desire to see that he gets an American wage; in other words, that he becomes the sole object of their legislation and practically the sole beneficiary of whatever duties are levied upon an article that he is employed to produce. I shall take as an illustration the manufacture of cotton goods. With this I am more familiar, perhaps, than with any other form of manufacture in America.

Mr. Taft originated a Tariff Board. After a lengthy service and supposedly fairly minute research into this subject the commission have practically reached the conclusion that the cost of manufacturing cotton goods in America and abroad is about equal. They submit numerous tables to show that in some of the heavier and coarser fabrics America can inanufacture cheaper than Europe, while in some of the finer goods the foreigner or European manufacturers can manufacture cheaper than America. The labor cost in the two countries can only be ascertained by taking the total number of those employed in producing a given amount at home and abroad; in other words, I am attempting to show, and will attempt to show, that in this country, on account of certain conditions, the labor cost in cotton manufacturing is less per unit of product here than in Europe. This is because in this country labor-saving machinery, has been installed, reducing the number of operatives to a minimum and substituting machinery to the maximum.

The Tariff Board report, beginning on page 10, says:

English manufacturers make little use of automatic looms, of which there were less than 6,000 in May, 1911, in the whole of England, while in the United States there are well over 200,000. It is estimated that there are now about 10,000 of these looms in use in England and about 15,000 on the Continent. Where automatic looms can be used a single weaver commonly tends 20 looms and sometimes as many as 28. The result is that whereas the output per spinner per hour in England is probably as great or greater than in this country, the output per weaver per hour is upon a large class of goods—

Practically all-

less than in the case where automatic looms are used in this country and plain looms in England it is very much less.

In the Harvard Economic Series, volume 7, Dr. Melvin Thomas Copeland, writing upon the subject "The cotton-manufacturing industry of the United States," in chapter 4, says what I shall read in a moment.

I invite the attention of Senators to this fact, because I wish to show that not only are labor-saving devices used in this country, but that where labor-saving devices are installed cheap immigrant labor is put to tend those automatic machines, to the detriment of American labor, which our friends on the other side of the Chamber have so insistently said are the objects of their tender care. I invite their attention to this economist.

Mr. SMOOT. Mr. President—

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Utah?

Mr. SMITH of South Carolina. I do.

I suppose the Senator from South Carolina Mr. SMOOT. knows that it has been admitted that automatic looms are used more largely in this country than in Europe, as he has stated?

Mr. SMITH of South Carolina. I merely want to suggest to the Senator from Utah, before he again interrupts me in the line of my argument, that I shall be glad to hear him when I have finished, for I do not care to have the continuity of what I am about to prove, and which I think I shall prove, interrupted in the minds of Senators. So, if the Senator will permit me, he may ask me any question he desires at the close of my remarks

Mr. SMOOT. Of course, if the Senator objects, I have

nothing to say

Mr. SMITH of South Carolina. I object.

Mr. CLARK of Wyoming, Mr. President—
The PRESIDING OFFICER. Does the Senator from South

Carolina yield to the Senator from Wyoming?

Mr. SMITH of South Carolina. If the Senator from Wyoming will allow me, I think I have a message for the Senate which they are waiting impatiently to hear.

Mr. CLARK of Wyoming. I want to challenge the quotation the Senator from South Carolina has made. I want to ask him if the quotation which he has made is not interspersed

with his own language?

Mr. SMITH of South Carolina. I indicated where my own interpolation was and also what the Tariff Board said; and if the Senator will turn to page 10 of their report he will see it, and he will see some other quotations that are even more pertinent than that.

Mr. CLARK of Wyoming. I have read it, and I think the Senator in his citation, giving the quotation direct from the

Tariff Board report, should quote accurately.

Mr. SMITH of South Carolina. I will not allow the Senator from Wyoming to challenge the accuracy of my quotation. will take it verbatim, et literatim, et "spellatim." He can tur He can turn

to page 10 of the report and find it.

Mr. CLARK of Wyoming. I take the Senator's statement just made, that which he has on the written page, and the statement taken down by the stenographer, and I think they will show that the Senator did-I do not believe he did it purposely-make an inaccurate statement.

Mr. SMITH of South Carolina. In what respect?

Mr. CLARK of Wyoming. The Senator, in reading from the Tariff Board's report, said:

The result is that whereas the output per spinner per hour in England is probably as great or greater than in this country—

Mr. SMITH of South Carolina. That is correct.

Mr. CLARK of Wyoming. But the Senator continued;

The output per weaver per hour upon a large class of goods, practically all-

Mr. SMITH of South Carolina. Upon a large class of goods it is less than in the United States.

Mr. CLARK of Wyoming. Ah, but the Senator interpolated the words "practically all."

Mr. SMITH of South Carolina. Upon a large class of goods it is less in cases where automatic looms are used in this country

and plain looms in Europe by a very much greater per cent.

Mr. CLARK of Wyoming. If the Senator cares to correct his former statement-

Mr. SMITH of South Carolina. That is what I read.

Mr. CLARK of Wyoming. No; the Senator read "practically all" in so many words.

Mr. SMITH of South Carolina. That was an interpolation

of my own, which I indicated.

Mr. CLARK of Wyoming. That is what I wanted to know.

Mr. SMITH of South Carolina. All right. call the attention of the Senator to the following:

The chief advantages of the Northrop loom consists in a saving of labor. It has reduced the labor cost of weaving one-half, a fact which is particularly significant since the labor cost of weavers previously constituted one-half of the entire labor cost of manufacturing cotton cloth. This saving has resulted from the increased number of looms per weaver. One weaver now tends from 14 to 30 Northrop looms, where before he tended 6 to 8 common looms. At the same time less skill is required on the part of the operative. Notwithstanding this increased output of the weaver, there has been no lack of work for this class of mill operatives. Rather has the change relieved a strain felt by the manufacturers, who often found it difficult to obtain enough weavers.

I want to call the attention of the Senate, Mr. President, to the fact that I am taking the different stages, the different processes, through which cotton goods are carried in order to show just what has been done in that department.

On page 61 of the same work, the author, in speaking of the comber used in the American mills, says:

In the American comber the speed was increased from 85 or 90 nips autom per minute to 130 and 135 nips per minute, the number of heads per place.

machine from 6 to 8, and the width of the lap from 82 inches to 12 inches. Yet the quality of the work was not impaired. The effect of these improvements has been to cut in two the labor cost of combing, doubling the output per operative.

On page 73 he says:

The ring frame, unlike the mule, required little experience or skill. Consequently the wives and children of the French Canadian, the Irishman, the Pole, and the other foreigners that we find in the mill to-day could be employed as ring spinners. Here, as in many other American industries, the possibility of employing the unskilled immigrants and the adaptation of machinery to that end has been an important factor in promoting the success of manufacturing.

On page 74, continuing the same argument, he states:

The fundamental reasons for the throwing out of the mules from the American mills are those just stated—

Which I recapitulate, namely, the strong nature of the labor unions operating the mule spindles in the foreign country the lower labor cost of spinning on the ring frame, the greater output per operative, and the possibility of employing "cheap labor" for this work in this country.

Mr. LIPPITT. Mr. President-

The PRESIDING OFFICER. Does the Senator from South

Carolina yield to the Senator from Rhode Island?

Mr. SMITH of South Carolina. Well, Mr. President, I should like to keep this matter together; but if the Senator will ask me any question when I am through I will be glad to answer anything that I can.

Mr. LIPPITT. I am quite willing to leave it in that way. Mr. SMITH of South Carolina. Again, the same author says, in reference to knotting machines in tying broken threads:

The knotter saves at least 10 per cent in the time of spooling.

Those who are familiar with the operation will know exactly what that means

Moreover its economies do not stop there, since it ties the ends better than they are tied by hand. Consequently in warping the yarn of its tying, there are fewer breaks, and less time is lost in plecing. In weaving, its effects are no less apparent, since bad knots are very likely to cause imperfections in the cloth. The percentage of "seconds" in weaving is cut down by its use.

That means imperfect cloth.

Last but not least, the knotter not only reduces the labor cost by saving time, but also makes possible the employment of less skilled labor by doing the work which required most skill on the part of the operative.

In reference to preparing the dyed weft yarn for the shuttle, he says:

But the introduction of the long-chain quiller for preparing the dyed weft yarn for the shuttle has reduced the labor cost of that operation. This long-chain quiller is another recent American invention. It requires but one operative, a woman or girl, who with the aid of this machine, does the work for which eight or nine men were formerly employed. Yet, in spite of the reduction in the labor cost of preparing dyed yarn for the loom during the last 10 years, the extra labor involved therein is still one of the chief reasons for the greater cost of manufacturing goods in which dyed yarn is used.

Mr. GALLINGER. Mr. President, I do not want to interrupt the Senator, but I should like to ask him what authority he is quoting?

Mr. SMITH of South Carolina. I have already stated it was Dr. Copeland, who is the author of the Harvard Economic Series, in relation to American manufactures.

Mr. GALLINGER. I did not understand the Senator. Mr. SMITH of South Carolina. In the use of the slasher, Mr. Tyron, in an address before the New England Cotton Manufacturers' Association, in 1894, said:

One dresser formerly would only supply warp for 100 looms on ordinary sheeting at a labor cost of from \$18 to \$24 per week; at present one slasher will supply warp for from 500 to 700 looms on the same class of goods at a cost of from \$9 to \$12 per week.

Mr. Copeland, in commenting on this, says:

In addition to this economy in labor the quality of the product has been improved, since the yarn is more evenly sized.

In the weaving department there is a machine known as the Barber warp-tying machine.

It was offered to the trade for the first time in 1904-

Says Mr. Copeland, on page 81-

Says Mr. Copeland, on page 81—
To quote from one of the men engaged in introducing it, "the broad principle of the machine is to tie the ends of the last of an old warp to the corresponding ends of a new warp." When one warp is nearly used up the ends are cut so as to leave a short piece of each thread in the harness. Then, when it is desired to weave another piece of cloth of the same pattern the harness, with these ends still in it, is brought to the tying machine, which ties together one by one the ends of the old warp and those of the new. The principle of the machine is the same as that of the spooler knotter previously described. It ties about 250 knots per minute, and does the work of 20 girls. Drawing in by hand had always been a relatively heavy expense to the manufacturer; by the use of this machine the labor cost is cut down two-thirds. facture thirds.

On page 84 the same author states:

The improvement in the quality of the product of the loom and the diminution of the amount of necessary attention have been facilitated by the application of better stop motions—devices which stop the loom automatically when a warp thread breaks or when the shuttle is out of

I want the attention of the Senate particularly here, for the reason that we have heard on this floor arguments to the effect that in the higher and finer grades of our manufactured goods we need a greater protection because of the greater labor cost. I am quoting this author, who himself is ranked as one of the first authorities, and Senators can investigate for themselves as to whether or not he is telling the facts. He says:

Those warp stops which had been introduced prior to the Civil War were adapted only to looms weaving coarse cloth. With the increase in the manufacture of fine and medium goods it became desirable to apply warp stop motions to the looms on those grades, and as a result of the successful use of finer and thinner wire in their manufacture they are now found in every up-to-date mill on all grades of work. These stop motions have received their greatest improvements and exploitation in this country. As a result of the use of the stop motion and an increase in the length of the shuttle the piece rate for weaving was reduced 33½ per cent in Fall River.

In speaking of the improved loom, the Northwey loom, the

In speaking of the improved loom-the Northrop loom-the same author says, page 86:

It has reduced the labor cost of weaving one-half, a fact which is particularly significant, since the labor cost of weaving previously constituted one-half of the entire labor cost of manufacturing cotton cloth. This saving has resulted from the increased number of looms per weaver. One weaver now tends from 14 to 30 Northrop looms where before he tended 6 to 8 common looms. At the same time less skill is required on the part of the operative.

On page 90 he says the number of looms per weaver in the English mills is about one-half of that in American mills, and summing up his entire observations on the American manufacture of cotton goods, he says:

Owing to the strength of the labor unions in the English cotton industry the weaver is paid at the same rate per cut without reference to the number of looms which he tends. In American mills, on the contrary, a weaver is paid less per cut when he tends more looms.

As I have shown by these quotations, the whole trend of American manufacture has been to install labor-saving devices, increasing the quality and output per machine, and vastly increasing the number of machines, and thereby the amount of product per individual, while there has been no appreciable increase in wage to the individual who now tends a greater

number of machines and makes a greater output.

It will also be observed that both the Tariff Board and Dr. Copeland, from whom I have quoted, show that as the me-chanical devices are perfected the necessity for skilled labor is eliminated and the more ignorant, less-skilled laborers are brought into service, decreasing the labor cost and increasing the labor production.

In this connection I quote from the Immigration Commission, volume 1, No. 747, 1910-11, on page 304:

Information was secured for a total of 66,800 cotton-mill operatives in the North Atlantic States, and a detailed study made of 1,061 households the heads of which were employed in the cotton-goods manufacturing industry. Of the total number of employees 68.7 per cent were of foreign birth, 21.5 per cent were of native birth but of foreign father, and 9.4 per cent were native born of native father.

Mr. SMITH of Arizona. Does that refer to New England? Mr. SMITH of South Carolina. To the North Atlantic States—the New England States. I continue the quotation from the report of the Immigration Commission:

the report of the Immigration Commission:

Of the races of old immigration, the French Canadians, English, and Irish were principally employed, these races reporting to the number of 13,043, 5,274, and 4,287, respectively. The southern and eastern Europeans were represented in greatest numbers by the Poles, with 8,920; the Portuguese, with 5,911; and the Greeks, with 2,739. Of the male operatives of foreign birth 15.8 per cent and of the females 34,5 per cent had been engaged in the same industry abroad. On the other hand, 56.2 per cent of the male and 50.7 per cent of the female employees who were foreign born had been farmers or farm laborers in their native countries. The average weekly wage for male employees 18 years of age or over was \$9.68 and that for females 18 years of age or over was \$7.97. The average annual earnings of male heads of families who were employed as cotton-mill operatives were \$470 and the average annual family income was \$791. Of the total number of families studied 32.2 per cent depended entirely upon the husbands for their support, while 9.3 per cent were maintained by earnings of husbands supplemented by the contributions of children.

Mr. KENYON. I know the Senator does not want to be in-

Mr. KENYON. I know the Senator does not want to be interrupted, but I wish merely to inquire if this report shows

the ages of the children employed?

Mr. SMITH of South Carolina. It does not. I did not notice that. I would have been glad to have done so; but I was trying to condense, in order to present certain facts and fix them in the minds of Senators.

Mr. KENYON. Was that investigation limited to the Northern States?

Mr. SMTTH of South Carolina. Oh, no; I will have something to say later in reference to other States. The report continues:

Of the households the heads of which were foreign born 21,2 per cent had boarders or lodgers as against 14.5 per cent of those the heads of which were of native birth. The attempt to reduce the cost of living or to supplement the earnings of the heads of families by keeping boarders or lodgers resulted in a high degree of congestion, especially in the immigrant households. The average number of persons per room in households the heads of which were foreign born was 1.26, and the average number per sleeping room 2.13 as contrasted with

eighty-three one-hundredths person per room and 1.79 per sleeping room in households the heads of which were native born. The average monthly rent payment per capita in immigrant households was \$1.47, and in households the heads of which were native born \$2.41. None of the households the heads of which were of native birth used all their rooms for sleeping purposes, while 3.3 per cent of the immigrant households slept in all rooms. Of the families the heads of which were native born 6.9 per cent, and of those the heads of which were foreign born 6.1 per cent, owned their homes.

I hope the Senators will keep that in mind, as there is a significant fact to follow.

Of the foreign-born employees 57 per cent and of the native born 42.6 per cent were married. Of the employees of foreign birth 80.6 per cent were able to read, and 77.8 per cent able both to read and to write. Of the total number of foreign-born employees of non-English-speaking races 42.1 per cent were able to speak English. The naturalized persons among the employees of foreign birth 21 years of age or over and resident in the United States at least five years form a proportion of 29.8, while 8.8 per cent had taken out first papers. Only 7 per cent of the foreign-born wage-earning males in the households studied, and 11.3 per cent of the native born were members of labor organizations.

It will be seen from this quotation that the average weekly wage for male employees 18 years of age and over was \$9.68, or about \$1.62 a day; for females 18 years of age and over, \$7.97, or a fraction over \$1.25 a day.

That is the average. I do not know what the lowest was nor what the highest was.

Also that the average annual earnings of the male heads of families who were employed as cotton-mill operatives was \$470, and that 32.2 per cent of all the families—which included 66,800 mill operatives studied by this commission-were dependent upon the earnings of the male members, which means that if they were heads of families there was more than the head, and that their annual dependence was \$470. If there were but two-husband and wife-their annual income was \$235 each; if there were an average of three, it was slightly over \$100. The report did not give the average membership of the families.

It is also to be observed that 85 per cent or more were foreigners.

In the last part of the paragraph quoted it states only 7 per cent of the foreign wage-earning males and 11.3 per cent of the native born were members of labor organizations. Now, it will be observed that Mr. Copeland says that the reason why labor-saving devices could not be successfully employed in Europe was because of the strength of the labor organizations, they being in old countries, with homogeneous population, with a long line of hereditary operatives, they demanded a certain scale of wages per piece; and it made no difference how many labor-saving devices were installed or how great was the increase per operative, the devices simply increased the income of the operative and not the income of the mill, whereas in America, by virtue of the fact that we are the dumping ground for every nationality and race and tongue and kindred under the sun, it is impossible to organize into a compact labor organization alien races, because of a barrier of difference of speech, difference of training, difference of nation, and the consequence is that, according to the testimony of the Immigration Commission, the manufacturers of New England have installed their labor-saving devices, eliminated the necessity of skilled labor, and by virtue of the impossibility of organizing, as I say, these alien people of diverse tongues and diverse nationalities, are employed at the miserable price of \$470 per family per year, and with a system that increases as the machinery increases the output for the benefit of the manufacturer, while the laborer himself receives no increase.

On page 511 of the report of the Immigration Commission, it

The Americans, who formerly composed the bulk of the cotton-mill operatives in the North Atlantic States, at the present time form only about one-terth of the total number of the employees in the cotton mills, and are divided in about equal proportions between males and females. If the employees of the second generation of immigrant races, or, in other words, persons native born of foreign father, be added to this pure American stock, or those native born of native father, the total number of native-born operatives amount to about three-tenths of the operating forces of the North Atlantic mills. The remaining part of the operatives, or about seven-tenths, is composed of employees of foreign birth. Of the total foreign-born operatives about one-half are representatives of races of southern and eastern Europe and the Orient, the remainder being composed mainly of English, Irish, and French Canadians, with a relatively small number of Scotch, Germans, Swedes, Dutch, and French. The French Canadians, among the foreign born, are employed at present in greater proportions than any other race, the proportion of French-Canadian cotton-mill operatives exceeding that of the Americans. The English furnish about one-tenth and the Irish about one-twentieth of the total number of employees in the industry. Of the operatives from southern and eastern Europe, the Poles, Portuguese, and Greeks, in the order named, furnish the largest proportions, the total number of these races constituting more than one-fourth of the total number of these races constituting more than one-fourth of the total number of the order named, furnish the largest proportions, the total number of these races constituting more than one-fourth of the total number of these races constituting more than one-fourth of the total number of these races constituting more than one-fourth of the total number of these races constituting more than one-fourth of the total number of these races constituting more than one-fourth of the total number of these races constit

French-Canadian operatives, of both the first and second generations, together with large proportions of Portuguese and Polish women. The American females, as already stated, form only about one-tenth of the total number of female operatives.

Fall River, New Bedford, and Lowell, Mass.; Manchester, N. H.; and other centers of the same sort, all have a large proportion of French-Canadians, Manchester showing the highest percentage of employees of that race. Manchester has also the largest proportion of Polish operatives, although that race is well represented in the other three cities. The Irish and English, who are employed extensively in all localities, have their largest representation in Lowell and New Bedford. The Portuguese are employed in largest proportions in New Bedford and Fall River. Only an unimportant percentage of Greeks are working in Fall River and New Bedford, but in Manchester, N. H., the Greeks make up one-twentieth, and in Lowell more than one-seventh of the total number of operatives. The other races are scattered in comparatively small numbers through all the localities.

Therefore, according to the showing of the report of the Immigration Commission, there is no incentive to the native-born American to enter into the mill work, for the reason that it makes no difference how long he may be employed therein there is no chance, comparatively, for his skill to add anything to his earning capacity. This is delegated and handed over to the American inventor, who, immediately upon the wage of the operative becoming burdensome to the mill, finds a device that eliminates him and his skill and turns it over into the hands of the ignorant immigrant. Therefore, according to the testimony of the Tariff Board report, the comments by Dr. Copeland, the report of the Immigration Commission, the plea of the protectionists that we need these high duties for the benefit of American labor is a miserable sophistry, a lie that is not borne out by any facts.

It is plain from the quotations that I have been at pains to gather that the only protection that an American native-born laborer has is the price of the steerage passage from Europe to America, and such law as Congress may see fit to pass restrict-

ing immigration into this country.

In sharp contrast to the wage of \$470 a year for the head of a family engaged as an operative in cotton manufacturingaccording to the World Almanac for 1902-in Massachusetts alone there were 324 millionaires, more than three times as many as in all the Southern States combined. In the nine cotton-growing States of the South that produce the entire raw material there were in North Carolina, in 1902, one of these nine cotton-growing States, 8 millionaires; in South Carolina, 5; in Georgia, 5; in Arkansas, 5; Mississippi, 3; Florida, 7; Texas, 34; Louisiana, 27-a total of 94. While in Massachusetts, Vermont, Connecticut, Maine, New Hampshire, and Rhode Island there were 520. When the number of millions they own is taken into consideration there was nearly a thousand times more millions in the New England States than in all the cottongrowing States combined. We produce the raw material that supplies all the cotton manufacturers of America, and as a result of our splendid system of economics in this country, the States that produce \$1,000,000,000 worth of the raw material do not produce a single millionaire among those engaged in cotton growing, while in the New England States the millionaire manufacturers are numbered by the hundreds. It was reported and debated on the floor of the Senate a few days ago—whether facetiously or in earnest I was not exactly able to determinethat the Senator from Rhode Island, Mr. Lippitt, when interrogated, before he became a Senator, before the Ways and Means Committee of the House, as to what he considered a great fortune, said three-quarters of a billion. Mr. Lippitt was then spokes-man for the cotton manufacturers of the New England States.

I presume, as some Senator asked during the debate, anything under that was a small fortune. It would be quite interesting if we had one of the mill operatives from the New England States before us and asked him what he would consider a reasonable competency for himself and his family while he is

living on \$470 a year.

Mr. LIPPITT. Mr. President—
The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Rhode Island?

Mr. SMITH of South Carolina. I do, since I have mentioned

his name; yes.

Mr. LIPPITT. I merely wish to ask the Senator from South Carolina if the wage paid in his State for this same occupation is not in the neighborhood of one-third less than that paid in New England, and if the hours the people work in his State are not more than 10 per cent greater for that wage, and if it is not true that there is practically no age limit for the children

employed in the cotton mills in his State?

Mr. SMITH of South Carolina. I will reply to the Senator from Rhode Island that those we employ in my section of the country are native born, and whatever they get goes back to an American for the work an American does, and we have not used the pauper labor of Europe to displace him.

Mr. LIPPITT. I should like to ask the Senator from South Carolina if he thinks native-born Americans should be paid 33

per cent less wages than New England is willing to pay the people who come from abroad? New England pays her nativeborn Americans more than she pays these people from abroad; and yet the Senator from South Carolina is boasting that in his own State, for more hours of employment, he is satisfied to pay 66% per cent of the wages New England pays.

Mr. SMITH of South Carolina. When we take into consideration the number of millionaires there are in the New England section and the number of millionaires we have in our section, I do not think the Senator and I will find much to

Mr. LIPPITT. I will say to the Senator from South Carolina that I think it is no great credit to the people of his own State, with labor only two-thirds the price of the labor in New

England, if he has not a few millionaires down there.

Mr. SMITH of South Carolina. I will say to the Senator in that taking the population, the per capita wealth, and the difficulties under which we labor through our miserable banking currency system, we have so many commissions to pay, by virtue of certain unfortunate conditions to which I will not now advert, that we have maintained the integrity and the purity of our people and have not opened our doors to the foreigner; and have not, except so far as economy required, installed labor-saving machinery, and wherever we have done so we have appointed a native to operate it. But I wish to say to the Senator from Rhode Island that I am not here making a plea for my mill owners as against his mill owners, for the reason that I rather suspect that a great deal of New England capital is down in the South, taking advantage of the poverty of the people to help pile up some of those millions in New England

Mr. LIPPITT. I suspect the Senator from South Carolina was very glad to see come there whatever proportion of New

England capital is invested in those mills.

do not desire to carry this discussion further now. as the Senator is through I shall take occasion to read the exact figures representing the wages that are paid in the New England mills and in the mills of the section of the country which the Senator so honorably represents. I only wish to say now, if he will allow me, since he says the South has not opened her doors to immigration, that if I am not mistaken it was only two or three years ago that the Representatives of his own State were so anxious to get immigration that the citizens of Charleston, S. C., formed a committee for the purpose of trying to get immigrants there. They found it was an utter failure, however, because the immigrants from the foreign countries went to the part of the United States where they could get the highest wages, and the people of South Carolina were unable to make any progress in persuading them to come there, for the simple reason that the market for their wages was so much higher in other parts of the country.

Mr. SMITH of South Carolina. I will say to the Senator from Rhode Island that we have not gotten the taste of that sort of thing out of our mouths yet. We are not accustomed to that sort of cattle, and we shipped them back where they

came from.

I have submitted these facts for the reason that the contention of the protectionists that they desire protection for the purpose of benefiting American labor is absolutely untrue and not

borne out by the facts.

Another element in this question of whether or not the rates of duty on cotton are necessary, I invite the attention of the Senate to the fact that a few days ago, under the discussion of the metal schedule, it was developed that where England had her supply of raw material in the form of iron ore and iron-manufacturing plants, that the cost of freight from England to the ports of America gave a very fair protection to the American manufacturer of like goods. In other words, it was claimed by those debating this question that the extra cost of freight from the European or the English manufacturing point to the ports just about measured the difference in cost of production in America and abroad. This, I take it, would be accepted by protectionists in reference to practically most of the articles of any appreciable bulk where the raw material and the manufacturing plant are both in foreign countries as well as in this country. In the case of cotton, America produces practically 70 per cent of the total world's supply.

The foreigner is dependent on America for his raw material. An English manufacturer buys his cotton in America at the very same price that the American manufacturer buys his. He ships that cotton from the interior point where it is purchased to the port, pays the local or through freight from the purchasing point to the port, pays the expense of the purchaser, pays the expense of exchange from English money into American money, pays the compressing, the expense incidental to l loading aboard the vessel, the ocean freight rate, the ocean in-

surance, ships it across the ocean to Europe, there defrays expenses of unloading and the local freight from the European port to the mill wherever situated, converts it into cloth, re-ships it through the same channels at practically the same expense or greater back to America, and undersells, according to the claims of the protectionists, the American manufacturer to such an extent that the American manufacturer must have 35 or 40 per cent duty on the goods, while the American mills are located, practically half of them, within calling distance of the cotton fields. It makes no difference what argument may be used as to the cheapness of ocean freight or the discrimination of the railroads in the interior, or what other argument may be put up, if it is true that the Englishman can manufacture and sell his goods made out of American cotton in America cheaper than the American manufacturer can sell them, then whenever an American purchases a piece of cotton goods he pays the freight from the cotton fields of the South to Europe and other incidental expenses attached thereto plus the cost of conversion by the European mills plus shipment back here of the finished article. No kind of sophistry, no kind of distortion of facts or twisting of figures, can disprove that statement.

In other words, to put it in another form, the protectionists say that the American manufacturer can not manufacture cotton goods in the cotton fields of America any cheaper than the cost of handling the cotton crop from here to Europe, hiring European labor to manufacture it, and ship it back to America plus the duty. According to this contention of the protectionists it would be economy on the part of the cotton producers of America to engage Englishmen to manufacture their goods, ship the whole crop abroad, bring it back to America without a duty, and sell it at 35 to 40 per cent less, now claimed by the protectionists.

These are some of the facts that I would like to lay before the Senate. They are facts that can be verified by any student who takes the time to study the situation.

In conclusion, Mr. President, what I have attempted to prove is this: Not only have we installed labor-saving devices in America for the purpose of eliminating the labor cost, but we have installed cheap immigrant labor to take advantage of the labor-saving devices to such an extent that the members of the Immigration Commission, two of whom are Members of this body—the Senator from Vermont [Mr. Dillingham] and the Senator from Massachusetts [Mr. Lodge]—state that the majority of all the operatives in the mills of the North Atlantic States are these foreign laborers. If we are going to stand fairly and squarely by American labor, we ought to shut the doors to the importation of this European influx; and when we have installed labor-saving devices which increase the output, we ought to give the American laborer the benefit of those labor-saving devices.

Buckle says, in his History of Civilization, that the only three steps in civilization are wealth, leisure, and learning. If we are patriotic Americans and do find some means by which the laborer may be in a measure released from toil and become the beneficiary of the product of any mechanical device, let us make the laborer the beneficiary to the extent of giving him sufficient leisure and capital to educate himself to become an American citizen. Let us not, as the protectionists are now doing, put whatever profits may come from our modern inventions into the pockets of the manufacturer. Let the American laborer become the beneficiary of this increased production by virtue of his operating a labor-saving machine and not install in his place a foreigner.

I say it is high time for us to investigate these questions and find out the real facts, which I have tried to do, and which no man can controvert.

Mr. LIPPITT obtained the floor.

Mr. GALLINGER. Mr. President—
Mr. LIPPITT. I yield to the Senator from New Hamp-

shire if he wishes to say something.

Mr. GALLINGER. I desire to ask the Senator from South Carolina whether he has any information which will enable him to state the number of Americans out of employment in New England to-day who could be obtained to take the places of the foreigners of whom he has spoken?

Mr. SMITH of South Carolina. In reply to that question, I will say that I do not think it is necessary; I do not think that question touches the point at issue at all. It remains a fact that wherever a foreigner supplants an American he must live; and while there may not be any Americans out of employment in New England, according to the testimony I have read here if the American has any employment in the mills there he has it upon the plane of the imported, cheap, ignorant immigrant; and nobody knows it better than the Senator from New Hampshire.

Mr. GALLINGER. Mr. President, the Senator from New Hampshire does know better than that. The Senator from New Hampshire knows that the ignorant foreigners about whom the Senator is talking constitute the very lowest class of labor in this country, next to the colored labor of the South.

Mr. LIPPITT. And the white labor.
Mr. GALLINGER. And the white labor of the South as well—certainly the mountain labor.

I will ask the Senator from South Carolina whether he has taken the trouble to ascertain how many millions of dollars these foreigners have sent back to their homes in the lands from which they came, and how many millions of dollars they have put in the savings banks of New England during the last year?

Mr. SMITH of South Carolina. I will state to the Senator from New Hampshire that about a year ago I made a speech on this floor in which I called attention to the fact—I am not sure I am accurate as to the figures, but this is about the proportion—that the amount of money brought into this country for the decade from 1900 to 1910 by foreigners as compared with the amount of money sent out by foreigners was about as 1 to 10. In other words, the foreigners who came into this country in the decade from 1900 to 1910 sent out of this country something like a billion dollars-my figures may not be exactly accurate-while they have brought into this country something over \$200,000,000.

Mr. GALLINGER. Yes; and that billion of dollars was composed of their surplus earnings, and yet the Senator is talking about their being ill treated so far as wages are concerned.

Mr. SMITH of South Carolina. The Senator must remember that he knows, and that it is notoriously true, as he can walk

down the street and see at any time, that the average southern European coming into this country lives in a manner in which no American would live. Refuse bananas and a few rotten oranges constitute almost his entire bill of fare; and in spite of his getting but \$470 a year he does save enough to send back large sums to Europe.

Mr. GALLINGER. Who is to blame for his living in that

manner?

Mr. SMITH of South Carolina. The protective system which brings him here and supplants American labor with him.

Mr. GALLINGER. Why, he can go home at any time that he gets enough money to pay his passage; and these people have an abundance of it. They have an abundance of it in the savings banks of New England-millions and millions of dollars. When the Greek war broke out there was no trouble about hundreds of these people drawing money from the savings banks and going back to Greece to fight the battles of their country; and the same thing is true of Italy.

Mr. SMITH of South Carolina. The Senator from New Hampshire will not gainsay the fact that when they went back their places were taken by others of the same kind of stuff,

and the Americans did not supplant them.

Mr. GALLINGER. Most of them who were not killed are back now, occupying the same places they formerly held. They were glad to come back and accept the wages that are given in New England.

Mr. SMITH of South Carolina. And they were employed

when they came back, too.
Mr. GALLINGER. They found employment.

Mr. SMITH of South Carolina. Mr. President, I should like to call the attention of the Senator from New Hampshire

The PRESIDING OFFICER. The Senator from Rhode Island [Mr. LIPPITT] has the floor.

Mr. SMITH of South Carolina. Will the Senator from Rhode Island, then, permit me to make a further observation?

Mr. GALLINGER. The Senator from Rhode Island yielded to me; and, as I have accomplished my purpose, I will surrender the floor to him.

Mr. LIPPITT. I yield; certainly. Mr. SMITH of South Carolina. I should like to state, in conclusion, as I yielded to the Senator, though I do not make that an excuse for asking his indulgence, that I just happened to pick up this afternoon a paper in which it was stated that the influx of immigrants into this country during the past six months has exceeded any influx since 1907, which was the record-breaking year.

Mr. LIPPITT. Mr. President, I confess I have listened with so much astonishment to the remarks of the Senator from South Carolina [Mr. SMITH], in what I fancy, more from the tone in which he made his remarks than from any figures he presented, was meant to be an arraignment of New England's customs, that I scarcely know how to answer him.

If the arraignment had come from almost any other source on this floor, I might think it was due to a lack of knowledge of the relative conditions as between South Carolina and New

Hampshire, Massachusetts, Rhode Island, and Connecticut. But when the Senator from South Carolina stands in his place here and gives a list of the wages paid in the cotton mills of New England as though they were low wages, when he gives statistics after statistics about the wages that are paid to the different classes of employees in the cotton mills of New England and criticises the nationality of the people to whom those wages are paid, although in his own State the wages that are paid in the same industry do not exceed 663 per cent of what New England is paying, and although those wages are paid, not for the 54 or 56 hours weekly that prevail in New England, but for hours of labor per week that run from 60 to 66, and although those wages are paid, not to young people whose age for employment must exceed 14 years as in New England, but to children whose age for employment is practi-cally without limit, where children 10, 11, or 12 years of age are employed for 60 hours a week, longer hours than a grown man is employed in New England cotton mills, I scarcely know how to answer such a charge.

Nevertheless, I shall take occasion to answer the Senator in

the only way in which an answer is irrefutable. I will quote from the census report of 1905. I am reading from the compendium, I think, of that census, on page 24, which gives, in the first place, the average weekly earnings of all wage earners in the cotton mills of New England and of the Southern States.

For cotton yarns the average of all the wage earners for New England is \$6.93 a week, almost \$7. For the Southern States it is \$3.95, not quite \$4. Seven dollars in New England and \$4 in the State of South Carolina as an average of all the workers in the mills.

Mr. SMITH of South Carolina. My attention was distracted for just a minute. From what is the Senator quoting?

Mr. LIPPITT. I am quoting from the Census of Manufactures of 1905, which are the last figures on this subject that

have been collated, as I understand it. Now let us go on. Men 16 years and over in the Northern States, \$8.22. the Southern States, including South Carolina, \$5.12. Some \$3 a week more is paid in the Northern States than is paid in South Carolina, and the Senator from that State says that the wages in New England are not as high as they should be.

Well, Mr. President, I am not going to deny that it would not be an advantage to the whole country if the wages of labor perhaps were higher, but I shall have something to say in a few minutes, after I have put these statistics in the Record, in regard to one of the reasons why wages in the cotton industry in New England and in the woolen industry of New England are not higher.

Women 16 years and over in New England, \$5.88; in the

Children under 16 years, \$4 in New England and \$2.54 in the Southern States, for 10 per cent more hours than any man works in any cotton mill in any New England State.

Mr. SMITH of Georgia. I wish to ask the Senator to read that statement once more. Is it that the average pay of women over 16 years of age is only three dollars and something a week?

Mr. LIPPITT. No; children under 16 years of age.
Mr. SMITH of Georgia. I thought the Senator said over 16,

and I was sure that was incorrect.

Mr. LIPPITT. If I did so I read it wrong. I should have said children under 16 years.

Mr. SMITH of Georgia. I may have misunderstood the

Mr. LIPPITT. I did give what the women 16 years and over earned. It is \$3.76 in the Southern as against \$5.86 in the Northern States. That is the average.

Mr. SMITH of Georgia. Over 16 years of age?
Mr. LIPPITT. Women 16 and over. Of course, the Senator understands that a woman of 16 is a child; at least she is in the North. I read the official figures.

Mr. SMITH of Georgia. I understood the Senator correctly as stating that the pay in the factories of women 16 years and

over is less than \$4 a week?

Mr. LIPPITT. Three dollars and seventy-six cents in the Southern States, according to the census report of 1905.

Mr. SMITH of Georgia. My reason for interrupting the Senator is that I am sufficiently familiar with the facts in my own State to know that that is utterly incorrect.

That is the average. I should like to state that the same thing happens very often in quoting the average price paid for men in the woolen mills or the cotton mills of this country. It is not what is paid a man or a woman, but it is the average price, taking in all the number who may be em-

ployed, and whether it be for short or long hours.

Mr. GALLINGER. If the Senator from Rhode Island will permit me, very probably both in the North and the South those wages have been increased. These are statistics seven years

Mr. LIPPITT. I will say further that I thoroughly agree with the Senator from Georgia that these figures do not represent the wages that are paid to-day in his State or in any other Southern State.

Mr. GALLINGER. Or in New England.

Mr. LIPPITT. They have been advanced since that date; and also the figures the Senator from South Carolina has been reading in the same way do not represent the present wages in New England. They also have been advanced, and they have been advanced a larger amount than the wages in the South, if I understand it correctly, for this reason: When you advance wages 10 per cent and the wage is \$7 a week, you advance the wage 70 cents a week; but when you advance wages 10 per cent and the wage is \$5 a week, you advance it 50 cents a week. Those are the two conditions which prevail in the South and the North.

Now, let me go on. I have gone so far, I think, as to give the average wages which are paid on cotton yarns between the two sections, the New England States and the Southern States.

Now, let me put into the RECORD the average wages that are paid in converting plain cloths for printing and for converting purposes in the two sections. The average on this product of all wage earners in New England was \$7.62; in the Southern States \$4.16, \$3.46 more in New England than was paid in the For men 16 years and over, \$8.52 in the North, \$5.14 in South the South.

Women, 16 years and over, \$7.23 in New England and \$3.77 in the States of the Carolinas, Georgia, and Alabama—\$7.23 and \$3.77, a difference of \$3.46—practically 50 per cent more in the New England States than in the South.

Mr. LODGE. For all laborers?
Mr. LIPPITT. That is the average for women 16 years and

Mr. LODGE. In all the mills?
Mr. LIPPITT. In the cotton mills only. All the figures that I have given are the figures for the cotton industry of the two

Children under 16 years, \$4.45 as against \$2.73.

A little farther down is given the per cent of distribution between the number of children employed. I am not going to read all these figures. There is almost a half a page of them. I have read the representative ones, and anyone interested further can find ample verification of what I am saying among the other figures here.

Per cent of distribution of children earning less than \$3 Children under 16 years of age who earned less than \$3 in New England, 12.1 per cent; in the South, 66.9 per cent-

is, making yarns.

On printing cloth, in New England, 15.4 per cent; in the South, 58.8 per cent. In the South from 58 to 66 per cent of the children employed earn only \$3 per week as against 12 to 15 per cent in New England. Yet the Senator from South Carolina confines his criticisms to New England.

Now, here is some comment that is made by the Census De-

partment. It is also to be found on page 24:

The average weekly earnings of the men in the 11 establishments selected to represent the production of cotton yarns in New England amounted to \$8.22, or \$3.10 more than the average for the men employed in the 45 selected establishments manufacturing the same products in the Southern States. In the case of women the average weekly earnings in the same establishments in New England were \$5.88, or \$2.12 more than the average for operatives of this class in the selected mills of the South. The children employed in the northern mills earned on an average \$4.60 a week, which was \$2.06 more than the average earnings of the children in the southern mills shown in the table.

Mr. President, that is a statement of the facts in regard to those two sections, not as I have drawn it out of my imagination, not as the selected figures of some writer whose purpose in writing I do not know, but the official figures of the Census Bureau taken under similar conditions in the two sections.

If the Senator from South Carolina in his remarkable arraignment of New England wages thinks that the industry there is carried on under conditions that are not in accordance with American institutions, I would like to ask him what he thinks the men who for the last 20 years have built up and maintained that industry in New England had to contend with when they found in the market place the cloths made in the southern mills at wages \$3 a week less than they had to pay and being sold at prices that the employers of the high-priced labor of New England had to compete with?

It may be that the industry there is not carried on under as creditable conditions as it might be. I never yet have seen an industry in which improvement could not be made, and I do not claim that improvement can not be made in the way this industry and the other manufacturing industries are carried

on in my own section of this country. But I do say that considering the competition of the low wages with which New England has struggled for the last 20 years it is a remarkable England has struggled for the last 20 years it is a remarkable tribute to the skill, the efficiency, hard labor, and hard thought of the managers of these New England factories that to-day there are 18,000,000 spindles still running in what are called the New England States as compared with 12,000,000 spindles

that have been established in the South.

I for one do not object to the establishment of these industries in the South. I am glad to see them established there, and I would not have for a minute brought up this comparison between the Carolinas and my own section of the country if the unfounded charge had not just been made by the Senator from South Carolina as to the way the industries of New England were carried on. I believe that the effect of these manufacturing industries in the South is going to be an enormous help to our entire Nation. I know that they are progressing in a remarkable way; that starting with a crude form of manufacturing output, they are going up into the higher and more perfected forms of it.

I have no doubt that as time goes on the humane conditions that exist in New England will be established in the cotton mills of the South. I have no doubt that in the not distant future the Carolinas and Georgia will establish laws limiting the age of employment of women and children to what in the North is already considered reasonable. I see the Senator from Georgia [Mr. SMITH] smile.

Mr. SMITH of Georgia. We have already adopted a childlabor law.

Mr. LIPPITT. It was only three weeks ago that the Legislature of Georgia failed to adopt-

Mr. SMITH of Georgia. We have already adopted a law limiting child labor to 14 years.

Mr. LIPPITT. I beg the Senator's pardon.

Mr. SMITH of Georgia. But it is true. I had the pleasure of addressing the legislature on it myself when they adopted it, and we have adopted some laws limiting the ages of those who work. I concede that we have not gone as far as I would

be willing to go.
Mr. LIPPITT. Mr. President, the remarks of the Senator from Georgia are entirely in line with what I was prophesying would be the case and what I expect will be the case as this industry progresses in that region. I do not for one minute claim that the people of the section the Senator from Georgia represents and the section that I represent differ in humanity, but I do claim that the great pioneers in that class of legislation have been the New England States.

If what the Senator from Georgia says is correct about his State having adopted a law limiting the employment of children to 14 years, I am very glad to know it. I can only say that only three weeks ago I read in one of the New York papers a statement that a law to that effect had been passed by the house of representatives of his State, but that the senate had refused to pass it and it was not put upon the statute book on that account; and even at that the law proposed only limited the employment to 13 years and not 14, as it is in New England. I accept the correction of the Senator from Georgia and I have no doubt that what he says about it is true.

Mr. SMITH of Georgia. There was an exception in the case

of indigent women. The proposition was to strike out that exception, but the limitation was passed about four or five years

Mr. LIPPITT. I should like to ask the Senator, did not that limit the employment of children to 12 years of age?

Mr. SMITH of Georgia. No; 13 or 14, I do not remember There was a limitation in the case of indigent women or widowed mothers, and we were unwilling to strike out that

Mr. LIPPITT. I am sure if a proper law has not been passed

it will not be many years before it will be.

Mr. SWANSON. Mr. President, I desire to state that in Virginia we have had a law for three or four years limiting child labor to 14 years, and it is rigidly enforced by a strong force of factory inspectors.

Mr. LIPPITT. I am very glad to know that Virginia has followed the precedent set by Massachusetts, and really Massachusetts should be given the credit for it, for Massachusetts has been the pioneer in all that class of legislation.

Now, Mr. President, I think I have said enough to show that the arraignment by the Senator from South Carolina is certainly not altogether well founded.

He has criticized Massachusetts. I am not a resident of that great Commonwealth, but I am her near neighbor and ardent admirer and will say to the Senator that she stands to-day as

she always has stood, behind her rock-bound coast, the central figure of that matchless New England country.

She has been the pioneer in humane labor legislation. has gathered into her hospitable arms the industrially oppressed of every nation. She has welcomed them, educated them, assimilated them, and shared with them her heritage of freedom. First the Irish came, fleeing from famine in their own country. At first they were ridiculed for their uncouth ways and grotesque costumes, but to-day they are foremost in her councils. Then came the French-Canadians. "Birds of passage," they were called because they sent home their surplus pay and sometimes went back themselves. To-day they stand among the sturdy yeomanry of New England. The governor of my own State is one of them, a man whose patriotism is as broad and generous as any American, regardless of what parentage he sprung from, and whose popularity has given him the honor of being elected more times to that office than any man in the history of the State, I think, certainly of recent years. Then came the Portuguese and the Italian and now the Polander and the Greek.

They came there not as the slave comes, in shackles and in tears, but gladly, with smiling lips and laughing eyes, and they sent back their letters to their relatives and friends and neighbors, who, in response to these white-winged messages of hope, traveled over thousands of niles of land and sea to share in the prosperity of Massachusetts.

There are 140,000,000 cotton spindles in the world to-day, scattered in almost every part of the globe; but these people who want to improve their condition do not go to the mills of China or Japan or India or Ceylon. They do not look for work in Italy or France or Germany or Belgium or Russia. They do not knock at the mill doors of England's 60,000,000 spindles. They do not go to the Carolinas or to Georgia, but they do come to help run the 18,000,000 spindles of New England, because there is not on this globe to-day, nor was there yesterday nor was there on any yesterday since that far-off day when the departure of Adam and Eve from the Garden of Eden made the wearing of clothes necessary, a single spot where the men and women engaged in the textile industry receive now or ever did receive as high wages for such short hours of labor and under such humane conditions of employment as they do in Massachusetts and her sister New England States.

Mr. SMITH of South Carolina. Mr. President, I should like to make just one observation. The Senator from Rhode Island has been at pains to show the difference between the wages paid in the South and in the New England States. The Senator, of course, is entirely familiar with the difference in the conditions that exist in the South as compared with those which have existed in the New England States, and the difference between an old-established industry and a new one.

The Senator called attention to the difference between the wages of children employed in the Southern States and in the New England States. The Senator will not forget, nor will the Senate forget, that the conditions in that section of the countr, were such that even children of tender age not only had to work in a factory to support life, but they had to work in the fields as well. They were compelled to do this, not only by the exigencies of a terrible war, but by the horrible imposition placed upon them as an agricultural country having to pay the burdens of a protective tariff without any return whatever. had no remedy. We had to buy from you, and all our earnings went to you. Therefore, you could establish your plants, and you could exact from us a stipend that you were not entitled We have not yet reached the point of installing all laborsaving machinery in order to supplant American industry, but whenever we did put in labor-saving machinery we employed native-born Americans to attend it. When we shall have gotten through the initial expense of installing our factories, we will gradually rise to a point, I hope, where the manufacturing will be done in the South.

I ask the consent of the Senate to have the following read in answer to the argument of the Senator from Rhode Island for humane treatment of the operatives in the mills in Massachusetts and in that section of the country. It comes from a New York paper of repute, and I would be glad to have just that short article read.

Mr. LIPPITT. What is the paper?

Mr. SMITH of South Carolina. Collier's Weekly. I should like to have the article read.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Secretary will read as requested.

The Secretary proceeded to read the article, Mr. LIPPITT. Mr. President, my attention was momentarily diverted. Does this refer to some particular concern?

Mr. SMITH of South Carolina. It does not; it merely has reference to the manufacturing interest there. It refers to Lawrence, Mass., where the strike occurred.

The Secretary resumed and concluded the reading of the article, which is as follows:

[From Colller's Weekly.] A PORTRAIT OF PROTECTION.

The words quoted below are taken from a description of Lawrence, ass., written at the time of the textile strike there a little over a

The words quoted below are taken from a description of Lawrence, Mass., written at the time of the textile strike there a little over a year ago:

The stock is closely held by about 600 stockholders.

The stock is closely held by about 600 stockholders, and the stock was very bought into the company at a time when the stock was very bought into the company at a time when the stock was very low—as low as \$75 a share—and have seen their property rise in value more than fiftyfold, until to day the same shares are worth \$300 ms \$75 a share—and have seen their property rise in value more than fiftyfold, until to day the same shares are worth \$300 ms \$75 a share—and have seen their property rise in value more than fiftyfold, until to day the same shares are worth \$300 ms \$75 ms a share and not women. Very few of them, in the store winds and are among the most cultured and delightful people in the world, and any of them are interested in "all good works." It can almost have ontributed more liberally to the education and the store windows, mo good society. So the owners their own money comes first, so the owners with the store windows, mo good society. So the owners with only one of the important mill managers who lives in Lawrence. The others live in the beautful, peaceful town of Andover or elsewhere out of the off where wello-do citizens of the wello-do citizens of the two wello-do citizens of the wello

Mr. ASHURST obtained the floor.

Mr. GALLINGER. Mr. President, will the Senator from

Arizona kindly yield to me for one moment?

The VICE PRESIDENT. Does the Senator from Arizona yield to the Senator from New Hampshire?

Mr. ASHURST. I do so very cheerfully.

Mr. GALLINGER. Mr. President, in the near future I shall discuss this question at considerable length. I only wish now to say that the death rate in Lawrence, Mass., is much lower than the death rate of the District of Columbia. I want also to say that the average death rate from tuberculosis in the great textile manufacturing cities of New England is less than the average death rate of the New England States, including the country towns. So such statements as have been read, which have been written for a purpose, are not correct.

I thank the Senator from Arizona for his courtesy. Mr. ASHURST. Mr. President, I shall occupy but a very few moments, and I address the Senate at this time because the able and illuminating speech of the Senator from South

Carolina [Mr. SMITH] seems to make the remarks which I have now to deliver particularly appropriate. I wish further to say that if, during the delivery of my remarks, it should occur to any Senator that my line of reasoning is incorrect or that my historical references are inaccurate, I shall very cheerfully welcome interruptions, for no one is more desirous of being correct and having inconsistencies and inaccuracies, if any there be, pointed out than am I. So I premise my remarks by saying that I shall be pleased to have any interruptions made which any Senator may see fit to make.

Mr. President, a local newspaper, the Evening Star, if I remember correctly, once said that "The high-tariff speech a Senator makes lives after him, but the low-tariff speech he makes is oft interred with his bones." There is a vast deal of history summed up in that paraphrase, but I doubt if it contains

much of prophecy.

The opponents of the pending tariff bill seem to predicate their gravest objections to it, and appear to base their most serious epposition to it, upon the ground that in drafting the bill the Democratic Members of the Senate and House did not afford the highly protected industries of the country an opportunity to thwart the will of the people, deprive them of the fruits of their justly earned victory in the recent election, allow these highly protected industries further to exploit the people, and continue to fatten on unearned increments. In other words, the chief ground of objection which the Republican minority present to this bill is that this minority were not allowed to write the bill. The Republican minority—and I say nothing with disrespect or unfriendliness-has filled the circumambient atmosphere with lugubrious jeremiads-with mournful, doleful complaints—because the Democratic majority did not violate its pledged word to the American people and hand over to this Republican minority the great duty of writing this bill. The Democrats in Congress were commissioned by the American people at the last election to perform this function of revising the tariff downward, and it would have been the part of political treachery for the Democrats of the Senate to have evaded the issue.

To some persons tariffs seem to be insoluble mysteries, abstruse cryptograms, and it is my opinion that some of our tariff barons and their apologists have adopted a policy of mystifying the tariff question by muddying and darkening the situation as much as possible to shut out the light.

Jean Baptiste Colbert defines a tariff to be "an art of taxation which consists in so plucking the goose as to obtain the largest amount of feathers with the least possible amount of squawk-

ing."

A tariff may be imposed solely for and with reference to the production of revenue (called a revenue tariff or a tariff for revenue), or for the artificial fostering of home industries (a protective tariff), or as a means of coercing foreign Governments, as in the case of retaliatory tariffs intended to compel the grant of reciprocity privileges. In United States history the most important tariffs are: The high protective tariff of 1828, called by its opponents "the tariff of abominations," which led to the nullification movement; the tariff of 1833, known as the "compromise tariff," introduced as a compromise measure by Henry Clay, which provided for a gradual reduction in the duties year by year until 1842, when they should stand at 20 per cent as a horizontal rate; the Walker tariff of 1846, framed by Robert J. Walker, then Secretary of the Treasury, which modified the protective duties and grouped articles into various schedules at different rates, all of the articles in each paying the same rate; the Morrill tariff, introduced by Justin S. Morrill, which increased the duties on iron and wool, substituted specific duties for ad valorem duties, and in general fixed rates somewhat above those of 1846. Since the Morrill tariff a high protective tariff has been maintained most of the time. The McKinley Act of 1890 raised duties to a high point. The Wilson Act of 1894 was a miserable pretense and the act was denounced as a piece of "party perfidy and national dishonor," although it lowered duties in many lines, and the suspicion has been created (unfounded, of course) that some of the antagonism displayed by the Republican minority against the pending bill arises from the chagrin and disappointment experienced by the minority over the fact that the Democratic majority has not repeated the performance exhibited with reference to the Wilson bill. Dingley Act of 1897 in general increased duties, and finally came the act of August 5, 1909, known as the Payne-Aldrich law, whose indefensibly high rates of duty hurled the Republican Party from the lofty eminence upon which a succession of dazzling victories had placed it to the lowest depths of political disaster.

The subject of revenue was a vexatious one in the time of the United Colonies and of the United States under the Articles of

Confederation. Until 1789 the various States controlled the imposition of customs duties. Each State that had a seaport applied its own tariffs and no two tariff schedules were alike. Protection was begun in the first tariff act whose object, said its preamble, inter alia was "the encouragement and protection of manufactures."

The tariff bill of 1789 was the first matter debated in the Committee of the Whole in the first House of Representatives. James Madison, who introduced the subject, was then in the early maturity of a life of much usefulness. His wisdom as a counselor, and his superiority as a draftsman of laws and constitutions were everywhere recognized. He said, among other things, in his speech of April 8, 1789, "A national revenue must be obtained, but the system must be such an one that while it secures the object of revenue it shall not be oppressive to our constituents," and he urged the collection of this national revenue without oppression upon the people. The next day the general discussion began and Mr. Fitzsimmons, of Pennsylvania, whose father-in-law, Robert Meade, was at that time the richest man in Philadelphia, stated that he extended his views further than the other speakers, and among other observations, he stated that the duties should be calculated to encourage the protection of our infant manufactures. Here we see a line of division drawn by a Pennsylvania hand. Madison had proposed revenue as the chief object, and Fitzsimmons, the Pennsylvanian, suggested protection as the chief object. So the tariff bill of 1789 was approved on July 4. One of its objects, I repeat, according to the preamble, was the "protection of infant industries." Inasmuch as many of these industries have been protected ever since that date it would seem, as was well said by the Senator from Montana [Mr. MYERS] and the Senator from Kentucky [Mr. James] in their recent speeches in the Senate, that these infants by this time should be old enough to wean. Suckling calves, however, never wean themselves; when you attempt to wean a suckling calf it bellows, and the longer its weaning is postponed and the larger it grows, the louder it will bellow, and thus these protected industries are to-day, just as they were on July 4, 1789, an "infant mewling and puking in the nurse's arms" and still bellowing lustily for protection.

During the past six months, however, it has frequently been stated that a number of highly protected industries were not especially complaining at this time over the fact that they are no longer to have special favors in the way of tariff bounties. If they have ceased complaining it is probably because they are similar to Joseph Addison's valetudinarian, who continued to complain that he was dying of starvation until he became so corpulent and healthy that he was shamed into silence.

We have all read history, and we remember the description of the system in vogue in England in the seventeenth and eighteenth centuries, where the Government exchanged earl-doms, dukedoms, and estates for votes. We have read with We have read with shocking amazement of the avarice of the Duke of Marlborough, who for gold and power, without scruple and without shame, betrayed both the exiled and the reigning monarch. We have read of the sordid rapacity of Seymour, Leeds, and Sir John Trevor, but their raids upon the earnings and revenues of the people were tame and prosaic when compared with the spolia-tions committed by some of the tariff laws in United States

Some tariff beneficiaries pretend and profess to look upon the protective system with veneration, and resent any suggestion of tariff reduction with simulated indignation and affected alarm. Year in and year out, campaign after campaign, they have held out the delusive hope that if the voters will sustain a protective tariff system every person would eventually reach the goal of unlimited prosperity; but there is no parallel in American history where promises have been so prolific but so barren of performance.

The early history of the United States conclusively shows that all, or nearly all, of the public men of the various political parties looked upon the protective system as temporary only and never contemplated that the protective tariff would remain a permanent system in this Government.

In 1833 Henry Clay said:

Give time, cease agitation for nine years, and the manufactories in every branch will sustain themselves against foreign competition.

In 1840 he said:

No one in the commencement of the protective policy every supposed that it was to be perpetual. We hoped and believed temporary protection extended to our infant manufactories would bring them up to enable them to withstand competition with those of Europe. If the protective policy should cease in 1842 it would have existed 26 years from 1816, 18 years from 1824—quite as long as at either of these periods its friends supposed might be necessary.

Mr. Vice President Dallas, in casting the deciding vote upon the tariff act of 1846, explaining his vote, said:

For more than 30 years the system of high taxation has prevailed with fluctuations of success and failure. It ought to be remembered that this exercise of the tax power was originally intended to be temporary, the design having been to foster feeble infant manufactures, especially such as were essential to the advance of the country in time of war. These industries, starting as saplings, have taken root and become vigorous, expanding, and powerful, and are prepared to enter the field of fair, free, and universal competition.

In 1864, referring to the tariff bill then under discussion, Senator Morrill, of Vermont, said:

This is intended as a war measure, a temporary measure, and we must give it our support.

In 1890 Secretary of Agriculture Rusk, in the Harrison Cabinet, speaking in reference to the sale of agricultural machinery to foreign farmers and wheat growers at less money than they are sold to the American farmer, said:

This will not do, and I need not offer any argument to prove the weight of the truth of the assertion. The first thing the farmer will do when he is acquainted with the facts will be to make a howl against the trusts and protection that does not protect.

Senator Edmunds said:

In the main, all these taxes come out of the consumer.

In 1899 Gov. Mount, of Indiana, said to the Republicans:

Remove the protection from the articles controlled by the trusts, thereby permitting open competition, and see how quickly these trusts will come to their senses.

Horace Greeley, in his Political Economy, says:

Horace Greeley, in his Political Economy, says:

Whoever will consult Alexander Hamilton's report on manufactures, the writings of Matthew Carey, Hezeklah Niles, and others, with the speeches of Henry Clay, Thomas Newton, James Todd, Walter Forward, Holand C. Mallary, and other forensic champions of protection with the messages of our earliest Presidents—Washington, Adams, Jefferson, Madison, Monroe, and Jackson—and the messages of Govs. Simon Snyder, George Clinton, Daniel D. Tompkins, De Witt Clinton, and others can not fail to note that they champion not the maintenance but the creation of home manufactures. When transportation was expensive, money high, markets local, manufacturers were given temporary protection to offset these conditions, but at no time was the measure considered permanent and to be indefinitely extended for the benefit of well-developed industries.

Starting with premises of which there may be no dispute, we have only to be careful of our steps to reach a conclusion of which we may be absolutely certain, and we may test problems

by analyzing, separating, and combining them.

Every political truth must of necessity be a moral truth. would be a bold man who would say that a protective tariff—which taxes the many for the enrichment of the few—is a moral truth; yet if such a protective tariff is not a moral truth, it is not a political truth.

Every person is by intuition a fairly good political economist, especially as it relates to his own income, and it does not require familiarity with calculus or the Euclid for a man to ascertain whether he is growing richer or growing poorer. Every housewife knows that she does not grow richer when she is required to pay \$1.92 for \$1 worth of sugar, as she is required to do under the Payne-Aldrich tariff bill. The farmers of the Nation are quite accurate reasoners, and it does not require a labored speech or the services of an analyst to convince the farmer that he is not growing richer by being required to pay \$120 for \$100 worth of farm implements.

It has been stated in the Senate that "the proposed tariff bill bears the birthmark of ill will against the American farmer." Consider, for instance, sewing machines. I presume that in nearly every farmhouse of this Nation there will be found a sewing machine. Under the Payne-Aldrich bill when the farmer purchased \$100 worth of sewing machine he received \$70 worth of sewing machine and \$30 worth of protec-Under the pending bill when the farmer pays \$100 on sewing machines he receives \$100 worth of sewing machine. Is this an evidence of ill will? Under the Payne-Aldrich bill, when the farmer paid \$100 on agricultural drills, mowers, horserakes, and so forth, he received \$85 worth of agricultural drills, mowers, horserakes, and so forth, and \$15 worth of protection. Under the pending bill it is proposed that when an American farmer pays \$100 for agricultural implements he will receive \$100 worth of implements. Is this an evidence of ill will? The distinguished Senator from Minnesota [Mr. Clapp], during the course of his able speech in the Senate on August 13, said:

Last summer, I think it was, the gentleman who was conducting Mr. Taft's campaign issued a statement to the people of the country in which he showed the total amount of tariff revenue received at the customhouses of the Nation. I do not just recall the figures, I seems to me it was about \$500,000,000, which, divided by the accepted population of the country, left something like \$7 or \$8 to each individual; and he closed that statement with the suggestion: "Is there any patriotic citizen who would object to contributing seven or eight dollars a year toward the unparalleled prosperity of the United States?"

Every Republican, every Progressive, and every Democrat ridiculed the idea that a man in this day and age could force upon the American

people a belief that the only tax they bore by reason of a protective tariff was the tax paid at the customhouses. His statement was attacked from one end of this country to the other, and especially by our Democratic friends, and justly attacked. It was, sir, almost an insult to the intelligence of the American people to try to make an American citizen to-day believe that his only contribution under the protective tariff upon competitive articles, and they must be competitive if they are protected, is the little pairry sum that is collected at the custom-houses.

Four years ago, I think it was, sitting here in my seat, I listened to an argument from the lips of the senior Senator from Georgia [Mr. Bacon], in which he went on and gave the figures to show the vast sum that private individuals and corporations collected from the people through a protective tariff as against the small sum that the Government received from the protective tariff at the customhouses.

Without further taxing the patience of the Senate, I ask unanimous consent that I may here insert a table which I have prepared showing a list of some articles used on farms, with the rate of duty under the Payne-Aldrich tariff bill and the rate of duty under the proposed law.

The VICE PRESIDENT. Is there any objection? The Chair

hears none.

The matter referred to is as follows:

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Mr. SMOOT. Mr. President, does the Senator believe the duty that is imposed upon sewing machines is added to the retail price that the consumer pays for a sewing machine?

Mr. ASHURST. I believe the user—the consumer—pays the tax

Mr. SMOOT. Then I should like to ask the Senator how it could possibly be, when a \$65 sewing machine is sold to the people of his State never costs more than \$11.72 to make in this It would be impossible for 30 per cent duty on a sewing machine, if it did not cost any more in the foreign country than it did here, or if it cost as much, to amount to more than \$3.30, and with the \$11.72 and the \$3.30 added it could not possibly cost, landed in this country, more than \$15. Yet the Senator knows that those same sewing machines sell to the people of his State for \$65. It is not the tariff that makes the difference; it is the expensive way of distributing goods in this

I want to say very frankly to the Senator that the only reason I advocate a duty upon sewing machines is to compel the Singer Sewing Machine Co., which controls the great bulk of the sewing machines manufactured in this country, to make them in this country. It is not to protect the company. It is not because of the fact that the ultimate consumer is going to buy his machine for a cent less or pay a cent more. But with a product of that kind and a great company like the Singer Sewing Machine Co., if we had free entry of sewing machines to-day, I have not the least doubt but that they would increase their plants in Scotland and in France and in different foreign countries and make sewing machines there for the American trade.

It is for that reason that I believe in a protection on sewing machines-to compel that company and similar companies that control the production of that class of goods to make them in this country and give employment to American workmen, rather than employment to foreign labor.

Mr. MARTINE of New Jersey. Mr. President, will the Sena-tor from Arizona yield to me for just a moment?

Mr. ASHURST. Yes; I yield.

Mr. MARTINE of New Jersey. In answer to the criticism of the Senator from Utah with reference to the Singer Sewing Machine Co., I wish to say that I feel that I know something of the situation. He says: "Compel the Singer Sewing Machine Co. to manufacture in this country." The Singer Sewing

Machine Co. do manufacture in this country very, very extensively

Mr. SMOOT. Certainly. Mr. MARTINE of New Jersey. They have a plant at Elizabeth, N. J., in which I passed a good part of my life, in which they employ over 7,000 hands. For many years it has been told us in Elizabeth, in each campaign, by the owners or their agents—I have stumped under the shadows of their factories hundreds of times—that the high tariff was necessary in order to pay the wage to the laboring men. The fact is that within the past six months, since we have had under consideration the Democratic tariff bill which proposes to put sewing machines on the free list, the Singer Sewing Machine Co., instead of carrying their shops to Germany or to Scotland to manufacture, as has been threatened by many other concerns; or, as the Senator now says they will do, to Scotland, have laid out plans for an addition costing over \$1,000,000 and for the employment of over 5,000 men in that immediate vicinity. This has been done with the full knowledge of the fact that the bill making sewing machines free of duty was about to be passed.

This I know: They have appealed to the common council of the city of Elizabeth for the privilege of closing some streets in order that they may make further and greater extensions. I cite this as one of the notable examples—not like the Sharples Separator Co., of Pennsylvania, who, it is said, are going to Germany. This concern is going to stay. Its profits undoubtedly will be curtailed; but there is a rich field yet for the

Singer Sewing Machine Co.

Mr. SMOOT. The Senator certainly must have misunderstood what I said, or he would not have made that statement in answer to what I did say.

Mr. MARTINE of New Jersey. I understood the Senator to say that they would manufacture in Scotland. Did he not say

Mr. SMOOT. They are manufacturing in Scotland, as I stated.

Mr. MARTINE of New Jersey. Of course they are,

Mr. SMOOT. And they are manufacturing their machines in France now, and I understand they are going to manufacture them in Russia.

Mr. MARTINE of New Jersey. I do not know about Russia. Mr. SMOOT. So I understand. I understand, also, that they are going to manufacture their machines in Germany. I said was that I would favor putting a duty upon sewing machines for the purpose of compelling them to be made in this country. I am fully aware of all the Senator has said in relation to the great number of people employed by the Singer Manufacturing Co. I know they are located at Elizabeth, N. J. I know they have a wonderful plant, and I want to see them increase that plant. I want to compel them to have the sewing machines sold to the people of this country made by laborers in this country.

The Senator must know that if we have free trade in sewing machines, and the Singer Sewing Machine Co. have a plant in Scotland and a plant in Germany and a plant in France, if anything should occur here in the way of a dispute between themselves and their employees, and the employees demanded

an increase of wages or a shortening of hours——
Mr. MARTINE of New Jersey. They have demanded an increase of wages, and the labor organizations of the county of Union and the city of Elizabethport compelled the company

to increase them.

Mr. SMOOT. I should be glad if the Senator would wait until I get through. Suppose the employees demanded an increase of wages and shorter hours. The State of New Jersey could not compel the Singer Sewing Machine Co. to run their plant.

Mr. MARTINE of New Jersey. We realize that. Mr. SMOOT. Then, if they had free machines, they could say to the workingmen of this country, "You can strike, and we will close up here, and we will manufacture our goods in Scotland, in Germany, and in France." The only difference would be the cost of transportation, which is a mere bagatelle.

Mr. MARTINE of New Jersey. They do that even to-day; but whether they do or whether they do not, I say sewing machines are a necessity for the housewives. They are a necessity for the thousand and one little homes throughout the length and breadth of our land. If a tyrannical, arbitrary, wealthy corporation will pursue such high-handed methods as those, then I say God speed the day of the open door.

Mr. SMOOT. Mr. President, the Senator certainly must have misunderstood me if he thought I said anything intimating that sewing machines are not a necessity and are not used by the

poor people of this country.

Mr. MARTINE of New Jersey. Oh, no; I do not think the Senator said that.

Mr. SMOOT. Just a minute, and then I will not take any more of the time of the Senator from Arizona.

Mr. MARTINE of New Jersey. I ask the Senator's pardon. Mr. ASHURST. Of course I yield, but I wish to conclude the

discussion as soon as possible.

Mr. SMOOT. Then I will surrender the floor. Mr. ASHURST. I wish the Senator from Utah to understand that I will yield to him now if he wishes me to do so, but I do not want my speech to consume too much time. I trust he will not feel that I have attempted to cut him off.

I do myself no injustice when I say that I feel presumptious in placing my experience with, and my study of, the tariff question against his. But, limited as my experience and observations are upon the subject, I nevertheless have some very

definite views.

I call the attention of the distinguished Senator from Utah to the fact that sewing machines manufactured in Connecticut, and selling in the United States to the American housewife for \$40, sell abroad for \$20 and \$15, just as McCormick reapers manufactured near Chicago sell for much less than the American price in cities in the southern part of Russia, and just as the steam shovels and steam plows that are manufactured in Pennsylvania sell in Egypt and South Africa for much less than they do at home.

Mr. SMOOT. I was going to answer the question of the Senator as I have certain figures here upon that very subject, and I could give the answer at this time, but I shall not intrude

any longer upon the Senator.

Mr. ASHURST. To resume, Mr. President, the tariff, in my judgment, affects the earning capacity of a man; it enters into the expenses of the home builder and the housekeeper; the prices of the children's clothing from hats to shoes are fixed and determined by it; and therefore it is of the utmost importance that husbands and wives, fathers and mothers, should acquaint themselves as fully as possible with the subject.

During the past 40 years the protected interests of this country, with marvelous success, have deluded the public into accepting and believing the ridiculous and false proposition that low tariffs bring low wages and that high protective tariff schedules bring high wages. Nothing could be falser or further from the

Tariffs are levied for revenue or for protection. Sometimes for both. Revenue tariffs contemplate the bringing of goods into the country. Protective tariffs contemplate the exclusion of goods, and are therefore always higher than revenue tariffs. Under a protective tariff the domestic manufacturer, with a monopoly in the home market, by adding the amount of the duty to the prices of his goods, forces the consumer to pay more for the goods than he—the manufacturer—could sell them for in an open, competitive market. Hence when tariffs are high the consumer pays all the goods are worth, plus the amount of the tariff, and in this way the consumer becomes a contributor out of his earnings and savings to the enormous profits of the trusts and protected industries.

Did you ever hear of a protected industry raising wages be-cause the tariff increased its profits? Never. On the contrary, as has been pointed out so specifically by the Senator from South Carolina [Mr. SMITH], the American workman is compelled to throw his labor into an open, unprotected market and compete with the cheap European and Asiatic laborers who come here. The captains of these great protected industries have a maxim which is as follows: "We buy our labor where we can get it the cheapest." And then these captains of industry, while selling goods at protected prices and while bringing the cheapest labor of the world into competition with the American workman, have the effrontery to say that high-tariff schedules

protect American labor.

The system of tariff for protection taxes the consumer and does not raise his wage, and the fictitious prices of goods, under the tariff's operations, are obtained by the false pretense of protection to labor.

The tariff baron is privileged to buy labor in the open market, and then, under the thin disguise of protecting labor, he sells

his product to the people at enormous prices.

I now ask that an article from the Albany Times-Union, en-titled "The Impossible Man," be read at the desk at this time

as a part of my argument.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Secretary will read as requested.

The Secretary read as follows:

[From the Albany Times-Union.] THE IMPOSSIBLE MAN.

That American Woolen Co., at Lawrence, Mass., which recently settled a strike in its mills, triumphantly announces that it gives work to 30,000 employees and has an annual pay roll of \$13,000,000.

Let the reader "make believe" that he is an average one of the 30,000.

Then, you receive for a year's work \$433.33. Let's see what you can do with your money, presupposing that you are really willing to get along with the cheapest things. Now, the figures we are going to give are estimates based on average prices in various localities, and the quantities named will vary, too, according to localities, so that these figures will be most satisfactory to the reader if he compares them with what he knows about prices and quantities from his own experience.

Cost of clothes per year: Hats, \$2; two suits, \$25; three pairs of shoes, \$9; overcoat, \$10; three suits of underclothes, \$4; six shirts, \$5; 10 pairs of stockings, \$2; hedelothes and laundry, \$52. Total, \$109.

Cost of food per year: Three loaves hread per week, at 6 cents, \$9.36; 4 pounds meat per week, at 15 cents, \$31.20; 8 pounds potatoes per week, at 6 cents, \$24.96. Total, \$65.52.

Cost of other things per year: House rent, at \$8 per month, \$96; water rent, at 50 cents per month, \$6; fuel, at \$3 per month, \$36. Total, \$138.

Grand total, \$312.52. Income, \$433.33.

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Grand total, \$312.52. Income, \$433.33.

Glory hallelujah! There's \$120.81 to put in the bank! "Do not spend all your income" is printed in big type on the back of the pay envelopes of the American Woolen Co., and, praise be, we've just figured out how we can put \$10 per month in the saving bank! But, wait a minute. Let's see what sort of a workman, what sort of a citizen of the United States we've created in this imaginary fellow.

First, he is a single man. He is ruined if he marries, damned to everlasting retrogression and misery if he has children. Therefore, while he may be the very sort of fellow the woolen company wants, he is not the sort of fellow that the United States wants.

Secondly, our imaginary workman has no collars, neckties, handkerchiefs, rain coat, rubbers, or umbrelias, and never shaves or bathes, for we've not put the cost of these things in our list. Forsooth, our imagination has created an habitual slouch citizen. He never rides on a street car, never goes to an amusement, never buys a book or a flower. He is just a working fellow without ambition or self-respect, and hence a poor animal.

Thirdly, we have created an impossible man. We make him deny himself tobacco, coffee, milk, tea, pickles, preserves, pastry, and condiments of every sort. He never has to have the services of doctor or dentist. He does his own cooking and housework.

But the American Woolen Co. will say there's the \$10 he's saving monthly. He is one of our contented workmen. We like his sort. Let's see.

Let's see.

Living the dog's life we have pictured, he has got to save for nearly three years to be able to live one year when accident, old age, or the wear and tear of just bread, meat, and potatoes, or disease, knocks him down. Else somebody else must support him finally.

Thirty thousand employees at Lawrence up against a proposition that is an impossibility to them and which means to the Nation race suicide and impoverished old age! Some time our people will seriously and enthusiastically promote the policy of a minimum wage, under which hopelessness must give way to opportunity, to progress, through which men can rise from the condition of confirmed beasts of burden to valuable and valued citizenship.

Mr. THOMAS. Mr. President-

The VICE PRESIDENT. Does the Senator from Arizona yield to the Senator from Colorado?

Mr. ASHURST. I do. Mr. THOMAS. It seems to me to be quite appropriate in this connection to refer to the report of the Massachusetts commission, I think, for 1911, about the time of the Lawrence troubles, which, among other things, recites:

If an industry is permanently dependent for its existence on under-paid labor its value to the Commonwealth is questionable,

Mr. GALLINGER. Would the Senator from Arizona kindly tell us precisely the comforts that same man probably got in his own country before he came to America, when he was getting less than half the wages that are paid here?

Mr. ASHURST. With all respect to the Senator, it is not a question of the wage he received in his own country before he came here. The question is, What do they get here and whom has he displaced by coming here. What American workman

has he displaced by coming here?

Mr. GALLINGER. Mr. President, that point has been discussed so often that I will not impose upon the courtesy of the Senator to restate it beyond saying that he has not displaced anybody. The Americans in New England are employed. They would not take employment in the mills if they had an opportunity. They can do better. The foreigners coming here to better their condition are given employment in the mills. a very low grade of labor, and they are getting more than twice what they received in their home countries.

Mr. ASHURST. The difficulty, Mr. President, is that some captains of industry persist in treating labor as a commodity. just as they treat coal, iron, and wood as commodities. Some captains of industry forget that labor is human and also that it must be housed, fed, and clothed, and its material and its idealistic wants and desires ministered to as well. Labor may

be a commodity, but it is human also. Mr. WEEKS. Mr. President

The VICE PRESIDENT. Does the Senator from Arizona yield to the Senator from Massachusetts?

Mr. ASHURST. I do.

Mr. WEEKS. I perhaps did not get the full import of what the Secretary has just read, but I caught something about the wages paid by the American Woolen Co. and the savings in the savings banks in the city of Lawrence. I am led to remark that the wages paid in the woolen industry of Massachusetts are higher than the wages paid in that industry anywhere else in the United States or in the world, and that those 30,000 work-

men in Lawrence, to whom I heard the Senator from Arizona refer just now, have more money in the savings banks per capita in the aggregate than probably all the people in Arizona put together. They certainly have \$325 per capita at least in the savings banks of Lawrence, and they had at the time of the strike to which reference has been made.

Mr. ASHURST. Mr. President, one of the excellent features of the pending bill is that an effort has been made to place as many rates of duty as possible upon the ad valorem principle. The specific-duty system tends to disguise and conceal the true character and burden of the tariff, and thereby to keep the consumer, who pays the same, in the dark as to the precise amount of money he pays. There is fundamental merit in the ad valorem principle feature, for it tends sharply to bring to the attention of the people the fact that they furnish the money which the Government spends.

One of the wise, equitable, and just features of the pending bill is the income tax feature. It will be remembered that some 17 years ago the income tax was decided to be unconstitutional, but the people of the United States recalled that decision through the medium of an amendment to the Constitution of the United States, and this Congress is now enabled to lay a tax on incomes. The income tax is a much fairer manner of raising revenue than by tariff tax, and its directness will in all probability tend to educate us to a less extravagant idea of national expenditures.

Many criticisms have been directed against this pending bill for the alleged reason that it will injure many American indus-tries. In reply the Democratic Party says: "We envy no man what he makes: we only challenge what he takes.'

Some criticisms have been made of the President because of his earnest desire that his party shall observe the promises made in its recent national platform; but in spite of criticism, the Democratic Party, under the leadership of President Wilson, has again become a living rampart of civic freedom.

His administration is now approved by the vast majority of American citizens, and the historian will write it down as an excellent, useful, and honorable portion of the history of this Republic, for it stands to-day the impregnable bulwark of the liberty of the people, a barrier against the insidious encroachment of special privilege.

I ask permission that I may include in the RECORD, without reading the same, as a part of my remarks, an article entitled "The plot against cheap sugar," by James Creelman, which I have clipped from Pearson's Magazine.

The VICE PRESIDENT. Is there objection? The Chair

hears none.

The article referred to is as follows:

THE PLOT AGAINST CHEAP SUGAR.

(By James Creelman.)

(By James Creelman.)

It is only a few weeks since Dr. Wiley, the burly hero of the fight for pure and honest food in America, stood among hundreds of banqueters in one of New York's great hotels and, with upraised hands and flashing eyes, declared that the real prosperity of a people should be judged largely by the average quantity of sugar they consumed.

As the Government's great food expert uttered this thought a roar of applause burst from representative men drawn from all parts of the American Continent.

One of the most amazing things about the struggle to reduce the cost of living in the United States by lowering the tariff on foods is the small attention given to sugar, which is not only the great luxury of the poor but a substantial and nourishing food that offers relief from the high prices of meats, butter, and other common means of life.

The great cane-sugar trust known as the American Sugar Refining Co., and its army of lawyers and lobbyists, used to fight both openly and secretly for the removal of the heavy customs tax on raw sugar, and Henry O. Havemeyer, the enmillioned despot of the refining industry, who taxed the food of the Nation with almost governmental powers, would lay his hand on his breast, roll his shifty eyes upward, and say that the tariff was the mother of trusts.

That was when the cane-sugar trust was trying to throttle the competition of the beet-sugar industry in the West. But since the cane-sugar trust has bought practical control of or made combinations with enough of its former rivals to dominate 64 per cent of all the beet-root sugar made in the United States the cry for free sugar has been abandoned and a singular and significant silence has followed—not a silence altogether, for the spokesmen of the trust, having secured ownnership of 41 per cent of the stock of the principal beet-sugar companies, now speak with emotion of the interests of about 100,000 persons, a large pare of them Asiatics and illiterate European immigrants, engaged in growing cane and sugar beets in

duties levied on other things.	Duty.
SugarPer cent	78, 87
Champagnedo	70
Automobilesdo	45
Fursdo	50
Wheatdo	30 15
Paintings and statuarydo	10

Yet this increasonable tax on sugar, which is collected on the meals of the whole American people three times a day, at a time when the

cost of living is almost intolerable, does no good to American farmers, who get no more for their beets from the greedy refiners than is paid to the beet growers of Europe, where the standard and expense of life is so very much less.

One authority estimates that with the duty on raw sugar removed the Nation would at once be relieved of a tax of \$150,000,000 a year on its food. Another authority, taking the average duty on all raw sugars to be only \$1.41 a hundred pounds, figures the lessened cost of free sugar to the people at more than \$110,000,000.

Whatever difference there may be in reaching a reliable average in the varying duties on raw sugar, it is quite certain that if sugar were free from import taxation the American housewife could buy from a quarter to a third more sugar for the same price, and this without disturbing the present profits of the cane or beet growers or the retail dealers.

disturbing the present profits of the cane or beet growers or the retail dealers.

Think of the morality of a national policy that taxes sugar 78 per cent of its value while laying a tax of only 15 per cent on paintings and statuary and 10 per cent on diamonds.

Small wonder that a beet-sugar refinery, protected by the abnormal sugar tariff, can pay enormous profits—41 per cent of which goes to the American Sugar Refining Co., which virtually controls both the cane and beet sugar industries—while the farmer who grows beets gets only about \$5 a ton for his product, barely enough to support life and sometimes less than the cost of production, and the grocer has to sell sugar almost without profit.

The slightest investigation of the facts shows how greatly the excessive and unnecessary duty on sugar has contributed to the shameful food tragedy of America. Greed and corruption have inspired and controlled governmental policies, while statesmanship has been blind, helpless, or complaisant.

#### THE CONTROL OF SUGAR.

The controlled governmental policies, while statesmanship has been blind, helpless, or complaisant.

THE CONTROL OF SUGAR.

Think of taking \$110,000,000 or \$150,000,000 a year from the American people—and the sugar tax bear relatively more on the poor than on the rich—for the sake of a handful of financial promoters and refiners. Consider the infamy of a food tax nearly twice as high as the tax on automobiles and nearly eight times higher than the tax on diamonds.

On diamonds.

The consider the financy of a food tax nearly twice as high as the tax on automobiles and nearly eight times higher than the tax on diamonds.

The processes are simple and comparatively inexpensive, in spite of the sattempt to make them appear complex and costly.

For many centuries the sugar-making industry was confined to attempt to make them appear complex and costly.

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For many centuries the sugar state of the sattempt of th

Although there is a slight chemical element in sugar refining, the industry is an almost purely mechanical one. In a high-grade modern refinery little human labor is required. The principal work is done by

refinery little human labor is required. The principal work is done by machinery.

The tremendous bearing of the abnormal duty on raw sugar on the daily life of the American people may be partially understood by the testimony of Claus A. Spreckels, president of the Federal Sugar Refining Co., an independent organization, who informed a congressional committee that the duty on raw sugar increased the price of sugar to consumers in the United States about 2 cents a pound.

This would mean an extra and unnecessary cost of more than \$150,000,000 on the 7,504,795,200 pounds of sugar consumed in the country in 1910. It may be that Mr. Spreckels's estimate of the average duty on raw sugar was too high, and that, assuming the lowest average rate of duty, the extra burden borne by the people in 1910 was nearer to \$110,000,000.

But the vital thing to remember is that only part of this enormous sum, so wrung from the masses, goes into the National Treasury. Nearly all the rest of it goes into the pockets of the sugar refiners, controlled by a few multimillionaires.

The sugar tax grinds hard on the poor. Stale bread may be made into puddings with the help of sugar. Sweetened rice may enrich the humblest meal. The broken fragments of coarse fare, the leavings and pickings, may be turned into palatable dishes, with the addition of sugar. A few handfuls of flour, with a little sugar, may be transformed into cake and, with the cheapest fruits, into pies. Coffee and tea become luxuries when flavored with sugar. The candy consumed in the United States every year, mostly by the working masses, costs \$500,000,000. Nine-tenths of this candy is of the cheaper sort used by those of limited means. With sugar or sirup pancakes are a Joy. Sugar refines and bewitches porridge and corn mush. Even a slice of bread becomes an enchanted thing when sirup or molasses is poured over it.

Sugar refines and bewitches porridge and corn mush. Even a slice of bread becomes an enchanted thing when sirup or molasses is poured over it.

It is the poor, above all, who feel the weight of the duty imposed on sugar, for it touches their necessities morning, noon, and night, and every day in the year; and such a tax on food, maintained year in and year out, reminds one of the intolerable food conditions in England of which Buckle wrote:

"It is now known that marriages bear a fixed and definite relation to the price of corn; and in England the experience of a century has proved that, instead of having any connection with personal feelings they are simply regulated by the average earnings of the great mass of the people; so that this immense social and religious institution is not only swayed, but is completely controlled, by the price of food and by the rate of wages."

With free sugar the fruit growing and canning industries of the country would be greatly stimulated. When there is a great crop of strawberries, peaches, apples, cherries, or any other fruits that lend themselves to preserves, jams, and jellies, and when these wholesome fruits are so cheap that the poorest may buy them, a large part of the crop perishes in decay because the price of sugar is too high to permit families of limited means to make preserves or jams. This is a common form in which great losses are inflicted on the people generally and upon fruit growers particularly. The professional preserving industries of the United States use more than 240,000 tons of sugar a year. It is estimated that the preserving done in homes uses three times as much as the factories. The enormous annual losses inflicted in this way upon the fruit growers of the country, to say nothing of the deprivations suffered by the consuming public, cught to be sufficient to arouse general attention to the destructive character of the excessive duty on sugar and the direct economic and social disaster which it works.

The shameful character of this high tax on impo

to arouse general attention to the destructive character of the excessive duty on sugar and the direct economic and social disaster which it works.

The shameful character of this high tax on imported raw sugar was shown only a few months ago, when the beet-sugar refiners deliberately robbed the American people of at least \$10,000,000 in a single season by an unjustified advance in prices under cover of the tariff on raw sugar. This is the sober truth.

The growing European beet-sugar crop of 1911 indicated a marked shortage. In addition to this, there was a shortage of 300,000 tons of raw cane sugar in Cuba. In consequence of this, the price to the refiner of imported raw sugar advanced almost 2 cents a pound. The retail price of refined cane sugar advanced from an average of 5 cents a pound to nearly 8 cents a pound.

Now, this had nothing to do with the beet-sugar refiners. Out of the 3,500,000 tons of sugar consumed in the United States, the beet-sugar refiners furnished less than 500,000 tons. These refiners were not in any way affected by the advance in the price of imported raw sugar. They paid no more for their beets than before. They gave the farmers the smallest price at which they would consent to grow beets. There was no reason why they should have advanced prices. The cost of producing beet sugar was just what it had been, neither more nor less. Yet, as soon as imported cane sugar—which had to pay a heavy duty in addition to the advance in price—rose to nearly 8 cents a pound at retail, the beet-root sugar refiners, acting in concert with the powerful American Sugar Refining Co., in cold blood increased the price of beet-root sugar to just a fraction below the staggering price of cane sugar. The extra prefits extorted from the American public by the beet-sugar refiners in that one campaign are moderately estimated at about \$10,000,000; and in the face of spoliation like this, without the slightest benefit to the farmer who grew the beets, the Sugar Trust lawyers will tell you that the immense duty

independent refiners, has taken the matter up, puts the case in this way:

"The excessive profits made possible by our high tariff are obtained in refining and not in cultivating sugar beets.

"Evidence of this is found in the fact that the total capitalization of the domestic beet-sugar factories exceeds \$100,000,000, and, as stated above, they produced only 450,595 tons of sugar. A cane-sugar refinery, located in New York, with \$10,000,000 capitalization, has a producing capacity of nearly 400,000 tons. This is sufficient to show that the domestic beet-sugar men have capitalized their ability to exact excessive profits from the consumer by reason of our high tariff, in fact they have capitalized the tariff.

"This contention is further supported by the fact that beet factories do not grow their own beets if it can possibly be avoided. They prefer to have the farmer do this part of the work, and then 'gerew' him down as much as possible on the price of sugar beets delivered at the factory. It is true that there are some factories that do cultivate some beets, but this is only done where it is found impossible to get farmers to grow them in sufficient quantities to supply the factory, or in the way of conducting experimental work."

It has been proved through the mouths of the ablest refiners that cane sugar, without paying duty, can be refined and sold at retail in

the United States at from 3½ to 3½ cents a pound. This price, of course, would be subject to fluctuations, upward and downward; but it represents a fair average. It has been shown also that well-managed beet-sugar refineries, established in sections where beets can be advantageously grown, rather than in neighborhoods not favorable to beet cultivation, could sell sugar at an equally low price and still make fair dividends on their invested capital. The tariff on sugar simply serves to keep up the Wall Street price of water securities at the expense of the American people as a whole.

Before 1887 there was free competition in the sugar industry of the United States. In August of that year Harry D. Havemeyer brought about a consolidation, in the form of a \$50,000,000 trust, of the 17 leading sugar-refining companies which controlled 90 per cent of the sugar industry and trade of the country. This conspiracy to secure a monopoly resulted at once in the dismantling and abandonment of the factories of the North River Sugar Refining Co.; the Dick & Meyer Co.; Moller, Sierck & Co.; the Oxnard Bros. Co.; Bay State Sugar Refining Co. In 1889 the factories of the De Castro & Donner Sugar Refining Co. and of the Havemeyer Sugar Refining Co., in Brooklyn, were also dismantled. The monopolies. under Mr. Havemeyer's ruthless leadership, went at their work boldly.

THE TRUST AND MR. ARBUCKLE.

The formation of the Sugar Trust resulted in mighty profits. Apparently the American public was at the mercy of Mr. Havemeyer and his fellow conspirators, for the independent refiners were in a weak position. But in 1890 the New York court of appeals declared the trust to be illegal whereupon Mr. Havemeyer had the combination reunited in the form of the American Sugar Refining Co., under the laws of New Jersey, with a capital stock of \$50,000,000, which was afterwards increased to \$75,000,000.

However, the work of completing the plot to control sugar and give the trust an actual power of taxing the people went on. The elder Claus Spreckels and two of his sons surrendered their refineries in California and in Pennsylvania to the sugar king. The Delaware Sugar House, the Franklin Sugar Refining Co., and the E. C. Knight Co. were captured and eliminated from the field. Presently the trust controlled 98 per cent of all the refined sugar made or sold in the United States.

It boots little to tell the story of alternate coercion, seduction, and double intrigue through which the monstrous sugar plot was realized by Mr. Havemeyer and his friends and hirelings. In those days Mr. Havemeyer was the loudest advocate of free raw sugar. His agents were everywhere pressing the fight for a reduction in the tariff. The trust was anxious to destroy the weak but growing beet root sugar industry in the West. The whole country is familiar with that desperate and ceaseless struggle between the trust and the beet-sugar refiners.

In the meantime tall John Arbuckle gave battle to the trust. Mr. Arbuckle and his brother Charles had been wholesale.

refiners.

In the meantime tall John Arbuckle gave battle to the trust. Mr. Arbuckle and his brother Charles had been wholesale grocers in Pittsburg, but in the early eighties he came to New York City, established a coffee-roasting plant in Brooklyn, and developed an enormous business in coffee put up in small paper bags. About 1890 the Arbuckle firm, which had become enlarged by the addition of William A. Jamison, William B. R. Smith, and James N. Jarvie, began to put up and sell on a large scale packages of sugar put up in paper bags. John Arbuckle was a man of genius, energy, and courage, and the business of the Arbuckle Bros, grew prodigiously. The firm owned a remarkable weighing machine which made paper bags and filled them with an almost uncanny exactness. The Arbuckles bought their sugar from the trust.

able weighing machine which made paper bags and filled them with an almost uncanny exactness. The Arbuckles bought their sugar from the trust.

But the greedy eyes of Mr. Havemeyer were upon that wonderful weighing machine which enabled the independent firm to build up such an enormous trade in package sugar. The trust wanted to buy the machine, but the Arbuckle brothers refused to sell it. Thereupon Mr. Havemeyer ordered the trust not to sell any more sugar to the firm which had dared to refuse obedience to him.

John Arbuckle's answer was characteristic of the man. He at once started to build a sugar refinery of his own in Brooklyn. Enraged by this defiance of the Sugar Trust the Havemeyer interests bought control of the Woolson Spice Co., of Toledo, Ohio, and began selling package coffee at cut rates in order to break down the trade of Arbuckle Bros. Mr. Havemeyer and John Arbuckle met about that time.

Said Mr. Havemeyer, "Mr. Arbuckle, I want to buy 60 per cent of your sugar refinery."

Said Mr. Arbuckle, simply, "As long as I live and have my health and strength you will never own one penny's interest in either my sugar or coffee business. But the world is wide and there is no reason why we can't both live in it."

Then followed a furieus war between the American Sugar Refining Co. and the Arbuckle Bros. When John Arbuckle originally went into the sugar business he told his partners that he was too old to undertake anything new, but when he was attacked by the trust he forgot his years and white hair and engaged in the battle in a way that has become historic. Mr. Havemeyer undersold the Arbuckle Bros. and the Arbuckle Bros. undersold the trust. The price of sugar went down sensationally. There was no truce and no parley. By 1990 the Arbuckle Bros. had lost several hundred thousand dollars in the fight and \$2,000,000 of the trust's surplus had disappeared. Mr. Havemeyer abandoned the fight and raised the price of sugar again. John Arbuckle had fought the trust to a standstill.

Still the trust containued

# THE TRUST ITSELF.

While the trust was trying to strangle its rivals, the beet-sugar industry had grown in the West. It was able to undersell cane sugar in the interior of the country. Mr. Havemeyer decided to capture the beet-sugar industry in order that the trust might be in a position to realize its dream of an absolute monopoly and tax the country at will. Up to 1898 only 40,000 tons of refined beet sugar were made in the United States. But under the stimulation of the tariff of 1897 beet-sugar production had increased to 165,000 tons in 1901.

Intent on capturing the beet root sugar industry, Mr. Havemeyer increased the capital of the American Sugar Refining Co. from \$75,000,000 to \$90,000,000, and with the war fund thus provided and with secret rebating arrangements with railroad companies, the trust first manufactured and stored an enormous surplus of sugar and

suddenly opened the war against the beet-sugar companies by underselling them in their own territory. The trust appointed a "beet-sugar committee," with power to buy control of the beet-sugar companies. In 1901 and 1902 the trust invaded the beet-sugar companies.

In 1901 and 1902 the trust invaded the beet-sugar companies.

In 1901 and 1902 the trust invaded the beet-sugar companies were face to face with ruin. One after another sold out to the trust. Mr. Havemeyer was shrewd. He did not waste a dollar. When he had the beet-sugar companies helpless, the trust bought just enough stock to dominate the industry. The ownership of 45 per cent in the stock of a company whose securities are scattered about in the open market is usually sufficient to establish control.

The Havemeyer conspirators had one supreme idea in view. The granting of a 20 per cent reduction in custom duties to Cuba had warned them that the high tariff was in danger. With the beet-sugar refinerles in their control they could raise the cry that lower duties on sugar would threaten a struggling native American industry and strike at American beet farmers. Thus they could fix prices in the East and West and gradually destroy their competitors.

It never seemed to enter into Mr. Havemeyer's head that some day there might be an irrestible demand for duty-free sugar in the interest of more than 90,000,000 Americans, to whom sugar as a common food had become a necessity; that the millions of fruit growers of the country might ask for cheap sugar as a preservative and condiment in order to prevent waste of their mighty crops; or that the Nation might not be impressed by high-tariff arguments intended to keep up the Wall Street price of watered stocks.

The United States Government has traced this plot of the Sugar Trust in all of its ramifications, and in its formal petition for the dissolution of the combination makes the following solemn declaration: "Thirty-seven companies, which opening the end of the shock holding therein by defendants are set out

## WHAT IT MEANS TO YOU.

WHAT IT MEANS TO YOU.

In the light of these facts it is easy enough to understand why the price of beet sugar is always fixed in advance on the basis of the price of cane sugar named by the American Sugar Refining Co. And one has only to look at the multitudes of Japanese, Hindus, and Chinese coolies at work in the sugar-beet fields of California and the Asiatics, Polacks, and other Ignorant immigrants employed in the growing of beets in Colorado, Utah, and other States, to say nothing of the underpaid negro labor which cares for southern sugar cane, to understand the hypocrisy of the trust's claim that the high tariff on sugar must be maintained to protect the American farmer.

When it is considered that the cane-sugar refiners, who have to import their raw materials, make only from 15 to 20 cents a hundred pounds, and that the competition of the cane-sugar independents is too fierce to allow any increase in profits, it will be seen that the effect of abolishing or lowering the amazingly high tariff on raw sugar would be simply to compet the beet-sugar refiners to adopt high-grade methods and content themselves with reasonable profits in order that the people as a whole may have cheaper food.

The average cost of imported Cuban and standard granulated raw sugar without duty in New York for the last 10 years has been 2.443 cents (barely 2½ cents) a pound. The cost fluctuates, however. During 1911 the cost of imported raw sugar to New York refiners without duty averaged, with freight paid, 2.8773 cents (more than 2½ cents) a pound. The duty averaged 1.3480 cents (or about 1½ cents) a pound. The full cost to the refineries, duty, freight and insurance paid, was 4.2396 cents (almost 4½ cents) a pound. The average net wholesale price of the refined sugar was \$5.1182 (a fraction less than \$5.12) a hundred pounds, This left a fraction less than \$8 cents a hundred pounds (exactly \$7.86 cents) to the refiners, out of which the cost of refining and distribution must be taken—say, 65 cents a hundred pounds, or a shade m

cents a hundred pounds, or a shade more than one-fifth of a cent a pound.

The tariff and the cost of transportation from Europe keeps all foreign-refined sugar out of the United States. Yet the competition of the cane-sugar refiners in the Eastern States keeps the price of sugar about one-half of a cent a pound lower than would be possible if they took extreme advantages of the full tariff protection. So that if the duty on raw sugar were removed it is practically certain that the consuming public would get the whole benefit of the reduction in the cost of production, and the trust-dominated beet-sugar refineries would have to meet the lowered prices.

To appreciate the importance of this reform to the lives of the masses of the people it is only necessary to know that the beet-sugar refiners base their selling price on the New York price with the freight rate from New York added. In other words, they tax the interior of the country as high as they can without inviting the competition of the independent cane-sugar refiners of the East. If the duty were removed from raw sugar, they would have to drop their prices accordingly. No wonder the Sugar Trust, which also controls the beet-sugar industry, has abandoned its fight to reduce the tariff and is now the loudest shouter for protection by taxation.

It is urged that our treaty with Cuba gives that Republic the right to a reduction of 20 per cent in our tariff and that it is impossible to have 20 per cent lower than nothing. But if that argument is to be considered it would be entirely proper to reduce the tariff on sugar to just 20 per cent of its present figures and admit Cuban sugar free.

Even if it be necessary to levy some tax on sugar for the sake of national revenue, why should such an enormous tax as the present rate

of duty be laid on an article of food at a time when the high cost of living has attracted the attention of the whole world to the abnormal and alarming social and political condition of what should be the most prosperous and contented people on earth?

When one has studied these hard facts and considers what the duty on sugar means to every man, woman, and child of the 94,009,000 population in the United States, except, of course, the few beet-sugar men who have grown wealthy, often beyond the dreams of Wall Street get-rich-quick adventurers, it is necessary to think of who pays the bills. How long is it going to take the American people to wake up to the fact that they have some rights which should be considered, and particularly at this time, when breadwinners find it hard to make ends meet and prevent that hungry, pinched look on the faces of the little ones who meet them when their day's toil is ended?

Members of Congress are supposed to represent the people and serve their needs. How many congressional districts, if the people had their say, would fail to vote down the duty on sugar? Let the rich, who can afford diamonds, furs, automobiles, and champagne, pay fairly for their luxuries, and let the people at large have free sugar and free everything that goes to make up the daily expense of the great army of toilers.

After all, the final responsibility for existing conditions rests upon the ordinary American citizen. The people have but to write to their Representatives and Senators in Washington in plain unmistakable language to win this great battle. It is the only way.

The VICE PRESIDENT. The reading of the bill will be resumed.

resumed.

The Secretary. On page 98 the committee report to strike out paragraph 331-

Mr. SMOOT. Did paragraph 330 go over?

Mr. JOHNSON. Paragraph 330 did not go over, but I will say to the Senator I should like to have paragraph 651 go over. Mr. LODGE. That went over when we passed on the free

Mr. SMOOT. Paragraph 651 went over. Mr. LODGE. Paragraph 330 has been disposed of. The VICE PRESIDENT. It has been.

Mr. JOHNSON. Does the record show that paragraph 330 has been disposed of?

The VICE PRESIDENT. It does.

The next amendment of the Committee on Finance was to strike out paragraph 331, in the following words:

331. Papers commonly known as copying paper, stereotype paper, bibulous paper, tissue paper, pottery paper, letter-copying books, wholly or partly manufactured, crêpe paper and filtering paper weighing not more than 10 pounds per ream of 480 sheets, and articles manufactured from any of the foregoing papers or of which such paper is the component material of chief value, 30 per cent ad valorem.

And in lieu thereof to insert:

And in field thereof to insert:

331. Papers commonly known as copying paper, stereotype paper, bibulous paper, tissue paper, pottery paper, and all papers not specially provided for in this section, weighing not more than 10 pounds per ream of 480 sheets on a basis of 20 by 30 inches, letter-copying books, wholly or partly manufactured, crêpe paper and filtering paper, and articles manufactured from any of the foregoing papers or of which such paper is the component material of chief value, 30 per cent ad valorem.

Mr. LODGE. Mr. President, these fine papers are of great ost to manufacture, and the cut of 30 per cent is very serious. The costs are much higher here than abroad. Apart from the difference in labor of our paper mills running 24 hours a day, as the paper mills have to run, on three 8-hour shifts in place of the 12-hour shifts used in foreign countries, while we have three shifts and they have two, greatly increasing the cost, the much greater in the mills making. proportionate cost of labor is much greater in the mills making tissue paper and other high-grade specialties where the product is necessarily limited than it is in large mills making paper of heavier weight.

I merely wish to call attention to this and ask that I may have printed with what I have just said a statement made in regard to these fine papers showing the cost and the difficulty they would have to meet with in doing business under the 30 per cent rate. I shall not delay the Senate by speaking further on it.

The VICE PRESIDENT. The Chair hears no objection to the request of the Senator from Massachusetts.

The matter referred to is as follows:

BRIEF IN RELATION TO PARAGRAPHS 410 AND 413, SCHEDULE M, AND PARAGRAPH 475, SCHEDULE N, OF THE TARIFF ACT APPROVED AUGUST 5, 1909.

To the Committee on Ways and Heans, House of Representatives, Washington, D. C.:

The undersigned are manufacturers of tissue papers and certain special high-grade and lightweight papers.

They desire to make the following suggestions in regard to said paragraphs 410, 413, and 475:

# PARAGRAPH 410.

"410. Papers commonly known as copying paper, stereotype paper, bibulous paper, tissue paper, pottery paper, and all papers not specially provided for in this section, colored or uncolored, white or printed, weighing not over 6 pounds to the ream of 480 sheets, on the basis of 20 by 30 inches, and whether in reams or any other form, 6 cents per pound and 15 per cent ad valorem; if weighing over 6 pounds and less than 10 pounds to the ream, and letter copying books, whether wholly or partly manufactured, 5 cents per pound and 15 per cent ad valorem; crepe paper and filtering paper, 5 cents per pound and 15 per cent ad valorem: Provided, That no article composed wholly or in chief value of one or more of the papers specified in this paragraph shall pay

a less rate of duty than that imposed upon the component paper of chief value of which such article is made."

We ask that no change be made in this paragraph, as our manufacturers have adapted themselves to it, and under present prices, low cost of production in foreign countries, and conditions of the market in this country the rates in this paragraph are equitable.

We call particular attention to the fact that up to the present time very little of the papers mentioned in the first section of this paragraph are made in this country, and for that reason this section of the above paragraph is practically a tariff for revenue only, and therefore should certainly not be reduced, but should be maintained at the present rate or increased, if in the judgment of your committee it be wise to do so. Under the rates fixed in this paragraph the manufacturers in this country are brought into direct and reasonable competition with the foreign market. A lowering of these rates would drive the American manufacturer out of the market, destroy competition, and leave the market open to the foreign manufacturers.

The following table shows the relation of the present duties on these papers to their final value when they reach this country in competition with the same kinds and grades of paper manufactured in this country. The above paragraph divides these papers into two classes:

First. Those "weighing not over 6 pounds to the ream of 480 sheets, on the basis of 20 by 30 inches."

Value per unit of quantity.

\$0.246

(See report of Treasurer for fiscal year ending June 30, 1912.)

The value to the American manufacturer of this second class of papers is practically the same, to wit, 21 cents, thus leaving an absolute competition in this grade.

#### PARAGRAPH 413.

"413. Writing, letter, note, handmade paper and paper commercially known as handmade paper and machine handmade paper, Japan paper, and imitation Japan paper, by whatever name known, and ledger, bond, record, tablet, typewriter, manifold, and onionskin and imitation onlon-skin papers, calendered or uncalendered, weighing 6½ pounds or over per ream, 3 cents per pound and 15 per cent ad valorem; but if any such paper is ruled, bordered, embossed, printed, lined, or decorated in any manner other than by lithographic process it shall pay 10 per cent ad valorem in addition to the foregoing rates: Provided, That in computing the duty on such paper every 180,000 square inches shall be taken to be a ream."

We suggest the following amendment to paragraph 413:
Insert, in line 6, after the words "per ream," the words "whether in reams or in any other form."

The reason we suggest for the above change is as follows:
Large quantities of this class of paper are being imported and classified as printing or tracing paper in rolls, on which classification lower duties are paid. These papers are subsequently sold in this country by the importers as imitation onlonskin, etc., after being cut into commercial sizes. This has resulted in underselling the American manufacturer, and also has resulted in a loss to the United States Government of the duties properly chargeable.

SCHEDULE N—PARAGRAPH 475.

## SCHEDULE N-PARAGRAPH 475,

SCHEDULE N—PARAGRAPH 475.

475. Pipes and smokers' articles: Common tobacco pipes and pipe bowls made wholly of clay, valued at not more than 40 cents per gross, 15 cents per gross; other tobacco pipes and pipe bowls of clay, 50 cents per gross and 25 per cent ad valorem; other pipes and pipe bowls of whatever material composed, and all smokers' articles whatsoever, not specially provided for in this section, including cigarette books, cigarette book covers, pouches for smoking or chewing tobacco, and cigarette book covers, pouches for smoking or chewing tobacco, and cigarette paper in all forms, 60 per cent ad valorem.

We also beg to refer to the item of cigarette papers included in Schedule N, paragraph 475. "Pipes, smokers' articles," etc. It is respectfully suggested that this is the paragraph where it properly belongs, but no less duty than 60 per cent ad valorem, the rate assessed under the present tariff, will enable domestic manufacturers to compete with the foreign producer. The importation of these articles amounted in value for the fiscal year ending June 30, 1912, to \$600,072.50, with duties amounting to \$350,583.50.

It is a well-known fact that the proportionate cost of labor is much greater in all paper mills making tissue paper or other high-grade and expensive papers than in those making the cheaper grades.

The following comparisons indicate the conditions of our market as contrasted with those in Germany, which country would be the chief galner by lowering the tariff on these grades of paper.

The statistics as to German wages are obtained from the report of the German Imperial Government supplying labor items of German mills for the year 1910, as incorporated in the report of the United States consul general, Robert P. Skinner:

Germany.

Skilled labor_____Unskilled labor_____ - 8 cents to 16 cents per hour. - 6 cents to 11 cents per hour. America.

1 25 cents to 50 cents per hour. 13 cents to 25 cents per hour. Skilled labor____ Unskilled labor_ 

We most carnestly request that the present method of having a specific duty as well as ad valorem duty be continued on these papers, because from our experience we have found that when an ad valorem duty only is to be collected there is a constant temptation to importers to under-

value goods, thus causing great hardship and loss to the American manufacturer and honest importer; also a loss of revenue to the Government on account of smaller duties paid.

We earnestly hope that your honorable committee will adopt the above suggestions, and thus maintain an important industry.

THE DIAMOND MILLS PAPER CO.,

New York, N. Y.

SMITH PAPER Co., SMITH PAPER CO.,

C. H. DEXTER & SONS,

Windsor Locks, Conn.

THE ANCHOR MILLS PAPER CO.,

Windsor Locks, Conn.

THE ANCRAM PAPER MILLS.

New York, N. Y.

FEANKLIN PAPER MILLS CO.,

Jersey City, N. J.

JERSEY CITY PAPER CO.,

Jersey City, N. J.

By John R. & John H. Buck,

**Attorneys.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

Mr. JOHNSON. I ask that paragraph 332 be passed over at this time for further consideration.

The VICE PRESIDENT. It will be passed over.

The next amendment of the committee was, on page 101, to strike out paragraph 333, in the following words:

strike out paragraph 333, in the following words:

333. Pictures, calendars, cards, labels, flaps, cigar bands, placards, and other articles composed wholly or in chief value of paper lithographically printed in whole or in part from stone, metal, or other material (except boxes, views of American scenery or objects, and music, and illustrations when forming part of a periodical or newspaper, or of bound or unbound books, accompanying the same, not specially provided for in this section) shall pay duty at the following rates: Labels, flaps, and cigar bands, if printed entirely in bronze printing, 15 per cent ad valorem; if printed otherwise than entirely in bronze printing, but not printed in whole or in part in metal leaf, 30 per cent ad valorem; if printed in whole or in part in metal leaf, 30 per cent ad valorem; booklets, books of paper, or other material for children's use, not exceeding in weight 24 ounces each, fashlon magazines or periodicals, printed in whole or in part by lithographic process, or decorated by hand, booklets, decorated in whole or in part by hand or by spraying, whether or not lithographed, 12 per cent ad valorem; decalcomanias in ceramic colors, whether or not backed with metal leaf, and all other decalcomanias, except toy decalcomanias, 20 per cent ad valorem; pictures, calendars, cards, placards, and all other articles than those hereinbefore specifically provided for in this paragraph, 20 per cent ad valorem.

# And in lieu thereof to insert,:

And in lieu thereof to insert;:

333. Pictures, calendars, cards, booklets, labels, flaps, cigar bands, placards, and other articles composed wholly or in chief value of paper lithographically printed in whole or in part from stone, gelatin, metal, or other material (except boxes, views of American scenery or objects, and music, and illustrations when forming a part of a periodical or newspaper or of bound or unbound books, accompanying the same, not specially provided for in this section) shall pay duty at the following rates: Labels and flaps printed in less than eight colors (bronze printing to be counted as two colors), but not printed in whole or in part of metal leaf, 15 cents per pound; cigar bands of the same number of colors and printings, 20 cents per pound; labels and flaps printed in eight or more colors (bronze printing to be counted as two colors), but not printed in whole or in part of metal leaf, 25 cents per pound; labels and flaps printed in whole or in part of metal leaf, 35 cents per pound; cigar bands of the same number of colors and printings, 25 cents per pound; labels and flaps printed in whole or in part of metal leaf, 35 cents per pound; labels and flaps printed in whole or in part of metal leaf, 35 cents per pound; cigar bands printed in whole or in part of metal leaf, 40 cents per pound; cigar bands printed in whole or in part of metal leaf, 40 cents per pound; exceeding eight one-thousandths of an inch and not exceeding twenty one-thousandths of an inch in thickness, 15 cents per pound; exceeding eight one-thousandths of an inch and not exceeding twenty one-thousandths of an inch in thickness and 35 square inches cutting size in dimension, 8 cents per pound; exceeding twenty one-thousandths of an inch in thickness, 6 cents per pound, providing that in the case of articles hereinbefore specified the thickness which shall determine the rate of duty to be imposed shall be that of the thinnest lithographed material found in the article, but for the purpose of this paragraph and the foun

Mr. LODGE. Mr. President, the lithographic industry is a very large one. There are some 40,000 wage earners employed in it. It is purely domestic. I think they have no exports to speak of. I will not undertake to argue the case of this proposed reduction, because I know the reduction will be made, but I should like to ask leave to have printed in the RECORD a memorial from the press feeders, men who work at this business. I also should like to have printed a letter from a very large lithographic company in my own State. I desire to put in the Record the objections to the reductions that are proposed to be made.

The VICE PRESIDENT. Is there objection? The Chair hears none.

The papers referred to are as follows:

A memorial addressed to the Committee on Finance of the United States Senate.

A memorial addressed to the Committee on Finance of the United States Senate.

In the interest of the 40,000 wageworkers engaged in the American lithographic industry, not only in the allied trades but in all departments necessary to the completion of the lithographic product, a respectful but most emphatic protest is herewith submitted against the reduction in Schedule M as proposed in H. R. 3321, as a basis of which protest we submit as follows:

The American lithographic industry is solely a domestic industry, engaged in producing a commodity marketable only in the United States, it having no foreign market, due to the fact of the lower wages and longer hours under which foreign lithographic workmen are employed, all of which makes competition not only impracticable but impossible.

With this condition in mind, facing the inevitable fact that even under our present tariff law we are already to a very large extent at this moment compelled to meet the competition forced by active and energetic importers securing orders on this side to be produced by foreign workmen, we feel justified in contending that the proposed reduction as contemplated in the House bill will seriously interfere with the steadiness of our present employment, which we may well add here is as much an important question to us as the amount of our weekly wage itself.

As a matter of fact, our industry already shows signs of a possibly dull season, brought on, we believe, not through any deliberate attempt on the part of the employer, but on the part of large customers through the mere probability or possibility of a change or reduction in the present tariff law.

For your information let us state that the American lithographic industry is one of the highest stady and much labor; one enters our industry as a boy and must pass through the various branches before he reaches the ultimate goal of highest perfection. Our workmen represent the highest type of the American workmen. More than 95 per cent are citizens, born or naturalized; one language

own market.

Our industry is composed of the following craftsmen: Lithographic artists, pressmen, transferrers, provers, engravers; the wages of whom range from \$20 to \$100 per week, in accordance with the skill required. In addition we have the stone grainers, press feeders, paper cutters, and embossers, all of whose wages range from \$14 to \$20 per week, and in many cases higher; and then we have the press tenders, bronze feeders, and many thousands of men and women engaged in putting the finishing touches on our product before it reaches the ultimate consumer.

and in many cases nighter; and then we have the press tenders, broade feeders, and many thousands of men and women engaged in putting the finishing touches on our product before it reaches the ultimate consumer.

From the above you may readily get a brief idea that it is a highly skilled trade, paying a wage in excess of industries enjoying a higher rate of protection. It is most unjust to compare our industry with some other industries which seek to employ labor willing to live at a standard lower than ours.

We want to be judged alone on our merits. If our ports of entry are thrown open to the labor of the world, we must meet their competition here, and in addition it is unreasonable for us to be compelled to meet a competition of the production of the same workmen when they are engaged and employed abroad. Their low wages and longer hours especially place us at a thorough disadvantage to them. Is it fair, now, to try, as some of the importers and foreign workmen's friends would wish to do, to create a condition between this country and abroad whereby the foreign workmen would have a better chance on printing such lithography as the American consumer might desire, while the low-wage conditions abroad deny us the same right?

The dominant party was not put in power for this purpose; it was to rectify wrongs and not create them. Downward revision, in our humble judgment, was not meant to place the American workmen in open and unfair competition with the markets of the world. To do so in our industry would inevitably tend to lower our standard of living to that of other countries, not through any reduction of our weekly wage, but through lack of work.

It must be borne in mind that in the event of lack of work in our industry our working people can not find equally remunerative work in other industries. Such a thing is impossible; our people have spent years in attaining their skill and could not work at any industry except at its lowest order; you could not expect a lawyer who had lost his practice to make an e

and the sunceres will be the American workness. To this end here are a few illustrations:

Lithographic cigar labels are used in 1 color and upward to 15 colors; some at times desire more style to their box and use metal leaf. Therefore some labels are ten times as expensive as others. Does any consumer of a cigar notice any change in the price when the label is changed to a less expensive one? Therefore the consuming public will not benefit by the proposed cut; if enacted into law the beneficiary will be the foreign workmen; the sufferer the American workmen.

The same principle will apply to the cigar band; the proposed reduction will not change the price of a cigar; it will only result, as before stated. In a detriment to our work people.

Will the proposed cut in decalcomania make the retail price of a Singer sewing machine, an Underwood typewriter, or a Steinway plano less because by the cut in decalcomania duties one-quarter of 1 cent is saved in deconating the machine? We all know that the general public will be paying the same price for the above instruments regardless of the cut; and we further know that the American workmen will suffer and foreign labor benefit thereby.

Will the retail price of a booklet with colored cover and insert, which represents only about one five-hundredth part of the cost of manufacture per thousand, be less if the cut in the tariff is made, as provided in the Underwood bill? Will such a cut be a benefit to the consumer?

And will it not hit hard the American workmen to have this work done abroad?

Cutting the duty on calendars will not reduce the price of the goods sold by the man buying the calendars, but it will mean that American manufacturers will have less calendars to print and less work for American workmen.

Gentlemen, these few illustrations should be convincing enough to prove that the proposed cuts in our schedule will not benefit the consuming public, but will injure the American workmen. The general public is not appealing for a reduction in the lithographic schedule; the only ones appealing for this reduction are the importers, who want the lithography consumed in this country printed by foreign workmen; and we American workmen protest against this. We are compelled to support our country in times of peace, as well as war; and we can not do it well unless we have work. There might be reason to bring about a reduction if the consuming public was demanding it, but they are not.

Why do not they open up a plant in this country and give work to the American people under the present tariff rate? One firm has moved its entire plant to New York from Germany and is employing our people.

Prior to the Payne-Aldrich bill you were unable in the city of Wash-

its entire plant to New York from Germany and is employing our people.

Prior to the Payne-Aldrich bill you were unable in the city of Washington to buy a view card or picture card that was not made in Germany. Thanks to the present tariff rates, you are now able to buy a picture of the White House and other national buildings that is printed by American workmen.

The importer says that the present tariff rate is prohibitive. As an answer to this, we refer you to page 258 of the Government Tariff Handbook, which will show you that importations have increased under the present tariff law.

We could cite many other cases, but feel that enough has been stated to show that American workmen will be injuriously affected if any change is made in the existing law. We appeal to you to make no change. We want work; the cost of living, increasing as it is, makes that imperative. So we ask you to give preference to American workmen over foreign workmen, when it is clearly shown that the general public is not abused or overtaxed.

In closing, we appeal to you to give this your earnest consideration and careful thought, and that our industry will be judged alone and on its merits; and that our efforts to convince you will be fruitful of results and remove from our minds the frightful thought of duil times before us.

Thanking you in advance for any consideration given, I am,

Thanking you in advance for any consideration given, I am,
Respectfully,
W. O. COAKLEY,

W. O. COAKLEY,
General President International Protective Association of
Lithographic Press Feeders, United States and Canada.

General President International Protective Association of Lithographic Press Feeders, United States and Canada.

Boston, Mass., April 16, 1913.

Hon, Henry Carot Lodge,

United States Senate, Washington, D. C.

Dear Sir: In reference to Schedule M, paragraphs 337 and 341, pages 82 and 83, H. R. No. 10, the proposed reduction in duties in lithographic material is such an extreme cut in the rate that it will reduction in the rate is a serious matter and yet the Ways and Means Committee have embedded in their bill the tariff on a strictly ad valorem rate.

As far back as the Wilson bill, it was recognized that the ad valorem reason the authors of the bill—although Dencerate as the present majority of the Ways and Means Committee is—recognized the justice of having a specific rate, which they applied to most of the items on the lithographic schedule.

The Dingley bill made some further additions to the items bearing specific rate, and the Payne-Aldrich bill was made an absolutely specific rate as applying to the general line of lithography. The contention of the American lithographer that the rates affecting lithography should be specific was indorsed strongly by the customs officials having to do with the enforcement of the law, as it is absolutely impossible for any person to decide upon a fair valuation of lithographic work, as there are so many different conditions entering into this, such as quantity ordered, the method of production, etc.

When the lithographic schedule was on an ad valorem basis or a partly ad valorem basis, it was notorious that the goods were undervalued and there was no means of preventing same.

Our company employs from 800 to 1,000 people all at the highest rate of wages, and wages that are as four to one as compared with Germany, although in order to have no controversy on this point the National Association of Employing Lithographers—of which we are members—in brief filed with the Ways and Means Committee (of which we inclose copy) stated the basis as about three to one, being the wag

THE FORBES LITHOGRAPH MFG. Co., F. J. BLANEY.

Mr. SMOOT. In that connection I desire to say that I have a memorial addressed to the Committee on Finance of the United States Senate similar to the one just presented by the Senator from Massachusetts, but as he has presented a memorial

on the subject I shall not present the one I have.

Mr. GALLINGER. Mr. President, this is a matter in which
I have felt a great deal of interest; but while I greatly regret

that these large reductions have been made, I shall not ask for a yea-and-nay vote. The importations of this line of goods are already very large, and it seems to me that it would be good policy for us to encourage domestic production rather than to lower the duty and encourage additional importations. latter, however, seems to be the policy of the Senators in charge Of course, we have got to submit to it, and it would be idle to waste time in calling the roll. So I simply will content myself with the observation I have made.

The VICE PRESIDENT. The question is on agreeing to the

committee amendment.

The amendment was agreed to. The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in paragraph 334, page 103, line 21, after the word "note," to insert the word "drawing"; and in line 25, after the word "typewriter," to strike out the word "manifold," so as to make the paragraph read:

334. Writing, letter, note, drawing, handmade paper and paper commercially known as handmade paper and machine handmade paper, japan paper and imitation japan paper by whatever name known, and ledger, bond, record, tablet, typewriter, and onlonskin and imitation onlonskin papers calendered or uncalendered, whether or not any such paper is ruled, bordered, embossed, printed, lined, or decorated in any manner, 25 per cent ad valorem.

Mr. LODGE. Mr. President, I merely wish to say that this reduction on writing paper is a very severe one. I have here a table that was calculated on some earlier drafted tariff bill, in which it was proposed to impose a duty of 30 per cent, whereas here it is 25 per cent, and the reduction on the basis of 30 per cent ranges from 56 per cent to 27 per cent. They are enormous reductions. This is a very expensive grade of paper, made by mills which have to import a great deal of their material, on some of which they have to pay a heavy duty. I have a brief statement here, which I shall ask to have printed in my remarks, and I shall say nothing further about the matter.

The VICE PRESIDENT. Without objection, permission to do so is granted.

The statement referred to is as follows:

WRITING-PAPER INDUSTRY.

 Investment
 \$54,000,000

 Employees
 16,000

 Wages annually
 \$10,000,000

There are 88 mills located in the following States: Maine, Massachusetts, Connecticut, Pennsylvania, New York, Ohio, Michigan, Wisconsin, District of Columbia.

## LABOR CONDITIONS.

The departments in our mills which work 24 hours per day are run on three shifts of 8 hours each, and in those departments which work days only the 9-hour day prevails. No children are employed, and women work 50 to 54 hours per week. No women or minors are employed at night. The work done by women is light and not injurious to health. The mills are well lighted and ventilated and no injurious fumes or gases are employed in the process.

## WAGES.

The following comparisons indicate the conditions in America as contrasted with those in Germany, which country will be the chief gainer by lowering the tariff on these grades of papers. The statistics as to German wages are obtained from a report of the German Imperial Government incorporated in a report by the United States consul general, Robert P. Skinner.

GERMANY.

Skilled labor, 8 to 16 cents per hour. Unskilled labor, 6 to 11 cents per hour.

AMERICA.

Skilled labor, 25 to 50 cents per hour.
Unskilled labor, 13 to 25 cents per hour.
In addition to this, both skilled and unskilled labor in America works shorter hours than similar labor in Germany.

## RAW MATERIALS.

The raw materials from which writing papers are made, namely, rags and sulphite pulp, must be imported in a very large per cent from the foreign countries which are our strongest competitors on these grades of papers. On these importations, amounting in 1912 to over 100,000 tons of rags alone, must be paid at least one profit to the importer that the foreigner does not pay, as well as freight to this market. It is obvious, therefore, that in importing these raw materials and paying much higher wages in the manufacture, the American manufacturer is at a decided disadvantage. The domestic manufacturer must also pay freight on all waste material, wrappings, etc., which is a considerable item, as may be seen when we remember that it takes from 120 to 160 pounds of raw material to make 100 pounds of fnished paper.

Comparison of Paune-Aldrich rates with Underwood bill (par, 331).

Comparison of Payne-Aldrich rates with Underwood bill (par. 331).

Price per pound.	Old duty.	Proposed duty.	Reduc- tion.
7 cents	Per cent. 86 77 71 65 60 57	Per cent. 30 30 30 30 30 30 30 30 30	Per cent. 56 47 41 35 30 27

We propose a uniform duty of 40 per cent.

#### PARAGRAPH 222

Note that photographic paper, sensitized and ready for use in making photographs, pays the same duty as the plain basic paper. There should be a compensatory duty of at least 10 per cent.

Comparison of Payne-Aldrich rates with Underwood bill (par. 334).

Price per pound.	Old duty.	Proposed duty.	Reduc- tion.
5 cents. 6 cents. 7 cents. 8 cents. 9 cents. 10 cents. 1	Per cent. 75 65 58 52 48 45	Per cent. 25 25 25 25 25 25 25 25 25 25	Per cent. 50 40 35 27 23 20

We suggest a uniform duty of 40 per cent.

H. A. Moses, Chairman. Charles McKernon. A. W. Esleeck.

Mr. SMOOT. The equivalent ad valorem under the present law on writing paper enumerated in this paragraph is 45.23 per

cent, and it is now proposed to reduce it to 25 per cent.

The VICE PRESIDENT. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The reading of the bill was resumed; and the Secretary read paragraph 335, as follows:

335. Paper envelopes, folded or flat, plain, bordered, embossed, printed, tinted, decorated, or lined, 15 per cent ad valorem.

Mr. SHERMAN. Mr. President, I wish respectfully to protest against the rate of duty fixed in that paragraph. The paragraph fixes an ad valorem rate of 15 per cent on paper envelopes. The paper stock out of which the envelopes are manufactured is dutiable at 25 per cent ad valorem. The envelope manufacturers in this country, who are obliged to buy paper stock with the rate fixed at 25 per cent, find themselves in a very disadvantageous position in the market. It is a discrimination, not intentionally made I am quite sure, but, nevertheless, the effect of it is of a highly dicriminating character. It puts the paper manufacturer on the market with a 25 per cent duty on the stock, while it puts his product on the market with only a 15 per cent rate of protection. It is in the same category as a number of other productions. Taking a larger subject to illustrate the same thing, wheat for a time was proposed to be made dutiable at 10 cents a bushel under the House bill rate, while flour was free listed. The manufacturer of paper envelopes in this country finds himself in precisely the same condition when paragraph 335 is read alongside of paragraph 332, which contains in it the paper stock which the manufacturer is obliged to buy on the market for the manufacture of the article. It puts him in a very disadvantageous position in the manufacture

and will result in some injury to the industry.

Before resuming my seat I wish to give notice that on tomorrow at the conclusion of the address of the senior Senator from Kentucky [Mr. Bradley] I shall address the Senate on

House bill 3321. Mr. JOHNSON. Mr. President, I wish simply to make a suggestion, in answer to what the Senator from Illinois has said, that there is in the present law the same difference between envelopes and writing paper. The paper out of which envelopes are made is now dutiable at 40 per cent and the envelopes at 20 per cent. There has always been this difference, and we have simply followed the same precedent.

Mr. SHERMAN. What paragraph is paper stock now in? Is it in paragraph 332?

Mr. HUGHES. It is in paragraph 415, the basket clause of the present law and the basket clause of the proposed law.

Mr. JOHNSON. Writing paper, I will say to the Senator, is under paragraph 334.

Mr. HUGHES. The stock out of which envelopes are made is paper not otherwise specially provided for.

Mr. SHERMAN. I should be very much obliged if the committee would adjust the discrimination in some way.

Mr. HUGHES. I will say to the Senator that the same apparent discrimination exists in the present law, yet it seems that, in spite of the fact that there is a much higher rate on paper out of which envelopes are made than on the envelopes themselves, there have been practically no importations. It seems to be one of those curious items that we run across occasionally in the bill where the ordinary rule does not seem to apply. I presume it is on an ad valorem basis, because the manufactured envelope being much more valuable than the paper stock, the duty is relatively higher; at any rate, the fact is that envelopes are not imported to any extent, under the present law, although the discrimination therein is greater than the one proposed in this bill.

Mr. SHERMAN. Under the present law is there both a specific and an ad valorem duty?

Mr. HUGHES. No; it is merely an ad valorem duty. There is in the existing law an ad valorem rate of 20 per cent upon plain envelopes.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in paragraph 336, page 104, line 9, after the word "paper," to strike out "and wrapping paper not specially provided for in this section," so as to make the paragraph read:

336. Jacquard designs on ruled paper, or cut on Jacquard cards, and parts of such designs, cardboard and bristol board, press boards or press paper, paper hangings with paper back or composed wholly or in chief value of paper, 25 per cent ad valorem.

The amendment was agreed to.

The Secretary proceeded to read paragraph 337.
Mr. STERLING. Mr. President, it seems to me that paragraph 337 ought to go over and be considered in connection with paragraph 434 on the free list, which refers to books and pamphlets printed in languages other than English. I ask that paragraph 337 go over.

Mr. GALLINGER. To what paragraph in the free list does

the Senator refer?

Mr. STERLING. I have asked that paragraph 337 go over, to be considered in connection with paragraph 434 of the free list.

Mr. JOHNSON. I did not hear the Senator, but I understand

that he refers to books printed chiefly in other languages than

the English language, does he not?

Mr. STERLING. Yes, sir.

Mr. JOHNSON. The classification is different here—

Mr. STERLING. The first clause of paragraph 337 refers to all books not specially provided for, and provides an ad valorem duty of 15 per cent; but it would seem, from a reading of the remainder of the paragraph and a reading of paragraph 424 that books and namphlets printed chiefly in languages. 434, that books and pamphlets printed chiefly in languages other than English are the only other books not specially provided for.

Mr. LODGE. Those are stricken from the free list, and that throws them under this paragraph at 15 per cent. I think the two paragraphs should be considered together, as the Senator

Mr. STERLING. Yes; that is what I have asked.
Mr. HUGHES. I suggest to the Senator that the paragraph
may be considered now, as the question can be taken up in connection with the consideration of paragraph 434 of the free list.

The VICE PRESIDENT. Does the Senator from New Jersey

wish the paragraph to be acted on now?

Mr. JOHNSON. We should like to have it read by the Secretary and acted upon.

The VICE PRESIDENT. The Senator from North Dakota

has asked that the paragraph go over.

Mr. STERLING. I will say that the first clause in paragraph 337 is the important clause and has relation to paragraph 434. The first clause in paragraph 337 imposes a duty of 15 per cent ad valorem on books of all kinds, bound and unbound, not specially provided for. Mr. HUGHES. Wil

Will the Senator permit an interruption?

Mr. STERLING. Yes, sir. Mr. HUGHES. The Senator, I presume, desires to make a change with reference to certain books that have been stricken from the free list?

Mr. STERLING. Yes. Mr. HUGHES. The fact that the Senate agrees to this paragraph will have no effect upon that. It is the free-list paragraph in which the Senator is interested, so that we can agree to this without affecting that in any way. Of course, if anything is done in connection with the paragraph on the free list which would make it necessary to return to this paragraph, that can be done later.

Mr. STERLING. If that is certain, I have no objection to the consideration of this paragraph, but I think books not otherwise specially provided for in the first clause of paragraph 337—Mr. HUGHES. If we put them upon the free list, they are

specially provided for.

specially provided for.

Mr. NELSON. If the Senate amendment to paragraph 434 is disagreed to, that would settle the matter and would leave the provision as the House bill had it.

Mr. HUGHES. The Senator is correct about that.

Mr. NELSON. On Saturday I asked that paragraph 434 go over with a view to having it further considered by the committee, so as to see if the House provision could not be restored.

Mr. HUGHES. The action we are attempting to take now is in perfect accord with that understanding.

The VICE PRESIDENT. The Chair understands that para-

The VICE PRESIDENT. The Chair understands that paragraph 337 will be considered. The Secretary will state the amendments to the paragraph.

The Secretary. In paragraph 337, page 104, line 12, after the word "unbound," it is proposed by the committee to strike out "including," and insert "not specially provided for, 15 per cent ad valorem"; in line 16, after the word "foregoing," to insert "wholly or in chief value of paper"; in line 20, after the word "inch," to insert "in thickness"; in line 23, after the word "cards," to strike out "occupying 35 square inches or less of surface per view"; and in line 25, after the word "form," to strike out "45 per cent ad valorem," and insert "25 cents per pound." so as to make the paragraph read: pound," so as to make the paragraph read:

pound," so as to make the paragraph read:

337. Books of all kinds, bound or unbound, not specially provided for, 15 per cent ad valorem: blank books, slate books and pamphlets, engravings, photographs, etchings, maps, charts, music in books or sheets, and printed matter, all the foregoing, wholly or in chief value of paper, and not specially provided for in this section, 15 per cent ad valorem. Views of any landscape, scene, building, place or locality in the United States, on cardboard or paper, not thinner than eight one-thousandths of 1 inch in thickness, by whatever process printed or produced, including those wholly or in part produced by either lithographic or photogelatin process (except show cards), bound or unbound, or in any other form, 25 cents per pound; thinner than eight one-thousandths of 1 inch, \$2 per thousand.

The amendment was agreed to. Mr. GALLINGER. Mr. President, I simply rise to express gratification at the fact that the duty, as I understand, on "views of any landscape, scene, building, place, or locality in the United States" has been largely increased by the Senate committee. This is an industry that was made possible only a few years ago by a provision in the law. It has developed into a large industry, employing a great many people, and they are doing a magnificent work, I think equally as good as is done in Germany or in any other foreign country. I am delighted, if I understand the matter correctly, to observe that the duty has been kept at a point where there is no danger of the industry being harmed.

Mr. LODGE. Mr. President, I desire to say that the duty on books has hitherto been confined to books in the English language less than 20 years old, and the duty for many, many years has been 25 per cent. A large reduction has been made

in paragraph 337.

Speaking from some knowledge of the question of books, I will say that it is true that more and more of our printing is being done abroad. Our wages have risen here over 30 per cent and the working hours have decreased.

In a brief which I shall later ask to have printed, I find the

following statement:

Proprietary article manufacturers and dealers in patent medicines and many others are now having their advertising literature printed abroad and distributed in this country through the foreign mails, and publishers of periodicals and magazines who give bound books as premiums with a year's subscription are beginning to ship their electrotype plates abroad to be printed from.

The interest which has been shown by Congress in the printing trade is best witnessed by the fact that under the copyright laws no book can be copyrighted which is not made in this An English author seeking a copyright must have his country.

book printed in this country.

The profits in the printing trade have not been great, and the competition has been so severe that the employees in that business for the past two years have not averaged over 250 days' work out of 300 working days. I know how great the competition has been not only in printing our books but in binding them. The binding business, especially that of fine bindings, has been almost extinguished in this country under present legislation, and I do not think it can possibly stand very much more reduction.

This is a matter affecting particularly the printers; it has nothing to do with the publishers. They can easily have their printing done wherever it can be done the cheapest. Many

books now come over in sheets.

I wish to have printed in the RECORD two brief statements which have been made and which I have here, one from the Typothetæ of the City of New York and the other from the Allied Printing Trades Council of Greater New York, composed of working printers and constituting one of the largest and most important trade organizations in the country. I ask that the statements to which I have referred may be printed with my remarks.

The VICE PRESIDENT. In the absence of objection, permission is granted.

The matter referred to is as follows:

BRIEF OF THE TYPOTHETE OF THE CITY OF NEW YORK, AN ORGANIZATION COMPOSED OF OVER 100 PRINTING AND PRINTING SUPPLY HOUSES, REFORE THE COMMITTEE ON WAYS AND MEANS, UNITED STATES HOUSE OF REPRESENTATIVES, IN THE MATTER OF TARIFF RATE ON BOOKS AND PRINTED MATTER.

For almost 50 years the tariff rate on books and printed matter has been 25 per cent ad valorem. Since the act of 1864 to the present day it has been uniformly the same. This is a significant circumstance when it is remembered that in that time there have been many tariff acts in the preparation of which the same careful and diligent investi-

gation of the conditions of the trade have been made as is now being made by the opening committee. Bearining with 1857 wages have steadily increased (over 20 per cent) and working hours have steadily increased (over 20 per cent).

It would appear therefore that the time has come for an increase of the trailir acts to at least 35 per cent of the state of the trailing and the control of the trailing that was formerly done this country has been done abroad.

Proprietary article manufacturers and dealers in patent medicines abroad and distributed in this country through the foreign malls, and publishers of periodicals and magazines who give bound books as promiums with a year's subscription are beginning to ship their electrons.

It is profitable for the foreign prints to do this worken, because his hourse of labor are longer and the wages paid to his worken are only a little over one-third as much as paid in this country. It is profitable for the foreign prints to do this work, because his abroad, notwithstanding the present duty and the freight charges added to the foreign cost of printing. Forty years ago the making of books are broad, notwithstanding the present duty and the freight charges added to the foreign cost of printing. Forty years ago the making of books printing and binding, was done almost entirely by hand; few of the order of the control of t

J. W. Bothwell,
R. W. Smith,
Alfred E. Ommen,
Tariff Committee Typothetæ of the City of New York.

Tariff rate on books and printed matter under various acts.

13	1861	Act
436	1989	Ant
-	100	25/04
2:	1864	Act
630	1009	And
24	5000	ZECL
-23	1890	Act
657	1894	Ant
1		ZACL
23	1897	Act
9:	1009	400
-	1000	2

Importations of books and other printed matter between the years

1910				 	\$3, 379, 185 3, 071, 173 2, 996, 501 3, 390, 311
Importations Dutiable:		other	printed -1912,	between	3, 250, 119 the years \$3, 072, 127
1908 1909 1910 1911 1912				 	2, 965, 520 2, 630, 123 2, 642, 764 2, 855, 496 2, 574, 026

Table of comparative wages of compositors and pressmen of the United

Country.	Workmen.	Weekly wages.	Weekly hours.
UNITED STATES.			
New York	Compositors, hand Compositors, machine Pressmen, flat-bed	\$25.00 to \$30.00 26.00 to 30.00 26.00 to 30.00	45
ENGLAND.	Pressmen, rotary	1 32.00	4
London	Compositors, hand Compositors, machine Pressmen	10.00 12.00 12.00 to 15.00	56
Edinburgh	Compositors, hand Compositors, machine	8.50 10.00 9.00 to 12.00	5
GERMANY. Berlin	{Compositors	9.00 to 10.00 7.00 to 9.00	5 5
Paris	Compositors, hand Compositors, machine Pressmen	8.00 12.00 10.00	64

1 And noward.

ALLIED PRINTING TRADES COUNCIL OF GREATER NEW YORK, New York, June 6, 1913.

Hon. Henry Cabot Lodge, United States Senate, Washington, D. C.

United States Senate, Washington, D. C.

Dear Six: This letter is in reference to that part of the proposed tariff bill which affects the printing industry and known as "Schedule M." The paragraphs of that schedule particularly affecting photo-engraving, electrotyping, stereotyping, composition (typesetting), presswork, and bookbinding are Nos. 333 and 337, also paragraph 427 of the free list.

Paragraph 333 refers to pletures, cards, and post cards printed in whole or in part from metal, which means copper, zinc, and aluminum (metals used in the photo-engraving industry for the manufacture of these articles).

Paragraph 337 refers to books of all kinds, bound or unbound, pamphiets, engravings, photographs, etchings, etc. On page S4 of bill H. R. 10 this paragraph also refers to post cards. Under this heading every branch of the printing industry is affected. The present rate is 25 per cent ad valorem, and it is proposed to reduce this to 15 per cent.

If. R. 10 this paragraph also refers to post cards. Under this heading every branch of the printing industry is affected. The present rate is 25 per cent ad valorem, and it is proposed to reduce this to 15 per cent.

Under the present rate of 25 per cent the foreign manufacturers, a large percentage of whom are now using improved American machinery and have the advantage of longer hours and lower wages, are able, through the use of this improved American machinery, to manufacture all of the articles coming under the heading of paragraph No. 341 so much cheaper that the American publishers send their work to Europe, have same shipped back here, pay the present duty of 25 per cent, and are then able to place the article upon the market at a lower price than it is possible to produce the same article for in this country. We mention these conditions in order that you may fully realize that under the present tariff abuses are existing which, if allowed to continue, will work serious injury to the printing industry. The printing industry is the second largest in the State of New York and the sixth largest in the United States. A large percentage of our members are getting fairly good wages and desirable conditions, which have been secured only through their power of organization, and we are very sure that there is no desire on your part or that of any other member of the committee to do anything which will be detrimental to this important industry.

Paragraph 425, page 105, of H. R. 10 of the free list, permits Bibles, and I presume extracts from Bibles, and other religious tracts, to be admitted free. This we vigorously protest against, and see no reason why any exception should be made on this class of printing as it is the American wage earner's money that pays for these articles, and there is no reason why the American wage earner should not have the first opportunity of getting the benefit of the expenditure of this money if it is possible to give it to him. This the Senate can give by putting a competitive tari

that sufficient statistics are given to show that the abuses already exist. The following is a table taken from page 4941 regarding bookbinding, which was filed by one of the bookbinders in this city, a firm that had to compete more than other firms with the foreign manufacturers:

"The American extra binder is unable to compete with the foreigner, first, because his wages vary, as follows:

" ENGLAND.

"Girls, 10s, to 16s. (\$2 to \$4).
"Forwarders, 30s. (\$7,50).
"Assistant finishers, 32s. to 36s. (\$8 to \$0).
"Finishers, 36s. to 44s. (\$9 to \$11).
"UNITED STATES.

"Girls, \$8 to \$10 (increase 250 to 400 per cent).

"Forwarders, \$21 (increase 200 per cent).

"Assistant finishers, \$20 to \$22 (increase 150 per cent).

"Finishers, \$24 to \$30 (increase 150 per cent)."

The table following, taken from page 4944, is filed by the same manufacturer and is also very useful:

Schedule showing the percentage of labor cost as compared with the total amount received for binding 1,000 books and single copies in extra binding.

	Labor cost.	Ex- pense cost.	Mate- rial cost.	Price charged for binding per M.	Dis- count.	Net amount re- ceived.	Per cent of labor.
Paper-covered books  Cloth-covered books  Do  Do  Cheap leather books  Cloth-covered books	\$12.50 60.50 20.75 31.00 92.00 61.00	\$6, 25 30, 25 10, 40 15, 50 46, 10 30, 50	\$1.00 15.25 12.75 27.00 148.00 100.00	\$22.00 120.00 51.00 85.00 330.00 220.00		\$21.34 116,40 49.47 82.45 320.00	58 52 42 37 30
Commercial, extra bind- ing, per copy Extra binding, rare book,	.93	.24	.32	1.75	6.60	213.40 1.69‡	28 54
per copy	24.60	6.15	4.25	40.00		40.00	60

On page 4966 is the following table, taken from an investigation made the United States Department of Commerce and Labor, and it is authentic:

Table of comparative wages of compositors and pressmen of the United States and continental Europe.

Country.	Workmen.	Weekly	wages.	Weekly hours.
UNITED STATES.		a sai		1
New York	Compositors, hand	\$25.00 to 26.00 to 26.00 to	30.00	48
ENGLAND.				
London	Compositors, hand Compositors, machine Pressmen	12.00 to	10.00 12.00 15.00	50 50
SCOTLAND.	(Comments on New 2		0. 80	
Edinburgh	Compositors, hand Compositors, machine Pressmen	9.00 to	8.50 10.00 12.00	50 50
GERMANY.				HI TO ALLY
Berlin	Compositors	9.00 to 7.00 to	10.00	54 54
Paris	Compositors, hand Compositors, machine Pressmen		8.00 12.00 10.00	60 48 60

The above table deals only with pressmen and compositors. No information is given as to the other branches of the printing industry, such as photo-engraving, electrotyping, and bindery work; but it is safe to assume the difference in the wages paid in electrotyping and photo-engraving is about the same as that paid for composition and presswork. As to the prices paid for bindery work, I believe it is in the tables given on pages 4941 and 4944.

When reading the testimony given at these hearings it is advisable to note that all of the people who appeared in favor of a reduction of the tariff on printed matter are publishers and not manufacturers, and only a small percentage of the manufacturers have appeared before your committee. Those few who have appeared have very ably presented to you the reasons why the tariff on printed matter should remain as it is, and particularly the Bible manufacturers have given good reasons why Bibles should not be placed upon the free list.

We hope that you will take all of these things into consideration and give them your closest attention. We beg to submit the following amendments to the proposed tariff bill, which amendments were submitted to the Democratic caucus, but went the way of all other amendments—received no serious consideration from that body:

"Amend, section 337, page 82, line 12, by striking out the figures '15' and inserting in lieu thereof the figures '25'; also by striking out in line 21, same section and page, the figures '12' and inserting in lieu thereof the figures '25'; also by striking out of the proposed bill all of section 427, page 105, lines 6 and 7; also by striking out of section 341, page 83, by adding after the word 'including' in line 20 a new line to read as follows: 'Bibles, comprising the books of the Old or New Testament or both'; and by striking out of the proposed bill all of section 427, page 105, lines 6 and 7; also by striking out of section 341, page 83, ine 24, the figures '15' and inserting in lieu thereof the figures '25'; also by

in the United States and the small amount imported; and they were of the opinion that a little more competition should be introduced. On analyzing those conclusions, we find that there is no reasonable excuse for including the money invested in newspapers, the money invested in magazines, and that money which is invested in what may be termed purely commercial printing—that is, printing which would have to be done in this country regardless of how low the tariff may be. In other words, they based their conclusions on the amount of money invested in the printing industry as a whole, when they should have only arrived at their conclusions according to that part of the industry in which there is competition with foreign countries. If they had done this, we feel very well satisfied that there would not be any serious complaint on our part, for the very good reason that they would not have recommended the present reduction.

Now, there are no monopolies or trusts in the printing trades. It has been impossible to organize one up to the present time, and owing to the small margin of profit upon which printers do their business the industry is not very attractive to people who would like to organize a trust or monopoly. We are of the opinion, from our experiences with the printing trades and our knowledge of other industries, that printers do a larger business on a narrower margin of profit than any other industry in the country. They are now reduced to the minimum, and if the tariff bars are going to be let down and they are thrown into competition with the cheap labor of foreign countries, it is going to result in a very serious injury to our business. It will mean that a large number of our people will be thrown out of employment, that we will not be able to keep up either the high wages or decent working conditions which have been secured through our power of organization.

We sincerely trust that your committee will give this matter their deepest consideration and investigation, and we are sure that after you have

matter.
Placing this office at your disposal for any information or assistance we can render, I remain, Yours, very truly, PETER J. BRADY, Secretary.

Mr. GALLINGER. Mr. President, I wish to give notice that when the bill is being considered in the Senate I shall ask for a yea-and-nay vote on the first amendment in paragraph 337, reducing the duty on books to 15 per cent.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 105, to strike out all of paragraph 340, in the following words:

340. All papers and manufactures of paper, or of which paper is the component material of chief value, not specially provided for in this section, 25 per cent ad valorem.

And to insert in lieu thereof:

340. Papers or cardboard, cut, die cut, or stamped into designs or shapes, such as initials, monograms, lace, borders, or other forms, and all post cards, not including American views, plain, decorated, embossed, or printed, except by lithographic process, and all papers and manufactures of paper or of which paper is the component material of chief value, not specially provided for in this section, 25 per cent ad valorem.

The amendment was agreed to.

The reading of the bill was resumed, and the Secretary proceeded to read paragraph 341, on page 105, under the heading Schedule N—sundries."
Mr. HUGHES. I ask to have that paragraph passed over.
The VICE PRESIDENT. It will be passed over.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 106, to strike out paragraph 342, in the following words:

342. Braids, featherstitch braids, fringes, gimps, gorings, all the foregoing of whatever material composed, and articles made wholly or in chief value of any of the foregoing not specially provided for in this section, 50 per cent ad valorem.

And to insert in lieu thereof the following:

342. Ramie hat braids, 40 per cent ad valorem; manufactures of ramie hat braids, 50 per cent ad valorem.

The amendment was agreed to.

The next amendment was, in paragraph 343, page 106, line 10, after the word "bark," to strike out "ramie," and in the same paragraph, line 16, after the word "bark," to strike out "ramie," so as to make the paragraph read:

"railile," so as to make the paragraph read:

343. Braids, plaits, laces, and willow sheets or squares, composed wholly or in chief value of straw, chip, grass, palm leaf, willow, osier, rattan, real horsehair, cuba bark, or manila hemp, suitable for making or ornamenting hats, bonnets, or hoods, not bleached, dyed, colored, or stained, 15 per cent ad valorem; if bleached, dyed, colored, or stained, 20 per cent ad valorem; hats, bonnets, and hoods, composed wholly or in chief value of straw, chip, grass, palm leaf, willow, osier, rattan, cuba bark, or manila hemp, whether wholly or partly manufactured, but not blocked or trimmed, 25 per cent ad valorem; if blocked or trimmed, and in chief value of such materials, 40 per cent ad valorem. But the terms "grass" and "straw" shall be understood to mean these substances in their natural form and structure, and not the separated fiber thereof.

The amendment was agreed to.

Mr. LODGE. Mr. President, I wish to call attention to the fact that in this paragraph the duty has been left the same on braids, which are the raw material of the industry and which are largely imported, while the duty on the finished product has been severely reduced. I have called attention to several such incidents in the bill, where a double burden is put upon the American manufacturer, and he is not only exposed to the loss of the tariff on his product, but his foreign competitor is given the benefit of a high rate on the raw material. It seems

to me the raw material and the others ought both to have been reduced, or neither.

As showing the competition which we are obliged to meet, I desire to submit an extract from a consular report as to the manufacture of hats in China, which I think ought to be con-I shall not ask sidered by the committee in this connection.

to have it read.

The VICE PRESIDENT. Without objection, the matter referred to will be printed in the RECORD.

The matter referred to is as follows: TSINGTAU, CHINA, March 24, 1913.

Transmitting report on the manufacture of straw hats. I have the honor to inclose herewith a report on the manufacture of straw hats in this district. This report is submitted in response to a request for information on the subject by Mr. Charles H. Guye, of 568-578 Broadway, New York, N. Y., and I have the honor to request that a copy be transmitted to him.

I have the honor to be, sir,
Your obedient servant,

JNO. A. Bristow,

JNO. A. BRISTOW, American Vice Consul in Charge.

MANUFACTURE OF STRAW HATS IN TSINGTAU DISTRICT.

American Vice Consul in Charge.

Manufacture of straw hats for sale to Chinese and to foreigners has been made the subject of investigation by the straw-braid exporters of Tsingtau for several years. The possibilities for the success of such an enterprise were enormously increased by queue cutting among the Chinese, which seemed popular among them during and following the revolution in 1911-12. It is evident now to a traveler in North China that this radical change of custom has reached only a very small percentage of the population.

While there is a market among foreigners and those Chinese who have come in contact with foreigners in the treaty ports, it is assumed that in establishing a factory for the manufacture of straw hats greater dependence would be placed on the sale of a very cheap hat. Some protection for the head is necessary to the majority of the population, whose work keeps them outside under a powerful sun for long hours. Should queue cutting become prevalent the market is there.

First among the Tsingtau exporters to show his faith in the possibilities of the trade, was an English straw-braid exporter. He had an unfortunate business experience while seeking capital from the Chinese, and was finally obliged to start on a very small scale. As indicated above, greater attention was given to the manufacture of a large, soft hat, costing about 8 cents to make, and retailing at 20 or 25 cents. Better grades, retailing at 40 cents and \$1, also find sale.

Eight cheap Japanese machines are used in this factory, costing about \$12 gold each. The braid used is that rejected by the English exporter, so the factory enjoys an advantage over the small Chinese manufacturer who uses perhaps only enough braid for one machine.

The establishing of a separate agency for the Province of Shantung by the Singer Sewing Machine Co., with headquarters in Tsingtau, has brought to the field a foreigner, who, by reason of his interest in the sale to a mission school in the interior, where straw-braid and straw-hat making

JNO. A. BRISTOW, Vice Consul in Charge.

TSINGTAU, CHINA, March 24, 1913.

The reading of the bill was resumed, and the Secretary read paragraph 344, page 106, as follows:

344. Brooms, made of broom corn, straw, wooden fiber, or twigs, 15 per cent ad valorem; brushes and feather dusters of all kinds, and hair pencils in quills or otherwise, 35 per cent ad valorem.

Mr. WEEKS. I should like to ask the Senator in charge of this schedule what reason was advanced for reducing the duty on brushes. There seems to be keen competition in that industry in this country and in foreign countries as well. In a speech made here not long ago I called the attention of the Senate to the fact that English and Japanese made brushes are used in the cloakrooms of the Senate; and I notice, from the statistics of importations, that there seems to be very keen

competition, not only in this country, but with foreign countries.

Mr. HUGHES. I wish to say to the Senator that the investigation we made led us to the conclusion that this was a fair competitive rate. I think, perhaps, brushes could have stood more of a reduction, but there is considerable revenue involved. The fact that imported brushes appear in our cloakrooms does not mean anything in particular. You will find our brushes in the very countries from which these brushes are imported,

Mr. WEEKS. Not to the same extent, however, because we import more than three times as many brushes as we export.

Mr. HUGHES. Our exports are quite considerable, as the

Senator will see.

Mr. WEEKS. Yes: I notice that they are about one-third of the imports.

Mr. HUGHES. Those interested in the manufacture of brushes came before the committee and made their arguments, and the opinion of the committee was that this was a fair rate. I am not prepared to say that we would not have lowered the rate further had we not considered this a legitimate object for raising revenue. We found brushes were being exported to quite a considerable extent.

Mr. WEEKS. I think the Senator will find that the importations are made entirely to nonmanufacturing countries con-

tiguous to us, and not to manufacturing countries.

Mr. BRISTOW. I simply desire to call the attention of the committee to the duty on brooms and brushes. from Massachusetts complains of the reduction on brushes from 40 per cent to 35 per cent. Broom corn has been placed on the free list, and in the case of manufactures of broom corn the duty has been reduced from 40 per cent to 15 per cent. Broom corn goes directly from the producer of broom corn, the farmer, to the manufacturer.

This is simply another indication that wherever the farmer has a direct or indirect interest in a product the lowest possible

duty is placed on it or it is put on the free list.

The manufacturers of bristle brushes complain of a duty of 35 per cent; but the agricultural classes in our part of the country are not treated with anything like the consideration that the manufacturers of the finer articles of commerce are.

Mr. LODGE. I will say to the Senator, in that connection, that the makers of brooms feel this just as severely as the farmers. Of course they are the farmers' customers.

Mr. BRISTOW. Certainly.

Mr. LODGE. They will be, they think, put out of business.

As to bristles, I think some of those come from the farms.

As to bristles, I think some of those come from the farms.

Mr. BRISTOW. But the farmer has very little interest in the bristles. Those are a by-product of the packer. The farmer does have a very great interest in the growing of broom corn, however.

Mr. NELSON. If the Senator will yield to me, as a farmer will say that when we butcher hogs we never save the bristles.

Mr. LODGE. I will not enter upon a discussion of the matter, as I know it is useless to attempt to change the duty; but I should like to ask that some letters from constituents of mine. who are deeply interested in this matter, may be printed at this point.

The VICE PRESIDENT. In the absence of objection, that order will be made.

The matter referred to is as follows:

BOSTON, MASS., May 26, 1913.

Hon. Henry Carot Lodge,
Senator from Massachusetts, Washington, D. C.

Dear Sir: In the tariff bill now before the Senate of the United States, the Underwood bill, H. R. No. 10, it is proposed to reduce the duty on house brooms from the present duty of 40 per cent ad valorem to 15 per cent.

Owing to the very large number of small factories throughout the country engaged in manufacturing brooms such keen competition is produced that the margin of profit to the manufacturer is now very small, so that any increased importation of foreign brooms will work a real hardship on those now engaged in broom manufacturing in the United States. Already brooms are being imported from Japan in considerable quantities, and with the proposed reduction of the duty Japan will be able to flood the country with her cheap-made goods to the detriment of those in this country who are paying American wages for their labor.

their labor. We earne their labor.

We earnestly request that you use your best efforts against any reduction in the present tariff on brooms in the interest of your constituents engaged in this business in the State of Massachusetts.

Very respectfully,

LEE BROOM & DUSTER CO.

FLORENCE MANUFACTURING Co., Florence, Mass., April 30, 1913.

FLORENCE MANUFACTURING CO.,

Florence, Mass., April 30, 1913.

Senator Henry Cabot Lodge,

Washington, D. C.

Dear Senator Lodge: Perhaps it is utterly useless for us or any other manufacturers in our line to make any appeal in behalf of the tariff schedule as it affects our line of brushes. Your personal attitude, of course, we are thoroughly familiar with, and know that if the matter were of your own doing you would at least give us a courteous hearing. While the Ways and Means Committee of the House have not made a very big cut in our schedule, at the same time a cut of 5 per cent on brushes means as much as some of the terrible cuts that have been made on some of the other schedules.

While we heartily appreciate the position in which you find yourself at the present time, perhaps you will be unable to do very much for us, at the same time we feel that we should like to lay the facts before you, and ask that you be good enough to do whatever you consistently can to have the duty on brushes at least retained where it is at the present time, namely, 40 per cent ad valorem. What we really ought to have is 50 per cent, which would not be in any sense prohibitive and not at all protective.

I do not want to burden you with all the details, as I know you have plenty to do as it is, and are already in possession of more briefs than you can possibly read, so I just merely wish to call the matter to your attention in this way, and would appreciate anything that you can do for not only us but the brush manufacturers as a whole.

The writer will probably have to be in Washington some time during the middle of the month, when the tariff bill is reported to the Senate, in the capacity of a member of a committee selected by the brush manufacturers of the United States, to do everything in our power to have the schedule put back to 40 per cent, or, if possible, advanced to 50 per cent. The latter I think will probably be out of the question under the existing conditions.

With kindest regards, I am,
Cordially, yours,

WM. CORDES.

FLORENCE, MASS., January 20, 1913.

Hon. OSCAR W. UNDERWOOD, M. C., Chairman Ways and Means Committee, Washington, D. C. BRUSHES-SCHEBULE N, PARAGRAPH 410.

Statement by Florence Manufacturing Co., Florence, Mass.

The present duty on brushes is ad valorem 40 per cent. We petition that brushes be made subject to 50 per cent ad valorem

We petition that brushes be made subject to 50 per cent ad valorem duty.

The principal raw material used in the manufacture of brushes is hogs' bristles, which are subject to 7½ cents per pound. This is the condition in which nearly all bristles are imported.

The duty on bristles is nearly 3 per cent of the value of brushes in which they are used.

Bristles in crude state are imported free of duty, but we know of none of any consequence being imported in this shape, as quality and value can not be intelligently judged, and cost of preparing is so much greater in the United States than in foreign countries, owing to the great difference in the cost of labor.

The census of the United States for 1909 gives the sale value of brushes manufactured in the United States for that year as \$14,694,000. There are about 400 brush manufacturing establishments with an average profit of each less than \$5,000.

Importation of brushes and bristles from 1909 to 1912 were as follows:

Year ending June—	Brushes.	Bristles.
1909	\$1,430,321 1,732,290 2,241,966 2,067,149	\$2,583,482 3,111,872 2,970,481 3,032,231

There has been an increase, according to this statement, in importa-tion of bristies, comparing 1909 with 1912, of 20 per cent. Brushes imported for the corresponding period have increased 44 per cent. You will please notice that the increase in the importation of brushes as com-pared with bristles imported was even of more injury to the brush manufacturers in the United States in the comparison of 1909 with 1911.

It is fair to estimate that one-third of the better kind of brushes used in the United States are of foreign make, and of the variety of brushes imported there are not made in the United States in value more than \$5,000,000.

Of tollet brushes, such as hair, tooth, cloth, etc., one-half of those used in the United States are foreign made. This statement can be easily verified by examination of the brushes effered for sale by retailers of brushes in department stores, drug stores, etc., anywhere in the United States.

Our customhouse records for seven years state importation of brushes.

Our customhouse records for seven years state importation of brushes as follows:

Leading countries.	1905	1906	1907	1908	1909	1910	1911
	\$1,440 654,750 187,428 294,991	199,946	240, 422	\$9,065 747,225 242,661 473,680	\$6,593 598,235 191,741 401,274	677,091 281,471	\$12,967 801,847 416,900 736,781
United Kingdom: England	156,176	171,236	194, 251	194,411	221,571 142 2	239, 267 270	256, 667 85 58

Total imports of brushes from all countries.	
1905	\$1, 306, 446
1906	1, 357, 114
1907	1, 586, 556
1908	1, 681, 640
1909	1, 430, 321
1010	1, 732, 200
1911	2, 241, 066
1010	2, 067, 149

For many years we have been manufacturing toilet brushes, and for a number of years we have tried to make some popular priced tooth-brushes, but find with our labor costs we are unable to compete with the European and Asiatic manufacturers, where most of this class of merchandise is made, because they are able to bring these goods into the United States for even less money than our actual bare manufacturing costs. Consequently we employ less labor than we would it brushes were protected; certainly the brush industry has never been protected under a protective tariff. A few facts bearing on the Japanese labor conditions furnish positive evidence that an equitable tariff for revenue duty should be on a higher ad valorem basis.

In Japan children are more or less employed at about 1 cent per hour (we employ no children). Women in the United States earn from 10 cents to 20 cents per hour; in Japan women earn from 1½ to 25 cents per hour. Male labor in the United States is paid from 15 to 35 cents per hour; in Japan male labor is paid 5 cents per hour. Workers in Japan work from 7 a. m. to 6 p. m. 7 days a week, generally 312 days a year—one large factory works 230 days in a year.

When modern brush machinery is introduced in Japan, such as is in general use in Europe, especially in Germany and Austria, coupled with the Japanese low-priced labor, the brush industry in the United States would be practically ruined.

As a further proof of labor costs in Japan, a few years ago an importer of Japanese products sent us some toothbrush handles made of bone ready to have the bristles drawn in. The price he quoted, duty paid to New York, in comparison with similar handles made in our own factory, showed an advantage in favor of the Japanese maker of 25 per cent, in spite of the very fact that most of the bone used in the manufacture of toothbrush handles is bought in the United States and shipped to Japan. While it is improbable that handles for toothbrushes will be made in Japan and sent to this country (United States, we simply give these facts to show that labor costs in the brush industry, especially tooth and toflet brushes, are lower in Japan than anywhere in the world, and in view of the rapidly increasing importations of brushes from Japan, our industry is not sufficiently protected, Although the United States Government does not permit Japanese labor to enter, it seems inconsistent that it does permit one of Japan's products in the form of brushes to come in in increasingly large quantities.

quantities.

In Austria and Germany many of the operations in the making of brushes are performed by women where we are obliged to employ men, consequently creating a much wider difference in labor costs than is apparent in an actual comparison of wages paid. In Japan this condition is much worse, as women are paid a great deal less than in Germany and Austria. In Belgium and Germany women dress bristles and de classes of work which are not and can not be performed by women under United States conditions.

The foregoing statistics from the United States customs department records show conclusively that with this continual increase in importation of brushes, surely an ad valorem duty of 40 per cent is not fair to the brush industry. With a duty of 50 per cent ad valorem this importation would become smaller, and we could probably in a short time give employment to more people making brushes here. The United States census for 1909 gives the following details regarding brush manufacturing on percentage basis:

a br chime Current Sinces.	
COSTS.	Per cent.
Materials	48%
Wages	201 91 71
Expenses 1	94
Salaries	74
Total cost	864
Per cent profit	13.4
Tor ten promise	1010
Total cost and profit	100
For Massachusetts.	
COSTS.	Per cent
Materials	
Wages	221
Expenses 1	12
Salaries	71
	-
Per cent prefit	89
fer cent pront	11
Total cost and profit	100

The items of expenses do not include interest on capital, depreciation of plants, or losses from bad accounts.

tion of plants, or losses from bad accounts.

The item of wages you will observe in Massachusetts is 22½ per cent among all brush manufacturers in this Commonwealth. In our own factory—Florence Manufacturing Co., one of the largest in the United States—this one item of wages alone on toothbrushes is between 30 and 20 per cent.

No very large profit is shown by these statistics to the brush industry of the United States. Furthermore, these profits would in all probability be somewhat decreased by omissions on the part of individuals who omitted to include their own salaries.

Of the various items that enter into the cost of making brushes, materials are in every country where brushes are manufactured of the same value, so that labor in the United States would be the only item which could be reduced and that should not be on any lower basis than it is now.

Not only does labor cost less in foreign countries, but such items as

which could be reduced and that should not be on any lower basis than it is now.

Not only does labor cost less in foreign countries, but such items as rent, incidental expenses, and interest are less than in the United States. To further show why the importation of brushes from Japan and Europe are increasing so rapidly, we ask you to kindly examine the table of statistics attached regarding wages paid in foreign countries in the manufacture of brushes. Please note the difference in wages paid between the United States and Germany, and the marked difference between the United States and Japan. This statement will prove that the brush industry is not protected and has a hard struggle with this foreign competition. Any reduction of duty would seem unreasonable and certainly mean fewer brushes made and the number of people employed in the brush industry in the United States would be greatly reduced.

A comparison of American and foreign wages in brush manufacturing.

	Unit	ed States.	Great Britain.		
	Sex.	Per week.	Sex.	Per week.	
Bristle sorters and washers	Males	\$15.00-\$24.00	Males	\$8-00- \$9.00	
Pan hands	Females.	6.00- 9.00	do	8.00- 9.00	
Paintbrush makers	Males	15.00- 21.00	do	13.00- 15.00	
Handle shapers (tollet brushes).		12.00- 18.00	do	Up to 10.00	
Bristle pickers	Females.	4.50- 6.00	Females.	2.50- 2.75	
Toothbrushes (drawers), per gross.	do	Up to 2.40	do	Up to 1.35	
Shaving-brush makers	Males	12.00- 18.00	do	3.00- 3.50	
Rorers	do	18.00- 21.00	do	Up to 5.00	
Drawing hands	Females.	6.60- 9.00	do	Up to 3.50	
Finishers, polishing, etc		4.50- 7.00	Boys and girls.	2.00- 2.50	
Beginners, boys and girls	Minors	4.50	do	Up to .00	
Toothbrush-handle makers, best.	Males	Up to 18.00	Males	8.00- 7.00	
Toothbrush-handle makers, ordinary.	do	Up to 18.00	Boys and girls.	2.50- 4.50	

Austria.—Blind skilled workers earn per day 60 cents; seeing skilled workers earn per day \$1.20. Brushworkers are very largely blind, perhaps 50 per cent are blind, and much of the work is done in homes. Germany.—Average male employed, per week, \$6.66; average female employed, per week, \$3.33; skilled males earn, average, \$7.14 to \$9.76; skilled females earn, average, \$4.05 to \$5.47. In small village, all minors—males, \$2.14 to \$4.28; females, 95 cents to \$1.67.

Japan.—Males, 28 cents to 38 cents per day; females, 13 cents to 18 cents per day; children, 8 cents to 11 cents per day.

Above rates are for all departments of brush making.

Drawing hands, female, up to 22 cents per day.

Employees work in Japan from 7 a. m. to 6 p. m., seven days a week; generally 312 days a year. One large factory 330 days a year.

Our company, the Florence Manufacturing Co., have our factory here at Florence, Mass. We have a cash capital invested of \$200,000 in the manufacture of brushes. We employ over 500 persons making tollet brushes from the raw materials to the finished goods; that is, all the wood and bone work, handles, etc. Our pay roll is between \$200,000 and \$212,000 yearly. We are also using in very large quantities lumber, bone, aluminum, steel, leather, lacquers, varnishes, and many other supplies that are produced in the United States.

There are very few large brush manufacturers in the United States; most of the brushes made come from small factories. There is no brush trust or combination in the United States. Competition between American brush manufacturers is very keen and profits are not at all large. We export a verw few of our brushes, and what we export we sell at the same prices as we do to the United States market. We do not solicit export business; it comes to us in most cases direct, due to the fact that our brushes are trade-marked and have a national reputation created through advertising, and in this way we get inquires in a small way from foreign countries.

Florence Manufacturing Co.,

FLORENCE MANUFACTURING Co., WILLIAM CORDES, Treasurer and General Manager.

FLORENCE, MASS., January 20, 1913.

Hon. OSCAR W. UNDERWOOD, M. C., Chairman Ways and Means Committee, Washington, D. C.: BRISTLES-SCHEDULE N, PARAGRAPH 411.

Statement by Florence Manufacturing Co., Florence, Mass.

We are further handicapped in the manufacture of brushes by being obliged to pay 7½ cents per pound duty on bristles, which are not produced to any extent in the United States. We petition that this duty be either reduced or removed entirely. If it is required for revenue purposes, we would be willing to have it remain as it is, provided the duty on brushes is made 50 per cent ad valorem.

Respectfully submitted.

FLORENCE MANUFACTURING Co., WILLIAM CORDES, Treasurer and General Manager.

BOSTON, January 21, 1913.

Hon. Henry Cabot Lodge,

United States Senate, Washington, D. C.

Dear Sir: We inclose you a brief on the matter of importation of brushes, the duty on which now is 40 per cent, and we think should be as expressed in the brief, 50 per cent.

We hope you will be able to interest yourself in our behalf, and do what you can for us.

Thanking you in advance, we remain,
Yours, respectfully,

A. & E. Burton Co.,
F. H. Carter, Treasurer.

A. & E. BURTON Co., F. H. CARTER, Treasurer.

Hon. OSCAR W. UNDERWOOD, Chairman Ways and Means Committee, Washington, D. C.

DEAR SIR: The undersigned individual brush manufacturers of the United States respectfully request your honorable committee on consider the following facts regarding tariff as it affects the brush industry. We are not bound together by any trade agreements or combinations of any kind whatsoever, and no likelihood of any ever being brought

BRUSHES.

Schedule N, paragraph 410. The present duty on brushes is 40 per cent ad valorem.

We petition that brushes be made subject to 50 per cent ad valorem, for the following reasons.

We petition that brushes be made subject to 50 per cent ad valorem, for the following reasons.

Brush manufacturing in the United States is an industry which suffers abnormally from competition by foreign brush manufacturers.

It is an unfortunate fact that fully one-fourth, or perhaps more, in market value of all the brushes consumed in the United States are of foreign manufacture.

With a tariff for revenue duty approaching the difference in the cost of labor and other items of the cost of production, all brushes consumed in the United States could be made here. The brush industry has never been protected under a protective tariff.

Of the kinds of brushes in which labor is the principal Item of cost, more than one-half used here is manufactured abroad.

Tooth and nail brushes are nearly all foreign made, as a visit to any drug or department store will verify.

Hair and other toilet brushes are considerably more than one-half foreign made.

An abstract from United States Consular Powerts in

foreign made.

An abstract from United States Consular Reports in regard to brush making in Japan and Austria shows clearly the very low prices for labor in this industry. The United States Department of State has received reports of American consuls at Nuremberg, Germany, and London, England, giving information as to rates of wages in those countries in the manufacturing of brushes. The following is from the report of the American consul at Nuremberg:

"The manufacture of brushes is a very considerable industry in in Nuremberg and vicinity. This branch of industry here gives employment to about 3,000 men, women, and children: 2,300 of whom are employed in the factories in Nuremberg and 700 in the smaller factories in near-by villages. In the city about two-thirds of all em-

ployees are females and 12 to 15 per cent are minors; in the villages the percentage of minors is somewhat higher. The annual production is of the value of about \$3.335,000, of which total only about \$250,000 is from the factories outside Nuremberg.

"In Nuremberg there are 20 brush factories. One large concern—the largest in Germany—which employs about 1,100; three others employ from 100 to 200 each; the others are all very small concerns, sometimes with only half a dozen employees and from that number up to 75 or 80. One factory in the town of Dinkelsbuhl has about 100 employees and smaller concerns in the villages of Markt, Beehofen, Wilhermsdorf, Burk, and Schopfloch gives employment to about 600 persons. The so-called factories in these villages depend to a very considerable extent on "house industry"—that is, the work is done in the homes and the whole family participates to a greater or less extent. When there is no work in the fields, father, mother, and all the children turn to brush making. Wages are much lower than in the city factories and these grades of goods are there turned out at much less cost than would be possible in the larger concerns.

"The brush industry here in Nuremberg is apparently a very prosperous one. The largest concern here has for a number of years declared a regular annual dividend of 15 per cent. The leading concern here, which has a branch factory in the United States and ships much raw material and partially finished products, is the largest concern of its kind in Germany. Only one-third of its employees are males, two-thirds being females. Of male employees 13 per cent are minors and of the female employees, 12 per cent. The average wage paid to male employees is \$3.63 per week. Skilled male workmen earn \$7.14 to \$9.76 per week, and skilled female brush makers from \$4.05 to \$5.47 per week.

"Still another brush manufacturer, whose plant is located in a small village some distance from Nuremberg, states that about one-third of its employees are minors from 95 cents to \$1.67

Fancy toothbrush handles are all fashioned by hand by men who earn from \$6 to \$7 a week at this trade. Handles that do not require great skill in the making, yet that are not the straight, ordinary kind, are made by both boys and girls who earn from \$2.50 to \$4.50 per

week.

While competition with European manufacturers—Germany, England, France, and Austria—is very severe, yet it does not compare with the terrible competition that we are experiencing with Japan. The Government prevents Japanese labor from entering the United States, but one of its products, in the form of brushes, is arriving constantly in very large quantities and increasing in volume very rapidly, the increase being 3.856 per cent since the McKinley Tariff Act became effective in 1891, as can be readily determined from the United States Treasury Department statistics covering the time stated.

## Japanese brush importations.

1071	815, 812
1892	25, 618
1893	30, 632
1894	45, 402
1895	57, 268
1896	59, 369
1897	88, 065
1898	101, 256
1899	123, 202
1900	130, 093
1901	191, 911
1902	195, 782
1903	273, 140
1904	356, 456
1905	294, 991
1906	317, 123
1907	401, 639
1908	473, 680
1909	A 10 4 10 10 10 10
1910	510, 552
1911	736, 781
1912	802, 923
***************************************	002, 040

Years 1891 to 1912—21 years—3,856 per cent increase.

The foregoing and a few facts bearing upon the Japanese labor conditions furnish conclusive evidence that as equitable tariff-for-revenue duty should be on a higher ad valorem basis.

In Japan children are more or less employed, at about 1 cent per hour. Women in the United States earn from 10 cents to 20 cents per hour; in Japan from 1½ cents to 2 cents per hour. Male labor in the United States is paid from 15 cents to 35 cents per hour; in Japan male labor is paid about 5 cents per hour.

Employees work in Japan from 7 a. m. to 6 p. m., 7 days a week, generally 312 days per year. One large factory, 330 days per year.

There are about 8,000 persons engaged in the brush industry in the United States, of which number only 304 are minors.

Capital invested, about \$11,000,000; value of product, about \$15,000,000; number of establishments, about 400.

Imports of brushes of all kinds into the United States, fiscal year 1912.

p	orted from: Austria Belgium France Germany England	\$36, 806 7, 753 749, 189 448, 550 211, 998
	Japan All other countries	602, 923 9, 930
	Total	2, 067, 149

A comparison of American and foreign wages in brush manufacturing.

	United States.		Great Britain.		
	Sex.	Per week.	Sex.	Per week.	
Bristle sorters and washers	Males	\$15.00-\$24.00	Males	\$8.00-\$9.00 8.00- 9.00	
Pan hands	Females	6.00- 9.00	do	12.00-15.00	
Paintbrush makers	Males	15.00- 21.00		Up to 10.00	
Handle shapers (toilet	do	12.00- 18.00	de	Op 10 10.00	
brushes). Bristle pickers	Females.	4,50- 6,00	Females.	2.50- 2.75	
Toothbrushes (drawers)	remaics.		do	(2)	
Shaving-brush makers	Males	12.00- 18.00	do	3,00-3,50	
Borers		18.00- 21.00	do	Up to 5.00	
Drawing hands	Females.	6.00- 9.00	do	Up to 3.50	
	do	4.50- 7.00	Boys and	2.00- 2.50	
Finishers, ponsiting, occ		2.00- 1.00	girls.	21.00	
Beginners, boys and girls	Minors.	4.50	do	Up to . 60	
Toothbrush-handle makers,	24111013	(1)	Males	6.00- 7.00	
best.		(7)			
Teothbrush-handle makers,		(1)	Boys and giris.	2.50- 4.50	

1 Not made in United States.

2 Per gross up to \$1.35.

GERMANY.

Average male employee per week, \$6.66. Average female employee per week, \$3.33. Skilled males earn, average, \$7.14 to \$9.76. Skilled females earn, average, \$4.05 to \$5.47. In small villages all minors: Males, \$2.14 to \$4.28; females, 95 cents

AUSTRIA.

Blind skilled workers earn, per day, 60 cents. Seeing skilled workers earn, per day, \$1.20. Brush workers are very largely blind, perhaps 50 per cent are blind, and much of the work is done in homes.

JAPAN.

Males, per day, 28 to 38 cents; females, per day, 13 to 18 cents; children, per day, 8 to 11 cents.

Above rates are for all departments of brush making.

Drawing hands, female, up to 22 cents per day.

Employees work in Japan 7 a. m. to 6 p. m.; 7 days a week; generally 312 days a year. One large factory, 330 days a year.

SCHEDULE N-PARAGRAPH 411.

SCHEDULE N—PARAGRAPH 411.

The present duty on bristles is 7½ cents per pound specific.
In conclusion: The brush manufacturers are further handicapped to the extent of paying 7½ cents per pound for bristles, which are not produced to any extent in the United States, and while it is a hardship and adds to the cost of the manufactured product, we would be willing to concede, if necessary, for revenue purposes that the bristle schedule remain as it is, provided the duty on brushes is made 50 per cent ad valorem.

valorem. Respectfully submitted.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 107, to strike out paragraph 347, in the following words:

347. Buttons or parts of buttons and button molds or blanks, finished or unfinished, not specially provided for in this section, and all collar or cuff buttons and studs composed wholly of bone, mother-of-pearl, or ivory, 40 per cent ad valorem.

347. Buttons of vegetable ivory in sizes 36 lines and larger, 35 per cent ad valorem; below 36 lines, 50 per cent ad valorem; buttons of shell and pearl in sizes 26 lines and larger, 25 per cent ad valorem; below 26 lines, 50 per cent ad valorem; agate buttons and shoe buttons, 15 per cent ad valorem; parts of buttons and button molds or blanks, finished or unfinished, and all collar and cuff buttons, studs, composed wholly of bone, mother-of-pearl, ivory, or agate; all the foregoing and buttons not specially provided for in this section, 40 per cent ad valorem.

Mr. CUMMINS. Mr. President, I call the attention of the committee to the item of buttons made of shell or pearl below 26 lines in diameter. I should like to know whether any member of the committee has inquired with regard to the cost of making buttons of that kind in Japan?

Mr. HUGHES. I will say to the Senator that it was not necessary to inquire. We had abundant information upon that sub-

ject furnished to us without the slightest inquiry.

Mr. CUMMINS. What is the cost of making a gross of 26-line

Mr. CUMMINS. What is the cost of making a gross of 26-line fresh-water-shell buttons in Japan?

Mr. HUGHES. I will say to the Senator very frankly that I do not know. I do not think it amounts to anything. They can be made very cheaply. I understand, in addition, that in Japan these buttons are made by men with little hand machines, who stand and punch them out all day with their feet and their hands, and yet they are able, it is said, to produce buttons cheaper than they can be produced with the comparatively low-paid labor in the button factories of this country. They are made more cheaply, it is said, than the machines can produce them

I will say to the Senator that if these gentlemen can not continue the manufacture of buttons at this rate of duty, in my opinion the industry is not a legitimate one.

Mr. CUMMINS. Mr. President, I do not intend to enter

legitimate or otherwise. It is a large industry in my State. I desire, however, to record my prophecy that the substitution for the present duty of this one, however large it seems to be, will annihilate the business. I think it is impossible for the shell-button enterprises to be carried on under an ad valorem duty at all unless that ad valorem duty were so large that in itself it would be shocking. The only way in which to protect the industry is by putting a specific duty upon these low-grade buttons.

Mr. SMITH of Georgia. Does the Senator mean that the duty is to be shocking, but is to be hidden behind a specific rate?

Mr. CUMMINS. I mean that the opportunity for undervaluation is so great, and it will be so easy to bring in these cheap buttons at a valuation that no one can pursue in the way of investigation, that the protection hitherto afforded to the industry will be practically denied by this amendment.

I know that 50 per cent seems to be a very high rate of duty, and ordinarily I should agree that the duties ought not to be higher than 50 per cent. But these buttons are made and sold in Japan for 2 and 3 and 4 cents a gross. The cost of a button at that rate seems almost infinitesimal, but I believe this country will be better off if these industries are preserved. They can be preserved by very reasonable specific duties, but they can not be taken care of with this ad valorem duty. Mr. STONE. When the Senator speaks of a specific duty,

do I understand that he wishes a specific rate that will be

higher than 50 per cent?

Mr. CUMMINS. My belief is, and I have given some attention to the matter-

Mr. STONE No; but let us be absolutely frank with each other.

Mr. CUMMINS. Yes; I will be perfectly frank.

Mr. STONE. Here is a 50 per cent duty, which the Senator says is a high ad valorem duty. Is the Senator one of these progressive reformers who think we ought to have a higher rate than 50 per cent; and does he wish to disguise it under a specific rate so as to make it 75 or 80 or 100 per cent?

Mr. CUMMINS. I do not; because it is very easy to reduce specific rate upon a given importation to an equivalent ad

valorem rate. I do not wish to disguise it at all.

Mr. STONE. Then what difference does it make whether it is specific or ad valorem, if it is more than 50 per cent?

Mr. CUMMINS. My view of the tariff is that we ought to attach to an article a duty that will fairly measure the difference between the cost of production here and abroad. The Senator from Missouri knows very well what that view is. I have announced it a great many times. I have not departed

from it at any time, and I adhere to it now.

With 50 per cent ad valorem duty, coupled with the opportunity for undervaluation, we will not be able to preserve this industry. I have said that I think it ought to be preserved, and therefore I think there ought to be put upon these buttons a duty that would measure the difference between the cost of producing them here and the cost of producing them abroad. I have looked into the matter, and I think probably a duty of about one-half or, say, three-quarters of the present duty would accomplish the object.

Mr. SMOOT. Mr. President-

Mr. CUMMINS. I yield to the Senator from Utah. Mr. SMOOT. I was rather surprised at the statement which was made by the Senator from New Jersey, wherein he stated that any article which required over 50 per cent ad valorem was an illegitimate industry.

Mr. HUGHES. I did not say any industry, if the Senator please.

Mr. SMOOT. Then my hearing was very poor indeed.

Mr. HUGHES. I said in this industry.
Mr. CUMMINS. The Senator said this industry was not legitimate if it could not be protected by that duty.

Mr. SMOOT. That is, this particular article was not a legitimate industry if it could not exist with a duty of 50 per cent.

Mr. CUMMINS. I should like to know whether the friends on the other side look upon these buttons as necessities or luxu-

Mr. HUGHES. I think that is not the distinction. It seems to me that the industry was brought into existence by an abnormally high tariff. I think the people of the State of Iowa could be much better employed than by engaging in an industry which makes it necessary to saddle a tax burden upon the whole people of the United States in order to keep them economically employed in that business. We found this to be a very complex and intricate schedule. The question of grades is one of the most difficult problems that confronted me, as far as I am concerned, in the consideration of the bill. I went about it in a upon an inquiry or an argument as to whether the industry is | spirit of absolute fairness and devised this method of differentiating between the high quality of buttons and those about which the rates make little or no difference.

Mr. CUMMINS. Why is not the Senator from New Jersey willing, at any rate, to convert the 50 per cent ad valorem into

a specific duty and put it upon these buttons?

Mr. HUGHES. I will tell the Senator from Iowa why. would be necessary to establish a specific rate of duty on a line basis for each size of button practically. My investigation of the pending bill showed me that in countless instances if specific rates were adopted on articles of this character overnight a change in the method of manufacturing would be likely to take place. I can point to an instance where through the operation of a specific rate of duty intended to be 40 per cent equivalent ad valorem went up to 159 or 160 per cent equivalent ad valorem. Some one has said, and I have no doubt it is true, that if specific rates in the Wilson bill had been retained to the present day they would have been higher than the equivalent ad valorem of the Payne-Aldrich rate. I do not think a specific rate of duty should be laid upon anything that can be called a necessary of life.

Mr. CUMMINS. Mr. President, I know how futile it is to make an argument in behalf of this industry. I thought perhaps, however, that when it is remembered that the State from which the Senator who has just spoken comes has 80 per cent of her industries upon the dutiable list and the State from which I come has less than 40 per cent of her industries upon the dutiable list, he might look with some mercy upon this one enterprise. It is one of the few large manufacturing enterprises of my State, and I have a natural desire to see it prosper.

Mr. HUGHES. Will the Senator permit an interruption

right there?

Mr. CUMMINS. Very gladly.
Mr. HUGHES. There are a great many button factories, salt-water shell and vegetable and ivory button factories in my I understand we have no sweet-water-shell button factory there. I will say to the Senator that I look upon this as an exceedingly difficult question. I realized that we were confronting a condition and not a theory, and we left a rate which in judgment will permit the ivory button factories and the other factories to operate.

I will say further this is the first intimation I have had since the paragraph went into print that the rate here imposed is not

Mr. CUMMINS. I have not had any appeal from the industries since the committee appeared before the Finance Committee, but I know something about the facts. I know something about what it costs to make these buttons in my State, and I know something about what it costs to make them abroad. I know that with the opportunity for undervaluation, which is very great on an article of this sort, this duty will not adequately or sufficiently protect.

But I do not intend to offer any amendment. I desire simply to record my protest against the destruction of this business in my State, a destruction which I believe will inevitably follow

the passage of this bill.

Mr. GALLINGER. Mr. President, several attempts have been made during the discussion to define what is meant by competitive tariff. The item under consideration, it seems to me, is already competitive. We imported \$1,004,168 in value of buttons and exported \$723,784 worth. We imported between 30 and 40 per cent more than we exported. I do not know what competitive means unless that is a competitive tariff.

The same is true of several items which we passed recently. As an illustration: Of brushes we imported \$2,074,324 worth and exported \$603,143 worth. We imported three times as many as we exported. That seems to be competitive to me. The same is true of brooms and other items that have been considered.

Now, in this matter of buttons why should we reduce the duty for the purpose of making the tariff competitive when we are exporting only about two-thirds what we are importing? I wish some Senator on the other side would tell me why that is necessary to secure competition and to make the tariff competitive.

Mr. HUGHES. Of course the Senator knows we import about 5 per cent of our consumption. As far as buttons produced in Iowa are consumed, my information is that we are importing practically none. I do not think the Senator or any Senator on the other side will, on reflection, find any fault with this particular paragraph.

Mr. SIMMONS. I wish to say to the Senator from Iowa, who seems to be uneasy about the importation of buttons from

Mr. CUMMINS. No; I am not uneasy about the importation of buttons from Japan. There is practically a prohibitive duty on these buttons now.

Mr. SIMMONS. Yes.

Mr. CUMMINS. They can not be imported at all, and they are not imported.

Mr. SIMMONS. The rate is 48 per cent now, and this bill

contains a rate of 40 per cent.

Mr. CUMMINS. Of course the Senator from North Carolina has beguiled himself with these figures a long time. There are none of these buttons imported. There can not be any equivalent ad valorem duty. There are buttons of larger size, more expensive buttons, imported, and the duty on them is 48 per cent. But if you will take the low-grade buttons there are none of them imported into this country under the present duty.

Mr. SIMMONS. I understand the Senator to be making the point that the particular buttons he is speaking about bear a higher ad valorem than the average ad valorem I read a few minutes go. I desire to call the attention-and that was my only purpose in taking the floor-to the fact that last year there were only \$21,648 worth of buttons imported from Japan

of all kinds

Mr. CUMMINS. Of all kinds and none of these; and the duty now is 11 cents a line besides an ad valorem. button, which is practically a half-inch button, the duty would be 30 cents a gross, and they sell in this country of our own manufacture for a great deal less than that. Of course, there

could be none imported.

Mr. WILLIAMS. Before the Senator from Iowa sits down, I wish to ask him a question for my own information. He asked the Senator from New Jersey a question, and the Senator did not possess the information. I inferred perhaps from the fact that the Senator from Iowa asked the question that he did possess it. It is something about the labor cost of these buttons. Can the Senator from Iowa tell me the labor cost of gross of these buttons in Japan?
Mr. CUMMINS. Yes; I can.
Mr. WILLIAMS. What is it?
Mr. CUMMINS. They sell there for about 2 cents a gross.
Mr. WILLIAMS. For 2 cents a gross?

Mr. CUMMINS. They are made for 2 cents a gross, the

poorer quality.

Mr. WILLIAMS. What do they sell for here?

Mr. CUMMINS. They sell here for about 8 to 18 cents a gross.

Mr. WILLIAMS. Is the Senator giving in both cases the

wholesale price?

Mr. CUMMINS. I am simply reiterating what the men who are engaged in the manufacture have told me.

Mr. WILLIAMS. Is that the price at which the domestic producer-the man who makes the button-sells them, or the price at which some storekeeper or jobber or somebody else sells them?

Mr. CUMMINS. I think the price at which the manufacturer sells them is from 6 cents a gross to 20 cents. I am speaking now of the lower grade small buttons made from fresh-water

shells.

Mr. WILLIAMS. If the entire price of the article in Japan is only 2 cents per gross, the entire cost of its manufacture, which includes the material and the manufacturers' part of the labor cost in Japan, it can not possibly be as much as 2 cents a gross?

Mr. CUMMINS. I would think not.
Mr. WILLIAMS. It could not possibly be, if the Senator's figures are correct as to the labor cost.

Mr. CUMMINS. There is a labor cost. They are made individually, to a great extent, by a man with the machinery under his own foot or under his own hand.

Mr. WILLIAMS. Perhaps the Senator did not understand

my question. He has stated that the entire cost was 2 cents on the entire price. I suppose that includes the profit, or did he mean to say the cost or the price in Japan?

Mr. CUMMINS. In Japan the small poor grade button is manufactured for 2 cents a gross. That is what was told me. Mr. WILLIAMS. The Senator then does not mean the price;

he means the cost of manufacture.

Mr. CUMMINS. That is it.
Mr. WILLIAMS. If that cost includes the entire cost—I suppose the shell is worth something; I do not know what that is-then certainly the labor cost in Japan can not be over

2 cents per gross; it must be less than 2 cents. Mr. CUMMINS. From 2 to 10 cents, according to the grade of

the button, of course.

Mr. WILLIAMS. I find the equivalent ad valorem stated in 1910 at 55%; in 1912, 48% per cent. Now, during that time, with the protection of that equivalent ad valorem, there were only \$23,000 worth of Japanese buttons imported into this country. If it costs us 18 cents a gross to make them and it costs the Japanese only 2 cents per gross to make them, and if the equivalent ad valorem was in round numbers one 55 per

cent and another 48 per cent, which would be, say, an average of 50 per cent, which would be an addition of 1 cent to this particular class of buttons, why in the world did they not just invade our market?

Mr. CUMMINS. The reason is that none of the figures Mr. WILLIAMS. In other words, if the Senator's calculations are correct, this protection was entirely insufficient.

Mr. CUMMINS. Nothing that the Senator has stated from the record is true with regard to these buttons. These buttons have not been imported into the United States. The paragraph covers a very large range of buttons

Mr. WILLIAMS. Then it is worse than I thought, if none

of them have been imported.

Mr. CUMMINS. I should like the Senator to be accurate, The half-inch button has a duty now of more than 30 cents a gross, and they do not command that price in this country. Our own manufacturers make them and sell at much less than that. The duty is at the present time exorbitantly high. There is no defense for it whatever.

Mr. WILLIAMS. I want to ask the Senator another question. He has told the Senate what the cost of production of these buttons is in Japan. Would he mind telling us how he arrived at that result, from what basis and upon what au-

thority?

Mr. CUMMINS. But the Senator did not hear what I said; he was giving no heed to it. I said it was told me by the men who make these buttons in our country that they were

made abroad and sold at from 2 to 8 cents a gross.

Mr. WILLIAMS. Oh, well, I did misunderstand the Senator. I thought he said he was told by the people who made the buttons here that they cost 18 cents per gross here, I had no idea the Senator was relying upon a witness in Iowa who does not know anything about it.

Mr. CUMMINS. How does the Senator know the people of

Iowa know nothing about it?

Mr. WILLIAMS. I do not suppose anybody in Iowa making those buttons knows definitely and scientifically what is the cost of producing those particular buttons.

Mr. CUMMINS. They know what the people of Japan say. Mr. WILLIAMS. If the Senator had some information from

some official source, from some reliable source

Mr. CUMMINS. It is a reliable source, but not an official

Mr. WILLIAMS. Now it turns out that the Senator's information, the Senator's testimony, is hearsay, and the witness from whom the hearsay is taken is an interested witness.

Mr. CUMMINS. That is quite true.
Mr. WILLIAMS. He is the manufacturer of this competing

product in Iowa.

Mr. CUMMINS. But if the Senator from Mississippi had not permitted hearsay testimony to inform him with regard to this tariff we would not have had any tariff for a very long time to come. Nearly all the information that you have is hearsay testimony.

Mr. WILLIAMS. Ah, but the Senator-

Mr. CUMMINS. And this is just as good as any of the rest that you have. It comes from people just as reliable.

Mr. WILLIAMS. No; I think it is not. Now, I think if the Senator wants to find out the cost of production of a thing in Japan he had better go to a Japanese source to find it out.

Mr. CUMMINS. I have not had time to do that. Mr. WILLIAMS. So far as my taking hearsay evidence is concerned, I can assure the Senator I have taken precious little of it from interested witnesses.

Mr. CUMMINS. I think that is probably true. I do not think they have taken much of it from any witnesses or from any source. I think the whole bill is largely a matter of imagination.

The VICE PRESIDENT. The question is on agreeing to the committee amendment.

The amendment was agreed to.

Mr. GALLINGER. I assume the Senator from North Carolina does not care to proceed with another schedule.

Mr. SIMMONS. No; I ask that the bill be laid aside for the

# EXECUTIVE SESSION.

Mr. BACON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After 5 minutes spent in executive session the doors were reopened, and (at 6 o'clock and 25 minutes p. m.) the Senate adjourned until to-morrow, Tuesday, August 26, 1913, at 11 o'clock a. m.

### NOMINATIONS.

Executive nominations received by the Senate August 25, 1913. PROMOTIONS IN THE ARMY.

## MEDICAL CORPS.

Maj. Alexander N. Stark, Medical Corps, to be lieutenant colonel (subject to examination required by law) from July 13, 1913, vice Lieut. Col. Charles E. Woodruff, retired from active service July 12, 1913.

Capt. Allie W. Williams, Medical Corps, to be major from July 13, 1913, vice Maj. Alexander N. Stark, promoted.

### APPOINTMENTS IN THE NAVY.

The following-named citizens to be professors of mathematics in the Navy from the 21st day of August, 1913:

Theodore W. Johnson, a citizen of Maryland, and Carlos V. Cusachs, a citizen of Maryland.

The following-named citizens to be assistant surgeons in the Medical Reserve Corps of the Navy from the 18th day of August,

Arthur E. Younie, a citizen of Oregon; Walter C. Espach, a citizen of Oregon; and John F. X. Jones, a citizen of Pennsylvania.

## POSTMASTERS.

James C. Burns to be postmaster at Bay Minette, Ala., in I. Dinwiddie. Incumbent's commission expired August 4, 1913.

H. W. Crook to be postmaster at Bessemer, Ala., in place of John H. McEniry, removed.

Albert M. Espey to be postmaster at Albertville, Ala., in place of Thomas M. McNaron, resigned.

### ALASKA.

Elna Olson to be postmaster at Treadwell, Alaska, in place of Daniel Webster, resigned.

#### CALIFORNIA.

Isidore J. Proulx to be postmaster at Willow, Cal., in place of John J. West. Incumbent's commission expired February 20, 1913.

Eliza Stitt to be postmaster at Vacaville, Cal., in place of George F. Wooderson, deceased.

Alice E. Tate to be postmaster at Lone Pine, Cal. Office became presidential January 1, 1913.

Georgia A. Wiard to be postmaster at Chula Vista, Cal., in place of William B. Farrow, removed.

## COLORADO.

William A. White to be postmaster at Holyoke, Colo., in place of F. M. Smith, resigned.

## FLORIDA.

J. B. Potter to be postmaster at Mulberry, Fla., in place of H. K. Murphy, resigned.

George D. Rhode to be postmaster at Punta Gorda, Fla., place of H. R. Dreggors. Incumbent's commission expired May 27, 1913.

## GEORGIA.

Mary L. Carswell to be postmaster at Jeffersonville, Ga. Office became presidential July 1, 1913.

D. F. Davenport to be postmaster at Americus, Ga., in place of Frank P. Mitchell, removed.

Bolling H. Jones to be postmaster at Atlanta, Ga., in place of Hugh L. McKee, removed.

A. L. McArthur to be postmaster at Cordele, Ga., in place of Frederick G. Boatright, removed.

J. J. Baker to be postmaster at Mount Vernon, Ill., in place of G. G. Gilbert, removed.

A. A. Dobson to be postmaster at Elburn, Ill., in place of Fred W. Pattee. Incumbent's commission expired December 14, 1912.

J. C. Dorfler to be postmaster at Area (late Rockefeller), Ill.,

in place of William Knigge, to change name of office.

John H. Henson to be postmaster at Xenia, Ill., in place of Mary A. Paine. Incumbent's commission expired July 26, 1913. John H. McGrath to be postmaster at Morris, Ill., in place of Willard C. Magner. Incumbent's commission expired April 5,

John E. Rethorn to be postmaster at Chandlerville, Ill., in place of W. M. McDonald. Incumbent's commission expired January 14, 1913.

Wilbur A. Woods to be postmaster at Pawpaw, Ill., in place of Sadie A. Case. Incumbent's commission expired January 26,

#### INDIANA.

William B. Latshaw to be postmaster at Oaktown, Ind., in place of Juanita Bond, removed.

Earl Talbott to be postmaster at Linton, Ind., in place of Clinton T. Sherwood, resigned.

#### IOWA.

E. R. Ashley to be postmaster at Laporte City, Iowa, in place of George Banger. Incumbent's commission expired December 14, 1912.

Henry F. Eppers to be postmaster at Montrose, Iowa. Office became presidential October 1, 1912.

Anton Huebsch to be postmaster at McGregor, Iowa, in place of Anton Huebach, to correct name of appointee.

Ben Jensen to be postmaster at Onawa, Iowa, in place of William R. Prewitt, resigned.

### MASSACHUSETTS.

Edmund S. Higgins to be postmaster at Lynn, Mass. Revocation of order of discontinuance.

Michael T. Kane to be postmaster at Ludlow, Mass., in place of George A. Birnie. Incumbent's commission expired January

James Nagle to be postmaster at Concord Junction, Mass., in place of Benjamin Derby. Incumbent's commission expired February 1, 1913.

Martin H. Ryan to be postmaster at Northboro, Mass., in place of Asa B. Fay. Incumbent's commission expired December 14, 1912.

#### MISSISSIPPI.

R. L. Broadstreet to be postmaster at Coffeeville, Miss., in place of H. W. Durrant, removed.

#### NEVADA.

George A. Myles to be postmaster at Austin, Nev., in place of F. Littrell. Incumbent's commission expired February 7,

Harry T. Allen to be postmaster at Vincentown, N. J. Office became presidential January 1, 1913.

## NEW MEXICO.

Susano Ortiz to be postmaster at Las Vegas, N. Mex., in place of Ignacio Lopez, removed.

## NEW YORK.

John J. Costello to be postmaster at Maulius, N. Y., in place of G. W. Armstrong. Incumbent's commission expired January 29, 1913.

John J. Kesel to be postmaster at Syracuse, N. Y., in place of William Cowie. Incumbent's commission expired December 16,

Edward S. Moore to be postmaster at Norwich, N. Y., in place of J. Johnson Ray. Incumbent's commission expired December 16, 1912.

James A. Traphagen to be postmaster at Waterloo, N. Y., in place of J. B. H. Mongin, removed.

## NORTH CAROLINA.

Ernest L. Auman to be postmaster at Ashboro, N. C. Office

became presidential January 1, 1908.

O. A. Snipes to be postmaster at Rocky Mount, N. C., in place of George W. Robbins. Incumbent's commission expired May 20, 1912,

## NORTH DAKOTA.

Frank Lish to be postmaster at Dickinson, N. Dak., in place of Nelson C. Lawrence, removed.

V. F. Nelson to be postmaster at Cooperstown, N. Dak., in place of Percy R. Trubshaw, resigned.

## OHIO.

Benjamin F. Price to be postmaster at Lancaster, Ohio, in place of H. Clay Drinkle, deceased.

David M. Welty to be postmaster at Bremen, Ohio, in place of Edson B. Connor. Incumbent's commission expired May 26,

A. R. Wolfe to be postmaster at Chillicothe, Ohio, in place of G. W. C. Perry. Incumbent's commission expired December 17, 1912.

### OKLAHOMA.

George E. Baker to be postmaster at Gage, Okla., in place of Alfred M. Clark. Incumbent's commission expired December 17,

L. E. Chase to be postmaster at Westville, Okla., in place of Charles W. Waters, declined. C. N. Fluke to be postmaster at Boynton, Okla., in place of

James E. Sutton, resigned.

J. P. Ford to be postmaster at Konawa, Okla., in place of Joel E. Cunningham, removed.

M. B. Hickman to be postmaster at Coalgate, Okla., in place of W. E. Rathbun. Incumbent's commission expired May 17,

J. N. Hopkins to be postmaster at Boswell, Okla., in place of G. D. Duncan. Incumbent's commission expired August 4, 1913. Blanche Larkin to be postmaster at Delaware, Okla. Office

became presidential July 1, 1911. W. S. Livingston to be postmaster at Seminole, Okla., in place of Frank J. Van Buskirk, resigned.

#### OREGON.

J. C. Lamkin to be postmaster at Hillsboro, Oreg., in place of B. P. Cornelius. Incumbent's commission expired May 22, 1913.

### PENNSYLVANIA.

S. O. Bender to be postmaster at Trafford, Pa., in place of Roger A. McCall. Incumbent's commission expired January 14, 1913.

Daniel Clarey to be postmaster at Sayre, Pa., in place of Timothy J. Leahy. Incumbent's commission expired February

Samuel K. Henrie to be postmaster at Youngwood, Pa., in place of George R. Laird. Incumbent's commission expired July 13, 1913.

George F. Kittelberger to be postmaster at Curwensville, Pa., in place of Samuel P. Arnold. Incumbent's commission expired February 11, 1913.

Albert K. Kneule to be postmaster at Norristown, Pa., in place of Henry M. Brownback, resigned.

Harry B. Krebs to be postmaster at Mercersburg, Pa., in place of William F. McDowell, resigned.

Edward J. Loraditch to be postmaster at Sand Patch, Pa. Office became presidential October 1, 1912.

William H. McQuilken to be postmaster at Glen Campbell,

Pa., in place of Annie K. Stadden. Incumbent's commission expired July 23, 1913.

John H. Shields to be postmaster at New Alexandria, Pa., in place of James G. Cook. Incumbent's commission expired January 22, 1912.

## SOUTH DAKOTA.

J. W. Applegate to be postmaster at Edgement, S. Dak., in place of J. R. Johnston. Incumbent's commission expired August 5, 1913.

George L. Baker to be postmaster at Britton, S. Dak., in place of Herbert B. Tysell. Incumbent's commission expired August 4, 1913.

J. A. Churchill to be postmaster at Hurley, S. Dak., in place of Frank B. Williams. Incumbent's commission expired July 3,

James Gaynor to be postmaster at Springfield, S. Dak., in place of Alvah T. Bridgman, deceased.

A. D. Griffee to be postmaster at Faulkton, S. Dak., in place

of James P. Turner. Incumbent's commission expired August 4, 1913.

William Moore to be postmaster at Armour, S. Dak., in place of Ernest E. Edwards. Incumbent's commission expired May 22, 1912,

Peter Schnitt to be postmaster at Waubay, S. Dak., in place of William A. Abbott. Incumbent's commission expired August 4, 1913.

E. B. Wilbur to be postmaster at Oacoma, S. Dak., in place of John N. Fulford, removed.

Cora Lee Baker to be postmaster at Buffalo, Tex. Office became presidential January 1, 1913.

John Dunlop to be postmaster at Houston Heights, Tex.

Office became presidential January 1, 1912.

Lee D. Ford to be postmaster at Brookshire, Tex. Office be-

came presidential April 1, 1912.

T. W. House to be postmaster at Houston, Tex., in place of Seth B. Strong, deceased.

Annie Watson to be postmaster at Sugar Land, Tex., in place of W. R. Crittenden, resigned.

#### VIRGINIA.

C. Moncure Campbell to be postmaster at Amherst, Va., in place of James F. Williams. Incumbent's commission expired June 12, 1913.

H. G. Shackelford to be postmaster at Orange, Va., in place of Thomas W. Carter, resigned.

## CONFIRMATIONS.

Executive nominations confirmed by the Senate August 25, 1913. POSTMASTERS.

Artemas D. Barton, Pine Plains. John E. Hoffnagle, Westport. William A. Hosley, Belmont. Frank E. Ingalls, Brownville. Henry D. Nichols, Mexico. Mabel B. Williams, West Hampton Beach.

# SENATE.

# Tuesday, August 26, 1913.

The Senate met at 11 o'clock a. m. Prayer by the Chaplain, Rev. Forrest J. Prettyman, D. D.

# CALLING OF THE ROLL.

Mr. SMOOT. Mr. President, I suggest the absence of a quorum. I notice that there are very few Senators here.
The VICE PRESIDENT. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Gore	Nelson	Simmons	
Bacon	Hitchcock	Norris	Smith, Ariz.	
Bankhead	Hollis	O'Gorman	Smith, Ga.	
Bradley	Hughes	Oliver	Smith, S. C.	
Brady	James	Overman	Smoot	
Bristow	Johnson	Page	Sterling	
Bryan	Jones	Penrose	Sutherland	
Catron	Kenyon	Perkins	Swanson	
Chamberlain	Kern	Pomerene	Thomas	
Chilton	La Follette	Ransdell	Thompson	
Clapp	Lane	Robinson	Tillman	
Clark, Wyo.	Lea	Root	Townsend	
Crawford	Lodge	Saulsbury	Vardaman	
Cummins	McCumber	Shafroth	Walsh 4	9
Fall	McLean	Sheppard	Williams	1
Fletcher	Martin, Va.	Sherman		
Gallinger	Martine, N. J.	Shively		
Cumper	20244 40000 211			σ

Gallinger Mr. McCUMBER. I wish to announce that my colleague [Mr.

GRONNA] is necessarily absent.

The VICE PRESIDENT. Sixty-six Senators have answered to the roll call. There is a quorum present. The Secretary will read the Journal of the proceedings of the preceding session.

## THE JOURNAL.

The Secretary proceeded to read the Journal of yesterday's proceedings, when, on request of Mr. Gallinger and by unant-mous consent, the further reading was dispensed with and the Journal was approved.

## ANNUAL REPORT OF THE PATENT OFFICE.

The VICE PRESIDENT laid before the Senate the annual report of the operations of the Patent Office for the fiscal year ended December 31, 1912, which was referred to the Committee on Patents and ordered to be printed. (H. Doc. No. 946, 62d Cong., 3d sess.)

## MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by D. K. Hempstead, its enrolling clerk, announced that the House had agreed to a concurrent resolution providing that the two Houses of Congress assemble in the Hall of the House of Representatives on Wednesday, the 27th day of August, 1913, at 12 o'clock and 45 minutes in the afternoon, for the purpose of receiving such communication as the President of the United States shall be pleased to make them, in which it requested the concurrence of the Senate. (H. Con. Res. 16.)

## ENROLLED BILL SIGNED.

The message also announced that the Speaker of the House had signed the enrolled bill (S. 1353) to authorize the board of county commissioners of Okanogan County, Wash., to construct, maintain, and operate a bridge across the Okanogan River at or near the town of Malott, and it was thereupon signed by the Vice President.

# PETITIONS AND MEMORIALS.

Mr. NELSON presented a resolution adopted by the Minnesota Bankers' Association, in convention at Duluth, Minn., favoring

the adoption of a 1-cent letter postage, which was referred to the Committee on Post Offices and Post Roads.

Mr. HITCHCOCK presented a resolution adopted by the Platte Valley Transcontinental Good Roads Association, at Fremont, Nebr., favoring an appropriation for the construction of good roads throughout the country and particularly for the construction of a central transcontinental highway, which was referred to the Committee on Agriculture and Forestry.

Mr. JONES presented petitions of sundry citizens of Mount Vernon, Wash., praying for the adoption of an amendment to the Constitution to prohibit the manufacture and sale of intoxicating liquors, which were referred to the Committee on the

He also presented petitions signed by sundry citizens of Mount Vernon, Wash., praying for the adoption of an amendment to the Constitution granting the right of suffrage to women, which were ordered to lie on the table.

## REPORTS OF COMMITTEE ON MILITARY AFFAIRS.

Mr. HITCHCOCK, from the Committee on Military Affairs, to which were referred the following bills, reported them each with amendments and submitted reports thereon:

S. 2560. A bill authorizing the Secretary of War to donate to the Grand Army of the Republic, Post No. 45, of Smith Center, Kans., two cannon or fieldpieces (Rept. No. 105); and S. 2561. A bill authorizing the Secretary of War to donate to the city of Hays Kens, and cannon or fieldpiece (Part No. 102)

the city of Hays, Kans., one cannon or fieldpiece (Rept. No. 106).

Mr. HITCHCOCK, from the Committee on Military Affairs,

to which was referred the bill (S. 2816) authorizing the Secretary of War to donate to the city of Abilene, Kans., two cannon, reported it with an amendment and submitted a report (No. 107) thereon.

## HEARINGS BEFORE THE COMMITTEE ON PRIVILEGES AND ELECTIONS.

Mr. SHAFROTH, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which was referred Senate resolution 170, submitted by Mr. Kern on the 25th instant, reported it favorably without amendment, and it was considered by unanimous consent and agreed to, as follows:

Resolved, That the Committee on Privileges and Elections, or any subcommittee thereof, be authorized during the Sixty-third Congress to administer oaths, send for books and papers, to employ a stenographer at a price not to exceed \$1 per printed page, to report such hearings as may be had in connection with any subject which may be pending before said committee, to cause the proceedings before said committee to be printed, if by said committee deemed expedient; that the committee or subcommittee may sit during the sessions or recess of the Senate, and that the expense thereof shall be paid out of the contingent fund of the Senate.

## WORKS OF ART IN CAPITOL BUILDING (S. DOC. NO. 169).

Mr. GALLINGER. I am directed by the Committee on Printing to report back favorably without amendment Senate resolu-tion 74, providing for the printing of a document entitled "Works of Art in the United States Capitol Building, Including Biographies of the Artists," and I ask for its present considera-

Mr. SIMMONS. Mr. President—
Mr. GALLINGER. It will take but a moment.
Mr. SIMMONS. There will be no debate, I understand.

The resolution was considered by unanimous consent and agreed to, as follows:

Resolved, That the document herewith submitted, entitled "Works of Art in the United States Capitol Building, Including Biographies of the Artists," compiled, under the direction of the Superintendent of the United States Capitol Building and Grounds, by Charles E. Fairman, be printed as a Senate document.

## AFFAIRS IN INSULAR POSSESSIONS (S. DOC. NO. 173).

Mr. FLETCHER. I am directed by the Committee on Printing to report favorably a resolution to print as a Senate document a compilation of the acts of the Sixty-second Congress, and so forth, and I ask for its present consideration.

The resolution (8. Res. 172, 8. Rept. 109) was read, considered by unanimous consent, and agreed to, as follows:

Dy unanimous consent, and agreed to, as follows:

Resolved, That a compilation of the acts of the Sixty-second Congress, treatles, proclamations, decisions of the United States Supreme Court, from June 1, 1911, to June 1, 1913; opinions of the Attorney General from March 4, 1911, to March 3, 1913; and list of officials, relating to noncontiguous territory, Cuba, and Santo Domingo, and to military affairs, prepared by the Bureau of Insular Affairs, War Department, be printed as a Senate document.

## THE MISSION OF WOMAN (S. DOC. NO. 174).

Mr. FLETCHER. I report from the Committee on Printing Mr. FLETCHER. I report from the Committee on Frinting a resolution to print the article entitled "The Mission of Woman," by Dr. Albert Taylor Bledsoe, in pursuance to its reference to the committee, and I ask for its adoption.

Mr. GALLINGER. The Senator, I think, ought to state that the paper has been changed somewhat from its original form; that is certain aliminations have been made.

that is, certain eliminations have been made.

Mr. FLETCHER. Yes; as contemplated by the Senator from South Carolina [Mr. TILLMAN] and approved by the committee. The resolution (S. Res. 171, S. Rept. 110) was read, considered by unanimous consent, and agreed to, as follows:

Resolved. That the article entitled "The Mission of Woman," by Albert Taylor Bledsoe, LL. D., which was printed in the Southern Review of October, 1871, be printed in the Congressional Record and also as a Senate document as reported by the Committee on Printing.

Mr. FLETCHER. I assume that the adoption of the resolution carries with it an order to print the article as now prepared in the Record and also as a public document.

Mr. GALLINGER. I will ask the Senator from Florida if

he has had inserted in the document the date of its authorship? Mr. FLETCHER. Yes; that has been done. That appears in the document as presented by the committee.

There being no objection, the article was ordered to be printed as a document and also to be printed in the RECORD, as follows:

#### THE MISSION OF WOMAN.

(By Albert Taylor Bledsoe, LL. D.)

(By Albert Taylor Bledsoe, LL. D.)

[This discussion by this distinguished scholar, philosopher, and writer first appeared October, 1871, in the Southern Review, of which he was the brilliant editor. It is even more pertinent at the present time than when Dr. Bledsoe first gave it to the public.]

One of the subjects which now, for the first time in the history of the world, is beginning to attract the attention which its importance demands is the mission, the education, and the influence of woman. In his History of Morals, Mr. Lecky devotes the last and best chapter of the work, consisting of more than a hundred pages, to a learned, comprehensive, and eloquent survey of "the position of woman." And among the discourses of the celebrated Adolph Monod there are several on "the mission" and on "the life" of woman. We mention these productions only because of all the innumerable discussions of the same subject they are the only ones to which we shall have occasion to refer.

NOTHING TOO ABSURD TO SUCCEED.

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We have been accustomed to regard the woman's rights movement as too insignificant and too absurd to deserve serious attention. But in some portions of the border States, as well as in the universal North, this movement is assuming proportions and manifesting a spirit which inspire some of our most thoughtful minds with no little alarm. They are beginning to fear that, after all, this most absurd movement may gain the ascendancy in this country.

One thing is certain, namely, that nothing is too absurd to fail of success in this "the most enlightened Nation on the face of the globe." We appeal to facts. We now see recently emancipated slaves—utterly ignorant and wholly unfit for such duties—in our legislative halls, in the highest judicial offices of some of the Southern States, and on boards of trustees as the conservators and guardians of the interests of the higher education. Could anything be more absurd? Or would anything, only a few years ago, have been pronounced more utterly impossible, if anyone had been bold enough to predict such a result? In view of such fects, indeed, we are almost inclined to believe that the more absurd anything is the greater are its chances of success under the more absurd anything is the greater are its chances of success under the radical rule of the present day. * * * Women may never have the right to vote in this country; but whether they have or not, their prospects for the enjoyment of that "right" are now apparently better than were those of the blacks previous to the late war. Who knows, then, what may happen, or, in the course of time, go down with the sovereign people composed of all colors, all ages, and both sexes?

A SIMILAR MOVEMENT IN THE ROMAN EMPIRE.

# A SIMILAR MOVEMENT IN THE ROMAN EMPIRE.

A SIMILAR MOVEMENT IN THE ROMAN EMPIRE.

If, however, the movement in question should succeed, it would be nothing new under the sun. History would only repeat itself; and, in the light of past facts, we may easily predict the result. The women of Rome at one period succeeded in securing all "their rights," as they are called, and the effects of their emancipation from the laws of God and nature are recorded in the annals of the Empire.

"A complete revolution," says Mr. Lecky, "had thus passed over the constitution of the family. Instead of being constituted on the principle of autocracy it was constituted on the principle of coequal partnership—the very thing now aimed at in this country. The legal position of the life had become one of complete independence, while her social position was one of great dignity." How glorious! But, adds the historian, "The more conservative spirits were naturally alarmed at the change," And the effects of the revolution, as they now stand recorded on the page of history, justify their alarm.

## THE FRIGHTFUL RESULTS THAT FOLLOWED.

"Another and still more important consequence," said Mr. Lecky, "resulted from the changed form of marriage." Being looked upon simply as a civil contract, entered into for the happiness of the contracting parties, its continuance depended on mutual consent. Either party might dissolve it at will, and the dissolution gave both the right to remarry. There can be no question that under this system the obligations of marriage were treated with extreme levity. We find Ciero repudiating his wife, Terentia, because he desired a new dowry; Cato ceding his wife, the thind the consent of her father, to his friend Hortensius, and resuming her after his death; Maecenas continually changing his wife; Sempronius Sophus repudiating his wife because she had once been to the public games without his knowledge; Paulus Aemilius taking the same step without assigning any reason and defending himself by saying, "My shoes are new and well made, but no one knows where they pinch me." Nor did women show less alacrity in repudiating their husbands. Seneca denounced this evil with especial vehemence, declaring that divorce in Rome no longer brought with it any shame, and that there were women who reckoned their years rather by their husbands than by the consuls. Christians and Pagans echoed the same complaint. According to Tertullian, "divorce is the fruit of marriage." Martial speaks of a woman who had already arrived at her tenth husband; Juvenal of a woman who had already arrived at her tenth husband; Juvenal of a woman who had eight husbands in five years. But the most extraordinary recorded instance of this kind is related by St. Jerome, who assures us that there existed at Rome a wife who was married to her twenty-third husband, she herself being his twenty-first wife.

INCREASING CELIBACY AND A DECREASING BIRTH RATE. Cleero repudiating his wife, Terentia, because he desired a new dowry; Cato ceding his wife, with the consent of her father, to his friend Horizon tensius, and resuming her after his death; Maecenas continually changing his wife; Sempronius Sophus repudiating his wife because she had once been to the public games without his knowledge; Paulus Aemilius taking the same step without his knowledge; Paulus Aemilius taking the same step without assigning any reason and defending himself by saying, "My shoes are new and well made, but no one knows where they pinch me." Nor did women show less alacrity in repudiating their husbands. Seneca denounced this evil with especial vehemence, declaring that divorce in Rome no longer brought with it any shame, and that there were women who reckoned their years rather by their husbands than by the consuls. Christians and Pagans echoed the same complaint. According to Tertullian, "divorce is the fruit of marriage." Martial speaks of a woman who had already arrived at her tenth husband; Juvenal of a woman who had eight husbands in the renth husband; Juvenal of a woman who had eight husbands in its related by St. Jerome, who assures us that there existed at Rome a wife who was married to her twenty-third husband, she herself being his twenty-first wife.

INCREASING CELIBACY AND A DECREASING BIETH RATE.

The evil did not stop here. The family being constituted not on the principle of autocracy, but on that of a coequal partnership, it if anyone ask, then, whether Venus is equal or superior or inferior to the principle of autocracy, but on that of a coequal partnership, it if anyone ask, then, whether Venus is equal or superior or inferior to the principle of autocracy, but on that of a coequal partnership, it if anyone ask, then, whether Venus is equal or superior or inferior to the principle of autocracy, but on that of a coequal partnership, it is any principle of autocracy.

became instead of a well-organized social unit a two-headed, self-fighting monster. Hence, in the language of Prof. Seeley, "precisely as we think of marriage, the Roman of imperial times thought of cellbacy; that is, as the most comfortable but the most expensive condition of life. Marriage with us is a relation for which a man must pay; with the Romans it was an excellent pecuniary investment, but an intolerably disagreeable one." The marriage relation, in one word, having degenerated into a civil contract for convenience merely, it became so "intolerably disagreeable" that men shunned it as they would have shunned the plague. And to this cause it is that Prof. Seeley ascribes the decline, the fail, and the ruin of imperial Rome. "Whatever the remote and ultimate cause may have been," says he, "the immediate cause to which the fail of the Empire can be traced is a physical, not a moral decay.

"In valor, discipline, and science the Roman armies remained what they had always been, and the peasant Emperors of Illyricum were worthy successors of Cineinnatus and Caius Marius. But the problem was how to replenish the armies. Men were wanted; the Empire perished for want of men." "A stationary population," he continues, "suffers from war or any other destructive plague far more and more permanently than a progressive one." Accordingly we are told "that Julius Caesar, when he attained the supreme power, found an alarming thinness of population. Both he and his successors struggled carnestly against this evil. The grand maxim of Metellus Macedonicus, that marriage is a duty which, however painful, every citizen ought manfully to discharge, acquired great importance in the eyes of Augustus. He caused the speech in which it was contained to be read in the senate. Had he lived in our days, he would have reprinted it with a preface. To admonition he added legislation. The Lex Julia is Irretragable proof of the existence at the beginning at the imperial time of that very disease which four centuries after destroyed the Em

# WHY THE ROMAN EMPIRE FELL.

than our own brief enjoyment."

WHY THE ROMAN EMPIRE FELL.

"In the midst of this torrent of corruption a great change was passing over the legal position of Roman women. They had not at first been in a condition of absolute subjection or subordination to their relations. They arrived during the Empire at a point of freedom and dignity which they subsequently lost and have never altogether regained." So true is it that the right constitution of the family, or the marriage relation, lies at the very root of national greatness, power, and glory. The women of Rome, indeed, acquired the rights of men; but the consequence was that woman, with all her short-lived independence, dignity, and glory, soon sank beneath the ruins of the Empire. She tasted the forbidden fruit, and it proved fatal to the glory for which God had intended her.

"Men were wanting, and the Empire perished for the want of men. The proof of this," says Prof. Seeley, "is in the fact that the contest with barbarism was carried on by the help of barbarous soldiers." The Emperor Probus began this system, and under his successors it came more and more into use. As the danger of it could not be mistakable. It must have been because the Empire could not furnish soldiers for its own defense that it was doomed to the strange expedient of turning its enemies and plunderers into its defenders. Yet on these scarcely disguised enemies it came to depend so exclusively that in the end the Western Empire was destroyed, not by the hostile army but by its own. How different had been the result if, instead of aspiring to the independence and dignity and the rights of men, the women of Rome had been, as in the days of the glory of the Republic, content to furnish, educate, and train men for the defense of the Empire. Shall we repeat the same stupendous folly? Shall we, in spite of the Word of God and the lessons of experience, run the same race of madness and ruin? Shall we, too, in spite of all our boasted wisdom and high Christian civilization, fall miserable victi

# THE ROOT OF THE MISCHIEF.

Jupiter, we answer she is neither. Jupiter is superior to Venus in size and in effulgence; but, then, Venus, the evening and the morning star, exerts a far more powerful influence over our heart and feelings and imagination than Jupiter. Everything which God has made is beautiful in its own place and season, and hence it is no part of our aim or philosophy to revise or to recenstruct the work of His hands. We would not for the world have Venus put in the place of Jupiter or Jupiter in the place of Venus. Much less would we have woman thrust into man's sphere or man into woman's sphere. And we, we to the people or nation or society by whom they shall be made to exchange places or to occupy the same sphere. We are, for our part, satisfied with the world as God made it without feeling the least desire to revise or correct the moral code of the universe.

MADE FOR A DIFFERENT WORK.

# MADE FOR A DIFFERENT WORK.

to revise or correct the moral code of the universe.

MADE FOR A DIFFERENT WORK.

First a strong-minded woman and then a weak-minded man wrote a great book consisting of some 600 pages or more to prove that Lord Bacon wrote Shakespeare's plays. Now the man or the woman who can not see the difference between Shakespeare and Bacon ought to be excused for denying the difference between man and woman and for joining the woman's rights movement. They have, in our humble opinion, an inherent and inalienable right to make such fools of themselves; that is to say, if nature has not done the business for them. Bacon could no more have written the "Novum Organum" or the "Advancement of Learning." The attempt of the author in question to show that Bacon was a great poet is simply ridiculous. He had the reason, but he lacked the rhythm of the poet. He had the imagination, but he wanted the plastic power and soul of a Shakespeare. In one word, to use the language of Shakespeare, "he had no music in his soul," and was therefore better fitted for "strategems and spoils" than for the building of "the lofty rhyme." His villainous translation of some portions of the Psalms stands in the way of our author's theory, but he apologizes for this on the ground that the "thoughts were not his own." True, the thoughts were not his own; they were too grand and beautiful for any uninspired mind; but, then, "the rhythm" was all his own. Let us look at this, then, and see the likeness between Shakespeare and Bacen. A single specimen will suffice, and here it is:

Ye monsters of the mighty deep,
Your Maker's praises spout;
Up from the sound ye coddings peep;
And wag your tails about.

How like the sublime strains of Othello or Macbeth or Lear or Hamlet! Who, after reading such glorious lines, can doubt that Bacon composed Shakespeare's dramas?

UNITY IN DIVERSITY.

The universe everwhere presents itself to our contemplation under

#### UNITY IN DIVERSITY.

UNITY IN DIVERSITY.

The universe everywhere presents itself to our contemplation under the great law of unity in diversity, or diversity in unity. To select only one out of innumerable examples which might be adduced, if we look at the extremities of the limbs of different animals, we see this wonderful unity in diversity, or diversity in unity. For, as Prof. Owen, the greatest of living comparative anatomists, assures us, the hand of man, the hoof of the horse, the paddle of the mole, the fin of the fish, and the wing of the bat are all constructed on the same archetypal idea or internal plan. Here in all these diversified forms we have a unity of design or plan. The human hand, with its manifold flexible fingers and delicate tactual sense—how admirably is if adapted to the uses and purposes of man! We find the same bones or parts in the forefoot of the horse, but there they are sheathed in a solid hoof with which he strikes the hard earth with impunity. In like manner the same parts and the same internal plan exists in the paddle of the mole, but yet in its external form it is so modified and adjusted to the little animal's mode of life that it "may almost be said to swim through the earth." Again, how admirably is the fin of the fish, with the same internal structure or relation of parts, adapted to its peculiar wants or mode of life. How admirably, in other words, it answers the purpose of an oar, cleaving the waters and directing the course of the fish as it darts through the element in which it-lives. Finally, the wing of the bat, without departing from the same structure of parts, is so formed that the animal beats the air therewith and flies above the earth. One model, and yet how many different modifications, to answer different purposes or spheres or modes of life. Innumerable llustrations of the same great law and the same wonderful adaptation exist in all departments of nature. In the language of the great comparative anatomist already referred to we everywhere behold "the same organ in different a

#### THIS LAW APPLIES TO MAN.

to the particular function it is required to perform.

THIS LAW APPLIES TO MAN.

But man, who in this lower world is the brightest of all God's creatures, is also the brightest manifestation of this great law of the universe. He is one, and yet two. "God said, 'Let us make man in our own image, after our own likeness.'" "So God created man in his own image; in the image of God created He him;" and yet "male and female created He them." Now, it was the mind of man and not the body which God created in his own image; and it was this image, this mind, which He created "male and female." Hence, when Coleridge says "there is a sex in our souls," he but echoes the voice of God. In the work of Mrs. Elizabeth Strutt, entitled "The Feminine Soul; Its Nature and Attributes," this "sex in our souls" is well, is admirably, illustrated. In the two celebrated discourses, also, on "The mission of woman," by Adolph Monod, the difference between the male and female soul is unanswerably established by an appeal to both reason and revelation.

The sphere or mission of woman given, as presented in the Word of God, it is easy to see that the nature and attributes of the feminine soul are exactly adapted to the design of the Creator. Or, on the other hand, the nature and attributes of the "feminine soul" being good, as they are set forth both in the work and the Word of God, it is easy to determine the sphere and mode of life for which she was created. Let not the sphere of woman, then, be confounded with that of man, and let not her soul be unsexed to do the work of man; unless, indeed, it be our object to subvert the order of nature, to "uproar the universal peace and pour the sweet milk of concord into hell." This thing was done in Rome; let it not be done in America.

THE QUEENS OF WIT AND BEAUTY.

"After the revival of letters," says Miss More, "the controversy about the equality of the sexes was agisted with greater warmth than wisdom. The process was instituted and carried on (precisely as it is at the present day) with that

says, it was urged then, as it is in our day, by "women vain of their wit." The beauties took no part in the contest. "There is," says Miss More, "a singular difference between a woman vain of her wit and a woman proud of her beauty. The beauty, though anxiously alive to her own fame, is indifferent about the beauty of other women. Provided she is sure of your admiration, she does not insist on your thinking that there is another handsome woman in the world. The wit, more liberal at least in her vanity, is jealous for her whole sex and contends for the equality of their pretensions, in which she feels her own involved. The beauty vindicates her own rights; the wit, the rights of women. The beauty fights for herself; the wit for a party. The beauty would be a single queen for life; the wit for a party. The beauty would be a single queen for life; the wit would abrogate the Salique law of intellect and enthrone a whole sex of queens."

Now, for our own part, we infinitely prefer the silent queen of beauty to the wrangling queen of wit. The queen of beauty, seeing man at her feet, is content to reign over his heart, his house, and his home. But the queen of wit, seeing nobody subject to her dominion, denounces all men—the ungaliant wretches—as tyrants and seems determined to put them under her feet, even as Jezebel did Ahab.

WHAT THE SCRIPTURES TEACH.

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WHAT THE SCRIPTURES TEACH.

"A woman," said Miss Olive Logan, "has a right to vote and to hold a seat in Congress, because she is as good as a negro." We think, for our part, that a woman, especially if she is not a strong-minded one, is far better than a negro, and that, therefore, she had far better eschew the dust and dirt, the fray and fury of a contest with negroes for a seat in Congress or in the places of political power and profit. We think she is better than a negro, or a white man, either, and had, therefore, better keep within the high and holy sphere for which both nature and the God of nature intended her.

It may be deemed a want of gallantry in us, but still we must insist on "the Salique law of the intellect." For, in fact, the sun shines not more clearly in the heavens than this law does in the Word of God, as well as in His works. "The man," says St. Paul, "is the head of the woman." The family, as organized by Christ, is can social unit, a harmonious whole, with one head and not a two-headed, discordant, self-fighting monster. "Husbands, love your wives," is the word of divine wisdom, in which is so tenderly summed up all the obligations of the husband. "Husbands, love your wives, even as Christ loved the church"; "therefore, as the church is subject unto Christ, so let the wives be subject to their own husbands in everything." Again writes St. Paul to the Ephesians, "Wives, submit yourselves unto your husbands as unto the Lord"; "for the husband is the head of the wife, even as Christ is the head of the church." As in writing to the Corinthians he said. "the head of the church." As in writing to the Corinthians he said. "the head of the church." As in writing to the corinthians he said. "the head of the church." As in writing to the corinthians he said. "the head of the church." As in writing to the corinthians he said. "the head of the church." As in writing to the corinthians he said. "the head of the church." As in writing to the corners

## THE DIVINE STANDARD OF SERVICE AND GREATNESS.

For after this manner in the old time, the holy women also, who trusted in God, adorned themselves, being in subjection to their own husbands."

THE DIVINE STANDARD OF SERVICE AND GREATNESS.

Ah! ye strong-minded women, how ye must hate these words—"being in subjection unto their husbands?! Have you no husbands because you hate these words? Or do you hate these words because you have no husbands? Have you no husbands because the old-fashloned forms require you to "love, honor, and obey." or because nobody has asked you? Be this as it may, it is certain that many nowadays are willing enough to promise to love and honor, but not to obey, in order to the marrimonial knot. They take their stand against the word "obey" as if it were a degradation of their sex. They know neither the word nor the spirit of the great Teacher, who says: "Ye know that the princes of the Gentiles exercise dominion over them, and they that be great exercise authority upon them. But it shall not be so among you; but whosoever will be great among you, let him be your minister; and whosoever will be chief among you, let him be your servant; even as the Son of Man came not to be ministered unto, but to minister, and to give His life a ransom for many." If any woman is, then, offended by the leading idea of the present paper, this is because she is animated by the spirit of the world and not by the spirit of Christ. It is because the love of power and the lust of dominion rather than the sublime meekness and humility of the Lamb of God rules in her wretched, restless heart. It is, in other words, because that which is most hateful in man—the dominering pride of a wicked heart—reigns over and obscures in her that which is most hateful.

The first caused Lucifer "to fall like fire from heaven"; the last alone can raise "a mortal to the skies." We seek, then, not to degrade, but to elevate woman when we say it is her mission of Christ Himself. Though it reduced Him physically to the form of a servant. It raises the most into the world. He said, "L

## INFERIOR ANIMALS BUT SUPERIOR BEINGS.

Woman is sometimes contemptuously called "the inferior animal." "What," several ladies once asked us, "do you think of that sentiment?" "We think it perfectly just," was the reply. "What!"

they exclaimed, "do you, with all your pretended gallantry and admiration of the sex, call woman the inferior animal?" "Yes," we fearlessly replied, "that is precisely our opinion of the sex—inferior animals but superior beings." In brute force, in all that constitutes the mere animal frame and nature, women are inferior to men; but in purity of mind, in refinement of sentiment, in all that most nearly assimilates our race to the good angels above, they are superior to men. Mr. Darwin in his "Descent of Man" has proved at least one thing, namely, that man is actually an animal. No one after reading his very learned work can doubt that man is really an animal or deny that the proud biped eats and drinks and sleeps like his four-footed brethren that perish. But, after all, we are inclined to think that we are, in nature and in kind, a little better than baboons. Many of our strong-minded women do, we are aware, differ from us respecting Mr. Darwin's great discovery of the essential identity of nature between men and monkeys. Hence, rather than quarrel with them or with women of any description we are willing to admit that they are superior animals and also to allow them to choose the species of beast with which it is proper to classify them. * * *

FIRST SYMITOMS AND CURE OF THE DISORDER.

#### FIRST SYMPTOMS AND CURE OF THE DISORDER.

with which it is proper to classify them.

FIRST SYMPTOMS AND CURE OF THE DISORDER.

There are, we are sorry to say, some of the sweetest and most intelligent and most lovely young ladies in our land who seem favorably inclined toward the woman's rights movement. We would do anything to save them, except marry a strong-minded woman; and if we were a widower we fear we might be induced to do even that, in order to rescue the beautiful creatures from their perilous condition, for, indeed, widowers do so many strange and unaccountable things that no man can say what he would not do if he were deprived of his "better half." But if we know ourself we would never marry a strong-minded woman. In this respect we feel as if we were like the old Romans who, after the women had acquired "all their rights," absolutely refused to marry them; consequently, as Prof. Seeley says, "the Empire perished for the want of men." It is, however, a hardly supposable case that any really beautiful and lovely woman will in her right mind actually join the ranks of the woman's rights movement, for whatever her nascent inclination or premonitory symptoms, matrimony will be apt to arrest her in her career and cure her of the inciplent disease.

The first symptom of the disorder is perhaps the determination never, in case of matrimony, to use the word "obey." This symptom is a dangerous one and requires heroic treatment, such as that which Bishop Hobart is said to have administered to a young lady in New York. This young lady, so the story goes, vowed that if she were to get married a hundred times she would never once promise to obey her husband. Accordingly, when the bishop, who had been called in to marry her, came to the words "love and honor and obey" she held down her head meekly and remained silent, hoping he would attribute her silene to her modesty and so pass on. The good bishop, always stern and infexible in the discharge of his official duties, repeated the words, but still no response. A third time he pronounced the words and wi

#### BOTH WEAKER AND STRONGER THAN MAN.

BOTH WEAKER AND STRONGER THAN MAN.

We can not deny, however, that, although woman is the "superior being," she is the "weaker vessel." for such is the express declaration of the Word of God. She is evidently the "weaker vessel." The frailer form, the more delicate organs, the more sensitive and timid nature, all proclaim her "the weaker vessel." Above all, the ease with which the balance of her judgment is disturbed by the impulses of kindness or of cruelty show that she is "the weaker vessel." While man, during the Civil War, displayed his strength by the greatness and the heroism of his deeds, woman betrayed her weakness by the violence of her sentiments. She would have raised the black flag and caused it to wave in all the darkness of desolation over the heads of her enemies even while she was the ministering angel of mercy to her friends. It is the weakness of human nature, and especially in the female sex, that it is always prone to rush into extremes of both hate and love.

But, on the other hand, it must be conceded that woman is weaker than man only in regard to the mission or the work of man. For her own sphere or mission she is endowed with far greater strength than man. In strength of passive will, in the courage and fortitude to endure, to bear the ills that flesh is helr to, she is far, very far, superior to man. In force of aggressive will, in the meek, Christlike capacity to suffer and to bear she is superior to man. She is more like the Lamb of God—a willing sacrifice for the good of man; and this is her glory. In this respect as well as in many others she is most admirably adapted to the sphere of private life, and, above all, to the home circle. This, it is true, is a narrow sphere, but it is nevertheless a high and holy one—the very highest and holiest upon earth. Of all the institutions of society that which is the most important to its order and happiness is the constitution of the family and its government. Over this government woman is, in a special manner, called to preside. From the ce

# ONLY THE MOTHER ADEQUATE TO THE TASK.

"As a general rule," says a celebrated historian, "superior men are the children of their mother." Infancy is the decisive moment in education. In the earliest years is formed the strong bias which gives shape to the entire life. But these years belong to the mother. Paganism took them from her and gave them to the State, but Christ took them from the State and gave them back to the mother. They are too delicate and important for the State or for strangers to meddle with, and they are too exacting for the father. For the training of the young aptness, time, opportunity, patience, long suffering, and self-sacrifice are wanting to all persons, except to the mother. She alone is fit for the work which God in his providence has appointed her to do.

Consider, for example, the man whose strong heart and unconquerable courage now braves alike the wrath of a prince and the fury of the people, and who seems determined to justify the proud maxim, "Man can do what he will." You ascribe, perhaps, the glory of the man to the energy of his nature. But know that in his childhood he appeared so irresolute and so vacillating in his character that everyone said, "He will never make a man." He will, on the contrary, always be a "reed shaken of the wind." But a woman has made him a man, and that woman is the same who brought him into the world. She alone has never despaired of him. Sustained by love and guided by instinct, she alone has discovered beneath all his weakness the hidden germs of greatness, which by her tender, her humble, her patient, and persevering labors she has developed into his present glorious manhood. The child was not and never could have been the father of the man but for the constancy and the care of the woman. She is, indeed, the mother of the man as well as of the child. She has divined everything, conceived everything, planned everything. By trials and conflicts, wisely graduated to his growing strength, she has developed the hidden germs of virtue in his soul, until by degrees the weakness of the child has passed away, and "nature h.velf can stand up and say to the world this is a man." Such is the work, the mission, the glory of woman.

#### SOME REFLECTIONS.

The divorce evil, by its rapid and widespread growth in the United States, has become a danger so deadly that it threatens not only the moral health but the very life of the Nation. Within the last 50 years divorce has increased on an average more than three and one-third times as fast as the population. In the year 1912 it may safely be said that 100,000 divorces were granted and it is conservative to say that 100,000 children, mostly under 10 years of age, were made divorce orphans, being deprived of one or both parents. (Illinois Commission on Uniform Marriage and Divorce Laws.)

The late census shows a steadlly increasing decline in the rate of growth for the native white race of the United States. From 1880 to 1890 the rate of increase was 24.5 as against 23.1 from 1890 to 1900 and 20.8 during the decade 1900-1910. * • Your suffragette may say that her right to vote has nothing to do with the birth rate, and that such right can not militate against the highest ideals of motherhood. But mothering requires the very flower of a woman's days. If she is to bear and mature children under wholesome conditions, she must have the blessed quiet of a home free from the nerve strain of publicity. (Mrs. F. L. Townsend, in the Methodist Review.)

As for America, I appeal to the twentieth century. Either some Cæsar or Napoleon will seize the reins of Government with a strong hand, or your Republic will be as fearfully plundered and laid waste by barbarians in the twentieth century as the Roman Empire was in the fifth century, with this difference, that the Huns and Vandals who ravaged Rome came from without her borders, while your Huns and Vandals will be engendered within your own country and by your own institutions. (Thomas Babington Macaulay.)

# REPORT ON COTTON MARKETING (S. DOC. NO. 175).

Mr. FLETCHER. From the Committee on Printing I report favorably, with a request that it be printed as a Senate document supplemental to Senate Document No. 113, a report by J. S. Williams, chairman, and Clarence Ousley, subcommittee to study the production and marketing of Egyptian cotton, and I ask for its present consideration.

Mr. SIMMONS. I make no objection if it will lead to no debate.

Mr. FLETCHER. It will lead to no debate.

The VICE PRESIDENT. Is there any objection to printing the report? The Chair hears none, and that action will be

NINTH INTERNATIONAL COTTON CONGRESS (S. DOC. NO. 176).

Mr. FLETCHER. From the Committee on Printing I submit a request in favor of printing as a Senate document the report of the Ninth International Cotton Congress of the International Federation of Master Cotton Spinners and Manufacturers' Associations held at Scheveningen, Holland, June 9, 10, and 11, 1913.

The VICE PRESIDENT. Is there objection to printing the report? The Chair hears none, and the report will be printed.

THE CONGRESSIONAL DIRECTORY (S. REPT. 108).

Mr. FLETCHER. From the Committee on Printing I report back the joint resolution (S. J. Res. 66) providing for a second edition of the Congressional Directory for the second session of the Sixty-third Congress, and I submit an adverse report (No. 108) thereon. The report can either be read or printed in the I will ask that it be printed in the RECORD.

Mr. SMOOT. And that the joint resolution go to the calendar. Mr. FLETCHER. Very well.
The VICE PRESIDENT. That action will be taken.

The report this day submitted by Mr. Fletcher from the Committee on Printing is as follows:

SECOND EDITION OF THE CONGRESSIONAL DIRECTORY FOR SIXTY-THIRD CONGRESS, FIRST SESSION.

Mr. Fletcher, from the Committee on Printing, submitted the following adverse report, to accompany S. J. Res. 66:

The Committee on Printing, to which was referred the resolution (S. J. Res. 66) providing for a second edition of the Congressional Directory for the first session of the Sixty-third Congress, having had the same under consideration, report said resolution adversely for the following reasons:

First. An edition of the Congressional Directory consists of 22,164 copies, to print and bind which would cost approximately \$8,000.

Second. From a month to six weeks would be required to compile, print, and bind another edition of the Directory. Consequently a new edition would not be available before October I, even if completed at the earliest date possible.

Third. The next regular edition of the Directory will be issued on Monday, December I, the law (28 Stat. L., 617) requiring that the first edition of the Congressional Directory for a regular session of Congress shall be distributed on the first day of the session.

Fourth. The first edition of the Directory for this session of Congress was corrected up to April 16, 1913, since which date some of the departments and establishments of the Government have issued directories or lists of their officers that are available to Members of Congress. The vest-pocket edition of the Congressional Directory, issued by the Clerk of the House of Representatives, was corrected to June 17, 1913. The pamphlet directory of the Senate compiled under the direction of the Secretary of the Senate is corrected up to August 20, 1913. In addition to these directories, both the Secretary of the Senate and the Clerk of the House issue lists of the committees of the Senate and the House, respectively, which are kept corrected up to date, a new list being printed whenever a change in committee assignments occurs.

Your committee is of the opinion, therefore, that the expenditure of \$8,000 for another edition of the Congressional Directory for this session of Congress is not justified in view of the fact that it would be used for only two months at the utmost and would contain but little Information in addition to what is available already in the various directories issued by the Government.

## EMPLOYMENT OF STENOGRAPHER.

Mr. BRISTOW. I submit the resolution which I send to the desk, and ask that it be referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

The resolution (S. Res. 173) was read, as follows:

Resolved, That Senator Joseph L. Bristow be, and he is hereby, authorized to employ a stenographer, at a salary of \$1,200 per annum, to be paid from the contingent fund of the Senate, for a period of 30 days.

Mr. WILLIAMS. If it be in order, I ask unanimous consent for the immediate consideration of the resolution, and will give briefly the reasons for so doing. The stenographer who was in the employ of the Senator from Kansas [Mr. Bristow] was shot the other night, as we all know, and is now in a hospital. It would be a very cruel thing for him to be deprived of his pay while he is there, and the Senator can not do his work without having some one to take the place of this young man. I would suggest to the Senator from Kansas that he make the resolution cover a period of 30 days, and if his stenographer is not well by that time it could be continued. If there should be a fatal result, of course the new employee would take the place of the old one. I ask unanimous consent for the present consideration of the resolution.

The VICE PRESIDENT. Under the law the Chair will have to rule that the resolution must go to the Committee to Audit

and Control the Contingent Expenses of the Senate.

Mr. WILLIAMS. The Chair is right. Under the law it goes to the committee. It can not be considered until after it has been reported by the committee. I ask that it be referred to the committee, and then the Senator can poll the committee this afternoon, after which I will ask unanimous consent for its consideration.

Mr. WILLIAMS, subsequently, from the Committee to Audit and Control the Contingent Expenses of the Senate, to which was referred the foregoing resolution, reported it favorably, and it was considered by unanimous consent and agreed to.

## BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. TOWNSEND:

A bill (S. 3044) to provide for the erection of a public building in the city of Hancock, Mich.; to the Committee on Public Buildings and Grounds. By Mr. PENROSE:

A bill (S. 3045) granting a pension to Sarah E. Gelser; and A bill (S. 3046) granting an increase of pension to Truman H. Tryon (with accompanying paper); to the Committee on Pen-

By Mr. THOMPSON:

A bill (S. 3047) to correct the military record of Hiram Lane (with accompanying papers); to the Committee on Military Affairs

By Mr. NELSON:
A bill (S. 3048) for the survey and construction of a public highway through the Superior National Forest, Minn.; to the Committee on Agriculture and Forestry.

By Mr. PERKINS:

A bill (S. 3049) for the relief of Edward R. Wilson, passed assistant paymaster, United States Navy; to the Committee on Naval Affairs.

By Mr. LODGE:

A bill (S. 3050) granting a pension to Margaret Gately; and A bill (S. 3051) granting an increase of pension to David N. Landers (with accompanying paper); to the Committee on Pensions.

#### AMENDMENT TO THE TARIFF BILL.

Mr. JONES submitted an amendment intended to be proposed by him to the bill (H. R. 3321) to reduce tariff duties and to provide revenue for the Government, and for other purposes, which was referred to the Committee on Finance and ordered to be printed.

#### SENATOR FROM ALABAMA (S. DOC. NO. 170).

Mr. BANKHEAD. I present opinions by Hon. Hannis Taylor and R. B. Evins, legal adviser to the governor of the State of Alabama, with reference to the appointment of the Hon. HENRY D. CLAYTON as a Senator from the State of Alabama. I ask that the opinions be printed as a Senate document.

The VICE PRESIDENT. Without objection, it is so ordered.

JOINT SESSION OF THE TWO HOUSES.

The VICE PRESIDENT laid before the Senate the following concurrent resolution of the House of Representatives, which was read :

#### House concurrent resolution 16.

Resolved by the House of Representatives (the Senate concurring), That the two Houses of Congress assemble in the Hall of the House of Representatives on Wednesday, the 27th day of August, 1913, at 12 o'clock and 45 minutes in the afternoon, for the purpose of receiving such communications as the President of the United States shall be pleased to make them.

Mr. KERN. I move the adoption of the resolution. The motion was agreed to.

#### THE TARIFF.

The VICE PRESIDENT. The morning business is closed.

Mr. SIMMONS. I ask unanimous consent that the Senate

proceed to the consideration of House bill 3321.

There being no objection, the Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 3321) to reduce tariff duties and to provide revenue for the Government. and for other purposes.

Mr. BRADLEY. Mr. President, it is a little dangerous for a Republican to warn the opposition of the results of the present bill lest he should be immediately accused of joining in a con-

spiracy to produce a panic.

I will say to our Democratic friends nothing is further from my purpose. In all I say I am attempting to show the folly of the present bill, and if possible thereby to avert a panic. If the future is to be judged by the past, I think I shall amply demonstrate that I have the best reasons for believing that the present bill threatens most serious consequences.

It has been said if any manufacturer closes his factory or reduces the number or compensation of his workmen he is to be mercilessly prosecuted and punished. Although he will be forced by this bill to compete with cheap labor, nevertheless he must continue to pay full prices, and even if he becomes bankrupt he will be punished for assisting in a panic.

This reminds me of the boy who was training a bull pup, who insisted that his father should move over the floor on all fours, when he would sick him on. The old man was persuaded to go through the motion, and when the pup fastened his teeth in his flesh the young teacher shouted, "Bear it, pap, bear it; it will be the makin' of the pup!" [Laughter.] And so you say to the manufacturer when foreign competition based on cheap labor is set upon him, "Bear it, bear it; it will be the makin' of a glorious measure that will reflect great great great upon a Demogratic ous measure that will reflect great credit upon a Democratic administration!"

I have many devoted friends in the Democratic Party who are bound to me by hooks of steel, men of the most exalted patriotism who are honestly politically chasing a feather, but, while I respect them and their party in many particulars, in view of their tortuous and contradictory tariff history, I do not believe their tariff opinions are entitled to serious weight. The history of Democracy on this question is one of continuous contradiction, as shown by its various declarations in national platforms. And to this history I refer in order to show either that they do not understand the question, or, what is worse, do not understand themselves. In either case they are not qualified to draft a proper bill.

In 1856, when Buchanan was nominated, it was announced in national convention that-

the time has come for the United States to declare in favor of free seas and progressive free trade throughout the world, and by solemn manifestations to place their moral influence at the side of their successful example.

Notwithstanding the disastrous results of Buchanan's administration, the Democratic national convention, in 1860, in-

dorsed the platform of 1856. In 1864 McClellan and Pendleton were nominated, but in view of the ocular demonstration of the effectiveness of protection under Lincoln, the Democratic Party in its national convention had nothing to say concerning the tariff. It would have

been better for the prosperity and happiness of our people had it remained silent to this good hour.

In 1868 Seymour and Blair were nominated, and the Democratic Party again dragged the tariff into prominence, so much changed, however, as to be scarcely recognizable when compared with the declaration of 1856. In that platform they declared for "a tariff for revenue only and such taxation under the internalrevenue laws as will afford incidental protection." In the same platform they declared for "equal taxation of every species of property according to its real value, including Government bonds and other public securities."

In 1872 they had no platform of their own, but adopted the Liberal Republican platform, which declared in favor of a "system of Federal taxation which will not unnecessarily interfere with the industry of the people and which shall provide the means necessary to pay the expenses of the Government, etc.," and further declared, "and recognizing that there are in our midst honest but irreconcilable differences of opinion with regard to the respective systems of protection and free trade" (still recognizing the fact, notwithstanding the declaration in 1868 to the contrary, that the Democratic Party was wedded to the doctrine of free trade) "we submit the discussion of the subject to the people in their congressional districts and to the decision of the Congress thereon, wholly free from Executive interference or dictation." How does the latter part of this declaration correspond with the Democratic position of to-day, when admittedly the present bill is the creature of the Presiwhen admittedly the present bill is the creature of the President, who refused to allow(?) Congress to adjourn? When he cracks his whip every pony, gaily caparisoned, prances into the ring. When he fiddles the Democratic Congress dance, and when he ceases they all take on a funereal look and anxiously await more music. [Laughter.] He is indeed "monarch of all he surveys; his right there is none to dispute."

In other words, in the struggle of 1872 the Democratic Party had no opinion on the subject which it was willing to announce, the whole object being by combination with disgruntled Republicans to succeed at any cost and under any circumstances. Having failed in that campaign, in 1876 it became more independent in its platform declarations and demanded that "all customhouse taxation shall be only for revenue."

In 1880 it again declared in favor of "a tariff for revenue only.

In 1884 the Democratic national convention again changed front.

After declaring in favor of reducing taxation it pledges the party "to revise the tariff in a spirit of fairness to all interests. But in making reductions in taxes it is not proposed to injure any domestic industries, but rather to promote their healthy growth." Continuing, it declares-

From the foundation of this Government, taxes collected at the customhouse have been the chief source of Federal revenue. Such they must continue to be. Moreover many industries have come to rely upon legislation for successful continuance, so that any change of law must be at every step regardful of the labor and capital thus involved.

Continuing, it is said:

The process of reform must be subject in the execution to this plain dictate of justice; all taxation must be limited to the requirements of economical government. The necessary reduction and taxation can and must be effected without depriving American labor of the ability to compete successfully with foreign labor, and without imposing lower rates of duty than will be ample to cover any increased cost of production which may exist in consequence of the higher rate of wages prevailing in the country.

How radically different are these declarations to the Democratic position on the pending bill.

This tariff declaration substantially favors protection, and not only differs with previous Democratic utterances, but is in direct conflict with the bill now being pressed for passage.

In 1888, when Mr. Cleveland was renominated, the Democratic platform followed somewhat the lines of 1884 in saying:

Crafte platform followed somewhat the lines of 1884 in saying:

Our established domestic industries and enterprises should not and
need not be endangered by the reduction and correction of the burdens
of taxation. On the contrary, a fair and careful revision of our tax
laws, with due allowance for the difference between the sages of
American and foreign labor, must premote and encourage every branch
of such industries and enterprises by giving them assurance of an
extended market and steady and continuous operations.

Here was a direct declaration that due allowance between the wages of American and foreign labor should be made. In the construction of the proposed law we have been told time and again that the cost of production here and abroad was not even considered in committee or caucus in the construction of the pending bill

In 1802, however, when Mr. Cleveland was again renominated, the Democratic Party sang a different song. In that platform it declared "We denounce Republican protection as a fraud—a robbery of the great majority of the American

mental principle of the Democratic Party that the Federal Government has no constitutional power to impose and collect tariff duties, except for the purposes of revenue only " * * * and we promise its repeal as one of the beneficial results" of Democratic success.

How does this compare with the declarations of 1884 and 1888, that the wages of American labor should be protected against that of foreign labor and that no industry should be endangered?

After four years of incalculable disaster under Cleveland, it became necessary for the Democratic Party in 1896 to haul in its tariff sails, and the free-silver idea was advanced as the great panacea for all national ills. The only reference to the tariff was that "the tariff should be levied for the purposes of revenue" (the word "only" being studiously omitted), and the further observation that "until the money question is settled we are opposed to any agitation for further changes in the tariff laws except such as are necessary to meet the deficit in revenue caused by the adverse decision of the Supreme Court on the income tax." In other words, the tariff question was relegated to the rear.

In 1900, after the overwhelming defeat of Mr. Bryan, it became necessary to find a new issue, and the doctrine of imperialism was brought to the front, while free silver was again declared for and the tariff given but little notice. The Democratic Party, as usual, was hunting for a new stalking horse and ready to change front in order to succeed. The only reference to the tariff was to declare in favor of putting the products of the trust on the free list and condemning the Dingley tariff law, notwithstanding the terrible result of Democratic legislation under Cleveland and the great prosperity under the Dingley law. This remarkable platform concluded with a pitiful wail: "Believing that our most cherished institutions are in great peril, that the very existence of our constitutional Republic is at stake, and that the decision now to be rendered will determine whether our children are to enjoy the blessed privilege of free government which have made the United States great, prosperous, and honored, we earnestly ask for the foregoing declaration of principles the hearty support of the liberty-loving people, regardless of previous party alliance." What a manifestation of falsehood and hypocrisy! Who believes that the Democratic Party was honest in that declaration? How were our cherished institutions imperiled? How was their existence at stake? How was the decision of the American people in that contest to determine "whether our children were to enjoy the blessed principles of free govern-ment?" That wail of despair was answered by the American people as it deserved, by the overwhelming defeat of the Democratic Party, and yet our cherished institutions are preserved, our constitutional Republic exists, our children enjoy the blessings of free government, and our country in the last 13 years has advanced in prosperity and power more than in any similar period of our history.

In 1904, again imperialism was advanced; the action of the Republican Party in regard to the trusts was reiterated and once more the tariff issue was resuscitated. Again we were told that protection was robbery, although Republican protection had opened the factories closed by the Wilson bill, had taken railroads out of the hands of receivers, and brought prosperity to every class of American citizens. However, it was gravely announced in the platform that the Democratic Party favored a tariff so levied as not to discriminate against any industry, class, or section. Certainly, we may assume that this declaration did not favor the reenactment of the Wilson law, as it had none of the attributes described. In that platform no fear was expressed for the "safety of the Republic, or the freedom of our children" as in the convention of 1900, the Democrats having recovered from their fright.

Again the American people weighed the Democratic Party in the balance and found it wanting.

In 1908, again Mr. Bryan was nominated, a revenue tariff made one of the issues, the position of the Republican Party in its convention of 1908 misrepresented, and various other issues presented. However, they declared that it should be so levied

as not to discriminate against any industry, class, or section." Now, we come to 1912, when the tariff question was again brought to the front, together with the high cost of living, for which we are solemnly assured the tariff is responsible. How-ever, it was declared, "we recognize that our system of tariff taxation is intimately connected with the business of the country and we favor the ultimate attainment of the principle we advocate by legislation that will not injure or destroy legitimate industry." Has this declaration been carried out? Let the present bill answer the question. The distinguished leader in people for the benefit of the few. We declare it to be a funda- the House has said that three years are given the cane and

beet sugar manufacturers in which to liquidate. In other words, they must then go out of business and surrender the market to the foreign producer. I might instance wool and other legitimate industries which this bill will destroy, but will not now detain the Senate. May we not well conclude that the last platform was made to get in on, but not to stand on.

This is a brief history of the various positions of the Democratic Party on the tariff. From a declaration favoring progressive free trade to silence, from silence to favoring protection, from favoring protection to an attitude of meek submission to Congress, from that back to protection, and from that to a declaration that a tariff for protection is unconstitutional and favoring a tariff for revenue only. It has twisted and turned, and turned and twisted so rapidly, that it reminds one of the man at the barbecue who danced so fast and whirled so quickly that no one could tell whether the patch on his pants was in front or behind. [Laughter.]

#### THE PAYNE-ALDRICH TARIFF BILL.

The Republican platform of 1908 and the Payne-Aldrich bill have been grievously misrepresented, and as I supported that bill I am impelled to come to its defense. The statement so often made that the platform pledged a downward revision of the tariff is not true. Its exact language is:

The Republican Party declares unequivocally for a revision of the tariff by a special session of the Congress immediately following the inauguration of the next President and commends the steps already taken to this end in the work assigned to the appropriate committees of Congress which are now investigating the operation and effect of these schedules. In all tariff legislation the true principle of protection is best maintained by the imposition of such duties as will equal the difference between cost of production at home and abroad, together with a reasonable profit to American industries.

The Democratic position is the reverse of this. That party does not think that in making a tariff the difference in cost of production to the manufacturer or the farmer at home and abroad, whether superinduced by pauper labor or otherwise, should be considered. Indeed, the distinguished chairman of the Finance Committee has stated on this floor that this element was not even considered by his committee. Neither does it believe that a reasonable profit should be allowed to American industries. In other words, our manufacturers and farmers are supposed to be broad-minded and liberal-minded philanthropists who are not working for profit in this world, but solely for reward in the world to come. [Laughter.]

The Dingley bill proved a great blessing to our people. Before its passage many manufactories were closed, many thousands of laborers out of employment, and the farmers struggling for a precarious existence. As soon as it became the law manufactories were opened and others erected, wages increased, and employment given to every man who sought it. Agriculture took on new life, the products of the farm increased in value, and the song of prosperity and plenty was heard in every home.

Of course there were some inequalities in that law, as there always have been and will be in any tariff law. In the course of 9 or 10 years it became apparent a revision was necessary in order to meet the changed conditions of commerce and provide more revenue. If to accomplish these results it was found necessary to change its provisions, the Republican Party was ready to make the change, and it was equally as ready to increase duties when necessary as to curtail them. A special session was called by President Taft in conformity with the party declaration of 1908, and the committees continued their work of investigation. A thorough investigation was made extending over several months, and after full debate the Payne-Aldrich bill was passed. There were a number of provisions in that bill that I did not approve, but there was so much of good in it and so comparatively little harm and so great a necessity for canceling the deficit of \$58,000,000 then existing and placing the Government on a safe and secure financial basis that I voted for the bill, and for that vote I have no apologies to offer. There is no sane man who will say that it was not an improvement on the Dingley bill, and yet its defeat would have left the latter in full force, and our deficit would have increased instead of being replaced with a large surplus, until an issue of bonds would have been necessitated to meet current expenses and indebtedness.

If a tariff bill had to be so framed as to satisfy every member of the majority of the party undertaking its enactment, then no tariff bill would ever be enacted. I did not feel that my individual views should outweigh those of the large party majority; nor do I believe that any man, or any comparatively small number of men, have more wisdom than an overwhelming majority. I felt that when the opposition was drawn up in battle array I should rally to our bugle call and fight the common enemy rather than lag in the rear. I do not criticize the

integrity of those of my party friends who held a different opinion, but I do question their judgment. I believe in party unity. Without it defeat is inevitable, as we have learned to our sorrow. However many mistakes were embraced in the Aldrich law, the present bill is infinitely worse, and, all Republicans agree, is fraught with most serious consequences.

And right here I will add that I have no sympathy for those who vote for protection of an interest in their own State and against protection of any interest in other States, for if protection is right in one State it is right in all. They simply vote as one of old prayed—

Lord, bless me and my wife, My son John and his wife; Us four and no more.

[Laughter.]

It has been charged an almost countless number of times that the Payne-Aldrich law was not a downward revision of the tariff, and it has been charged many times that it was an upward revision. These charges are utterly without foundation and yet many believe them to be true.

That bill contained the most liberal free list ever proposed up to that time, a number of articles in which have been eliminated by the present bill and placed on the dutiable list.

Again, that was the first bill which contained a maximum and minimum provision which fully enabled the President to protect American commerce from unjust and unfair discrimination abroad.

Some of the schedules of the Dingley bill were not altered and others not materially changed, among the latter the wool and sugar schedules, notwithstanding which our critics on the stump charged in many localities that the duties on these two articles had been increased. In the House, reductions were made in 654 numbers, increases in 120, and 1,150 remained unchanged. About the same proportion was maintained in the Senate, and yet we have been told it was not a downward revision.

The price of every article of food was reduced, but prices, nevertheless, have continued to advance, thus showing conclusively that the tariff is not the cause of present high cost of living.

The increases in the Payne bill were largely on liquors, wines, silks, perfumes, fancy ornaments, ostrich feathers, high-priced cotton, and such articles as were in use by the rich and lowered on articles of prime necessity and common use.

But still we are told it was not a downward revision.

Following its passage our imports increased, over those of 1909, \$245,027,206 in 1910; in 1911, \$215,305,881; in 1912, \$341,344,710; and in 1913, \$501,058,010, or more than a half billion, the total increase in the four years over those of 1909 being the enormous sum of \$1,302,735,807. And yet we are told that a bill accomplishing this enormous increase of imports in four years was not a downward revision.

Again, the amount of free importation increased many millions every year until in 1912 the per cent of free imports compared with total imports was 53.73, showing that considerably over one-half of all imports were free of duty. And yet we are told, in the face of this convincing fact to the contrary, that the bill was not a downward revision of the tariff. Under the Dingley law the average ad valorem duty coliected on all imports was 25.48 per cent, under the McKinley law 22.12 per cent, under the Wilson-Gorman Democratic law 21.92 per cent, while under the Payne law it was for three years 19.98 per cent (I have not been able to obtain the statistics for last fiscal year), thus showing that it was nearly 2 per cent less under that law than it was even under a Democratic tariff, and yet we are told that the revision was not downward.

The average duty collected on dutiable imports alone under the Dingley law was 45.76 per cent, under the McKinley law was 47.10 per cent, under the Wilson-Gorman law 42.84 per cent, and under the Payne law for three years was only 40.95 per cent, thus showing a decrease of nearly 2 per cent of the rates of a Democratic tariff, and yet this law, which has been fully vindicated by time, has been denounced as not being a downward revision. But while this law was a downward revision and has accomplished such good results as to importations, the rates were so adjusted that exports have largely increased every year over those of 1909, amounting in all to \$1,812,477,052, the last fiscal year showing them to have been \$2,465,884,149, the largest annual exportation this Nation has ever enjoyed. And yet our Democratic critics, unwilling to correct any equalities that may exist under the present law, are embarking upon threatening seas, with no compass save that of caucus, in a rudderless ship, which must go down when it encounters the breakers, only a little ahead. Like the swan, they will sail majestically on, utterly unconscious of the unfathomable depths beneath. [Laughter.]

LOW TARIFF.

History proves that low tariff legislation has been a failure. One of the most convincing proofs of the truth of the assertion that low tariffs have proven disastrous is the fact that during the existence of low tariffs in this Nation, covering a period of 59 years, imports exceeded exports \$514,054,941. In other words, during that time we purchased abroad that amount more than we were able to sell. The nation which buys more than it sells abroad can not be said to be prosperous. Its homemanufactured goods are not only displaced by foreign-made goods, but its money is sent abroad, thereby diminishing the home circulation to that extent.

There is no year under the Payne bill that we did not sell as much as \$215,000,000 more than we bought and in the last fiscal year we sold nearly \$652,905,915 more than we bought, and of course we gained that much in our circulating medium. In other words, we were enabled from what we received abroad to replace every dollar we had sent abroad and increase our circulating medium at home with foreign money to that ex-

For a few moments I call attention to the Walker tariff, which is claimed to be the masterpiece of Democratic tariff That bill went into effect December 1, 1846, and was followed by another of like character with some changes

with lower ad valorems on July 1, 1857.

During its continuance our country was for a time in a degree prosperous. Prices were fairly good and people were going to the West, buying farms, and improving the farming industries of that section. But the Walker tariff was not the cause of the prosperity. For some four years during the existence of that tariff the Crimean War furnished a market for a ence of that fariff the Crimean War furnished a market for a vast amount of farm produce. During the early period of its existence the Mexican War created an unusual demand for American goods and foodstuffs. In 1849 gold was discovered in California and was largely mined every year thereafter, augmenting greatly our national wealth and enabling us to pay foreign balances. Besides, during this time, there was a famine in Ireland, which increased exportation. These were all fortunate circumstances for the law, in the absence of which it would have brought untold ruin and disaster. In 1847, about seven months after the passage of the law, it is true that exports exceeded imports \$34.317,249, but this was the exception. Every year thereafter up to and including 1857 imports exceeded exports, in all during that period \$346.512.980. ports exceeded exports, in all during that period \$346,512,980. Therefore, crediting the surplus of 1847 the next result of the Walker bill was an excess of imports over exports of \$312,195,731.

The amended Democratic tariff law went into effect July 1, 1857, and at the end of the year exports exceeded imports \$8.672,620. But this was only spasmodic, for in 1859, 1860, and 1861 imports again exceeded exports in all \$128,228,061, the net

excess of imports for four years being \$119,555,441.

The Walker bill and the amendment thereto combined inflicted a net increase of imports over exports of \$431,761,172. Besides during this period Treasury certificates were issued for \$40,000,000 to maintain the Government. Compare this, if you please, with four years of the Payne tariff. During that time our exports have exceeded imports one thousand nine hundred and fourteen millions of dollars.

On the 8th day of December, 1852, after six years' operation of the Walker bill, President Fillmore, in his third annual message, called attention to the injury it had inflicted. Said he:

sage, called attention to the injury it had inflicted. Said he:

In my first annual message to Congress I called your attention to what seemed to me some defects in the present tariff, and recommended such modifications as in my judgment were best adapted to remedy its evils and promote the prosperity of the country. Nothing has since occurred to change my views on this important question.

Without repeating the arguments contained in my former message in favor of discriminating protective duties, I deem it my duty to call your attention to one or two other considerations affecting this subject. The first is the effect of large importations of foreign goods upon our currency. Most of tife gold of California, as fast as it is coined, finds its way directly to Europe in payment for goods purchased. In the second place, as our manufacturing establishments are broken down by competition with foreigners, the capital invested in them is lost, thousands of honest and industrious citizens are thrown out of employment, and the farmer, to that extent, is deprived of a home market for the sale of his surplus produce. In the third place, the destruction of our manufactures leaves the foreigner without competition in our market, and he consequently raises the price of the article sent here for sale, as is now seen in the increased cost of iron imported from England.

Later, on December 8, 1857, after 11 years of its operation.

Later, on December 8, 1857, after 11 years of its operation, surrounded by the ruin it had wrought, a Democratic President, Mr. Buchanan, in his annual message, said:

We have possessed all the elements of material wealth in rich abundance, and yet, notwithstanding all these advantages, our country in its monetary interests is at the present moment in a deplorable condition. In the midst of unsurpassed plenty in all the productions of agriculture and in all the elements of national wealth, we find our manufactures suspended, our public works retarded, our private enterprises of

different kinds abandoned, and thousands of useful laborers thrown out of employment and reduced to want. The revenue of the Government, which is chiefly derived from duties on imports from abroad, has been greatly reduced, whilst the appropriations made by Congress at its last session for the current fiscal year are very large in amount.

By reason of the unfortunate results of the Walker tariff law and its amendment, when the Republican Party came into power in 1861, it found our industries crippled, business stagnated, and faced an indebtedness of \$90,867,826.

And this is the history of the wonderful tariff bill which is the boast of the Democratic Party.

Bad as was the Walker bill, it was not a tithe as destructive as the Wilson-Gorman bill of 1894.

In the Democratic platform of 1892, it was declared that Republican protection was a fraud—a robbery of the majority for the benefit of the few; that the Federal Government had no constitutional authority to impose and collect duties except for revenue only; that the McKinley tariff bill was the culminating atrocity of class legislation, and its repeal pledged.

This was the strongest anti-tariff declaration made up to that time since 1856. It put every manufacturer and producer on notice as to the future. After the election of Mr. Cleveland, knowing that the storm was certain to come, men of large business affairs begun to haul in their sails. Production was materially curtailed, wages were lowered, manufactories reduced to half time, and in many instances closed, and hundreds of thousands of laborers thrown out of employment, who in a starving condition thronged the streets of the large cities where they were fed by public charity. Meanwhile, Mr. Cleveland called a special session for tariff and other legislation. This only increased the terrible condition of affairs. Banks suspended, railroads went into the hands of receivers, large business houses became bankrupt, and the prices of farm products and live stock enormously decreased in value. Of these conditions Samuel Gompers, the great labor leader, said in the labor convention of 1893:

Since August of this year we have been in the greatest industrial depression this country has ever experienced. It is no exaggeration to say that more than 3,000,000 of our fellow tollers throughout the country are without employment and have been so since the time named.

* * Never in the history of the world has so large a number of people vainly sought for an opportunity to earn a livelihood and contribute to the support of their fellows.

In his message to the called session of Congress August 8, 1893, President Cleveland said:

With plenteous crops, with abundant promise of remunerative production and manufacture, with unusual invitation to safe investment, and with satisfactory assurance to business enterprise. SUDDENLY financial distrust and fear have sprung up on every side. Numerous moneyed institutions have suspended because abundant assets were not immediately available to meet the demands of frightened depositors. Surviving corporations and individuals are content to keep in hand the money they are usually auxious to loan, and those engaged in legitimate business are surprised to find that the securities they offer for loans, though heretofore satisfactory, are no longer accepted. Values supposed to be fixed are fast becoming conjectural, and loss and failure have invaded every branch of business.

In his annual message four months later, December 4, 1893, President Cleveland said:

At this time, when a depleted Public Treasury confronts us, when many of our people are engaged in a hard struggle for the necessaries of life, and when enforced economy is pressing upon the great mass of our countrymen, I desire to urge with all the earnestness at my command that congressional legislation be so limited by strict economy as to exhibit an appreciation of the condition of the Treasury and a sympathy with the straitened circumstances of our fellow citizens.

From this time until the conclusion of his administration Mr. Cleveland seems to have remained silent concerning the condition of the country, for he was unable to see any light breaking through the gloom of woe and desolation. Not only did he fail to find any consolation, but Mr. Gompers, in a signed statement published in New York January 1, 1898, said:

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That terrible period for the wage earners of this country which began in 1893 and which has left behind it such a record of horror, hunger, and misery practically ended with the dawn of the year 1897. Wages had been steadily forced down from 1893 till toward the end of 1895, and it was variously estimated that between two million and two and a half million wage earners were unemployed. It is agreed by all that the wage earners are the principal consumers of American products, and it necessarily follows that a reduction in wages involves a diminution in the power of consumption, and consequently a proportionate decrease in production, and, naturally, also in the force of labor required for the production. A reduction of wages, therefore, results in an increase in the army of the unemployed, and any circumstances or combination of circumstances that will check reductions in wages, and hence the diminution of consumption by the masses, is a humane act, based on the soundest laws of economics and of progress.

There can be no doubt that hard times commenced immediately following the election of Mr. Cleveland, for the very reason he himself gives: "Suddenly financial distress and fear sprang up on every side." Now, for a few moments let us look at the other side of the picture. In his last annual message, President John Adams

I observe, with much satisfaction, that the product of the revenue during the present year has been more considerable than during any former period. This result affords conclusive evidence of the great resources of the country and of the wisdom and efficiency of the measures which have been adopted by Congress for the protection of commerce and preservation of the public credit.

In December, 1832, concerning the results and benefits of eight years of protection under the tariffs of 1824 and 1828, President Andrew Jackson said:

Our country presents on every side marks of prosperity and happiness, unequaled, perhaps, in any other portion of the world.

Indeed, among all the Presidents from Washington to Buchanan I have found no complaint of disaster or ruin having accrued by reason of protection. I will let Mr. Gompers testify (Gompers's Report, 1899) as to the improved conditions following the Cleveland administration:

The revival of industry which we have witnessed within the past year is one for general congratulation, and it should be our purpose to endeavor to prolong the era of more general employment and industrial activity. In this effort no power is so potent as organized labor, if we but follow a right and practical course. It is beyond question that the wages of the organized workers have been increased and in many instances the hours of labor either reduced or at least maintained.

Instead of imports exceeding exports under protective tariffs, exports have exceeded imports more than eight thousand eight hundred and sixty-five millions. These enormous figures are the most overwhelming testimony of the benefit of protection. And it must not be forgotten that of this large balance of exports more than eight thousand four hundred and eighty-two millions accrued since 1897, under the Dingley and Payne bills, a period of only 16 years.

THE PENDING BILL.

The bill which we now have before us should have the title changed so as to read:

An act to reduce tariff duties, to provide revenue for the Government, to encourage foreign manufacturers and farmers, to reduce the wages of American workmen, and for other benign and laudable purposes apparent in the bill, but not elsewhere.

[Laughter.]

At the special session of 1911 and the last regular session bills were passed regulating the chemical, metal, and wool schedules and providing for a farmers' free list. All of them were vetoed by President Taft. The present bill deals with all these subjects and no more resembles those vetoed than an alligator resembles a woodchuck. [Laughter.] Either those bills were right and this bill wrong or the present bill is right and they were wrong If the former be true, the present bill should be defeated; if the latter be true, the first-mentioned bills exhibited a woeful amount of ignorance and a reckless disregard of American interests. Our antagonists can choose either horn of the dilemma with but small satisfaction. [Laughter.]

It is admitted that the present bill was framed without considering the difference in cost of production, here and abroad. Such an admission, however, is unnecessary, for the bill speaks

for itself.

This bill is substituted for a law that breathed new life into failing industries, that found work for thousands of idle cars and hundreds of motionless engines, that increased wages and gave employment to hundreds of thousands of idle workmen; that took railroads and banks out of the hands of receivers; that gave just remuneration to the farmer for his products that has paid the expense of the Government and caused our export and inland trade to expand as never before. They propose in this bill to remove the motive power that accomplished all these results, the power of protection, and restore the principle contained in the Wilson law that caused so much injury and which was repealed by the Dingley law—and yet they tell us we shall all prosper and be happy. The poison of 1913 is the poison of 1804, and as like causes produce like results we must expect the repetition of all the troubles growing out of the Wilson bill. It is true that up to this time disasters have not afflicted us to such an extent as in 1893-94 and the following years. This is doubt-less due to the declaration in the platform of 1912 that, "recognizing that tariff taxation is intimately connected with the business of the country, we favor the ultimate attainment of the principles we advocate by legislation that will not injure or destroy legitimate industry.

But, nothwithstanding this, there has been a material shrinkage in the value of stocks and bonds, amounting to millions of dollars. The distinguished Senator from Utah [Mr. Smoot] in his recent very able and exhaustive speech read articles from leading and reliable sources showing remarkable shrinkage in the value of mill stocks, textile stocks, and in orders for goods, while the senior Senator from Pennsylvania [Mr. Penrose] re-

ferred to numerous instances of depression and loss in his State. All this is but the beginning of the end.

The substitution of ad valorem for specific duties is a grave mistake. Such rates must be applied on the value of the goods in the foreign country on the day of their shipment notwithstanding values are exceedingly uncertain and constantly fluctuating, sometimes each hour. The matter of values is at all times perplexing to customs officers and serve as a shelter for the dishonest importer. Hence, they are an element of great uncertainty to the manufacture and sale of American products. In flush periods when prices are high the duty will be correspondingly high, while in times when prices are low the duty

will be correspondingly low.

Not only have all our Secretaries of State, except Mr. Walker and Mr. Bryan, I believe, objected to this method, but also a large majority of our great statesmen. Among the latter notably stands one of the ablest Democratic Presidents—Mr. Buchanan. His discussion is so forceful and unanswerable that I trust I may be pardoned for inserting it at such length. In his second annual message, December 6, 1858, he said:

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In regard to the mode of assessing and collecting duties under a strictly revenue tariff, I have long entertained and often expressed the opinion that sound policy requires this should be done by specific duties in cases to which these can be properly applied. They are well adapted to commodities which are usually sold by weight or by measure and which from their nature are of equal or of nearly equal value. Such, for example, are the articles of iron of different classes, raw sugar, and foreign wines and spirits.

In my deliberate judgment specific duties are the best, if not the only means of securing the revenue against false and fradulent invoices, and such has been the practice adopted for this purpose by other commercial nations. Besides, specific duties would afford to the American manufacturer the incidental advantages to which he is fairly entitled under a revenue tariff. The present system is a sliding scale to his disadvantage. Under it, when prices are high and business prosperous, the duties rise in amount when he least requires their aid. On the contrary, when prices fall and he is struggling against adversity, the duties are diminished in the same proportion, greatly to his injury.

Neither would there be danger that a higher rate of duty than that intended by Congress could be levied in the form of specific duties, It would be easy to ascertain the average value of any imported article for a series of years, and instead of subjecting it to an ad valorem duty at a certain rate per centum, to substitute in its place an equivalent specific duty.

By such an arrangement the consumer would not be injured. It is true he might have to pay a little more duty on a given article in one year, but, if so, he would pay a little less in another, and in a series of years these would counterbalance each ofter and amount to the same thing, so far as his interest is concerned. This inconvenience wo

In his fourth annual message, December 3, 1860, he again called attention of Congress to this matter, as follows:

In his fourth annual message, December 3, 1860, he again called attention of Congress to this matter, as follows:

In this aspect I desire to reiterate the recommendation contained in my last two annual messages in favor of imposing specific instead of ad valorem duties on all imported articles to which these can be properly applied. From long observation and experience I am convinced that specific duties are necessary, both to protect the revenue and secure to our manufacturing interests that amount of incidental encouragement which unavoidably results from a revenue tariff. As an abstract proposition it may be admitted that ad valorem duties would in theory be the most just and equal. But if the experience of this and of all other commercial nations has demonstrated that such duties can not be assessed and collected without great frauds upon the revenue, then it is the part of wisdom to resort to specific duties. Indeed, from the very nature of an ad valorem duty this must be the result. Under it the inevitable consequences is that foreign goods will be entered at less than their true value. The Treasury will therefore lose the duty on the difference between their real and fictitious value, and to this extent we are defrauded.

The temptations which a valorem duties present to a dishonest importer are irresistible. His object is to pass his goods through the customhouse at the very lowest valuation necessary to save them from confiscation. In this he too often succeeds in spite of the wigliance of the revenue officers. Hence the resort to false invoices, one for the purchaser and another for the customhouse, and to other expedients to defraud the Government. * * *

They are thus enabled to undersell the fair trader and drive him from the market. In fact the operation of this system has already driven from the pursuits of honorable commerce many of that class of regular and conscientious merchants whose character throughout the world is the pride of our country.

The remedy for these evils is to be found in sp

temptations to the appraisers of foreign goods, who receive but small salaries, and might by undervaluation in a few cases render themselves independent.

Besides, specific duties best conform to the requisition in the Constitution that "no preference shall be given by any regulation of commerce or revenue to the ports of one State over those of another." Under our ad valorem system such preferences are to some extent inevitable, and complaints have often been made that the spirit of this provision has been violated by a lower appraisement of the same articles at one port than at another. * *

Specific duties would secure to the American manufacturer the incidental protection to which he is fairly entitled under a revenue tariff, and to this surely no person would object. * *

Under the present system it has been often truly remarked that this incidental protection decreases when the manufacturer needs it most and increases when he needs it least, and constitutes a sliding scale which always operates against him. The revenues of the country are

subject to similar fluctuations. Instead of approaching a steady standard, as would be the case under a system of specific duties, they sink and rise with the sinking and rising prices of articles in foreign countries. It would not be difficult for Congress to arrange a system of specific duties which would afford additional stability both to our revenue and our manufactures and without injury or injustice to any interest of the country.

But it is contended not only that protection is a violation of the Constitution, but is morally wrong. The dominant party proposes not only to enforce the Constitution, but to go forth in the great field of morality and become reformers par ex-

cellence in this favored land.

Hence, while it is true that duties are now levied to protect the producer and the wageworker in mine, in factory, and on the farm, it is proposed that they shall be largely reduced in many instances, and, if necessary, eliminated, in order that

more goods may be purchased abroad at cheaper rates and thereby increased amounts of revenue collected.

Now, notwithstanding all goods imported displace that much home-manufactured goods, in consequence of which home wages are impaired and the market for home products nome wages are impaired and the market for nome products correspondingly decreased in price and volume which must necessarily bring down to the foreign level all prices of labor, they claim they will nevertheless bring about a golden era of prosperity in every branch of national industry. The statement of such a proposition is its most complete refutation. They might just as well tell us that we can eat our cake and still have it, that the farmer whose grain and live stock are forced down to the level of the Canadian market, and for that matter to the market of every other country in the world, will thereby be benefited, and that the workingman will flourish like the green bay tree when his wages have been placed on the level of those paid abroad. We must conclude from this contention that they believe the farmer and the wageworker are making more money than they are entitled to, and that when this condition ceases, for all losses they sustain they will be more than compensated by cheap food, clothing, and other articles. They seem to forget that the farmers produce nearly all they consume, and if the value of their products is materially decreased the great loss caused thereby can not be compensated by the small amount they pay for the few articles they do not produce; and that the small amount saved by the wage earner will not compensate his great loss in wages

The full effect of this bill is heavy reductions on finished products and increased duty on many raw materials which can

not be produced in this country.

That this bill is sectional there can be no doubt. The powerful and unanswerable speech of the senior Senator from Iowa [Mr. Cummins] conclusively proves this to be true. I will refer to only a few instances sustaining this charge. Cotton bagging is free, while bags or sacks for the grain of the farmers of the West and elsewhere bear a duty of 10 per cent ad valorem or must be made from fabrics woven in this country that bear a duty of 20 per cent ad valorem. Tobacco, an almost entirely southern product, bears a good rate of duty, to which I do not object, but why should this be provided on the theory of producing revenue, when the immense beet-sugar industry of the West and the great wool industry, mostly confined to that section, are made free, the two producing a revenue five times as great as tobacco. And especially is this course objectionable when foreign countries in some instances give assistance to the sugar industry, the Russian Government paying a bounty on exports.

Even the small duty of three-tenths of 1 cent per pound on cotton ties has been removed, and they have been placed on the free list. As I understand, each bale of 500 pounds requires six ties. These ties weigh 9 pounds and are sold for 2 cents a pound-18 cents. The farmer receives, say, 121 cents per pound for his bale of cotton, the ties being sold as a part of the purchase price. In other words, he receives \$1.12\frac{1}{2}\$ for ties which cost 18 cents, thus making, clear profit, 94½ cents on the transaction. But this is not enough. The object of the present bill

is to give him the full profit of \$1.121.

Not only are the farmers, especially of the West, injured, but the manufacturers of finer fabrics of cotton in the East are punished, while the cotton manufacturer of the South is strictly cared for, the rate of duty on the finer fabrics, which cost enormously more to produce, being entirely inadequate.

## PROTECTION

One of the strongest arguments that protection is right is the frequent change of the Democratic Party on the subject. They

do not seem to be certain of anything.

We are told that the levying of a tariff for protection is without constitutional authority, and that at stated periods beginning with Washingon and down to the present time the Consti-

tution has been openly and notoriously violated. This declara-tion is not only untrue, but is a slander on the memories of all the great and good tariff Presidents this country has ever had. Each of them took an oath to support the Constitution. From Washington to Wilson, except Polk, Pierce, Van Buren, Bu-chanan, and Cleveland, if we are to believe this contention, all our illustrious and patriotic Presidents have soiled their souls with a lie. Not only has Congress the power (sec. 8, art. 3) under the Constitution to lay and collect taxes, duties, imposts, and excises to pay the debts and provide for the common defense and also for the general welfare of the United States, but it has the further power "to regulate commerce with foreign

This language is so manifestly plain that it seems "a way-faring man though he be a fool can not err therein." Not only has Congress the power to lay and collect duties to provide for the general welfare, but in the regulation of commerce it has the power not only to tax but to absolutely prohibit for-

eign commerce.

We are frequently told that many of the great statesmen of the past favored protection because our manufactories were in their infancy and now that they have grown older protection

should be withdrawn.

When our industries were established, by reason of slow and exorbitant transportation, they had comparatively little competition. Years ago steam displaced sailing vessels, transportation became much cheaper and much more rapid, and freight rates now are not more than one-fifth their cost in the distant past. It has been estimated by experts that of late years every

ton of coal carries 35 times more of cargo than before.

In 1790 the value of imports was only \$23,000,000; now their value is \$1,815,970,234, having increased in volume nearly 79 times. We are now in rapid communication with all the countries of the world, and their products may be easily brought to our doors. American wages are about double those in the most favored foreign lands, and in addition to cheap labor there we are facing the pauper labor of India, China, and Japan. Hence, protection is even more necessary now for the safety of our manufactories, farmers, and laborers, than it was in the infancy of the Republic. We must erect the necessary barrier to keep out the products of cheap labor, or our manufacturers, farmers, and laborers, indeed all our people, will be overwhelmed. We must either do this or adopt the common level of labor abroad, and when that is done national destruction awaits us. We hear much of protecting the despised manufacturer. True, he is protected. He can not be expected to maintain factories merely for philanthropic purposes, or for his health; for in such a case he would lose his health and philanthropy would end in bankruptcy. But at last, protection is inspired mainly for the good of those who labor in factories, mines, on the farms, and elsewhere. It is necessary not only for the well-being of the laborers to maintain good wages, but also for the benefit of the farmer, for they are his customers. When their wages are decreased their purchasing power is decreased; when their wages cease they are shorn of all purchasing power.

Again, we must have protection in order to keep our gold at

home and thus maintain our circulating medium.

According to the census of 1909, the number of salaried employees and wage earners in the manufactories was 7,405,313; the number of wage earners in the mines was 1,175,188; and the number of farm laborers about ten millions-making in all 18,580,501. These people with their families, which we will average at three, aggregate 55,741,503-more than one-half our entire population, and all of them are consumers. Add to these, laborers with good wages engaged in other gainful pursuits with their families and dependents; the manufacturer, the farmer, and the mine owner, and we will have fully 80 per cent of our population, all of whom are consumers and nearly all of whom are dependent on good wages. All of them, except the farmer, are the customers of the farmers. The farmers need not to be told that when the wages of this great industrial army are reduced that they have no longer the same purchasing power and that a material reduction in their wages will bring disaster to them. The prosperity of manufacturing, mining, and farming require a hearty cooperation of each with the other, and these three great industries constitute the very bone and sinew of prosperity. When the farmers, the mine owners, and the manufacturers are prosperous the whole country is prosperous. When in addition to the injury to mine and factory, in-flicted by this bill, wool, sugar, live stock, and grain are admit-ted free, the condition of the farmer will be indeed appalling.

I have not seen reports as to the number of wage workers in 1913, but it follows as a matter of course that they have

largely increased during the last four years.

England is now our chief competitor in cotton, but the day is near at hand when Japan shall take her place. It is not far distant from the cotton fields of India and China, where wages are comparatively nominal. In Japan wages are only a fractional part of those paid here. She has an abundance of labor. Four-fifths of her operatives are women and children, who receive comparatively, with our country, no wages.

The mills in Japan do not stop on Sunday. They have two holidays in each month, the 1st and the 15th. They commence work at 6 o'clock on the morning of the 2d and continue until 6 o'clock on the morning of the 15th. On the morning of the 16th they again commence at 6 o'clock and continue until 6 o'clock on the morning of the 1st, no stop being made for luncheon, the hands taking 30 minutes in rotation and spare hands taking the places of each set. They have bought the most approved machinery here for models and readily reproduced them by their cheap labor at only a tithe of their cost here. We must soon confront these people, and yet the present bill renders us unable even to meet existing conditions.

Our Democratic friends have thrown down the bars and issued a cordial invitation to the cheap labor of the whole world to compete with American labor, and yet they tell us we will prosper under the results that will come from this wonderful measure, which has all the vices and but few of the virtues of its predecessors.

So far as this bill attempts to injure the great iron and steel companies it will fall short of its purpose. They are rich and powerful and can withstand the shock. But it will fall with crushing effect upon the smaller companies, thereby centralizing all the business of this country in the hands of the one powerful organization.

They tell us they desire to remove duties from articles manufactured by our trusts. They seem not to have thought of the trusts abroad which will reap the benefit of this legislation. Does it not seem reasonable that we can better contend with our home trusts, which we can actively prosecute, than with foreign trusts entirely beyond our control?

It is charged in the late Democratic platform that the tariff is the cause of the high cost of living, and a pledge is made to reduce the cost. That the present tariff has nothing to do with the cost of living has been demonstrated time and again. 12 years preceding the passage of the Payne law it was substantially the same on foodstuffs, and for a number of years the prices did not increase. Four years ago duties were lowered 20 to 30 per cent on nearly every article of food by the Payne law, notwithstanding which prices continued to advance. is no protective tariff in Great Britain; nevertheless, the British Board of Trade has recently issued a report in which it is stated that present prices in that country are the highest known in 25 years. That retail prices of food have advanced far more than prices of wages since 1890, and that prices of almost all foodstuffs, except tea and sugar, have rapidly increased, the greatest being 32 per cent in bacon and 46 per cent in potatoes. It is an indisputable fact that prices of food have increased steadily throughout the world for the past 10 years or more; even in Japan they have more than doubled in the last 10 years. One reason for this is the large increase in the coinage of gold, which furnishes the highest standard of value, and to this standard all other values are forced to conform. reason is that there has been great progress throughout the world, and with progress always comes increased prices. In this country there are many other causes. Among them is the large increase in city and decrease in rural population. Boys are not content to live on the farm. Years ago the farmer who had 10 sons reared nearly all of them for farmers; occasionally one entered some other profession; but the farmer who has 10 sons now is fortunate if he can induce one to continue on the farm. They almost universally desire to be lawyers, doctors, preachers. engineers, teachers, politicians, etc. Hence, quack doctors, jack-leg lawyers, starving preachers, and worthless politicians have increased, while the number engaged in agricultural pursuits has diminished. [Laughter.] Again, our population has increased a much greater per cent than our farm products. Another reason for the high prices is the largely increased cost of distribution and delivery of food. Now it is ordered over the telephone and delivered by wagon or automobile.

Another is the extra demand for foodstuffs to maintain the 8,000.000 immigrants who have come to this country during the last 11 years, not 5 per cent of whom have sought work on the farm, the other 95 per cent having gone into the factories, mines, and public works and became consumers. Another reason is the enforcement of pure-food laws which exclude from consumption large quantities of food heretofore placed on the market. Another is the scale of prices adopted by the middleman and the retailer. Another is that our people of all classes are living more extravagantly than in any period to the commercial world.

of our past history. Another is that the value of land and the amount of taxes have largely increased, as have also the wages paid for farm labor. There are many other reasons that might be assigned, but time forbids. In my judgment, the only practical and substantial relief from present conditions will be found in the practice of economy, in the increase in farming, and in the better and more scientific cultivation of land so that the quantity produced will be largely increased.

quantity produced will be largely increased.

If I remember correctly, during Mr. Cleveland's administration there was no complaint concerning the price or scarcity of food; the trouble was then to get the money to pay for it. In one instance alone during that period 3,000 men out of employment tramped the streets of the comparatively small city of Seattle and were fed at public expense. I am told at that time a notice was posted at one point in the city which read:

BILL OF FARE,

Soup, one kind of meat, potatoes, one kind of pie, one cup of coffee. Price for the meal, 5 cents.

And yet it has been said that there were then in Seattle 3,000 people who did not have that 5 cents. [Laughter.]

There is only one way in which the tariff can affect the price of food, and that is by so adjusting it as to destroy the prosperity of the country. Our Democratic friends may succeed in this way in keeping their pledge to decrease the cost of living, but it must follow that they will materially lessen or destroy the ability to purchase.

The more wages paid for producing a given commodity, the greater will be the cost of producing it. Therefore, the producer who pays these wages will have the highest cost of production and consequently needs the highest price for his product. Again, if American products cost more on account of wages paid, it follows when they are reduced to the price of foreign products the price of labor will fall.

No country can prosper that has not the necessary amount of circulating medium. The mere possession of money amounts to nothing if it does not circulate. Active and plentiful circulation of good money is as necessary to the commercial life of a nation as is active and plentiful circulation of pure blood to human life. No nation can succeed that robs itself of its gold by sending it abroad. The operation of a protective tariff goes further to accomplish the retention and circulation of money at home than all other agencies combined. Indeed, without a protective tariff the preservation of our circulation is impos-When we buy here we have both the goods and the When we buy abroad we have the goods, but have parted with the money. Every dollar that goes abroad lessens to that extent the circulating medium here. Every dollar of goods purchased abroad takes the place of that much produced here. When we decrease our money and decrease our market for home products, we not only open the barrel at the spigot, but also at the bunghole.

A wholesale merchant in Louisville, Ky., desires to purchase a stock of goods costing \$100,000. He concludes that he can purchase in London 10 per cent cheaper than in New York; he goes to London, buys the goods, and gives in exchange \$100,000 of American gold. It follows necessarily that our circulation is decreased \$100,000 and that of England increased to the same extent. He brings his goods to America, and upon reaching this country they displace \$100,000 worth of goods made by the American workingman, thereby inflicting an injury on him. Another merchant in Louisville concludes to purchase the value of goods in New York. He pays in New \$100,000 for American-made goods, and that money continues to be a part of our home circulation and the American workingman is assisted to that extent. The New York merchant concludes to invest in tobacco and buys \$100,000 worth of tobacco in Kentucky, and the money returns. The tobacconist concludes to buy \$100,000 worth of rice, and the same money concludes The tobacconist concludes that purchase in South Carolina. The dealer in South Carolina invests the money in sugar in Louisiana, and the sugar planter with the same money pays the expenses of the running of his plantation, such as the laborer in the field, the cooper, the insurance agent, and various other creditors. These persons pay their creditors, and they in turn pay theirs, so that the same \$100,000 has performed the function of \$600,000. It has remained here, circulating from place to place, canceling indebtedness, developing commerce, and stimulating American enterprise and labor, while the \$100,000 sent abroad, instead of performing those functions here has accomplished them abroad.

It required but a short time for Bismarck to discover the truth of his statement that the protective tariff was the main cause of American prosperity and acting upon our example to establish protection in Germany. The vast increase in prosperity following that action has been a source of astonishment

France, inspired by our example, also adopted protection, and the result has proven most salutary. Both her prosperity and national wealth have enormously increased. The doctrine of protection has been adopted throughout Europe with the most favorable results.

England is the only country on earth of any importance that opposes protection. Her agricultural interests were sacrificed in order that the worlds market for manufacturers might be gained. But even in the world's market for manufacturers she has been surpassed by the United States. If Great Britain were blockaded for 90 days her people would be in a state of starvation, but no blockade however prolonged could have

that effect on the United States. England's great colonies refused to follow her example and adopted a protective tariff. A few years ago Canada was making poor progress, but after she enforced protection her prosperity has been most remarkable. And when the pending bill shall have become a law, giving her in many important respects free access to our markets, we shall see her prosperity advance by leaps and bounds and immigration from the United States

to her borders will largely increase.

The statement that the tariff is the mother of trusts has not been made for a long while. That the tariff has no effect on trusts is exemplified by the fact that they exist as plentifully in free-trade England as they do in the United States. Probably the opposition have learned that competition alone is the breeder of trusts. A, B, and C are manufacturing the same article and are selling at small profits on account of competition. Hence, they conclude to merge, not only for the purpose of paying the expense of one management instead of three, but to raise the price, and thus we have a trust. Much was done under the administrations of Roosevelt and Taft to curb and dissolve trusts, while comparatively nothing was done under the administration of Mr. Cleveland.

But we are told that the consumer pays the tariff. This may be true in the beginning of an industry, but it has almost, if not universally, been demonstrated that after an industry has become properly established competition ensues and prices go I might especially instance steel rails, nails, silk, and The reason for this is quite apparent. A sees that B is prospering in a given line of a new industry, and hence concludes to embark in that business, and others seeing his success do likewise. Thus competition springs up on every hand. Out of competition grows increased manufactures, and following that reduction in prices. As prices are lowered the demand increases, and each manufacturer has increased sales. they sell they can well afford to lower the price on account of the quantity sold, for a small margin of profit on a large quantity of goods produces more than a much larger margin on a small quantity.

Though comparatively a child, I remember that in 1860 the axes, hoes, table cutlery, razors, dishes, and blankets in use in my home were all made in England; but under the operation of a protective tariff conditions changed, and all of them were produced in immense quantities in the United States, and I have seen them bought for one-half, and in many instances for one-fourth, their cost in that day. In 1860 a gold hunting-case watch cost \$250 to \$300; now it can be bought for \$75. then cost \$400; it can now be bought for \$100. Then every little town had its hatter shop and cabinet shop, where hats and furniture were made, but these have disappeared, and articles made in them are now made by the factories and sold for less

than half their price at that time.

The most forcible illustration in our history of the results of protection and free trade is found by recurring to the Civil War period.

The constitution, adopted by the Confederate Congress March

11, 1861, in section 8, provided that-

No duties or taxes on importations from foreign nations shall be paid to promote or foster any branch of industry.

The Congress of the United States promptly enacted a pro-lective tariff law. Under the operation of that law factories sprang up like magic on every hand. Clothing, blankets, the necessary means for transportation, canteens, knapsacks, and all the munitions of war were quickly furnished for the Union soldiers and good money provided to support the Government and successfully carry on the war. On the other hand, but few factories were erected in the South, and money was made in some instances from portable presses throughout the country, which of course proved worthless. The people who formerly carried their money in their pocketbooks and their marketing in their baskets were forced to adopt the opposite rule and carry their money in their baskets and their marketing in their pocketbooks. [Laughter.] The Confederate soldiers were poorly fed and clothed, and want prevailed throughout the Confederacy.

The farmer need not be told that if the American workingman's wages are cut in half he will have only one-half of his purchasing power and can purchase but one-half as much produce as before unless the price be correspondingly reduced. He need not be told that the same agency that reduces the purchasing power of his customer must necessarily produce a corresponding loss to him in the price of his commodity.

The American workingman now receives from one and a half to twice as much wages as the workingman in the most favored countries abroad and many times as much as is paid the workingman in India, Japan, and China. Our wage earners are not only the best fed and best clothed, but are the most independent

and self-reliant in the world.

During this era of protection our railroads have increased their mileage many thousands of miles, and the oceans been connected by bars of steel, resulting in immense reduction in the price of transportation. Telegraph and telephone lines have been constructed to all portions of the country and cables laid beneath the rolling waters of the mighty deep.

The great West and Northwest have developed into fruitful fields and populous cities and are now disputing with other sections for national supremacy. The South has marvelously advanced, and we lead the world in wealth, invention, and all

that is required to make a nation great.

Under protection manufactories have multiplied with marvelous rapidity, and the increase of farms and farm values almost defy computation. We have become not only the largest export

Nation, but the workshop and granary of the world.

Under protective tariffs we have sold abroad more than we have purchased-eight thousand eight hundred and sixty-five millions of dollars more than we have purchased. As already stated, commencing with the passage of the Dingley bill alone, our exports have exceeded imports eight thousand four hundred and ninety-eight millions, all our balance of imports prior to 1897 aggregating only something over three hundred and eightythree millions of dollars. And notwithstanding this remarkable prosperity our opponents are not satisfied, but will entirely revolutionize the policy under which it was accomplished.

Immense as has been our foreign trade, it can not be compared to our internal commerce, which is twelve times as great. To obtain access to this the foreigner is bending every energy. This home market is the outgrowth of protective policy. It is the sale and interchange of commodities among the States. It is the interchange between farm and factory among our own people. Day and night it is in progress. We see it in great steamers on lakes and rivers and along the coasts; we see it in the tens of thousands of cars heavily laden coursing over bars of steel; we hear it at all hours of the day and nightindeed a constantly moving and shifting panorama of commercial activity. Through its operation our currency is constantly circulating, performing its functions a countless number of times, always, however, remaining in this country.

The nations of the world for many years have been and are now clamoring to enter and enjoy this home market upon terms of equality with us, and nothing has prevented save protection

of American industries.

This fair industrial fabric of internal commerce, the monument of our Nation's greatness, is the wonder and the envy of the world. It is preserved for those who pay taxes to sustain the Government and who are ready, willing, and at all times liable to be called to risk their lives for the flag rather than open to those abroad who contribute nothing to sustain our Government and who, in case of war, instead of being willing or called to defend our national honor, may be drawn up in battle against us.

It is truly the foundation of our national prosperity. It has been erected by the farm laborer as he drives his team afield or revels in the harvest of golden grain; by the miner as, shut out from the light of day, he delves into the bowels of the earth and brings up its hidden riches; by the workman in the factory, surrounded by the whir of countless spindles, the music of re-volving wheels, the throbbing pulsations of mighty machinery, and the whistle of countless locomotives-all under the sheltering wings of protection.

We can not, we dare not, we will not sit idly by while preparation for the work of demolition and destruction proceeds. We will not join in the invitation to the world to come here and enjoy its benefits, to tear it down and feast upon its scattered

fragments. I know our protest will be vain; that it will fall on ears that hear not and hearts that feel not. Nevertheless, we

shall have the consciousness of duty well performed.

You will overwhelm us now, but I advise you to make hay while the sun shines, for soon darkness shall enshroud you! Go on, and gather the flowers that bloom by the wayside, for soon they shall wither and you will gather only thorns. on, Senators, go on in your worse than mad career, but remember as you "walk blindfold on, behind you stalks the heads-While you are receiving the plaudits of the Old World, Canada, Australia, Mexico, and South America, while you will extort crocodile tears of gratitude from the people of foreign lands, the tremendous majority registered last year in favor of the protection taught by Washington, Hamilton, Madison, Clay, Lincoln, Harrison, and McKinley, in the presence of national disaster will forget past dissension, and augmented largely by those who were deceived by you last year, will gather in every hamlet and city, on every hilltop and in every valley, and with a power resistless as the fury of the storm, will rush over your prostrate forms, sweeping you from power, so that the places that know you now will know you no more forever.

The Republican Party is coming back. The injury inflicted on the country will furnish a platform upon which all will

safely and gladly stand.

And when it returns it shall bear healing upon its wings; it shall rebuild all that has been destroyed; it shall lift up and breathe new life into our failing industries; it shall return to the farmers the prosperity they now enjoy; it shall again rescue the Nation from danger and disaster; and move onward and upward in the great highway of American advancement and prosperity.

Mr. SIMMONS. Mr. President, I ask that we proceed with

the reading of the bill.

The reading of the bill was resumed, beginning with para-

graph 348, page 107.

The next amendment of the Committee on Finance was, in paragraph 351, page 109, line 3, after the words "ad valorem," to strike out "crude artificial abrasives, 10 per cent ad valorem," so as to make the paragraph read:

351. Emery grains and emery, manufactured, ground, pulverized, or refined, 1 cent per pound; emery wheels, emery files, emery paper, and manufactures of which emery or corundum is the component material of chief value, 20 per cent ad valorem.

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment was, on page 109, to strike out paragraph 353, in the following words:

353. Fulminates, fulminating powders, and other like articles not specially provided for in this section, 5 per cent ad valorem.

The amendment was agreed to.

The next amendment was, on page 109, to strike out paragraph 354, in the following words:

354. Gunpowder, and all explosive substances used for mining, blasting, artillery, or sporting purposes, when valued at 20 cents or less per pound, one-half cent per pound; valued above 20 cents per pound, 1 cent per pound.

The amendment was agreed to.

The reading of the bill was resumed, and the Secretary read paragraph 355, on page 109.

I ask that that paragraph may be passed over. The PRESIDING OFFICER (Mr. Lewis in the chair). There being no objection, the paragraph will be passed over.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in paragraph 356, page 110, line 2, after the word "caps," to strike out "75 cents" and insert "\$1," so as to make the paragraph

356. Percussion caps, cartridges, and cartridge shells empty, 15 per cent ad valorem; blasting caps, \$1 per thousand; mining, blasting, or safety fuses of all kinds, 15 per cent ad valorem.

The amendment was agreed to.

The Secretary proceeded to read paragraph 357, on page 110.
Mr. HUGHES. Mr. President, my recollection is that it was agreed that this paragraph should be passed over. I understand there are several Senators interested in it who are absent, so I think, perhaps, it had better be passed over.
Mr. SMOOT. Mr. President, I was going to say that if the

Senator had not requested that the paragraph go over I should have done so, or else have called for a quorum, because I know there are Senators who are especially interested in the para-

Mr. HUGHES. That is my understanding, and I think in fairness to those Senators the paragraph should be passed over.

Mr. SMITH of Georgia. Mr. President, I am perfectly willing to have the paragraph passed over for the present, although I think an incorrect view of just what it undertakes to do has been scattered throughout the country. I have received letters from enthusiastic friends of birds who were under the impression that this paragraph was to be of some great service to our own birds, while in point of fact it has no application to the protection of birds in the United States, the killing of birds in the United States, or the use of the feathers of birds which live in the United States in connection with the ornamentation of hats. It applies exclusively to the birds of foreign countries, I agree that it shall be passed over.

and undertakes in some way to help protect the birds of foreign countries by forbidding the introduction into this country of their feathers

While I believe every member of the committee is a most earnest friend of our own birds, and some of the members have made records in helping pass legislation for the protection of birds here at home, in acting upon the paragraph the subcommittee doubted whether the exclusion of the feathers of foreign birds would protect birds in the United States, but, on the contrary, it might increase the desire to kill them for use

Mr. LODGE. Mr. President—
The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Massachusetts?

Mr. SMITH of Georgia. Certainly.

Mr. LODGE. On the question of these being merely foreign birds, I understand exactly the reverse is the case. stand these feathers are very largely taken from American birds, carried to Europe, and there prepared for the millinery This is the only way we have of protecting our own birds.

Mr. SMITH of Georgia. If the Senator will investigate the question I think he will find that is an inaccurate statement.

Mr. LODGE. I have investigated it with some care, and I

am satisfied that it is just what happens.

Mr. SMITH of Georgia. The large majority of the feathers that are imported are those of foreign birds. If they are the feathers of our own birds they will be put in shape here, any-

Mr. LODGE. If the Senator will allow me, what the committee has retained in the paragraph, the egrets, come almost exclusively from Florida. On the basis of the Senator's argument there is no sense in putting egrets in here.

Mr. SMITH of Georgia. I really do not think there is. I really do not think any of it ought to be in a bill of this sort. Mr. LODGE. The egrets come from Florida, and they are

taken over to Europe, and there they are prepared.

Mr. SMITH of Georgia. But they do not come exclusively from Florida. They are found in other places and to a large extent in other places. If they do come in large part from Florida it would justify the provision retained. The Senator was not here at the time I began what I was going to say. I do not wish to discuss the paragraph at this time.

Mr. LODGE. Oh, I did not know that.

Mr. SMITH of Georgia. We intend to pass over it. I only desired to make a very brief statement to let it be known that in striking out the House provision the committee were in no sense hostile to the protection of birds. I believe every member of the committee is a warm advocate of protecting birds; but it did seem a little irrational to exclude the feathers of foreign birds from this country. We could not see why that would prevent the foreign birds from being killed and the feathers used somewhere. We did feel that their exclusion, instead of helping birds in the United States, might increase the effort to kill birds here to procure their feathers, as the feather supply would be confined to domestic birds. Furthermore, there is a revenue approaching \$2,000,000 in connection with the duty upon the importation of these feathers; and it was for these reasons that the subcommittee was disposed to strike out this provision.

Mr. LODGE. The paragraph is going to be passed over, I

understand.

Mr. McLEAN. Mr. President-

The PRESIDING OFFICER. Does the Senator from Georgia yield to the Senator from Connecticut?

Mr. SMITH of Georgia. I do.

Mr. McLEAN. I think the Senator from Georgia realizes the revenue is derived largely from ostrich plumes, and they constitute a very large percentage of the importations.

Mr. SMITH of Georgia. Yes; I believe that is true.

Just one word more. I think some of the persons interested in this matter have been extreme both in their expressions and in their feelings upon the subject. Their conduct and speech has almost amounted to idealizing a bird the farther off the bird might be. For myself I can not understand why a bird in the wilds of a foreign country is any more to be idealized than the beautiful birds around the farm home.

I take my full part of the responsibility for the action of the subcommittee. I feel called upon to say this because I agreed to do so at the meeting of the subcommittee, when adverse action was had.

I think I have received more letters upon the subject, and, perhaps, more unpleasant letters, than upon any branch of the entire legislation, and I wish to accept my part of the responsibility for believing that what was proposed to us is impracticable and unnecessary legislation. With this brief statement

Mr. SIMMONS obtained the floor.

Mr. BRANDEGEE. Mr. President

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Connecticut?

Mr. SIMMONS. Probably after I make a statement the Senator will not want the floor.

Mr. BRANDEGEE. I do not wish to debate the question. I desired to ask a question of the Senator from Georgia on this

Mr. SIMMONS. Very well. Mr. BRANDEGEE. I do not wish to interfere with the Senator from North Carolina, however.

The PRESIDING OFFICER. The Chair recognizes the Sen-

ntor from Connecticut for the question.

Mr. BRANDEGEE. The Senator from Georgia states that he believes in protecting the domestic birds, but expresses some doubt about the efficacy of the House provision to protect domestic birds in the heart of forests in other countries. wanted to ask the Senator is this: Does not the Senator concede that domestic birds in large numbers and in many varieties go into the forests of other countries during the winter and they can be killed there and their plumage sent back to this -to the destruction of our domestic birds?

Mr. SMITH of Georgia. To some extent that is true; but I believe the way to accomplish that is to proceed rather by international agreement than to undertake arbitrarily a com-

plete exclusion of such feathers from importation.

Mr. McLEAN. Mr. President-

The PRESIDING OFFICER. Does the Senator from Georgia

yield to the Senator from Connecticut?

Mr. SMITH of Georgia. Yes. It was not my purpose to provoke a discussion at this time. So much has been said against this measure, I only wished to go far enough to let it be understood that the subcommittee sought to treat this question in a sane manner, with full regard to bird preservation in the United States. So far as the trade in feathers is concerned, I care little for it. I would not be moved by the interest of the men who desire to engage in the trade in feathers; but we did believe that it was unnecessary to pass such a provision.

Mr. McLEAN. Mr. President, I have no desire to go into any

discussion-

Mr. SIMMONS. I hope as this matter is to go back to the committee we will not engage in a discussion of it at this time.

Mr. McLEAN. I understand, I merely want to make a statement which it seems to me may be properly made at this

time.

I understand the Senator from Georgia to say that he is entirely in harmony with the general proposition of bird conservation, and it is a question of means with him and not any purpose to interfere with a reasonable effort to protect the useful birds wherever they may be found. I think it is important to call his attention, and perhaps the attention of the Senate, to the fact that the House of Commons have recently had under consideration a proviso in substance the same as the proviso which was adopted by the House. It is my information that after a long hearing, in which the plumage trade was represented and fully heard, the committee decided to report a bill prohibiting the importation of plumage, and that bill has been introduced in the House of Commons as a Government

This Government having requested the President to negotiate conventions with foreign nations for the purpose of protecting the useful birds of the world, it seems to me that it becomes very important that the United States at this time should not right about face and by an act of Congress legalize this trade, but should set an example which will carry conviction when it invites foreign nations to act in harmony with the position which we have taken.

That is all I care to say now. I think that the Senator from Georgia realizes that the only way in which we can ultimately secure the end in view is to prohibit the trade. As long as you permit the trade in feathers the profit is so tremendous the birds will be killed. That is the result of experience, and no other result can be expected.

I want to say to the Senator from North Carolina [Mr. SIM-Mons I that I understood, when the matter was up the other day, that it was agreed that this proviso should be returned to the committee.

Mr. SMITH of Georgia. It is to be recommitted, and we have so stated. I only rose for the purpose of expressing a few reasons that influenced me in writing this substitute and urging it and to entirely disclaim any purpose in doing so of being antagonistic to the birds' protection, because I have been quite active in protecting them in my own State. I believe in protecting them. I believe in protecting them all over our own coun-

try where we have the power to protect them, not simply as a matter of sentiment, but because they are both a source of great pleasure and service to mankind. I considered the advocates of this measure much like the man with a beam in his own eye who went off and hunted for the mote in somebody else's; that instead of doing the work in our own country and protecting our own birds it was going off to somebody else's country to protect theirs. While I voted with a great deal of pleasure for the resolution seeking international cooperation for bird protection—and I would be glad to see an international agreement to stop the trade and protect birds everywhere-it seemed to me it was rather straining at the subject to put through this provision in the shape it was. The only reason why I rose was to let some expression of the reason that influenced us go into the RECORD and not to argue the question.

Mr. McLEAN. I sincerely hope that the Senator from Georgia will find it impossible to agree with the unanimous opinion of the Democratic Party in the House of Representatives that this particular trade is an illegitimate trade. I hope he will not single out this trade as the only one which should receive pro-

tection in this bill.

The PRESIDING OFFICER. May the Chair ask the Senator from North Carolina what is the motion he makes for the disposition of this particular paragraph?

Mr. SIMMONS. If the Chair will permit me for just a minute

Mr. SMITH of Georgia. It has been passed over. The PRESIDING OFFICER. The Senator from North Caro-

lina will proceed.

Mr. SIMMONS. The only controversy about this paragraph is with reference to the proviso beginning in line 21. There are a number of committee amendments outside of that proviso, and if there is no objection I would like to have those amendments offered by the committee agreed to or disagreed to, as the case may be.

Mr. BRANDEGEE. Mr. President-

The PRESIDING OFFICER. Does the Senator from North Carolina yield to the Senator from Connecticut?

Mr. BRANDEGEE. The Senator is still talking about para-

graph 357.

Mr. SIMMONS. Yes, Mr. BRANDEGEE. My understanding was that the entire

paragraph had been recommitted to the committee.

Mr. SIMMONS. I was going to ask that the proviso be recommitted and that before the proviso is recommitted we might act on the amendments, in view of the fact that the only controversy is as to the proviso.

Mr. BRANDEGEE. I do not care what course is taken, ex-

cept I thought

Mr. SIMMONS. I withdraw the suggestion if there is to be any discussion.

Mr. BRANDEGEE. I am not objecting. I am stating that my impression is that when we reached it before it was recommitted to the committee, whereupon the Senator from Missouri-

I have withdrawn my suggestion.

Mr. BRANDEGEE. I desire to finish the sentence—
The PRESIDING OFFICER. The Senator from Connecticut

Mr. BRANDEGEE. Whereupon the Senator from Missouri said it would have to go to caucus if recommitted to the committee, and the Senator from North Carolina assented. If it is before the Senate, I have no objection to agreeing to such parts of it as may not be objected to. If it is withdrawn from the Senate, I do not see how we can agree to it without reconsidering the action we took the other day.

Mr. SIMMONS. There was no action taken the other day, as I understand. It was under discussion, and the statement was made by myself and the Senator from New York [Mr. O'GORMAN] that when it was reached we would ask that it go back to the committee, and that is what we are doing now, so far as that part of the paragraph is concerned about which there is a controversy.

Mr. BRANDEGEE. But the question-

Mr. SIMMONS. I withdrew the suggestion, Mr. President-Mr. BRANDEGEE. The question is a matter of record. If the clerks' records show that the paragraph was not recommitted, I have no objection.

Mr. SMITH of Georgia. There is not any doubt about the Senator from Connecticut being wrong. The Senator's colleague made a speech before the paragraph was reached, and this is the first time that it has been reached in reading the bill. Mr. HUGHES. The paragraph was never before the Senate

for action until this morning.

Mr. BRANDEGEE. The RECORD will show the situation. I simply made what is practically a parliamentary inquiry.

Mr. SIMMONS. The motion is withdrawn.

The PRESIDING OFFICER. The Chair will ask the Senator from Georgia what is the question, then, before the Senate regarding the disposition of the paragraph? What is the dispo-

Mr. HUGHES. I ask unanimous consent-

Mr. LODGE. Mr. President—
The PRESIDING OFFICER. Does the Senator from New Jersey yield to the Senator from Massachusetts?

Mr. HUGHES. Certainly. Mr. LODGE. I wish merely to ask a question, as I was not here when these paragraphs were first taken up, having been out for a moment. We are now on paragraph 357, I understand.

Mr. HUGHES. And I was about to make a motion in reference to that paragraph; at least, I was about to ask unanimous consent that the paragraph be recommitted to the committee.

Mr. LODGE. I, of course, have no objection. I wanted to

make an inquiry about paragraph 355.

Mr. SMOOT. I asked that it go over, and it went over.

Mr. LODGE. It is all right, if paragraph 355 has gone over, because there ought to be an amendment made to that paragraph to which I have drawn the attention of the chairman of the committee.

Mr. SIMMONS. I wish to say to the Senator from Massachusetts that I will see that the amendment he has called to my attention is brought to the attention of the committee. I think, Mr. President-I am stating my own opinion about it-there will be no trouble about agreeing to the amendment offered by the Senator from Massachusetts. I think it is a very proper amendment.

The PRESIDING OFFICER. The Senator from New Jersey may now recur to the motion in which he was interrupted.

Mr. HUGHES. I ask unanimous consent that paragraph 357

be recommitted to the committee.

The PRESIDING OFFICER. The Senator from New Jersey asks unanimous consent that paragraph 357 be recommitted to Without objection, such is the order. the committee.

Mr. GALLINGER. Mr. President—
The PRESIDING OFFICER. Does the Senator from New Hampshire hold the floor for any further purpose regarding paragraph 357?

Mr. GALLINGER. I propose to hold the floor but a moment. I simply desire to express my approval of the action taken by the Senator from New Jersey in making this request. I will further express the hope that the committee will give this matter, as I am sure the committee will, the most careful and diligent consideration. It is a very important matter, and there will be a great deal of debate upon it unless some arrangement can be reached whereby we will substantially agree upon it.

The next amendment of the committee was, in paragraph 358, page 111, line 3, to strike out "Furs and fur skins of all kinds not dressed in any manner, except undressed skins of hares, rabbits, dogs, and goats, sheep, and not specially provided for in this section, 10 per cent ad valorem; furs," and insert "Furs"; and in line 7, before the words "per cent," to strike out "30" and insert "20," so as to read:

Furs dressed on the skin, not advanced further than dyeing, 20 per cent ad valorem.

The amendment was agreed to.

The next amendment was, in paragraph 358, page 111, line 8, after the words "ad valorem," to insert "plates and mats of dog and goat skins, 10 per cent ad valorem."

The amendment was agreed to.

The next amendment was, in paragraph 358, page 111, line 12, after the word "crosses," to insert "except plates and mats of dog and goat skins," and in line 14, before the words cent," to strike out "40" and insert "35," so as to read:

Manufactures of furs, further advanced than dressing and dyeing, when prepared for use as material, joined or sewed together, including plates, linings, and crosses, except plates and mats of dog and goat skins, and articles manufactured from fur not specially provided for in this section, 35 per cent ad valorem.

The amendment was agreed to.

The next amendment was, in paragraph 358, page 111, line 16, after the word "which," to strike out the word "fur" and insert "hides or skins of cattle of the bovine species, or of the dog or goat"; in line 17, to strike out "is" and insert "are"; and in line 18, before the words "per cent," to strike out "50" and insert "15," so as to read:

Articles of wearing apparel of every description partly or wholly manufactured, composed of or of which hides or skins of cattle of the bovine species, or of the dog or goat are the component material of chief value, 15 per cent ad valorem.

The amendment was agreed to.

The next amendment was, in paragraph 358, page 111, line 18, after the words "ad valorem," to insert:

Articles of wearing apparel of every description partly or wholly manufactured, composed of or of which fur is the component material of chief value, not specially provided for in this section, 45 per cent ad relevant ad valorem.

The amendment was agreed to.

Mr. SMOOT. I desire to call the attention of the Senator in charge of this schedule to what I consider a defect in this paragraph in that it does not provide a rate for furs which have been dressed and dyed and have also been further advanced, but not so far as to make them dutiable as manufactures of fur. I have reference to fur skins which have been dressed, dyed, and prepared, so called. There is a great deal of litigation which has taken place on account of such a provision being absent from the present law. The customs court hold such furs dutiable and classify them as nonenumerated articles, was in the case of United States against Burkhardt.

If the Senator having this part of the bill in charge desires time to consider it, I have no objection to having the paragraph passed over, but I believe if he does give it consideration he will certainly provide for that class of skins. If not, I think there is not any question but that they will come in the future as nonenumerated articles, the same as they are doing to-day under the present law, not being specifically mentioned or

provided for.

Mr. HUGHES. Does the Senator refer to the words "manufactures of furs, further advanced than dressing and dyeing,

when prepared for use as material"?

Mr. SMOOT. Those are manufactures of furs. These are not Mr. SMOOI. Those are manufactures of furs. These are not manufactures; they come in between the dressing and the manufacture. For instance, furs come in here repaired, and that was the particular case I had reference to. The claim was made that they were dressed furs, as they had been repaired. The customs court held that they did not fall under dressed furs nor did they fall under the manufacture of furs, but they held in that they fall under the manufacture of furs, but they held in that case that they fell under the nonenumerated articles.

Mr. HUGHES. What language does the Senator suggest? I have not prepared the exact wording, but if Mr. SMOOT. the Senator will let the paragraph go over I will frame it in a

very few minutes and hand it to him.

Mr. HUGHES. I will be very glad to do so. I ask that this paragraph may go over. I wish to make a further suggestion in connection with the last two lines of the paragraph. Let the entire paragraph go over for the present.

The PRESIDING OFFICER. The Senator from New Jersey requests that the paragraph go over for the present. There

being no objection, such course will be taken. The reading of the bill was continued.

The next amendment was, in paragraph 361, page 112, line 3, after the word "raw," to strike out "uncleaned and not drawn, so as to read:

Human hair, raw, 10 per cent ad valorem.

Mr. SMOOT. I notice that in striking out the words "uncleaned and not drawn" the idea is to have human hair, raw, at 10 per cent.

Mr. HUGHES. I will say to the Senator that we had extensive hearings on this paragraph and at the hearings the examiner at the port of New York was present and explained at great length the technical side of this business.

Mr. SMOOT. What I was going to say to the Senator is that brair not drawn under the bill is made to depend upon a

commercial designation.

Mr. HUGHES. Yes. I will explain the situation. The hair is sometimes cut from the head, in which case nothing further is done with it as raw hair, but if the hair is picked up from the floor, from sweepings, it is necessary to treat it in order that it may be conveniently handled, but it is not drawn in the commercial sense. When hair is commercially drawn the process is something like this: They drop it in a tub of water for a certain length of time and allow all the roots of the hair to come to the top, so it may be uniform at the base. The hair is then taken out and it is drawn. Sometimes raw hair as the first product is laid in more or less uniform lengths in order to make it convenient to handle in shipment. It has been heretofore classed as drawn hair, whereas as a matter of fact it was It was raw hair that had to be afterwards drawn. otherwise.

Mr. SMOOT. The Senator's understanding is exactly the same as mine in that particular. All I wanted to know was whether it was the intention to have hair drawn to depend upon

the commercial designation as it is known to-day.

Mr. HUGHES. That was our intention.

The amendment was agreed to. The next amendment was, in paragraph 361, page 112, line 5, before the word "drawn," to insert "commercially known as," and, after the word "drawn," to strike out the words "wholly or in part," so as to read:

If cleaned or commercially known as drawn, but not manufactured, 20 per cent ad valorem.

The amendment was agreed to.

The next amendment was, in paragraph 361, page 112, line 6, after the word "hair," to insert "including nets and nettings,"

Manufactures of human hair, including nets and nettings, or of which human hair is the component material of chief value, not specially provided for in this section, 35 per cent ad valorem.

The amendment was agreed to.

The reading of the bill was continued.

The next amendment was, in paragraph 364, page 112, line 19, before the words "per cent," to strike out "40," and insert "45," so as to make the paragraph read:

364. Hats, bonnets, or hoods, for men's, women's, boys', or children's wear, trimmed or untrimmed, including bodies, hoods, plateaux, forms or shapes, for hats or bonnets, composed wholly or in chief value of fur of the rabbit, beaver, or other animals, 45 per cent ad valorem.

Mr. BRANDEGEE. I move to amend the committee amendment by striking out "45," before the words "per cent," in line 19, and substituting in lieu thereof the numeral "50," so that it will read "50 per cent ad valorem."

Mr. President, this hat industry is one of great importance in several States of the Union, and especially in the State of Connecticut. There are many factories manufacturing fur-felt hats in the cities of Danbury, Bethel, Norwalk, and other cities and towns in my State.

This subject has been before Congress several times. Extensive hearings were held upon this paragraph, I remember, at the time the Payne-Aldrich bill was passed. This industry is not in any sort of a trust or combination. It is not an industry that makes any great amount of money.

I wish to call the attention of the Senate to the statement made by Mr. James Marshall, of Fall River, Mass., before the Committee on Finance on this paragraph. He states:

I represent manufacturers who are not going to run away from this thing. The very last thing on earth we will think of doing is going down with this or shutting down factories. We are going to make a fight as hard as we know how. We are at the present time running short time. We will continue to run short time. It is the only item, I think, of the whole 4,000 that shows a constant advance of importations in the last 10 years; I mean by that, year after year a steadily increasing advance.

When I was before the committee four years ago there were only 20,000—

He means 20,000 dozen-

this year there were 55,900 came in. That does not look like much, but we figure it about 5 per cent. If that doubles in the next three years, as it has in the last three, it will be 10 per cent duty. If you cut that some more, as they have done, it is only just a question of time until they have the home market. We depend on the home market; we can not export. The people in the open-door countries, like China, India, and Africa, wear fezes or turbans or something of that kind, as a part of their religious beliefs. The other countries have prohibitive tariffs, with the exception of England. All of our material originates abroad. There is not a solitary thing we use but what originates over there, and we get it with that \$1.84 against us in material alone before we start to manufacture, as against the foreigner. We can not help it, He has his first choice, and we have to pay a certain amount of revenue.

Senator SIMMONS asked him the following question:

Senator Simmons asked him the following question:

Have you specified the foreigner who causes you the most trouble in competition?

Mr. Marshall. I have not specified him in my brief, because I wanted to be fair about it. I took Great Britain, where they have union labor, and the union does as they have in this country, where they agree on prices each year over there as they do here. About the 1st of May they agree on a schedule of prices. The hat that causes us the most trouble comes from Austria and Italy. But I did not specify them. I also obtained in Great Britain their schedule of prices that is printed, that is agreed upon between the masters and the men, and so there is no question as to my figures in that respect. It states throughout there that all minimum bills or prices shall be based on 32 to 36 shillings a week for 36 hours, or \$8 to \$9 a week. From time immemorial it has always been piecework prices in the hat business—so much a dozen. The English price all through this little book is so much a dozen. The American union specifies there shall be \$22 a week for 50 hours. Just those two items show a difference between the two hats I exhibited. If you go back to Austria and Italy you will have a still greater difference. But it was not necessary. The case was amply proved without doing that, being absolutely fair.

Fortunately for us, the whole thing was divided into brackets—

He is speaking of the House bill—

He is speaking of the House bill-

and one of the reasons they gave for not giving us more duty was that some of those brackets were omitted. For instance, there were only a few \$4.50 hats came in. As a matter of fact, there were no fur-felt derbies at \$4.50—

He means per dozen, of course-

They showed under that bracket 68 per cent. Hats ranging in value from \$4.50 to \$9 showed 58 per cent. Hats ranging in value from \$9 to \$18 a dezen showed 50 per cent. Then hats ranging from \$18 upward a dozen showed 48 per cent. We wanted to be fair; we wanted the Democratic Party, we wanted ourselves, to be on record as saying that the hats that were a necessity of life could be reduced. We were

perfectly willing to have a reduction on every one of those brackets, on the hats at \$18 and above, because for that hat, when it is landed here, the average price under that clause was \$25 a dozen.

I have skipped some of the Senator's questions in order to consolidate this into Mr. Marshall's testimony. He proceeds:

Fifty per cent would have been perfectly fair-

That, by the way, Mr. President, is the amount that I have proposed to substitute for that named in the committee amend-

that is, reducing it from 68 and 58 down to 50 would have been fair. But we also ask 50 on the other.

He states in another place:

It is the old story of running in multiples of 50, \$1, \$1.50, \$2, \$2.50, and if you reduce to the retailer 10 cents a hat, you are never going to get him to drop. That is all that happens, and the result would be the in-between man, the retailer or the jobber, will simply absorb that, and nobody gets anything.

Mr. President, I read from the brief filed before the Committee on Finance, as follows:

Under these circumstances, and particularly as the industry has been crying for work for the past two or three years, and the importations have been doubling in the meantime, we desire to know why we deserve a cut under Democratic platform and Democratic promises.

Importations of fur-felt hats for fiscal years ending-1905-1906-8, 143 14, 536 19, 194 21, 892 32, 714 42, 940 46, 009 55, 311 1908____ 1909____ 1910____ 1911____ 1912___

First quarter of 1913 shows 24,065 dozen; at this rate the fiscal ear will show 96,000 dozen.

Doubling every four years does not require much of a mathematician of figure where American manufacturers are coming out.

From 1909 on is the present tariff.

Almost 600 per cent increase in 10 years.

In the importations, he means,

At the time of the Payne-Aldrich bill, in order that there might be no question concerning the actual cost of labor at home and abroad, we sent abroad at great expense the very best expert we could find, having with him letters of introduction from the then Secretary of State, the Hon. ELIHU ROOT, to the various United States consuls, and his orders were, having ascertained exact condition and prices in each hatting district, to then go to the nearest United States consul and have them verified, so there would not be the slightest question about them.

them.

This he did, visiting the consul in Manchester, in Paris, in Milan, and we present to you the following comparison of the average popular-priced hat, the one selling at retail for \$2.

These prices have not varied greatly in the last four years, and we have brought them right down to date.

Mr. President, I ask leave to insert, without reading, the tables, which I shall hand to the Reporter, marked.

The PRESIDING OFFICER. There being no objection, the

request is granted.

The tables referred to are as follows:

	Foreign hat made in England and deliv- ered in the United States, duty, etc., paid, at \$14.40 a dozen net.	American hat sold at \$16.50 per dozen, less trade dis- count of 10 per cent, or \$14.85 per dozen net.
Material: Fur. Leather Band and binding Satin. Shellac. Alcohol. Dyestuff Chemicals Wire Boxes and cases. Miscellaneous	.53 .50 .37 .18 .07 .03 .06	\$1.98 .80 1.07 1.10 .40 .18 .09 .04 .06 .70
Labor Overhead charges	4, 59 2, 74 - 40	6.64 7.23 .61
Factory eost	7.73	14. 45

SUMMARY OF THE CHANGES THAT THE NEW HOUSE BILL MAKES FOR

Changes against us: This grade of hat received 58 per cent ad valorem. The new bill allows 40 per cent. This, therefore, reduces us 18 per cent on \$9 per dozen, or a total of \$1.62.
Changes in our favor: They have reduced the item of fur 5 per cent, making a difference of 9 cents per dozen.
Reduced the item of band and binding 10 per cent, making a difference of 5 cents per dozen.
Reduced the item of satin 10 per cent, making a difference of 5 cents per dozen.
All the other items remain the same, so it makes a total in our favor of 19 cents.

#### SCHEDULE N-PARAGRAPH 364

Hats, bonnets, or hoods, for men's, women's, boys', or children's wear, trimmed or untrimmed, including bodies, hoods, plateaux, forms or shapes for hats or bonnets composed wholly or in chief value of fur of the rabbit, beaver, or other animals.

1910		Quantity.	Value.	Duties.	Foreign value per dozen.	Duty reduced to actual ad valorem.
1910	per dozen and 20 per cent: 1910	0.149	. 068	. 044	3. 15	Per cent. 65 68 63
1910	1910	15. 308	120, 696	70.064	7.88	57 58 58
1910. 8. 646   221. 898   104. 901   25. 66   1911   10. 261   258. 040   123. 438   25. 15	1910	15. 410	215.098	120. 671	13.95	59 56 56
	1910	10, 261	258. 040	123. 438	25. 15	47 48 48

You will note that the first two brackets, the foreign value of which is from \$3 to \$8 per dozen, could be called necessities of life.

The last two paragraphs, the foreign value of which is from \$12 to \$25, with the duty added—these could not be sold at retail at less than \$3 to \$6 per hat, and are a luxury, not a necessity.

# Mr. BRANDEGEE. The brief continues:

Particular attention is called to the second bracket, from \$4.50 to \$9, showing that at an ad valorem of 57 per cent to 58 per cent the importations still come in, in practically the same volume, year after year, showing that this is exactly where the balance between ourselves and the foreigners comes in, and where we would have an equal chance

and the foreigners comes in, and where we would have an equal chance to compete.

Particularly note that when the ad valorem goes under 55 per cent the volume increases very rapidly.

Now, what we claim is, by reducing all of it to 55 per cent would be cutting down the tariff on articles of necessity, retaining it on articles of luxury, and giving us an opportunity to compete on the better grades. Therefore, we feel that 55 per cent is the very least that could be given us under a scientific revision.

Mr. President, as I have said, these hat factories employ many thousands of laborers in my State. The testimony here is that they are not paid large rates of wages, but they are paid much more than are the people with whom they are competing in other countries; they are paid all that the industry can afford to pay them under the present circumstances.

It is going to be a great calamity for all those people and to the capital invested in those industries to handicap them further. From what I know personally of the situation there and from what has been placed before the committee here, it seems to me to be apparent that this industry is merely struggling along. I do not think any useful purpose will be served in this country by giving them another push, thus submerging them and putting them out of business. They testify that even now, under the present rate of duty, they are only running on

They do not make anything that could be regarded as a threat in attempting to influence this legislation by saying that they are going to shut down their factories. On the contrary, they say that they will make the best fight they can to struggle along and try to keep going. Of course, they will have to go on even shorter time, as they say, than they now do. I do not see what good is to come from closing up these industries and placing us entirely in the hands of the foreigners who are now producing these articles. Of course, the minute the foreigners get the market we shall be absolutely subject to them and their demands, and it takes more credulity than I am possessed of to believe that they will not immediately raise the prices of these articles, so that the consumer in this country, instead of having a domestic competitor competing with the foreigner, will be absolutely at the mercy of the foreign producer. I do not think that would be wise or good policy. Therefore I have offered that would be wise or good policy. Therefore I have offered the amendment which I have sent to the desk, and which I hope

will receive some consideration at the hands of the Senate.

Mr. HUGHES. Mr. President, I can not imagine the Senator from Connecticut is serious in reference to this amendment. I feel sure that if he has given this subject the investigation that it is entitled to be must know that the rate in the pending bill is perfectly satisfactory to the hat manufacturers.

I agree with a great deal of what the Senator has said. This is one industry-one of the very few industries-in this country in which the protection, whatever it may be, is handed down to the operatives. That is largely brought about by the

fact that the operatives do not compete to any extent one with the other; the rate of wages is fixed; and, so far as industrial conditions are concerned, the hat operatives are as well off as any body of operatives in the United States.

It is true that whims and caprices of fashion affect this trade and cause violent fluctuations in its condition, and the habit, which is growing up in this country, as it has already overspread England, of wearing cloth caps has brought the manufacturers and operatives engaged in the manufacture of fur-felt hats upon hard times. That is not due, as the Senator must know, of course, to importations, because I remember making a calculation in 1912, as I recollect it; I turned the dozens into units and found that there were only 600,000 hats of this kind in all imported into the United States; and they could be easily accounted for by the number of men who insist upon wearing imported hats regardless of what the tariff duty may be.

I was in favor of leaving this duty fairly high for the reason, as I have said, that if there is any protection in it it is handed down-in my judgment there is not any protection in it-and for the reason that the manufacturers themselves are competing most keenly one with the other, the rate of wages is fixed, and the price of most of the material is the same to one as it is to another. So it comes down to the question of the ability to turn out a good article.

A 45 per cent duty upon the hats that do come in and will come in is, in my opinion, not too much. I am satisfied, and I believe that those who are interested in the business are satisfied, that this rate of duty will do nothing to interfere with the success and the prosperity of the manufacturers of fur-felt hats in this country.

Before I close, I will say that half the hats which were imported last year came in at a duty of 48 per cent, while the average duty was 51 per cent. I assure the Senator from Connecticut that there is nothing in this rate that will disturb anybody who is interested in this industry.

Mr. LODGE. Mr. President, I merely desire to say that the argument of the Senator from Connecticut [Mr. Brandegee] has covered the question raised as to this paragraph so thoroughly that I have no desire to attempt to duplicate it. One of the largest factories producing this class of goods is in my State, at Fall River. All that the Senator from Connecticut and the Senator from New Jersey [Mr. Hughes] have said in regard to the industry is absolutely accurate as to its condition. There is very severe domestic competition; the importation of foreign hats is increasing; and the development of the cloth hat makes the struggle for the business more severe than ever. I was informed by an officer of the Hatters' Union when he was here representing the hatters throughout the country, that the men employed in the industry within the last year had not been making, on an average, over \$7 a week, owing to short time and the shutdowns which had come from the depressed condition of the business. Under those circumstances I think a reduction of duty on this particular industry is extremely likely to bring more hardship; and I wish that the rate of duty could be raised. I do not suppose that is possible, but I think it should be raised.

Mr. PENROSE. Mr. President, I desire to simply concur in what the Senator from Massachusetts [Mr. Lodge] and the Senator from Connecticut [Mr. Brandegeer] have stated. This industry is very generally carried on all over the eastern part of the United States. Numbers of these hatters are located in eastern Pennsylvania. They are a very thrifty, deserving class of people. They are small industries, and there is no suggestion of any combination or trust among them. There is absolute competition among the American producers, and I do not know of any industry that is more worthy of encouragement by the American Congress than the hat industry. The representatives of the industry were down here four years ago in very great numbers, as all Senators who were then here will recall, and presented a case which appealed most strongly to the then majority of this body. As the Senator from Massa-chusetts has said, their industry is steadily being encroached upon by foreign-made hats of different material and different make, and I have grave apprehension if this paragraph passes, and I expect it will, that these deserving workers will suffer materially

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Connecticut [Mr. [Putting the question.] By the sound, the noes BRANDEGEE]. seem to have it.

Mr. HUGHES. I ask for the yeas and nays. The PRESIDING OFFICER. The Senator from New Jersey asks for the yeas and nays.

Mr. HUGHES. I withdraw the request.

The PRESIDING OFFICER. The Senator from New Jersey withdraws the request. The noes have it, and the amendment is rejected. The question recurs on the amendment reported by the committee.

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in paragraph 366, page 113, line 15, before the word "pearls," to "imitation," so as to make the paragraph read :

insert "imitation," so as to make the paragraph read:

366. Jewelry, commonly or commercially so known, valued above 20 cents per dozen pieces, 60 per cent ad valorem; rope, curb, cable, and fancy patterns of chain not exceeding one-half inch in diameter, width, or thickness, valued above 30 cents per yard; and articles valued above 20 cents per dozen pieces designed to be worn on apparel or carried on or about or attached to the person, such as and including buckles, card cases, chains, cigar cases, cigar cutters, cigar holders, cigarette cases, cigarette holders, coin holders, collar, cuff, and dress buttons, combs, match boxes, mesh bags and purses, millinery, military, and hair ornaments, pins, powder cases, stamp cases, vanity cases, and like articles; all the foregoing and parts thereof, finished or partly finished, composed of metal, whether or not enameled, washed, covered, or plated, including rolled gold plate, and whether or not set with precious or semiprecious stones, pearls, cameos, coral, or amber, or with imitation precious stones or imitation pearls, 60 per cent ad valorem. Stampings, galleries, mesh, and other materials of metal, whether or not set with glass or paste, finished or partly finished, separate or in strips or sheets, suitable for use in the manufacture of any of the foregoing articles in this paragraph, 50 per cent ad valorem.

The amendment was agreed to.

The amendment was agreed to.

Mr. LODGE. Mr. President, in connection with paragraph
366 I should like to ask the Senator in charge of this schedule whether as this paragraph is worded, taking it in conjunction with paragraph 169, it will not throw a large number of the articles which this paragraph makes dutiable at 60 per cent into paragraph 169, which is the basket clause of the metal schedule, at 50 per cent?

The portion of paragraph 169 to which I refer reads as

169. Articles or wares not specially provided for in this section, if composed wholly or in part of platinum, gold, or silver, and articles or wares plated with gold or silver, and whether partly or wholly manufactured, 50 per cent ad valorem.

Would it not be better to have a separate paragraph covering those articles, making it conform to paragraph 366?

Mr. HUGHES. My information is that the word "jewelry" properly differentiates those two paragraphs.

Mr. LODGE. Undoubtedly "jewelry" does; but further on in the paragraph there is mentioned a large number of articles, the paragraph providing:

All the foregoing and parts thereof, finished or partly finished, composed of metal, whether or not enameled, washed, covered, or plated, including rolled gold plate.

That is, all such articles or parts thereof which are plated are covered in paragraph 366 by a duty of 60 per cent, and yet paragraph 169 provides:

Articles or wares plated with gold or silver, and whether partly or wholly manufactured, 50 per cent ad valorem.

Mr. HUGHES. So far as any danger of conflict between these paragraphs is concerned, I think that will be controlled by the word "jewelry." Paragraph 366 begins:

Jewelry, commonly or commercially so known.

The committee considered the question which has been raised, and came to that conclusion.

Mr. LODGE. It is quite possible that the Senator is correct in his interpretation, but it seems to me that it is better to remove the ambiguity beforehand rather than to leave an opening for controversy as to whether one paragraph or the other controls. I merely desired to bring to the attention of the committee the question whether it would not be better to make a separate paragraph covering articles plated with platinum, gold, or silver instead of putting them in the basket clause of the metal schedule. Why not make them conform more accu-

rately with paragraph 366?

Mr. HUGHES. My judgment, so far as the investigation I have made is concerned, is that it is not necessary. I shall be glad to consider any language the Senator desires to submit; but the advice I have received from those in charge of the administration of the law and who are administering the law is that the present language is clear enough, and that there will be no practical difficulty in the way of administering the law

as proposed.

Mr. LODGE. That may be so. The change I have proposed would not alter the intent of the bill in the least, but would only make it clear.

Mr. HUGHES. Has the Senator suggested any change in

language?

Mr. LODGE. I would simply form a new paragraph, to be known as paragraph 1684, covering articles composed wholly or in part of platinum or of gold, or else take those articles out of paragraph 169 and put them in paragraph 366.

I desire, Mr. President, in this connection to have printed in the RECORD the letter which I send to the desk.

The VICE PRESIDENT. In the absence of objection, permission is granted.

The letter referred to is as follows:

ATTLEBORO, MASS., March 29, 1913.

The letter referred to is as follows:

ATTLEBORO, MASS., March 29, 1913.

Hon. Henry Cabot Lodge,
Senate Chamber, Washington, D. C.

Dear Sir: We respectfully and urgently solicit your careful consideration of the proposed treatment of the duty upon jewelry and novelties in the forthcoming tariff law, and trust we may rely upon your support and cooperation in our efforts to maintain the present rates.

As is well known, these rates are 60 per cent on gold and platinum jewelry and 85 per cent on other classes of jewelry. Furthermore, one of the two briefs filed with the congressional Committee on Ways and Means petitions Congress to take out of the "catch-ail" paragraph of the metal schedule the words "gold," "silver," and "platinum," and to form a new paragraph, carrying a rate of 60 per cent in the said schedule, exclusively for manufactures of gold, silver, and platinum, not specially provided for in any other paragraph of the act.

Our committee is also applying for a new draft of the jewelry paragraph, in order to avoid improper classifications.

Any change in the present absolutely necessary rates of duty on jewelry can not help but hurt the industry, not only the individual manufacturers engaged therein, but also the employees and all those directly or indirectly connected therewith. A reduction of duty on the product of our factories would read this astrously to this business, which is very largely centered in Providence, R. I., and the Attleboros, and is made up of a considerable number of individual concerns, no large corporations nor any semblance of a combination of any sort, with prosperous employees, most of them owning their own homes and earning large wages, as a result of their individual initiative and skill, which are given a peculiar opportunity for development in this particular business.

Any lowering of the present rates would mean an influx of foreignmade goods, already, indeed, much in evidence, made under conditions and at a wage that our employees would not tolerate or could not live u

made goods, already, indeed, much in evidence, made under conditions and at a wage that our employees would not tolerate or could not live upon.

We particularly call your attention to the condition which to-day prevails in the manufacturing jewelry centers of Germany, such as Pforzheim, Hanau, and others, as compared with 10 years ago. Within that period German manufacturers have sent their young men to the United States, who have obtained positions as workmen in our factories, thoroughly familiarized themselves with American methods and machinery, which has resulted in a complete reorganization of their home factories—better described by the word "Americanized"—which with their cheap labor to-day places the American manufacturer, particularly of gold-filled goods, in a position where it would be absolutely impossible to compete successfully in our market with the German manufacturers without the present protective duty on this class of goods.

This statement of the situation can be readily corroborated by any competent person who has visited the jewelry centers of Germany and Austria within the past decade.

Your earnest and thoughtful attention is invited to this, and we hold ourselves ready to furnish you with any specific data relative to our industry that you may be interested to obtain.

R. F. Simmons Co.,
By H. E. Sweet.

R. F. SIMMONS Co., By H. E. SWEET.

Mr. WEEKS. Mr. President, I want to add merely a word to what my colleague [Mr. Lodge] has said. In the administration of the present law, owing to considerable ambiguity, many of the articles which were supposed to bear 85 per cent duty have been brought in under the 45 per cent rate. It is of vital importance to the manufacturers, the reduction having been made from 85 per cent to 60 per cent, that they in all cases obtain at least that rate of duty. In many cases 85 per cent or more than 85 per cent of the cost of jewelry covered by this paragraph is labor, and a duty of 60 per cent is little enough to give the manufacturers of this class of jewelry the protection which would enable them to continue their business. It would be a very perilous thing, from the standpoint of the manufac-turers of this character of jewelry, if the appraisers should decide that any part of it should only bear a 50 per cent rate.

Mr. HUGHES. I assure the Senator that, so far as jewelry

is concerned, there can be no question about it. The words "jewelry, commonly or commercially so known," are about as

perfect a designation as the mind can conceive of.

Mr. WEEKS. There are a great many things which seem to me to be perfectly clear and undoubtedly would seem perfectly clear to the Senator from New Jersey and to the Senate as a whole, but when such matters are brought before the administrative officers, decisions are sometimes made which do not conform with the intent of the law. I hope the committee will give this paragraph sufficient additional attention so that they may be sure that the class of articles covered by it will receive the 60 per cent duty which the paragraph carries.

Mr. JOHNSON. Mr. President, I will simply say to the Senator from Massachusetts that this very question was raised before our subcommittee. We had before us officers charged with the administration of the law, and this very question was discussed. I should be glad to have the paragraph go back to the committee so that we may again consider it and make it more clear; but we thought that this language was sufficiently clear and precise to describe the articles which it was intended should bear the duty of 60 per cent. In our opinion there was no confusion with paragraph 169.

Mr. WEEKS. I am not prepared to say that it is not sufficiently clear to cover the articles intended to be covered, and yet I know that in the last three or four years there have been in dispute a great many of the articles included in the para-graph which have involved rulings of the appraisers, and it has been a great embarrassment to manufacturers, I hope this paragraph will be made clear beyond any possibility of controversy.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in paragraph 367, page 113, line 24, after the word "process," to strike out "including glaziers' and engravers' diamonds not set, miners' diamonds," and on page 114, line 1, after the word "and," where it occurs the second time, to strike out "diamond dust" and insert "marine coral uncut and unmanufactured," so as to make the paragraph read:

as to make the paragraph read:

367. Diamonds and other precious stones, rough or uncut, and not advanced in condition or value from their natural state by cleaving, splitting, cutting, or other process, whether in their natural form or broken, and bort; any of the foregoing not set, and marine coral uncut and unmanufactured, 10 per cent ad valorem; pearls and parts thereof, drilled or undrilled, but not set or strung; diamonds, coral, rubles, cameos, and other precious stones and semiprecious stones, cut but not set, and suitable for use in the manufacture of jewelry, 20 per cent ad valorem; imitation precious stones, including pearls and parts thereof, for use in the manufacture of jewelry, doublets, artificial, or so-called synthetic or reconstructed pearls and parts thereof, rubles, or other precious stones, 20 per cent ad valorem.

The amendment was agreed to.

The amendment was agreed to.

Mr. SMOOT. Mr. President, the history of tariff rates upon diamonds, if repeated after the passage of this bill, will show a great decrease of revenue from cut diamonds. In a very few words I wish to call the attention of the Senate to some of the experiences in the past in trying to collect a duty of 20 or 25 per cent upon diamonds.

As far as I am personally concerned, I would not care if the rate were 100 per cent if it could be collected. But diamonds can be smuggled into this country very easily indeed, and if the rate exceeds 10 per cent the history of diamonds shows that they are smuggled into this country, and the Government is defrauded annually of many millions of dollars of revenue.

In 1891 the imports of diamonds were \$12,380,000, and the duty collected on them was \$1,238,000, or at the rate of 10 per cent ad valorem. In 1892 the imports of diamonds were \$12,131,000, and the duty collected was \$1,226,100, at the rate of 10 per cent ad valorem. In 1896, after the passage of the Wilson bill, with a rate on diamonds of 25 per cent, the importations fell to \$3,351,000, with a duty collected of \$750,000. 1897 there were but \$1,378,000 of diamonds imported upon which duties were collected, and the revenues had fallen to \$285,000.

Mark you that in 1891 the imports were \$12,380,000, and at a 10 per cent ad valorem rate there was collected revenue amounting to \$1,238,000. I have no doubt in my mind that if we impose a rate of duty of 20 per cent upon diamonds smuggling will immediately begin, and the honest merchant of this country who will not indulge in smuggling will be compelled to purchase his diamonds from the smuggler rather than from the foreign merchant. If that is not the case, then 20 per cent duty on cut diamonds is not enough. If the rate has no relation to the amount of importations into this country, and does not affect at all the question of smuggling, it seems to me the very lowest rate we can consistently put upon diamonds is what we put upon other luxuries, or at least 50 per cent.

If I thought cut diamonds would be imported at the 20 per

cent rate, I should not hesitate a minute to vote for the rate, or, as I stated before, for a great deal higher rate. But the result of such a rate would be that the smuggling of diamonds would be immediately undertaken in this country, and those who desire to do a legitimate business would be compelled to purchase their diamonds of those who would smuggle them into this country, as they were compelled to do so in the past, when a rate of 25 per cent was imposed.

I know that there has been a great deal of sentiment manufactured in this country against the low rate on diamonds. I know that it has been held up to the American people that the present law imposes a duty of only 10 per cent upon diamonds, while woolen goods, which the people are compelled to wear, carry a duty five or six or seven times as great. There is not a Senator upon the other side of the Chamber who does not know that past experience has shown that whenever a rate of even 25 per cent has been imposed upon diamonds there has

been a systematic smuggling of diamonds into this country, and very little revenue has been collected by the Government from direct importations to men who have been trying to do a legitimate business.

Diamonds, rough or uncut, are now upon the free list in paragraph 555, while cut diamonds carry a duty of 10 per cent. The reasons for this were that experience has shown that 10 per cent is about the highest rate at which cut diamonds can be imported into this country and smuggling stopped. It seems

that a rate of 10 per cent will not justify the danger of being apprehended and the expense incident thereto; and the 10 per cent difference between cut and uncut diamonds is the difference between the cost of doing that work in this country and in a foreign land.

I predict now that if a duty of 20 per cent is imposed upon cut diamonds, immediately upon the passage of the bill a systematic smuggling of diamonds into this country will begin; and instead of the Government receiving an increase of revenue from importations of diamonds, there will be a decrease of revenue from those that are imported legitimately into this country.

I do not know that I care to say anything more at this time upon this subject. If I thought it would do any good to offer an amendment, I should offer one at this time. I am quite positive from our past experience, however, that it will not; and there-fore I shall content myself with the few remarks I have made upon the subject.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in paragraph 368, page 114, line 12, after the word "Laces," to strike out "lace braids," and on line 14, after the word "whatever," to strike out "material" and insert "yarns, threads, or filaments," so as to read:

368. Laces, lace window curtains not specially provided for in this section, coach, carriage, and automobile laces, and all lace articles of whatever yarns, threads, or filaments composed.

The amendment was agreed to.

Mr. HUGHES. Mr. President, I ask that this paragraph may be passed over.

Mr. SMOOT. I was going to ask the same thing, Mr. Presi-

The VICE PRESIDENT. The paragraph will be passed over. The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 115, to strike out paragraph 369, in the following words:

369. Chamois skins, 15 per cent ad valorem; planoforte, planoforte action, and glove leathers, 10 per cent ad valorem.

And to insert in lieu thereof the following:

369. Seal, sheep, goat, including lamb and kid skins, calfskins, and other skins and leather dressed and finished, including patent, japanned, varnished, or enameled leather, not specially provided for in this section, and not for boot or shoe manufacturing purposes, chamois skins, planoforte, planoforte action, glove leather, enameled upholstery, automobile or furniture leather, 10 per cent ad valorem: Provided, That leather cut into forms suitable for conversion into manufactured articles not specially provided for in this section shall be subject to a duty of 15 per cent ad valorem.

Mr. SMOOT. Mr. President, I have just sent word to the Senator from Vermont [Mr. Page], who desires to submit a few remarks upon this paragraph. I shall be glad if it may be passed over temporarily, without action, until he can arrive.

Mr. HUGHES. I understand it is desired to pass it over only temporarily, until the Senator from Vermont returns?

Mr. SMOOT. Yes. We can revert to it just as soon as the Senator arrives in the Chamber.

Mr. HUGHES. Very well; I shall be glad to have that done. The VICE PRESIDENT. Paragraph 369 will be temporarily

passed over.

The reading of the bill was resumed.

The next amendment was, in paragraph 370, page 116, line 8, after the word "leather," to insert "or parchment"; in line 9, after the word "leather," to insert "or parchment"; in line 11, after the word "section," to insert "30 per cent ad valorem"; after the word "section," to insert "30 per cent ad valorem"; in line 12, before the word "the," to strike out "all "and insert "any of"; in the same line, after the word "foregoing," to strike out "whether or not"; in line 14, after the word "and," to strike out "similar" and insert "other"; in the same line, after the word "sets," to insert "of articles of utility"; and in the same line, before the words "per cent," to strike out "30" and insert "40," so as to make the paragraph read:

370. Bags, baskets, belts, satchels, card, cases, pocketbooks, iewel

and insert "40," so as to make the paragraph read:

370. Bags, baskets, belts, satchels, card cases, pocketbooks, jewel boxes, portfolios, and other boxes and cases, made wholly of or in chief value of leather or parchment, not jewelry, and manufactures of leather or parchment, or of which leather is the component material of chief value, not specially provided for in this section, 30 per cent ad valorem; any of the foregoing permanently fitted and furnished with traveling, bottle, drinking, dining or luncheon and other sets of articles of utility, 40 per cent ad valorem.

Before final action is taken upon this paragraph I should like to ask that it may also be passed over temporarily until one or two Senators who wish to say something about it can arrive.

Mr. CLARK of Wyoming. I wish to call the attention of the

The VICE PRESIDENT. Does the Senator object to having the committee amendment first passed upon?

Mr. CLARK of Wyoming. No; except that I simply wish to call the attention of the Senator from New Jersey to a matter

that might be considered at the same time; that is, in line 14, page 116, whether the word after the word "luncheon" should not be "or" instead of "and." The word "and" indicates that the satchel, or whatever it is, shall be furnished with all these accessories. I suppose the intention is that it may be furnished with any of them.

Mr. HUGHES. "Dining, luncheon, and other sets"-is that

the Senator's suggestion?

Mr. CLARK of Wyoming. I think it should be "luncheon or

Mr. HUGHES. Yes; I think so, too. I think if we should strike out the word "or" and insert a comma, leaving in the word "and," that would make it all right.

Mr. CLARK of Wyoming. It depends, of course, upon exactly

what the committee means.

Mr. HUGHES. Then it would read: "Dining, luncheon, and other sets of articles of utility." Would that express the mean-

ing of the Senator?

Mr. CLARK of Wyoming. If that is the meaning that the committee wishes to express, all right; but with the word "and" there it strikes me that the accessories would include all these things-traveling, bottle, drinking, dining or luncheon and other sets. I suppose it was intended to be "or other sets.

Mr. HUGHES. Yes; I think that would improve it. I should like to have the committee amendment passed upon first.

The VICE PRESIDENT. The question is upon agreeing to

the amendment of the committee.

The amendment was agreed to.

Mr. HUGHES. I now move to strike out the word "or" before the word "luncheon" and insert a comma.

The VICE PRESIDENT. The amendment will be stated.

The Secretary. On page 116, line 13, after the word "dining," it is proposed to strike out the word "or" and insert a comma.

The amendment was agreed to.

Mr. HUGHES. Then, after the word "luncheon" and before the word "other" I move to strike out the word "and" and in-sert the word "or."

The VICE PRESIDENT. The amendment will be stated.

The Secretary. On page 116, line 14, after the word "luncheon," it is proposed to strike out "and" and insert "or."

The amendment was agreed to.

Mr. HUGHES. Does the Senator ask that this paragraph

may be temporarily laid aside?

Mr. SMOOT. The Senator from Vermont [Mr. Page] is now here. He can take up paragraph 369 now, I presume, and by that time we can pass upon this one.

Mr. HUGHES. I ask that we may return to paragraph 369,

which has been read.

Mr. PAGE. Mr. President, I simply wish to say that while perhaps the reduction of this duty to 10 per cent will not prove fatal to the leather interests they have made many appeals to me to see if I could not secure a change in the duty. No one knows about this matter better than the Senator from New Jersey [Mr. Hughes], who has given it a great deal of study. I have assured these gentlemen that I thought there was no possible chance of changing the schedule, and I do not know that I care to take the time of the Senate by moving to increase the duty from 10 to 15 per cent. I think if the Senator from New Jersey were left to exercise his own judgment he would say that ought to be done. Under the circumstances I rather think I shall not take up the time of the Senate by making any motion to amend in view of the fact that the Senator from New Jersey and myself have perhaps reached a fairly reasonable conclusion about the matter.

Let me, however, put myself on record now as saying that this duty of 10 per cent on seal, sheep, goat, and other skins prepared for pocketbooks and fancy leathers is going to work a great hardship upon the manufacturers of leather in the Senator's own State, especially the large concerns in Newark and in Jersey City. I wish he felt disposed to add 5 per cent to the duty; but I suppose it is useless to ask it.

Mr. HUGHES. I feel disposed to do it. [Laughter.]

Mr. PAGE. The Senator is so good-natured about it that I am going to make a motion that the duty be increased from 10 to 15 per cent, by striking out the numerals "10" on the first line of page 116, and inserting in lieu thereof "15." I ask the Senator from New Jersey to accept that amendment, if he

Mr. HUGHES. I will say to the Senator that it would be impossible for me to accept the amendment. I should feel much better about it if I could accept it. This represents the very best judgment of the committee on this question. I think

it is a fair solution of the very complex problem that presented itself to the committee.

The leather manufacturers undoubtedly are somewhat harshly treated by this bill, particularly the patent-leather manufacturers, but that was a necessary corollary to placing boots and shoes upon the free list. It happens, unfortunately for me, that a great many of these particular industries are located in my State; and I shall have to bear the burden, I suppose. I must say for the members of the committee that they were fair and did their best to arrive at a solution of this

very, very difficult problem.

We have arranged the language so that there will be a duty upon leather which enters into the manufacture of articles that are taxed, but when we went to the length of putting boots and shoes upon the free list, we could not, in conscience, leave a tax upon patent leather and other leathers that enter into the manufacture of boots and shoes. To that extent this para-graph is a discrimination against the makers of that leather.

Mr. PAGE. But I think the Senator from New Jersey will confess that everything that is included in this paragraph is in the nature of a luxury. None of this leather goes into boots and shoes. Leather for that purpose is especially ruled out by the language of the paragraph. I am not at this time attacking the provision with regard to making free the leather which enters into boots and shoes. This, however, is the class of leather that goes into pocketbooks and fancy bags, and things of that kind, that are used by the wealthy people of the country. I wish to say, in this connection, that the manufacturers have come to me and have shown me samples of leather which have been exhibited to them, manufactured in Scotland, and they have been assured that that leather could be delivered to them at a price which they say is less than they can make it for.

As the Senator from New Jersey knows, there is no more plucky set of men in this country than the leather men; and in spite of these things they say, "We shall not say that we are going out of business. We have our factories all in running order, and we are not going to play the baby act to the extent of saying that we are going to close our factories if you pass this bill; but we do say that you are inflicting upon us a damage which ought not to be inflicted, and which is not necessary, in order that you may carry out your idea in regard to free leather entering into shoes."

Mr. HUGHES. I will say to the Senator that, of course, as he is aware, we can not deal with this paragraph without taking into consideration the paragraph in the free list. I have received absolutely no complaint from the manufacturers of leather, so far as these classes of leather are concerned. I agree with the Senator from Vermont that there is no more plucky set of manufacturers in the United States than the leather manufacturers. I will say, too, that I believe they are the greatest leather makers in the world.

A glance at the exports of leather will show that despite the fact that a great many of the materials which enter into the production of their leather are taxed, and we were unable to find any way to free a great many of them from that tax, they are still able to compete in the markets of the world. I think an American citizen can say without boasting that they have overcome disadvantages of various kinds-legislative disadvantages-and they stand foremost to-day among the leather makers of the world. I have not the slightest doubt about their ability to go on under the provisions of this bill, but, as I said a while ago, I must admit, and every fair man must admit, that the manufacturers who are making leather that is put upon the free list and are still compelled to pay a tax upon a great many of the materials which go into the making of leather are discriminated against by this bill. I can not see any way to avoid it myself.

Mr. PAGE. I only wish to say that I expect to do no more

than enter a protest in behalf of these tanners. I must make that protest, I think, by moving the amendment I suggested. If desired, I will restate the amendment.

I move, on page 116, in the first line, to strike out "10" and insert "15" in place thereof.

The VICE PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from Vermont to the amendment of the committee.

Mr. PAGE. I ask for the yeas and nays on the amendment. The yeas and nays were ordered.

Mr. ASHURST. I ask that the question may be stated. The VICE PRESIDENT. The Secretary will state the amendment to the amendment of the committee.

The Secretary. On page 116, line 1, in the committee amendment, it is proposed to strike out "10" and insert "15," so as to make it read "15 per cent ad valorem."

The VICE PRESIDENT. The Secretary will call the roll.

The Secretary proceeded to call the roll.

Mr. CHILTON (when his name was called). I have a general pair with the junior Senator from Maryland [Mr. JACK-As he is not present, I withhold my vote.

Mr. SHEPPARD (when Mr. Culberson's name was called). My colleague [Mr. Culberson] is unavoidably absent. He is paired with the senior Senator from Delaware [Mr. DU PONT].

I ask that this announcement may stand for the day.

Mr. McCUMBER (when Mr. Gronna's name was called). My colleague is necessarily absent. He is paired with the junior Senator from Illinois [Mr. Lewis]. I wish this announcement to stand for the day, and upon each vote taken upon this schedule.

Mr. McCUMBER (when his name was called). general pair with the senior Senator from Nevada [Mr. New-LANDS]. I transfer that pair to the junior Senator from Cali-

fornia [Mr. Works], and will vote. I vote "yea."

Mr. PENROSE (when his name was called). I have a general pair with the senior Senator from Mississippi [Mr. WILLIAMS]. I transfer that pair to the junior Senator from Maine [Mr. Burleigh], and will vote. I vote "yea." Mr. REED (when his name was called). I wish to inquire if the

senior Senator from Michigan [Mr. SMITH] will be present to-day? The VICE PRESIDENT. The Chair can not say as to that.

The Chair will say that he has not voted.

Mr. REED. I will withhold my vote, then, because I am paired with that Senator. If I were at liberty to vote, I should vote "nay."

Mr. MARTIN of Virginia (when the name of Mr. SMITH of Maryland was called). The senior Senator from Maryland is unavoidably absent from the city. He is paired with the senior Senator from Vermont [Mr. DILLINGHAM].

Mr. TOWNSEND (when the name of Mr. SMITH of Michigan was called). The senior Senator from Michigan [Mr. SMITH] is absent on important business. He is paired with the junior Senator from Missouri [Mr. Reed]. I desire this announcement to stand for the day.

Mr. THOMAS (when his name was called). I have a pair with the senior Senator from Ohio [Mr. BURTON]. that pair to my colleague [Mr. Shafroth] and will vote. I vote "nay."

Mr. TILLMAN (when his name was called). I have a general pair with the junior Senator from Wisconsin [Mr. Stephenson]. As he is absent, I withhold my vote. I ask that this announcement may stand for the day.

Mr. O'GORMAN (when Mr. Thornton's name was called). I wish to announce the unavoidable absence of the senior Sen-

ator from Louisiana [Mr. Thornton].
The roll call was concluded.

Mr. BANKHEAD. I have a pair with the junior Senator from West Virginia [Mr. Goff]. I transfer that pair to the senior Senator from Louisiana [Mr. Thornton] and will vote. I vote "nay."

Mr. HOLLIS. The junior Senator from Delaware [Mr. SAULSBURY] is absent on important business. He is paired with the junior Senator from Rhode Island [Mr. Colt]. I ask that

this announcement may stand for the day.

Mr. GALLINGER. I am requested to announce the pair of the senior Senator from Delaware [Mr. DU PONT] with the senior Senator from Texas [Mr. Culberson].

The result was announced—yeas 22, nays 46, as follows:

	YE	AS-22.		
Bradley Brandegee Clapp Clark, Wyo. Gallinger Jones	Kenyon Lippitt Lodge McCumber McLean Nelson	Oliver Page Penrose Penris Root Smoot	Sterling Townsend Warren Weeks	
	. NA	YS-46.		
Ashurst Bacon Bankhead Borah Bristow Bryan Chamberlain Clarke, Ark. Crawford Cummins Fletcher Gore	Hitchcock Hollis Hughes James Johnson Kern Lane Lea Martin, Va. Martine, N. J. Myers Norris	O'Gorman Overman Owen Pittman Poindexter Pomerene Ransdell Robinson Sheppard Shitelds Shively Simmons	Smith, Ariz. Smith, Ga. Smith, S. C. Stone Sutherland Swanson Thompson Vardaman Walsh	0
	NOT VO	OTING-27.		
Brady Burleigh Burton Catron Chilton Colt Culberson	Dillingham du Pont Fall Goff Gronna Jackson La Follette	Lewis, Newlands Reed Saulsbury Shafroth Sherman Smith, Md.	Smith, Mich, Stephenson Thornton Tillman Williams Works	

So Mr. Page's amendment to the amendment of the committee was rejected.

Mr. HUGHES. I wish to suggest a change in punctuation. In line 21, after the word "skins," I move to strike out the comma and insert a semicolon.

Mr. SMOOT. I wish to call the Senator's attention to the proposed amendment, striking out a comma and putting in the

semicolon

Mr. HUGHES. After the word "skins." I think that is where the Senator wanted to have it inserted, so as to read, and other skins; and leather dressed and finished."

Mr. SMOOT. I understood the Senator to say it was to come in after "skins" where it first occurs.

Mr. HUGHES. No.

The amendment to the amendment was agreed to.

Mr. HUGHES. In line 24, after the word "purposes," I move to strike out the comma and insert a semicolon.

The amendment to the amendment was agreed to.

Mr. HUGHES. In line 25, after the word "pianoforte," I move to insert "and," so as to read, "pianoforte and pianoforte action."

The amendment to the amendment was agreed to.
Mr. HUGHES. After the word "action" in the same line, I move to strike out the comma and insert the word "leather."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to. Mr. SMOOT. Referring to paragraph 370, I wish to call the attention of the Senator to the amendment offered by the committee in line 9, page 116, inserting the words "or parchment" after "leather." I have no objection to that amendment, but

I think the Senator will admit that by the addition of those words the same words ought to follow after the word "leather" in line 10, so as to read:

And manufactures of leather or parchment, or of which leather or parchment is the component material of chief value.

Mr. HUGHES. I agree with the Senator.

Mr. SMOOT. I will offer that amendment if the Senator will accept it.

Mr. HUGHES. I will accept it.
The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

The next amendment of the committee was, in paragraph 372, page 116, line 21, to strike out "Men's, women's" and insert "Women's"; in line 24, after the word "pairs," to insert "additional," and after the word "each," in the same line, to strike out "additional," so as to make the paragraph read:

372. Women's or children's "glacé" finish, Schmaschen (of sheep origin), not over 14 inches in length, \$1 per dozen pairs; over 14 inches in length, 25 cents per dozen pairs, additional for each inch in excess of 14 inches.

The amendment was agreed to.

The next amendment was, in paragraph 373, page 117, line 1, after the word "other," to insert "women's or children's"; in line 3 to strike out "\$2" and insert "\$2.50"; in line 4, after the word "dozen," to insert "pairs additional," and after the word "each," in the same line, to strike out "additional," so as to read:

All other women's or children's gloves wholly or in chief value of leather, not over 14 inches in length, \$2.50 per dozen pairs; over 14 inches in length, 25 cents per dozen pairs additional for each inch in excess of 14 inches.

The amendment was agreed to.

The next amendment was, in paragraph 373, page 117, line 5, after the word "inches," to insert:

All men's leather gloves not specially provided for in this section, \$3 per dozen pairs.

The amendment was agreed to.

The next amendment was, in paragraph 374, page 117, line 11, after the word "silk," to insert the word "leather," so as to make the paragraph read:

374. In addition to the foregoing rates there shall be paid the following cumulative duties: On all leather gloves when lined with cotton or other vegetable fiber, 25 cents per dozen pairs; when lined with a knitted glove or when lined with silk, leather, or wool, 50 cents per dozen pairs; when lined with fur, \$2 per dozen pairs; on all piqué and prix-seam gloves, 25 cents per dozen pairs.

The amendment was agreed to.

The next amendment was to strike out paragraph 376, in the following words:

376. Harness, saddles, saddlery in sets or in parts, finished or unfinished, not specially provided for in this section, 20 per cent ad valorem.

And in lieu thereof to insert:

376. Manufactures of amber, catgut, or whip gut, or worm gut, including strings for musical instruments; any of the foregoing or of which these substances or any of them is the component material of chief value, not specially provided for in this section, 20 per cent advances.

Mr. SMOOT. I notice in paragraph 377, as it came from the House

Mr. PENROSE. That has not been read yet.

Mr. SMOOT. But that has reference also to what I am going to say.

In paragraph 377 catgut or whip gut or worm gut are placed by the House at a rate of duty of 10 per cent ad valorem.

The Senate committee has taken catgut or whip gut or worm gut from paragraph 377 and made a new paragraph, paragraph 376, and included those items, imposing a rate of duty of 20 per cent ad valorem. Can the Senator having the schedule in charge tell why that was done?

Mr. HUGHES. We discovered in our investigation that there was not any such thing, strictly speaking, as manufactured cat-Catgut is already a manufactured article. We found this rather peculiar situation of affairs. A musical-instrument string is brought in at a rate of duty as a manufacture of catgut, whereas as a matter of fact it is nothing but catgut itself, not being a manufacture at all.

Mr. SMOOT. The Senator will notice in the wording of the paragraph that it says "manufactures of" just the same as in

paragraph 377.

Mr. HUGHES. We did that in order to conform to the general notion as to what catgut is, but we provided for musicalinstruments strings at one rate of duty and we provided for surgeons' catgut and whip gut in the free list. I think we have improved the administration of the law so far as this article is concerned; we laid varying rates of duty in accordance with I think it is a distinct improvement over the old law.

Mr. SMOOT. It is an improvement perhaps as to the rate, but I want to know why there was an advance in the rate. The wording in both paragraphs is the same, because it says "manufactures of" and then enumerates the articles in both paragraphs, catgut, and whip gut, and worm gut.

Mr. JOHNSON. Mr. President, there are manufactures of catgut. Tennis rackets are made from catgut. That is one of the articles.

Mr. SMOOT. I do not make the statement that there are no manufactures because I have always understood that there are. What I wanted to know is why the rate was increased. The House provided for a rate of 10 per cent upon manufactures of catgut, worm gut, and whip gut, and now the Senate committee has made a change and increased that rate from 10 per cent to 20 per cent. All I wanted to know was why it was done. For what reason was it done?

Mr. JOHNSON. Manufactures of catgut, whip gut, worm

gut, and strings for musical instruments are in the same para-

graph.

Mr. HUGHES. The manufacture of it might be doubtful sometimes.

Mr. SMOOT. The words "including strings for musical instruments" are used. That is only an additional specification. The rate on whip gut, catgut, or worm gut is increased 10 per cent by the committee.

Mr. HUGHES. Tennis rackets, we understood, are made of catgut. That is information we had not learned that the House had. There are some other articles like that which will be covered by it.

Mr. SMOOT. Catgut has always been used in the manufac-

ture of tennis rackets. There is no doubt about that.

Mr. HUGHES. I do not want to be understood as sayingalthough I think I did say-that there is not any such thing as manufactured catgut. I meant that articles called catgut are not manufactured of catgut, but they are simply catgut. For instance, musical-instrument strings which heretofore have been regarded as a manufacture of catgut are catgut itself.

Mr. SMOOT. This language applies to manufactures of cat-gut also. We had the question up in 1909 and thrashed it out

very thoroughly.
Mr. HUGHES. I will say to the Senator that there is quite a difference between a musical-instrument string, a tennis racket, and articles of that sort, and catgut and whip gut used by surgeons. We have put one rate of duty upon the manufactures of strings and we have put catgut for surgeons on the free list.

Mr. SMOOT. If that was the intention of the Senators, they have absolutely missed it in the bill, because they specifically provide for the manufactures of catgut, whip gut, and worm gut, and then say "including strings for musical instruments." So all that means, of course, is not only that it shall include manufactures of every kind of catgut, but it shall include the strings for musical instruments.

Mr. HUGHES. I do not know whether I make myself clear

We struck out the differentiation for the reason I have stated, that it was found to be the practice at the ports to

charge one rate of duty for the commodity when it was entered as a musical-instrument string and another when it was entered as catgut.

Mr. SMOOT. The Senator certainly has provided just the opposite.

Mr. HUGHES. No: I think not.

Mr. SMOOT. Because it says here-

Manufactures of amber, catgut or whip gut, or worm gut, including strings for musical instruments.

They are all the same. They are 20 per cent ad valorem. Mr. HUGHES. Yes; "all manufactures of" will incl strings for musical instruments. Tennis rackets, if catgut is the component of chief value, and other articles made out of catgut may come in at 20 per cent, thus doing away with the difficulty we had in administering the law, which depended entirely upon the use that the commodity was to be put to after it came in. I think the Senator will see that now we have provided a rate for the manufactures of catgut, including musical-instrument strings, which will apply whether a man brings in a ball of catgut and intends to make tennis racquets or intends to make strings for musical instruments out of it. Then, to enable surgeons to get catgut, which up to the present time came in for that purpose at a low rate of duty, we provided that catgut

for that use should go on the free list. Mr. SMOOT. I remember that in 1909 there was a good deal of discussion in the Senate and considerable criticism against the then senior Senator from New Jersey for trying to increase the rate upon catgut, as it was produced largely in New Jersey. I thought I would call attention to the fact that the change had been made from the House provision of 10 per cent to 20 per cent upon this particular item. I wondered why the change was made.

as made. That is the reason why I asked the question.

Mr. JOHNSON. In view of what the Senator states, I will say that under the present law the duty upon musical-instrument strings is 45 per cent ad valorem. They are made of catgut.

Mr. SMOOT. But they are not the only things manufactured out of catgut.

Mr. JOHNSON. The House cut the rate down from 45 to 25 per cent.

Mr. SMOOT. The House cut the rate down to 10 per cent. Mr. JOHNSON. No; the House fixed the rate on musical instruments at 25 per cent, and we have cut it to 20 per cent.

Mr. SMOOT. I am talking of the great bulk of catgut that is manufactured in this country.

Mr. JOHNSON. When it comes to this country it is used for musical strings, is it not?

Mr. PENROSE. It is used for surgical purposes and for

medical purposes.

Mr. SMOOT. And tennis rackets. Mr. HUGHES. I will say to the Senator that we found that the catgut that is used ordinarily by surgeons can be put right on a fiddle, and that it can be made an E string and a G string on the cello, and can often be used for making tennis rackets. In the Payne-Aldrich law there is a duty as high as 45 per cent and a duty as low as 10 per cent and the rate charged depended upon what a man was going to use the catgut for.

Mr. SMOOT. I remember the rate is 40 per cent in the

present law.

Mr. HUGHES. Forty-five per cent.

Mr. SMOOT. And that applied only to stringed instruments. Mr. HUGHES. So far as the language of the law is concerned-

Mr. SMOOT. The other rate in the present law is 25 per cent. I notice that the rate on the manufacture of all catgut, whip gut, or worm gut under the amendment reported by the committee of the Senate is placed at 20 per cent instead of 10 per cent, as provided by the House in paragraph 377.

The amendment was agreed to.

The next amendment of the committee was, in paragraph 377, page 117, line 25, after the words "manufactures of," to strike out "amber," and in the same line, after the word "bladders," to strike out "catgut or whip gut or worm gut," so as to make the paragraph read:

377. Manufactures of asbestos, bladders, or wax, or of which these substances or any of them is the component material of chief value, not specially provided for in this section, 10 per cent ad valorem; yarn and woven fabrics composed wholly or in chief value of asbestos, 20 per cent ad valorem.

Mr. PENROSE. Mr. President, I desire to speak for a few moments upon paragraph 377. The paragraph itself and the amendment to it open up a vista that gives the Senate and the country an idea of the impartial way in which the measure has been framed.

As the Senator from Utah [Mr. Smoot] has said, four years ago-it is well known to every member of the Finance Committee on the then majority side, and they are all still Members of this body, although now in the minority-catgut and its cognate products were put on the dutiable list with an adequate duty largely at the request of the then Senator from New Jersey, Mr. Kean. It must be highly gratifying to the citizens of that great Commonwealth that they still have a representative in this body able, regardless of the Democratic theories of free trade and duties for revenue only, to preserve the important product of catgut and the manufactures thereof from the invasion of the manufactures of the pauper and oppressed labor of Europe.

At the same time while they deliberately saved catgut from impending ruin they calmly and deliberately leave asbestos and manufactures thereof at a duty of 50 per cent reduction from that existing in the present law.

Mr. SMOOT. And as to bladders.

Mr. PENROSE. I am not so much interested in bladders because I do not know where they are manufactured, but I do discover that Pennsylvania produces all but a very imperceptible amount of the manufactures of asbestos, and notwithstanding the fact that these two States adjoin, only having the river to separate them, catgut is saved and asbestos and the manufactures thereof are opened to ruin. Such is the logic of the bill. Both these industries are small, but they will doubtless go down to history as illustrative of Democratic consistency-New Jersey catgut saved, Pennsylvania asbestos and the manufactures thereof destroyed.

It has been suggested to me by a Senator sitting behind me that perhaps asbestos is better qualified to be damned.

ter.]

Even to-day the aggregate sales of all the asbestos textile mills in the United States producing yarns, fabrics, and other articles therefrom do not exceed \$2,000,000 annually, and the total capital invested in the industry is \$2,500,000. Of this, \$1,750,000 is

in Pennsylvania.

I suppose if these gentlemen had moved over into New Jersey last winter, when assurances were given that no legitimate inwas to suffer any serious injury, they might still have hoped to at least be kept on a parity with catgut and far removed from paragraph 377, where they unfortunately languish, and enjoy the full efflorescence of prosperity which will accompany paragraph 376.

Mr. HUGHES. I call the attention of the Senator from Pennsylvania, in order that he might not spoil his speech or

argument

Mr. PENROSE. I can not hear the Senator from New Jersey. and certainly could not understand all his explanations about

Mr. HUGHES. I call the Senator's attention, in order that he may not do his State an injustice, to the fact that the production

of asbestos, instead of being \$2,000,000, is \$12,000,000

Mr. PENROSE. I was talking about the manufacture of asbestos textiles, and I hope the Senator will not embarrass the unfortunate gentlemen who have failed to keep pace with catgut by making a technical objection of that kind. I dis-tinctly said that I referred to the textile manufactures in the present bill. As it came from the House the bill read:

Manufactures of amber, asbestos, bladders, catgut, or whip gut, or worm gut, or wax, or of which these substances or any of them is the component material of chief value, not specially provided for in this section, 10 per cent ad valorem; yarns and woven fabrics composed wholly or in chief value of asbestos, 20 per cent ad valorem.

Then the Senate committee takes out of the paragraph catgut or worm gut manufactured in New Jersey and leaves the Pennsylvania textile at the mercy of the inclemencies of next winter. The Payne law provided for the manufactures of amber, asbestos, bladders, catgut, whip gut, or worm gut, or wax, and so on, not specially provided for in this section, 25 per cent ad valorem. It reads:

Manufactures of amber, asbestos, bladders, catgut, or whip gut, or worm gut, or wax, or of which these substances or any of them is the component material of chief value, not specially provided for in this section, 25 per cent ad valorem; woven fabrics composed wholly or in chief value of asbestos, 40 per cent ad valorem.

Here I might call attention to the broad-minded patriotism of the Payne bill and the great virtues of its framers in that, with a breadth of patriotism, they took equally good care of the cat-gut of New Jersey and the asbestos textiles of Pennsylvania.

As applied to manufactures of asbestos, the above provision ritally affects two classes of commodities, namely, asbestos yarns and asbestos woven fabrics. The proposed new bill reduces the duty on woven fabrics from 40 per cent ad valorem to 20 per cent ad valorem and on yarns from 25 per cent ad valorem to 20 per cent ad valorem. All other manufactures of asbestos are reduced from 25 per cent ad valorem to 10 per cent ad valorem.

These reductions, in my opinion, Mr. President, are drastic. The industry is located in part in Lancaster County, Pa.; not far from Philadelphia. I am familiar with the conditions under l

which it is being conducted, and have known the circumstances and surroundings of this new industry for several years. These reductions will seriously handicap an industry comparatively new in this country without accomplishing any of the purposes of the measure under consideration. Surely it is not the intention of Congress to endanger invested capital, or at least such was the declaration prior to the election of last November, especially where the compensating virtue of general good or public benefit does not follow or the production of increased revenues will not result.

As a domestic industry the asbestos textile business is comparatively new and relatively small. Only within the last 10 years have its products become real commercial commodities. Even to-day the aggregate sales of all of the asbestos textile mills in the United States producing yarns and fabrics and other articles therefrom, as I have already stated to the Senate, do not exceed \$2,000,000 annually, and the total capital invested in the industry is \$2,500,000. Whether this investment of American capital compares with the dimensions of capital invested in New Jersey catgut, I am not informed [laughter], but certainly the discrimination exercised against this industry in favor of the other excites my sympathy, commiseration, and condemnation.

Of this investment fully \$1,750,000 is in Pennsylvania. It is a new industry on the threshold of development. To subject it to unequal competition from abroad will endanger its present

standing and retard its growth.

The maintenance of the present duty of 40 per cent ad valorem on woven fabrics and the placing of asbestos yarns in the same class will work no hardship against the common good. Reducing the duty will effect no general public benefit. The objections to existing tariff rates put forth by the advocates of the proposed bill do not apply against asbestos textiles. Principal among these objections are the following, which I will only refer to briefly:

How can it be seriously stated that a project the total sales value of which in a whole year does not exceed \$2,000,000 could have had any perceptible influence toward increasing the cost of living? Had the volume of sales been sufficient during the last 10 years to affect ultimate living costs, the influence would have been the other way, for prices have steadily declined instead of increasing, due largely to foreign competition; yet the increased cost of living is one of the first reasons given

for a lowering of present duties.

The development of industrial combinations or trusts is another reason advanced in favor of tariff reductions. There is no suggestion of a trust or combination in this small and in fant industry; there are approximately but eight domestic coz.cerns all told. Six of them are located in Pennsylvania, one in South Carolina, and one in New York. Surely the Finance Committee majority members must have forgotten that one of these concerns is located in South Carolina. Each is a separate corporation, with absolutely independent and varelated stock ownership, and all are in active competition with each other.

Exhaustion of the natural resources, unless a fresh supply is gained or curtailment of a domestic supply induced through importations from abroad, need not be feared, for the raw materials from which asbestos textiles are manufactured is not produced within the confines of the United States. It comes almost exclusively from Canada. The same country also supplies extensive quantities of crude asbestos to foreign manufacturers, and delivers it to them at the same prices at which American manufacturers can have the material laid down at their factories

Obsolete plants and methods of manufacture are practically unknown in this industry. As already stated, it is comparatively new. All of the plants are equipped with substantially the same kind of machinery, which is the most efficient yet devised for this work. Instances of machines or processes or plants in operation "60 years old" or "hopelessly behind the times," which ought to be relegated to the scrap heap, are not to be found. Domestic plants and processes are not only the most modern known to American manufacturers, but are as modern and efficient as those of foreign competitors. Consequently another favorite argument of the tariff revisionist is absent in this case.

The authors of the pending bill, Mr. President, say they have "kept in mind the distinction between necessaries and luxuries of life, reducing the tariff burdens on the former to the lowest possible point commensurate with revenue requirements and making the luxuries of life bear their proper portion of the tariff responsibilities.

I am not quite certain whether that quotation is from the last platform of the Democratic national convention or some equally authentic document; probably it may be a later message of the

Asbestos textile products can not be classed as necessaries of life. One of the largest uses to which this material is put is the making of the friction facing on automobile brakes. large quantity is also used in the making of high-pressure steam packing for engines, pumps, and the like, and gaskets for boilers, steam-pipe joints, and so forth. The effect of the price of asbestos products used for such purposes on the ultimate cost of manufactured articles from plants using such products, or on the cost of operation of processes wherein they are used, is so infinitesimal that it can scarcely be found. A relatively small quantity is used in the making of theater curtains, while a fair proportion is used in electrical insulations. Outside of these fields the use is small and insignificant.

I have, Mr. President, some statements and figures on the cost of production of this article here and abroad. I know that statements of the difference of cost of production fall on deaf ears, so far as the majority in this Chamber is concerned. shall not, therefore, detain the Senate by reading them, but I will ask permission to have them inserted as a part of my remarks.

The VICE PRESIDENT. Permission will be granted, in the

absence of objection.

The matter referred to is as follows:

COST OF PRODUCTION.

COST OF PRODUCTION.

Difference in the cost of production here and abroad is the primary reason why domestic asbestos textile manufacturers are asking for a maintenance of the 40 per cent duty on woven fabrics and a like duty on yarns. The cost of production theory has been rejected as a reliable guide in fixing the duty on many articles, because in many industries cost accounting has not been uniform and affords no satisfactory basis for comparison, while in many others official investigation showed a great variation in cost of the same article in different factories. A thorough canvass of the subject of cost in the asbestos textile industry shows a wonderful uniformity. All of the factories practically agree on the factory cost of production per pound of yarn, which is the base unit. The cost of the average or medium grade of yarn is about as follows:

Asbestosper	pound	\$0.10
	do	. 10
Overhead.	do	. 05

A study of the conditions under which the foreign manufacturer operates shows his costs on the same grade of goods to be as follows: Asbestos _ Labor____ .05 Overhead_

Total Adding to the foreign competitors' cost of production the 25 per cent now levied under the existing bill on asbestos yarns, allows him to set his goods down here at a total cost per pound of yarn of 22.5 cents; or, adding to it the 40 per cent duty which was asked for by the domestic manufacturers before the Ways and Means Committee of the House, in its recent hearings on the bill under consideration, makes the foreigner's cost 25.2 cents per pound, thus placing the domestic and foreign manufacturer on a fair competition basis.

Comparative table.

Yarn.	Here.	Abroad, under present law.	Abroad, under 40 per cent law.
Asbestos Labor: Overhead Duty	Cents. 10 10 5	Cents. 10 5 3 4.5	Cents. 10 5 3 7.2
Total	25	22.5	25, 2

A like comparison of the cost of woven fabrics, which carry a 40 per cent duty under the present bill, shows the following:

Cloth-	Here.	Abroad.
Asbestos Labor Overhead Duty at 40 per cent	Cents. 10 13 6	Cents. 10 6,5 4 8,2
Total	29	28.7

From which it is seen that even at the present tariff rates the for-eigner has the advantage on the cost of production. Under the rates of the bill now before Congress the comparative costs would be:

Yarn.	Here.	Abroad.
Asbestos, per pound Labor, per pound Overhead, per pound Duty, at 20 per cent	Cents. 10 10 5	Cents. 10 5 3 3.6
Total	25	21, 6

Cloth.	Here.	Abroad.
Asbestos Labor Overhead	Cents. 10 13 6	Cents. 10 6. 5 4 4
Total	29	24, 5

Mr. PENROSE. Wages are fairly good in this industry, as things go. Men receive \$15 per week, boys \$8.50, and girls I will ask to have all this matter relative to the difference in wages here and abroad inserted as a part of my remarks.

The VICE PRESIDENT. In the absence of objection, permission to do so will be granted.

The matter referred to is as follows:

Does our labor cost seem high? Compared with the cost of labor in the cotton and woolen textile industries—which are the standard textile industries in this country—it is indeed high. State and Federal investigation into the question of wages paid in the great mill district of New England reveal an average wage scale much lower than is paid in the asbestos textile industry. The prevailing average wage paid by all of the asbestos textile factories is:

	r week.
Men	\$15.00 8.50 7.00

These are living wages. The best evidence is that the employees are satisfied. It is desirable that this condition should continue, for low wages bring discontent and inefficiency. If lower selling prices for the goods manufactured by American milis are forced, through a reduction of tariff duties and the resulting increase in foreign competition, these wages can not be maintained, for the margin of profit in the business is now so small that domestic manufacturers can not reduce selling prices without reducing wages.

wages can not be maintained, for the margin of profit in the business is now so small that domestic manufacturers can not reduce selling prices without reducing wages.

Comparative cost of production aside, the fact remains that the importation of woven fabrics and yarns has increased 125 per cent in the last five years, while the increase in the manufacture of domestic fabrics and yarns has been 100 per cent, demonstrating that the foreigner can produce at a lower cost and profitably compete in our markets. In 1806 the value of imported asbestos under a 25 per cent duty was \$21,313.25, and in 1912 it was \$241,064. In addition to this the importation of fabrics carrying 40 per cent duty amounted, in 1912, to \$96,488. If we add the 25 per cent duty to the importations in 1912 of articles carrying that rate, and the 40 per cent rate, the value of the imported products at the cost price here is \$436,413. The factory cost of domestic yarns and fabrics manufactured in 1912 did not exceed in the aggregate \$1,500,000. The importation, therefore, under present rates is about one-third of the amount of domestic production and, as shown above, is increasing at a greater pro rata rate than the domestic manufacture of similar products. If American manufactures could afford to sell their goods at lower prices, it is hardly likely they would have permitted importations to increase at a greater rate than their own business. The domestic producers, however, have not kept their prices up under the protection of a tariff wall, but have been forced to reduce them to the lowest point through foreign competition. A lower duty will seriously curtail American production or compel the sale of goods at a loss.

# COMPETITIVE TARIFF.

compet the sale of goods at a loss.

COMPETITIVE TARIFF.

A 40 per cent ad valorem rate on yarns and woven fabrics is not inimical to the competitive-tariff idea. As seen from the cost comparisons hereinbefore, such rate will not enable the American manufacturer to make a profit before the foreign competitor can enter the field. On the contrary, it will only equalize conditions and allow competition on a fair or equal cost basis.

The Democratic principle, as stated on page 16 of the printed report of the Ways and Means Committee of the House, accompanying H. R. 3321, is:

1. The establishment of duties designed primarily to produce revenue for the Government and without thought of protection.

2. The attainment of this end by legislation that will not injure or destroy legitimate industry.

From this viewpoint alone a duty of 40 per cent ad valorem on yarns and fabrics is warranted. As a revenue producer the 40 per cent rate will be more efficient than the proposed rate. In 1912 the 40 per cent rate on woven fabrics returned revenues to the Government of \$38,595,20 (see p. 286, sec. 378, in the appendix to the above report of Ways and Means Committee). The estimated returns under the proposed 20 per cent rate will be only \$20,000 (p. 286). The revenues for 1912 from yarns and other products carrying a 25 per cent rate was \$60,268. Under the proposed new rate, covering all manufactures of asbestos excepting yarn and woven fabrics, the Government's estimated income will be only \$30,000. In each case the revenue is cut in half.

On what theory can this curtailment of revenues be justified? Only upon the theory that thereby the common good is served or the greater portion of the general public is benefited through the enforced reduction of prices to the consumer by reason of the resulting competition. But we have seen (and exhaustive investigation of the subject will confirm the statement) that a reduction in the price of these goods will work no perceptible benefit or advantage to any considerable number of perso

Mr. PENROSE. Such, Mr. President, is the condition of an industry which happens unfortunately to be located in Pennsylvania. I shall not offer any amendment to this paragraph as I know it would be useless. Whether the textile products of asbestos, which are most remotely distant from the ultimate consumer and enter into the early preliminaries of articles

which ultimately reach him, more imperatively demand a reduction of duty in order that the consumer may be benefited than does the catgut, from which the strings of the violin are made, in order that the consumer may be entertained with the sweet strains of music, I do not know. I merely call the attention of the Senate to the discrimination and will abide by the result.

Mr. HUGHES. Mr. President, I want to say, in order to ease the mind of the Senator from Pennsylvania, that if there is a catgut-manufacturing concern in the State of New Jersey I do not know of it. I do not know where such a factory is

located.

Mr. PENROSE. Everybody knew it four years ago, because those interested in that industry were here all winter, and I think they have been down here during the past winter. They must, of course, have known that the Senator represented the State of New Jersey.

Mr. HUGHES. Probably the atmosphere was more congenial four years ago to those gentlemen. At any rate I have no recollection of having seen them before the subcommittee. The action the subcommittee took was taken with reference to the situation as we found it. We found the law was impossible of fair administration.

The VICE PRESIDENT. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in paragraph 377, page 117, line 25, after the word "bladders," to strike out "catgut or whip gut or worm gut," so as to make the paragraph read:

377. Manufactures of asbestos, bladders, or wax, or of which these substances or any of them is the component material of chief value, not specially provided for in this section, 10 per cent ad valorem; yarn and woven fabrics composed wholly or in chief value of asbestos, 20 per cent ad valorem.

The amendment was agreed to.

Mr. HUGHES. I ask that the next two paragraphs, 378 and 379, be passed over for the present in order to save time.

Mr. PENROSE. I desire to be here when those paragraphs are considered. When does the Senator desire to bring them up?

Mr. HUGHES. I think I shall be able to bring them up to suit the convenience of the Senator. If he wishes to be present when they are considered, I shall try to arrange it in a manner satisfactory to him.

Mr. PENROSE. Does the Senator wish to have them go over simply because they will lead to discussion? Is that the

Mr. HUGHES. No; I want to suggest to the other members of the subcommittee and of the committee certain changes in

each of those paragraphs.

Mr. PENROSE. Very well; of course I have no objection to that. I hope the Senator will not call them up in my absence.

Mr. HUGHES. I shall not. I will try to arrange the matter to the satisfaction of the Senator.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in paragraph 380, page 119, line 9, after the word "Masks," to strike out "composed of paper or pulp" and insert "of whatever material composed"; and in line 10, before the words "per centum," to strike out "20" and insert "25," so as to make the paragraph read:

380. Masks, of whatever material composed, 25 per cent ad valorem.

The amendment was agreed to.

The next amendment of the Committee on Finance was, in paragraph 383, page 119, line 17, after the word "thereof," to strike out "strings for musical instruments, not otherwise enumerated in this section," so as to make the paragraph read:

383. Musical instruments or parts thereof, planoforte actions and parts thereof, cases for musical instruments, pitch pipes, tuning forks, tuning hammers, and metronomes; strings for musical instruments, composed wholly or in part of steel or other metal, all the foregoing, 35 per cent ad valorem.

The amendment was agreed to.

Paragraph 384 was read, as follows:

384. Phonographs, gramophones, graphophones, and similar articles, or parts thereof, 25 per cent ad valorem.

Mr. SMOOT. Mr. President, in paragraph 384 the words "and similar articles" are used.

Mr. HUGHES. Those words are in the old law, as the Sena-

tor of course knows.

Mr. SMOOT. But the preceding paragraph, paragraph 383, provides that musical instruments or parts thereof shall carry a rate of duty of 35 per cent, while phonographs and similar articles covered by paragraph 384 carry a rate of 25 per cent.

Mr. HUGHES. Does the Senator pretend that a phonograph is a musical instrument?

Mr. SMOOT. If the Senator will wait a moment until I ask him a question, he will then understand what I mean. Take a music box, for example. Is that a similar instrument to a phonograph, or is it a musical instrument?

Mr. HUGHES. I should say that it is a musical instrument

and not a phonograph.

Mr. SMOOT. I know it is not a phonograph, but is it an

Mr. SMOOT. I know it is not a photograph;
article similar to a phonograph?
Mr. HUGHES. No; I think not.
Mr. SMOOT. Why not?
Mr. HUGHES. I do not know that I am able to give reasons that would be satisfactory to the Senator, but, of course, absolutely different processes are involved in the reproduction of the musical sound.

Mr. SMOOT. If they should both carry the same rate of duty there would be no question about it; but both reproduce sound from a record, and I can not see how the customs officers are going to administer the two paragraphs.

Mr. HUGHES. Of course, the Senator knows that there is a different principle involved in the reproduction of sound by the phonograph and by the music box.

Mr. SMOOT. So there is in the phonograph, in the grapho-

phone, and in the gramophone.

Mr. HUGHES. The same principle is involved in those.

They reproduce sounds which have already been made and recorded, while in the other case music is made de novo, if it is music. I am not prepared to say that the sounds which emanate from music boxes are always music, but at any rate they are made over and over again, and the sounds are not necessarily the same, as the Senator very well knows. However, I do not think he ought to call upon me to make an explanation upon a subject about which he knows as much as I do. In the phonograph, the gramophone, and the graphophone the principles involved are entirely different from those involved in music boxes.

Mr. SMOOT. The mechanical workings, Mr. President, are virtually the same. Of course I recognize that the phonograph causes a reproduction of the voice or of music which has been recorded, whereas the music box gives a reproduction of music that has been written, perhaps, for some other musical instru-ment. It seems to me that if the rates were the same—and I do not see why they should not be the same, and why there should be a distinction—then there would be no conflict what-ever, but it does seem to me that if the provision is left as it is now with different rates, then in the administration of the law conflicts will arise.

Mr. HUGHES. I think the Senator, on reflection, will see that there can not be any conflict between a phonograph and a musical instrument.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 120, beginning in line 1, to strike out paragraph 386, as follows:

386. Paintings in oil or water colors, pastels, pen and ink drawings, and sculptures, not specially provided for in this section, 15 per cent ad valorem.

And in lieu thereof to insert:

386. Paintings in oil or water colors, engravings, etchings, pastels, drawings, and sketches, in pen and ink or pencil or water colors, and sculptures not specially provided for in this section, 25 per cent ad valorem, but the term "sculptures" as used in this paragraph shall be understood to include only such as are cut, carved, or otherwise wrought by hand from a solid block or mass of marble, stone, or alabaster, or from metal, and that are the professional productions of a sculptor only, and the term "painting" as used in this paragraph shall be understood not to include such as are made wholly or in part by stenciling or other mechanical process.

Mr. HUGHES. I ask that paragraph 386 be passed over. The VICE PRESIDENT. Paragraph 386 will be passed over at the request of the Senator from New Jersey.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in paragraph 388, page 120, line 18, after the word "lead" where it occurs the second time, to strike out "and" and insert ", 36 cents per gross, but in no case shall any of the foregoing pay less than 25 per cent ad valorem"; and in line 20, after the word "pencils," to strike out "all the foregoing," so as to make the paragraph read:

388. Pencils of paper or wood, or other material not metal, filled with lead or other material, pencils of lead, 36 cents per gross, but in no case shall any of the foregoing pay less than 25 per cent ad valorem; slate pencils, 25 per cent ad valorem.

The amendment was agreed to.

The next amendment was, on page 120, to strike out paragraph 390, as follows:

390. Photographic dry plates or films, not otherwise specially provided for in this section, 15 per cent ad valorem. Photographic film negatives or positives, imported in any form, for use in any way in connection with moving-picture exhibits, or for making or reproducing pictures for such exhibits, including herein all moving, motion, motophotography or cinematography film pictures, prints, positives or duplicates of every kind and nature, and of whatever substance made, 20 per cent ad valorem.

And in lieu thereof to insert:

390. Photographic cameras, photographic dry plates or films, not specially provided for in this section, 15 per cent ad valorem; photographic-film negatives, imported in any form, for use in any way in connection with moving-picture exhibits, or for making or reproducing pictures for such exhibits, exposed but not developed, 4 cents per linear or running foot; if exposed and developed, 5 cents per linear or running foot; photographic-film positives, imported in any form, for use in any way in connection with moving-picture exhibits, including herein all moving, motion, motophotography or cinematography film pictures, prints, positives or duplicates of every kind and nature, and of whatever substance made, 12 cents per linear or running foot.

Mr. SMOOT. Mr. President, I call the Senator's attention to what seems to me an inconsistency. In line 8 it is provided:

Photographic dry plates or films, not specially provided for in this section, 15 per cent ad valorem.

If the Senator will turn to paragraph 5804, he will find that "photographic and moving-picture films, sensitized and not ex-

posed or developed," are put on the free list.

Mr. President, it has been held that a photographic film ceases to be a film for tariff purposes after it has been exposed or developed; and therefore we find ourselves in the position of having in one place photographic and moving-picture films upon the free list, and in paragraph 390 carrying a duty of 15 per cent ad valorem. I think, if the Senator will look up the case which was decided, he will make a change to cover the point I have suggested.

Mr. HUGHES. I will say to the Senator that I have noticed the apparent conflict, but I am not prepared to say that it is a real conflict. My judgment is that the language in the free list will control. A dry plate is a film on glass. We considered A dry plate is a film on glass. We considered that apparent conflict and left it as it is; but I am not prepared to say that the language could not be improved, and I expected at some time to ask permission to make a change in the phraseology if I should come to the conclusion that it could be improved.

Mr. SMOOT. Then the Senator asks that the paragraph go

over for the time being?

Mr. HUGHES. I should like to have the paragraph approved, with permission to return to it for the purpose of changing, if it be thought desirable, that particular phraseology.

Mr. SMOOT. Well, Mr. President, it seems to me if we want photographic dry plates or films to be on the free list, we ought to exclude the words in paragraph 300; and if we want them to carry a duty of 15 per cent, we certainly ought to take them

out of paragraph 580. Mr. HUGHES. The only trouble in striking out the word "films" and leaving in "photographic dry plates" is that it might put on the free list certain photographic supplies that

we do not want to put upon the free list.

Mr. SMOOT. No; the paragraph would then only apply to dry plates. Even if the Senator desires dry plates to remain there, all he would have to do would be to strike out the words or films.

Mr. HUGHES. I am inclined to think the Senator is right about that. I have had my doubts about the language, and in order to get rid of the paragraph I move now to amend the amendment reported by the committee by striking out the words or films," with the understanding that we may revert to it and ask that the phraseology may be further changed if subsequently it shall be deemed advisable.

Mr. SMOOT. That is satisfactory.
The VICE PRESIDENT. The amendment offered by the Senator from New Jersey [Mr. Hughes] to the amendment reported by the committee will be stated.

The Secretary. In the amendment of the committee in paragraph 390, page 121, line 8, after the word "plates," it is proposed to strike out "or films."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in paragraph 391, page 122, line 3, after the words "ad valorem," to insert "meerschaum, crude or unmanufactured, 20 per cent ad valorem," so as to make the paragraph read:

391. Pipes and smokers' articles: Common tobacco pipes and pipe bowls made wholly of clay, 25 per cent ad valorem; other pipes and pipe bowls of whatever material composed, and all smokers' articles

whatsoever, not specially provided for in this section, including cigarette-book covers, pouches for smoking or chewing tobacco, and cigarette paper in all forms, except cork paper, 50 per cent ad valorem; meer-schaum, crude or unmanufactured, 20 per cent ad valorem.

Mr. LODGE. Mr. President, I desire to call attention to the severity with which this business has been treated. Not only has there been a great reduction in the duty on these articles, but a duty has been added to meerschaum, the raw material. A duty was placed on brierwood for the first time in the Payne-Aldrich law, which led to a very great decrease in the manufacture and sale of brierwood pipes in this country. With a duty on amber and a duty on meerschaum, it will be almost impossible for the manufacturers to continue in business.

The industry employs some 3,000 men. Of course, they are workmen of high skill, receiving from \$12 to \$50 a week. They have to compete with a great deal of work done in small towns in Europe at very low labor prices. There is no substitute for amber. The imitation amber and imitation meerschaum are both so inferior that they can not be used in the manufacture

of articles of high grade.

I merely wish to call attention, as I have said, to the severity with which this particular industry has been treated and to ask leave to print in the Record a statement which gives in full detail the difficulties which surround the industry. I will not waste time in asking the Senate to vote upon an amendment to the paragraph, because I know it would be useless; but it seems to me that even if it were an article of luxury we might permit its manufacture. We tax tobacco, which is consumed in the pipes, both by customs and internal taxation, to the limit which it will bear, and now we are putting an additional burden on this industry by imposing a duty on the amber and meer-schaum which are used and which have to be imported. I fear it will make it impossible for those engaged in this industry to continue in business

The VICE PRESIDENT. In the absence of objection, the papers referred to by the Senator from Massachusetts will be printed in the RECORD.

The papers referred to are as follows:

planers referred to by the Senator from Massachusetts will be printed in the Record.

The papers referred to are as follows:

The Underwood tariff bill provides for a duty on raw amber of \$1 per pound, equal to about 10 per cent ad valorem. We are engaged in the manufacture in this country of briar and meerschaum pipes. The mouthpieces of these pipes are made of amber. The most of these amber mouthpieces represent about one-third of the entire value of the finished article.

For a long number of years there has been no duty on amber, nor on any other materials entering into the manufacture of smoking pipes. There is, however, a duty of 60 per cent on the finished article. Under the Payne tariff bill of 1909 for the first time a duty of 15 per cent was levied on the raw briar wood, whilst the duty on the manufactured article remained at 60 per cent.

The industry of manufacturing pipes in this country now employs about 3,000 persons; of these about two-thirds are skilled laborers, whose wages range from \$12 to \$50 per week.

The duty of 60 per cent on the finished article does not prevent the importation of pipes in very large quantities. In fact, authentic figures show that there has been a constant increase in the amount of pipes imported into the United States until same now reaches more than 50 per cent of the entire amount consumed yearly.

The imported pipes are manufactured mainly in small towns of France, Austria, and England, where the price of labor is exceedingly low and lower the price of labor is exceedingly low and lower the price of labor is exceedingly lower than 10 per cent of the entire amount consumed yearly.

The duty of 15 per cent on briar wood, levied for the first time under the Payne tariff bill of 1909 (now proposed to be reduced to 10 per cent, was a serious blow to our industry. Some of the largest factories in New York and elsewhere were forced for the first time under the Payne tariff bill on low under consideration, instead of relieving the above-stated unfavorable conditions, is i

Boston, Mass., June 21, 1913.	MANUFACTURED IN AUSTRIA.
Hon. HENRY CABOT LODGE, United States Senate, Washington, D. C.	Material (meerschaum)
DEAR SENATOR: We duly received your letter of May 12, in an-	Labor 3, 75 Overhead charges 1, 50 Depreciation 15
to thank you for the interest you have taken in our behalf.	Depreciation
DEAR SENATOR: We duly received your letter of May 12, in answer to ours regarding duty on amber and brierwood pipes, and wish to thank you for the interest you have taken in our behalf.  We now learn that the Democratic members of the Committee on Finance instead of giving us the relief asked for have added another additional duty on our materials, namely, 20 per cent on crude meer-	Total18. 90 Plus 50 per cent as proposed under the Underwood bill 9. 45
This material has always been on the free list, since no crude	Total28.35
meerschaum is found in this country or any other country except Turkey. It would involve an additional hardship on the manufacturers of meerschaum pipes, and would further, as shown in sworn statement, Exhibit 2, hereby annexed, not only make it impossible to compete with foreign manufacturers, but that it would wipe out the entire industry in this country.  There is an article called "American meerschaum" found in New Mexico and worked by the American Meerschaum Co., of Ogdensburg, N. Y. This, however, is not real meerschaum, and can not be used for	The above exhibits show that under the Payne-Aldrich tariff bill we were fully protected against foreign competition, but under the proposed duties in the Underwood bill and Senate Finance Committee bill, which would add 20 per cent to the cost of meerschaum materials and \$1 per pound (equal to 10 per cent on amber), we would not longer be able to compete. The cheapest article we could produce in meerschaum could be landed here, duty paid, at \$28.35 per dozen, whilst the same article would cost us to manufacture \$32.40.  In the phone exhibit we have assumed that the metaviele covaried
real meerschaum pipes, such as we and all other manufacturers in this country are producing.  We had in the meantime answered the interrogatories propounded by the Committee on Finance, and had sent a copy to Senator Simmons and Senator LA FOLLETTE, and now inclose copies of these answers to you, to all of which we beg you to please give your earnest consideration and attention so that we may get the relief asked for.	charges, etc., should cost the European manufacturer exactly the same as it does us. The probabilities are, however, that the European manufacturer can get his materials somewhat less than we have to pay, and also that the transportation of the material to the United States is somewhat greater than to Austria.  We also believe that the everylead charges in Austria are not as greater.
Very truly, yours, EHRLICH & KOPF.	as here, yet, in order to be perfectly fair, we have assumed all of these charges to be the same over here as there.  Does the consumer profit by buying the foreign-made meerschaum pipe in preference to the meerschaum pipe made in the United States?
EXHIBIT 1.  LOWEST ARTICLE WE MANUFACTURE IN OUR FACTORY.	No. Our legitimate profit in selling the \$32.40 meerschaum pipe to the retailer is about 20 per cent, or he would buy our pipe at \$39 per dozen.
Materials. \$3, 80 Plus duty on brierwood under Payne-Aldrich tariff bill and duty on minor materials and difference in cost of transportation 55	retailer is about 20 per cent, or be would buy our pipe at \$39 per dozen. Assuming the European manufacturer sells with the same margin of profit, namely, 20 per cent, the article would be sold to the retailer here at \$34 per dozen. The consumer would have to pay at retail \$5, precisely the same whether the pipe cost the dealer \$3.25 (which would be our price), or \$2.83 (which would be the foreign manufacturer's price). Therefore the only people who would be benefited by assessing the duties as proposed in the Underwood bill and by Senate Finance Committee would be the foreign manufacturer's price).
Total         per gross         4.35           Labor         do         9.00           Overhead charges         do         15           Depreciation         15	
Depreciation15	the American manufacturer and skilled laborers employed in this in-
Total 15, 00	COMMONWEALTH OF MASSACHUSETTS, Suffolk, 88:
SAME ARTICLE MANUFACTURED IN AUSTRIA AND FRANCE.  Material\$3.80	Posmov Minn Time 8 ( D 1019
Labor 2. 25 Overhead charges (assuming these charges to be the same as	Then personally appeared this — of June, A. D. 1913, before me
Depreciation15	Then personally appeared this — of June, A. D. 1913, before me Arthur A. Sondheim, a notary public in and for the Commonwealth of Massachusetts, Bernard Kopf, of Boston, aforesaid, a copartner and member of the firm of Ehrlich & Kopf, consisting of himself and David P. Ehrlich, who on oath deposes and says that the foregoing answers to the interrogatories propounded to manufacturers by the Committee of Finance of the United States Senate are true.
Total 7. 70 Plus 60 per cent duty under the Payne-Aldrich tariff bill 4. 62	
Transportation to United States	[SEAL.] ARTHUR A. SONDHEIM, Notary Public.
Total 12. 45	(My commission expires May 1, A. D. 1919.)
Difference in cost of manufacture between Austria and France and United States 2.55	ANSWERS BY EHRLICH & KOPF, OF BOSTON, MASS., TO INTERROGATORIES PROPOUNDED TO MANUFACTURERS BY COMMITTEE ON FINANCE, UNITED STATES SENATE.
This exhibit illustrates that the foreign manufacturer can sell his article, after paying 60 per cent duty, at our cost price—\$15—and make a profit of about 20 per cent.  Does the consumer profit by this difference of 20 per cent in a \$15-per-gross pipe?	<ol> <li>Brierwood pipes and meerschaum pipes (for smoking purposes).</li> <li>(1) Brier root.</li> <li>(2) Raw amber or amberoid.</li> <li>(3) Raw meerschaum.</li> <li>(4) Various other raw materials of minor import.</li> <li>The raw materials specified under (1), (2), (3) are imported as follows:</li> </ol>
per-gross pipe? No. Whether the retailer pays \$15 or \$18 per gross does not alter his price to the consumer, which for this class of pipe is from 20 to 25 cents apiece, according to the size and style.	The brier root from France, also Italy, Corsica, and Algeria, The raw amber or amberoid from Germany.
EXHIBIT 2.  The cheapest meerschaum pipes which we can manufacture in our factory cost as follows:  Material (meerschaum) \$9.00  Material (amber) 4.50	The raw meerschaum from Turkey.  All raw materials used in our product are imported; none are produced or found in this country. Excepting brier root, some of this wood grows in some of the Southern States, but upon test by us was found unfit for use, as the nature of the wood, whilst resembling the briar root and of similar texture, is too soft, and therefore burns out too quickly. No other manufacturer, to our knowledge, uses American briar wood.
Total 13.50	4. Raw brier root, per gross, from \$3 up.
Labor       15,00         Overhead charges       1,50         Depreciation       15	Raw meerschaum, per case, average cost, \$165.  5. Same as above; less difference in expense of transportation from port of production to Boston and respective manufacturing centers.  Estimated on percentage, about 6 per cent on brierwood and about
Total 30. 15 Same article manufactured in Austria (the only manufacturing center for meerschaum pipes in Europe):	2 per cent on meerschaum and amber.  6. None. Can not compete with foreign countries.  7. No. Are not interested in any other concern exporting this com-
Materials (assuming to cost the same in Austria) \$13.50 Labor 3.75 Overhead charges (assuming to cost the same in Austria) 1.50	modity.  8. Can not answer, as we can not compete in foreign countries.  9. Can not answer, as we can not compete in foreign countries.  10. Do not export to foreign countries, as we can not compete.
Depreciation	11. We do not export, as we can not compete.
Total 30, 24	12. About 12 concerns.  13. William Demuth & Co., New York; Kaufman Bros. & Bondy, New York; S. M. Frank & Co., New York; Manhattan Brier Pipe Co., New York; (ourselves) Ehrlich & Kopf, Boston, Mass.  14. Not to our knowledge. We are absolutely independent.  15. Can not answer; know of no trust or combination.
If a duty is levied as proposed under the Underwood bill and Senate Finance Committee, it would figure as follows:  MATERIALS IN OUR FACTORY.	15. Can not answer; know of no trust or combination. 16. Can not answer, as there is no trust or combination. 17. Prices vary according to quality, grade, and style of each pipe
	manufactured.  Prices for same quality, grade, and style have not changed materially.
Meerschaum\$9.00 Senate Finance Committee proposed duty (20 per cent)\$1.80	
Senate Finance Committee proposed duty (20 per cent) 1.80 Amber 4.50 Underwood bill proposed duty (81 per pound on amber, equal	during 1019 on first four months of 1913
Senate Finance Committee proposed duty (20 per cent) 1.80 Amber 4.50 Underwood bill proposed duty (\$1 per pound on amber, equal to 10 per cent) 4.50	during 1912 or first four months of 1913.  18. Do not export, as we can not compete.  19. Cost of production in our plant of our product figures in percentage about as follows:  Per cent.
Senate Finance Committee proposed duty (20 per cent) 1.80 Amber 4.50 Underwood bill proposed duty (\$1 per pound on amber, equal to 10 per cent) 4.55  Total 1.50	during 1912 or first four months of 1913.  18. Do not export, as we can not compete.  19. Cost of production in our plant of our product figures in percentage about as follows:  Per cent.  Cost of materials  29
Senate Finance Committee proposed duty (20 per cent) 1.80 Amber 4.50 Underwood bill proposed duty (\$1 per pound on amber, equal to 10 per cent) 4.50	during 1912 or first four months of 1913.  18. Do not export, as we can not compete.  19. Cost of production in our plant of our product figures in percentage about as follows:  Per cent.

	Do not pay a corporation tax. (a) Skilled laborers
•	(b) Unskilled laborers
	(c) Men
	(d) Women
	(e) Children
	(f) Native born
	(g) Foreign born
	(h) Citizens

22. Wages paid during 1910-11-12 represent about 60 per cent of the total value of production.

23. Requires special scientific machinery for carving brier root, cutting and bending amber, modeling meerschaum. In use from three to five years.

24. Cost of production in foreign countries for same quality, grade, and style as we produce is about one-half.

25. The difference of percentage of labor cost between the United States of America and respective European countries is about 70 per cent

This knowledge is derived from our factory manager and from our foreman, who worked in factories in Austria, France, and England, and from inquiries gathered abroad by the deponent, a member of the firm, and is further verified by the fact that the importation of smoking pipes, the finished article, has steadily increased since the Payne-Aldrich tariff bill went into effect in spite of the 60 per cent duty levied thereon.

26. Have not sufficient data to answer positively. We sell to all the principal cities in this country.

27. Cost of transportation from Austria, France, and England to the principal cities of this country would be same as from our factory plus respective freight and steamer charges to port of entry.

28. Under the Payne-Aldrich tariff bill we worked with a loss owing to the duty of 15 per cent on raw brierwood levied for the first time in the history of the business. The 60 per cent levied on the finished article was not sufficient to keep out the foreign-made pipes. The importation has steadily and materially decreased.

ANSWERS BY EHRLICH & KOPF, OF BOSTON, MASS., TO INTEREOGATORIES PROPOUNDED BY SENATOR LA FOLLETTE, A MINORITY MEMBER OF THE CO. MITTEE ON FINANCE, UNITED STATES SENATE.

1. Brierwood pipes and meerschaum pipes (for smoking purposes).

2. (a) Raw brier root, (b) raw amber and amberoid, (c) raw meerschaum, (d) various other materials of minor import.

3. Do not know.

4. Consumption very much larger than the quantity sold during 1912 by the American manufacturers. With existing plants working at full time the American manufacturer could supply the entire consumption, but we can not compete with foreign product in spite of the 60 per cent duty levied on the finished article.

5. About 12 concerns.

6. Wm. Demuth & Co., New York; Kaufman Bros. & Bondy, New York; S. M. Frank & Co., New York; Kaufman Brier Pipe Co., New, York; S. M. Frank & Co. New York; Manhattan Brier Pipe Co., New, York; Courselves), Ehrlich & Kopf, Boston, Mass.

7. For the lowest priced article which we manufacture, about \$1.50 per dozen; for the highest priced article which we manufacture, about \$48 per dozen.

8. About one-half.

9. Cost of production in our plant figures in percentage about as follows:

Per c	ent.	
Cost of materialsabout_	29	
Cost of labordo	60	
Overhead chargesdodo	10	
Depreciationdo	1	

The VICE PRESIDENT. The question is on agreeing to the amendment reported by the committee.

The amendment was agreed to.

The reading of the bill was resumed and continued to the end of paragraph 395, on page 122, which is as follows:

395. That there shall be levied, collected, and paid on the importation of all raw or unmanufactured articles not enumerated or provided for in this section a duty of 10 per cent ad valorem, and on all articles manufactured, in whole or in part, not provided for in this section a duty of 15 per cent ad valorem.

Mr. SMOOT. Mr. President, I notice the wording of this paragraph is the same as the present law. The paragraph is designed to take care of all articles not enumerated in the section, but I find that unmanufactured articles carry a rate of duty in this paragraph of 10 per cent, the same as in the present law, while on manufactured articles a reduction has been made from 20 per cent to 15 per cent.

Of course, if the committee have decided upon that, well and good, but I want to call their attention to what happened between the years 1897, when the Dingley law was passed, and 1909, when the Payne-Aldrich bill was enacted. During that 12-year period there fell into that particular paragraph in the Dingley law some 62 articles that were not known at the time of the passage of the Dingley law, in 1897.

I believe, Mr. President, that it would harm no one; but it might be of inestimable value to the future production of articles which may hereafter be discovered and used in all

parts of the world.

If the Senator having this schedule in charge has taken that under consideration, I will say no more; but, in my opinion, it will be very much better to have at least the 20 per cent rate on the manufactured articles not enumerated. That certainly would not be a high rate, and it would only fall upon items that we know not of now, but which may in the future be discovered and which we may want to manufacture in this country, and to enable us to manufacture them a duty of at least 20 per cent would be required. I ask the Senator, with that explanation, if he is not of the opinion that 20 per cent would not be too high?

Mr. HUGHES. I will say to the Senator that of course this basket clause, covering articles not enumerated, applies to the whole bill.

Mr. SMOOT.

Mr. SMOOT. Everything that is not enumerated. Mr. HUGHES. Everything that is not enumerated; and it does not apply merely to the particular schedule which we have been considering this afternoon and with which I have taken some liberties. I should prefer that the Senator would propound his query to the chairman of the committee.

I hope the Senator did not think I thought this Mr. SMOOT.

paragraph applied only to this particular schedule.

Mr. HUGHES. I know that very well, but I wanted other Senators to understand it; and I would rather have the Senator ask the chairman of the committee.

Mr. SMOOT. The chairman of the Finance Committee heard my statement, and I should like to address the question to him. Mr. SIMMONS. I was not listening to the remarks of the Senator when addressed to the Senator from New Jersey, and

really did not catch the purport of them.

Mr. SMOOT. I was calling the attention of the Senator from New Jersey, as I thought he was in charge of this matter, to paragraph 395. This is a paragraph to take care of all unenumerated articles, both unmanufactured and manufactured. The present law provides for a duty of 10 per cent on unmanufactured articles and a duty of 20 per cent upon manufactured articles not enumerated in the bill. I stated to the Senator that during the years from 1897, the time of the passage of the Dingley bill, to 1909, the year of the passage of the Payne-Aldrich bill, there were some 62 articles that came into the commerce of this country that were not known at the time of the passage of the Dingley bill in 1897. Of course all such articles fell in the paragraph of the present law corresponding to paragraph 395 of the pending bill. Many of these items-in fact, I know of quite a number of them-were manufactured abroad and could have been manufactured in this country, but the 20 per cent duty was not sufficient to enable their being made here.

What I wish to ask the Senator is, if it would not be better, in the case of that paragraph, to leave the duty at least 20 per cent, so that it will take care of such articles that may come into the commerce of the country that are not known to-day? Nearly everything is enumerated; and the very next paragraph is the similitude paragraph, which takes in everything there is, it seems to me, except the articles that may come into commerce that are not known to-day. I do not believe 20 per cent duty will be too much to take care of such articles, and I therefore ask the Senator if he will not change the 15 per cent to 20 per cent.

Mr. SIMMONS. Mr. President, the articles that have come in heretofore under this paragraph, under all of our tariff acts, have been very limited. I find here that in 1897 the total value of articles imported under this paragraph amounted to only \$17,562 and the revenue amounted to only \$3,512. In the year 1906 the amount that came in was only \$13,000 and the revenue only

Mr. CUMMINS. Mr. President, we are unable to hear the Senator from North Carolina.

Mr. SIMMONS. I was stating the fact that the amount of imports under this paragraph under the Dingley Act had been very, very small. In fact, under all of our revenue laws since 1894 the imports under this paragraph have been absolutely negligible.

Mr. SMOOT. I wish to say to the Senator that the provisions of the paragraph are not supposed to prevent any known article from coming into this country. That is not the object of the paragraph.

Mr. SIMMONS. I understand that.

Mr. SMOOT. If the bill were absolutely perfect, upon its passage there would be nothing imported under the paragraph, because the other provisions of the bill would cover everything.

Mr. SIMMONS. Of course that is obvious, Mr. President. That is self-evident and does not require any statement. An effort has been made by the tariff makers to enumerate every known article, and after several hundred years of experience there are very few articles that are not known and enumerated. Most of the imports under this section would be of new things, of undiscovered things. Then of course we have the next paragraph, which is generally spoken of as the similitude paragraph.

Mr. SMOOT. I have referred to that. Mr. SIMMONS. That prescribes a duty for articles of similar character to those upon which duties are imposed. We have reduced to the minimum the number of things that may come in under this paragraph. The Senator says 20 per cent is the duty prescribed in the present law. I find that 20 per cent is the duty that has been prescribed in every act beginning with 1894

Mr. SMOOT. I believe that is true, Mr. President. Mr. SIMMONS. Yes; that is true. That is the duty that has been prescribed in the various acts that carried high protective

Mr. SMOOT. No; the Senator is mistaken. Mr. SIMMONS. The 20 per cent duty applied to the Wilson bill also, I think.

Mr. SMOOT. But I wish to say to the Senator that the rate

in this paragraph is not a protective duty.

Mr. SIMMONS. Then why does the Senator want it in-

creased, if it is not a protective duty?

Mr. SMOOT. I will tell the Senator why. Of course we do not know what new articles of commerce may be discovered. What I did say was that I thought if a 20 per cent duty were provided we would have a better chance to take care of such articles.

Mr. SIMMONS. I understand by that term that the Senator means a better opportunity to protect them. If he does not mean that, I do not know what he does mean.

Mr. SMOOT. I would not say that a rate of 20 per cent

would afford very much protection on such articles.

Mr. SIMMONS. I do not wish to take much time about this matter, Mr. President, I was going to say that under the Dingley Act and under the Payne-Aldrich Act the rate upon these unenumerated manufactured articles has been placed at 20 per In this bill we are radically reducing the rates of those I think it is entirely logical, when we come to this paragraph, which is a sort of basket paragraph that catches everything that we do not know anything about and are not able to designate eo nomine, that we should make some slight reduction. I do not think it is a matter of much consequence one way or the other. For the last 20 years there have not been any considerable imports. They are absolutely negligible, and the revenue is absolutely negligible. I think the rate of 15 per cent conforms to and is in harmony with the rates we have prescribed in the bill, and I am not disposed to agree to any increase in the rate.

The reading of the bill was resumed, and the Secretary read to line 12 of paragraph 396, page 123, as follows:

to line 12 of paragraph 396, page 123, as follows:

396. That each and every imported article, not enumerated in this section, which is similar, either in material, quality, texture, or the use to which it may be applied, to any article enumerated in this section as chargeable with duty, shall pay the same rate of duty which is levied on the enumerated article which it most resembles in any of the particulars before mentioned; and if any nonenumerated article equally resembles two or more enumerated articles on which different rates of duty are chargeable, there shall be levied on such nonenumerated article the same rate of duty as is chargeable on the article which it resembles paying the highest rate of duty; and on articles not enumerated, manufactured of two or more materials, the duty shall be assessed at the highest rate at which the same would be chargeable if composed wholly of the component material thereof of chief value; and the words "component material of chief value," wherever used in this section—

Mr. LIPPITT. I wish to call the attention of the chairman

Mr. LIPPITT. I wish to call the attention of the chairman of the committee, and particularly of the Senators who have the three or four textile schedules under their charge, to the fact that at this point in the bill there is a definition of the words "component material of chief value." At an earlier period of "component material of chief value." At an earlier period of the discussion I pointed out the great inconsistencies which ran through all the tariff schedules in the use of this phrase, "component material of chief value," and other phrases which I presume were intended to be synonymous with it.

The phrase "composed in whole or in part" frequently alternates during sections with this expression, "component material"

of chief value." As I have pointed out before, the inference is that one means something different from the other; or if both mean the same thing, I think it is very important, for the purpose of avoiding litigation, that the language of those four schedules-I am speaking now of the cotton, silk, wool, and flax schedules-should be made so that the different parts of each may conform one to another. In all there are six different phrases in those four schedules that are used to express the same idea.

I wish to call the matter to the attention of the Senators in charge of the bill. It has nothing to do with the rates, but it has a great deal to do with the amount of litigation that is apt to go on under the bill after it becomes a law.

Mr. SIMMONS. I do not know that I altogether understand the Senator. Does the Senator suggest that we ought to define, in this section, the exact meaning of all of those phrases, such as "in whole or in part," as we have defined here the phrase

"component material of chief value"?

Mr. LIPPITT. No; that is not what I mean. I mean that in the silk schedule, as an illustration, in some places it says value," and a few lines farther on it will say "an article composed wholly or in part of silk," or "wholly or in chief value of silk." The idea, I presume is that the words "the lines of silk." "an article of which silk is the component material of chief chief value"

Mr. SIMMONS. Does the Senator see much difference between the meaning of that phrase and this phrase?

Mr. LIPPITT. I should like to ask the Senator from North Carolina if there is any difference?

Mr. SIMMONS. At first blush I do not myself see very much difference in the meaning, although there may be a difference

Mr. LIPPITT. I think it is intended that the terms should be synonymous, and should mean the same thing.

Mr. SIMMONS. That is my impression. Mr. LIPPITT. They are undoubtedly intended to mean the same thing; but it is manifest that if in one place you use one set of words to describe an idea and two or three or four lines farther on you use another set of words to describe exactly the same idea, a critic coming to examine the bill will naturally infer that there is some different meaning; otherwise you would not have changed your language.

I wish to say to the Senator that in the past little variations in expressions of that kind have led to an enormous amount of litigation. This bill is going to be examined by very expert customhouse lawyers on the date of its passage. In fact, it is now being examined by them, and whether or not those two phrases will mean exactly the same thing after they have been exposed to the very technical interpretation of the courts is certainly a matter of doubt.

I am only suggesting this to the Senator as a means of perfecting his bill. Manifestly, if he means the same thing all the time, and expresses it in the same language, there can be no misinterpretation of it. But if he uses six different expressions to convey a single idea there is great probability that there will be different interpretations put upon them.

Mr. SIMMONS. Have not all our tariff bills, and especially the existing law, used these terms repeatedly, all through them, as interchangeable and synonymous terms?

Mr. LIPPITT. No, sir.
Mr. SIMMONS. Especially the two to which the Senator has referred, "in whole or in chief value" and "component material of chief value." Are not those two terms used very frequently

in the present law?

Mr. LIPPITT. I think they are not. I think there is only one expression used in the present cotton schedule, and that is "component material of chief value." I think that expression is used all the way through the cotton, wool, and flax schedules.

When it comes to the silk schedule, which was rewritten in its form in the present law, the Payne-Aldrich law, and probably written by some different hands or different minds that did not have the usual expressions well in mind, in that schedule there is used for the first time, I think, as I read over it hastily, the expression "composed wholly or in chief value." In all the previous schedules, if my recollection is correct, the words "component material of chief value" are used. Certainly they are used for the greater part of the time.

Mr. SIMMONS. If the Senator will pardon me, I think where we have used the one term or the other we have in almost every instance been following out the language of the old law. While we have changed rates in this bill, we have conformed our language very largely to the present law, except as to rates, where there was no change in principle. I think we were wise in doing that, because the terms used in our tariff laws, where they have involved any ambiguity or uncertainty, have been the subject of construction by the courts and by the appraisers, and the meaning of the words has been defined.

I think the Senator will find that we have not violated the rule of uniformity to which he has appealed any more than the old law has done so. I think he will find that where we have used one phrase instead of the other, we have generally done so in pursuance of the form of the old paragraph.

We are discussing this matter, not in a controversial spirit, but both of us with a desire to perfect the bill as best we can. I wish to say to the Senator if he will point out any instance in which uncertainty and doubt may grow out of the use of any improper term as he sees it, we shall be very glad indeed to con-

Mr. LIPPITT. I was not bringing up the matter for any other purpose than for the purpose of having the bill as perfect as possible.

Mr. SIMMONS. I have not imputed to the Senator anything

but the very best motives in bringing it up.

Mr. LIPPITT. If the Senator will turn to page 78—

Mr. SIMMONS. 'I should not care to have the Senator call my attention to it now; but if he will examine the provisions to which he has reference and call my attention to them, I shall be very glad indeed to take up the matter for consideration.

Mr. LIPPITT. I should like to say to the Senator that this is the third time I have called the attention of Senators on the other side to this matter, which, to my mind, is a very glaring inconsistency and, without meaning any insinuation, a great imperfection in the bill. I had hoped there would have been some consideration given to it and some change made in it.

Mr. SIMMONS. I think the Senator spoke to me privately about it yesterday, and I think I assured him that if he would make a memorandum of the matter and submit it to me I would

take it up and look into it.

Mr. LIPPITT. No; I meant by saying "the third time" that it is the third time I have called the matter to the attention of Senators on the other side in public on the floor. I shall be

glad to submit it to the Senator, however.

Mr. SIMMONS. The Senator understands that I would not like right here on the floor, without any opportunity to consider the matter, to settle a question of that sort. I simply ask that he will make a memorandum of it and let me have it.

Mr. LIPPITT. I did not expect the Senator to do so. I was only trying to impress it upon his attention.

Mr. PENROSE. Mr. President, does the chairman of the committee intend now to proceed to the consideration of the income-tax provision?

Mr. SIMMONS. That is the desire of the committee.
The VICE PRESIDENT. The reading of this paragraph has not yet been completed.

Mr. SIMMONS. That is true; we have not yet finished this paragraph.

Mr. PENROSE. Before we leave the tariff schedules I should like to call attention for about two minutes to some matters I have here.

Mr. CUMMINS. If the Senator will yield to me, I desire to say that before we pass to the income-tax provision I have an amendment which I desire to offer to the bill, the proper place for which is immediately following the free list. I am prepared to do it as soon as the Senator from Pennsylvania has concluded.

Mr. SIMMONS. We have not yet quite finished Schedule N,

Mr. CUMMINS. I believe not. I shall wait until the sched-

ules are concluded.

Mr. PENROSE. Then, if I may be permitted, I will introduce the matter to which I referred when this schedule is closed. I thought we had completed it.

The VICE PRESIDENT. The Secretary will conclude the

reading of paragraph 123.

The reading of the bill was resumed, and the Secretary read as follows:

Shail be held to mean that component material which shall exceed in value any other single component material of the article; and the value of each component material shall be determined by the ascertained value of such material in its condition as found in the article. If two or more rates of duty shall be applicable to any imported article, it shall pay duty at the highest of such rates.

Mr. PENROSE. Mr. President, I have on my files a very large number of letters sent to me by different people in Pennsylvania and other parts of the country, showing how the foreign manufacturer is preparing under the pending bill to enter the American market just as soon as the bill becomes a law. I shall not cumber the RECORD or detain the Senate by producing for the consideration of this body or for future reference too many of these communications, but I have here three which I should like to have embodied in the RECORD at this point.

One is from Donisthorpe & Co. (Ltd.), of Leicester, England, and is as follows:

DONISTHORPE & CO. (LTD.), WORSTED, MOHAIR, LAMB'S WOOL, MERINO AND COTTON YARNS, Leicester, May 20, 1913.

Messrs, Simons & Struve Hosiery Co.

Dear Sirs: If you will be interested in importing yarns when your tariffs have been reduced we shall be very pleased indeed to answer any inquiry you may intrust us with, or, better still, if you will kindly send us a small sample of any particular line which you are using and wish to import we shall be pleased to match same and quote our keenest prices. We trust to be favored with your esteemed commands in the very near future and beg to remain,

Yours, very truly,

DONISTHORDE & CO. (LTD.).

DONISTHOBPE & CO. (LTD.), A. COLTMAN.

This is a letter indicating the prospects in front of the hosiery

I have another letter here from Betts & Co., No. 1 Wharf Road, City Road, London, describing themselves on their letter-head as "The largest makers of bottle capsules in the world." It is as follows:

REDUCTION IN TARIFF.

BETTION IN TARIFF.

BETTS & CO. (LTD.),
London, N., May, 1913.

Dear Sies: We have previously quoted on your requirements of bottle caps, but up to now have not been successful in obtaining a share of your business.

The bill before Congress provides for a considerable reduction in duty, and for this reason you may be holding up your, orders until the new tariff becomes law. Please note, however, that on orders placed with us before the new tariff is in force, but shipped after it becomes operative, we shall give a rebate in price proportionate to the saving in duty.

operative, we shall give a relate in proceeding ordering even for forward duty.

There is accordingly, no reason to delay ordering even for forward delivery, and the advantage of ordering forward is that such orders will be proceeded with awaiting shipping instructions, thus insuring prompt shipment when you are in need. If, however, orders are not sent until after the new tariff becomes operative, there is likely to be such a demand as to make prompt delivery almost impossible.

Yours, very truly,

BETTS & Co. (LTD.),

BETTS & Co. (LTD.), J. POPPLE,

Mr. MARTINE of New Jersey. I should like to inquire just what particular industry these gentlemen were engaged in?

Mr. PENROSE. Caps for bottles.

Mr. MARTINE of New Jersey. I thought it was a medicine.
Mr. PENROSE. The Senator is familiar with the industry.
The factories are found in New Jersey and eastern Pennsylvania and all over the eastern part of the country-small, active

industries producing an article of general use.

Mr. MARTINE of New Jersey. We disagree sometimes as to the brand. Some use the caps and others the other kind.

Mr. PENROSE. Others prefer the cork. [Laughter.]

Mr. MARTINE of New Jersey. The Senator's heart and mine beat in unison.

Mr. PENROSE. Here is another letter from Germany. Dr. Heinrich König & Co. write this letter:

LEVYTYPE Co., Philadelphia.

LEYTTYPE Co., Philadelphia.

Gentlemen: We are informed that for the new tariff a considerable reduction is under consideration as to the duty for chemicals to be imported into your country.

We therefore take the liberty to draw your special attention to our chemical products for engraving purposes as named hereafter:

Perchloride of iron, cyanide of potassium, asphalt in finest powder, collodion, iodine, chromium salts.

Will you be good enough to favor us with your inquiries, stating at the same time the quantities you require. We have no doubt that our prices will lead to business, and looking forward to your kind and favorable reply, we are, gentlemen,

Yours, truly,

Dr. Heinr. König & Co.,

DR. HEINR. KÖNIG & Co., Gesellschaft mit Beschränkter Haftung.

LEIPZIG-PLAGWITZ, July 11, 1913.

I could produce many hundred letters if necessary.

Mr. MARTINE of New Jersey. I think I can recall without a very far reach of memory when a medicine or tonic that is used much in this country bore a most inordinate tariff. I can not now just recall the rate, but the general trend of public thought was that it was a grave abuse, and the Democratic Party insisted that it should be put upon the free list. I recall very well, since the Senator cites Philadelphia—I think it was

very well, since the Senator cites Philadelphia—I think it was about 18 years ago—what a howl went up from the Commonwealth of Pennsylvania, particularly from the city of Philadelphia and from a great firm of manufacturing chemists, that if this article was put on the free list it would be ruination.

Mr. PENROSE. To what article does the Senator refer?

Mr. MARTINE of New Jersey. The article was quinine. I think it was sold for about \$5 an ounce. I am corrected. I am told that it was sold for \$4.84 an ounce. It was put upon the free list. We were told that the people in the low latitudes would shake themselves to death with fever and ague because we would have no quinine to counteract it if we put that article we would have no quinine to counteract it if we put that article on the free list. But, notwithstanding that claim, it was put on

the free list and it is now sold for about 45 cents an ounce instead of \$4.84 an ounce.

How well I remember the calamity howl of that day. It was fact that if you had occasion to buy quinine you could go into a drug store and all you could get for half a dollar you could put inside of a lady's watchcase and put the crystal down without harming the crystal or the article put beneath it. But we put it on the free list and now it will almost take a nail keg to contain the quinine you can get for half a dollar. [Laughter.] That is, I know, a slight exaggeration.

What I desire to say is that the industry of the manufacture of quinine in Philadelphia has prospered beyond compare and that the firm of druggists in Philadelphia, Powers, Weightman & Co., who said that they were going to be driven out of existence, to-day have multiplied their concern and have made most fabulous wealth, and the people at the same time have that

commodity correspondingly cheaper.

So I think when our friend from Pennsylvania tells these stories of what is to come we can simply cite the question of free quinine out of the desolation and ruin and sadness pictured for the general industries that we have had.

Since the Senator has been so much inclined to read I believe I will do a little reading. Some one said the other day when the Senator and I got into a little controversy that it seemed like a frame up. It does seem a little like a frame up. I want to say that I happened to pick up the New York Tribune of to-day, and rather than cut it out and mutilate the paper, since it came from the Secretary's office, I copied it. As I said before it is on our file. On August 26 the New York Tribune says:

Fail River Iron Works plant employing five to seven thousand hands goes into operation to-day after a shutdown of 15 weeks.

I trust the Senator from Pennsylvania will listen. Of course this comes from the Commonwealth of the Senator from Massachusetts [Mr. Weeks]. I also read from the Tribune of today showing that there was no need of protection of the great iron industry of Pennsylvania, which has been fattened and favored so liberally in years past. I quote also from the Tribune, showing no need of protection here:

Forty-five cars leave Bethlehem, Pa., to-day with an iron mill costing \$2.500,000. made by the Pollock Co. of Youngstown, Pa. This is a modern 500-ton blast furnace complete. It will be erected at Newcastle, New South Wales, Australia.

We have been told right along that we needed this tariff in order to compete with foreign countries, and here we see that the sales go right along.
Mr. LODGE. Mr. President

The VICE PRESIDENT. Does the Senator from New Jersey yield to the Senator from Massachusetts?

Mr. MARTINE of New Jersey. Certainly. Mr. LODGE. I desire to ask the Senator did I understand him to refer to the Fall River Iron Works?

Mr. MARTINE of New Jersey. This is the quotation:

The Fall River Iron Works' plant, employing five to seven thousand hands, goes into operation to-day after a shutdown of 15 weeks.

Lest the Senator may doubt it, I will let a page go and get

the Tribune of to-day.

Mr. LODGE. It was not that. I wanted to ask the Senator if he referred to that as an indication that the iron trade is improving.

Mr. MARTINE of New Jersey. They manufacture textiles as well, do they not?

Mr. LODGE. They do.

Mr. MARTINE of New Jersey. I do not care whether-

Mr. LODGE. They manufacture nothing but textiles.
Mr. MARTINE of New Jersey. All right; I read what it
id. I suppose it assumed that everybody knew. I am not so well versed in Massachusetts, but I do not care whether it was the iron industry or the textile industry; I only quote it to show that with all the stories of woe and misery and general prostration of industries, the facts do not warrant them.

The Senator from Pennsylvania is now telling us of the letters he has and the half dozen he wants to read. I have one here that I have held for a day or two, and I want to present it now. It says.

FALLS, PA., August 6, 1913.

Senator Martine, United States Senate, Washington, D. C. Dear Sir: I read with interest your—

The first paragraph amounts to nothing, but I will read it all-

The first paragraph amounts to hothing, but I will read it all—
I read with interest your discussion yesterday with Senator Pennose regarding business conditions in Pennsylvania, and am surprised that our Senator should deliberately attempt to depress and ruin the business of his own State.

I have traveled Pennsylvania for 10 years and have never had the business I have had this spring season, and the last two weeks were the biggest of any two of the year. Other salesmen report the same, and the universal report of the merchants is the heaviest they have ever had, and that it is keeping up right now in the usual dull season.

I have heard of no "shutdowns" or rumored "shutdowns," but, on the contrary, that help is scarce and impossible to get.

In 1908, when the panic was on, we were told not to discuss hard times, not to talk the poor conditions of one town in another; but now, when all is going along better than ever, the business world is disgusted with the calamity howlers in Washington.

This town of New Castle, Pa., where I am at this writing, a steel and tin-plate town, was never more prosperous than now.

Yours, respectfully,

LEWIS EVITTS.

My friend said there was no name to the one I had here the other day, but this one is signed Lewis Evitts and it is from New Castle, Pa.

Mr. PENROSE. Will the Senator permit me

Mr. MARTINE of New Jersey. Certainly.
Mr. PENROSE. I am glad this communication is signed.

Mr. MARTINE of New Jersey. It is better than yours was on Spreckels the other day.

Mr. PENROSE. I am not acquainted with the gentleman who has signed it, but I will investigate his character and standing and advise the Senator as to how much credit should be given to his communication.

I may state, however, in this connection that New Castle, in Lawrence County, is on the extreme western border of Penn-I do not pretend to say that this tariff legislation has

seriously affected that section of the country yet.

The result of the agitation is most seriously and certainly definitely felt in the textile industries and in many of the metal industries in the eastern seaboard section of Pennsylvania and of the United States. I have already said that when you are talking about a territory some 400 miles in extent it seems hardly fair to quote a witness who is 400 miles from the point affected.

Mr. MARTINE of New Jersey. I realize-

Mr. PENROSE. How far this gentleman is an authority I do not know, but I will try to find out. It may be that the result of my investigation will indicate that the Senator would have been better off with an anonymous communication. He

may find a Democrat hunting a post office.

Mr. MARTINE of New Jersey. I do not know whether there is a Democrat hunting a post office in Pennsylvania. That has not been the case in its past history under the good partisan management of the Senator. Owing to the great influence of the Senator from Pennsylvania, entirely commensurate with the magnificent area of his State, I still feel that the boundless world is his; but I want to know how he explains the Fall River business, how he can explain the way these iron mills are sending out machines, and all that amidst this picture of

are sending out machines, and all that amidst this picture of gloom and general prostration.

Mr. LIPPITT. When the Senator from New Jersey refers to the concern in Fall River, does he mean to emphasize the fact that it has been stopped for 15 weeks, or does he mean to emphasize the fact that it may start up for awhile?

Mr. MARTINE of New Jersey. I simply said that which the New York Tribune states. Oh, heavens, how you rolled the words, "the New York Tribune," as a sweet morsel under your tongue years ago. I have only been stating what the New York Tribune says, but for fear that the authority may not be York Tribune says, but for fear that the authority may not be just what the Senator from Pennsylvania [Mr. Penrose] and the Senator from Rhode Island [Mr. Lippitt] want, here is another sort of an adjunct to the Republican Party for a great many years, the New York Times. I send it to the desk and ask the Secretary to read the portion I have marked. It is on the effect of the tariff revision on the business outlook.

The VICE PRESIDENT. Is there objection? The Chair

hears none, and the Secretary will read as requested.

Mr. MARTINE of New Jersey. I have had this matter for some time, and I would not have inflicted it on the Senate, but I declare I can not help it; it is too good since the Senator from Pennsylvania moved out with fresh evidences of prostration, degradation, misery, and woe.

The Secretary proceeded to read the article, and was inter-

rupted by-

Mr. SIMMONS. I wish to ask the Senator from New Jersey if he will not consent to have the balance of the article printed

in the RECORD without reading?

Mr. MARTINE of New Jersey. If it is the pleasure of the

Senate, I am quite willing to do so. I have no desire to take up the time of the Senate. I realize as much as the Senator from North Carolina the necessity of moving on, but I did feel that there should be some antidote furnished for the poison used by our friend the Senator from Pennsylvania in holding up a picture of holy horror.

The matter referred to is as follows:

FACTS OF THE BUSINESS OUTLOOK.

Some think that Congress has done its best to kill prosperity and some think Congress has done its worst, which may be another way of saying the same thing. What those of the differing ways of thinking

ought to consider is not their differences of opinion, but the facts in the case. And the fact is that all records are broken for the facts of trade under such conditions as those now existing regarding legislation. We published yesterday a Chicago dispatch, quoting leading men of business and such bankers as Mr. Forgan, to the effect that business is good and improving, regardless of the money market among of a representative of Claffin & Co. to the effect that there is no compilair of the buying for the fall season. It is the buyers' business to know what the quality of the selling will be. Goods are scarce, and buyers must take them while they can get them, because latter on there will be greater scarcity, unless there is such activity in production as will cause the market of the selling will be. Goods are scarce, and buyers must fake them while they can get them, because latter on there will be greater scarcity, unless there is such activity in production as will cause the more scarcity. There are \$100,000,000 worth, and calamity hunters may think that spells prostration of manufacture.

There was published on Monday the official statement of the goods piled up in bonded warehouses awaiting release under the new rates of duty. There are \$100,000,000 worth, and calamity hunters may think that spells prostration of manufacture.

Materials of manufacture are not accumulated for fun nor to put into cold storage indefinitely. Those materials are imported to be turned into goods for saic, and the larger the quantity the larger the demand for labor and the stronger the testimony to the importers' belief that it is going to be worth while to make the materials into the fluished seven and such as a su

Mr. SMOOT. Mr. President, I listened to the speech of the Senator from New Jersey and the wonderful story he told about quinine with a good deal of pleasure. After he made that statement I ran back over the tariff acts to find out when quinine was put upon the dutiable list. I understood the Senator to say that it was done about 18 years ago.

Mr. MARTINE of New Jersey. I think 18 or 20 years ago.
Mr. SMOOT. I find that in the act of March 3, 1883, it was
on the free list. I find that in the act of October 1, 1890, it was on the free list. I find that in the act of 1904 it was on the free list and in every act since that date. So I suppose the Senator must have been mistaken and he only imagined that he heard that cry

Mr. MARTINE of New Jersey. No; the Senator will not deny

that quinine was dutiable.

Mr. WILLIAMS. There is hardly a child in the South who does not know that about 1888 or 1889, somewhere along there, quinine, which was on the dutiable list, was placed on the free list. When that was done Powers, Weightman & Co. and all the other great manufacturers of quinine swore that you would ruin the entire quinine industry in the United States. Notwith-standing that, it was put on the free list, and it was put on the free list by a bill introduced by McKenzie, of Kentucky, who was known for that reason as Quinine McKenzie, Prior to that

time the price was \$4.84 an ounce, and some time after that it went down to eighty-odd cents an ounce.

Mr. MARTINE of New Jersey. And now it is 45 cents an

ounce.

Mr. SMOOT. I do not take the word of the Senator from Mississippi nor of the Senator from New Jersey, nor do I want them to take my word. Here is the act of March 3, 1883, and it is on the free list, paragraph 2503, and here is the sulphate of quinine.

Mr. WILLIAMS. I may have gotten 1883 mixed up with

1888; but I remember-

Mr. MARTINE of New Jersey. I am frank to say that I remember the circumstance very well.

Mr. WILLIAMS. I understood the Senator to say that it was on the free list in 1833.

Mr. SMOOT. I did not make any such statement.

Mr. WILLIAMS. I thought he did say 1833 and followed it down and substantially denied that it had ever been taxed, that it always had been on the free list, as I understood him.

Mr. SMOOT. Mr. President, the Senator says that I said that quinine was free under the act of 1833. There was no such act in 1833. I never mentioned any such act. I mentioned the fact that the act of March 3, 1883-

Mr. WILLIAMS. Ah! Mr. SMOOT. Then I mentioned the act of October 1, 1890, and stated that it had been free in every act since, and I know that I am right.

Mr. MARTINE of New Jersey. The Senator from Utah, I think, will not deny the fact that quinine was dutiable at a time about 18 or 20 years ago.

Mr. SMOOT. I have gone back to 1883 and it has been free

ever since that.

Mr. MARTINE of New Jersey. I will not attempt to fix the date, but I recall the circumstance very well. The Senator from Mississippi referred to McKenzie. I remember very well having read that they called him "Quinine Jim" for years and years on account of his fight for free quinine. Whether it occurred just 18 or 20 years ago or 16 years ago I do not care, the facts are the same that the same picture of disaster was held up then that is held up now. I think the Senator from Massachusetts [Mr. Lodge] will remember the fact.

Mr. SIMMONS. I hope we may now proceed with the bill. Mr. LODGE. Mr. President, I did not rise with any intent of engaging in the quinine controversy. Quinine has been on the free list ever since I can remember-

Mr. WILLIAMS. If the Senator from Massachusetts will

pardon me just a moment-Mr. LODGE. Ever since I can remember-I was going to

finish the sentence—anything about tariff laws. Mr. WILLIAMS. The Senator can certainly remember as

far back as 1883.

Mr. LODGE. That was the first tariff-

Mr. WILLIAMS. Was the Senator in the House of Representatives at that time?

Mr. LODGE. No; I entered the House of Representatives in 1887.

Mr. WILLIAMS. It was shortly before you entered the

Mr. LODGE. I know about the tariff of 1883, because it was Senate tariff that was substituted.

Mr. WILLIAMS. The Senator from New Jersey made a mistake in his dates, that is all.

Mr. LODGE. For 30 years and more it has been on the free list in the tariff law. I do not remember how long, and I think it is better to look at the statutes than to trust to

The Fall River Iron Works, which is a very large establishment, operating under a charter nearly a hundred years old, were shut down for 15 weeks, which was a very serious blow to Fall River at the time. It was the public understanding-I have not made inquiry about it—that they were shut down on account of uncertainty in the outlook in the cotton industry owing to pending legislation and unwillingness to accumulate a great stock of goods. I had no idea it would remain continuously shut down, but a shutdown of 15 weeks of that great mill is a very serious thing to Fall River no matter for what purpose it was done.

Mr. President, I want to ask, before we leave the tariff por-tion of this bill, that I may have printed some letters which I meant to have printed yesterday when we were on the free list, but we took it up rather unexpectedly, and I omitted to ask then that they be printed. One is a brief letter in regard to the placing of blankets on the free list in paragraph 427½; another is in regard to tacks; and another relates to the

placing of sewing machines on the free list, which will do no harm to the great Singer organization, but will be severe upon all the independent companies. I shall not, however, offer amendments, because I know it is entirely useless and only takes the time of the Senate in needless votes; but I ask that these three statements be published in connection with my remarks.

The VICE PRESIDENT. Without objection, the letters will be printed in the RECORD.

The letters referred to are as follows:

BOSTON, July 23, 1913.

Hon. Henry Cabot Lodge,
United States Senate, Washington, D. C.

Dear Sir: As manufacturers and selling agents for blanket mills, we wish to protest against the following item going on the free list, Calendar 62. H. R. 3221 (p. 130, No. 427½):
"Blankets composed wholly or in chief value of wool, valued at less than 40 cents per pound."
This item, if placed on the free list, will do a great deal of harm, both to the manufacturer and mill employees.
The principal renson of objection is that we pay 60 to 100 per cent more wages here than is paid in Great Britain, as the following table will show:

Average full-time earnings 55.6 hours.

Average full-time earnings 55.6 hours.

	United States, average weekly earnings.	Great Britain, average weekly earnings.
Woolsorters	\$12.38 8.21	\$7.22 4.93
Card strippers and tenders         do           Wool spinners (mule)         do           Warp dressers         do	7. 81 10. 40 12. 94	5, 45 5, 98 6, 53
Woolen weavers         do           Do         female           Burlers         do           General laborers         male	10, 63 10, 54 6, 15 8, 21	6, 21 3, 83 3, 20 4, 74

These figures are quoted from the report of the Tariff Board, volume 3, page 286.

Now, if blankets, as quoted on page 130, No. 427½, should come in on the free list and we pay 60 to 100 per cent more for our labor than does Great Britain, as far as we can see, it would mean, if the manufacturer wants to retain his trade, that he would have to reduce the wages of his employees, and we would strongly urge upon your honorable body the crossing off of item No. 427½, on page 130, as blankets on Schedule I, page 82, which are cotton blankets, and Schedule K, page 88, which are wool blankets, rated at 25 per cent ad valorem, covers all kinds of blankets, and we trust you will use your influence against this item, namely:

"Blankets composed wholly or in chief value of wool, valued at less than 40 cents per pound."

Yours, very truly,

THOMAS KELLY & Co.

FAIRHAVEN, MASS., December 28, 1912.

Hon. Henry Carot Lodge,
United States Senate, Washington, D. C.

Sir: At a recent conference of the manufacturers of tacks and small nails relating to the proposed new tariff bill it was shown that any further reduction of the duty on this class of products would result in very great hardship to the manufacturers of this country, and in all probability in the importation of foreign goods to an extent which would put many of those exclusively engaged in that line out of business, or compel a reduction in wages, which does not seem desirable, feasible, or even possible.

It became evident that even in the tariff bill of 1909 an unjust discrimination was made against this class of products, and we were only saved from foreign importations under the existing duty because of the extremely low prices which have prevailed until very recently in the cost of raw material in this country and the almost destructive competition which has existed in our home trade.

We therefore appeal to your sense of justice and your known desire to be of service to your constituents in all proper ways to give us the benefit of such assistance as we feel sure you can render in insuring, proper consideration being given to this class of product by those concerned in the revision of the tariff which is now being undertaken and upon which hearings will be held before the Ways and Means Committee on the 10th proximo.

Briefly stated, the facts as they apply to our industry are as follows:

In the revision of 1909, notwithstanding the protests of all the manufacturers engaged in producing this class of goods, the duty upon them was reduced one-half, or from 1½ cents per pound on the plate and sheets from which tacks and small nails are made, the duty of one-half cent per pound was retained (sec. 125, Schedule C), thus leaving only from one-eighth cent per pound, while on the plate and sheets from which tacks and small nails are made, the duty of one-half cent per pound was retained (sec. 125, Schedule C),

a duty of only three-tenths cent per pound under the provisions of section 133 of Schedule C, thus giving a protection of \$9.67 per 100 pounds to the labor making steel wood screws, or approximately 37

a duty of only three-tenths cent per pound under the provisions of section 133 of Schedule C, thus giving a protection of \$9.67 per 100 pounds to the labor making steel wood screws, or approximately 37 per cent.

These comparisons are made not for the purpose of trying to show that the other products referred to are unduly protected, but as a basis for an inquiry as to why the tack manufacturer should be the "gort."

What the present views of the Ways and Means Committee may be in this connection we, of course, can not say, but assuming that the bill which passed the House of Representatives on January 29, 1012 (H. R. 18642), represents its views, a still further injustice would be done to the tack-making industry, as that act placed tacks upon the free list, while a duty of 15 per cent ad valorem is retained upon the free list, while a duty of 15 per cent ad valorem is retained upon the free list, while a duty of 15 per cent ad valorem is retained upon the free list, while a duty of 15 per cent ad valorem is retained upon the free list, while a duty of 15 per cent ad valorem is retained upon the free list, while a duty of 15 per cent ad valorem is retained upon the free list, while a duty of 15 per cent ad valorem is retained upon the free list, while a duty of 15 per cent ad valorem is retained upon the free list the free list the fermany on January 1, 1912, as from \$33.32 to \$34.51. Allowing the American differentials for sheets of heavier gage—sheets gaging from 17 to 21 which are used in tack making—would make the price for such sheets \$29.32, as against the lowest price quoted in this country for the last 10 years, at least, of \$31. With tacks upon the free list the German tack manufacturer, buying his raw material at a price lower than it has been sold in this country under the severest competition, and with labor at little more than one-half the cost in this country, would only have the freight against him—approximately 10 cents per cubic foot from Antwerp to New York—or not to exceed \$2.75 per ton c. i

dian duty.

In view of these facts, are we not entitled to better consideration, and will you not render us such assistance as you can in seeing that our business receives it?

Respectfully, yours,

ATLAS TACK Co., WM. F. DONOVAN, President.

The honorable the Senate Committee on Finance, United States Senate, Washington, D. C.:

Referring to paragraph 197, Schedule C. Payne-Aldrich tariff. House of Representatives (the Underwood bill, No. 3321), Schedule C, paragraph 167, and free list, paragraph 451, now pending in the Senate: SEWING MACHINES.

We would respectfully invite the attention of the committee to the following facts relating to sewing machines as an industry, the tariff rate and classification under the present law, and the proposed removal of duties and reclassification under the Underwood bill.

THE INDUSTRY.

of duties and reclassification under the Underwood bill.

THE INDUSTRY.

Following the invention of the sewing machine and for years thereafter, while enjoying the protection of basic patents and the natural growing demand for a mechanical device which revolutionized so important a department of industrial and domestic life, the manufacture and marketing of sewing machines was admittedly a profitable business. This favorable condition was in a measure continued by tariff duties upon imports based upon the difference in the scale of wages paid by foreign manufacturers and that paid in this country. It was continued, too, by the fact that most foreign-made machines were for a time but crude imitations of American machines and by the further fact that the names of the first American inventors conferred prestige on the American machine in all foreign markets.

This is all ancient history, for the relation of which we beg your indulgence, but it is necessary for you to understand the basis for the wide misunderstanding of and misinformation regarding the industry. The popular belief that the business is vastly profitable, that American manufacturers are selling American-made machines in Europe cheaper than in America, or that American makers have any considerable trade in Europe is a legacy from a former generation.

The product of foreign sewing-machine manufactories, especially those of Germany, in quality of material used, efficiency in skilled workmanship and finish is now equal to our own. Great Britain excepted, the markets of Europe are practically closed to us by tariff duties as high or higher than those of the United States under the present law, while the foreign manufacturer has a labor cost not more than 50 per cent of the cost of American manufacturers. Over an imaginary line on the north, Canada, with a duty of 30 per cent ad valorem, practically holds that market for her own capital and labor. By reason of low tariff duties and our early entrance into that market, South America affords us a somewhat

#### CLASSIFICATION.

We ask your attention to paragraph 197, Schedule C, of the present law, where sewing machines are classed with machine tools, printing presses, and other items bearing a duty of 30 per cent ad valorem. We are of the opinion that every item named in that rate of duty in the above paragraph enjoys some degree of protection from patents, except the sewing machine made for domestic use. The first two items named above are placed upon the dutiable list (par. 167, Schedule C, in the Underwood bill), while sewing machines are placed upon the free list (par. 451). Why do not sewing machines need the same degree of protection? Whatever value there may be in a "dumping clause" against a producing country, where lower costs of production prevail than in the country whose market is sought, is it entirely fair to deprive the one item which needs it most of whatever advantage might accrue?

accrue?

It is said that sewing machines afford no appreciable revenue under the present law at 30 per cent ad valorem (\$21,000 in 1912). That revenue surely can not be increased under the Underwood bill, but it might be if the duty were not prohibitive and sewing machines restored to the dutiable list.

#### RECIPROCAL BASIS.

Speaking only for our own company (though we believe we express the views of all our home competitors in the industry with one exception), we submit to your honorable committee that we can not see any other than disastrous consequences to both ourselves and our employees if the proposed bill, unchanged, becomes a law. We wish not to seem unreasonable nor unmindful of the sense of obligation resting upon the majority in Congress to correct tariff abuses wherever found and to make a fair and satisfactory revision of the law, but we believe justice can only be done our industry and the views of low-tariff advocates reconciled by reciprocal adjustments with producing countries. We believe it worth your consideration to reflect that the world production of sewing machines has attained a balance in quality and workmanship that makes less difficult the abolishment of tariff advantage, and the United States might afford to make the first overtures for its reciprocal abolition without destroying our home industry as a preliminary step. Free trade could only be fair or even tolerable with the freedom going as well as coming. This, we think, everyone must concede.

#### SEWING MACHINE COMPANIES.

The Singer Sewing Machine Co.. as all know and agree, is the dominating force in the industry. It is thought to control at least 50 per cent of the American trade and a much larger proportion of the foreign trade. Aside from its factory in the United States it has even large ones in Scotland, Germany, Russia, and Canada. Its foreign workmen and operatives constitute perhaps 75 per cent or greater of its mechanical force. It is for this reason that for all import or tariff purposes the company is practically regarded as a foreign company. It manufactures special machines for a great variety of uses by power as well as machines for domestic or family use. It is not, therefore, concerned, so far as we know, about tariffs by this or any other country. It is everywhere behind the tariff wall and secure.

INDEPENDENT COMPANIES.

There are seven independent companies so called manufacturing

everywhere behind the tariff wall and secure.

INDEPENDENT COMPANIES.

There are seven independent companies, so called, manufacturing sewing machines in the United States, as follows:

National Sewing Machine Co., Belvidere, Ill.; capital, \$1,050,000. Incorporated under the laws of Illinois.

Free Sewing Machine Co., Chicago, Ill.; capital, \$500,000. Incorporated under the laws of Illinois.

Foley & Williams Manufacturing Co., Chicago, Ill.; capital, \$500,000. Incorporated under the laws of Illinois.

New Home Sewing Machine Co., Orange, Mass.; capital, \$3,000,000. Incorporated under the laws of Massachusetts.

Davis Sewing Machine Co., Dayton, Ohio; capital, \$1,200,000. Incorporated under the laws of Ohio.

Standard Sewing Machine Co., Cleveland, Ohio; capital, \$869,000. Incorporated under the laws of Ohio.

White Sewing Machine Co., Cleveland, Ohio; capital, \$1,098,000. Incorporated under the laws of Ohio.

These companies manufacture and market machines of a variety of grades and types, but their product is almost exclusively designed for domestic or family use. They are "independent" in the sense that they are all competitors one with the other, and also "independent" of and in no manner connected with the Singer Co. The combined capital of these companies is approximately \$8,500,000. They produce about 650,000 machines per annum. They employ about 6,500 operatives. Skilled labor is paid from \$3.50 to \$5 per day and unskilled labor from \$1.75 to \$2.50 per day. It is estimated that between 75 and 80 per cent of the cost of manufacture is labor cost. So far as our company is concerned, and we believe it may also be said of the six other independent companies, our books and any technical information of which we are possessed will be freely at the service of the committee, and we tender our assistance and cooperation as far as it may be desired by your committee for the purpose of arriving ultimately at a just and satisfactory adjustment of the tariff question as affecting our industry; and we ask that sewing

THE NEW HOME SEWING MACHINE Co., By James M. Richardson.

Mr. PENROSE. Mr. President, when the metal schedule was under consideration I asked to have paragraph 143, relating to umbrella and parasol ribs and stretchers, passed over. I did not persist in that request, and I believe the paragraph has been agreed to; but I desire, before we leave the dutiable part of this bill, in about three minutes, if the committee will permit me, to explain the unequal way in which this bill operates on umbrellas, merely as an illustration. Paragraph 143 pro-

Umbrella and parasol ribs and stretchers, composed in chief value of iron, steel, or other metal, in frames or otherwise, and tubes for umbrellas, wholly or partially finished, 35 per cent ad valorem.

A considerable reduction from the Payne rate.

The articles referred to in that paragraph, Mr. President, are the thin metal tubes and wires of an umbrella. To show how little the consumer will be benefited by the proposed reduction, I will state that those articles are furnished to the trade which assembles the umbrellas into the final covered form in which they reach the consumer, according to my recollection-I have not the figures here-anywhere from 4, 5, 6, 10, or 11 cents for the whole umbrella. Therefore these tubes and wires of delicate workmanship entering into the cost of the umbrella of ordinary use, which retails for \$1, \$1.50, or \$2, are furnished at from 5 to 10 cents.

There are about six small concerns-moderate-sized concerns-making these articles, scattered through Pennsylvania and New Jersey. They have had a hard time getting along. Some of them have been embarrassed financially and have got into the hands of receivers. The last information I had from them, about a month ago, was that they were working about half time. It is a story that will fall on callous ears, I suppose; but this particular article is made in Japan, and it will be absolutely impossible for the American manufacturers, at the American rate of wages, to stand up very long against the Japanese importation at that rate of duty. So much for the

first article entering into an umbrella.

Then we come to paragraph 326, on "woven fabrics, in the piece or otherwise, of which silk is the component material of chief value," and so on, "45 per cent ad valorem." That is a considerable duty levied on the silk, which is largely

the principal element in the cost of an umbrella, for it is the cover of an umbrella. The frames are made in the eastern part of Pennsylvania and in New Jersey, as I have said. The silk is made in all the Eastern States, but notably in Pennsylvania and in New Jersey. Then, in other sections the actual umbrella is manufactured, which consists very largely in the assembling of the various parts of the umbrella, putting in the wire rods, and then covering the frame with the silk.

Now, see where the final manufacture is left under the devious course of these preliminaries in this bill. A correspondent

The main thought apparent in its construction is the lightening of the duties upon the raw materials essential to American industries without any lowering of the tariff upon the manufactured product commensurate with the proposed relief of the imported raw materials. In the exceptional case of the industry we represent, by what seems to us has been an oversight, this policy has been departed from, with the inevitable result—if the bill becomes operative—of a serious crippling if not total destruction of an important branch of industry representing millions of invested capital and active business and employing thousands of operatives. sands of operatives

The concern to which I now refer is located in Lancaster, Pa.:

The work of our factories is the assembling of the parts, i. e., buying the parts made by others, putting them together, and placing them on the market. Heretofore the duty on manufactured umbrellas and parasois has never been less than the duty on the component parts. From this historic fact, and because its continuance seemed to be entirely in line with the main purposes of the proposed new tariff system, no brief was filed nor appearance made on our behalf before the Ways and Means Committee.

As the bill stands (comparing Schedule N, par. 394, p. 97. with Schedule L, par. 326, p. 79) the duty on silk cloth and silk mixed cloth—the costliest component of our manufacture—is fixed at 45 per cent, while the duty on the manufactured article into which these enter is only 35 per cent—10 per cent less. The situation places the American manufacturer and workman entirely at the mercy of foreign competition, and permits the importation of the finished product at a lower rate of duty than the raw materials separate.

There is absolutely free and keen competition in the umbrella and parasol industry, and while it can doubtless meet foreign competition if the duty on the finished product is at least as great as the maximum of the parts, yet we can not survive with a duty of 45 per cent on silk cloth and only 35 per cent on the finished product.

Thus, Mr. President, a cheeseparing policy is adopted on um-The concern to which I now refer is located in Lancaster, Pa.:

Thus, Mr. President, a cheeseparing policy is adopted on umbrella frames, which will undoubtedly destroy six or eight moderate sized plants, and at the other end of the line by the failure to provide for adequate reductions on the silk the manufacturers of the finished umbrella or the parasol are likely to be unable to compete with the foreign manufacturers.

Mr. CUMMINS. Mr. President, I desire to offer an amend-

The VICE PRESIDENT. The Chair understands this paragraph was passed over at the request of the Senator from Utah [Mr. Smoot], made in behalf of the Senator from Pennsylvania [Mr. Penrose]. The Chair desires to inquire whether the paragraph can now be taken up and disposed of?

Mr. SIMMONS. Mr. President, my understanding was that we adopted that paragraph. I understood the Senator from

Pennsylvania agreed that it might be disposed of.

Mr. PENROSE. I withdrew my request, and simply brought the matter up before we proceeded to other parts of the bill.

Mr. SIMMONS. That is my understanding. Then, I ask

that that paragraph be acted on now. Mr. PENROSE. I think it has been acted on.

Mr. THOMAS. No; it has not.
Mr. PENROSE. Very well; let it be acted on now.
Mr. SIMMONS. I thought it had been acted on, but the
presiding officer says otherwise. I should like to have it acted on now

The Secretary. Page 96, paragraph 396——
Mr. SIMMONS and Mr. SMOOT. That is not the paragraph.
Mr. THOMAS. The paragraph is 143.
Mr. LODGE. The umbrella and parasol paragraph.
Mr. THOMAS. Schedule C, paragraph 143.
The VICE PRESIDENT. Paragraph 326 went over at the request of the Senator from Utah for the Senator from Pennsylvania.

Mr. SMOOT. No; Mr. President-

The VICE PRESIDENT. It has been read in connection with paragraph 143, which will now be read.

Mr. SMOOT. No, Mr. President; I asked that paragraph 326 go over, and said that I myself intended to offer an amendment to it. That is the broad silk paragraph, but paragraph 143 relates to umbrella and parasol ribs and stretchers. I requested that that be passed over on account of the Senator from Pennsylvania desiring to speak upon it; and, subsequently, I withdrew that request.

Mr. LODGE. That paragraph has now been disposed of.

Mr. SIMMONS. It is paragraph 143 on which I ask action now.

The VICE PRESIDENT. It has been read; there are no amendments to it.

Mr. CUMMINS. Mr. President, I offer an amendment, to be inserted in the bill immediately following paragraph 659.

The SECRETARY. On page 164, after line 5, it is proposed to

insert the following

The VICE PRESIDENT. The Chair will inquire of the Senator from Iowa if this is an amendment to the amendment proposed by his colleague [Mr. KENYON]?

Mr. CUMMINS. It is not.

The VICE PRESIDENT. But, nevertheless, it is an amendment proposed to follow paragraph 659.

Mr. CUMMINS. Is the amendment proposed by my colleague pending?

The VICE PRESIDENT. It has been referred to the committee. The Chair only made the statement in order that the

record might be kept clear.

Mr. CUMMINS. This is another amendment to follow the last paragraph of the free list. I do not care whether it takes its place after the amendment proposed by my colleague or before it. That is entirely immaterial, because the two amendments do not cover the same subject at all.

The VICE PRESIDENT. The Secretary will prepare the rec-

ord so that there will be no question about it. The amendment

will be stated.

The SECRETARY. On page 164, after line 5, it is proposed to in-

sert a new paragraph, as follows:

sert a new paragraph, as follows:

It shall be unlawful from and after January 1, 1914, for any common carrier to charge, collect, or receive a higher rate for the transportation of any of the articles or commodities hereinbefore mentioned, or of substantially similar articles and commodities having been grown, produced, or manufactured in the United States, over the same line in the same direction than it charges, collects, or receives for the transportation of such articles or commodities when imported into the United States from a foreign country; and all through rates between common carriers bringing such imported articles or commodities to this country and carriers transporting them into the interior are hereby declared to be unlawful.

No common carrier in conforming to the foregoing provision shall increase any rate without the approval of the Interstate Commerce Commission, entered after a full hearing upon an application for such increase.

Mr. SIMMONS. Mr. President, I ask the Senator from Iowa if he will not permit that amendment to be referred to the

Finance Committee?
Mr. CUMMINS. I understand the Senator from North Carolina to suggest that the amendment be referred to the Committee on Finance.

Mr. SIMMONS. That was my suggestion.

Mr. CUMMINS. I do not intend to resist that suggestion. am very anxious that the amendment shall be adopted, and I shall be very glad if the committee will carefully consider it. I submitted the amendment long ago, and it was formally referred to the Committee on Finance; but I assume that, in the great variety of work in which it has been engaged, this amendment has not challenged the committee's attention. quite willing that the amendment shall be so referred, simply saying that when the committee reports it or before the pending bill passes from consideration as in Committee of the Whole, I expect to discuss the matter at reasonable length.

The VICE PRESIDENT. The proposed amendment will be

referred to the Committee on Finance.

Mr. SIMMONS. I ask that section 2, known as the incometax section, be taken up, and that the Secretary read it.
Mr. WILLIAMS. Mr. President, that section having been taken up I want to call attention to the fact that the Senator from New York [Mr. Root] has offered an amendment, which is pending, in which he seeks to cure what he concedes to be a defect in the bill, to wit, the basing of the income tax upon the income of the year preceding the enactment of the income-tax law itself.

I hold in my hand, Mr. President, a letter from the Attorney General, transmitting a memorandum from the Department of Justice, being an opinion of the special assistant to the Attorby Representative Hull, of Tennessee, who was for the major part the draftsman of the income-tax provision as it left the House; I also hold in my hand a very able opinion prepared at the request of the Finance Committee by the Senator from Tennessee [Mr. Shields], all upon this subject, and demonstrating, as I conceive, that the position taken by the Senator from New York is untenable. I ask unanimous consent to insert them in the RECORD for the benefit of Senators, so that they may be read to-morrow.

The VICE PRESIDENT. Is there objection? The Chair

hears none,

The matter referred to is as follows: THE INCOME TAX (S. DOC. 171).

Memorandum prepared by Representative Hull, of Tennessec, August 5, 1913.

THE INCOME TAX (S. DOC. 171).

Memorandum prepared by Representative HULL, of Tennessee, August 5, 1913.

The amendment proposed by Senator Root on July 18, 1913, is based upon the theory that the proposed income-tax law can not reach for taxation any income accruing prior to the date of its taking effect, which was required to be taxed under the rule of apportionment under the decision in the Pollock case, even though such income accrued subsequent to the ratification and promulgation of the income-tax amendment to the Constitution. The essence of this contention is that within the meaning of the proposed tax law the tax is limited to the particular iacome as a specific fund out of which the tax is to be taken, and also that such income becomes principal whenever received, and that principal, therefore, can only be reached for taxation by apportionment, notwithstanding the effect of the recent amendment and the usual method of levying and measuring income taxes by the rule of uniformity as embraced in the proposed law and in former laws and practices of the United States Government.

Prior to the Pellock decision Congress had exercised the broadest power to impose the tax on incomes by the rule of uniformity, from whatsoever source derived. The great question raised in the Pollock case did not go to the power had been exercised according to the method prescribed by the Constitution—that is to say, whether a power to tax, limited only by one exception and two qualifications, was being used according to the restrictions as to the method prescribed for its exercise. The Pollock decision held that only certain classes of incomes were excise taxes and as such leviable by the rule of uniformity, while certain other classes, viz, rent of real estate, and incomes derived from invested personality, were of such a nature that a tax laid upon the same constituted a direct tax, and which must fall under the rule of apportionment. Prior to this decision the policy of the Government and the decisions of the courts were to t

taken for the measure of all future years.

Again—

"unless the Constitution prohibits retrospective legislation, the basis of the assessment of taxes may as lawfully be retrospective as the reverse; that is to say, it may as well have regard to benefits theretofore received as to those that may be assessed thereafter." (Cooley on Taxation, 3d Ed., 492.)

Retrospective legislation is not prohibited.

In Drexel & Co. v. Commonwealth (46 Pa. St., 31, at p. 40) the Supreme Court said:

"It is clearly constitutional as well as expedient in levying a tax upon profits or income to take as a measure of taxation the profits or income of the preceding year. To tax is legal, and to assume as a standard the transactions immediately prior is certainly not unreasonable."

Additional authorities might be cited to the same effect. As stated, these authorities only had in mind the imposition of an income tax as an excise or indirect tax by the rule of uniformity, whereas it should be borne in mind that under the Pollock decision incomes from rent of real estate and invested personalty are direct taxes, and until the ratification of the recent amendment could only be levied by apportionment.

The recent amendment, however, provided that Congress might impose a tax on incomes without apportionment, whether considered as direct or indirect taxes. It is evident, therefore, that in so doing the rule of uniformity must govern. The question then arises as to whether Congress may thus impose a tax upon all incomes from whatever source derived, whether considered direct or indirect taxes, in the same manner in all essential respects that it had, previous to the Pollock decision, imposed the tax upon incomes as an excise and under the rule of uniformity. If so, it necessarily follows that the tax may be measured by all income accruing from and after the ratification of the constitutional amendment.

Does not the very nature and purpose of a tax on incomes accord with the foregoing view? In the broad and usual sense of tax laws the Government, for example, might impose a tax upon property according to its value by a direct and specific levy upon the property itself, and in concrete form, either real or personal; this would be done by apportionment; or if it was sought to impose a capitation tax, which is one upon the person solely, without any reference to his property, real or personal, this would be effected by apportionment, while, upon the other hand, a tax laid upon any business, or franchise, or employment, or income would fall under the rule of uniformity.

The Pollock decision held the income tax invalid not on the ground that income could become capital and escape the tax, but on account of its origin; that it was, in effect, a tax on realty and personality. The only proper inquiry in the light of the recent amendment, therefore, is not as to the origin or disposition of the income in question, but what amount of income accrued to a taxable individual during a given period. It must follow that the account of annual income required of a citizen is for the purpose solely of ascertaining what amount of tax ought to be imposed upon him in consequence of his having made profits and collected by the Govern

In the language of the Supreme Court (8 Wall., 234):

"The tax is payable by the person because of his income, according to its amount and without reference to the way in which it was obtained to be an expected to the substitution of the country of the country

"One which relates to the product or income from property or business pursuits." (97 Ky., 394; 30 S. W., 973.)

Under the general property laws of the States the taxable status of property, real and personal, relates to the date fixed by law for its assessment. The assessment, when later made, must fix its value as of this date. This may be any day during a taxable year. (141 Ind., 159; 109 Fed., 726.)

An income tax is assessed and collected during the year subsequent to the accrual of the income returned and by which the tax is measured. Under a tax imposed with respect to net incomes the citizen may be required to return for the purpose of the measurement of the tax either his income for the preceding year, or his average income for a designated number of preceding years, or his estimated income for the current year. That view is sustained by previous citations herein.

for the current year. That view is sustained by previous citations herein.

It therefore follows that Congress at least during any period of the present year may impose and collect a tax on all incomes accruing subsequent to the promulgation of the recent constitutional amendment, and it is strongly probable that the constitutional amendment had the effect to empower Congress to measure the tax by all income accruing from the 1st day of January last. The power to impose the tax has existed during the entire year, and there has been no impediment to its imposition under the rule of uniformity during most of the year, and under the weight of authority in the States, together with the construction placed upon the National Constitution by the Supreme Court in the Legal Tender and other cases, no reason appears why the tax now proposed could and should not be measured by the income accruing from the first of the year.

Such latter provision would provide for the doing of no act prior to December 31 next which would otherwise have been done by the citizen. It would undo nothing; it would neither take away nor impair any vested right. (4 Nev., 313.)

"The language of a constitutional amendment should be read in connection with the known condition of affairs out of which the occasion for its adoption may have arisen, and then construed if there be therein for its adoption may have arisen, and then construed if there be therein forward the known purpose or object for which the amendment was adopted." (Maxwell v. Dow, 176 U. S., 581.)

DEPARTMENT OF JUSTICE, OFFICE OF THE ATTORNEY GENERAL, Washington, D. C., August 6, 1913.

Hon. F. M. SIMMONS, United States Senate.

Wy Dear Senator: Replying to your letter of July 30, in which you inclose an amendment offered by Senator Root to the income section of House bill 3321, together with his remarks at the time of its introduction, and asking for my views with reference to the Senator's contention, permit me to say:

I am sending you two separate memorandums, one which Congressman HULL very kindly prepared upon my request, and the other prepared by one of the assistants in the department. I hope they will answer your demands.

It seems to me that the Senator's proposition is not well founded. The practice in the past, the necessity for moving along practical lines with respect to tax matters, together with the other suggestions contained in the inclosed memorandums, are adequate to overthrow his contention.

With best wishes, faithfully, yours,

J. C. McReynolds, Attorney General.

RE MR. ROOT'S PROPOSAL TO AMEND INCOME-TAX LAW.

[Memorandum for the Attorney General by T. M. Gordon, July 31, 1913.] Mr. Root suggests that the income-tax law must be amended to operate only from the date of passage. His theory is that income, once accrued, becomes principal. Hence there can be no such thing as an "income tax" on past income Such a tax is a tax on principal, a direct tax, still requiring apportionment, despite the fifteenth amendment. I do not agree with Mr. Root.

The whole question turns upon what the words "taxes upon incomes from whatever source derived" mean as used in the sixteenth amendment.

The whole question turns upon what the words "taxes upon incomes from whatever source derived" mean as used in the sixteenth amendment.

An income tax is sul generis. It is a legal fiction, a purely metaphysical conception, very difficult to define or classify. It seems to me, however, that it must be treated in a practical sort of way, and that the definition which Mr. Roor's argument assumes builds up an unduly elaborate legal fiction, unwarranted by authority and very unfortunate in its results.

Of course Mr. Roor can not have in mind that a tax to be an income tax must actually be collected, or even assessed, before income ceases to be income. Such a requirement would be wholly impossible to comply with. For example, such a requirement would render it improper to assess the tax upon income for the preceding year, as is done by this law, and as is the universal custom of income-tax laws both in this country and in England.

Apparently Mr. Roor does assume, however, that a tax can not be a "tax upon income" unless the law levying the tax is in active operation at the precise instant that the income accrues, so that it may then selze upon the income constructively; i. e., in legal fiction. The law is conceived as a sort of invisible net interposed between the individual and his source of income. The Federal 1 per cent is caught, branded, and turned loose again, as it were, to be counted and collected at a later day by the assessor. Of course physical analogies can not express precisely how the legal fiction solves such difficulties as the fact that any individual's yearly income can not be known till the end of the year, or the situation of the merchant who may gain in one transaction and lose in the next; nevertheless it must be admitted that such a conception of a tax on income, though very refined and metaphysical, is intellectually possible.

I do not think, however, that usage, as evidenced by prior laws upon the subject and by judicial decisions, has ever restricted the meaning of the words to tax laws

a fashion.

I. First, as to the word "income," I do not think that word necessarily implies a specific fund from which the tax must be taken. A man who possessed no vested right to anything might properly say, "My present income is \$5,000 a year." If that is his "present income," why may he not be taxed upon it?

II. That leads to the significance of the word "upon." This word is used in such a wide variety of ways that it is very difficult to define exactly what we do mean when we say a tax "upon" anything. Taxes,

generally speaking, are really contributions from persons, who are classified for tax purposes with reference to various characteristics, as ownership of land, carrying on a certain kind of business, etc. The factor or factors with reference to which individuals are classified is usually said to be the thing "upon" which the tax is levied. (24 Harward Law Review, pp. 41-42). Thus Mr. Kennan, in his recent book on Income Taxation, defines an income tax as "a tax the amount of which is determined with reference to the income of the taxpayer" (p. 9). In other words, "upon" usually means "with reference to," or "based upon", or "meased upon", or "meased upon", or "meased upon", or "meased upon income or measured by income, not carved out of a specific fund of income.

In this sense a tax can be "upon" a thing which a person no longer owns or a state of things which has now ceased to exist. As Mr. Cooley says (Cooley, Taxation (3d Ed.), pp. 492, 493, 494):

"Unless the Constitution prohibits retrospective legislation the basis of an assessment of taxes may as lawfully be retrospective as the reverse; that is to say, it may as well have regard to benefits theretofore received as to those which may be assessed thereafter. (Locke o. New Orleans, 4 Wall., 172, p. 492.)

"" No "n in apportioning the tax between individuals is there any valid objection to making it on consideration of a state of things that may now have come to an end; as where a tax is imposed on the extent of one's business for the year to come. (Drexeli v. Commonwealth, 46 Pa. St., 31; People v. Gold Co., 92 N. Y., 383.) " One may be taxed upon property which he has long ceased to own when the tax is levied" (pp. 493-494).

Locke v. New Orleans (4 Wall., 172), cited supra, held a State statute imposing an additional tax on property according to the assessment for the previous year, and also according to the assessment for the previous year, and also according to the assessment for the previous year, and also according to the assessment for the previous

amount of the same, with the interest and other expenses of collection until paid.

"It is clearly therefore perfectly constitutional as well as expedient, in levying a tax upon profits or income, to take as the measure of taxation the profits or income of a preceding year. To tax is legal, and to assume as a standard the transactions immediately prior is certainly not unreasonable, particularly when we find it always adopted in exactly similar cases. The tax is graduated upon each individual upon his individual receipts."

In People v. Gold Co. (92 N. Y., 383) a tax upon the franchises of corporations, based upon dividends for the year preceding the passage of the law, was upheld.

"The fact that the amount of the tax may in some cases be fixed by reference to the business of the company during the year does not make the act retrospective. The burden it imposes is future and for future expenditures. It is competent for the legislature to adopt such method of valuing the franchises or property of corporations for the purpose of taxation as it deems proper" (pp. 390-391).

In Glasgow v. Rouse (43 Mo., 479) an additional tax on incomes, levied according to the assessment of the preceding year, was upheld. The court declared this to be "in entire harmony with the then existing revenue law, which provided that the taxes collected for any year should be based on an assessment made for the previous year" (p. 488). IH. As appears from the cases supra, the courts do not go through an elaborate fiction to prove that the income is still income at the time the tax attaches. An income tax is still an income tax whether it is levied on this year's income or last year's income or (as has actually been done in the case of professional incomes by the English income-tax statutes since earliest times) on the average income for a period of years.

Furthermore, every one of the earlier Federal income-tax statutes and period of years.

Income-tax statutes since earliest times) on the average income for a period of years.

Furthermore, every one of the earlier Federal income-tax statutes and every one of the English statutes that I have examined not only based each year's tax upon the income for the preceding year, but also based the tax for the first year upon income which had already accrued before the passage of the act. It is only fair to assume that the kind of income tax to which the sixteenth amendment refers is the kind of income tax which had been called an income tax in Federal statutes and levied and collected many times theretofore.

The Federal income-tax laws are as follows:
Act of August 5, 1861 (12 Stat., 292):

"The tax herein provided shall be assessed upon the annual income of the persons hereinafter named for the year next preceding the time for assessing said tax, to wit, the year next preceding the time for assessing said tax, to wit, the year next preceding the time for assessing said tax, to wit, the year next preceding the time for assessing said tax, to wit, the year next preceding the time for assessing said tax, to wit, the year next preceding the time for everying and collected upon the income for the year ending the 31st day of December next preceding the time for levying and collecting such duty; that is to say, on the 1st day of May, 1863, and in each year thereafter."

Act of June 30, 1864 (13 Stat., 223, 281, 283):

"And the duty herein provided for shall be assessed, collected, and paid upon the gains, profits, or income for the year ending the 31st day of December next preceding the time for levying, collecting, and paying such duty (p. 281, sec. 116).

Act of July 4, 1864 (13 Stat., 417):

" * " There shall be levied, assessed, and collected on the 1st day of October, 1864, a special income duty upon the gains, profits, or income for the year ending the 31st day of December next preceding the time herein named."

Act of March 2, 1867 (14 Stat., 471, 478, 480):

"And the tax herein provided for shall be asse

Act of March 2, 1867 (14 Stat., 471, 478, 480):

"And the tax herein provided for shall be assessed, collected, and paid upon the gains, profits, and income for the year ending the 31st day of December next preceding the time for levying, collecting, and paying the tax (p. 478).

"Provided, That the tax on incomes for the year 1866 shall be levied on the day this takes effect" (p. 480).

Act of July 14, 1870 (16 Stat., 256):

* * * " the tax hereinbefore provided shall be assessed upon the gains, profits, and income for the year ending on the 31st day of December next preceding the time for levying and collecting said tax, and shall be levied on the 1st day of March, 1871."

Act of August 27, 1894 (28 Stat., 553, s. 27):

"Tax to be levied January 1, 1895, on income for the year ending December 31 next preceding time of levy" (s. 1 and s. 30).

English income-tax laws are as follows:

Act June 22, 1842 (5 and 6 Vict., c. 35): Taxed income from April 5, 1842.

Act June 28, 1853 (16 and 17 Vict., c. 34): Taxed income from April 5, 1853.

English income-fax laws are as follows:

Act June 22, 1842 (5 and 6 Vict., c. 35): Taxed income from April 5, 1842.

Act June 28, 1853 (16 and 17 Vict., c. 34): Taxed income from April 5, 1853.

Since 1860 the English tax has been reenacted annually (16 Halsbury's Laws of England, 609). The act of April 29, 1910 (10 Edward VII and 1 Geo. V. c. 8, s. 65), is an example, which provides:

"(1) Income tax for the year beginning on the 6th day of April, 1909, shall be charged at the rate of 1s. 2d.

"(2) All such enactments as were in force on the 5th day of April, 1909, shall, subject to the provisions of this act, have full force and effect with respect to any duties of income tax hereby granted."

IV. The economic conception of an income tax is against Mr. Root's interpretation.

From the economist's point of view the income tax is a contribution by each individual, based upon his ability to pay, measured by his income. A man's income for the preceding year is the most natural measure of his ability. And, as we have seen above, all previous income-tax measures have been levied on that basis.

Nor would it make the tax a "capitation" tax to consider it in this way. "Capitation" taxes, in the constitutional sense, are poil taxes, levied upon all men equally, without regard to wealth or extrinsic circumstances. (Cooley, Taxation (3d Ed.), p. 28; Hylton v. U. S., 30 Dall., 171; Springer v. U. S., 102 U. S., 586; Head Money cases, 18 Fed., 135, 139; Glasgow v. Rouse, 43 Mo., 480.]

It is true that in Pollock v. Farmers' Loan & Trust Co. (158 U. S., 601) the court stated the economic theory and expressly refused to follow it to its logical conclusion in the case of income from property, insisting upon the necessity of considering also the source whence the income its property, but because the tax reaches back through the income to property is a tax upon the property itself, not because the income to property at a tax upon the property itself, not because the income to property with less measured by its income. As was s arose hereafter. Faithfully,

THURLOW M. GORDON, Special Assistant to the Attorney General,

AMENDMENT OFFERED BY MR. ROOT TO H. R. 8321, JULY 18, 1913. Opinion of Hon. John K. Shields, Senator from Tennessee, furnished Finance Committee at request of the chairman of that committee.

Finance Committee at request of the chairman of that committee.

The section of the bill imposing an income tax is in these words:

"A. Subdivision 1. That there shall be levied, assessed, collected, and paid annually upon the entire net income arising or accruing from all sources in the preceding calendar year to every citizen of the United States, whether residing at home or abroad, and to every person residing in the United States, though not a citizen thereof, a tax of 1 per centum per annum upon such income except as hereinafter provided; and a like tax shall be assessed, levied, collected, and paid annually upon the entire net income from all property owned and of every business, trade, or profession carried on in the United States by persons residing elsewhere."

where."
Subdivision 2 merely provides for an additional tax upon larger incomes in all things as provided in subdivision 1. (Sec. 2, subdivs. 1 and 2, p. 165.)
Thus it plainly appears that the tax is imposed regardless of whether the income or property represented by it had its source in profits or gains from real and personal property or business, and includes them

the income or property represented by it had its source in pronts or gains from real and personal property or business, and includes them all.

The method provided for computing or assessing the tax makes no distinction on account of the source of the income, and is the same whether it arises from property or business. That portion of the billi providing for this, after allowing certain deductions, contains a provision in these words:

"The said tax shall be computed upon the remainder of said net income of each person subject thereto, accruing during each preceding calendar year ending December 31: Provided, however, That for the year ending December 31: 913, said tax shall be computed on the net income accruing from March 1 to December 31, 1913, both dates inclusive, after deducting five-sixths only of the specific exemptions and deductions herein provided for." (Sec. 2, div. D, pp. 172-175.)

The amendment proposed by Mr. Roor, July 18, 1913, is as follows:
"On page 172 strike out the word 'March,' and on page 173 all of line 1, and in line 2 the words 'both dates inclusive,' and insert in lieu thereof the words' the passage of this act."

The object of this proposed amendment, or at least its effect, would be to reduce the measure of the tax imposed for the current year to incomes accruing after the passage of the bill,

The reasons advanced by Mr. Roor in support of the amendment, as stated by him at the time it was proposed, are as follows:

"I have introduced a brief amendment to the tariff bill, which I shall ask to have referred to the Committee on Finance; but I wanted to call the Senators' attention to the precise point of the amendment. It is an amendment to the provision that the income tax shall be computed on incomes accruing from March 1 to December 31, 1913.

"I think the provision will encounter very serious question. The change I propose is to have the income for the first year computed from the passage of the act, rather than from a fixed date—March 1, 1913.

"The reason why I think it would be wise to make the change is that all direct taxes must be apportioned unless they come within the amendment relating to the income tax. We can impose a tax upon incomes without apportioning it because of the amendment, but we can not impose any other direct tax without apportionment. When income is received it immediately becomes principal. The income that was received, became principal, and no law hereafter can tax it without apportionment, any more than we can tax now the income that was received, became principal, and no law hereafter can tax it without apportionment, any more than we can tax now the income that was received for the committee you will find yourselves endeavoring in one sentence to tax income that comes under the amendment, and to tax past income, income received, reduced to possession, and turned into principal before the passage of the act, and that you can not do without apportionment.

"It is to avoid that difficulty, which I am sure is very serious, that I propose the amendment which I now ask to have referred to the Committee on Finance." (Congressional Recomp, p. 2788.)

The argument advanced to support the contention of the Senator is predicated solely upon the assumption that profits, dividends, and other moneys, constituting an income, when received, immediately become "principal," or, in other

especially the receipts of a private person or a corporation from property."

This is the natural and obvious sense of the term, and it is so used in the constitutional amendment and in this bill. The gain, profit, or acquisition constituting the income when it accrues and is ascertained becomes an entity and property as much as a farm, bonds, corporate stocks, or other property from which it may have had its source. That it may automatically immediately become incorporated into the estate of the owner or invested thereafter to yield an income, or is spent, given away, or consumed, does not destroy the property entity of the value it had when it accrued. The fact that the property existed and was owned by the taxpayer at one time is indestructible.

I suppose the objection of the Senator goes only to computations on incomes arising from property, real and personal, and not to those on incomes from business.

The question really presented for consideration is whether the

I suppose the objection of the Senator goes only to computations on incomes arising from property, real and personal, and not to those on incomes from business.

The question really presented for consideration is whether the provision of the bill for the tax for the current year is retroactive in its operation and imposes a liability for taxes before the enactment of the law, and is for this reason unconstitutional.

The constitutional amendment under which this tax in part is imposed without apportionment ordains:

"The Congress shall have power to lay and collect taxes on incomes from whatever source derived, without apportionment among the several States and without regard to any census or enumeration."

It is well settled that—

"The language of a constitutional amendment should be read in connection with the known condition of affairs out of which the occasion of its adoption may have arisen, and then construed, if there be therein any doubtful expressions, in a way, so far as is reasonably possible, to forward the known purpose or object for which the amendment was adopted." (Maxwell v. Dow, 176 U. S., L. Ed., Book 18, p. 597.)

It is a part of the history of this country that much of the personal property owned by everyone, and the great accumulations of wealth in the hands of the few, had for years escaped taxation. They could not be taxed direct without apportionment, which was not deemed advisable. The income-tax law of 1894 was enacted to remedy this injustice and to make this property bear its just proportion of the expenses of the Government.

The Supreme Court of the United States held that tax, in so far as it was imposed upon incomes received from real estate and personal property, to be a direct property tax and, being levied without apportionment, unconstitutional. The tax upon incomes which arose from other sources, and upon which an excise tax could be imposed, was not held void for that reason, but the contrary conceded. (Pollock v. Farmers' Loan & Trust Co., 158 U. S., 618, 630; L. Ed., Bo

1123.)

The sixteenth amendment to the Constitution was proposed and adopted to authorize Congress to impose a tax like that of 1894, after which this is modeled, and which is proposed to be enacted under that power, in so far as it taxes incomes arising from real and personal property. Congress already had the power to impose a tax without apportionment on incomes arising from gains, profits, or other acquisitions in a business ordinarily called an excise tax. (Filint e. Stone Tracy Co., 220 U. S., 106; 55 L. Ed., 398.)

There are two grounds upon which, in my opinion, the tax for the current year can be sustained.

First. The Congress has general power to lay and collect taxes, duties, imposts, and excises, to pay the debts and provide for the common defense and general welfare of the United States, unlimited save that duties, imposts, and excises shall be uniform throughout the United States, and no capitation or other direct tax shall be laid unless in proportion to the census or enumeration, directed to be taken decennially, nor on articles exported from other States. (Constitution, Art. I. secs. 8 and 9.)

The Constitution contains no provision prohibiting the Congress from imposing a tax upon property owned or business done by the taxpayer previous to the enactment of the law levying the tax. The general

rule is that the Congress, within constitutional limitations, has absolute power to determine the objects of taxation and the method of the assessment of the tax. (Cooley's Con. Lim., 737; Flint v. Stone Tracy Co., 220 U. S., 167; Weston v. City of Charleston, 2 Pet., 466.)

Therefore if the bill be construed to impose the tax for the current year on account of the ownership of incomes received—property owned and business done previous to the enactment of the law—it is within the power of Congress, without constitutional objection, and valid.

There is no constitutional prohibition of retroactive legislation which will affect this tax. (Black's Con. Law, 753; Cooley's Con. Lim., 529; Satterlee v. Mattheson, 2 Pet., 380 Drehman v. Stifle, 8 Wall., 595.)

If the constitutional amendment changes or authorizes Congress to change the classification of a tax on incomes derived from property from that of a direct tax to that of an excise tax, and the tax here imposed is one of the latter class, then the provision for computing incomes before the enactment of the bill is clearly a mere method of assessment and not only allowable, but usually done in assessing excise taxes. The authorities authorizing this manner of assessment of excise taxes will be hereafter stated.

Second. The provision of the bill requiring incomes received by the taxpayer from all sources, from March 1, 1913, to be computed in ascertaining the tax to be paid for the current year is not the imposition of a retroactive tax, but the method of assessment of the tax imposed for that part of the current year after the enactment of the law, consisting in part of a property tax and in part of an excise tax, and is valid and constitutional.

It is immaterial what the tax is called. The courts will treat it according to its correct classification as ascertained by the legislative intent disclosed in the bill when construed in the light of its legislative and judicial history. I am inclined to think the tax imposed is a property tax in part and an excise tax

tionment, by the constitutional amendment under which it is proposed to be enacted.

It is an excise tax so far as it is imposed on incomes from all other sources, as has been decided by the Supreme Court in many cases.

There seems to be no valid objection to imposing the two classes of taxes in the same law. This was done in the act of 1894 and not considered objectionable. The court, referring to it in the Pollock cases, expressly stated that this point did not affect its decision. (158 U. S., 636; L. Ed., 1125.)

The Congress, within constitutional limitations, has plenary power to select the objects of taxation and the methods by which the tax imposed shall be levied, assessed, and collected. It may, with proper uniformity, tax all the property of the taxpayer or only a portion or a certain kind of it. It may impose an excise tax on all business, avocations, or on part of them. It also has almost unlimited power in providing for the selection of the property to be taxed, and all necessary machinery for the assessment of the same for taxation and for the collection of the tax. These principles are elementary. (Cooley's Con. Lim., 737, 739; Cooley's Taxation, vol. 1, 602-604.)

In the case of Flint v. Stone Tracy Co. (230 U. S., 167; 55 L. Ed., 420) it is said:

"We must not forget that the right to select the measure and ob-

"We must not forget that the right to select the measure and objects of taxation devolves upon the Congress and not upon the courts, and such selections are valid unless constitutional limitations are overstepped."

jects of taxation devolves upon the Congress and not upon the courts, and such selections are valid unless constitutional limitations are overstepped."

All the authorities agree that the basis of an assessment for taxation may be retrospective. (Cooley on Taxation, vol. 1, p. 492.)

The same method, it is true, is here provided for assessing the property tax and the excise tax imposed, but I can see no objection to the bill on this account. It is equally applicable to both taxes and makes the machinery less compilicated and easier of operation. Direct taxation by reason of the ownership of property and an excise tax upon business are merely different methods by which the same end is reached; that is, by which the taxpayer is made to contribute out of his property to the support of the Government.

As before stated, the provision of the bill requiring the computation of incomes received by taxpayers during the periods mentioned in the bill is merely the basis for the assessment of the tax, and it is well settled that incomes received before the law is passed may be considered in ascertaining the tax to be paid for the first year.

The excise case decided by the Supreme Court of the United States sustain these conclusions. They are directly in point in so far as the property taxed arises from incomes from business subject to an excise tax and clearly analogous where the income arises from real and personal property, both of which are to be found in this bill.

The court has held in all these cases that the tax to be collected may be measured by the business done, the prefits made, the dividends accrued, and the gains made for periods previous to the enactment of the law imposing the tax, in some other cases a part of the year, like the present law, and in others the year previous to the tin which the law was enacted.

It is also held that where the basis fixed for the assessment is a percentage on the capital stock or business done by a corporation, and that in this way assets which are exempt from taxation and

and dividends for the purpose of determining the amount of the tax to be enacted each year. The validity of the tax can in no way be to be enacted each year. The validity of the tax can in no way be falled to the constitutional objection lies in the way of a legislative body preserving any mode of measurement to determine the amount it will charge for the privilege it bestows."

Serbing any mode of measurement to determine the amount it will charge for the privilege it bestows."

Sex levied by the State upon railroad corporations for the privilege of exercising their franchise within the State, the tax being fixed by a certain percentage of the transportation receipts of the company, including interstate and foreign commerce, for the previous year. The tax was assailed upon the ground that it was a burden upon interstates and foreign commerce, for the previous year. The tax was assailed upon the ground that it was a burden upon interstate and foreign commerce, for the previous year. The tax was assailed upon the ground that it was a burden upon interstate and the tax. In the opinion, among other things, it is said:

"The character of the tax or its validity is not to be determined by the mode adopted in fixing its amount for any specific period or the time of its payment. The whole field of inquiry into the extent of revenue from sources at the command of the corporation is open to the corporation of the privilege. "It is not to be determined by the mode adopted in fixing its amount for any specific period or the river of the privilege." It is not to the fixed of the year in which the tax is collected it is conceded that the validity of the tax would not be affected; and in to, fixed the privilege were limited to the receipts of certain past years instead of the year in which the tax is collected it is conceded that the validity of the tax would not be affected; and in to, fixed the privilege conferred."

In Stockdale v. Atlanticity of the tax of the previous previously were also as a subsequent of the privileg

vided that—
"the tax herein provided shall be assessed upon the annual incomes of
the persons hereinafter named for the year next preceding the 1st of
January, 1862, and the said taxes when so assessed and made public
shall become a lien upon the property or other sources of said income
for the amount of the same, with the interest and other expenses of
collection until paid." (12 Stat. L., 309.)

Here the tax was imposed upon the incomes accruing between January
1, 1861, and August 5 of that year, the day of the enactment of the
law

1, 1861, and August 5 of that year, the day of the enactment of the law.

The act of July 14, 1862, superseding the one above stated, provided for the assessment upon incomes received from and after January 1 of that year, or for a period of six months before the act was passed.

The income tax of 1894, enacted in August of that year, provided for the taxation of incomes from the beginning of the current year and was attacked upon this ground. The question was not decided in the cases which reached the Supreme Court of the United States, but it was held by the Supreme Court of the District of Columbia in the case of Moore v. Miller, decided January 23, 1895, that there was nothing in the objection. In that case Hagner, J., said:

"This provision is of the same character as those appearing in the former income acts of the United States.

"The first act, passed on the 5th of August, 1861, declared that from and after the 1st of January, 1862, there should be levied an income tax, which should be assessed in the first instance 'upon the annual income for the year preceding the 1st of January, 1862, thus including in return the income that had accrued during the seven months next preceding the passage of the law.

"The act of the 14th of July, 1862, which superseded the first law, declared that the tax should be levied on the 1st of May, 1863, upon the income of the preceding year ending the 31st of December, 1862, including thereby the six months and a half of the year that had expired at the time the act was passed.

"The English act of 1853, passed on the 28th of June, 1853, declared that the income tax thereby established should be operative from and after the 5th day of the preceding April.

"No authority was quoted in support of this contention, and I have been unable to discover any if it exists."

"Allace, 331 (Stockdale e. Ins. Co.), where Mr. Justice Miller said: The right of Congress to have Imposed this tax by a new statute, although the measure of it was governed by the income of the past years, can not be doubted; much less can if be doubted that it could that year had elapsed when the statute was passed. The joint resolution of July 4, 1864, imposed a tax of 5 per cent on all incomes of the previous year, although one tax on it had already been paid; and no one doubted the validity of the act or attempted to resist it."

"This act clearly intended to levy a tax of 3 per cent on the profits or incomes, a similar question was presented and held not to affect the validity of the law:

"This act clearly intended to levy a tax of 3 per cent on the profits or income of the business in which the defendants were engaged. The English income tax and the United States income tax are based upon the incomes received in preceding years. The present United States for the state income tax and the United States income tax are based upon the incomes received in preceding years. The present United States for the Stoff of August. 1561 (12 Stat. L. 200), expressly declares that the tax herein provided shall be assessed upon the annual income of the persons hereinafter named, for the year next preceding the list of January, 1862, and the said taxes, when so assessed and made phones of become a lien upon the property or other resources of said that it is to January, 1862, and the said taxes, when so assessed and made phones of become a lien upon the property or other resources of said neone for become in the profits or income, to take as the measure of traction the profits or income, to take as the measure of traction the profits or income, to a preceding year. To tax is legal, excertainly not unreasonable, particularly when we find it always adopted in exactly similar cases. The tax is graduated upon each indi

Mr. SUTHERLAND. Mr. President, I suggest to the Senator from Mississippi that it might be well to have these opinions

printed also as a Senate document. The matter will be in better type and more readable if we have them printed in that

Mr. WILLIAMS. If that is desired, then I shall also ask that these opinions may be printed as a Senate document. I make that request.

The VICE PRESIDENT. Is there any objection? The Chair

hears none, and it is so ordered.

Mr. BRISTOW. Mr. President, before we begin on the income-tax provision I should like to inquire of the chairman of the Finance Committee when he expects to return to the paragraphs that have been passed over? There must be 100 of them, and it seems to me we ought to know just when we are to take them up and finish them.

Mr. SIMMONS. I am sure that by the time we have finished the income-tax section and the administrative sections of the bill the committee will be through its consideration of the various matters that have been referred back to it. It was our plan then to begin at the beginning and take up each paragraph

and consider and determine the matters that have been passed

Mr. BRISTOW. The Senator desires first to take up the income-tax and the administrative features before he returns to the paragraphs that have been passed over?

Mr. SIMMONS. That is the plan I desire to follow.

Mr. BRISTOW. The reason I spoke of it was that I thought Senators ought to know about when those paragraphs will come up.

I am very glad the Senator asked the ques-Mr. SIMMONS tion, so that I might make a general statement on the subject, because Senators are coming to me and asking me about the matter from time to time.

The reading of the bill was resumed, beginning on page 165, under the heading "Section II."

The next amendment of the Committee on Finance was, in Section II, subdivision 1, page 165, line 2, before the word "and," to insert "collected"; in line 7, after the word "income," to strike out "over and above \$4,000" and insert "except as hereinafter provided"; and in line 9, after the word "levied," to insert "collected," so as to make the paragraph read:

A. Subdivision 1. That there shall be levled, assessed, collected, and paid annually upon the entire net income arising or accruing from all sources in the preceding calendar year to every citizen of the United States, whether residing at home or abroad, and to every person residing in the United States, though not a citizen thereof, a tax of 1 per cent per annum upon such income, except as hereinafter provided; and a like tax shall be assessed, levied, collected, and paid annually upon the entire net income from all property owned and of every business, trade, or profession carried on in the United States by persons residing elsewhere.

The amendment was agreed to.

The Secretary proceeded to read subdivision 2, on page 165, and read down to line 20, as follows:

Subdivision 2. In addition to the income tax provided under this section (herein referred to as the normal income tax) there shall be levied, assessed, and collected upon the net income of every individual an additional income tax (herein referred to as the additional tax) of 1 per cent per annum upon the amount by which the total net income exceeds \$20,000 and does not exceed \$50,000.

Mr. BORAH. Mr. President, I am not going to enter upon any extended discussion of this provision, but I suggest to the committee, or to the Senators having this part of the bill in charge, that it seems there ought to be a different arrangement and proportion with reference to the surtax.

The bill now reads:

One per cent per annum upon the amount by which the total net income exceeds \$20,000 and does not exceed \$50,000, and 2 per cent per annum upon the amount by which the total net income exceeds \$50,000 and does not exceed \$100,000, and 3 per cent per annum upon the amount by which the total net income exceeds \$100,000.

If I were permitted to have my way, I would have the provision read as follows:

One per cent per annum upon the amount by which the total net income exceeds \$10,000 and does not exceed \$30,000, and 2 per cent per annum upon the amount by which the total net income exceeds \$30,000 and does not exceed \$50,000, and 3 per cent per annum upon the amount by which the total net income exceeds \$50,000 and does not exceed \$100,000, and 4 per cent per annum upon the amount by which the total net income exceeds \$100,000.

I think we ought to bear in mind that which is proven to be well founded in experience, and that is that the man with a small income always pays more completely upon his income than the man with a large income. If a man has an income of \$5,000 a year, he will come closer to paying the tax upon \$5,000 a year than the man who has an income of \$40,000 a year. presume that has been the experience of all countries with reference to this matter. Therefore, if we are going to reach proportionately the men with large incomes, it seems to me we must raise the grade of taxation more than is here specified.

I think I shall not offer the amendment formally, because I presume the matter has been thoroughly considered by the committee and the amendment would not prevail. But if it is the design of the committee to reach the man who pays \$50,000 as fully as the man who pays \$20,000, they will have to change the rate of tax from that which is found in the bill. Besides, I think a person who has an income of \$100,000 a year can well afford to pay a tax of 4 or 5 per cent upon that amount, and he will not suffer inconvenience in so doing, and it will not be so difficult for him to part with that amount of money as in the case of the man who pays the rate here proposed upon an income of \$10,000 or \$15,000 a year.

Mr. BRISTOW. Mr. President, if the Senator will yield for a moment, I desire to offer an amendment to this part of the bill. I have not the amendment prepared now, because I had no idea this part of the bill would be taken up this afternoon, and I do not wish to be foreclosed from offering the amendment in the morning.

Senator from Idaho [Mr. Borah]. There is a fiscal question involved here as well as an economic question. With us the fiscal question is of first moment.

The Senator from Idaho is evidently discussing this matter largely from the economic standpoint. There is a difficulty always confronting a body that has to pass upon the question of where an income tax should begin. In England it begins with an income of £160, about \$800. Here we have fixed it at \$3,000, or at nearly four times as high an amount.

It is difficult to grade an income tax on the theory on which the Senator from Idaho proceeds. Of course it requires about so much to sustain a family. While there are large differences as to the amount of income required in this station in life and that station in life, the question confronting us was a fiscal question, a question of raising sufficient income which, added to

other income, will pay the expenses of government.

Mr. GALLINGER. If the Senator will permit me, the Senator suggested that we had fixed the minimum at four times that of Great Brittin, or more than that. Has not the committee fixed it at \$3,000 by amendment?

Mr. WILLIAMS. It has fixed it at \$3,000 for a single man, and \$4,000 for a man with a family.

Mr. GALLINGER. So that it would be a little less than four times as much.

Mr. SHIVELY. The minimum would be a little less than four times as much.

Mr. GALLINGER. Precisely.

Mr. BORAH. I do not understand the difficulty in the fiscal proposition as applied to my amendment. It does not make any difference, except that it is calculated to raise more revenue. Senators on the other side may be assured that they will not have any surplus. Besides that, if there is going to be a remitting of taxes it can very well afford to be elsewhere than upon fortunes which bring in an income of \$100,000 a year.

I do not see where the difficulty arises as to the fiscal proposition. I realize perfectly how difficult it is to adjust an income tax in the first instance to all conditions, but I do not understand at this time where the difficulty arises with reference to this particular suggestion.

The Senator from Indiana [Mr. SHIVELY] has referred to the fact that England has an exemption of about \$800. That is true, but England also has a rebate which she allows up to \$3,500, and in addition to that England raises her revenue in an entirely different way proportionately from the way in which we raise ours.

According to the estimates made this year in the budget speech of Mr. Lloyd-George the customs income of that country this year will be £32,200,000, and the excise income £38,850,000. Those are the indirect taxes which fall most heavily upon the consumer. The direct taxes are as follows: Death duties, £26,760,000; land taxes and house duties, £2,230,000; income and surtax, £45,950,000.

We will raise about one-eighth of our income, according to this bill, from the income tax. The rest of it will be raised from taxation upon consumption. The English Government, on the other hand, raises practically one-half of its income from the income or direct tax system. So when we have adjusted the matter in accordance with the actual facts it will be found, in my judgment, that the English Government has quite as large an exemption as this Government will have even after we have adopted the suggestion I have made.

In addition to that, England has adopted the differentiation plan. That is to say, England distinguishes as to the sources of income. In addition to the exemptions to which I have referred, she provides for a lower rate for all earned incomes and a higher rate for all unearned incomes, or incomes over \$10,000. If the two bills are laid down side by side, it will be found, in my judgment, that we are giving no greater exemption than the English law does in its practical workings.

Mr. LODGE. If the Senator will permit me, I think the English additional tax to which he has referred goes on at £3,000, or \$15,000. I think it is £3,000, or \$15,000, in round numbers, in our money.

Mr. BORAH. The Senator may be correct. I thought it was £2,000, or \$10,000; but the Senator may be correct.

I think I shall offer the amendment, anyhow. I shall not

take up the time of the Senate in discussing it, but I shall ask to have it passed upon. I will state the entire amendment, so

that it will be in consecutive form.

After the word "exceeds" in line 19, page 165, I move to strike out all down to the period after the figures "\$100,000" in line 3, page 166, and to insert in lieu thereof the following:

Mr. SHIVELY. The Senator certainly will not be foreclosed.

I do not propose to discuss at length the question raised by the

by which the total net income exceeds \$50,000 and does not exceed \$100,000, and 4 per cent per annum upon the amount by which the total net income exceeds \$100,000.

Mr. LODGE. The Senator has read the amendment. It seems to me he has not got the proportion quite right. He makes a jump of 1 per cent from \$10,000 to \$30,000, then he makes a jump of 1 per cent from \$50,000 to \$100,000. The gap between \$50,000 and \$100,000 is a great deal bigger than the gap between \$10,000 and \$30,000.

Mr. BORAH. Yes; perhaps it would be better to make the

correction suggested.

Mr. LODGE. I am not quarreling with the amount of tax the Senator imposes on the \$100,000 income or the \$50,000 income; but in dividing the \$100,000 it seems to me he makes his first increase too soon. I think it would better reach the same point and would be better proportioned if he divided more equally. From \$10,000 to \$30,000 he jumps once.
Mr. BORAH. And from \$30,000 to \$50,000.

Mr. LODGE. And from \$30,000 to \$50,000. Mr. BORAH. And from \$50,000 to \$100,000.

Mr. LODGE. That is a jump of \$20,000 each time at first and then \$50,000. It is merely a question of proportion.

Mr. BORAH. I will take the suggestion.
Mr. LODGE. It seems to me the only way to distribute the rise before you get to \$100,000 is to distribute it every \$20,000, or whatever you divide on.

Mr. JONES. Why not jump from \$50,000 to \$75,000 and then

from \$75,000 to \$100,000?

Mr. NORRIS. I should like to suggest to the Senator a jump from \$50,000 to \$75,000 at 4 per cent, or put another step in there, and then above \$100,000 make it 5 per cent instead of 4

per cent.

Mr. BRISTOW. Mr. President, while suggestions are being made, if the Senator will yield to me, I should like to suggest what I had in mind when I made the statement and expected to offer an amendment-1 per cent per annum upon the amount by which the total net income exceeds \$10,000, and that then we go up step by step, adding 1 per cent for each additional \$10,000 until we reach the maximum of \$100,000, making the total income tax 10 per cent on all over \$100,000. That does not have as large jump, and the man who is receiving \$100,000 a year can afford to pay \$10,000 a year tax to the Government just as well as the man who has an income of \$10,000 a year can afford to pay what this would impose upon him, and much better. is not any greater hardship and would secure a more equitable adjustment.

I make the suggestion to the Senator. I should like to have him fix his amendment that way, and if he does not I should like to offer mine, because that comes more nearly meeting my judgment than anything which has yet been suggested.

Mr. BORAH. I think I shall ask to have the amendment voted on as I offer it, and perhaps when the Senator from Kansas offers his amendment we can get another chance to meet that proposition.

Mr. SHIVELY. Permit me to inquire of the Senator from Idaho if he has made an estimate of the amount of revenue that would be produced in the event his amendment is adopted.

Mr. BORAH. No, Mr. President, I have not; neither have I seen any estimate made by anyone else that was worth anything to anybody as a guide. The estimate which has been made, so far as I can ascertain, is purely speculative.

Mr. SHIVELY. Of course there will always be an element of uncertainty and speculation in putting in force an income tax. It has been estimated that the tax as provided in the bill when in full force will produce about \$100,000,000 annually. Of course the main purpose is to provide for the fiscal necessities of the Government, not to provide a system for the redistribution of property or a system with reference particularly to its economic effect. It is with more particular reference to raising the required means with which to pay the expenses of the Government, and on that basis this has been provided in

I hope we shall have a vote on the amendment.

Mr. BORAH. If the estimate which the committee has made with reference to the proposed income tax be even made with any degree of certainty or accuracy, then it would not be very difficult to tell what this rate would produce. But, Mr. President, even at the present time, after all the experience which has been had in regard to the income tax in other countries, it is the most uncertain tax with reference to estimates that there is. A few years ago when they changed the tax entirely in England, when Mr. Asquith introduced the differentiating feature, he estimated they would lose a certain amount, a very large amount. Instead of losing that amount they actually collected a very large amount in excess of what the tax had been the year before.

Therefore, I do not criticize or find fault with what I believe to be the purely speculative estimate of the committee, but I think it is purely speculative.

The VICE PRESIDENT. The question is on the amendment

proposed by the Senator from Idaho [Mr. Borah].

Mr. WILLIAMS. Mr. President, this schedule constitutes to the extent to which it goes the introduction of an entirely new fiscal system. It is, so far as it goes, revolutionary of existing tax methods. The object of levying the tax, of course, is to pro-It is, so far as it goes, revolutionary of existing vide a revenue, and in addition to that, to a large extent to relieve the backs and the stomachs of people of burdens under the present system and to place those burdens, as far as may be, upon the backs of those who are able to stand them, to begin a system at any rate, of taxing people according to their ability to pay and not according to their necessities.

Now, like every new thing, the best speed is made in the long run by going slowly at first. It is always the safest method to make your first effort as simple as you can and not compli-

cate it with too many other things.

What we are doing with this income tax is a totally different thing from what we hope to do some day. We do not want to collect any more revenue than we need. The Senator from Idaho says it is largely speculation instead of calculation; but we have calculated as well as we could how much income tax we would need after the reduction of the duties upon consumption. Evidently his amendment would very much increase whatever sum we might attain. Having concluded that we had enough, we are not taxing the people's incomes even for fun, nor are we taxing them for the purpose of building up a system. The time may come, and I hope will come some day, when all taxes for the Government will be raised by taxing the citizens in proportion to their ability to pay. But the Senator knows as well as I do that we can not go at that sort of thing too quickly. We can not revolutionize things too rapidly. We must have some regard to existing conditions. In revising the tariff we have tried to have that in view. In the opinion of most of you on the other side of the Chamber, our attempt is awkward and approximate, and all that, while in our own opinion it is about as intelligent as anything you ever did on the subject.

Having accomplished that, we made up the difference that we need in revenue from the income tax. We think this will make it. We saw no use in either raising the rate or changing the point of demarcation so as to increase the amount of revenue,

which is what would be the effect.

Now, the Senator says, and says very properly, that this income tax might be complicated so as to make it still fairer than it is in a way. For example, there might be a difference in It is in a way. For example, there might be a difference in exemptions, a difference in rates dependent upon the source of the income, whether it came from inherited estates, whether it came from bonds that were laid by, or whether it came from the compensation in the shape of salary or wage to the tax-payer; but we thought it well now to proceed slowly and cautiously and upon as simple grounds as we could inaugurate the system, and after awhile the American people will have people here to represent them who will perfect it, and as it is perfected the taxes upon consumption will dwindle more and more and the income tax will more and more take their place.

I hope for those reasons the amendment will not be adopted. Mr. BRISTOW. Mr. President, the Senator from Mississippi speaks of the amount of revenue. It seems to me that this tax on incomes could be very properly increased and the tax on corporations abolished. It is a well-known fact that nine-tentlis or more of the tax on corporations is simply passed on to the consumers. The corporation, in fact, does not pay it; it charges it up as an expense, and the public pays the tax.

Now, if you abolish the tax on corporations altogether and increase the tax on incomes on a graduated scale you will get a far more equitable system, it seems to me, than that proposed

in the pending measure.

Mr. WILLIAMS. Then the result of the Senator's scheme would be to tax the individual citizen and leave the corporation untaxed. Now, whether the corporation can or can not pass on all this tax is a question. Of course it can pass some of it on, but the Senator will note that throughout the bill the socalled additional tax is not levied upon corporations at all. It is only the normal tax that corporations pay.

Mr. BRISTOW. I know, but—
Mr. WILLIAMS. So when you get above a certain amount this additional tax levied upon corporations is not a thing that would be subject to the objection made by the Senator. They pay merely the normal tax. To say that the great Steel Trust, merely because it may be that it can pass on the tax, shall pay nothing, strikes me as taking a position that the Senator will reconsider.

Mr. BRISTOW. My position so far as the corporation tax is concerned is the same that it was four years ago. I voted against a corporation tax then because I favored an income tax instead of a corporation tax. A stockholder in a corpora-tion who holds only a thousand dollars' worth of stock pays just as much in proportion to what he has got as if he owned a million dollars' worth. I do not think it is an equitable or just system of taxation.

Then the Senator must know that these corporations simply charge up the corporation tax only as an expense which they incur in doing business, the same as any other expense, and it is charged to the people who consume their product or who utilize their facilities, whatever the character of the operation may be.

The income tax is a tax levied upon the income a man has, and if it is properly proportioned it rests far more equitably

upon his ability to pay than the corporation tax possibly can.

Mr. WILLIAMS. There is no distinct corporation tax in this, if that is what the Senator means, except for a part of a year to continue the old tax. The taxes levied upon corporations here is simply an income tax, and a normal income tax

Mr. BRISTOW. It continues the old tax. That is what I am objecting to.

Mr. WILLIAMS. We continue the old tax for a part of the year, during which we can not levy the new tax. Then after that time that part of the tax upon corporations becomes an

Mr. CUMMINS. Mr. President, I think it can not be disputed that we ought to limit our taxing power to the needs of the Government. It would be wrong and indefensible to collect \$200,000,000 if we needed but \$100,000,000.

I assume that the committee in making the estimate with regard to this phase of the law has some information as to the number of men who would pay 1 per cent upon incomes up to \$20,000, the number of men who would pay a tax upon incomes from \$20,000 to \$50,000, and from \$50,000 to \$100,000. It would, therefore, be a very easy problem to take the information which the committee undoubtedly has to limit the effect of the law in producing a revenue, even though a redistribution were made

concerning the rate of taxation.

I intend to vote for the amendment proposed by the Senator from Idaho, but if it really becomes a serious matter that we shall receive too much money by so doing, then I would want some such adjustment as this: That on incomes up to \$20,000 only one-half of 1 per cent be levied, upon incomes from \$20,000 to \$50,000 three-quarters of 1 per cent, and go up in But when you reach the high incomes, from \$50,000 on, then I think the rate proposed by the Senator from Idaho ought to be employed in order to put the burden of government where it belongs, even though upon the incomes below \$50,000 you reduce the rate of taxation.

There is no difficulty about that computation if the committee has an estimate of the number of men who are in possession of these various grades of incomes from \$3,000 to \$100,000 and

Therefore I hope the amendment proposed by the Senator from Idaho will be adopted, because it recognizes the right principle. Then, if we discover upon further investigation that it will bring too much money into the Treasury, let us reduce the rate upon the men of lesser income. In that way we will reduce the whole revenue and at the same time do full justice as between those who have the smaller incomes and the larger

If it were not, Mr. President, for the fact that I think it is good public policy that a large number of people shall feel that they are contributing to the Government of which they are citizens, I would be in favor of raising the limit very much. I think it is a sound proposition that most of the people of the country ought to feel that they are contributing something to the maintenance of their Government in order to create a proper interest upon their part in the management or the conduct of their Government. If it were not for that, I would be in favor of increasing the limit proposed in the bill; but if, in order to levy a very fair and reasonable rate of taxation upon a man with an income of \$100,000 a year, it is essential that the man with an income of but \$3,000 shall pay one-half of 1 per cent, that is the arrangement which should be made. However, until proof is made in some way or other that the amendment proposed by the Senator from Idaho would raise more money than would be wise to put into the Treasury of the United States, I shall stand and vote for his amendment, but if the objection made to it is valid or has any foundation it is very easy to reduce the rate upon the lesser incomes.

Mr. BORAH. Mr. President, if we have any real fear of raising too much revenue, we can easily control that matter,

in my judgment, when we get over to the exemptions by raising the exemption as may seem necessary; but what I rose to do was to ask leave to modify my amendment in accordance with the suggestions of some Senators, and I will restate it.

I move to strike out all after the word "exceeds," in section 2, subdivision 2, page 165, line 19, down to and including the figures "\$100,000," on page 166, line 3, and in lieu thereof to

insert:

Ten thousand dollars, and does not exceed \$30,000, and 2 per cent per annum upon the amount by which the total net income exceeds \$30,000 and does not exceed \$50,000, and 3 per cent per annum upon the amount by which the total net income exceed \$50,000 and does not exceed \$80,000, and 4 per cent per annum upon the amount by which the total net income exceeds \$50,000 and does not exceed \$100,000, and 5 per cent per annum upon the amount by which the total net income exceeds \$50,000 and does not exceed \$100,000, and 5 per cent per annum upon the amount by which the total net income exceeds \$100,000.

I ask for the yeas and nays on the amendment, Mr. President. The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CHILTON (when his name was called). I announce my

pair as on the former ballots and withhold my vote.

Mr. KERN (when his name was called). I have a general pair with the senior Senator from Kentucky [Mr. Bradley] and therefore withhold my vote.

Mr. LEWIS (when his name was caled). I have a general pair with the Senator from North Dakota [Mr. GRONNA].

Mr. REED (when his name was called). I announce my pair with the senior Senator from Michigan [Mr. SMITH] and withhold my vote. If at liberty to vote, I should vote "nay."

Mr. SAULSBURY (when his name was called). I have a general pair with the junior Senator from Rhode Island [Mr. COLT] and therefore withhold my vote.

Mr. SMITH of Maryland (when his name was called). I have a general pair with the Senator from Vermont [Mr. Dil-

LINGHAM] and therefore withhold my vote.

Mr. THOMAS (when his name was called). I have a general pair with the senior Senator from Ohio [Mr. Burron], and I therefore withhold my vote.

Mr. O'GORMAN (when Mr. Thornton's name was called). The senior Senator from Louisiana [Mr. Thornton] is unavoidably absent. If he were present he would vote "nay."

Mr. TILLMAN (when his name was called). I have a general pair with the junior Senator from Wisconsin [Mr. Stephen-

son].

The roll call was concluded.

Mr. BANKHEAD. I transfer my pair with the junior Senator from West Virginia [Mr. Goff] to the senior Senator from

ator from West Virginia [Mr. Goff] to the senior Senator from Virginia [Mr. MARTIN], and vote. I vote "nay."

Mr. KERN. I transfer my pair with the Senator from Kentucky [Mr. Bradley] to the Senator from Louisiana [Mr. Thornton] and vote. I vote "nay."

Mr. GALLINGER. I am requested to announce the pair existing between the Senator from Connecticut [Mr. Branders].

isting between the Senator from Connecticut [Mr. Brandegee] and the Senator from Ohio [Mr. Pomerene].

Mr. CHILTON. I transfer my pair with the Senator from Maryland [Mr. Jackson] to the Senator from Arizona [Mr. Ashurst] and vote. I vote "nay."

Mr. McCUMBER. I have a general pair with the senior Senator North Country of the senior Senator of the senior of the senior Senator of the senior of t

ator from Nevada [Mr. NEWLANDS]. He being absent, I with-

Mr. POMERENE (after having voted in the negative). cast my vote a moment ago without recalling the fact that I am paired with the Senator from Connecticut [Mr. Brandegee].

That being the case, I withdraw my vote.

Mr. JAMES. My colleague [Mr. Bradley] is unavoidably detained from the Senate, but he has a general pair with the Senator from Indiana [Mr. Kern]. I will allow this announcement to stand for the day.

The result was announced-yeas 17, nays 47, as follows:

### YEAS-17

Borah Brady Bristow Catron Clapp	Cummins Jones Kenyon McLean Nelson	Norris Page Perkins Poindexter Sherman	Sterling Works
	1	NAYS-47.	
Racon	Tames	Owen	Smith G

Smith, Ga. Smith, S. C. Bankhead Johnson Penrose Penrose
Pittman
Ransdell
Robinson
Root
Shafroth
Sheppard
Shields
Shively
Simmons
Smith, Ariz. Johnson Kern Lane Lea Lippitt Lodge Martinc, N. J. Myers O'Gorman Oliver Overman Bryan Chamberlain Chilton Clark, Wyo. Fletcher Gallinger Gore Smoot Stone Stone Swanson Thompson Vardaman Walsh Warren Weeks Gore Hitchcock Hollis Hughes Williams

NOT VOTING-31.

Ashurst Bradley Brandegee Burleigh Burton Clarke, Ark. Colt Crawford

Culberson Dillingham du Pont Fall Goff Gronna Jackson La Foliette

Lewis McCumber Martin, Va. Newlands Pomerene Reed Saulsbury Smith, Md.

Smith, Mich. Stephenson Sutherland Thomas Thornton Tillman Townsend

So Mr. Borah's amendment was rejected.

Mr. BRISTOW. Mr. President, as I have said, I desire to offer one or two amendments to subdivision 2, but I have not had time to prepare them since we took up the income-tax provision. I do not wish the section adopted until I can have an opportunity to offer the amendments. I will have them ready to-morrow morning.

Mr. WILLIAMS. I will make no objection to the Senator offering them to-morrow morning, and meanwhile we can pro-

ceed with the section.

Mr. BRISTOW. It is all right to proceed with the section, but I want an opportunity to offer the amendments to-morrow morning and have them voted on.

Mr. WILLIAMS. We agree that the Senator shall recur to

that to-morrow morning for the purpose of offering the amendments.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in section 2, subdivision 2, page 166, line 5, after the word "applicable," to insert "and are not inconsistent with this subdivision of paragraph A"; and in line 10, after the word "his," to strike out "total" and insert "entire," so as to read:

Subdivision 2. In addition to the income tax provided under this section (herein referred to as the normal income tax) there shall be levied, assessed, and collected upon the net income of every individual an additional income tax (herein referred to as the additional tax) of 1 per cent per annum upon the amount by which the total net income exceeds \$20,000 and does not exceed \$50,000, and 2 per cent per annum upon the amount by which the total net income exceeds \$50,000 and does not exceed \$100,000, and 3 per cent per annum upon the amount by which the total net income exceeds \$100,000. All the provisions of this section relating to individuals who are to be chargeable with the normal income tax, so far as they are applicable and are not inconsistent with this subdivision of paragraph A, shall apply to the levy, assessment, and collection of the additional tax imposed under this section. Every person subject to this additional tax shall, for the purpose of its assessment and collection, make a personal return of his entire net income from all sources, corporate or otherwise, for the preceding calendar year. Subdivision 2. In addition to the income tax provided under this sec

The amendment was agreed to.

The next amendment was, in section 2, subdivision 2, page 166, line 12, after the word "year," to insert:

Under rules and regulations to be prescribed by the Commissioner of Internal Revenue and approved by the Secretary of the Treasury. For the purpose of this additional tax, taxable income shall embrace the share of any taxable individual of the gains and profits of all companies, whether incorporated or partnership, who would be legally entitled to enforce the distribution or division of the same, if divided or distributed, whether divided or distributed or otherwise, and any such company, when requested by the Commissioner of Internal Revenue or any district collector of internal revenue, shall forward to him a correct statement of such profits and the names of the individuals who would be entitled to the same if distributed.

Mr. WILLIAMS. Mr. President, I ask, in behalf of the committee, that the amendment the Secretary has just read shall be recommitted to the committee. There is an amendment

which the committee wants to propose to it.

Mr. ROOT. Mr. President, before the amendment goes back to the committee, I desire to ask that the committee consider the question whether it is possible that the gains and profits referred to in this provision can be regarded as the income of the individual stockholder when they are not divided or dis-As I understand, this clause would have the effect of imposing an income tax on the aliquot share of each stockholder of a corporation in that part of the profits of the corporation for the year which might have been distributed but were not distributed.

Mr. WILLIAMS. Not precisely that; but such part of the income of the partnership or corporation as a partner or shareholder would have the legal right to force the distribution of.

Mr. ROOT. Not quite that, Mr. President. Mr. WILLIAMS. That language, "if divided or distributed," is somewhat awkward, and for that very reason we want it to go back to the committee; but the object of the amendment was this: Here is a partnership, for example; the partners might make a very large amount of money, but they can effect an agreement whereby, instead of setting aside to each partner his income for that year, they allow it to go into the business, each partner to draw against the firm and make a showing of having no income at all from the partnership. Then, it was thought that for the purpose of obtaining revenue a corporation might now and then pass up a portion of its profits to surplus or otherwise refrain from distributing them. The clause, as here written, we wish to amend, because we do not think that it clearly accomplishes the purpose which we had in view; but what I have stated was the purpose we had in our mind.

Mr. ROOT. Mr. President, I understand that, but the clause is very blind.

Mr. WILLIAMS. And for that reason we put in the words

legally entitled to enforce the distribution."

Mr. ROOT. But taking it altogether, particularly considers ing the concluding words, I think it does aim to tax as income of the stockholder the profits of the corporation which are not divided. The concluding words are that the company "shall forward to the Commissioner of Internal Revenue a correct statement of such profits and the names of the individuals who would be entitled to the same if distributed."

I understand the law to be-I think it is the law in all of our States-that no stockholder has a right to demand a dividend from the profits of a corporation against the judgment of the

directors or trustees of the corporation.

Mr. WILLIAMS. Then, in that case, it would not be legally enforceable.

Mr. ROOT. But there are no words here which impose such a limitation. The tax is to be imposed upon the individual stockholders' share of the profits when they are not distributed. It is the share he would have if they were distributed. It seems quite clear to me that that is not his income; he does not get it; he has no right to get it by law. He may sell his stock, and when those profits come to be divided in future years they would go to the purchaser. He may die, and those profits would go to any person who happened to have acquired the stock after his decease. It can not by any possibility, in accordance with our existing law, be regarded as income of the stockholder until the directors of the corporation have declared a dividend on it.

Mr. WILLIAMS. There is no doubt about that.

Mr. ROOT. And if you wish to reach the surplus profits of a corporation which ought to be divided, but are not divided, you must do it by taxing them as income of the corporation, not as income of the individual stockholder, because the moment you tax the interest of the individual stockholder in those profits you are taxing the interest represented by his stock—that is to 3 say, you are taxing his principal and not his income.

Mr. BORAH. Mr. President—

The VICE PRESIDENT. Does the Senator from New York yield to the Senator from Idaho?

Mr. ROOT. Certainly.

Mr. BORAH. I wish to say to the Senator from New

Mr. WILLIAMS. Just one word, if the Senator from Idaho will pardon me. I do not think the Senator from New York has paid quite sufficient attention to the phrase "who would be legally entitled to enforce the distribution or division of the same." However, we want to amend the classes it mean more clearly what we want it to mean.

Mr. BORAH. Mr. President, I have spent considerable time upon this clause, and so far I have been unable to determine, as a legal proposition, what it means. I entirely agree with the Senator from New York [Mr. Root] that until the directors declare a dividend it is not the property of the stockholders, and it could not be their income.

Mr. WILLIAMS. I suppose nobody ever disputed that legal

proposition.

Mr. BORAH. I am very glad to have the Senator from Mississippi indorse it, because that makes it absolutely correct. This clause says:

For the purpose of this additional tax, taxable income shall embrace the share of any taxable individual of the gains and profits of all com-panies, whether incorporated or partnership, who would be legally entitled to erforce the distribution or division of the same, if divided or distributed.

While the Senator from Mississippi seems to think some of these propositions are indisputable, I should like to know what that means. To me, as a legal proposition, it is difficult to unravel. The language is "legally entitled to enforce." A stockholder is not legally entitled to enforce it until the board of directors have declared a dividend.

Mr. HUGHES. Would it not be possible that a dividend

might be declared and not paid?

Mr. BORAH. Yes; that would be possible, but that would not meet this situation.

Mr. HUGHES. Then he would be entitled to enforce payment of the dividend at the hands of the corporation, and we ought to tax him on it.

Mr. BORAH. Yes; but it says "whether divided or dis-tributed or otherwise."

Mr. ROOT. That is to say, this is to be taxed as income against a person who would be entitled to sue for it if it were divided, although it is not divided.

Mr. BORAH. Yes; but the difficulty is that if it is not divided he is not entitled to sue for it. Until the board of directors have declared a dividend, a stockholder is not entitled te sue for his dividend.

Mr. ROOT. That is the foundation of my proposition.

Mr. BORAH. Exactly; and I agree perfectly with the Senator in regard to that; but, on the other hand, if that is taken out, then the question which will be submitted to the committee is, How are you going to avoid these large estates incorporating and availing themselves solely of the corporation tax and entirely escaping the payment of an income tax?

Mr. ROOT. By taxing the income of the corporation.

Mr. BORAH. Yes; you tax the corporation 1 per cent upon its net profits or earnings, and then you would get but the 1 per cent. The very difficulty which I presume this amendment was adopted to meet is the fact that they might incorporate and the second seco porate, pay the 1 per cent upon their net earnings, and entirely escape the graduated tax or surtax. If there is not some way to meet that, that is precisely what may happen.

So it seems to me that as a legal proposition this language is somewhat involved and complex; and while the committee is readjusting the language it must take into consideration the fact that unless there is some provision by which to reach this kind of an income, it will entirely escape under the corporation

Mr. WILLIAMS. Mr. President, has the request of the committee been put to the Senate?

The VICE PRESIDENT. To what portion of the paragraph

does the Senator refer?

Mr. WILLIAMS. The clause beginning "For the purpose of this additional tax, taxable income shall embrace, forth, going down to the end of that amendment, should be sent back to the committee, and the rest agreed to.

The VICE PRESIDENT. The question is on agreeing to the portion of the committee amendment above line 14, page 166.

The portion of the amendment above line 14 was agreed to. The VICE PRESIDENT. The remainder of the paragraph goes back to the committee.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in subdivision B, page 167, line 13, after the word "by," to insert the word "gift," so as to read:

B. That, subject only to such exemptions and deductions as are hereinafter allowed, the net income of a taxable person shall include gains, profits, and income derived from salaries, wages, or compensation for personal service of whatever kind and in whatever form paid, or from professions, vocations, businesses, trade, commerce, or sales or dealings in property, whether real or personal, growing out of the ownership or use of or interest in real or personal property, also from interest, rent, dividends, securities, or the transaction of any lawful business carried on for gain or profit, or gains or profits and income derived from any source whatever, including the income from but not the value of property acquired by gift, bequest, devise, or descent.

Mr. CUMMINS. Mr. President, I do not rise to question the amendment immediately before us, but I should like a little information on the general principle involved in this paragraph.

If I understand this aright, if I have a farm and sell it for a thousand dollars, the money I would receive as the purchase price of the farm would be accounted as income; but if anyone were to give me a thousand dollars during the year, or if I were to receive it by bequest, devise, or descent, that would not be accounted as income.

Surely there must be some reason for that; and I should like to know the difference in principle between money I would receive from a sale of property I own and money I would receive by gift, devise, or bequest. If the one is income, why is

not the other?

I-may be wrong about my initial proposition, and if I am I should be very glad to be corrected; but if I am right about it, then I very much object to the exclusion of gifts and bequests.

Mr. SHIVELY. Mr. President, if I understand the Senator correctly, he is inquiring, for the purpose of illustrating what he has in mind, whether the price of a piece of land sold during the year would be regarded as income. My answer is that it would not be. The price of that land would be principal.

Mr. CUMMINS. Then, Mr. President, if that be true, the

paragraph will have to be rewritten.

Mr. WILLIAMS. If the Senator will pardon me, I think I can tell him where he is making the mistake. He has gotten hold of the words "or sales or dealings in property, whether real or personal." He has forgotten to note that prior to that, and modifying and limiting and defining it, is this language:

The net income of a taxable person shall include gains, profits, and

incomes derived from

Then there follow, later on, the words:

Sales or dealings in property-

As well as various other things. So it refers only to gain, profits, and income derived from these things,

Mr. CUMMINS. Yes.

Mr. WILLIAMS. In other words, if a man during the year had bought a piece of property for \$10,000 and sold it for \$12,000, he would be taxable upon the \$2,000.

Mr. CUMMINS. I do not so read it, Mr. President. It is said that

The net income of a taxable person shall include gains, profits, and income.

And it does not define income as gains and profits, but it makes them all substantive-

gains, profits, and income derived from salaries, wages, or compensation for personal service of whatever kind and in whatever form paid, or from professions, vocations, businesses, trade, commerce, or sales or dealings in property.

Mr. WILLIAMS. Why, of course. But for that a real estate dealer would escape with all of his profits during the year.

Mr. CUMMINS. It seems to me, in view of the language, that the amount received from the sale of property during a year would be regarded as income received during the year.

Suppose I had a piece of property for which I had paid \$950 some time before and I sold it during the year for \$1,000, does the Senator from Mississippi say that only \$50 of that would be income?

Mr. WILLIAMS. The Senator seems to attach to the word "income" a meaning that is not attachable to it in this connection. "Income" means the net gains or profits. He seems to think that the word "income" is a broader word than "gains or profits derived from any source whatever.'
Mr. CUMMINS. What is it used for?

Mr. WILLIAMS. Mr. WILLIAMS. A man's taxable income means his gains and profits during the year. Those gains and profits or income derived from any business of any description are taxed. If a man is engaged in dealing in horses, if he buys horses and sells horses and makes a profit or an income out of that dealing, he must pay a tax upon the income.

I do not know that I exactly catch the Senator's point. But if I do catch it, he seems to have in mind the idea that the word "income" means receipts of every sort. The income within the contemplation of a tax law does not mean that. It means net income, and is so defined in the bill. That means

profits or gains.

Mr. CUMMINS. The Senator from Mississippi must certainly understand what I am trying to say. If applied to a general business, in which purchases and sales take place and gains and profits are reckoned, I can very well understand that the Senator from Mississippi is right, under the language of this bill. But suppose 10 years ago I had bought a horse for \$900, and this year I had sold him for \$1,000, what would I do in the way of making a return?

Mr. WILLIAMS. I will tell the Senator precisely what he

would do.

Mr. CUMMINS. I mean, what would other men do?
Mr. WILLIAMS. I know; but what I mean is precisely what the Senator would do, or precisely what he ought to do. He bought the horse 10 years ago and sold him this year for a thousand dollars. That thousand dollars is a part of the Senator's receipts for this year, and being a part of his receipts, that much will go in as part of his receipts, and from it would be deducted his disbursements and his exemptions and various other things

Mr. CUMMINS. Would the price I paid for the horse originally be deducted?

Mr. WILLIAMS. No, because it was not a part of the transactions in that year; but if the Senator turned around and bought another horse that year, it would be deducted.

Mr. CUMMINS. Mr. President, the answer of the Senator from Mississippi has disclosed very clearly the weakness that I have been attempting to point out. This provision, in the form in which it appears, is utterly unworkable. It would involve chaos among the people of this country if returns were attempted to be made in the way suggested by the Senator from Mississippi.

I have no amendment that will meet the emergency, because I did not dream that we would enter upon the consideration of the income-tax provision to-day. I only have to suggest that the sort of thing involved in the homely illustration of the purchase and sale of a horse-an instance which might not occur very often-would occur thousand of times every day in the sale of other kinds of property.

Mr. GALLINGER. Particularly real estate.

Mr. CUMMINS. Yes; by men who are not engaged in what is known generally as a vocation, but who do have occasion to

buy and sell property from time to time.

Mr. BRISTOW. Mr. President, I desire to ask a question, and see if I have this matter clear in my mind. As I understood the question of the Senator from Iowa, it was, if he bought a horse 10 years ago for \$100Mr. CUMMINS. Nine hundred dollars.

Mr. BRISTOW. And sold it this year for a thousand dollars, whether or not that thousand dollars would be counted as a part of his income for this year, regardless of what he paid for the horse 10 years ago. Is that correct?

Mr. WILLIAMS. No; I did not say that. It would be a part of his gross receipts for the year, of course, but it may not necessarily be a part of his net receipts, and therefore not a part of his income that is taxable.

Mr. CUMMINS. But I asked the Senator from Mississippi specifically whether, in the case I put, the price that was originally paid for the horse could be deducted from the price received.

Mr. WILLIAMS. The price paid 10 years ago? No; of course not. How could it? When a man puts in his return for his income of the previous year in order to be taxed he puts down everything he has received and everything he has paid out, subject to the exemptions and limitations otherwise provided in the bill. Necessarily that is so. To answer the Senator, I want to read the precise language of the provision.

Mr. ROOT. May I make a suggestion to the Senator from Mississippi? That necessarily implies something which is quite impossible, and that is that the Senator from Iowa would sell

a worthless horse. [Laughter.]
Mr. CUMMINS. In these days of automobiles most horses

are of little value.

Mr. WILLIAMS. Here is the language, and I think if it read this way and the words "and income" are left out it never would have struck the gentlemen as unobjectionable in any respect:

That, subject only to such exemptions and deductions as are hereinafter allowed, the net income of a taxable person shall include gains, profits, and income—

Now leave out the word "income," the repetition of which has confused-

derived from salaries, wages, or compensation-

Gains and profits now-

derived from salaries, wages, or compensation-

For what?

for personal service of whatever kind and in whatever form paid, or

What else?

professions, vocations, businesses, trade, commerce, or sales or dealings in property, whether real or personal, growing out of the ownership or use of or interest in real or personal property—

And, then, again-

also from interest, rent, dividends, securities.

There is not the slightest lack of clearness in it, to my mind, unless it grows out of putting a double definition upon the word and I see no objection to striking out the word "income," if you want to strike it out.

Mr. GALLINGER. Mr. President, it is evident that this income-tax provision will not be settled to-day, and 6 o'clock has arrived. I suggest that we either have an executive session

Mr. WILLIAMS. I have no objection to that, if the Senator

will wait until this paragraph is read and finished.

Mr. CUMMINS. I hope the paragraph will be passed over until I can have an opportunity to present an amendment to it, because, when it is taken in connection with the subsequent paragraph prescribing the deductions that may be made from the income, the point that I have endeavored to make clear will be manifest. I ask that the paragraph may go over until to-

EXECUTIVE SESSION.

Mr. KERN. I move that the Senate proceed to the considera-

tion of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After 45 minutes spent in executive session the doors were reopened and (at 6 o'clock and 45 minutes p. m.) the Senate adjourned until to-morrow, Wednesday, August 27, 1913, at 11 o'clock a. m.

### NOMINATIONS.

Executive nominations received by the Senate August 26, 1913. PROMOTIONS AND APPOINTMENTS IN THE NAVY.

Lieut. George B. Landenberger to be a lieutenant commander in the Navy from the 1st day of July, 1913.

Lieut. (Junior Grade) Herndon B. Kelly to be a lieutenant in

the Navy from the 1st day of July, 1913.

The following-named citizens to be second lieutenants in the Marine Corps from the 20th day of August, 1913, to fill vacancies:

Henry L. Larsen, a citizen of Colorado. John C. Foster, United States Navy.

William H. Rupertus, a citizen of the District of Columbia. James L. Underhill, a citizen of California. Louis E. Fagan, jr., a citizen of Pennsylvania. Keller E. Rockey, a citizen of Pennsylvania. Bryan C. Murchison, a citizen of South Carolina. Egbert T. Lloyd, a citizen of the District of Columbia. Allen H. Turnage, a citizen of North Carolina. George W. Hamilton, a citizen of New York. Louis M. Bourne, jr., a citizen of North Carolina. George L. Davis, a citizen of New Jersey. David H. Miller, a citizen of New Jersey. Matthew H. Kingman, a citizen of Iowa.

#### POSTMASTERS.

#### TEXAS.

Lon Davis to be postmaster at Sealy, Tex., in place of W. F. Viereck. Incumbent's commission expired April 15, 1913.

W. T. Hall to be postmaster at La Porte, Tex., in place of Manly B. McNitt. Incumbent's commission expired July 30,

#### VIRGINIA.

Byrd Anderson to be postmaster at Blacksburg, Va., in place of Lulu O. Hoge. Incumbent's commission expired December 13,

#### WEST VIRGINIA.

J. L. Butcher to be postmaster at Holden, W. Va., in place of William J. Crutcher. Incumbent's commission expired June 9,

### CONFIRMATION.

Executive nomination confirmed by the Senate August 26, 1913. POSTMASTER.

KANSAS.

Sophia M. Dickerson, Gypsum.

# HOUSE OF REPRESENTATIVES.

Tuesday, August 26, 1913.

The House met at 12 o'clock noon.

The Chaplain, the Rev. Henry N. Couden, D. D., offered the

following prayer:

We bless Thee, infinite Spirit, our heavenly Father, that Thou art ever working in and through Thy children with persistent energy and power, moving them upward and onward to larger life and nobler achievements in both the material and spiritual fields of endeavor; and we most fervently pray that, though we are dull of apprehension and prone to wander from the paths of rectitude and duty, Thou wilt continue Thy work, chiding us when we go wrong, encouraging us when we go right, that we may be faithful and profitable servants both .o will and to do of Thy good pleasure; that Thy plans and purposes may be fulfilled in us, to the honor and glory of Thy holy name. In the spirit of Jesus Christ our Lord. Amen.

The Journal of the proceedings of Friday, August 22, 1913,

was read and approved.

### MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Tulley, one of its clerks, announced that the Senate had passed bill of of the following title, in which the concurrence of the House of Representatives was requested:

S. 2065. An act to provide for participation by the Government of the United States in the National Conservation Exposition, to be held at Knoxville, Tenn., in the fall of 1913.

### SENATE BILL REFERRED.

Under clause 2, Rule XXIV, Senate bill of the following title was taken from the Speaker's table and referred to its appropriate committee as indicated below:

S. 2065. An act to provide for participation by the Government of the United States in the National Conservation Exposition, to be held at Knoxville, Tenn., in the fall of 1913; to the Committee on Appropriations.

# LEAVE OF ABSENCE.

Mr. Martin, by unanimous consent, was granted leave of absence, indefinitel, on account of illness.

JOINT SESSION OF THE HOUSE AND SENATE TO-MORROW.

Mr. UNDERWOOD. Mr. Speaker, I move the adoption of the resolution which I send to the Clerk's desk.

The SPEAKER. The gentleman from Alabama [Mr. Underwood] sends a resolution to the Clerk's desk. The Clerk will report it.

The Clerk read as follows:

House concurrent resolution 16.

Resolved by the House of Representatives (the Senate concurring), That the two Houses of Congress assemble in the Hall of the House of Representatives on Wednesday, the 27th of August, 1913, at 12.45 o'clock in the afternoon, for the purpose of receiving such communications as the President of the United States shall be pleased to make them.

Mr. UNDERWOOD. Mr. Speaker, the President has advised me that he desires to communicate a message to Congress to-I offer this resolution to carry out his request,

Mr. MANN. Mr. Speaker, I take it from the statement of the gentleman from Alabama [Mr. Underwood] that the President does not intend to communicate any message on the Mexican situation to the Congress to-day?

Mr. UNDERWOOD. No. I will say to the gentleman from Illinois that the President first lesired to communicate with Congress to-day, but subsequent telegrams from Mexico required some changes, and he desires to address the joint assembly of the House and Senate to-morrow.

Mr. MANN. I thought that the reading of the resolution ought to be loud enough to reach even the galleries.

The SPEAKER. If this resolution passes, the President will address the joint assembly of the House and Senate to-morrow instead of to-day. The question is on agreeing to the resolution.

The resolution was agreed to.

JOINT REPUBLICAN CAUCUS.

The SPEAKER. The Chair lays before the House a rather unusual document, but under the circumstances he thinks it ought to be read. The Clerk will report it.

The Clerk read as follows:

WASHINGTON, D. C., August 26, 1913.

Dear Sir: The joint Republican caucus will meet als evening in the conference room, third floor, House Office Building, instead of in the Chamber of the House of Representatives.

JACOB H. GALLINGER,

Chairman Senate Caucus.

WILLIAM S. GREENE,

Chairman House Caucus.

JUDGE EMORY SPEER

Mr. CLAYTON. Mr. Speaker, I ask unanimous consent for the present consideration of the resolution which I ask the Clerk

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

House resolution 234.

House resolution 234.

Hereas on the 16th day of August, 1913, the Attorney General of the United States transmitted to the Committee on the Judiciary of the House of Representatives a report of a special examiner duly designated by the Attorney General to investigate various charges of alleged misconduct of Emory Speer, a United States district judge for the southern district of Georgia, which charges had been brought to the attention of the Department of Justice; and hereas the charges embodied in said report are accompanied by exhibits and affidavits and are of such grave nature as to warrant further investigation: Therefore be it

further investigation: Therefore be it

Resolved, That the Committee on the Judiciary be, and it is hereby, anthorized to inquire into and concerning the official conduct of Emory Speer, United States district judge for the southern district of Georgia, touching his conduct in regard to the matters and things set forth in said report; and further to inquire whether said judge has been guilty of any misbehavior for which he should be impeached and report to the House of Representatives the conclusions of the committee in respect thereto, with appropriate recommendations; and said committee is hereby authorized to send for persons and papers, administer oaths, take testimony, employ a clerk and stenographer if necessary, and to appoint and send a subcommittee whenever and wherever it may be necessary to take testimony for the use of said committee; the said subcommittee, while so employed, shall have the same powers in respect to obtaining testimony as are herein given to said Committee on the Judiciary, with a sergeant at arms, by himself or deputy, who shall serve the process of said committee and the process and ordered and as directed thereby, and that the expense of such investigation shall be paid out of the contingent fund of the House; that said Committee on the Judiciary, or subcommittee thereof, shall have power to sit during the sessions of this House or in vacation.

The SPEAKER. Is there objection?

The SPEAKER. Is there objection?

Mr. MANN. Reserving the right to object, it seems to me there ought to be something before the House in the way of information before the House orders an investigation upon which the possible impeachment of anybody may be predicated.

Mr. CLAYTON. Mr. Speaker, I can perhaps give the gentle-man the information he desires. It was my purpose to make a statement to the House before the gentleman interposed his reservation of an objection. I am very glad he did so, and I ask the indulgence of the House, so that I may make the statement.

The preamble to the resolution recites the manner of the getting before the Committee on the Judiciary of certain charges relating to the conduct of Judge Speer, of Georgia. The committee took the report of the examiner and the exhibits and made an examination of the papers and the charges. The action of the committee was unanimous in finding that the charges were of so grave a nature, and that there was enough vania had discriminated against him in the shipment of his coal

evidence in support of the charges, to warrant the committee in making a further examination into the facts touching these

The committee are without authority to make this investiga-tion, and therefore I am instructed by the committee to bring this resolution to the House authorizing the committee to investigate the facts in this case, and after such investigation has been made to report the conclusions of the committee with an appropriate recommendation to this House.

I may say that not only the members of the Judiciary Committee but other Members of this House have given the subject matter of this resolution very patient and careful consideration. The members of the Judiciary Committee and the others who have investigated this matter reached the conclusion—that is, that the charges are apparently well enough supported and are of such a character that an investigation ought to be made. They also reached another conclusion. No member of the committee, and so far as I know at this time no Member of the House, felt willing to impeach the judge in his responsible place at this time, for the reason that no member of the committee or other Member of this House has had the opportunity of talking with or examining the witnesses who it is said will be relied upon to support these charges. We did not feel authorized to impeach the judge unless we had better knowledge of the accusations brought against him.

Mr. MURDOCK. Will the gentl Mr. CLAYTON. With pleasure. Will the gentleman yield right there?

This is the third occasion upon which I Mr. MURDOCK. have seen this sort of proceeding started in the House. gentleman will remember that when the impeachment proceedings were inaugurated against Judge Swayne the first step was taken by Mr. Lamar, a Congressman from Florida, who rose in this House and in his individual representative capacity impeached the judge.

Mr. CLAYTON. That is correct.

Mr. MURDOCK. He gave the specific charges which he alleged against the judge.

In the case of Judge Archbald, my recollection is that a resolution was introduced by a Member of the House.

Mr. CLAYTON. Yes. Mr. MURDOCK. Giving the charges

Mr. CLAYTON. The resolution in the Archbald case was a resolution calling for information. It did not make charges.

Mr. MURDOCK. I thought it made charges.

Mr. CLAYTON. No.

Mr. MURDOCK. In this case the House at the present time has no knowledge of the allegations, and the origin of this proceeding, as I understand the gentleman, is with the Attorney General, and he bases his complaint upon the report of a special agent who has investigated the conduct of the judge. Is that correct?

Mr. CLAYTON. I would not state it exactly as the gentleman

has stated it

Mr. MURDOCK. I wish the gentleman would explain what the difference is.

Mr. CLAYTON. Yes; with pleasure. Shall I make the explanation now?

Mr. MURDOCK. I wish the gentleman would do so, in view of the fact that when the Swayne impeachment was begun in the House the assertion was made that any individual Member of the House had a right to rise up and begin impeachment proceedings.

Mr. CLAYTON. That is correct.
Mr. MURDOCK. The origin of this proceeding does not seem to be in the House, but in a department of the Government, and it seems to me that is materially different.

Mr. CLAYTON. Mr. Speaker, I think my recollection is not at fault either as to the Swayne case or as to the Archbald As the House knows, I took part in both those cases.

In the Swayne case Mr. Lamar, a Representative from the State of Florida, arose in his place on this floor and impeached Judge Charles Swayne, United States judge of the northern district of Florida, of high crimes and misdemeanors, and offered the usual and appropriate resolutions which gave the Committee on the Judiciary jurisdiction of the subject matter and authorized it to proceed with the investigation of Judge Swayne's conduct. Accompanying this charge was a memorial from the State Legislature of Florida preferring certain charges against Judge Swayne and asking for his impeachment.

The Archbald case originated in this way: The Department of Justice, under Mr. Wickersham, had made an investigation of the conduct of Judge Archbald. That investigation grew out of these facts: One W. P. Boland, of Scranton, Pa., had a case before the Interstate Commerce Commission, and my recollection is that he complained that certain railroads in Pennsylor the product of his washery. He had his case before the Interstate Commerce Commission. Incidentally, in talking about that case before Commissioner Meyer-and, I believe, others of the Interstate Commerce Commission connected with it-he made complaint against Judge Archbald which reflected upon his official conduct and involved his personal and judicial in-

tegrity as well.

The commissioner went to the President, who was then Mr. Taft, and told him of the complaint. I need not state all of the details of that complaint, but the President directed the Attorney General to make an investigation of these charges against the judge. The Attorney General called Mr. Boland and Commissioner Meyer, Mr. Cockrill, clerk of Commissioner Meyer, and Mr. E. J. Williams, who was afterwards in the Archbald case denominated the star witness, as well as other witnesses, before him. He made a personal investigation himself. He then designated a special commissioner, who went to Pennsylvania to investigate the official conduct of Judge Archbald, not only touching that particular matter complained of by Mr. Boland, but his conduct in reference to his dealings and his business transactions with railroads and subsidiary corporations in Pennsylvania.

That report, I believe, had been completed, but the Attorney General had not yet submitted it either to Congress or the President. The matter became public through the newspapers. At that time Mr. Norris, then a Representative in this House and now one of the Senators from the State of Nebraska, introduced a resolution of inquiry asking the Attorney General if an investigation had been made concerning the official conduct of Judge Archbald and if a report had been made. That resolution was referred to the Committee on the Judiciary, and the committee was then unanimously of the opinion that it was proper and reported it back to the House, and it was agreed to

and transmitted to the President.

The Attorney General, I presume after conference with the President, turned it over to the President. As to that precise matter I do not remember, but, at any rate, the President replied to that communication and transmitted the report with all the accompanying evidence, documentary and otherwise, to the House and to the Judiciary Committee. In his reply to the House the President said, in effect, that he deemed it advisable on account of the nature of the case, involving the official conduct of the judge, not desiring to prejudice the case, not desiring to give undue publicity to the matter until it had been properly sifted to see whether there was any merit in it or not, he had transmitted under separate cover to the Judiciary Committee the said report and accompanying documents, and therefore the whole report being in possession of a committee of the House would be in the possession of the House itself and the House could do with it as it saw proper.

The House left it to the committee after an appropriate resolution similarly empowering that committee to investigate the The House did not ask that that report be made The House did not demand that any statement of its contents be laid before the House other than what the President had said and what the resolution imported, but left it to the committee as the President suggested, as the wiser proper course, and then adopted a resolution to investigate similar to

the one I have offered to-day.

Mr. DYER. Will the gentleman yield?

Mr. CLAYTON. Certainly.

Mr. DYER. I understand the whole difference between the two procedures is that in one instance the House called on the Attorney General for the information he had of the Archbald case, and in this case he has transmitted to the Judiciary Committee the information he has.

Mr. CLAYTON. That is the difference between the two cases. Mr. DYER. And this investigation has been made by the Department of Justice in answer to complaints that have, perhaps, been made for the year past?

Mr. CLAYTON. Yes; and similar to the course of conduct pursued by Attorney General Wickersham in the Archbald case.
The SPEAKER. 'Is there objection?

Mr. MANN. Reserving the right to object— Mr. CLAYTON. Now, Mr. Speaker, just one moment, if the entleman will indulge me. The committee thought that this gentleman will indulge me. The committee thought that this matter ought to be investigated, to the end that if Judge Speer is not guilty of the wrongful conduct alleged against him a committee of this House and the House itself ought to vindicate one of the judges of our country.

Mr. DYER. Mr. Speaker-

Mr. CLAYTON. In just one moment-and further, that if the committee, after having made the investigation fully, as it would be empowered to do under this resolution now pending, reached the conclusion that Judge Speer should be impeached

and be removed from office this committee owed it to the public and the House owed it to the public to take that course. I will yield to my colleague on the committee.

Mr. Speaker, I was going to ask the gentleman if he would not state, if he feels it is proper to do so, that the Committee on the Judiciary, from what information they have from so far investigating and examining these reports have open minds upon this matter and no opinion has been formed by any

member of the committee upon the charges alleged. Mr. CLAYTON. That is absolutely correct, and I may say, more than that, several members of the committee, speaking for themselves personally, have expressed the hope that this judge is not guilty of the things alleged against him, but we thought it was fair to the public and fair to the judge, inasmuch as so much has been said in the public press that the judge's usefulness would be impaired unless this investigation is made and that public confidence in him would be well-nigh destroyed unless after investigation this committee and the House saw proper to vindicate him against these charges; and they are of the opinion that if these charges are true the judge ought to be removed from office as being an unfit judicial officer.

Mr. HARDWICK. Will the gentleman yield? Mr. CLAYTON. With pleasure. Mr. HARDWICK. I just want to direct the attention of the chairman of the committee to the fact that in the Hanford case, and that is the last case we had, we pursued practically this method, that instead of beginning with the high-privileged resolution of impeachment-

Mr. CLAYTON. No; the gentleman is mistaken. Mr. Berger, of Wisconsin, arose in his place on this floor and in the usual formal way impeached Judge Hanford, and then offered a reso-

lution similar to this,

Mr. HARDWICK. But the resolution we adopted was similar to this-

Mr. CLAYTON. Was similar to this, Mr. HARDWICK. Exactly; there is no difference at all. Mr. CLAYTON. And so was the resolution in the Archbald

case and the Swayne case.

Mr. HARDWICK. If the gentleman will yield further, while undoubtedly it would be a matter of the highest constitutional privilege for any Member of this House to rise in his place and introduce a resolution impeaching any Federal judge

Mr. CLAYTON, Undoubtedly, Mr. HARDWICK (continuing). Still, it is a matter entirely within the province of the House and a matter entirely in accord with some of the precedents, at least, that the House shall proceed in this preliminary way before taking so grave a step.

Mr. WEBB. Mr. Speaker

Mr. MURDOCK. Mr. Speaker, will the gentleman yield right there to me?

The SPEAKER. To whom does the gentleman yield?
Mr. CLAYTON. To the gentleman from Kansas first, and then to the gentleman from North Carolina.

Mr. MURDOCK. Then this case does differ materially from the other two cases in this, that in the Archbald case and in the Swayne case the House and the public were in possession of most of the charges. In this case neither the House nor the public know what the charges against Judge Speer are.

Mr. CLAYTON. No; the gentleman is not entirely accurate in that. The House and the country know just as much about the charges involved in this case as the House and country knew of the charges involved in the Archbald case at the time of the adoption of a resolution in that case similar to this,

Mr. MURDOCK. Now, my understanding is

Mr. CLAYTON (continuing). Or in the Hanford case, for that matter.

Mr. MURDOCK. As the gentleman will remember, in the Swayne case Congressman Lamar, of Florida, rose in the House and gave specifically the charges against Judge Swayne.

Mr. CLAYTON. The gentleman is incorrect about that. the specific charges he gave in the Swayne case, in my recollection, was a memorial from the State Legislature of Florida, which was general in its nature.

Mr. HARDWICK. Just a memorial.

Mr. CLAYTON. It was rather general in its nature, and did not purport to be articles of impeachment.

Mr. MURDOCK. Are the hearings of the Judiciary Committee in any proceedings of this kind secret?

Mr. CLAYTON. Until the committee resolves to make the in-

vestigation, they are secret, but when investigation is ordered the hearings are open.

Mr. MURDOCK. As they were in both former cases?
Mr. CLAYTON. In both cases; and I happen to have been one of the three of the subcommittee in the Swayne case. Henry W. Palmer, who served here with distinction-now gone

to his reward, and blessed be his memory-and Mr. Gillette, of California, afterwards governor, and myself were appointed a special subcommittee to go to Florida. We took most of the testimony in that case in Florida, but we took some here in Washington, and the investigation was always open, as likewise under this resolution it will be open, and just as it was in the Archbald case. The reason why it has not stated these charges and the reason why the committee kept them in rather a confidential nature was because they did not want to do anything that might hurt the judge or prejudice his case; but when the investigation is ordered by the House the taking of the testimony will be in the open and the proceedings of the committee in the open, but at the conclusion of the taking of the testimony the committee will doubtless have an executive session and to consider whether the charges are sustained or not, and if articles of impeachment shall be reported to consider a draft of the charges of impeachment; or, as has been done in a number of cases in years gone by against several judges, whom I could but will not mention, as I do not care to revive an unpleasant or an unjust matter in the career of those judges, the committee may vindicate the judge. Therefore I think that up to this time, with all the publicity that has been given the matter and with justice to the judge and to the public

Mr. MURDOCK. There is nothing in the step which the gentleman takes to-day which precludes an individual Member of Congress rising in his place and impeaching the judge?

Mr. CLAYTON. Nothing. Any Member can do it as soon as

I take my seat, if he wishes to do so.

Mr. WEBB. I would like to suggest, Mr. Speaker, that the course which the Judiciary Committee is asking now to pursue in this case is on all fours with what the House did in the impeachment of Judge Wilfley, the United States judge in China. Mr. Waldo, of New York, I remember—

Mr. CLAYTON. I am glad the gentleman has called my attention to that. He and I were both on the committee at the time. Members may not know it, but we have a United States court in China, and Judge Wilfley was sought to be impeached some years ago, but was not impeached by the committee.

Mr. WEBB. I was going to suggest that Mr. Waldo rose on the floor and impeached him, and that, on the motion of Mr. PAYNE, the House sent it to the Judiciary Committee to investigate the charges and report whether a prima facie case was made out or not. The charges were made. They were investigated by a full committee, and the full committee reported against impeachment.

Mr. TOWNER. As I understand it, when an individual offers an impeachment, he offers at the same time a resolution that the Judiciary Committee make the investigation that is con-templated by this resolution? That is correct, is it not?

Mr. CLAYTON. That is usually the course.
Mr. TOWNER. Yes. I desire to call attention to this fact, that in such a case as that the preliminary information rests only with the individual, and the resolution which makes the inquiry rests presumably upon his individual knowledge. In this case the resolution of inquiry is made upon a preliminary investigation by the Committee on the Judiciary, and therefore a much wider and broader scope is afforded and a better foundation for the action is laid. I desire to commend this as a preferable method, because when a committee like the Committee on the Judiciary of this House shall make a preliminary investigation and then shall say to the House, "It is sufficient to warrant an investigation by its committee, that ought to proceed as such investigations do," it seems to me the House is entirely warranted in giving the committee that power of investigation.

Mr. MANN. Mr. Speaker, I do not remember whether an impeachment proceeding has ever been commenced in any way without some one on the floor making a charge. Certainly the custom has been for a Member of the House, on his responsibility as a Member, to present some charges in the House, and upon those an investigation has been based heretofore. was the case in the Hanford matter, where Representative Berger presented charges, and the committee was authorized to investigate those charges. I think that has been the custom. Whether any other precedent has been set or not I do not know.

Even on the suggestion of so great a committee as the Committee on the Judiciary, for the members of which I entertain profound respect, I doubt the propriety of the House, without having any charges before it, without having any knowledge presented to it, authorizing any committee to enter upon an investigation the only purpose of which is to commence impeachment proceedings.

This matter is brought up without previous notice, so far as know. The gentleman from Alabama [Mr. CLAYTON] states that the country at large has practically the same information

as the committee. Possibly he did not mean that quite that way, because I take it that the committee has the information that was secured by the Attorney General.

Mr. BARTLETT. Mr. Speaker, will the gentleman yield?

Mr. MANN. I have read the publications in the newspapers, and I have seen no charge yet made in the public press worthy of investigation. I do not know whether such charge may have been made and escaped my attention.

Mr. CLAYTON. Does the gentleman think that I ought to

tell him what these charges are at this time?

Mr. MANN. I think the House ought to be informed as to what the charges are.

Mr. CLAYTON. Very well, Mr. Speaker; much as I regret to have to do it-

The SPEAKER. Is there objection?

Mr. MANN. I object.

The SPEAKER. The gentleman from Illinois [Mr. MANN] objects.

Mr. CLAYTON. Mr. Speaker, may I ask the gentleman from Illinois will he object to having unanimous consent to call this matter up to-morrow after the President has delivered his mes-

Mr. MANN. I think probably not, although I would not want to say now

Mr. BARTLETT. Mr. Speaker, will the gentleman withhold his objection for a moment?

Mr. MANN. Yes; I will withhold the objection for the present.

Mr. CLAYTON. Yes. I want to say one thing in reply to the gentleman from Illinois [Mr. Mann]. He has correctly stated that in a number of cases the usual practice obtaining in cases of impeachment is for a Member to rise in his place and impeach the judge and offer an appropriate resolution. there is a case exactly in point with this, with one slight difference-but in all essential particulars exactly like this-and that is the case of Judge Archbald. There the Attorney General made an investigation of the conduct of that judge, and made his report to the President, and that report was transmitted to the Committee on the Judiciary in response to a resolution of inquiry, and no charge of impeachment had been made on the floor until the committee had considered the matter and brought in the articles of impeachment. So I may say that except that here the papers were transmitted to the Committee on the Judiciary without being responsive to a resolution, whereas in the Archbald case they were transmitted in response to a resolution of inquiry, that constitutes the distinguishing feature between this case and the Archbald case, and the only distinguishing feature.

Mr. MANN. If my recollection is correct, Mr. Norris made a speech on that subject before the resolution of inquiry was presented to the House. I may be mistaken about that,
Mr. CLAYTON. He might have made a statement; I will

not undertake to say he did not, but I do not recall that he made any statement.

Mr. MANN. I would not wish the gentleman from Alabama [Mr. CLAYTON] or anyone else to think that in my opinion it is necessary for the House to have some Member rise and pre-sent charges before the House can act. Of course, the House has full power in reference to making an investigation in regard to impeachment proceedings and in acting upon any reason that is presented.

Mr. BARTLETT. Will the gentleman permit me?

Mr. MANN. Certainly. I reserve the right to object. Mr. BARTLETT. I merely want to call the attention of the gentleman from Illinois to the fact that so far as I can ascertain this investigation grew out of the fact that in the trial of a case in the United States court in Macon, Ga., a party in that case wrote a letter to the judge in which he made certain allegations of improper conduct not only in that case but in many other cases which was made public in the press. That case became celebrated by reason of the fact that the judge had the party arraigned before him for contempt of court; and that contempt case was tried and those charges by the party to the suit against the judge not only with reference to that case but numbers of other cases became a part of the records of that court, and, of course, a matter of which the Department of Justice took cognizance. The Department of Justice was compelled to assign another judge and another district attorney to try the case. In that way these matters became known not only to the press and to the public but spread upon the records of the court. An investigation was had by the Department of Justice through one of its special examiners, and that examiner has reported to the Department of Justice concerning those matters, the report being accompanied by numerous statements of lawyers and prominent citizens and extracts from the records

of the court. Whether those charges will be sustained or not I am not prepared to say. The charges are most serious. They affect the judge in every way. They affect his capacity to try cases temperamentally. They seriously affect his administration of justice in the court. They charge favoritism, despotism, tyranny, oppression, and maladministration. I do not know from the testimony or from any other source whether the charges are true or not, but I want to say to my friend from Illinois [Mr. Mann] that he could do this judge no greater harm and no greater injury than by attempting to impede or stop an investigation to ascertain the truth or falsity of these It is not for me now to determine or even to express an opinion as to whether the charges are sustained by the proofs submitted by the Department of Justice, but these charges have reached a stage where justice to the people of that district, and above all justice to the judge against whom these charges are made, requires and demands an investigation at the hands of this House.

It should not be necessary for any member of the Judiciary Committee or any other Member of the House to be compelled to rise in his place and proceed to so harsh a proceeding as to "im-peach" the judge in order to have an investigation as to the truth or falsity of these charges, because the judge should not be impeached until it shall be at least reasonably certain that he has violated the law and been guilty of some misdemeanor or misconduct justifying impeachment. But I repeat that any friend of the judge does him no good service, but does him serious harm, by standing in the way of permitting the broad, clear light of publicity to shine and beat upon his actions and his decisions from the time he entered upon this honorable office down to the present day. The people have become restless about judges of the Federal courts, and there is but one way in which we can preserve the honor, the integrity, and the supremacy of the law, and that is by compelling judges, like all other officials, to stand with their conduct open to the broad, white light of publicity and of truth. [Applause.] If you do not want to see judges recalled, if you do not want the socialistic disposition of the time to demand that decisions shall be submitted to the test of a popular vote, then you ought to be careful, aye, you ought to be quick to permit charges made by reputable citizens against the conduct of those who wear the ermine to be investigated. No judge does himself justice, no judge conserves the honor of the bench who would, by an appeal to any friend or acquaintance, stay the fullest investigation of his conduct from the deance, stay the fullest investigation of his conduct from the day he donned the ermine until this good hour.

Mr. Speaker, I hope that no gentleman in this House will be so unjust to the people of that district, so unjust to that distinguished judge, as to prevent a speedy, impartial, full, white-light investigation of his conduct, so that if he has been unjustly accused he shall come forth fully vindicated, freed from suspicion and freed from suspicion of these charges; but unfortunately the charges many of which are most sortions affective. tunately the charges, many of which are most serious, affecting the honor and integrity of the judge, are made, and these people, who say they have been tyrannized over, oppressed, and unjustly

treated by the judge, should have an opportunity to be heard.

Mr. Speaker, "Of law there can be no less acknowledged than that her seat is the bosom of God, her voice the harmony of the world. All things in heaven and earth do her homage—the very least as feeling her care and the greatest as not exempted from her power." The judge is the minister of the law, and the seat he occupies and his ermine should be pure and spotless; no upright and impartial judge can afford to stop or stay or hinder any investigation into his judicial integrity when it is assaulted. [Applause.]

The SPEAKER. Is there objection?

Mr. MANN. Mr. Speaker, reserving the right to object, I presume the gentleman from Georgia is thoroughly familiar with all of the charges made against this judge. Possibly he has communicated with the Department of Justice concerning the investigation which has been made.

Mr. BARTLETT. I have not.

Mr. MANN. It was so reported in the newspapers.
Mr. BARTLETT. Only one-third of what you see in the newspapers is true and two-thirds not true.

Mr. MANN. We are asked to make an investigation based on what the newspapers said, and perhaps we ought to investigate as to whether the gentleman from Georgia has been to the Department of Justice. I am willing to take his denial, but the gentleman himself would not be willing to do that. I can

see no reason for acting on this resolution to-day.

Mr. CLAYTON. Mr. Speaker, of course the gentleman from Illinois is familiar with the rules of the House. I have had occasion to examine the precedents contained in the third volume of Kinds' Precedents, and while the question as to whether it is a privileged resolution or not is doubtful, I think the weight of authority is that it is not privileged. I reached I

that conclusion, and I may state frankly to the House that that was the conclusion of the present distinguished occupant of the chair. Some Speakers have ruled to the contrary, but the weight of authority and the reason in support of that weight is

against its being privileged.

Now, there are two ways to have this resolution made privileged so that it can come before the House—one is by a special rule and the other is the usual way, by a Member impeaching the judge on the floor of the House.

Now, I ask the gentleman from Illinois, in view of all the circumstances, if he would not be willing that this resolution be called up to-morrow after the President has delivered his message to Congress and be then considered and no objection thereto be made?

Mr. MANN. I stated to the gentleman from Alabama a while ago that I might be willing to agree to that to-morrow, but I was not willing to agree to it to-day.

The SPEAKER. Is there objection? Mr. MANN. For the present I object.

## MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Tulley, one of its clerks, announced that the Senate had passed without amendment the following resolution:

House concurrent resolution 16.

Resolved by the House of Representatives (the Senate concurring), That the two Houses of Congress assemble in the Hall of the House of Representatives on Wednesday, the 27th day of August, 1913, at 12 o'clock and 45 minutes in the afternoon, for the purpose of receiving such communications as the President of the United States shall be pleased to make them.

#### CONTESTED-ELECTION CASE.

Mr. POST. Mr. Speaker, I call up for consideration the privileged resolution which I send to the Clerk's desk.

The Clerk read as follows:

House resolution 231.

Resolved, That William J. MacDonald was duly elected a Representative from the twelfth congressional district of Michigan to the Sixtythird Congress, and is entitled to a seat therein.

The SPEAKER. Is this a unanimous report?

Mr. POST. It is; yes, sir.
Mr. RUCKER. Mr. Speaker, I think this matter should be discussed some before the vote is taken on it. I presume the gentleman from Ohio desires to make some remarks.

Mr. POST. A parliamentary inquiry, Mr. Speaker. The SPEAKER. The gentleman will state it.

Mr. POST. Am I entitled to an hour?
The SPEAKER. Yes; and if the previous question is not ordered any Member who can get recognition is entitled to an

Mr. RUCKER. I should like some time. Mr. POST. I will yield to the gentleman.

Mr. RUCKER. I want to hear the gentleman from Ohio

first, and then I want to be recognized in my own right.

Mr. POST. I will say to the gentleman that I will not ask for the previous question.

The SPEAKER. Is the gentleman from Missouri [Mr.

RUCKER] a member of this committee?

Mr. RUCKER. No, sir; but I am a Member of the House.

The SPEAKER. The Chair wanted to know in reference to recognition. The practice is that if any member of the committee desires recognition, he is entitled to it in preference to converte the Member. any other Member.

Mr. MANN. A parliamentary inquiry, Mr. Speaker. The SPEAKER. The gentleman will state it.

Mr. MANN. Where a committee makes a unanimous report and a member of the committee takes the floor in favor of sustaining it, is not a Member who is opposed to it entitled first thereafter to recognition?

The SPEAKER. Yes; that is true.
Mr. MURDOCK. Mr. Speaker, the gentleman from Ohio
[Mr. Post] has the floor in his own right for one hour?
The SPEAKER. Yes.

Mr. MURDOCK. And he has the right at any time to move the previous question?

The SPEAKER. Yes. Mr. MURDOCK. No. Mr. MURDOCK. Now, the gentleman from Ohio has said that he will yield of his time to the gentleman from Missouri [Mr. Rucker]. Does not that provide for the other proposition?

The SPEAKER. But the gentleman from Missouri said he wanted to be recognized in his own right. Of course, he has to take his chance of the gentleman from Ohio moving the previous question.

Mr. Speaker, I would like to know if I can not arrange with the gentleman from Ohio as to a limit of time

for debate upon this question.

The SPEAKER. The gentleman from Ohio will give his attention to the gentleman from Missouri.

Mr. RUCKER. I would suggest the House give unanimous consent to an hour on a side, one half to be controlled by the gentleman from Ohio and the other by myself.

Mr. POST. We have that right under the rule. I will not

move the previous question.

Mr. HAY. I would like to ask the gentleman from Missouri if he is opposed to the resolution?

Mr. RUCKER. Yes; I am opposed to it.

Mr. MANN. Why not make it less than an hour on a side, in order to accommodate your side of the House?

The SPEAKER. What is the desire of the gentleman from

Mr. POST. An hour on a side.

The SPEAKER. The gentleman from Ohio asks unanimous consent that two hours' debate be allowed, one half the time to be controlled by himself and I suppose the other half by the gentleman from Missouri, as he seems to be the only one who wants to be heard. Is there objection?

Mr. UNDERWOOD. Mr. Speaker, reserving the right to object, I would like to ask if the gentlemen can not agree to get along with less than two hours' time. We want to finish up

the currency bill.

Mr. RUCKER. This is an important matter.

Mr. UNDERWOOD. If this is a unanimous report-Make it three-quarters of an hour on a side.

Mr. MANN. Mr. RUCKER. Three-quarters of an hour will be satisfactory

so far as I am concerned; I probably will not use that much.
The SPEAKER. The gentleman from Ohio asks unanimous consent that debate be an hour and a half, 45 minutes to a side, he to control 45 minutes and the gentleman from Missouri the other 45 minutes. Is there objection? [After a pause.]

Chair hears none.

Mr. POST. Mr. Speaker, this case is the contested-election case of William J. MacDonald against Hon. H. Olin Young. The case arises from the twelfth congressional district of the State of Michigan. There were four candidates for Congress in that district at the last general election in 1912. Mr. Young was the candidate on the Republican ticket and Mr. MacDonald was the candidate on the National Progressive ticket, but Mr. Young having resigned his seat we have not anything to contend with except the question of whether or not Mr. Mac-Donald under the evidence he produced before the committee is entitled to a seat in the House. Now, I do not care to take up time in the discussion of this question, because the committee was unanimous in its report that Mr. MacDonald was entitled to a seat under the evidence he had produced before the committee. In the State of Michigan they have a primary That primary act provided that a person in order to be entitled to be a recipient of votes must enroll or register before officers provided for that purpose his party affiliations, and it was contended in the hearing of the case that because of that Mr. MacDonald at the time of the primary and at the time of the general election was not qualified to be the recipient of votes. Now, I do not care to discuss the question more than to say the committee found that there was nothing in that contention. In other words, we found that the provisions of the primary act if applicable to the general law superadded a qualification to the qualifications requisite for a Member of this House, which the Legislature of the State of Michigan was not authorized to do. Now, when Congress convened in extraordinary session Mr. Young appeared at the bar of the House and was sworn in. I might state prior to that, however, that it was generally understood in the district, until the State board of canvassers of the State of Michigan had canvassed the vote—that is, on the 10th of December—that Mr. MacDonald was elected. Everybody conceded his election up to that time. There were 15 counties in the district, and in all the counties in the district except one county, Ontonagon County, Mr. Mac-Donald's name was printed upon the ballot under the designa-tion of "William J. McDonald."

In Ontonagon County it was printed on the ballot as "Sheldon William J. McDonald." The committee thinks this was purely a mistake, and it occurred in this way: Under the law of Michigan it is the duty of the chairman and secretary of the committees to certify the entire ticket to the commissioners of election for the purpose of enabling them to print and to prepare the ballot. This was done in every county of the district, but afterwards it was discovered that this certificate spelled the name as "McDonald," when, in fact, his name was "Mac-Donald." When this was discovered the secretary of the National Progressive Party of the State committee telegraphed to the clerk of each board of county commissioners a dispatch

something like this:

The name of the candidate for Congress is spelled William J. Mc-Donald correct.

The receiver of the telegram in Ontonagon County misconceived or misinterpreted the characters which stand for the word "Sheldon" and the word "spelled" and interpreted the telegram to read "Sheldon William J. McDonald." And in that county his name appeared upon the ballot under that designate the county has not been supported by the county has not been supported by the county has name appeared upon the ballot under that designate the county has name appeared upon the ballot under that designate the county has name appeared upon the ballot under that designate the county has name appeared upon the ballot under that designate the county has name appeared upon the ballot under that designate the county has name appeared upon the ballot under that designate the county has not been considered to be cons nation. Now, Mr. MacDonald received in 14 of the counties 17,975 votes. In Ontonagon County there was cast for the Progressive candidates on the Progressive ticket 458 votes, and the election commissioners in canvassing the vote in Ontonagon County canvassed the vote for the candidate for Congress under the name of "Sheldon William J. McDonald," so the State board of canvassers when they canvassed the entire district on the 10th day of December canvassed the 14 counties under the name of "William J. MacDonald," and in Ontonagon County they canvassed the vote as 458 votes cast for "Sheldon William J. McDonald," and issued the certificate of election to Mr. Young, notwithstanding the fact that everybody up to that time had conceded the election of Mr. MacDonald. Your committee has found that the board of canvassers should have treated the word "Sheldon" as mere surplusage. They contended that under the laws of the State of Michigan that they were bound by and could not look beyond the face of the ballot to determine the intention of the voters. But this House, by a long line of precedents, has established the rule that we can go behind the face of the ballot and we can take into consideration the circumstances surrounding the election, and if we find that a ballot has been improperly printed, we have the right to make that correction. And for that reason we say that Mr. Mac-Donald is fairly entitled to the 458 votes cast for him in Ontonagon County. It was a mistake pure and simple. It was a mistake simply in printing the name upon the ballot. I do not care to say anything further on that question, Allowing the votes that were cast for the National Progressive ticket in the twelfth congressional district of Michigan, he would have a clear plurality of 243 votes, and we think, beyond question, on those propositions he is entitled to a seat in this House.

Mr. MURDOCK. Will the gentleman yield?
The SPEAKER. Will the gentleman from Ohio yield to the gentleman from Kansas?

Mr. POST. Yes.

Mr. MURDOCK. Did not the committee also find in its investigations that there was no question at all of the intention of the voters in that county, by reason of the fact that the same number of votes that William J. MacDonald received was the number received by other Progressive candidates for office?

Mr. POST. You will find that in the report. Mr. MacDonald,

under the name of "Sheldon William J. McDonald," in Ontonagon County received the same number of votes practically that the presidential electors and State officers received whose names appeared on the National Progressive ticket in that county.

Mr. Young made a speech in this House on the 10th day of May, at the time he resigned his seat, and he conceded upon the floor of the House that it was the intention of the electors who cast the 458 votes in Ontonagon County to cast them for the candidate for Congress on the National Progressive ticket.

Now, there was another question which I understand that some gentlemen wished to be heard upon, and it is this: On the 26th of October, 1912, Mr. MacDonald filed his account with the Clerk of this House of his expenses up to that time, which were incurred in his campaign. He was also required by the Federal statute to file his account after the election, but he filed no account until the 13th day of April, 1913. Subsequent to the 13th day of April, 1913, he filed an additional account. Now, some question is made as to his neglect in filing within the time prescribed by law this account which the statute requires should be filed subsequent to the day of election.

The statute was enacted in the year 1910. It was amended in the year 1912. The statute, to my mind—and I am not speaking for the committee in this respect—is mandatory by its very I think it is mandatory upon a candidate for Congress to file these accounts that are required to be filed by the statute. The law not only requires the candidate to file an account of all the sources of his campaign funds, but excluding advertising and postage and telegrams and telephone expenses and personal expenses, it also requires him to file an account of all dis-

bursements made by him.

But I want to call the attention of the House to this significant fact, that the statute is a penal statute. The statute does not go to the qualifications of a Member of the House, and the view that your committee has taken of that is this, that where there has been neglect, through a mere omission to file an account, not purposely to conceal bribery or fraud or to cover up an unfair election, it should not deprive a Member of a seat in this House.

I may say the statute is highly penal. It provides a penalty of a thousand dollars fine as a maximum, with one year in the penitentiary as the maximum of imprisonment. But we do not think that because the statute is a penal statute and because it does not go to any of the qualifications required by a Member of Congress ground would be afforded for refusing a seat. But beyond that we think that if the neglect or omission to file an account was done purposely, was done for the express purpose of covering up an unfair and an unjust election, to cover up bribery or fraud in an election, then this House has a perfect right to take into consideration the failure, either by omission or willful neglect, to file an account.

Now, there is another proposition touching upon this question. The Federal statute requires that within a certain time the contestant shall file notice upon the contestee of the grounds upon which he is going to rest or base his contest. The statute provides that the contestee shall file an answer to that notice, and in that answer he shall either affirm or deny the allegations in

the notice, and by way of countercharge set up any new matter.

Now, in this case, in making up the issues that were made up between the contestant and the contestee, the question of the omission or neglect to file this expense account was not made an issue, but if you will examine the records of the case you will find that testimony was taken upon this proposition, and taken without objection, that being the reason why the committee considered the question. But what I want to point out to the House is this, that by the decisions of this House in contested-election cases the House has uniformly held that its Committees on Elections must confine their consideration to the issues joined between the contestant and the contestee, and in this case there was no issue made of the question of the neglect or omission to file an expense account. Notwithstanding that, we did consider the question.

Now I yield, Mr. Speaker, to the gentleman from Missouri

[Mr. RUCKER].

Mr. FRENCH. If the gentleman from Miscouri prefers to speak now, I can wait. I am favorable to the proposition.

Mr. POST. Mr. Speaker, I reserve the remainder of my time. How much time have I consumed?

The SPEAKER pro tempore (Mr. MURRAY of Oklahoma). The gentleman has consumed 15 minutes.

### [Mr. RUCKER addressed the House. See Appendix.]

Mr. MANN. That provision of the law has nothing to do with the filing of the account. You do not have to include expenditures for printing under that section. That is a provision for the purpose of specifically covering the \$5,000 limitation.

Mr. MURDOCK. Will the gentleman explain that and clear

up that point?

I will if I have time. Mr. MANN.

Mr. MURDOCK. I hope the gentleman may have the time. When the gentleman makes the assertion that a thing is not covered by the law, which we all understand is covered by the law, I should like to know the reason.

Mr. MANN. I think everybody understands. There is a provision that certain expenses shall not be covered by the section. That is a provision in order to permit you to expend \$5,000, plus the printing.

The SPEAKER. Will the gentleman from Illinois suspend to allow the Chair to ask a question?

Mr. MANN. Certainly.

The SPEAKER. What did the gentleman from Missouri [Mr. RUCKER] intend to do with his remaining 13 minutes?

Mr. MANN. The gentleman yielded some time to me. Mr. RUCKER. I yield to the gentleman from Illinois such time as he wants out of my 13 minutes.

The SPEAKER. The Chair only wanted to keep the time

straight

Mr. MANN. I do not want the 13 minutes.

When the Missouri case was before the House in the last Congress, the Democratic side of the House insisted that the gentleman from Missouri, who was a contestee, had violated the State law with reference to the amount of money to be expended. The Republican side of the House insisted that he had not violated the law, but, as I understand, both sides of the House practically agreed that if he had violated the law he would not have been entitled to his seat. Now, since I have been a Member of this House I have heard a great deal about campaign publicity. I have never been extremely enthusiastic over the laws that have been passed upon the subject, because I have feared that they might be onerous to men who would endeavor to obey the law, but would not trouble those who did not care to obey it. It is proposed to-day to wipe the publicity law off the map. Why should anybody obey it? Here is a man who deliberately violates the law and is unquestionably subject I friends. I yield back the balance of my time.

to a criminal prosecution, but nobody wants to prosecute him criminally. There never has been a criminal prosecution under this publicity law; and when in the last Congress a report came in from a committee designed to call the attention of the Attorney General to the matter so that he might investigate and see whether the law had been violated, it was laid on the table by the House

What is the publicity law for? Is it to have gentlemen publish their expenditures and their receipts, or only those gentlemen who are honest enough to do it?

Mr. RAKER. Will the gentleman yield right there? Mr. MANN. Well, that depends.

Mr. RAKER. Just for a question. Is it not a fact that in addition to the expenditures, he must set out the fact that he has made no promise or agreement of any kind for any office?

Mr. MANN. Oh, yes. The law says that he can not make a promise, and then requires him to say, if he did make one, that he had made it. If he makes a promise he violates the law, and if he does not say that he has made it he violates the law.

I do not propose to criticize the committee in reference to its report-

Mr. POST. Will the gentleman yield? If Congress had intended

Mr. MANN. Let me discuss that. Mr. POST. I want to put a question to you. If Congress had intended to make a failure to comply with this act a disqualification for membership in this House, would it not have put into section 10, in addition to the \$1,000 fine and the one year's imprisonment, the statement that upon conviction the party should be ineligible to hold his office?

Mr. MANN. I do not think so, because I doubt whether Congress has that power. The Constitution of the United States fixes the eligibility of a Member of this House; but the House, not Congress, determines whether the Member is duly elected or not. The Senate has nothing to do with that.

Mr. HELM. Will the gentleman yield?

Mr. MANN. I should like to make a consecutive statement first, and then if I have a moment I will yield. I do not propose to criticize the committee for their report.

Mr. RUCKER. Will the gentleman yield to me for just one

moment?

Mr. MANN. Certainly; as the gentleman has offered to yield me time.

Mr. RUCKER. I have a suspicion that somebody, euphoniously called a Bull Mooser, has looked up my campaign expenditures and has them here on the floor. I would be glad if he would present them.

Mr. MURDOCK. The gentleman is not alluding to me.
Mr. RUCKER. Not at all.
Mr. MURDOCK. I have not looked up the gentleman at all.
Mr. RUCKER. I am sure the gentleman has not.

Mr. MANN. Mr. Speaker, I do not propose to criticize the committee for having made the report that it has made. I am inclined to think that if I had been a member of the committee I would have taken the same view that the committee have taken. And yet the situation is this: Here was a contest between a Progressive and a Republican. The Republican resigned. The only question now is whether the Progressive will be admitted to the floor as a Member. The Democratic Party, without a two-thirds majority in this House, would have met the question between a Progressive and a Republican without bias, and certainly it is in a position to-day to do so when there is no contest between anybody. All sides of the House, I think, can meet this question without bias except the gentlemen who follow my distinguished friend from Kansas. have a right to be biased in his favor, and ought to be. the House is setting a precedent. If the House determines in this case that a failure to file the statement required by the law concerning expenditures and receipts is not a disqualification, I hope in the future when partisan feeling is running high neither side will turn some one out because he has failed to file a statement of his expenditures and receipts. I hope the distinguished gentleman from Kansas and other distinguished gentlemen of this House will cease to keep agitating the air about the filing of campaign expenses and about publicity of receipts and expenditures. The only way you can enforce the law is for the House or the Senate to refuse to seat a man or to keep him in his seat for a violation of it.

You can not try cases like this before a petit jury and obtain conviction once in a thousand times. When the House determines that it proposes to seat a Member regardless of his compliance with the law, it determines that the publicity of campaign expenses is good to talk about, but is not worth doing anything about, and that applies especially to our Progressive

Mr. FRENCH rose.

The SPEAKER. For what purpose does the gentleman rise? Mr. FRENCH. Being a member of the committee in favor of

the proposition, I want to obtain some time from the chairman.

Mr. POST. I will yield to the gentleman, but I agreed to yield first to the gentleman from Georgia [Mr. Crisp] five

Mr. RUCKER. How much time, Mr. Speaker, remains on my

The SPEAKER. The gentleman has three minutes.

Mr. POST. Mr. Speaker, I yield five minutes to the gentleman from Georgia [Mr. CRISP].

Mr. CRISP. Mr. Speaker, in the language of a former New York statesman, I am a Democrat, so that I approach this contest between a standpat Republican and a Progressive without any bias in favor of either. From my school of political economy I think the country would be best off if they could kill off each other. [Laughter.]

But seriously, Mr. Speaker, there are only three points in this As an American Representative I have endeavored earnestly and fairly to consider the testimony in the case and try so far as it was within my power to arrive at a fair and just and equitable verdict for the people residing in the twelfth con-

gressional district of Michigan. Now, my good friend, the chairman of the Committee on Election of President and Vice President, Mr. RUCKER-and I have the honor to be on that committee and it will be my pleasure to cooperate and aid him in any way possible to strengthen the campaign-publicity act, to insure and guarantee pure electionshas based his speech solely on the failure of the contestant in this case to file a statement, as required by law. I agree that the law is mandatory and should be obeyed. Mr. RUCKER by his ability has taken away the mind of the House from the facts of the case, and that is the one reason that induced me to make these remarks, because I want to call the attention of the House to the whole case and not let it go off and decide the case on that one bald proposition.

There are three propositions in this case. It is contended that Mr. MacDonald was not legally nominated under the primary law and not eligible to become the nominee of the Progressive Party for Congress in that district. The second point is that there were 458 votes intended by the voters to be cast for Mr. MacDonald in Ontonagon County, and the third question that has arisen, not by notice of contest, not by any of the pleadings in this case, but has arisen subsequent to the resigning of Mr. Young, is that Mr. MacDonald did not file an expense account,

as required by law. Now, as to the first point, as to the nomination. It is contended that because Mr. MacDonald was registered as a Republican it was impossible for the voters of that district to vote for him for Congress on any other ticket than the Republican ticket. I do not think there is any question in the minds of the Members of the House, who have given it any consideration, that this contention is absurd. It would be superadding to the qualifications required by the Constitution of the United States for a citizen to become a Congressman. The Constitution simply requires a man to be 25 years old, seven years a citizen in this country, and an inhabitant of the State to be represented. This contention would require that a citizen, possessing the qualifications required by the Constitution, should also possess the additional qualification that he was registered as a member of some certain political party. This is repugnant to the Federal Constitution and can not be upheld. It would deprive the qualified voters of their inalienable right to vote for the man of their choice, qualified under the Constitution to become their Representative. Such a contention is repugnant to the Constitution and I will dismiss it without further remarks. But as to the facts in this case: One Mr. Rogers was nominated in the regular primary held under the laws of Michigan as the Progressive candidate for Congress. Mr. Rogers had been declared the nominee of the Progressive Party and had received from the secretary of state of Michigan a certificate that he was the duly elected nominee of the Progressive Party for Congress in that district. He resigned. Then the Progressive Party in convention nominated Mr. MacDonald as its candidate. Mr. Rogers sent a declination of his nomination to every county in the district and supported and recognized Mr. MacDonald as the nominee of the party. The chairman and secretary of the State central committee of the Progressive Party of Michigan and the chairman and secretary of the congressional committee recognized Mr. MacDonald as the nominee of the party. All of the election officers of the State of Michigan in every county In the district recognized Mr. MacDonald as the Progressive nominee for Congress in that district, and his name appeared

the district save in one, Ontonagon County, and there his name appeared with the word "Sheldon" affixed in front of it. I believe, speaking for myself, that Mr. MacDonald's nomination was legal.

The laws of the State of Michigan gave the managers, voters, and everyone interested a remedy to have Mr. MacDonald's name stricken from the ballot if improperly thereon. They should have gone to the court and had his name stricken from the ballot, and if they failed to do that it is certainly inequitable to allow them to complain after the election. But beyond this, Mr. Young-and I wish to commend his course in this House; he is an honorable, high-toned man-did not want any office to which he was not elected by the people-

The SPEAKER. The time of the gentleman from Georgia has expired.

Mr. POST. I yield the gentleman five minutes additional. The Republican Assistant Attorney General en-Mr. CRISP. deavored to have Mr. MacDonald's name stricken from the ticket, but Mr. Young opposed this and sent a notice to all the voters of the district, saying that though Mr. MacDonald's nomination was not regular, he believed in the people ruling, and he asked all the election managers to leave his name on the ticket and let the people decide between them. This course was pursued in every county of the district, but in Ontonagon County William J. MacDonald's name was placed on the ticket, not in the Progressive column, but in a separate column, printed in small type. On the Progressive ticket also appeared the name Sheldon William J. McDonald. "Sheldon," which was surplusage, was a mistake by the election clerk, caused by misreading a telegram received by reading the word "spelled" for There was no such person as Sheldon William J. There were 458 votes cast in Ontonagon County for all the Progressive candidates, and Sheldon William J. McDonald received in that precinct the same number of votes that all the other Progressive candidates received-458 votes. Now, the canvassing board of the State of Michigan, they went to consolidate the vote, gave Mr. MacDonald 17,975 in all of the other counties of the district, not counting any votes for him in Ontonagon County. They gave Mr. Young 18,190 votes, and they threw out and did not count for Mac-Donald the 458 votes in Ontonagon County; and they issued the certificate of election to Mr. Young. Mr. MacDonald went to the Supreme Court of Michigan and asked for a mandamus to require this election board to recanvass the vote and count those 458 votes for him.

The supreme court refused to entertain the writ, giving no reason for their refusal to act on the matter, but simply refusing to take jurisdiction. One of the judges, in the public press of Michigan, gave out a signed statement that the reason they did not take cognizance of the case was because they had nothing to do with it; that Congress and Congress alone was the sole and exclusive judge of the qualification of election of its Mem-There is no dispute as to the facts in this case.

Mr. Speaker, in my opinion no one should be permitted to trifle with the people. If Mr. MacDonald was not legally nominated, the interested parties should have appealed to the courts to exclude his name. This was not done, and, in my judgment, all persons are now estopped from contesting Mr. MacDonald's nomination.

No one questions but that the 458 votes in Ontonagon County were intended by the voters to be cast for William J. MacDonald, and Mr. Young, in his place on the floor of this House, conceded as much, and said that he believed that any equitable forum, seeking to be just and do right, would count those votes for MacDonald, and if they did MacDonald would have a majority of 243 votes, and therefore he, Mr. Young, did not care to hold the seat under such terms, knowing a plurality of the people in his district voted against him, and therefore he issigned.

Now, gentlemen, those are the facts in this case. We have a government of the people and by the people, and it has been an inspiration to all the world, but if you by technicalities take steps to thwart the will of the people when honestly, fairly, and impartially expressed at election and to deny them the Representative that they have honestly and fairly chosen you will bring contempt upon law and order, and will do more to destroy our glorious Government than all else you can do. I believe in the people's rule, and a plurality of the electors of the twelfth Michigan district having voted for Mr. MacDonald, he is entitled to represent them, and I shall vote to seat him. [Applause.]

The SPEAKER. The time of the gentleman has again ex-

pired.

Mr. CRISP. I would like to discuss the third proposition, failure to file statement of campaign expenses, but as the time is so limited and others on the committee desire to speak I will on the ballot as the Progressive candidate in every county of not ask further time.

Mr. POST. Mr. Speaker, I yield five minutes to my col-

league on the committee [Mr. French].

Mr. FRENCH. Mr. Speaker, the gentlemen who have pre ceded me in commenting upon the facts in the case have stated them so accurately that I need not dwell upon them. Touching, however, the question of whether or not MacDonald's name had the right to go upon the petition, touching the question again of whether or not we have a right to count the vote of Ontonagon County for William J. MacDonald, touching the right of procedure of the congressional committee in nominating MacDonald, I have not the slightest doubt that all three of those propositions are abundantly sustained by the precedents that have been made by this House along the line that has been suggested by the gentlemen who have just preceded me.

There is another question upon which the greatest interest seems to have turned this afternoon and to which I want to refer, and that is the question of the failure of the contestant to file his election statements prior to and subsequent to the

election in the manner prescribed by law.

The fact of the business is that if you will examine the section of the law to which the gentleman from Illinois [Mr. MANN] has called attention and examine the statement that was filed on October 26 by the gentleman—the contestant in this case—I think you will be abundantly assured that even the disclosures made in that affidavit were surplusage and need not to have been made at all. More than that, the contestant at the end of that statement says that he was to no other expense. The fact of the business is, and it came to the attention of the committee, the contestant was the district attorney in his district. Immediately following the election he had to appear in court for the trial of some 50 cases, or disposition of them, that were upon the calendar. He did not know that he overlooked the filing of these expense accounts. He had been placed upon the ticket only about one month prior to the election.

Mr. MANN. Will the gentleman yield?

Mr. MANN.

Mr. FRENCH. I will yield.

Mr. MANN. Does the gentleman think that the fact that the

man is a criminal prosecutor excuses him from obeying the law?

Mr. FRENCH. On the contrary, I think that very fact ought
to be further notice to him that he should see to it that he comply with the law. But let us consider the facts further in connection with this case. It seems that when the gentleman's attention was called to his delinquency, on April 21, 1913, he filed a supplemental affidavit, on April 24 another one, and endeavored in them to support or amplify the affidavit filed on October 26, and to file an affidavit that would take the place of the one that ought to have been filed 30 days following the election.

Will the gentleman yield to a question right there?

Mr. FRENCH. Yes, sir.

Mr. COX. What affidavit did he make, if anything, as to whether or not he made any promises?

Mr. FRENCH. I will say to the gentleman that that question

was not raised in the hearings at all.

But that is a part of the law.

Mr. FRENCH. I have no doubt that the committee would have been glad to have gone into that question, and I can only speak as one member of the committee. That was a question that was not called to the attention of the committee at all, but I have no doubt that the committee, if it had been called to its attention, or even now, if the matter were to be referred to the committee, as could be done by the Congress, would inquire into and report to this House. That question was never before the committee. However, going back to the question of campaign expenses, the gentleman, when his attention was called to the matter, did try to correct the record that had been made.

Mr. MANN. Mr. Speaker, will the gentleman yield?

Mr. FRENCH. I yield.

Mr. MANN. Were not these last statements filed upon the forms?

Mr. FRENCH. I am not sure whether they were or not. One of them was not. Whether the third one was or not I do

Mr. RUCKER. It was not.

Mr. MANN. I was speaking of the question of promises. If he filed an affidavit upon one of the forms, to that extent he covered the promises, probably.

Mr. RUCKER. He did file one of them on the form on the 23d day of April. Let me ask the gentleman a question.

The SPEAKER. Does the gentleman from Idaho yield?

Mr. FRENCH. I yield.
Mr. RUCKER. Does the gentleman think the statement covering \$120 expended for newspaper publication complies with

Mr. FRENCH. I would say that it does; but if the gentleman says it does not, I would not contest it with him.

Mr. RUCKER. Does not the law require the items to be given in detail?

Mr. FRENCH. Yes.

Mr. RUCKER. Does not the gentleman understand that this \$120 was one item, and no more?

Mr. FRENCH. That is my understanding.

Mr. RUCKER. That is one item only; \$120 for newspaper publication

Mr. FRENCH. That is what I understand is set forth in the statement.

Mr. Speaker, can I have a few minutes more?

Mr. POST. I am sorry, Mr. Speaker, that I can not yield the gentleman more time.

Mr. FRENCH. Then, Mr. Speaker, I will ask leave to amplify and extend my remarks as to the record in this case.

The SPEAKER. The gentleman from Idaho [Mr. French] asks unanimous consent to extend his remarks. Is there objection?

There was no objection.
Mr. POST. Mr. Speaker, I yield one minute to the gentleman from Kentucky [Mr. Helm].
The SPEAKER. The gentleman from Kentucky [Mr. Helm]

is recognized for one minute.

Mr. HELM. Mr. Speaker, if I can not demonstrate to you and the Members of the House in one minute that Mr. Mac-Donald is entitled to his seat, I can not demonstrate it at all. The election was held. The Democratic candidate does not claim that he was elected. Mr. Young, the Republican candidate, states he was not elected. Mr. MacDonald has proven that he was elected, and he was elected. [Applause.]

Now we come back to the proposition of the gentleman from Missouri [Mr. Rucker]: The campaign publicity law defines clearly and fully the acts that constitute the offense. It fixes the degree of punishment with certainty. That degree of punishment must be uniform and must rest upon every citizen of

the United States equally and alike.

A man is elected, like Mr. MacDonald; you undertake to penalize him further by depriving him of his seat. According to the gentleman from Missouri, he would establish one degree of punishment for him and a less degree for the defeated candidate. What are you going to do to the man who was a candidate and was not elected and has failed to file the required statement? Do you think the Congress of the United States had it in its mind to saddle an additional penalty on the man who was elected and allow the one who was defeated to go free of all punishment? [Applause.]

Mr. RUCKER. Mr. Speaker, will the gentleman yield?

Mr. HELM. No; I have got only one minute. [Laughter.] This law has to be equal and uniform. You are punishing one man with one degree of punishment and another man with another degree of punishment, and Congress was never so stupid and farcical as to undertake to put such a statute as that upon [Applause.] the books.

Mr. MANN. The gentleman from Kentucky voted for that

w at the last Congress.

Mr. POST. Mr. Speaker, I yield three minutes to the gentleman from Michigan [Mr. CRAMTON].

The SPEAKER. The gentleman from Michigan [Mr. CRAM-

TON] is recognized for three minutes.

Mr. CRAMTON. Mr. Speaker, as I understand the purpose of this publicity law, it has been to place strictly the rule of our Government in the hands of the people rather than in the hands of corruption.

Now, it seems to me that in this case as there is no suggestion, no evidence of corruption or fraud, or anything whatever to show that the will of the people has been defeated by the improper use of money, to say that this man, elected by 20,000 votes of his district, shall not take his seat because, for sooth, he failed to file his statement on a particular day, as specified in the act, would be defeating the very purpose of the act.

Now, I have not anything more to say, Mr. Speaker, on the merits of this question further than to make this statement: That when the distinguished gentleman from Michigan, Mr. Young, addressed the House with reference to his resignation as a Member of this House I was not in this Chamber. I have, however, read his remarks with the care and interest which they deserve. I have little more to say with reference to them than to acknowledge that I was one of the "three Representatives from Michigan" who "voted for the resolution of the gentleman from Michigan" who "voted for the resolution of the gentleman from Illinois" which proposed the seating of Mr. MacDonald at the opening of this session. While I did not feel then that the resolution in question was properly offered at that time, inasmuch as the membership of the House in general could not be satisfactorily informed as to the merits of the controversy without some investigation by the House, still I felt myself fully and reliably informed and prepared to vote then, and I did vote

then in accordance with my ideas of the demands of justice. That my vote at that time was in accordance with justice is substantiated by the admission of Mr. Young that "it was the intention of those 458 electors to vote for the candidate of the National Progressive Party," by the unanimous action of the Elections Committee, composed of members of three parties, and by the apparent intention of the House itself to seat Mr. MacDonald.

With further reference to Mr. Young's remarks, I only desire to say that, while it is not therein directly so stated, it seems to me to have been the intended inference that I was one of those who had "joined in baiting the supreme court," and perhaps also had engaged in unfriendly attack upon Mr.

Neither inference would be true or just. Whatever may be my opinion as to the wisdom of the action of the State board of canvassers, I have always believed that the Supreme Court of Michigan took the only course it legally could take in deciding Mr. MacDonald's mandamus application. It declines to pass upon the merits of the contest for the reason that jurisdiction was in Congress. Not only have I not "joined in baiting," but I have approved and do approve of that decision.

Not having been honored with the personal acquaintance of either of the parties to this contest prior to the opening of this session I have had no personal animus and I have not joined in any unfriendly attacks Mr. Young may feel have been made upon him. My only public statement heretofore on this case or the parties to it was that which I gave to the Detroit Journal in response to the inquiry of its editor, which statement was published in that paper about the middle of March last and which I now give to this House as my reason for believing Mr. MacDonald should be given the seat in question:

Under the facts as I now understand them I shall certainly vote to seat MacDonald. There appears to me to be no question but what he was fairly chosen by the voters of his district, and their choice should control. I believe my vote should be guided by principles of justice rather than by partisanship; further I believe no party can live or build itself by partisanship at the expense of justice.

Mr. POST. Mr. Speaker, has the gentleman from Missouri [Mr. RUCKER] any further time?
The SPEAKER. The gentleman from Missouri has three

Mr. POST. Will he use that three minutes now?

Mr. RUCKER. Mr. Speaker-

Mr. KELLEY of Michigan. Mr. Speaker-

The SPEAKER. The gentleman from Missouri has the floor. Mr. RUCKER. The gentleman from Kansas [Mr. Murdock] said I did not have the right to it.

Mr. MURDOCK. I thought the gentleman had exhausted his I am always glad to hear from the gentleman from Missouri.

[Mr. RUCKER addressed the House. See Appendix.]

Mr. POST. Mr. Speaker, I yield four minutes to the gentleman from Wisconsin [Mr. Frear].
Mr. FREAR. Mr. Speaker, my reason for speaking is simply to resent the imputation that this Elections Committee in considering this matter has been guilty of negligence, and that this man whom you will probably seat in this body is a criminal. I fear that the gentleman from Missouri, who drew the law, is too proud of his child, and for that reason in trying to protect it forgets more important features connected with it.

Let me say to the gentleman from Illinois that he fails to understand the power that prevents the seating of a man who fails to carry out the provisions of that law.

Will the gentleman yield?

Mr. FREAR. No; I have not the time. Four years ago there was filed with me as the proper officer in my State four sworn statements of gentlemen who ran for the same office, and whose expenditures aggregated \$190,000. They were trying to secure a seat at the other side of the Capitol. It was claimed at that time by candidates that the law was simply a dead letter; that men would not obey it; yet every one of the items in those statements was put down carefully, and it took many pages to show that nearly \$200,000 was spent by these four candidates, all seeking a seat in the United States Senate. Why? Because there were four candidates and three were watching the other one; every man, supposing he was going to get it, was interested in complying with the law. In other words, the law will be enforced by candidates themselves through fear of a disqualification should they fail to obey the law.

Two years later over \$100,000 was expended in trying to defeat the senior Senator from the same State. The same par-ticularity was shown in furnishing every item as required by that law, which now limits such expenditures. Why? it was known that unless they filed it accurately they were subject to the criminal laws of the State, and these laws are sup-

ported by public sentiment. If you would enforce this law, put it in proper form; disqualify a man who willfully refuses to comply with its provisions; then you are in a position to say that the law means something. You may say it is not constitu-tional to seek disqualification. But you are claiming that this is a criminal law; and if so, then men who neglect to file statements are criminals and unfitted to sit in this House. I am afraid, Mr. Speaker, that the true purpose of the law has not been carefully considered. The spirit of the law is to require publicity of election expenditures, to prevent corruption and buying of elections. We have such laws in the various States, and the sentiment in their favor is spreading throughout the country to-day. The criticism here offered is technical and does not affect the merits of the question. The men on this committee who favor a rigid corrupt-practices act and have ever been ready to recognize its growing importance are not willing to say that a man in far-off Michigan, who knew nothing about the law, whose opponent was seated by the State board, should be disqualified because, with no thought of evasion, he neglected for a few days to file his statement. We should not forget the fundamental principles of the publicity law, which are not to impose hardships upon candidates or to prevent men from becoming candidates, but rather to compel a limitation of expenses to reasonable limits and, so far as we may be able, to prevent corruption through improper expenditures, to punish willful concealment or fraud, but not unintentional oversight, as was undeniably the case with Mr. MacDonald. [Applause.]

Mr. POST. Mr. Speaker, I yield the balance of my time to the gentleman from Kansas [Mr. Murdock].

Mr. MURDOCK. Mr. Speaker, first I want to commend the committee for its fairness and for its dispatch, and particularly committee for its fairness and for its dispatch, and particularly

to commend it for dispatch because of the circumstances. William J. MacDonald, the contestant, has come to a seat in Congress with much delay and considerable difficulty, more difficulty than most of us have, and we all of us have more or less trouble in reaching here.

Mr. MacDonald first got upon the ballot. He believed him-self upon the ballot safely and securely until a very few days before the election. Then an antagonistic attorney general, or deputy attorney general, ruled that under the decision of the supreme court MacDonald's name should come off the ballot, and the election boards in various counties were warned to take his name off the baflot. In one precinct the election board did put pasters over the name of MacDonald, and did deprive him of the votes he was entitled to in that precinct. Everyone who runs for Congress knows that any unusual element of doubt such as that introduced into a campaign in the closing hours is a detriment to the man against whom it is directed.

The proposition that an attorney general made that sort of a charge and that then issued that kind of instruction was against MacDonald's chances, but the election board kept his name upon these ballots. His opponent, Mr. Young, issued a statement in which he said he did not believe that MacDonald was entitled to run, but believed the people should rule, and he Young did not believe wanted MacDonald to make the race. MacDonald could be elected. MacDonald was elected. After he was elected there was at first no dispute about his right to the seat. But a little later it was discovered that in one of the counties his name had appeared on the ballot not as William J. MacDonald but with the affix "Sheldon William J. McDonald."

The origin of that mistake everyone here knows. Therefore the certificate of election was issued, not to the man elected, MacDonald, but to Young. MacDonald appealed to the court and the court refused him relief. MacDonald, the man who did not have the certificate, and Young, the man who did have it, came before Congress in the opening days of this session. fact of the business was that at that time Congress, the judge of the qualifications of its own Members, with this data available, could have refused to seat Mr. Young and could have seated Mr. MacDonald. The House refused to do that. It seated Mr. Young. The rightfully elected Member of this House was excluded from his seat. What did he do? He did the regular He filed a contest and he pressed that contest before the Committee on Elections. What now happened? Mr. Young, who was not entitled to a seat in this House, rose before the House and vacated the seat which had been given him. That would seem to have settled this matter. The Democratic candidate did not claim the seat and the Republican candidate said he was not entitled to it. The man who had received a majority of the votes in that district, the Progressive, was asking for it. The House did not grant him the seat. He went through the ordinary course of procedure. He went before the Committee on Elections and pressed his case. Against whom? It has never been very clear in my mind who. Mr. Young was out of the contest; he was no longer contesting this seat. No one apparently

was disputing the right of Mr. MacDonald to the seat in Congress, but Mr. MacDonald, following the forms of the House, following the exact letter of the law, filed his contest for the seat and his brief; an answez was made by the attorney originally retained by Mr. Young, and full time was given for the answer. A supplemental brief was filed by Mr. MacDonald, full hearing was had, and this committee unanimously, made up of members of all three parties, decided that Mr. MacDonald was entitled to his seat. No one here doubts it, and I do not think that anyone here ought to vote against seating him. Now, I want to get to the other proposition—about the gentleman from Missouri and this publicity law. I have a crow to pick with the gentleman from Missouri. He caused me personally trouble. His law is an evolution.

The first publicity law of which I have knowledge was that which was passed and approved on June 19, 1910. Subsequent to that another publicity law was passed, that of August 11, 1911. Those two laws grew out of yet another—an earlier law. This House, in order to inform its Members, printed all three of these publicity laws in a little pamphlet, and they were sent to each Member of the former Congress. I carried one during my campaign. I filed my election expenses before the primary, after the primary, and I filed them before election and then after election. When the time for the filing of the last account approached, I found myself in the city of Chicago with a blank form prepared by the gentleman from Illinois and with the law of the gentleman from Missouri. I sat down to read it, not as a lawyer, but as a newspaper man. I tried not to find the law in it, but the sense in it.

Mr. RUCKER. Will the gentleman yield? Mr. MURDOCK. If the gentleman will permit me to complete this.

Mr. RUCKER. Just a moment. If the gentleman had been here instead of making a Chautauqua campaign, he could have amended that law.

Mr. MURDOCK. As a matter of fact, it was after election day last fall, and I was on my way to Washington from a Chautauqua lecture at the time, but there is nothing in the Constitution that prevents a man from delivering a Chautauqua lecture or trying to live on a wage under \$12,000 a year. I read the law, and the law said expressly that I must make that affidavit as regards my expenditures before a notary in my district. I was 700 miles away from home. I was on my way to Washington. I pay fare, and fare makes quite a hole in the pocket of even a Chautauqua lecturer. I wanted to be sure. I sent a telephone message to the office of the source of all technical information, the gentleman from Illinois [Mr. Mann], in Chicago. Unfortunately Mr. MANN was not there, but one of his very well-informed secretaries told me that it was necessary for me to make my affidavit before a notary in my district. I hiked for home at the rate of 2 cents a mile. I made my affidavit before a notary and came to Washington, and found what not 5 per cent of the membership of the last Congress knew, and I doubt very much whether 5 per cent of the present Congress knows

Mr. MANN. More than 5 per cent of those who were then here knew

Mr. MURDOCK. Well, I doubt whether those here knew. The House was very full when that was passed. Mr. MANN. Mr. MURDOCK. I found that the law had been further amended, so that hereafter a Member making this affidavit as to expenditure might make his affidavit before a notary in the District of Columbia, and I had my long trip for nothing. Now, I strongly hope that when the gentleman from Missouri further perfects his publicity law that he will add—

The SPEAKER. The time of the gentleman has expired. Mr. MURDOCK. Can I have time to say that I hope the gentleman from Michigan, Mr. MacDonald, will be seated?
Mr. POST. Mr. Speaker, I ask unanimous consent to ex-

tend my remarks in the RECORD.

The SPEAKER. The gentleman from Ohio [Mr. Post] asks unanimous consent to extend his remarks in the RECORD. Is there objection?

Mr. MANN. Mr. Speaker, reserving the right to object, there are several extensions which have been asked for upon this side of the House about matters that are shortly to come up, and until those are considered and allowed there will be no extension of remarks in the RECORD on matters which are passed.

The SPEAKER. Is there objection?
Mr. MANN. For the present, I object.
Mr. KELLEY of Michigan. Mr. Speaker, I had a few remarks
I wanted to make on this subject, too.
The SPEAKER. The gentleman from Michigan [Mr. Kelley]
asks unanimous consent to extend his remarks in the Record.

Mr. MANN. I shall not object to anybody on this side of the House extending their remarks.

The SPEAKER. Is there objection?

Mr. MURDOCK. Will the gentleman allow me to complete my sentence in the RECORD?

Mr. CRISP. Mr. Speaker, I ask unanimous consent to extend my remarks solely on the proposition of the campaignpublicity act. When I had the floor I could not reach it.

The SPEAKER. The gentleman from Michigan [Mr. Kelley] and the gentleman from Georgia [Mr. CRISF] ask leave to extend their remarks in the RECORD on this case. Is there objection?

Mr. UNDERWOOD. Mr. Speaker, reserving the right to object, I would like to ask the gentleman from Illinois [Mr. MANN] to open his heart and allow these gentlemen who have spoken on this proposition, or who are on the committee, to extend their remarks in the RECORD.

Mr. MANN. I would like to have my colleague, Mr. Britten, extend his remarks in the Record on a matter of great importance that is coming before the House, and to have my colleague, Mr. McKenzie, to extend his remarks on a matter of great importance shortly coming before the House, and the gentleman from Minnesota, Mr. Smith, to extend his remarks on a matter shortly coming before the House of great importance, and until those consents are granted there will be none granted to that side of the House.

Mr. UNDERWOOD. I will say to the gentleman from Illinois that I have no objection whatever to their extending their remarks in the RECORD. If the gentlemen ask it now, they may be able to obtain their consent. I think when gentlemen desire to extend their remarks in the RECORD on matters of legislation pending in Congress it is proper that they should do so.

Mr. BRITTEN. Mr. Speaker, I hope that my colleague [Mr. MANN] will withdraw his objections so far as I am concerned.

The SPEAKER. Is there objection?

Mr. MANN. I object.

The SPEAKER. The gentleman from Illinois [Mr. MANN] objects. The question is on agreeing to the resolution.

Mr. POST. Mr. Speaker, on that question I demand the yeas

Mr. KELLEY of Michigan. Mr. Speaker-

The SPEAKER. For what purpose does the gentleman from Michigan rise?

Mr. KELLEY of Michigan. I understand there was no objection to my request?

The SPEAKER. All of these requests were put together, and the gentleman from Illinois [Mr. MANN] objected to the whole batch of them. The question now is on agreeing to the resolution.

The question was taken, and the Speaker announced that the ayes seemed to have it.

Mr. RUCKER. Division, Mr. Speaker.

The House proceeded to divide.

Mr. RUCKER (while the House was dividing). Mr. Speaker, withdraw the request for a division.

Mr. ADAMSON. Mr. Speaker, I object. Mr. BOOHER. I renew the request, Mr. Speaker. The SPEAKER. The gentleman from Missouri [Mr. BOOHER] renews the request for a division.

The House again divided; and there were—ayes 175, noes 6.

Mr. RUCKER. Mr. Speaker, in order that my distinguished colleague and personal friend from Missouri [Mr. Booher] may

have the chance to go on record, I demand a roll call.

The SPEAKER. The gentleman from Missouri [Mr. Rucker] demands the yeas and nays. Those in favor of taking the vote by yeas and nays will rise and stand until they are counted. [After counting.] Five gentlemen have arisen in the affirmative—not a sufficient number, and the resolution is agreed to. The gentleman from Michigan [Mr. MacDonald] will come forward and be sworn in.

### SWEARING IN A MEMBER.

Mr. MacDONALD appeared at the bar of the House and took the oath of office.

### INTERNATIONAL CONGRESS ON ALCOHOLISM.

Mr. HENRY. Mr. Speaker, I present a privileged resolution from the Committee on Rules, which I send to the Clerk's desk.

The SPEAKER. The Clerk will report the resolution. The Clerk read as follows:

House resolution 235 (H. Rept. 61).

Resolved, That upon the adoption of this order the House shall at once resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 6382) to provide for representation of the United States in the Fourteenth International Congress on Alcoholism, and for other purposes, and the bill (8. 1620) to provide for representation of the United States in the Fourteenth International Congress on Alcoholism, and for other purposes.

poses, the Committee on Appropriations being hereby discharged from the consideration of said bill S. 1620; that the bill shall be read and the chairman recognize Members to offer amendments to the bill S. 1620, allowable under the rule of the House, and amendments so offered shall be considered as pending. That there be one hour of general debate, or so much thereof as may be required, to be divided equally between those favoring and those opposing the said bill. That at the expiration of this time the committee shall rise and report the said bill H. R. 6382 with the recommendation that it be laid upon the table and the bill S. 1620, with the recommendation that it be considered as ordered upon said bill S. 1620 and all amendments to final passage, and the House shall proceed to vote without intervening motion upon the amendments, if any, and the bill to final passage, except one amendment to recommit, as provided by Rule XVI, paragraph 4.

Mr. MANN. Mr. Speaker. I reserve a point of order upon

Mr. MANN. Mr. Speaker, I reserve a point of order upon the resolution, unless the Clerk reported it incorrectly. It is rather long, and I really did not understand what it proposes do. Will the gentleman from Texas [Mr. Henry] tell us?
Mr. HENRY. All right. I will explain it in a few words.

Of course, we have no desire to shut off any discussion. This is in regard to a bill that has passed the Senate, I believe unanimously, in reference to appointing delegates to the alcoholic liquor conference in Milan, Italy. The Committee on Foreign Affairs has reported favorably, and by unanimous vote,

a similar bill to the House.

Mr. MANN. They have reported House bill 6382?

Mr. HENRY. Yes; and this was only to bring before the House for consideration the subject matter of the two bills in order that it may be disposed of to-day, because if it is not done it will be too late to dispose of it in two or three days from now. The resolution states the case as it is,

Mr. MANN. There is a Senate bill pending in the Committee

on Appropriations, is there not?

Mr. HENRY. There is a Senate bill pending on the Speaker's

Mr. MANN. I supposed from the reading of the resolution that the Senate bill was pending before the Committee on Appropriations.

Mr. HENRY.

The SPEAKER. The gentleman from Texas [Mr. Henry] makes a mistake about it. It is not on the Speaker's table.

Mr. HENRY. I corrected that, Mr. Speaker. Mr. MANN. I notice the resolution provides that there should be only one intervening amendment, and that was the amendment to recommit. Is that the way it reads?

The SPEAKER. The Clerk will report the resolution again.

Half of the Members could not hear it.

Mr. MANN. Of course, there should be a motion to recommit, not an amendment.

Mr. HENRY. There will be no disposition to cut off amendments. It provides for amendments.

Mr. MANN. It says "amendment to recommit." It should be "motion to recommit."

The SPEAKER. The Chair will take cognizance of that. The

question is on agreeing to the resolution.

The resolution was agreed to. The SPEAKER. The Clerk will report the bill.

The Clerk read the bill (H, R. 6382) to provide for representation of the United States in the Fourteenth International Congress on Alcoholism, and for other purposes

The SPEAKER. This bill is on the Union Calendar. Mr. FLOOD of Virginia. The rule provides that this bill shall be laid on the table, and that the Committee on Appropriations shall be discharged from the further consideration of Senate bill 1620, and then the House automatically, under the rule, goes into the Committee of the Whole House on the state of the Union for the consideration of Senate bill 1620. That is what this rule provides.

The SPEAKER. There are two bills covered by the rule.
Mr. FLOOD of Virginia. Yes. The rule provides that the
House bill shall be laid on the table and the Senate bill be considered.

The SPEAKER. Under the rule the House will resolve itself into the Committee of the Whole House on the state of the Union, and the gentleman from Illinois [Mr. Foster] will take the chair.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (S. 1620) to provide for representation of the United States in the Fourteenth International Congress on Alcoholism, and for other purposes, with Mr. Foster in the chair.

The CHAIRMAN. The Clerk will report the bill.

The Clerk read as follows:

Be it enacted, etc., That there be appropriated, out of any money in the Treasury of the United States not otherwise appropriated, the sum of \$4.500 to defray the expenses of delegates, to be designated by the President of the United States, to the Fourteenth International Congress on Alcoholism, at Milan, Italy, September, 1913, including secretarial and stenographic work and transcription of reports.

Mr. SABATH, Mr. Chairman, may I inquire whether the Clerk has read the Senate bill or the House bill?

The CHAIRMAN. The Clerk has read the Senate bill.

Mr. SABATH. What is the desire of the gentleman in charge

Mr. FLOOD of Virginia. The desire of the Committee on Foreign Affairs is to have the Senate bill pass. It was for that reason that they requested the Committee on Rules to bring in this rule.

Mr. Chairman, bills in exactly the same verbiage were introduced in the House and Senate. The bill as it passed the Senate cut down the appropriation from \$6,850 to \$4,500 and struck out the latter part of the bill, which provided for an invitation being extended to this congress to meet here two years from now. That bill passed the Senate.

The House committee in reporting the House bill reduced the amount of the appropriation from \$6,850 to \$5,250, and the provision extending an invitation to this congress to meet in this country in 1915 was left in the bill. Now, we wanted to take up the Senate bill and pass it, so that the delay in passing the Senate may be avoided. This congress convenes on September 23, and if these delegates are to be appointed they must have time to make their arrangements to go to the congress and reach Milan, Italy, by that date, so their appointment will have to

take place very soon.

Mr. SABATH. May I inquire of the gentleman whether such delegations have been appointed by our Government to all the different congresses held on this subject?

Mr. FLOOD of Virginia. Not to all of them, Mr. Chairman.

This is the fourteenth congress. I do not know to how many congresses delegates have been appointed. Certainly they were appointed by this Government and their expenses paid to the last congress, the one held in 1911 at The Hague.

Mr. SABATH. And their expenses paid? Mr. FLOOD of Virginia. Yes.

Mr. SABATH. May I ask what the expenses were? Mr. FLOOD of Virginia. I think they were about \$5,500,

Mr. FLOOD of Virginia. I think they were about 4,5,00, though I am not absolutely certain. That was about the amount.

Mr. SABATH. Can the gentleman give any reasons why we should pay the expenses of these delegates to that congress?

Mr. FLOOD of Virginia. Yes. This congress is a great in-

stitution and is accomplishing much good.

The International Congress on Alcoholism was organized in 1885 at a meeting held at Antwerp, and is the successor of an international philanthropic congress which was organized in 1856. Thirteen congresses have been held, as follows:

Congress,	Place.	Time.	Congress.	Place.	Time.
First. Second Third Fourth Fitth Sixth. Seventh	Antwerp. Zurich Christiania. The Hague. Basel Brussels Paris.	1885 1887 1890 1893 1895 1897 1899	Eighth. Ninth. Tenth Eleventh. Twelfth. Thirteenth.	Vienna Bremen Budapest Stockholm London The Hague	1901 1903 1905 1907 1909 1911

SCOPE AND PURPOSE OF THE CONGRESS.

The scope and purpose of the congress were well set forth in the note of invitation from Her Majesty's Government requesting the participation of the United States. A translation of this note reads:

ROYAL LEGATION OF THE NETHERLANDS, Washington, April 15, 1911.

J. LOUDON.

Mr. SECRETARY OF STATE :

I have the honor to apprise your excellency that an International Congress for the Repression of Alcoholism will be held from the 11th to the 16th of September next at the Kurhaus, Scheveningen, near The Hague, in the Netherlands.

Hague, in the Netherlands.

The questions to be discussed relate to:

A. The State and alcoholism.

(1) Legislation
(2) The consumption of alcohol in the colonies.
(3) The attitude of the courts toward alcoholics, and particularly the application of restraint and conditional sentence.

(4) The furidical, political, and economic causes which make it the duy of the Governments and parliaments to repress alcoholism.

B. Society and alcoholism.
(1) Questions of organization.
(2) Indirect repression of alcoholism; that is to say, by improving the workmen's homes.

(3) The treatment of alcoholics in sanitariums, asylums, and the like.
(4) Medical problems bearing on the subject.

By order of the Queen's Government I have the honor to invite the Government of the United States to send official representatives to the congress. I venture to have recourse to your excellency's good offices to that end.

to that end.

Be pleased to accept, Mr. Secretary of State, the renewed assurance of my highest consideration.

His Excellency Mr. Ph. C. Knox. Secretary of State for the United States.

The congress is a great assemblage of scientists, publicists, jurists, statesmen, and prominent workers in the world-wide fight against the evils of alcoholism. The discussions are protected by the strictest neutrality of politics, religion, and by a free interchange of opinions concerning the methods for combating this evil.

The adherents to the moderate use of alcohol, or of the total abstinence and prohibition, as well as those advocating various forms for regulating the traffic in alcoholics, are allowed equal

rights in the congress.

The discussions embraced not only the physical conditions usually understood from the term "alcoholism," but embraced all forms of the evils, social, medical, and economic, and the various remedies for dealing with the evils, educational, legislative, and other methods.

The periodical mingling of representatives of the various governments to consider the evils of alcoholism and the progress of the many methods of dealing with them, can not fail to produce a broader vision and lead to better methods in treating

these evils.

The congress has received the sanction of the foreign governments where sessions have been held, and our Government having participated in past years by official delegations ought not to take a backward step at this time by failing to appoint dele-

gates to the congress at Milan.

Participation in these congresses does not bind the governments represented or the individuals to any form or system of control which may be advocated, but tend only to the dissemination of knowledge concerning the various methods which have The facts brought out are given publicity so that they are obtainable by all who desire them, and even those connected with the liquor trade can profit by them, and if desired can take what they claim to be the fallacious arguments or theories and adopt them or prove the truth concerning them, especially so because of the class of men who largely compose the congress, especially from foreign countries.

Unquestionably these international gatherings tend to promote a fraternal spirit among the various peoples, and the commingling in conference for the general good help to bring about

the desired universal peace.

Congress has heretofore made appropriation paying the expenses of these delegates, and it should do so again. also made appropriations for paying the expenses of delegates to other international congresses, such as the International Conference on Maritime Law, which meets in Belgium this year.

The questions discussed at these conferences are the various methods for regulating and controlling the manufacture and sale of intoxicating liquors, the general welfare of society and the preservation of its manhood, the happiness of women and children, the prosperity of commerce, the preservation of wealth, the strengthening of law and order, and every man, regardless of his position on the question of prohibition, should favor this conference, and I hope the vote on this bill will be unanimous. [Applause.]

Mr. SABATH. Will the gentleman yield for another question? Mr. FLOOD of Virginia. Yes.

Mr. SABATH. Do I understand that people of all views are represented in this congress?

Mr. FLOOD of Virginia. That is my understanding, and the reports of the discussions show that such is the case.

Mr. SABATH. I was informed a few days ago that at one time a certain delegation appointed by the President was re-fused the opportunity to participate in the deliberations of this congress because some of those delegates had pronounced views against prohibition. Does the gentleman know whether that is true or not?

Mr. FLOOD of Virginia. Does the gentleman mean that they were refused participation?

Mr. SABATH. They were refused admission and participation in the congress.

Mr. FLOOD of Virginia. What congress was that? Mr. SABATH. I do not know; I only ask for information

whether that is true or not.

Mr. FLOOD of Virginia. I never heard of it, and do not think it can be true, for the reason that if you read the reports you will find that there are delegates in the congress who represent every shade of opinion in this world-wide movement to control the sale and use of alcohol.

Mr. SABATH. I admit that I have not read all the reports

of the conventions.

Mr. GALLAGHER. Will the gentleman yield?

Mr. FLOOD of Virginia. Certainly.

Mr. GALLAGHER. Are the reports of the proceedings of

these conventions printed by the Government?

Mr. FLOOD of Virginia. No; not a complete stenographic report; but there is a report made by the delegates of this Government to the Secretary of State, and the President transmits them to Congress, and that report is printed.

Mr. GALLAGHER. The proceedings of the convention are not printed?

Mr. FLOOD of Virginia. Not by our Government.

Mr. CONRY. Will the gentleman yield?

Mr. FLOOD of Virginia. Certainly.

Mr. CONRY. Why is it that the proceedings of the convention are not printed?

Mr. FLOOD of Virginia. They are printed; but I meant, in answer to the gentleman from Illinois, to say that they are not printed at the expense of our Government. They are printed by the congress, and in several languages.

What is the use of sending delegates at the expense of this Government to a convention for deliberations if the proceedings are not printed and circulated by the Government for the benefit of the congress and the people of the

United States?

Mr. FLOOD of Virginia. A report of the deliberations is printed by the congress. A very full and complete report is made by our delegates to this Government, and if you will take the trouble to read the report you will see that it is very valuable.

Mr. CONRY. As I understand it, the actual business or transactions of the convention are not published, but what is published is the report by the representatives of this Govern-

ment. Is that the situation?

Mr. FLOOD of Virginia. That is the situation, so far as our Government is concerned, but the congress itself prints a full report of its proceedings.

Mr. COX. Will the gentleman yield? Mr. FLOOD of Virginia. Yes.

How many delegates are usually appointed? Mr. FLOOD of Virginia. The Secretary of State intends to appoint as many as he can with this appropriation of \$4,500. Probably there would be not over nine.

Mr. COX. How much would it cost each delegate? Mr. FLOOD of Virginia. I should say not under \$500.

Mr. COX. Are the delegates required to make an itemized report of the individual expenses to the Secretary of State?

Mr. FLOOD of Virginia. Yes; the expenses are paid for on vouchers

Mr. COX. And they are filed with the Secretary of State?

Mr. FLOOD of Virginia. Yes. Mr. TOWNER. Mr. Chairman, I think gentlemen have a wrong idea if they believe that there will be no report of the convention published by this Government. That is not what was meant by the chairman of the committee. The report of the commissioner is a report of the transactions of the society, It is not the official report and not the full stenographic report, but it consists of a report of the transactions by our delegates of the particular things that they deem will be of importance or interest to the American people, so that there is a report, and it is in fact a report of the proceedings of the convention.

Mr. FLOOD of Virginia. The gentleman is correct. What I meant was that there was not a full stenographic report of all the proceedings printed by the Government. There is a report made to the Secretary of State by our delegates.

Mr. GALLAGHER. I would like to ask the gentleman from

Virginia if he has any opinion to give the House about how many delegates would go if their expenses were not paid?

Mr. FLOOD of Virginia. I think the gentlemen who would be named would be men of small financial ability, and I do not think we could get a full representation if their expenses were not paid, and that is one reason why I am in favor of paying the expenses.

Mr. GALLAGHER. And that is one reason why I am opposed to paying the expenses.

Mr. COX. How many of these conventions have been held in

this country?

Mr. FLOOD of Virginia. There has been no meeting in this There was a suggestion that the congress be invited to meet here in 1915, and a provision for that was incorporated in the bill; but some objection was raised to it and it was stricken out in the Senate.

Mr. COX. And the Senate bill carries no such provision?

Mr. FLOOD of Virginia. No.
Mr. COX. And it is not the gentleman's intention to offer an amendment?

Mr. FLOOD of Virginia. No. I want the Senate bill passed without a change so that it will not have to go back to the Senate.

Mr. BARKLEY. Would not the congress meet here without an invitation?

Mr. FLOOD of Virginia. The congress would hardly meet in this country unless an invitation was extended by the Government.

Mr. BARKLEY. Does the gentleman mean that the invita-

tion would have to come through Congress?

Mr. FLOOD of Virginia. It would have to come through Congress, because Congress would have to make financial provision for it, and then it has to come through Congress anyhow. Mr. KELLY of Pennsylvania. Mr. Speaker, will the gentle-

Mr. FLOOD of Virginia. I will.
Mr. KELLY of Pennsylvania. Mr. Chairman, this measure is one of great importance to the Nation, far greater than perhaps appears on the surface. It means that the National Government takes cognizance of the fact that alcoholism is an evil of most serious kind and is sending a delegation representing the United States to a congress organized for the purpose of dealing with the evil. It means that the Government established to promote the welfare of the people recognizes the evil of alcoholism, which is so fruitful a cause of disease and degeneracy, pauperism, and crime.

Science has recognized that fact for years, and at the recent International Congress of Medicine, held in London, a large part of the time was occupied with discussions of alcoholism

and the best methods of coping with it.

Many of the liquor dealers of this country deplore alcoholism, and declare that it is an unqualified evil. In the current number of Bonforts Wine and Spirit Circular, an official organ of the liquor trade, is an article which is proof of that fact. writer is T. M. Gilmore, president of the National Model License League of this country. He goes so far as to condemn the treating habit, and recommends the substitution of cafés for saloons in his desire to prevent the evil of alcoholism, which he recognizes as a menace even to the liquor business.

Alcoholism is a disease which degenerates body and mind. It must be treated as a disease both from the standpoint of prevention and cure. That being true, it follows that it can only be treated successfully by being fairly faced and fully

The disease must be studied and understood, and the only way to do that is to secure the united results of the investigations made by scientists and others. That is the whole purpose of this Congress against alcoholism which is to be held next month in Milan, Italy. The invitation sent to this Nation states that the questions to be discussed relate to the State and alcoholism and society and alcoholism, and these two topics cover all aspects of the question.

The great European nations are to be represented by those who have made a special study of alcoholism, and the discussions will be the last word of science and medicine and statesmanship on this disease so dangerous to the individual and the

Nation.

It surely can not be justly said that the appropriation carried in this bill should prevent its passage. The Government spends vast sums every year to study diseases among animals and trees and plants. It is a justifiable expense, but how much more justifiable it is to expend money to deal with one of the greatest evils and most insidious diseases that inflicts mankind, one that not only injures this generation of American citizens but robs future generations of their heritage of being well born.

No more businesslike use of the public funds could be made than to study the evils of alcoholism so that they may be dealt with sanely and effectively. It is always considered good business to spend one dollar to thereby save two, and in this case

the amount to be saved is incalculable.

I sincerely hope that this measure will be passed. [Applause.] Mr. MANN. A parliamentary inquiry, Mr. Chairman. The CHAIRMAN. The gentleman will state it.

Mr. MANN. Was there a division of time?

The CHAIRMAN. There was a division of time, one-half in favor of the bill and one-half against it.

Mr. MANN. Yes; but how does the gentleman from Virginia [Mr. Flood] control the time?

Mr. FLOOD of Virginia. I assume that I control one-half of the time in favor of the bill.

The CHAIRMAN. The Chair takes it that the gentleman from Virginia [Mr. Flood] would control 30 minutes and some one opposed to the bill would control the other 30 minutes.

Mr. FLOOD of Virginia. How much time have I consumed? The CHAIRMAN. The gentleman from Virginia has consumed 13 minutes.

Mr. FLOOD of Virginia. I yield 10 minutes to the gentleman

from Alabama [Mr. Hobson].

Mr. HOBSON. Mr. Chairman, the amount called for in the bill is small. Its purposes to cooperate in an international movement to coordinate the agencies of all nations in the fight against alcoholism are meritorious.

Information is the great need of the peoples of the world on this vital question. • Each such congress as this one advances that much further the information of the world. Two fundamental facts have already been established that place this question in the front of all the great problems of the world justly demanding the cooperation of all nations in seeking the solution. The first great fact is that alcohol is not a natural substance, but that every drop of it has come out of the body of a germ, the ferment germ, and when fermentation is going on germs are carrying on their life processes, devouring the glucose or sugary substance as their food and throwing off alcohol as their excretions, their toxin. Alcohol is thus a toxic poison, and, like the toxin of the diphtheria bacillus, is a poison to all protopiasm, all living tissue. There is a second great fact now established. Take the formula for belladonna, the formula for morphia, the formula for strychnine, and the formula for alcohol. They are all low oxide derivatives of hydrocarbons, and all partake of this characteristic, that each one has an affinity for certain particular tissue. For instance, strychnine has an affinity for the spinal cord, causing death by convulsions or spasms.

They have discovered and established beyond peradventure that alcohol has an affinity for the cells in the line of any creature's evolution, no matter what that line is. Every type and every species is developing or evolving along some particular line. You take a flower that is developing along the line of color and mix alcohol in the water with which you water it and this color will fade. You bring up a dog as an alcoholic and by the time he is grown he will howl like a wolf. You put him back about 6,000 years. Take an Indian and let the fire water come down regularly and you will put him on the warpath; and you will turn a black man into a cannibal. A highly civilized man is put down toward the semicivilized and even to the

level of the semisavage and the brute.

Now, whenever this reversion of the evolutionary process of nature sets in, when degeneracy sets in, nature proceeds to exterminate, and she adopts two methods which are very plain and simple. The first is to shorten the life of the individual, and the second is to blight the offspring of that individual. The amount of the shortening of life has now been practically established from the records of the great life insurance companies.

I will not undertake to go into detail, because I have not the time. But take, for instance, a young man at the age of 20, and if he lives the life of a total abstainer, he will live to the average age of 651 years. Some over and some under, but that is the average. If he is on the books of the insurance companies as a moderate drinker, he will die at the age of 51. The shortening of life due to the degeneracy from that much drinking will be 14 years on the average. If at the age of 20 he is a heavy drinker and remains such, he will die at the average age of 35. He has only 15 years to live. It will take 30 years out of his

Now for the second method by which nature exterminates. Nature is not going to have the earth inherited by degeneracy. Its tendency is to produce higher forms, and when parents degenerate themselves, nature blights their offspring. take a fruit tree-a young tree would be better and more scientific. It is bearing; mix alcohol with water and water that tree with the liquid and it will go to seed; the fruit will fall untimely

You can take a pair of domestic animals, a pair of puppies, for instance, and give them a little ration of alcohol every day in their food-not enough to get them drunk, but just a little ration in their food-and when they are grown and you mate them there will be a phenomena never heard of before. mother will have ills and sufferings and miscarriages, and sometimes she dies in birth pangs. Then if a record is kept of the offspring, many will be born dead, many deformed; only 17 per cent will be normal. Five out of every six of the offspring will be abnormal.

Now, if you bring up another couple beside the first free from alcohol and mate them when grown, the mother will have no troubles and you will find that 9 out of 10 of their offspring will be normal. Nine out of 10 in one case and only 1 out of 6 in the other case.

Investigations along this line have been made abroad, and I remember Dr. Foitinien, of Denmark, two years ago at the congress against alcoholism stated that he had examined 20,000 children, of 6,000 families. This investigation showed the same proportion for the human family. If both parents are total abstainers, there will be no danger in maternity and 9 out of 10 offspring will be absolutely normal; but if both parents are simply moderate drinkers it will double the number of children who will die in the first year of infancy.
Dr. Demme, of Berne, Switzerland, states that up to the age

of 5 five times as many children will die born of drinking

parents as those born of abstaining parents. Infant mortality in the civilized nations is appalling, and is chiefly due to the fact that these infants have been wounded at the hands of their own parents before they were born, and the parents did not know it.

The great question is this: The world does not realize that alcohol is the specific cause of degeneracy. Consequently the people of the United States are consuming this substance now alcoholic beverage-at the rate of 25 gallons per capita for every man, woman, and child. The result is that we are dying off at the rate of 1,000 deaths for 61,000 of our people, when the rate ought to be only 560 deaths for 61,000. If we were total abstainers there would be only 560 deaths instead of 1,000 in every 61,000. Four hundred and forty out of every 61,000 of our people come to an untimely death every year because of the fact of alcohol in our midst. That makes 700,000 a year.

When anyone begins to look into the importance of investigating thoroughly this great question he is appalled by the proposition that thus far scientific information practically demonstrates that alcohol kills 700,000 American citizens every The fact is, all the battles ever recorded in history, all the battles of which there is any authentic report, count only 2.100,000 wounded and 700,000 killed.

You can say that alcohol kills more Americans in one year than all the wars of the world have killed on the field of battle in 2,300 years.

It is vain for Members to intimate that the Government has no interest in this Congress. Its interest is as vital as are the lives of its citizens. The consumption of this beverage increases always in proportion to the density of population, so that when you get to the great cities degeneracy becomes terrific. And when a nation comes to rest upon its great cities for its vitality abnormals multiply, the degenerate vote ere long swamps the electorate and liberty perishes. The Nation's free institutions depend on the solution of this problem for their When a nation falls into degeneracy it is only a question of time when that nation is struck, and when struck it falls. The Nation's very life will ultimately be at stake in the solution of this problem.

Now, take any plant or animal and put it in a fair environ-ment, and it will continue evermore. You can produce a thoroughbred race of horses by breeding and evolution, but in all these thousands of years, with all our favored environment, we have never produced a thoroughbred race of men. You can come to the conclusion of history that a great nation is only born to die; and recent investigations go to show that in those nations that have succumbed degeneracy set in when the nation took largely to city life. No subject is more worthy of investigation; neither the trifling expense nor any other trifling objection should prevent our Government from participating appropriately in this congress. [Applause.]

The CHAIRMAN. The time of the gentleman from Alabama has expired.

Mr. FLOOD of Virginia. Mr. Speaker, I yield three minutes to the gentleman from New Hampshire [Mr. Reed].

Mr. REED. Mr. Chairman, I have only a word to say in relation to this resolution. I am not going to speak upon "affinities" in relation to the main question, inasmuch as I have always understood that "affinities," considered from any standpoint, whether that of science or not, is a dangerous proposition to deal with. [Laughter.]

I am reminded, however, of the fact that there can not be, in the opinion of some people on the floor of this House, any in-

consistency in the consideration of this bill.

Since I have been a Member of this House a few brief months I have heard discussions on the floor of this Chamber in rela-tion to the consideration of appropriations made to defray the expenses of a committee to visit the home of a departed Mem-ber of this body to attend the last sad rites, and objection made to that appropriation on the ground that it encouraged junketing.

It has been stated that this appropriation is for the purpose of defraying the expenses of business and philanthropic people in attending a convention held upon the other side of this globe, and it occurs to me that if this is a group of philanthropists, the least we could expect of them is that they should attend this convention at their own expense. I believe we have a right to expect that.

If we entertain the idea of paying the expenses of committees to attend these various conventions, have not the good-roads convention, the chambers of commerce and board of trade conventions, the river and harbor conventions, the religious conventions, and all of the hundred and one other conventions held each month of every year an equal right to come to Congress and ask that the expenses of attending their convention be defrayed?

As to the main question whether the traffic in liquor should be permitted, I have no desire to make comment at this time.

The question is simply whether it is inconsistent for us to pay the expenses of these delegates to attend this convention and then bicker about the expenses of other delegates who attend other conventions. [Applause.]

Mr. TOWNER. Will the gentleman yield me a couple of minutes?

Mr. FLOOD of Virginia. I have only four minutes left, and will yield the gentleman two minutes of it.

Mr. TOWNER. That is all the time I desire. I only want to say, in response to the suggestion of the gentleman with regard to paying the expenses of delegates, that I think the gentleman misapprehends the character of this convention. It is not made up merely of those who like to go, or merely of those who take an interest in it. It is made up largely of the experts and scientists, of men who can not attend the convention unless their expenses are paid, of men who represent the colleges and universities of the country. At this convention they will meet the delegates from other countries, whose expenses of a like character are paid.

This is not primarily a convention of delegates for the purpose of discussing the general features of this subject, but it is a convention made up largely of experts, who discuss the sub-ject from a scientific point of view. For that reason it is necessary, if this country is to be represented as other countries are, that we should provide for the expenses of the delegates who

attend it. [Applause.]
Mr. SABATH. Mr. Chairman, a few days ago I received a communication from a national organization protesting against passage of the bill now under consideration. Being satisfied that the reasons given in the communication why the bill should not pass are stated in much stronger and clearer terms than I possibly could state them, I desire that the communication be read by the clerk in my time.

The CHAIRMAN. If there be no objection, the communication will be read in the time of the gentleman from Illinois.

The Clerk read as follows:

NATIONAL LIQUOR LEAGUE OF THE UNITED STATES, OFFICE OF GENERAL SECRETARY, Chicago, August 18, 1913.

Office of General Secretary,
Chicago, August 18, 1913.

Hon. Adolph J. Sarath, Washington, D. C.
Dear Sie: On behalf of a vast army of the American people, which embraces the manufacturers, dealers in, and users of alcoholic liquors, I protest against the passage of Senate bill 1620 and House bill 6382, appropriating money to pay the expenses of American representatives to the international Congress on Alcoholism, at Milan, Italy.

Senate bill 1620 originally provided for an appropriation of \$6,850 to pay the expenses of 10 delegates to the Fourteenth International Congress on Alcoholism and to authorize the President of the United States to extend an invitation to the congress to meet in this country in 1915. The Senate, in its wisdom, cut down the appropriation from \$6.850 to \$4,500, the same as two years ago, and struck out the clause referring to the meeting in this country in 1915. This bill is now before the Appropriation Committee of the House.

The prohibition men and women who are at the back of this movement are not satisfied with the bill as amended, and have prevailed upon Congressman Flood, of Virginia, to introduce H. R. 6382, which is identical with the Senate bill before amended, and the same is now before the Committee on Foreign Affairs, of which Mr. Flood is the chairman.

We are opposed to the passage of either bill, not because the liquor question is unworthy of being discussed from every point of view, but because the people behind this movement, and who in the past have been able to dictate who the representatives from the United States should be, are bigoted, one-sided enthuisats on this subject, and represent prohibition organizations solely, whose main object is not to improve or regulate in any way, but with one fell blow to destroy the liquor industries of this country.

These men and women have never as yet suggested any remedy for the liquor evil, if any, or in what way the Government could reimburstisely for the loss of revenue that would be incurred by total prohibition, a revenu

Another reason: If the President is authorized to invite this congress to meet here in 1915, you will be requested to make another appropriation to entertain 1,500 delegates as the guests of the United States, which, as you can easily imagine, will run up into the thousands. Think

of that.

For these most substantial reasons, we ask you to use your best efforts to prevent this most unnecessary appropriation.

Respectfully,

ROBT. J. HALLE,

ROBT. J. HALLE, Secretary National Liquor League of America.

Mr. SABATH. Mr. Chairman, in view of the fact that the chairman of the committee reporting this bill has agreed to the Senate bill, which eliminates the two objectionable features of the House bill, and in view of the fact that I have the utmost confidence in the fairness of our President and Secretary of State that they will appoint fair and reasonable men as delegates to this convention, I personally withdraw any objection I might have had against the bill, knowing that the National Liquor League and other similar organizations do not object to fair consideration of this important question.

Mr. BRYAN. Will the gentleman yield for a question?

Mr. SABATH. I will yield.

Mr. BRYAN. I would like to ask the gentleman if he does not consider the statement about the American people being unable to resist the attacks of Japan or any other country without we have this revenue from the liquor business is an insult

to the American Congress and the American people?

Mr. SABATH. I do not so consider it, because they take this view that the Government, which derives a large share of its revenue from a tax on beer and whisky, the manufacture and sale of which is recognized as legitimate business, which tax amounts, I believe, to over \$300,000,000 a year. And they have a right to believe that if the Government was deprived of that revenue it would be impossible for Congress to appropriate these large amounts for our Navy and our Army. That is their view.

Mr. BRYAN. Does not the gentleman think the statement is

an infamous lie that we can not protect ourselves without the income from the liquor traffic in this country?

Mr. SABATH. I would not say it is an infamous lie, sir. On the contrary, it is true. The Government has derived this large revenue for a great many years, and I suppose it will continue to derive great revenue from this traffic for many more years and until the gentleman will devise a new method of taxation.

Mr. BRYAN. The gentleman and I look at the matter dif-

ferently.

Mr. SABATH. As the Government does derive this revenue and uses it, it does naturally aid and benefit our Navy and to a large extent pays the expenses of our Army and the general expenditures of our Government, and this no one can honestly denv

Mr. HOBSON. Will the gentleman yield?

Mr. SABATH. With pleasure. Mr. HOBSON. Let me put that in another form, a little more scientific. I have made a scientific investigation and a mathematical investigation of how the balance would stand from the question of revenue to the Nation, and I will say to the gentleman, without going into detail-

Mr. SABATH. Where does the gentleman get his figures and

data?

Mr. HOBSON. From the reports of just such congresses as this, and the reports of the French Government and other Governments

Mr. SABATH. The gentleman from Alabama has more confidence in the experts than I have. I have found in my experience that you can get experts to testify to most anything in any branch of the scientific field.

Mr. HOBSON. I am not responsible for the kind of experts

that the gentleman from Illinois usually employs. Mr. SABATH. I do not employ any experts.

I want to tell the gentleman the result of the investigation without going into details. It amounts to the vast total of \$16,000,000,000 a year, the economic loss to the Nation from the use of alcohol.

Mr. SABATH. The gentleman was to ask me a question.

Mr. HOBSON. I want to ask one more question. Suppose we should lose the revenue of \$330,000,000 and suppose we increased the wealth of the Nation \$16,000,000,000, would not it be easier to raise the revenue necessary for war and any other purpose-something in the nature of Gladstone's reply when the brewers waited on him and asked him to support them, because of the revenue derived from their business, and he said, "Give me a sober people who do not dissipate their substance in strong drink, and I will find easy means to raise the revenues needed for the expenses of the Government." [Applause.]
Mr. SABATH. Oh, Mr. Chairman, I was willing to yield to

the gentleman for a question, but I did not yield for an oration. The gentleman is as right in his views on this question as he is that the Government would derive out of the elimination of

alcohol the immense amount of \$16,000,000,000.

Mr. HOBSON. Now, my other question— Mr. SABATH. I wish I had a little more time, I would gladly yield to the gentleman from Alabama, but I have promised to yield some of the time to my colleague from Illinois, and I do not wish to deprive myself of the pleasure of yielding to him. Mr. Chairman, how much time have I remaining?

The CHAIRMAN. The gentleman has 19 minutes remaining. Mr. HOBSON. I wanted to ask one more question.
Mr. SABATH. I will yield for another question, but let it be

Mr. MANN. Mr. Chairman, I ask for order, as no one on this side has been able to get the eye of my colleague.

Mr. STEENERSON. I want the gentleman to yield to me for a question.

Mr. SABATH. I can not resist the gentleman from Alabama-

Mr. STEENERSON. I do not want the gentleman to resist;

want him to yield to me. [Laughter.] Mr. SABATH. I will yield to the gentleman from Alabama for one more question; then I will yield to the gentleman from Minnesota.

Mr. HOBSON. I will say to my kind friend from Illinois that I have not been amongst those who have been bitter on this question. My interest has been scientific and disinterested.

Mr. SABATH. Again, that is not a question. [Laughter.] Mr. HOBSON. Now, I am coming to the question. I ha Now, I am coming to the question. I have been associated with many of the men spoken of in the letter which the gentleman has had read from the desk, as being big-They are the most devoted patriots in the country. want to ask one question of my friend, whether the National Liquor League of America, since it opposes the congress against alcoholism, advocates alcoholism?

Mr. SABATH. I really do not know what they advocate. I am not a member of that organization. But I do know that they stand for what they believe is right and just. I received this communication and I have had it read in my time, wishing the House to have the benefit of the entire communication.

Now, I will yield to the gentleman from Minnesota.

Mr. STEENERSON. Mr. Chairman, I would like to ask the gentleman from Illinois a question, in view of his statement that the President of the United States will appoint fair and impartial delegates, and in that idea I concur. The question is this: The only official information I can find is the report of the Committee on Foreign Affairs, and it says that this is a congress against alcoholism, whereas the bill as passed by the Senate appropriated money for a convention on alcoholism. Now you could not very well appoint a fair and impartial delegation to the convention reported by the committee because—

Mr. SABATH. But frequently you will find people who are opposed to alcoholism who are fair. [Applause.]
Mr. STEENERSON. That is very true.

Mr. SABATH. You do not find many of them, but here and there you find some.

Mr. STEENERSON. I want to know which convention we are appropriating for, whether for that referred to by the committee or the one mentioned in the bill. Which is correct? Is it a convention against alcoholism, as stated by the committee, or a convention on alcoholism, as stated in the bill? It is important to know before we vote.

Mr. SABATH. I wish to state to the gentleman I did not see the report of the committee and I did take it for granted that the bill as introduced and passed by the Senate was properly drafted and that it means to do what it states.

Mr. STEENERSON. I wish to say that Senate Document 44 contains the official report of last year's congress and it says:

The present series, however, was begun with that held in Antwerp in 1885, and began as an "International Congress against the Abuse of Alcoholic Liquors." In 1895, the name was changed to the "International Congress against Alcoholism," which name it still retains.

I am afraid this bill as drawn appropriates money for a convention not in existence and there will be trouble for the delegates in getting their pay.

Mr. TOWNER. Mr. Speaker—

The CHAIRMAN. Does the gentleman yield?

Mr. SABATH. I yield to the gentleman.
Mr. TOWNER. I think there ought to be no misapprehension regarding the matter and in answer to the suggestion just

Mr. SABATH. Does the gentleman desire to ask a question? Mr. TOWNER. I desire to answer the suggestion made here just in a sentence. There ought to be no difficulty whatever with regard to the question about alcoholism, for this reason-

Mr. SABATH. Now, I did yield for a question but not for a speech. The gentleman had two minutes, and I presume that is all the time to which he was entitled on his proposition. Now I yield five minutes to my colleague from Illinois [Mr. GALLAGHER].

Mr. GALLAGHER. I do not know that I shall want over two or three minutes. Mr. Chairman, I am not opposed to the holding of this convention. The delegates who want to go there, so far as I am concerned, can go, but I am opposed to the

Government paying their expenses. The Democratic Party started out with a great cry of economy, laying off a number of employees of the Government for the purpose of reducing expenses, and now you are called upon to spend \$6,000 or \$7,000 to provide a junket at the expense of the Government for certain interested people who want to attend an international congress ostensibly to study alcoholism, but in reality to condemn liquor. I do not know whether they are going to discover anything new upon the liquor question, but if there is anybody interested in the liquor question, particularly in prohibition, a perusal of the lecture entitled the "Great Destroyer" might prove of interest to them. I think that will furnish all the necessary information relating to the effect of alcoholism. But a short time ago there was a resolution introduced in this House providing as follows:

That the President be, and he is hereby, authorized to accept an invitation extended by the British Government to the Government of the United States to participate by delegates in an international congress of medicine, to be held in London, without any expense to our Government.

That congress was held, and some of the greatest medical authorities in the world attended that convention at their own expense. The passage of this resolution was objected to upon the floor of this House, and at that time the Committee on Rules did not bring in a rule or make any provision for its consideration, and still it was one of the most important conventions that could possibly be called together, as its object was an investigation and discussion of all the diseases that human flesh is heir to. Notwithstanding the importance of this convention this Congress did not see fit to intrust the President with the power to select delegates, even though it involved no expense to the Government. I do not believe it is fair to come in here with a resolution providing that we pay the expenses of delegates to go to Italy and talk over temperance matters or alcoholism when we refused to give consideration to the resolution which I have mentioned. I am opposed to this Government paying any money to defray the expenses of these delegates which you propose to have the President appoint under this resolution.

Mr. FLOOD of Virginia. Mr. Speaker, I yield one minute to the gentleman from Michigan [Mr. Cramton].

Mr. CRAMTON. Mr. Chairman, I had supposed that the time had gone by when anyone would come in the Congress and deny that the alcoholic liquor traffic was destructive to the best interests of our Government. Mr. Gilmore, president of the National Model License League of this country, in a communication to Dr. Lyman Abbott, admitted that, in his language, it was "the most prolific cause of crime, disease, and poverty" with which we are contending. And now that this traffic has so extended in this country that we derive in revenue from it \$200,000,000 a year, with which to support our Government, can not we afford, out of this \$200,000,000 of revenue-blood money-that we get from the traffic, to spend \$6,000 for consideration of means for its suppression for the good of our [Applause.]

Mr. FLOOD of Virginia. Mr. Chairman, does the gentleman from Illinois [Mr. Sabath] wish to consume any more time?

Mr. SABATH. No.

Mr. MANN. Mr. Chairman, a parliamentary inquiry. Amendments are in order, I believe?

The CHAIRMAN. Amendments are in order.
Mr. MANN. I move to strike out the last word. I would like to make an inquiry of the gentleman. Has there been any estimate made as to the probable cost to the Government if the fifteenth biennial meeting of this congress be held in the United States?

Mr. FLOOD of Virginia. I did not hear the gentleman. Mr. MANN. The resolution reported by the gentleman pro-

vides that delegates from this country shall invite this congress to have its next meeting, which is the fifteenth biennial meeting, in the United States.

Mr. FLOOD of Virginia. That was in the bill as reported from the Committee on Foreign Affairs, but is not in the Senate bill which we are now considering, and which, under the rule, has been substituted for the House bill.

Mr. MANN. Well, I think it was read from the Clerk's desk. Mr. FLOOD of Virginia. It was read as a part of the House

Mr. MANN. The gentleman stated they read the Senate bill. I heard it read, and evidently it was the House bill instead of

Mr. FLOOD of Virginia. I will say to the gentleman from Illinois [Mr. Mann] that the House bill was read in the House, and when we went into the Committee of the Whole the Senate bill was read. The provision is not in the Senate bill that we are now considering.

Mr. MANN. Is it intended, then, that there shall be no invitation extended?

Mr. FLOOD of Virginia. I do not know about that. All I can say is that this bill does not provide for any invitation.

Mr. MANN. What would it cost if such an invitation were extended and accepted?

Mr. FLOOD of Virginia. I have not made any inquiry as to that, and therefore I can not answer the question.

Mr. MANN. The gentleman reported the bill providing for

that?

Mr. FLOOD of Virginia. My colleague, Mr. Sharp, of Ohio, and who is sick now, reported the bill. I did not expect to have charge of the bill here, and since I have taken charge of it I have not expected to ask the House to pass that part of the bill. It would probably take an appropriation of something like \$50,000.

Mr. MANN. How many delegates are there who would at-

tend this congress?

Mr. FLOOD of Virginia. Does the gentleman mean from this

Mr. MANN. No; I mean from all of them. Mr. FLOOD of Virginia. I do not know. All the European countries will be represented.

Mr. KELLY of Pennsylvania. There were 1,200 delegates at the last congress.

Mr. FLOOD of Virginia. The report states there were 1,200 at the last meeting of the congress. But we sent only a small number. I do not think we will send over nine this time.

Mr. MANN. If 1,200 delegates were to come over here, it

would be quite a handsome sum.

Mr. SABATH. But that part of the resolution has been eliminated, I desire to state to my colleague from Illinois. The chairman has made the statement that he will only request that the Senate bill pass and not the House bill.

Mr. MANN. But I am not sure it ought to be eliminated,

will say to my colleague.

Mr. SABATH. Well, I did not know. Mr. MANN. The bill is before the House, and there is a request in the House bill that the President direct an invitation be extended to this congress to meet in the United States next year, or two years from now, or whenever it meets. Why should it not be made here in the Senate bill? The House committee reported it in, recommending that the bill be passed; and without the report of any committee at all, without any consideration by the House or by a committee, it is now proposing to pass a bill which eliminates a provision requiring an invitation to be extended in behalf of the United States, with no reason given for leaving it out.

Mr. SABATH. I beg the gentleman's pardon. The chairman did state and gave the reasons why he desired the Senate bill

Mr. MANN. Yes; but he did not give any reason that I heard for leaving this provision out. The reason he wants the bill to pass is because time is the essence at present, I believe?

Mr. FLOOD of Virginia. Yes; and I further said there was an objection from a number of sources to that provision of the bill, and for that reason the Committee on Foreign Affairs decided not to ask the passage of their own bill, but of the Senate bill.

Mr. MANN. Does not the gentleman think that the House

is entitled to information as to who objected to the provision?

Mr. FLOOD of Virginia. The letter the gentleman from Illinois had read, and those who believe with the writer were some of the objectors.

Mr. MANN. And therefore the gentleman yielded-

Mr. FLOOD of Virginia. Yes; and we yielded for a common-sense reason. We yielded because we want to get this appropriation through without delay for reasons I have stated.

Mr. MANN. You brought in the rule under which to pass it. Does the gentleman mean to say that a two-thirds Democratic vote of this House could not pass the rule providing for the consideration of a measure because they should have to ask the liquor dealers' association whether or not it was in order?

Mr. FLOOD of Virginia. I did not mean to say that and I have not said it. What I wanted to say was that we wanted to get this bill through as soon as possible. The gentleman can not put me in a position of taking orders from a liquor dealers' organization, nor can he put the Democratic Party in any such position as that. I do not think the thrust was exactly fair.

Mr. MANN. I am more courteous to the gentleman than he is

to me. That is all right.

Mr. FLOOD of Virginia. I am not going to make any objection to any statement from the gentleman except the statement that he has made that we are subservient to the liquor interests.

Mr. MANN, The statement is true as far as I made it.

Mr. FLOOD of Virginia. Well, if the gentleman said it and meant it, it is not true. It is absolutely untrue. The reason was perfectly plain. The gentleman knew the reason why we substituted the Senate bill for the House bill. The Senate bill has gone through the Senate, and if we amend it here it will have to go back to the Senate, and the delay on that account will be so great that these gentlemen may not have time to get their appointments and make their arrangements and reach Milan by the 23d of September. That is the reason why we ask to do this. It is a small appropriation for this great cause, a cause that is backed up by thousands and thousands of men and women all over this country. We are asking for a small appropriation to have these delegates sent from this country to a congress in reference to a question affecting the entire country and the entire world.

Mr. KAHN. Mr. Chairman, will the gentleman yield?
The CHAIRMAN. Does the gentleman from Virginia yield to
the gentleman from California?

Mr. FLOOD of Virginia. Yes.

Mr. KAHN. The gentleman also reported a resolution to accept the invitation of the International Medical Congress at London, did he not?

Mr. FLOOD of Virginia. Yes.

Mr. KAHN. Did you provide for any appropriation in that

resolution at all?

Mr. FLOOD of Virginia. No; because we knew that the doctors all have plenty of money. But these men who are devoting their time and means to the uplift of humanity in this country have not the money to pay their expenses in taking these trips abroad.

I move that the committee rise and favorably report the bill

to the House.

The CHAIRMAN. If there are no amendments, the committee will rise.

Mr. MANN. Mr. Chairman, I have an amendment pending, I believe.

The CHAIRMAN. The gentleman can strike out the last word.

Mr. HOBSON. Mr. Chairman, will the gentleman yield for

a question? Mr. MANN. Yes, certainly; if the gentleman will ask the

question. Mr. HOBSON. I will ask the gentleman if the original House

provision in the present bill does not imply that the delegation may invite the convention to meet in this country?

Mr. MANN. It provides that they may not by direction of the President, because the President would have no authority to empower the delegates to make the request.

Mr. HOBSON. It does not prohibit it.

Mr. MANN. It would not authorize any appropriation here-The gentleman from Virginia says it is not because of the liquor dealers' association, and that he does not take orders from the liquor dealers' association. What are the facts? The gentleman himself introduced a bill on June 24.

Mr. FLOOD of Virginia. Mr. Chairman, has not the time for

debate expired?

The CHAIRMAN. The time for debate has expired.

Mr. MANN. The time for general debate has expired, as I understand, but not on amendments.

Mr. FLOOD of Virginia. There is no provision in the rule for debate under the five-minute rule.

Mr. MANN. If that is the case, I did not so understand it. Mr. FLOOD of Virginia. That is exactly the case.

Mr. MANN. Well, we will let the Chair construe it. The gentleman drew it. I did not. Let us see what the Chair says. Mr. FLOOD of Virginia. The Chair was a member of the committee that has jurisdiction of it.

Mr. MANN. Yes; but the Chair has not construed it yet. The CHAIRMAN. The Chair will say that the rule provides that after the bill shall have been read an amendment shall be in order, and the bill shall be considered as pending; and then at the close of one hour of debate the committee shall vote upon the amendment and report the bill to the House.

Mr. MANN. Mr. Chairman, the rule says there shall be one hour of general debate. It authorizes amendments to be offered. Do I understand the Chair to rule that when amendments are

offered they are not to be discussed?

The CHAIRMAN. The rule provides-

That upon the adoption of this order the House shall at once resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 6382) to provide for representation of the United States in the Fourteenth International Congress on Alcoholism, and for other purposes, and the bill (S. 1620) to provide for representation of the United States in the Fourteenth International Congress on Alcoholism, and for other purposes, the Committee on Appropriations being hereby discharged from the consideration of said bill (S. 1620); that the bill shall be read and the Chairman

recognize Members to offer amendments to the bill (S. 1620), allowable under the rule of the House, and amendments so offered shall be considered as pending.

Mr. MANN. That undoubtedly carries with it the right to discuss amendments.

The CHAIRMAN. But the rule also provides that there shall be one hour of general debate.

Mr. MANN. General debate.

The CHAIRMAN. Or so much as shall be required, to be divided equally between those favoring and opposing the bill; that at the expiration of this time the committee shall rise and report the bill. The Chair's construction of the rule is that amendments shall be pending.

Mr. BARTLETT. Does that rule require how the committee shall report the bill, whether favorably or unfavorably?

The CHAIRMAN. The rule provides that the House shall

pass upon the bill. Mr. BARTLETT. It says the committee shall then report the

The CHAIRMAN. Oh, no: the gentleman from Georgia is

mistaken.

Mr. BARTLETT. I did not know whether it directed how the committee should report.

The CHAIRMAN. For the benefit of the gentleman from Georgia and other gentlemen the Chair will read the remainder of this rule.

That at the expirartion of this time the committee shall rise and report the bill, H. R. 6382, with the recommendation that it be laid upon the table, and the bill S. 1620, with the recommendation that it be considered by the House, the previous question being hereby considered as ordered on said bill S. 1620 and all amendments to final passage, and the House shall proceed to vote without intervening motion on the amendments, if any, and the bill to final passage, except one motion to recommit, as provided by Rule XVI, paragraph 4.

Mr. BARTLETT. Mr. Chairman, a parliamentary inquiry. Does not the rule provide that the House bill shall lie on the table without regard to what the Committee of the Whole does? The CHAIRMAN. It so provides, and the House adopted the

Mr. BARTLETT. That is all right. It is a remarkable rule, that is all

The CHAIRMAN. The gentleman had his remedy before the

rule was agreed to.

Mr. BARTLETT. I am not complaining. I think the Committee on Rules is a great committee and has great power, and

this is a demonstration of it.

Mr. UNDERWOOD. Mr. Chairman, I make the point of order that under the rule the Committee of the Whole House on the state of the Union should rise automatically now.

Mr. GALLAGHER. I should like to offer an amendment. Is

an amendment in order?

Mr. MANN. Nothing is in order under a rule like this. The CHAIRMAN. The Chair thinks the amendment is not

in order

Mr. MANN. Did the Chair rule that an amendment is not in order?

The CHAIRMAN. The Chair rules that the amendment is not in order.

Mr. MANN. I respectfully appeal from the decision of the

Mr. BARTLETT. I never heard of such a rule as that.
The CHAIRMAN. The gentleman from Illinois appeals from
the decision of the Chair. The question is, Shall the decision
of the Chair stand as the judgment of the committee?

The question being taken, it was decided in the affirmative. Accordingly the decision of the Chair was sustained.

The CHAIRMAN. Under the rule the committee will rise The committee accordingly rose; and the Speaker having resumed the chair, Mr. Foster, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 6382 and the bill S. 1620, and had directed him to report the same back to the House with the recommendation that the bill H. R. 6382

do lie on the table and that the bill S. 1620 do pass. The SPEAKER. The question is on the third reading of the

Senate bill.

The bill S. 1620 was ordered to a third reading.

The SPEAKER. The question is, Shall the bill pass?

Mr. MANN. Mr. Speaker, I move to recommit the bill to the Committee on Foreign Affairs with the recommendation that it report back the bill forthwith, with an amendment striking out the last word, and upon that I desire to be heard for a moment.

The SPEAKER. The gentleman from Illinois moves that

Senate bill 1620 be committed to the Committee on Foreign Affairs, with instructions that they report it back forthwith, striking out the last word.

Mr. UNDERWOOD. Mr. Speaker, I believe it is in order to move the previous question on the gentleman's motion, but I do not wish to do so if we can agree on a reasonal time. How much time does the gentleman want?

Mr. MANN. I only want five minutes.
Mr. UNDERWOOD. I ask unanimous consent that the gentleman have five minutes, and that at the end of that time the previous question be considered as ordered.

Mr. MANN. The gentleman need not ask unanimous consent; he can take the floor and make the motion for the previous question.

Mr. UNDERWOOD. I desire to limit debate at this time, so

that we can get out.

Mr. MANN. The gentleman need not make the motion to limit the time. I am only going to say a word. I do not propose to detain the House, in view of the fact that the other side of the House is waiting to go into a caucus, which, goodness knows, I hope will soon end.

Mr. Speaker, the gentleman from Virginia [Mr. Flood], for whom I have a very high regard, was somewhat caught by his own statements and used some language which probably he ought not to have used. The gentleman from Virginia, on June 24, introduced a House bill and reported it August 19. The bill might have been disposed of a week ago. He now says that they left out the provision in reference to the invitation for the next congress because it is not in the Senate bill and it would make a day's delay if the bill had to go back to the Senate. They left it out, as he says, because of the objection from certain quarters. When I ask what quarters, the only quarters the gentleman named was the liquor dealers' association. I asked if it had come to a point where the Democratic majority of the House could not report a rule without asking consent of this association, an association which is entitled to consideration

Mr. HOBSON. Will the gentleman yield?

Mr. MANN. No; in behalf of the gentleman's colleagues I

will not yield or take up the time.

I was rather surprised that this provision was left out of the bill, and more surprised at the reason given for it. Now, Mr. Speaker, I withdraw my motion.

The SPEAKER. The gentleman from Illinois withdraws his motion to recommit, and the question is on the passage of the

The question was taken, and the bill was passed. On motion of Mr. Floop of Virginia, a motion to reconsider the vote whereby the bill was passed was laid on the table.

Mr. MURRAY of Oklahoma. Mr. Speaker, in view of the necessity for the Democratic caucus meeting as soon as possible, I desire that the unanimous consent granted me the other day to address the House on tempering the hot winds be extended to the next meeting of the House after to-morrow; that I be granted the same permission at the next meeting of the House after to-morrow.

The SPEAKER. The gentleman from Oklahoma asks permission to address the House for 30 minutes at the first meeting of the House after to-morrow, after the reading of the Journal.

Mr. MANN. Mr. Speaker, reserving the right to object, in view of the fact that all requests from this side of the House have been objected to recently in reference to such matters, I shall have to object for the present.

## ADJOURNMENT.

Mr. UNDERWOOD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 10 minutes p. m.) the House adjourned until to-morrow, Wednesday, August 27, 1913, at 12 o'clock noon.

## EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1. A letter from the Acting Secretary of the Treasury, recommending a provision in the deficiency appropriation bill relative to the enlargement of the post-office building at Canton, Ohio (H. Doc. No. 203); to the Committee on Appropriations and ordered to be printed.

2. A letter from the Acting Secretary of Agriculture and the Postmaster General, transmitting the results of operations, together with certain recommendations, in accordance with the act making appropriations for the service of the Post Office Department for the fiscal year 1913 (H. Doc. No. 204); to the Committee on the Post Office and Post Roads and ordered to be

#### CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, the Committee on Invalid Pensions was discharged from the consideration of the bill (H. R. 5216) granting a pension to William H. Bennett and the same was referred to the Committee on Pensions.

### PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memo-

rials were introduced and severally referred as follows:

By Mr. HENSLEY: A bill (H. R. 7751) to provide for the building of good roads through the cooperation of the Federal Government, the States and Territories, and the counties thereof; to the Committee on Roads.

Also, a bill (H. R. 7752) to extend the provisions of the pension acts of June 27, 1890, and of February 6, 1907, to all State militia and other organizations that were organized for the defense of the Union and cooperated with the military or naval forces of the United States in suppressing the War of the Rebellion; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7753) to extend the provisions of the pension acts of June 27, 1890, and of February 6, 1907, to all State militia and other organizations that were organized for the defense of the Union and cooperated with the military or naval forces of the United States in suppressing the War of the Rebellion; to the Committee on Invalid Pensions.

By Mr. LAFFERTY: A bill (H. R. 7754) relating to bills of

lading in interstate and foreign commerce; to the Committee on

Interstate and Foreign Commerce.

By Mr. J. I. NOLAN: A bill (H. R. 7755) to further regulate interstate and foreign commerce by prohibiting interstate trans-portation of the products of convict labor, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ROUSE: A bill (H. R. 7756) regulating the salary of rural letter carriers; to the Committee on the Post Office and

Post Roads.

By Mr. CHANDLER of New York: A bill (H. R. 7757) to authorize the construction of a bridge across the Hudson River just above Peekskill, N. Y.; to the Committee on Interstate and Foreign Commerce.

By Mr. THOMSON of Illinois: A bill (H. R. 7758) to provide for the construction of the Patent Office of the United States, including a hall of inventions, and for other purposes; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 7759) specifying the times at which the Congress shall assemble; to the Committee on the Judiciary.

By Mr. CLINE: A bill (H. R. 7760) providing for the pur-

chase of a site and the erection of a Federal building thereon in the city of Fort Wayne, county of Allen, State of Indiana, and appropriating the money therefor; to the Committee on Public Buildings and Grounds.

By Mr. BARKLEY: A bill (H. R. 7761) to amend the antitrust act of July 2, 1890; to the Committee on the Judiciary.

Also, a bill (H. R. 7762) to prevent the duplication or interlocking of directors in banks and corporations engaged in interstate commerce; to the Committee on the Judiciary.

By Mr. TAVENNER: A bill (H. R. 7763) to appropriate \$200,000 for an additional storehouse at the Rock Island Arse-

nal, Rock Island, Ill.; to the Committee on Appropriations.

Also, a bill (H. R. 7764) to appropriate \$65,000 for repairing shop H at the Rock Island Arsenal, Rock Island, Ill.; to the Committee on Appropriations.

Also, a bill (H. R. 7765) to appropriate \$250,000 for increasing the capacity of the field-artillery material plant at the Rock Island Arsenal, Rock Island, Ill.; to the Committee on Appro-

Also, a bill (H. R. 7766) to appropriate \$200,000 for a fieldartillery ammunition plant at the Rock Island Arsenal, Rock Island, Ill.; to the Committee on Appropriations.

Also, a bill (H. R. 7767) to appropriate \$300,000 for a smallarms cartridge plant at the Rock Island Arsenal, Rock Island, Ill.; to the Committee on Appropriations.

Also, a bill (H. R. 7768) to appropriate \$15,000 for a magazine at the Rock Island Arsenal, Rock Island, Ill.; to the Committee on Appropriations.

Also, a bill (H. R. 7769) to authorize the construction of a bridge across the Mississippi River near Keokuk, Iowa; to the

Committee on Interstate and Foreign Commerce.

By Mr. DOOLITTLE: A bill (H. R. 7770) authorizing the Secretary of War to deliver to Pollock Post, No. 42, Grand Army of the Republic, Department of Kansas, of Marion, Kans., one condemned bronze or brass cannon or fieldpiece and a suitable outfit of cannon balls; to the Committee on Military Affairs.

By Mr. BUCHANAN of Illinois: A bill (H. R. 7771) to regulate plastering in the District of Columbia; to the Committee on the District of Columbia.

By Mr. HOBSON: A bill (H. R. 7772) to make the appointment of pay clerks in the United States Navy permanent and to create the grade of chief pay clerk under regulations established by the Navy Department for other warrant officers; to the Committee on Naval Affairs.

By Mr. SPARKMAN: A bill (H. R. 7773) to establish an agricultural, plant, shrub, fruit and ornamental tree, berry, and vegetable experimental station at or near the city of St. Petersburg, Pinellas County, Fla.; to the Committee on Agriculture.

By Mr. LINTHICUM: A bill (H. R. 7774) to regulate the interstate transportation of fish or products or compounds thereof when intended to be used for fertilizer or oil or in the manufacture of fertilizer or oil; to the Committee on Interstate

and Foreign Commerce.

Also, a bill (H. R. 7775) to protect fish not remaining the entire year within the waters of any State or Territory and authorizing the Department of Commerce to define the seasons and regulate the manner and conditions under which they may be taken or destroyed; to the Committee on the Merchant Marine and Fisheries.

By Mr. JOHNSON of Kentucky: A bill (H. R. 7776) to prohibit the practice of extortion upon the hungry, the naked, the sick, and the dead in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.

By Mr. GODWIN of North Carolina: Resolution (H. Res. 232) allowing the Committee on Reform in the Civil Service a clerk at the rate of \$6 per day for the first session of the Sixty-

third Congress; to the Committee on Accounts.

By Mr. MURRAY of Massachusetts: Resolution (H. Res. 233) requesting the Department of the Interior, Department of Commerce, Department of Labor, and the Interstate Commerce Commission to furnish information relative to coal, etc.; to the Committee on Interstate and Foreign Commerce.

By Mr. CLAYTON: Resolution (H. Res. 234) to authorize the Committee on the Judiciary to inquire into and concerning the official conduct of Emory Speer, United States district judge for the southern district of Georgia; to the Committee on Rules.

By Mr. JOHNSON of Washington: Joint resolution (H. J. Res. 121) requesting the President of the United States to take the necessary steps, by negotiating with the British and Ca-nadian Governmens, to establish railway connection between the United States and Alaska; to the Committee on Foreign

By Mr. RICHARDSON: Joint resolution (H. J. Res. 122) to make available the unexpended balance heretofore appropriated for the improvement of the Tennessee River; to the Committee on Rivers and Harbors.

### PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ADAIR: A bill (H. R. 7777) granting an increase of pension to George C. Louthain; to the Committee on Pensions.

By Mr. ASHBROOK: A bill (H. R. 7778) granting an increase of pension to John T. Collins; to the Committee on Invalid Pensions.

By Mr. BORLAND; A bill (H. R. 7779) granting a pension to Harry C. Ketcham; to the Committee on Pensions.

By Mr. BUCHANAN of Illinois: A bill (H. R. 7780) granting a pension to Dorothea Winklehaken; to the Committee on Invalid Pensions.

By Mr. CHANDLER of New York: A bill (H. R. 7781) admitting to citizenship and fully naturalizing Gordon W. Nelson, of the city of New York, in the State of New York; to the Committee on Immigration and Naturalization.

By Mr. COPLEY; A bill (H. R. 7782) granting an increase of pension to Erastus L. Gilbert; to the Committee on Invalid

By Mr. CURRY: A bill (H. R. 7783) granting a pension to John W. Connors; to the Committee on Pensions.

By Mr. DYER: A bill (H. R. 7784) granting an increase of pension to Wilhelmine L. Mahkorn; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7785) for the relief of Joseph Sirenick; to the Committee on Military Affairs.

By Mr. GREGG: A bill (H. R. 7786) for the relief of Ten Eyck De Witt Veeder, commodore on the retired list of the United States Navy; to the Committee on Naval Affairs,

By Mr. HAMILL: A bill (H. R. 7787) for the relief of David Crow; to the Committee on Military Affairs.

By Mr. HELVERING: A bill (H. R. 7788) to remove the charge of desertion from the record of Thomas J. Stainbrook; to the Committee on Military Affairs.

By Mr. HENSLEY: A bill (H. R. 7789) granting a pension to Mary F. Johnson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7790) granting a pension to Thomas B. Moss; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7791) granting a pension to Elizabeth Bay; to the Committee on Pensions.

Also, a bill (H. R. 7792) granting a pension to Mary E. Harrison; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7793) granting a pension to Joseph W. Alexander; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7794) granting a pension to Joseph Mc-Dowell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7795) granting an increase of pension to Elizabeth Self; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7796) granting an increase of pension to

Mary A. Stitzel; to the Committee on Invalid Pensions.
Also, a bill (H. R. 7797) granting an increase of pension to
Wilson Thompson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7799) granting an increase of pension to Stephen M. McAllister; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7799) granting an increase of pension to Harriet Daniels; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7800) for the relief of Louis Burle, alias Ganter; to the Committee on Military Affairs.

Also, a bill (H. R. 7801) for the relief of Henry J. Tucker; to the Committee on Military Affairs.

Also, a bill (H. R. 7802) granting a pension to Jane Johnson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7803) granting a pension to W. R. Trout:

to the Committee on Invalid Pensions. Also, a bill (H. R. 7804) granting a pension to Annie Burk; to the Committee on Pensions.

By Mr. LAFFERTY: A bill (H. R. 7805) granting a pension to John R. Simons; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7806) granting a pension to Michael H. Spaulding; to the Committee on Pensions.

By Mr. MAGUIRE of Nebraska: A bill (H. R. 7807) granting a pension to James B. Downs; to the Committee on Pensions. Also, a bill (H. R. 7808) granting an increase of pension to

Edwin N. Melton; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7809) granting an increase of pension to Walter P. Stockton; to the Committee on Pensions. By Mr. O'SHAUNESSY: A bill (H. R. 7810) granting an in-

crease of pension to Michael Barry; to the Committee on Invalid Pensions

Also, a bill (H. R. 7811) granting an increase of pension to William C. Aldrich; to the Committee on Invalid Pensions.

By Mr. PLATT: A bill (H. R. 7812) granting a pension to William Haubennestel; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7813) granting a pension to Margaret F.

Searle; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7814) granting an increase of pension to James McCormick; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7815) granting an increase of pension to Alfred Gordon; to the Committee on Invalid Pensions.

By Mr. RAINEY: A bill (H. R. 7816) granting a pension to Eliza Browning; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7817) correcting the military record of

P. Armstrong; to the Committee on Military Affairs.

By Mr. RICHARDSON: A bill (H. R. 7818) for the relief of S. Davis; to the Committee on Claims. By Mr. RUSSELL: A bill (H. R. 7819) granting an increase

of pension to John Rollins; to the Committee on Invalid Pensions.

By Mr. SHERWOOD (by request): A bill (H. R. 7820) granting a pension to Mary F. Cherry; to the Committee on Invalid Pensions.

By Mr. SPARKMAN: A bill (H. R. 7821) for the relief of E. B. Huntley, Noah Harper, and S. Hoagland, sureties on the bond of Mrs. Jewell B. Pope, postmaster at Astor Park, Fla.; to the Committee on the Post Office and Post Roads.

By Mr. STEPHENS of Nebraska: A bill (H. R. 7822) granting a pension to Amy Mapes; to the Committee on Invalid Pensions.

By Mr. STONE: A bill (H. R. 7823) granting an increase of pension to James S. Jones; to the Committee on Invalid Pensions.

By Mr. TAGGART: A bill (H. R. 7824) granting a pension to John W. McAndrews; to the Committee on Pensions.

By Mr. RUBEY: Joint resolution (H. J. Res. 123) authorizing the Secretary of War to award the congressional medal of honor to Frederick J. Liesmann; to the Committee on Military

### PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid

on the Clerk's desk and referred as follows:

By the SPEAKER (by request): Petition of the United Commercial Travelers of North America, favoring the passage of the 1-cent letter postage rate; to the Committee on the Post Office

and Post Roads.

By Mr. CRAMTON: Petitions of citizens of Port Huron, Caseville, Elkton, Kinde, Bad Axe, Port Austin, Ubly, Sandusky, Harbor Beach, Marine City, Minden City, St. Clair, Deckerville, Carsonville, Croswell, Columbiaville, Emmett, Lum, Imlay City, Owendale, Dryden, Marlette, North Branch, Clifford, Brown City, Yale, Lapeer, Capac, Fair Grove, Unionville, Sebewaing, Pigeon, Reese, Caro, Akron, Vassar, Otter Lake, Metamora, Almont, Memphis, Berville, Mount Clemens, Algonac, Richmond, Utica, Romeo, Armada, New Haven, New Baltimore, all of the seventh congressional district, State of Michigan, and all favoring the taxation of mail-order houses; to the Committee on Interstate and Foreign Commerce

By Mr. DALE: Petition of the Buffalo Chamber of Commerce, Buffalo, N. Y., asking that all persons to be employed for the collection of revenues shall be selected on the basis of merit and fitness; to the Committee on Ways and Means,

By Mr. DYER: Papers to accompany H. R. 6608 for the relief of Dorothea Christmann; to the Committee on Invalid

Pensions.

Also, petition of the Association of German Authors of America, protesting against a duty on books printed in foreign lan-guages; to the Committee on Ways and Means.

By Mr. ESCH: Petition of the Wisconsin State Cranberry Growers' Association, favoring the reduction of the parcel-post rates and the increase of the weight limit, and members of the Local Union No. 6139, American Society of Equity, of Colby, Wis, favoring leaving power in the Postmaster General in regard to the postal laws; to the Committee on the Post Office and Post Roads.

Also, petition of the Association of German Authors of America, protesting against a duty on books printed in foreign languages; to the Committee on Ways and Means.

Also, petition of the Interstate Cottonseed Crushers' Association, protesting against a prohibitive duty on cottonseed oil by the Austro-Hungarian Government; to the Committee on Ways and Means.

Also, petition of the Order of Railway Conductors of America, at Cedar Rapids, Iowa, favoring a bill to strengthen the present

liability laws; to the Committee on the Judiciary.

Also, petition of board of directors of the Wisconsin Lumber Dealers' Association, Milwaukee, Wis., protesting against the passage of the Stanley bill (H. R. 23132) providing that no corporation shall own directly or indirectly the means of transporting their products by rail; to the Committee on Interstate and Foreign Commerce.

Also, petition of the Switchmen's Union of North America, protesting against the schedules of compensation as provided for in the workmen's compensation bill; to the Committee on the

Judiciary.

Also, petition of S. E. Hebuling, international president of the Switchmen's Union of North America, Buffalo, N. Y., protesting against the schedules of compensation as provided for in the workmen's compensation act; to the Committee on the Judiciary.

By Mr. JOHNSON of Washington: Petition of sundry citizens of the State of Washington relative to the land grant to the Oregon & California Railway Co.; to the Committee on the

By Mr. KONOP: Petition of the bankers of the Fox River Valley, Wis., protesting against the Owen-Glass currency bill; to the Committee on Banking and Currency.

By Mr. MANN: Petition of H. E. Horton, of Chicago, Ill., protesting against placing duty on books of a scientific nature; to the Committee on Ways and Means.

By Mr. SMITH of New York: Petition of the Buffalo Chamber of Commerce, Buffalo, N. Y., asking that all persons to be employed for the collection of revenues shall be selected on the basis of merit and fitness; to the Committee on Ways and Means.

By Mr. UNDERHILL: Petition of the Association of German Authors of America, protesting against a duty on books printed in foreign languages; to the Committee on Ways and Means.

Also, petition of the Committee on National and State Affairs, favoring competitive examination for those to be employed for the collection of the revenues and especially the income tax; to the Committee on Ways and Means.

By Mr. WALLIN: Petition of sundry citizens of Schenectady County, N. Y., protesting against the enactment of a law creating a holiday to be known as Columbus day; to the Committee

on the Judiciary

By Mr. WILSON of New York: Petition of the Buffalo (N. Y.) Chamber of Commerce, favoring the administration of the new tariff law by persons appointed under civil service rules and regulations; to the Committee on Ways and Means.

## SENATE.

# Wednesday, August 27, 1913.

The Senate met at 11 o'clock a. m.

Prayer by the Chaplain, Rev. Forrest J. Prettyman, D. D. The Journal of yesterday's proceedings was read and approved.

NATIONAL CONSERVATION EXPOSITION, KNOXVILLE, TENN.

The VICE PRESIDENT. The Chair lays before the Senate a communication which will be read.

The Secretary read as follows:

THE NATIONAL CONSERVATION EXPOSITION, Knowville, Tenn., August 25, 1913.

Knoxville, Tenn., August 25, 1913.

To the Hon. Thomas Marshall.

The Vice President of the United States, Washington, D. C.

Dear Sir: The president and board of directors of the National Conservation Exposition at Knoxville, Tenn., the first exposition ever held for the purpose of accenting the necessity for and best methods of conservation of all the natural resources of the country, take pleasure in announcing to the United States Senate that this exposition will open in the city of Knoxville, Tenn., September 1, 1913, and will be open for 60 days, and request the honor of the presence of the Members of the Senate of the United States at some time during said exposition, to be designated by the Senate.

The August President.

T. A. WRIGHT, President. W. M. GOODMAN, Secretary.

The VICE PRESIDENT. The communication will be referred to the Committee on Industrial Expositions.

#### MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the House had passed the bill (S. 1620) to provide for representation of the United States in the Fourteenth International Congress on Alcoholism, and for other purposes.

### BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CATRON:

A bill (S. 3052) authorizing the Secretary of the Interior to grant further extensions of time within which to make proof on desert-land entries in the county of San Juan, State of New Mexico; and

A bill (S. 3053) authorizing the Secretary of the Interior to grant further extensions of time within which to make proof on desert-land entries; to the Committee on Public Lands. By Mr. SMITH of South Carolina:

A bill (S. 3054) for the relief of the estate of John J. Driscoll, deceased; to the Committee on Claims.

By Mr. McLEAN: A bill (S. 3055) granting an increase of pension to Mary E. Blinn (with accompanying paper); to the Committee on Pensions

## AMENDMENTS TO THE TARIFF BILL.

Mr. KENYON. I submit an amendment to the pending tariff bill, which I ask may be read, printed, and lie on the table.

The amendment was read, ordered to lie on the table, and to be printed as follows:

Amend paragraph 580h by inserting, after the word "developed," the following:
"Subject to such censorship as the Secretary of the Treasury may

Mr. NORRIS submitted an amendment intended to be proposed by him to the bill (H. R. 3321) to reduce tariff duties and to provide revenue for the Government, and for other purposes; which was ordered to lie on the table and be printed.

Mr. HITCHCOCK submitted an amendment intended to be proposed by him to the bill (H. R. 3321) to reduce tariff duties and to provide revenue for the Government, and for other purposes, which was ordered to lie on the table and be printed.

Mr. SMOOT. When we reached paragraph 326, relating to

woven silk fabrics in the piece, I asked that it might go over and stated that I would offer a substitute. I offer the proposed substitute for the paragraph and move that it be printed and referrred to the Committee on Finance.

The motion was agreed to.

IMPROVEMENT OF COLUMBIA RIVER, OREG.-WASH.

Mr. LANE submitted the following concurrent resolution (S. Con. Res. 8), which was read, considered by unanimous consent, and agreed to:

Resolved by the Senate (the House of Representatives concurring), That the Secretary of War be directed to submit to Congress a supplementary report on the project for the improvement of the mouth of Columbia River, Oreg.-Wash., setting forth, according to latest estimates, the amount that will be required to complete the north jetty; said report also to contain the opinion of the Chief of Engineers and River and Harbor Board as to the advisability of a lump appropriation for said work, with a view to hastening its completion.

## ASSISTANT IN SENATE DOCUMENT ROOM.

Mr. CLAPP submitted the following resolution (S. Res. 174) which was read and referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Secretary of the Senate be authorized to employ one additional assistant in the Senate document room, at a compensation of \$1,440 per annum, to be paid out of the contingent fund of the Senate until otherwise provided by law.

#### THE TARIFF.

The VICE PRESIDENT. The morning business is closed. Mr. SIMMONS. I ask unanimous consent that the Senate

proceed to the consideration of House bill 3321.

There being no objection, the Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 3321) to reduce tariff duties and to provide revenue for the Government,

and for other purposes.

The VICE PRESIDENT. The reading of the bill has proceeded to subsection B of Section II, on page 167.

Mr. BRISTOW. Mr. President, I desire to offer an amendment and I should like a larger attendance of the Senate than there is, because I want Senators to hear the amendment. So

I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll. The Secretary called the roll, and the following Senators answered to their names:

Ashurst Bacon Bankhead Gallinger Hollis Norris O'Gorman Oliver Smith, S. C. Smoot Sterling Hughes James Johnson Jones Owen Page Penrose Stone Sutherland Swanson Thomas Borah Bradley Brady Brandegee Bristow Kenvon Perkins Kern La Follette Lane Pittman Pomerene Robinson Shafroth Thompson Tillman Vardaman Warren Bryan Catron Lane
Lea
Lewis
Lippitt
Lodge
McCumber
Martin, Va.
Martine, N. J. Chamberlain Sharroth Sheppard Sherman Shields Simmons Smith, Ariz. Smith, Ga Weeks Williams Works Chilton Clapp Clark, Wyo. Colt Crawford Fletcher

Mr. GALLINGER. I will take occasion to announce the unavoidable absence of the junior Senator from Maine [Mr. Bur-LEIGH], on account of protracted illness.

The VICE PRESIDENT. Sixty-five Senators have answered

to the roll call. There is a quorum present.

Mr. GALLINGER. Mr. President, I desire to give notice that
on Tuesday next, immediately after the routine morning business, I will submit some remarks on the pending bill.

Mr. SHERMAN. Mr. President, the time that I desire to take is limited. I shall not consider in detail the various schedules and provisions of the bill. I shall generalize as far as possible. We have been sitting for some weary weeks on both sides of the Chamber discussing paragraph by paragraph these provisions. I could not add anything to what has been said in criticism of the bill, nor could I reply to the defenses that have been made any better than has been done. I shall content myself with such general observations as I think are now material to the bill.

Every few years a new generation reaches the ballot box. This period approximates the elemental disturbance in the method of national taxation. So long as the question of tax-ation persists there will be a difference of opinion on how taxes are to be levied. Some oppose any restraint whatever on all commerce between nations. Free trade may be dismissed, however, into the realm inhabited by doctrinaires. It is a good deal like socialism; it presupposes conditions impossible to exist either in government or in human nature. When the conditions are such as to make either practicable, both will When the become useless, because government will have become entirely unnecessary. If no governments are to be supported, there are no tariffs to be framed, and these schedules will, accordingly, be forgotten.

All of us learn in various ways. Experience is conceded to

be an efficient instructor. Some learn by experiences, personal and private to themselves; others act so as to involve the general public in the calamities of their educational processes.

The latter include those who are never really happy unless they are taking the industrial mechanism of the country apart in order to see what is inside of it. After they have taken it apart they universally fail to put it together again so that it will run successfully.

#### A NARROW MARGIN.

I apply myself this morning not to a theoretical but to an extremely practical part of this bill in this portion of my comments. The report of the Senate Committee on Finance esti-mates the receipts under this bill for the year ending June 30, 1914, at \$996,810,000.

The expenditures of the Government for the same period are estimated at \$994,790,000. I obtain this information from the majority report of the Senate Committee on Finance. The excess of receipts over expenditures is \$2,020,000. This is a mere paper surplus. Those who think the Government ought to meet the expenses of each year with that year's revenue may be dubious. I could pardon Mr. Micawber for feeling somewhat gloomy in the circumstances.

The fiscal affairs of the United States are still administered under Republican legislation. The Democratic majority so far has confined its successful efforts to appropriation bills to be met by revenue supplied by legislation enacted by Republicans. Anybody can spend money; any political party can empty the Treasury; but it yet remains for the majority party in this Chamber to demonstrate that they can fill the Treasury again. That you have to do for the future. History on this subject is not extremely reassuring.

If industrial effort pause to take stock, to reflect on the change and the future, it is not a conspiracy. The law of supply and demand, the rise and fall in obedience to the inexorable laws that govern the markets, is not a conspiracy against the majority party. It is merely a universal law of business fore-sight. I have seen deficits in the Treasury, as some of you They are storm signals. An experienced mariner, who have. heeds the laws of safe navigation, is to be commended for his prudence, not threatened with indictment. Nobody can be compelled or coerced into keeping his doors open. The inability of the Government to meet its current expenses without resorting to loans is a grave menace to every private occupation.

## DANGER OF A DEFICIT.

This tariff bill is born under the shadow of an anticipated deficit. I wish to preserve in the Congressional Record, that splendid mausoleum of literary effort, the statement that this measure, known as House bill 3321, confesses on its face that it must be flanked by an income tax to provide revenue on one hand and by a currency bill on the other. If perchance the income tax fails, the currency bill can, by enforced contribu-tions from the national banks of the country, furnish enough to keep the Treasury from showing the bottom,

This bill and the estimates made by the Senate Committee on Finance confess so narrow a margin between income and outgo that an error in a single estimate will convert the Treasury from solvency into bankruptcy. Conjecture is the basis of this legislation and public debt is its legitimate offspring. The promised reduction of taxes below the necessary level of self-support is a morbid propensity of some candidates for public office; it is a passport to temporary power. It has been often used and just as often repudiated whenever its debilitating effects on public and private credit have become apparent.

A candid survey of the undisputed conditions is now pertinent. On March 4, 1913, the total regular and permanent annual appropriations were \$1,098,647,960.21. That was for the fiscal year ending June 30, 1914, excluding all authorized contracts for the payment of public money. The appropriations for the fiscal year ending June 30, 1913, were \$1,019,412,710.91, excluding all like authorized contracts. The annual increase of expenses is over \$70,000,000. If the additional liabilities earther expenses is over \$79,000,000. If the additional liabilities authorized by contracts to be entered into are considered for each year, the increase swells to larger figures.

The Government balance sheet is an essential element of every solvent Government—State or National. The appropriations made do not warrant the hopes that are given us by the Senate Committee on Finance. When I read the report of the majority, the only relief in sight from this nearly \$80,000,000 increase in a single year is a platform promise of our Democratic brethren made July 2, 1912, at Baltimore.

We demand-

I am quoting now-

a return to that simplicity and economy which befits a democratic government.

As this promise was made over eight months before the increase of nearly \$80,000,000 in appropriations was made, it does not inspire in most of us that degree of confidence which ought to attend such solemn proclamations. If a person were disposed to be facetious on the subject, it might be said to be

in the nature of an ex post facto law.

The House has the sole power to originate all bills raising revenue. That body has been in the control of our Democratic brethren for two fiscal-year periods, and yet, when I read the items of appropriation for each of those years, I find no befiting simplicity or economy. I find the same expenditures, the same method of handling appropriation bills; I find that method continuing, even against the protest of the heads of committees and of those in charge of and responsible for the legislation of the Democratic House.

#### SEEK INCREASED IMPORTS.

This bill, in the face of these expenditures, notwithstanding nearly \$80,000,000 increase in appropriations in a single fiscal year, in the face of the natural growth inherent in every progressive government, admits that we will collect less money from customs duties under it than we have in former tariff

bills or from the law now in force.

They finally admit upon repeated queries, sometimes with reluctance, sometimes inadvertently, but at all times until recently with some degree of frankness lacking, that there will be an increase of importations. The mathematical result of the lowering of rates and the increasing of importations will, it is hoped, equal the income under the existing law. That, however, is based only on estimates.

The admitted purpose of this bill is to increase importations. It is claimed that more imports at a lower rate will equal less imports at a higher rate. Demonstration, as usual, is answered by prediction. At a time when the country is facing grave responsibility it is proposed to hazard a total recon-

struction of our economic system.

If domestic production is more than home consumption and we show an exported surplus, it is argued that no protection is We have heard that statement repeatedly from Senneeded. ators in charge of this bill. They say when such conditions "we are already selling in the world's markets, reduce duties or free list articles, and let things be cheap or cheaper."

If our domestic production is less than our home consumption, they say the difference must be supplied by importations. "We have," they say, "no export trade and are not producing enough to meet home consumption. Therefore reduce the rates of duty or free list the articles so that they come from abroad and we may again have things cheap or cheaper.'

Both the farmer and the manufacturer are bound on the bed of Procrustes. If they are too short, they are to be stretched;

and if they are too long, they are to be cut off.

# THE THEORY IS UNSOUND.

I shall not attempt an analysis of the 15 schedules of this bill, even if it were possible for any one man to be capable of making it. They are all written on the same theory. If of making it. you were to lay the blue prints down-if it were possible in connection with economic and legislative action to do so-you would find that they are all drawn on the same scale, on the same theory, and attempt to apply the same thing in practice. The theory is unsound. The system put into operation has never yet failed to produce precisely the same results.

The tariff act of 1894 was framed on the lines of this bill, and

it is only occasionally, merely as a matter of historic reference, that it is ever mentioned in this Chamber. When it is mentioned, its friends and apologists spend more time in proving an alibi for it than they do in undertaking to explain the manifold blessings that fell upon us while it was in operation. remember that it conferred on us the pearl of great pricecheapness-and its inevitable handmaid, idleness. It ran the mills of other countries overtime, just as, in my opinion, this bill will do, although I hope I am mistaken. Our own mills then rusted and our pay rolls melted into thin air. The farmer's products shared in the downward revision, and he too learned the cost of turning over our markets to alien hands.

How is it possible, asks a tariff-for-revenue-only disciple or a free trader, to maintain American standards of living at our prices here and ever to export anything to any market where

lower prices obtain?

That can be done only when our producers have the entire American market. A large volume of business permits a manufacturer to reduce the margin of profit on each unit. Ten cents on a barrel of flour is the average margin to the millers of this country. There is no combination among the millers; they do business on a competitive basis both at home and abroad. A divided market on a 10-cent margin of profit does not mean the same thing to a miller that it does to a tariff-bill writer. It does not mean the same thing to the wheat-growing farmer. It does mean to him, though, a diminished market when Canadian and South American fields pour their millions of bushels

into our market. Manufactures are sold on a narrow profit to the producers. That price can be maintained only by keeping all our own market for our own people. This is always the larger question, and it is something that our critics have not successfully answered on the floor of this Chamber.

A leading maxim of tariff for revenue only is that no article needing protection can be successfully exported. I take that from an address of nearly 20 years ago made by a gentle-man from Nebraska who served in the House of Representatives at that time. It was the keynote speech of tariff reform in that year; it is the keystone of that address. That, as I have said, was nearly 20 years ago. Let us see what the

developments since that time have shown.

The exports of tin manufactures in 1912, after providing for the demands of the home market, refute the claim. For the last year, after supplying the home demand, our exports were nearly a million and a quarter dollars of manufactures of tin alone. We have exported manufactures of tin for many years. That industry was created by the McKinley Act of 1890. exports of cotton manufactures in 1912 were over \$40,000,000. That is a protected industry.

#### SEA ISLAND COTTON.

I want to stop here to confirm what I said a day or two ago. On the impulse of the moment, without being able to restrain myself at the time, I stated that I was perfectly willing to vote for a protective duty on sea-island cotton. I am, now or hereafter, willing to do so. If Members of this body are as adequately informed as I think some of them are, if they know business conditions in the States bordering on the Atlantic. where much of the territory susceptible of growing this product lies, where the only American source of production is to-day, they know that there is something wrong with the market for sea-island cotton.

If those who have money invested in the industry, if the banks that have loaned, not their own money but their depositors' money and their shareholders' money, were to be heard, they would tell you that for some reason the market for sea-

island cotton is unsatisfactory.

Let me notice for just a minute what the trouble is about this. I find in 1912 more than \$20,000,000 worth of imports of unmanufactured sea-island cotton. I find that the two ports of Boston and Charlestown, Mass., received during the last fiscal year more than \$15,000,000 worth of imports of that product. That must be exported from some place. Whence does it come? I find that England is shipping a part of it and Egypt a large part of the remainder, with some from India.

Everybody knows that not a cotton boll ever burst in old Eng-We do know that sea-island cotton or a similar quality

of long-fiber cotton is produced in Egypt.

Along in the days when Moses was floating in the bulrushes the Egyptians were not producing any long-fiber cotton for the export trade, but now in that country they are beginning to raise it. England, with her usual foresight and wisdom, has seen the possibilities there. She not only has improved the natural irrigation that comes from the periodical rise of the river, but she has introduced improved methods of agriculture.

England is always intensely practical in her colonies. English race is a race of colonists. The law of primogeniture has sent all except its oldest sons to the four quarters of the world. It causes no surprise that Quebec fell into English hands in the days of Montcalm and Wolfe. It is not remarkable that in Cape Town the English are paramount. It is no wonder that wherever valuable minerals are found, wherever there is commerce to be had, wherever progress is possible under the development of English institutions that they carry with them

around the world, you find they colonize.

In the days of the Khedive, long before Kitchener went down in the Sudan, long before Gordon, down in the desert, fell a victim to the negligence of the military and governmental authorities of the home country-long before that England found Egypt bankrupt, her public obligations defaulted, interest and principal unpaid when due. She found the Egyptians the victims of every enemy, without law, without order, without a sense of public honor or of governmental security. She established a protectorate. Her purpose was to bring law and order and solvency to the Egyptian people. She went further. More than 12 years ago she began the great dam of Assuan, the greatest single piece of engineering of the kind in the world. It is finished; it is in operation.

In the days of the Pharaohs, since the Sphinx and the Pyramids have looked down upon that country of mystery, there was but a thin ribbon of the arable land of the Nile Valley. One could stand on the farthermost eastern edge and look with the naked eye across to the other boundary, and that was the

cradle of the human race when recorded history began. The English improved it, be it said to their everlasting credit. They built the dam. They stored the flood waters of the Nile. dam was built at the First Cataract.

What do they do with it? What is the object of it? Just a curiosity? Not at all. England has added 2,500 square miles, or 1,600,000 acres, to the tillable land of the Nile Valley by this irrigation system. What is done with it? It raises sugar and long-fiber cotton.

That is the story; and that is the reason why to-day every man who believes in the soundness of the principle of protection can consistently vote for a protective duty on sea-island

Fiffeen million dollars' worth of sea-island cotton taken out of the market of such States as produce it means something to the producers of that commodity. The \$15,000,000 worth that came into Boston and Charlestown last year means \$15,000,000 less of sea-island cotton from our own country. The merchants and manufacturers in that part of the country are applying the principles of the people who are framing this bill. They are buying cotton where they can buy it the cheapest. Therefore they are not buying American sea-island cotton. They are going to Egypt and India and England for it, and some of it comes from Germany. They all get it from the same or practically the same source. I would not be so uncharitable as to assume that certain apparent discriminations against the highly manufactured forms of cotton that are explained by the chart on the wall of this Chamber are caused by those importations by New

Mr. LODGE. Mr. President-

The PRESIDING OFFICER (Mr. Lewis in the chair). Does the Senator from Illinois yield to the Senator from Massa-

Mr. SHERMAN. I do.

Mr. LODGE. The Senator has referred to the long-staple cotton exported from Scotland and England. Of course that all comes from the same source; that is, the valley of the Nile. Mr. SHERMAN. Yes, sir; it does.

Mr. LODGE. The ports of Scotland and England are merely

corts of transmission.

Mr. SHERMAN. Yes; it all comes from practically the same

The woolen industry is protected, and it exported goods valued at \$2,500,000 during the last year. Zinc and zinc manufactures are also protected. They exported over \$2,000,000 last

THE SIMPLE QUESTION OF EGGS.

I now come to the simple question of eggs. At present they have a duty of 5 cents a dozen. I was talking with a Democratic brother of mine one day, and I asked him what he had against eggs. He did not reply. I said, "You are reducing the duty on them somewhat." He said, "Oh, they can not be imported now. There is no danger." Well, there is a good deal ported now. There was not any danger 25 years or perhaps 15 years ago, but with the refrigerator process of transportation there is danger of anything. What was perishable before in the poultry line or in the line of garden produce is to-day put into a market from one to three thousand miles away in a practically fresh condition.

Eggs are not so insignificant an item as they may seem. I still have reference to the Statistical Abstract of the United States, notwithstanding a distinguished Democratic Senator denied its reliability the other day. I can understand why. He is a good deal like an old-timer out on the plains who came back to Illinois when I was a lad, and told a story about a mule climbing the only tree there was on the plains. Some doubt was expressed about the ability of the animal so to perform, and he was pressed to give the circumstances. He said, "Well, there was a buffalo bull after the mule and he had to climb the tree." The Senator was in a corner. He had to climb a tree, and the only way to climb it was to put his foot on the Statistical Abstract of the United States and reach for the first limb, and he got away.

reach for the first limb, and he got away.

I am referring now to the same discredited source of authority. In 1910 we produced \$377,000,000 worth of eggs. According to this authority in 1894 we could not export them, but as a matter of fact in 1912 we exported nearly three and a half million dollars' worth of them and imported \$147,000 worth. I suspect the most of the imports were eggs for fancy fowls or improving breeds. They were not used for food.

WHEAT AND ITS MARKET.

nearly \$29,000,000 worth of wheat and nearly \$51,000,000 worth of flour. The reduction of duty made in the House was not so severe. It was to 10 cents a bushel. That would equalize to some degree the difference of cost between the production of wheat here and abroad. But in the Senate committee the duty

has been entirely removed.

In April of this year-I tried to get the figures for August, but failed-a bushel of wheat, cash, including insurance, freight, and other costs, at Buenos Aires, in the Argentine country, was The freight to Liverpool is 15 cents. figures I have from a miller who grinds both the domestic wheat and that from the South American countries. A barrel of flour made from Argentine wheat costs \$3.82, counting  $4\frac{1}{2}$  bushels to the barrel. The same bushel of wheat from Argentina, free listed, costs 70 cents, with 12 cents freight added to New York, Boston, or Philadelphia. A barrel of flour milled from it costs at the latter point \$3.69. The difference between that and the cost of an English barrel of flour from the same wheat is 131 cents. The English miller sells the by-products of the 41 bushels of wheat for at least 20 cents in excess of what the like by-products are sold for here. The freight from England is 15 cents a barrel, as freights ran last spring. will our miller buy wheat on the Atlantic seaboard with wheat free listed? He will buy it from South America, because he can mill his barrel of flour cheaper when he gets it from there than he can when he gets it from the Northwest.

It is said that free listing wheat will cheapen bread. Suppose we concede that the duty of 10 cents a bushel is a tax. and leave the question of domestic competition entirely out of Four and one-half bushels of wheat will mill into a barrel of flour. The duty is 45 cents. The barrel makes 320 loaves of bread. If you divide that, it is forty-five three-hundred-andtwentieths, or nine sixty-fourths, of 1 cent on a loaf. No one believes that this reduction would ever reach the consumer. Like free listing hides, or reducing shoes 60 per cent, the lower production cost will be absorbed either by the jobber or by the

retailer.

FARMERS DIRECTLY INTERESTED.

At one time the farmer's gain was indirect. I once had the same idea that many of my associates have. Manufactures and diversity of pursuits created a home market. Out of that grew an advance in land, and the marketing of what at that time was largely a quantity of perishable products. Then Canada's wheat land slumbered in the unbroken solitudes of her mighty wilderness. Then Argentina was still wrapped in the apathy inherited from centuries of Spanish misrule. Anybody who has ever traveled south knows what that means. Both of those sleepers, North and South, have awakened. The dormant fertility of their boundless fields has burst into an endless stream of grain that reaches the duty-free markets of every port in the world. Where once the North Star guided the trapper and the explorer, and where the listless native went his careless way under the Southern Cross, to-day rival farmers see every harvest covering an increasing acreage.

Grain elevators and railways are tapping the resources of that country, and those competing granaries are pouring their

ceaseless flood through all the ports of the world.

We used to read in our school days when we studied mythology about Ceres. I never knew who she was; I had no personal acquaintance. I found out since what it means. It is merely an idea. Mythology is said to be built upon the great moments of men who lived in the midst of antiquity and died before recorded history began. So the shining moments of those great men finally crystallized in mythology and tradition in their dominant characteristics and the fabled goddess of grain and tillage became Ceres. She no longer appeals to my imagination. Mythology and fiction both lag on the swiftly moving heel of fact when we contemplate the stupendous and complex mechanism of the modern grain market that supplies breadstuffs to civilized man.

The message of the Western Hemisphere to the farmer of the United States is a direct protective schedule to keep the markets of this country for him who gives to it his service in time of war and to which he pays taxes in both peace and war.

The ringing appeal of the Senators from the Northwest not long since touched the heart of every man who knows the farm and farm life. The farm, the orchard, and the garden are the basis of domestic food supply, and they are still the best, the safest homes of our race.

Who would not welcome in 1920 a return movement of our population to the farms of this country, not only in New England, but elsewhere? To cause it I will vote for any reasonable support for good roads. I will help to extend by whatever my vote is worth the rural free delivery. I will help develop and Wheat is now dutiable at 25 cents a bushel. In 1912 we imported about two and a quarter million dollars' worth of wheat and \$700,000 worth of flour. In the same year we exported extend the parcel post. Like the Senator from Idaho [Mr.

BORAH], I would rather vote a bounty on the farmer's produce than to free list it.

I believe in the cane sugar and the wool grower's share in

the protective system as well.

The man who works the soil and tends the herd or flock is disowned and abandoned in this bill. Ruthless as are the cuts in manufacturers' rates, a semblance of incidental protection The farmer, the flockowner, and sugar survives to them. grower are cast adrift on the open sea of world-wide competi-They are told it is a benefit to them, and they are asked to kiss the hand that smites them. If they want to do it, I have no objection. I am waiting to see whether they will

GIVING AWAY OUR HOME MARKET.

It is admitted that this bill will increase importations. What becomes of them? Are they to be kept as curios to be put in museums or are they for our markets? Why is it done? To lower prices and so reduce the high cost of living. That is admitted. It is in the Congressional Record for future refer-

The resulting cheapness can only be had by displacing a volume of home production equal to the importation. Even more, the real displacement value is the invoice price abroad, with the transportation charges and the profit added in this country. Our domestic consumption can not equal our present home production and importations combined. Something must yield in this increase of importations. If imports increase, we consume fewer of our own products. If they do not increase, the bill provides no adequate revenue; we gain nothing, and take all the risk for our pains.

Why do some delude themselves by thinking it possible to lower the cost of everything they buy without lowering the

price of anything they sell?

This country's industrial body is an entirety. It grows as a whole. An injury to a part is at last an injury to all of it. Any attack on any vital organ threatens its life. I therefore am just as ready to vote to defend sugar in Louisiana and California as I am iron and steel in Pennsylvania and Illinois. wheat and dairy products of the great Northwest are entitled to the same protection as the cotton mills of New England and North Carolina.

Protection is national; it is not local. It may begin like the tribal instincts in the early days. The first nation was a tribe. But the development of the tribal feeling with the broadening of the horizon led to the nation. It might be local interest at first, but it soon becomes national, and we learn that the entire fabric of the economic body politic is a whole. It is a national question and not a local one.

The horizon of those who believe in this widens and advances with the jurisdiction of the Government. It ends only at the invasion of our market by the work of other hands in other countries. We believe the highest American statesmanship is to make our own production at least equal to our own consumption in every article we can make in this country.

PAY-ROLL DOLLAR THE BEST DOLLAR,

The American pay-roll dollar may be, in the language of a distinguished Chautauqua lecturer, a man-made dollar, but it is the best dollar in the civilized world. It is the gold-standard dollar yet, notwithstanding the efforts of some of our distinguished friends. When it goes out of circulation what currency laws can restore it?

The farmer is methodically turned out to compete with the world in this bill. With the rapid cheapening of freights on land and sea the last barrier for his protection is broken down in this bill. A few more months will witness a worldwide commerce in water transit at the Isthmian Canal. The ships of Europe and Asla will reach every port of entry on The first ship that sails west from sea to sea without rounding Cape Horn will be the most momentous event in the world's commerce since Columbus planted the cross on the shores of San Salvador.

Facing this, the farmer must be a protectionist. It is only lately that he has begun to reap something of our growth and of the fields he has plowed in the summer sun and watched in winter snow. Now he faces again the tariff reformer with only promises against his bitter experience and prophecy in

answer to his doubts and fears.

I was against Canadian reciprocity. I am against it now in whatever form it may appear. It was a political blunder. It was a grave economic error. It was an error against the farmers of the great producing areas of the country. The instinct of the farmers of the great West and Northwest is still wiser than the philosophy of the professors and the treaties of all the diplomats of any administration. There was in it, though, some feeble effort for a small compensation.

In this bill there is absolutely none. Not to Canada, not to Europe, but to the world it gives the domestic markets of nearly 100,000,000 people with the highest standard of living known to civilized man without one solitary reciprocal advantage to the farmer. To the farmer there is a lame and impotent stagger toward protection; 1 t before it becomes operative it must be submitted to Congress, not to this Senate, which has the constitutional power of consenting to and ratifying treaties, but to Congress, requiring the assent of both branches of the National Legislature.

HOW TO BUY ONE'S SELF RICH.

The farmer is told that he buys in a free-list market under this bill. Say that what he buys is lower. He gains, it is said, more than he loses by the joint reduction of what he buys as well as by what he sells. That sounds plausible. Small wonder, though, that the farmer who is in the habit of looking back of things for the substance of them as well as other business men fails to see the ineffable blessings of this generous scheme when he waits for his team to cool at the end of the furrow.

He knows just as well as we know that to beat the schedules of this bill he has to buy more than he sells. You must repeal the law of the multiplication table and the laws of nature before you can get away from that. If he sells more of his product at a lower price than he buys of somebody else's products at a lower or equally low price, the balance of trade is against him. The only way to enrich himself under this bill is to buy more than he sells so as to enjoy the benefits of the low cost of living. This is practical. It is not political; it is not govern-That rule existed when Euclid framed his first geometric problem, when mathematics first became known to man as an exact science.

This bill is drawn under the hallucination of certain political economists that everybody buys more than he sells. The basis of that notion is that overworked ideal individual known as the ultimate consumer. He is supposed to be continually eating, wearing out, drinking voraciously, or appropriating to his individual use all the luxuries and the necessities of life ad

libitum.

For practical purposes he is a myth. I shall assume that everybody produces in some form of commodity or service more than he himself uses. If he has no surplus to dispose of he must at last be a bankrupt. There are no persons but the idle rich and the vagrant idle poor who are not producers of more either of commodities or service than they consume. The price of all one sells must exceed in price what he buys if he save anything from year to year. If a wage earner be substituted for the farmer the same conditions appear and the same rule applies.

LOW PRICES.

The low-price phrase is a surface argument. We have heard it in many campaigns. It usually comes about 20 years apart, after a new generation has arrived. We forget what it means, some of us older ones. We naturally think first of what we pay out. It is the second thought that reminds us of what we take If we had some of New England's thrift in our somewhat wasteful ways out in the West and the Middle West, we would think of it maybe a little guicker.

We naturally think of what we pay out, what we buy of somebody else, when we think the price is high. It takes a second thought to remind us that what we have left of what we take in is the surplus at the end of our year. On this depends the thrift or thriftlessness of ourselves and others. It is the farmer's continuous market at the market price for his product that makes his balance right at the end of the year. It is the payroll dollar that spells the difference between the workmen here and abroad.

The ability to buy at a higher price is infinitely better than the inability to buy at any price.

This is our country. That seems to be forgotten sometimes, Its work, its wages, and its markets belong to our people.

IMPLEMENTS AND BANANAS.

The reasoning of this bill describes a vicious circle in legislation. As it stands we know what that means. It is arguing around to the starting point and begging the question.

Agricultural implements are free listed to give the farmer cheap agricultural implements and to punish the trust, the International Harvester Co. All right. Bananas are made dutiable at 10 cents a hundred pounds to punish the United Fruit Co. We produce \$150,000,000 worth of farm implements and use 75 per cent of them at home and export the other 25 per

How many bananas do we raise? I ask the question of some of the learned gentlemen who are interested in this phase of the question, who investigated it. I do not think any appreciable number of bunches of bananas in the market are raised in this country. We will import in the next fiscal year \$15,000,000 worth of bananas. We will collect from that an estimated \$2,250,000, without a single competitive bunch grown in this country.

SUGAR AND SHEEP.

Sugar is free listed, and rice is given protection under the thinly veiled pretense of needed revenue. Sugar produced \$50,000,000 and has been dutiable since 1789. Rice, in the handbook accompanying our labors, is estimated to produce \$250,000 in the next fiscal year.

I should like to have some of the authors of this bill who feel we need the revenue feel it in the neighborhood where there is

some reasonable prospect of having it satisfied.

The sheep has always been the shibboleth of the free trader. The farther he can go from home to buy a sheep or its wool, the happier he is. If he can get a sheep or its wool in South America, it is a good day's work. If he can buy one in Australia instead of Wyoming or Ohio, he forthwith proclaims his unappeasable happiness by writing a book on political economy, with special reference to the wealth of nations.

Poker chips are protected in this bill by a 50 per cent duty, and free salt at last appears as the ineffable boon upon the

American breakfast table.

#### COTTON GAMBLING LICENSED.

Cotton gambling is licensed at 50 cents a bale, with no serviceable distinction between the intention to deliver the cotton or not in the future.

Mr. OLIVER. Mr. President-

The PRESIDING OFFICER (Mr. Lewis in the chair). Does the Senator from Illinois yield to the Senator from Pennsyl-

Mr. OLIVER. I think that what the Senator says is worthy of a better audience, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The Chair informs the Senator from Illinois that the Senator from Pennsylvania suggests the absence of a quorum. Does the Senator yield?

Mr. SHERMAN. I have no complaint to make, because, as the present occupant of the chair knows, we are used to a stockyard district, where anything goes.

Mr. GALLINGER. Nothing can be done but to call the roll

under the rule.

The PRESIDING OFFICER. The roll will be called. The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Hitchcock	Norris	Smith, Ariz.
Bacon	Hollis	O'Gorman	Smith, Ga.
Bankhead	Hughes	Oliver	Smith, S. C.
Bradley	James	Overman	Smoot
Brady	Johnson	Owen	Sterling
Brandegee	Jones	Page	Stone
Bristow	Kenyon	Penrose	Sutherland
Bryan	Kern	Perkins	Swanson
Catron	La Follette	Poindexter	Thomas
Chamberlain	Lane	Pomerene	Thompson
Chilton	Lea	Reed	Tillman
Clapp	Lewis	Robinson	Townsend
Clark, Wyo.	Lippitt	Root	Vardaman
Colt	Lodge	Saulsbury	Walsh
Crawford	McCumber	Shafroth	Warren
Cummins	McLean	Sheppard	Weeks
Fall	Martin, Va.	Sherman	Williams
Fletcher	Martine, N. J.	Shively	Works
Gallinger	Nelson	Simmons	WOLKS
Gaminger	retson	Simmons	

Mr. SHEPPARD. My colleague, the senior Senator from Texas [Mr. Culberson], is unavoidably absent. He is paired with the Senator from Delaware [Mr. Du Pont]. I ask that this announcement stand for the day.

Mr. McCUMBER. I desire to announce that my colleague [Mr. Gronna] is necessarily absent from the Senate, and is paired with the Senator from Illinois [Mr. Lewis].

Mr. O'GORMAN. I wish to announce that the senior Senator from Louisiana [Mr. Thornton] is unavoidably absent from the Chamber

The PRESIDING OFFICER. Seventy-five Senators have re-

sponded to the roll call. A quorum of the Senate is present.
Mr. SHERMAN. Mr. President, there is a drawback feature drawback features or rebates does not lead to the conclusion that the burden will be removed even from the legitimate transactions in cotton. There is a legitimate sale not only of cotton but of every commodity for future delivery. Whatever may have been the history of exchanges and boards of trade in the past, all of the legitimate exchanges now, without regard to the commodity, are adopting or have adopted stringent rules prohibiting an adjustment of differences merely, with no intent to deliver upon the arrival of the future time; in other words, they have gone to a strictly lawful basis in the great exchanges of the country.

There will be a burden, under this section of the bill, imposed upon legitimate transactions, because of the difficulty usually experienced in administering rebate provisions. Who pays the burden? Either the cotton grower or the final consumer of cotton. It is simply another toll station put on the road between the man who produces a domestic article and the one who uses Those accumulating charges are already intolerable; they are now amongst the most responsible causes of the high cost of living complained of. Is it not better to take those burdens off our domestic commerce rather than to put others on?

I am opposed to this section of the bill as well as to the others. If sales of cotton are in good faith, for actual delivery, they are lawful alike, without restriction under the laws of the State where the exchanges are located and in the interstate commerce of the country as well. If there be any evil in any of the transactions, real or apparent, the method of reaching

it effectively is to declare it gambling by an act of Congress.

Gambling in futures is criminal; such transactions are civilly void, and the State and Federal courts are closed to those who would invoke their remedies in every jurisdiction in this country-almost without exception in State jurisdictions and universally so in the Federal courts. Declare them gambling between the citizens of the different States and a misdemeanor by act of Congress; do not license them even in form, or the Government becomes a partner in an offense against sound morals and the rules of legitimate trade. If these tariff schedules for revenue only so exhaust the Treasury that we must compound even with apparent gambling to replenish it, then better raise the rates than to divide the gamblers' spoil.

The majority of the Senate Committee on Finance reports that a large volume of transactions for future delivery of cotton is in its last analysis gambling. It is further stated that the imposition of a proper tax is not only to eliminate a parasite, but to collect a considerable sum of revenue. From whom? What would be thought of the municipality that offered to divide even some of the plunder of such transactions as are stigmatized here as, in the last analysis, gambling? Who will justify eliminating even a parasite by licensing him to continue to infest the country that he inhabits for the sake of the money he pays to the Government? This is one kind of tainted money that I can segregate and condemn at its source.

### THE INCOME TAX.

The income-tax section is a fearsome document, if you will allow me to drop into Scotch vernacular. I am for an income tax properly laid. I am against it in toto as proposed to be applied by this bill. The Senate committee exemption of \$3,000 is too low. The House exemption is nearer the just classification, if classes are to be introduced into legislation.

The former sound doctrine was that all taxes be levied on a basis of assessed equality. I would prefer that all pay proportionately and that no class be introduced. That, however, I regard as governmentally impossible under present conditions. Some class distinctions, I believe, are inevitable in future legislation on this subject.

The income-tax amendment is now a part of the organic law of this country. We must legislate to execute its provisions. It becomes impossible, in my judgment, so to legislate unless we do recognize and introduce some form of classification. That necessarily brings us to classes, below which some are exempt from the tax and above which others are liable, either at a uniform rate or on a graduated scale.

There is a wide difference of opinion on the relative merits of what ought to be done. By force of necessity, seeing no other solution of the problem, I have accepted the classification stated, and I have further accepted the graduated scale, an ascending scale with the increase of income, as the only practical and just way in which legislation can be had on this subject.

After we have introduced classes, if any distinction is to exist between married and unmarried men, add \$1,000 for the wife and not less than \$500 for every child, and take off the limit as to children. Why do you want to limit the exemption to two children? That is the fashionable number.

If there is any race suicide, where does it begin? It is among the people who ought to raise children and send them out into the world, because they are able so to nurture and train them as to make them good citizens and better fathers and mothers of future generations. Do not leave all the babies in the country to be raised by those who have not the means so to nurture and raise them as well as have some whom I have in mind. would put a tax on dogs and a bounty on babies, if I were a benevolent despot in this country.

After a certain limit is reached on fixed investments we all know what happens. If the investments are in stable property, the tendency is for offspring to be few and far between. This is the race-suicide line, and this bill promotes race suicide in spite of its professed love for population, for the family, and for the low cost of living. The bill places a premium upon two children only. If there are a dozen, the other ten, I suppose, are economically undesirable and ought to penalize the wage-earning head of the family. Above this race-suicide line the income tax ought to be high enough to compensate for the loss by raising the exemption limit to \$4,000, with the addition for wife and children.

There is an unjust discrimination in the classification made. Do you think that nobody but a married man has any burdens? What about relatives within the degree of consanguinity? Aside from the legal obligation, what about the moral obligation that is stronger than any of the laws made by the puny flat of legislation? There may be a sacred burden to be borne second only to wife and children.

AN HONOR ROLL.

Call the roll now of men who earn \$4,000 or less. Who are they? It is admitted that above the \$4,000 line there are a very limited number of men in this country subject to the proposed income tax.

The men who are earning less than \$4,000 a year comprise a very large number. Who are they? They are the men who toil with hand or brain, or both. There are 12,000,000 of them working on the farm every time the sun rises on our domain; there are 7,000,000 more of them in manufacturing pursuits, who pour out of the shops and mills at the close of every working day. Five millions are in trade and transportation; they are the agencies of collection and distribution throughout the country. Six millions are engaged in personal service, and more than one and a half millions are engaged in the learned professions.

This is an industrial army of more than 30,000.000 people. They are the hand, the mind, the eye, the ear, the heart, and the conscience of our race. Without them production and distribution would cease; the field would lie fallow; the shops rust away in idleness; the engine be cold and pulseless; the ship rot at the pier, and even the dead would go unshriven to their tombs. They are 30,000,000 laborers, and of them we are a part.

I have a broad definition of labor—not the limited one that so often springs unbidden to the mind. The countless things of use or beauty, of convenience, or of comfort, the service for wages, for charity, or for love; all that gives food, clothing, shelter, literature, music, or the arts; necessities or luxuries; all that shields, maintains, adorns, diversifies, or develops human life is labor.

A sculptor's genius shapes from soulless marble a form surviving centuries after the last ring of his chisel has died away. A day laborer wheels rubbish or dumps slag from the mill. Both of them are laborers, as I see it, each in his own way, in the great vineyard of human affairs. The engineer in his cab, the priest in his surplice, the lawyer with his brief, the miner with his pick, all must recognize each other as fellow members of a union, and brothers in this mighty army of toil.

This Senate must recognize this enduring truth in laying an income tax. Taxes primarily ought to be on property. This, I realize, is largely theoretical at this time; nevertheless it is a conviction I have that keeps struggling ever in my mind, so I will give it place here. Taxes ought primarily to rest on property. The primary purpose of government is the protection of the person, not, as is sometimes thought in this latter day, the protection of property. Property is a means to an end. Property is a means for the promotion of the care and the welfare of the persons of men. That is the primary object of government, and property becomes secondary.

# THE IDEAL TAXATION.

I believe the burden of taxation in its ideal form, when levied, would be upon property rather than upon effort or ability, industry, skill of hand or brain. If a plumber made \$5.000 a year I should be willing to vote to exempt him from tax. If a lawyer made the same income I should be willing to exempt him. All that a farmer makes com land he owns, by skill and industry, beyond a fixed percentage on the reasonable value of his land ought to be exempted on the same ground until it exceeds a given limit obviously beyond the means of support. Ability dies with its possessor. Why tax it, at least until it rises clearly beyond the bread-line limit?

Income from fixed investments or property stands on another and more enduring basis. Death does not destroy it. The source of such income is intact. The principal is imperishable if handled with the same prudence as that of the man who accumulated it.

The modern trust company furnishes this prudent management. The trust company is one of the great factors of mod-

ern life. We sometimes fail to understand what it means in the economic problem of to-day. It is used as an instrument, coupled with the statutes of wills and with few or no children, to build and maintain the huge bulk of certain fortunes, conveniently and habitually used by Socialists as horrible object lessons in their attack on the institution of private property.

There is a good deal more socialism abroad in this country than we think. A studied creed, with deliberate purpose, with a system and a propaganda well understood to-day, is waging war on the Anglo-Saxon idea of regulated individualism in government and the private ownership of property. The anti-dote is not shricking radicalism from the curbstone and barrel head, but sane, practical legislation, bringing the laws of the land down to the practicable requirements of the present day.

A graduated income tax and an increasing birth rate are an adequate remedy. If nature were let alone, her laws, not only of ability but of the inherent difference between man and man when grown to adult years, would break every undue accumulation of property possible in the span of a single life. No devisee or heir at law could keep the property of an ancestor unless of the kind that husbands inherited resources. That no law, no government, can destroy, because it is one of the enduring things that lies at the basis of Anglo-Saxon civilization.

#### TAXING LIFE INSURANCE.

The crudest and the most indefensible part of this bill is that which taxes the income of life insurance companies. I would take every limit off of life insurance—fraternal, social, industrial, mutual, or stock companies doing business on the stockholders' investment or on the mutual plan in the department that many stock companies have. I would take the last dollar of taxation in the form of an income tax from them all.

All life insurance is essentially the same. Fraternal, mutual, or stock associations answer the same purpose and attain the same ends. Fraternal insurance was exempted by the original House bill. This is right. The Senate has added mutual companies to the exemption so far as it might apply to any part of premium deposits actually returned to the policyholders.

Two extraordinary reasons for taxing stock companies are given—some who are owners of stock in share-holding companies have grown wealthy and must be reached; certain policyholders carry very large lines of insurance, and they, too, must be charged with more of the revenue burdens of the country.

Why not reach the owner of the excessive fortune by an income tax and classify policyholders, as long as classes are to be introduced, so as to exempt the insurance intended to shield the family from want in the day when the head of that family can no longer toil for those dependent on him? After an insurance policy rises above the line of protection and becomes or partakes of the nature of an investment it is time enough then to load the premium with this additional tax.

The other reason given is that certain life insurance companies have violated their trust. They have given to campaign funds and have made investments in which the commissions or other features were subject to criticism. Let us admit it. Who ever before tried to correct and remedy a breach of trust by a trustee by inflicting fresh injuries upon the helpless victim? This bill penalizes the beneficiaries of the trust instead of those who violated their duties to the beneficiaries. Why penalize 7,000,000 policyholders in this country for either of these reasons?

"Oh, well," it is said, "but the company will pay it, not the one who buys the insurance." I respectfully beg to differ and say that the company will not pay it. The cost of life insurance depends upon mortality tables. The mortality tables do not depend upon legislation. They are based on a law that comes from the Omnipotent Hand that gives to us our lives. The other large factor in the problem is the rate of interest on fixed investments.

Examine the report of any great life insurance company. The average interest or income will not exceed 5 per cent on fixed investments.

The other item of charge in writing life insurance, outside of the mortality tables and the rate of interest upon fixed investments, is the cost of conducting the business for the policyholders. If the rate of interest were to fall permanently from some cause, the premium measuring insurance cost would rise by an inflexible law. If the average period of human life were shortened from some universal and permanent cause, the cost would rise in obedience to the same inexorable law. If interest rates were permanently to rise above the present figures, or longevity were to increase, the premium, following the same law, would fall to a lower and permanent cost level. To illustrate still further, if a minimum wage scale could be imagined that would abitrarily double the compensation of every person

employed by the life insurance companies doing business for these 7,000,000 policyholders, it would at once be charged to the premium cost. It would be loaded on the annual payment of premium, and the policyholder in every instance would pay it.

PRESIDENT'S ADDRESS-AFFAIRS IN MEXICO (H. DOC. NO. 205).

The VICE PRESIDENT (at 12 o'clock and 55 minutes p. m.). The hour has arrived when, in accordance with the concurrent resolution of the two Houses, the Senate will proceed to the Hall of the House of Representatives to listen to a communication from the President of the United States.

Thereupon the Senate, headed by the Sergeant at Arms and the Assistant Doorkeeper, and preceded by the Vice President and the Secretary of the Senate, proceeded to the Hall of the House of Representatives.

The Senate returned to its Chamber at 1 o'clock and 25 min-

utes p. m., and the Vice President resumed the chair.

The address of the President of the United States, this day

delivered to both Houses of Congress, is as follows:

Gentlemen of the Congress, it is clearly my duty to lay before you, very fully and without reservation, the facts concerning our present relations with the Republic of Mexico. The deplorable posture of affairs in Mexico I need not describe, but I deem it my duty to speak very frankly of what this Government has done and should seek to do in fulfillment of its obligation to Mexico herself, as a friend and neighbor, and to American citizens whose lives and vital interests are daily affected by the distressing conditions which now obtain beyond our southern border.

Those conditions touch us very nearly. Not merely because they lie at our very doors. That of course makes us more vividly and more constantly conscious of them, and every instinct of neighborly interest and sympathy is aroused and quickened by them; but that is only one element in the determination of our duty. We are glad to call ourselves the friends of Mexico, and we shall, I hope, have many an occasion, in happier times as well as in these days of trouble and confusion, to show that our friendship is genuine and disinterested, capable of sacrifice and every generous manifestation. The peace, prosperity, and contentment of Mexico mean more, much more, to us than merely an enlarged field for our commerce and enterprise. They mean an enlargement of the field of selfgovernment and the realization of the hopes and rights of a nation with whose best aspirations, so long suppressed and disappointed, we deeply sympathize. We shall yet prove to the Mexican people that we know how to serve them without first thinking how we shall serve ourselves.

But we are not the only friends of Mexico. The whole world desires her peace and progress; and the whole world is interested as never before. Mexico lies at last where all the world looks on. Central America is about to be touched by the great routes of the world's trade and intercourse running free from ocean to ocean at the Isthmus. The future has much in store for Mexico, as for all the States of Central America; but the best gifts can come to her only if she be ready and free to receive them and to enjoy them honorably. America in particular-America north and south and upon both continentswaits upon the development of Mexico; and that development can be sound and lasting only if it be the product of a genuine freedom, a just and ordered government founded upon law. Only so can it be peaceful or fruitful of the benefits of peace. Mexico has a great and enviable future before her, if only she choose and attain the paths of honest constitutional government.

The present circumstances of the Republic, I deeply regret to say, do not seem to promise even the foundations of such a peace. We have waited many months, months full of peril and anxiety, for the conditions there to improve, and they have not improved. They have grown worse, rather. The territory in some sort controlled by the provisional authorities at Mexico City has grown smaller, not larger. The prospect of the pacification of the country, even by arms, has seemed to grow more and more remote; and its pacification by the authorities at the capital is evidently impossible by any other Difficulties more and more entangle those means than force. who claim to constitute the legitimate government of the Republic. They have not made good their claim in fact. successes in the field have proved only temporary. War and disorder, devastation and confusion, seem to threaten to become the settled fortune of the distracted country. As friends we could wait no longer for a solution which every week seemed further away. It was our duty at least to volunteer our good offices—to offer to assist, if we might, in effecting some arrangement which would bring relief and peace and set up a universally acknowledged political authority there.

Accordingly, I took the liberty of sending the Hon. John Lind, formerly governor of Minnesota, as my personal spokesman and representative, to the City of Mexico, with the following instructions:

man and representative, to the City of Mexico, with the following instructions:

Press very earnestly upon the attention of those who are now exercising authority or wielding influence in Mexico the following considerations and advice:

The Government of the United States does not feel at liberty any longer to stand inactively by while it becomes daily more and more evident that no real progress is being made toward the establishment of a government at the City of Mexico which the country will obey and respect.

The Government of the United States does not stand in the same case with the other great Governments of the world in respect of what is happening or what is likely to happen in Mexico. We offer our good effices, not only because of our genuine desire to play the part of a friend, but also because we are expected by the powers of the world to act as Mexico's nearest friend.

We wish to act in these circumstances in the spirit of the most earnest and disinterested friendship. It is our purpose in whatever we do or propose in this perplexing and distressing situation not only to pay the most scrupulous regard to the sovereignty and independence of Mexico—that we take as a matter of course to which we are bound by every obligation of right and honor—but also to give every possible evidence that we act in the interest of Mexico alone, and not in the interest of any person or body of persons who may have personal or property claims in Mexico which they may feel that they have the right to press. We are seeking to counsel Mexico for her own good and in the interest of ber own peace, and not for any other purpose whatever. The Government of the United States would deem itself discredited if it had any selfish or ulterior purpose in transactions where the peace, happiness, and prosperity of a whole people are involved. It is acting as its friendship for Mexico, not as any selfish interest, dictates.

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The present situation in Mexico is incompatible with the fulfillment of international obligations on the part of Mexico, with the civilized development of Mexico herself, and with the maintenance of tolcrable political and economic conditions in Central America. It is upon no common occasion, therefore, that the United States offers her counsel and assistance. All America cries out for a settlement.

A satisfactory settlement seems to us to be conditioned on—

(a) An immediate cessation of fighting throughout Mexico, a definite armistice solemnly entered into and scrupulously observed.

(b) Security given for an early and free election in which all will agree to take part.

(c) The consent of Gen. Huerta to bind himself not to be a candidate for election as President of the Republic at this election.

(d) the agreement of all parties to abide by the results of the election and cooperate in the most loyal way in organizing and supporting the new administration.

The Government of the United States will be glad to play any part in this settlement or in its carrying out which it can play honorably and consistently with international right. It pledges itself to recognize and in every way possible and proper to assist the administration chosen and set up in Mexico in the way and on the conditions suggested.

Taking all the existing conditions into consideration, the Government of the United States can conceive of no reasons sufficient to justify those who are now attempting to shape the policy or exercise the authority of Mexico in declining the offices of friendship thus offered. Can Mexico give the civilized world a satisfactory reason for rejecting our good offices? If Mexico can suggest any better way in which to show our friendship, serve the people of Mexico, and meet our international oblig

Mr. Lind executed his delicate and difficult mission with singular tact, firmness, and good judgment, and made clear to the authorities at the City of Mexico not only the purpose of his visit but also the spirit in which it had been undertaken. But the proposals he submitted were rejected, in a note the full text of which I take the liberty of laying before you.

I am led to believe that they were rejected partly because the authorities at Mexico City had been grossly misinformed and misled upon two points. They did not realize the spirit of the American people in this matter, their earnest friendliness and yet sober determination that some just solution be found for the Mexican difficulties; and they did not believe that the present administration spoke, through Mr. Lind, for the people of the United States. The effect of this unfortunate misunderstanding on their part is to leave them singularly isolated and without friends who can effectually aid them. So long as the misunder-standing continues we can only await the time of their awaken-ing to a realization of the actual facts. We can not thrust our good offices upon them. The situation must be given a little more time to work itself out in the new circumstances; and I believe that only a little while will be necessary. For the circumstances are new. The rejection of our friendship makes them new and will inevitably bring its own alterations in the whole aspect of affairs. The actual situation of the authorities at Mexico City will presently be revealed.

Meanwhile, what is it our duty to do? Clearly, everything that we do must be rooted in patience and done with calm and disinterested deliberation. Impatience on our part would be child-ish, and would be fraught with every risk of wrong and folly. We can afford to exercise the self-restraint of a really great nation which realizes its own strength and scorns to misuse it. It was our duty to offer our active assistance. It is now our duty to show what true neutrality will do to enable the people of Mexico to set their affairs in order again and wait for a further opportunity to offer our friendly counsels. The door is not closed against the resumption, either upon the initiative of Mexico or upon our own, of the effort to bring order out of the confusion by friendly cooperative action, should fortunate occa-

While we wait the contest of the rival forces will undoubtedly for a little while be sharper than ever, just because it will be plain that an end must be made of the existing situation, and that very promptly; and with the increased activity of the contending factions will come, it is to be feared, increased danger to the noncombatants in Mexico as well as to those actually in the field of battle. The position of outsiders is always particularly trying and full of hazard where there is civil strife and a whole country is upset. We should earnestly urge all Americans to leave Mexico at once, and should assist them to get away in every way possible—not because we would mean to slacken in the least our efforts to safeguard their lives and their interests, but because it is imperative that they should take no unnecessary risks when it is physically possible for them to leave the country. We should let everyone who assumes to leave the country. We should let everyone who assumes to exercise authority in any part of Mexico know in the most unequivocal way that we shall vigilantly watch the fortunes of those Americans who can not get away, and shall hold those responsible for their sufferings and losses to a definite reckoning. That can be and will be made plain beyond the possibility of a misunderstanding.

For the rest, I deem it my duty to exercise the authority conferred upon me by the law of March 14, 1912, to see to it that neither side to the struggle now going on in Mexico receive any assistance from this side the border. I shall follow the best practice of nations in the matter of neutrality by forbidding the exportation of arms or munitions of war of any kind from the United States to any part of the Republic of Mexico—a policy suggested by several interesting precedents and certainly *dictated by many manifest considerations of practical expedi-We can not in the circumstances be the partisans of either party to the contest that now distracts Mexico or con-

stitute ourselves the virtual umpire between them.

I am happy to say that several of the great Governments of the world have given this Government their generous moral support in urging upon the provisional authorities at the City of Mexico the acceptance of our proffered good offices in the spirit in which they were made. We have not acted in this matter under the ordinary principles of international obligation. the world expects us in such circumstances to act as Mexico's nearest friend and intimate adviser. This is our immemorial relation toward her. There is nowhere any serious question that we have the moral right in the case or that we are acting in the interest of a fair settlement and of good government, not for the promotion of some selfish interest of our own. If fur-ther motive were necessary than our own good will toward a sister Republic and our own deep concern to see peace and order prevail in Central America, this consent of mankind to what we are attempting, this attitude of the great nations of the world toward what we may attempt in dealing with this distressed people at our doors, should make us feel the more solemnly bound to go to the utmost length of patience and forbearance in this painful and anxious business. The steady pressure of moral force will before many days break the barriers of pride and prejudice down, and we shall triumph as Mexico's friends sooner than we could triumph as her enemies-and how much more handsomely, with how much higher and finer satisfactions of conscience and of honor!

## THE TARIFF.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 3321) to reduce tariff duties and to provide revenue for the Government, and for other purposes.

Mr. SHERMAN. Mr. President, taxes operate in the same way in life insurance. They are loaded on the premium and must be carried by the insured as certainly as any other cost of carrying a risk. The actuary must compute it as a part of the sum to be charged as the price of solvency to the company and of safety to the insured. The companies now pay a property tax as any other owner does. They now pay, too, over \$12,000,000 annually to the various States of the Union for local charges in fees, licenses, costs of supervision, and the right of Orean Land the right of Orean charges in fees, licenses, costs of supervision, and the right of Orean Land the right of Orean charges in fees, licenses, costs of supervision, and the right of Orean Land the right of Orean charges in fees, licenses, costs of supervision, and the right of Orean charges in fees, licenses, costs of supervision, and the right of Orean charges in fees, licenses, costs of supervision, and the right of Orean charges in fees, licenses, costs of supervision, and the right of Orean charges in fees, licenses, costs of supervision, and the right of Orean charges in fees, licenses, costs of supervision, and the right of Orean charges in fees, licenses, costs of supervision, and the right of Orean charges in fees, licenses, costs of supervision, and the right of Orean charges in fees, licenses, costs of supervision, and the right of Orean charges in fees, licenses, costs of supervision, and the right of t

In the sixteenth and seventeenth years of the reign of Queen Victoria Great Britain, by an act of Parliament, allowed her citizens to deduct life insurance premiums from the annual gains and profits of their business subject to income tax to an amount equal to one-sixth of their incomes. This has been the law of Great Britain for over half a century. By an act of Parliament of August 7, 1912, approved and registered, in-surance companies, under the insurance act of 1911, are exempted from the income tax levied by that Government. Hol-

land, Russia, and Japan pursue a similar course, I am informed, although I have not had access here to the laws translated so as to examine them personally.

Life insurance is encouraged in the United Kingdom; onesixth of a taxpayer's gain from his business may be deducted in computing his net income to be subject to tax. The payment of life insurance premium is treated as a voluntary tax and deducted accordingly.

#### LIFE INSURANCE A PUBLIC BENEFIT.

Life insurance is a protection. It is not bought for pecuniary gain. It ought to be cheapened and made easier. Instead of laying burdens on it the Government ought to exempt it and the companies writing it from taxation. As a shelter for the help-less it has no equal and few substitutes. The uncertainty of life and the certainty of death are problems which face every man. Most men begin life poor. They marry; their wives are dependent upon them; children come into the world, and between the family and want there is only the earning power of the man. The creation of a family at once increases the liability of general society, because if the man fails to support them the risk of becoming public charges arises. Through no fault of the man death often causes him to default on his obligations:

Life insurance is a device by which such defaults may be avoided, a process by which society may be relieved of what ultimately may be a public burden. It capitalizes the future earning power of the head of the family. That it is not an investment in the ordinary meaning of that word is conclusively shown by the fact that men almost never voluntarily seek it. They know that, measured by the standards of business, it means not profit but sacrifice. Life insurance is not an investment; it is a tax, a voluntary tax, by which society is protected and social defaults prevented.

Sound life insurance leaves nothing to chance. There is not so certain a business obligation in the civilized world as the modern life insurance policy. It never trifles with its obligations; it does not guess at how it will pay its obligations. Life insurance takes unorganized life and organizes it: it takes unrelated money, that would otherwise be scattered and lost, assembles it and turns it from all quarters of the civilized world into great financial reservoirs through cooperation, from which States, cities, industrial, and private obligations may draw for their upbuilding and for the support of social obligations.

The average man can understand that large value devoted to certain remedial purposes, such as hospitals, should not be taxed; he can understand why some billions of dollars in this country of value belonging to the various church organizations, devoted both to a remedial and a preventive purpose, ought not to be taxed. The difficulty is to appreciate the fact that in life insurance there is another great accumulation of securities, so wise in its obligation to society, so beneficent in its influence upon the family, so powerful in its assistance to the State, so destructive in its opposition to want, to ignorance, to crime, that its appeal for exemption from further taxation is as much entitled to consideration in this Chamber as any that can come before a legislative body. Instead of being further taxed, it ought to be relieved even of some of the enormous burdens now charged upon the premium paid by the policyholder.

Recently we have heard very much of social justice. It is not a mere phrase to be shouted from the curbstone and shrieked by agitators. Some of them have but cast reproach upon it. Mr. Frank Tucker, at the National Conference of Charities and Correction, held at Seattle in June, 1913, defined social justice as a "demand for each individual and each family fit to be a part of the community for certain benefits without which no one should be expected to exist." Living wages, education, housing, food, clothes, health, recreation, insurance, transportation, heat, light, and government are essential to it.

Every life insurance policy of every kind is a step toward social justice. Each new account at a savings bank helps; every building and loan association that builds above the family their own roof forges a new link in the chain of self-support; every new park, every mile of good roads, every sanitation of plague spots, or destruction of slums and sweatshops, prevention of occupational disease, every provision for light, air, safety, and safety appliances, reasonable hours of labor at reasonable wages, and reasonable service for the wage paid are elements in social justice.

The modern industrial worker has the right to ask that he be not killed or disabled or his working years shortened, and that the highest degree of human vigilance be used to that end. The common-law defenses belong to the code of an age that has

When the earning power of the workman no longer shields his family from want society instantly becomes concerned. The taxpayer becomes interested in the solution of the problem, because ultimately there is where the risk may rest, where the We are at last their keepers. Liability laws liability may be. are good; compensation laws are, in some cases, better; industrial insurance is the most effective of all.

Great Britain several years ago started upon an experiment in her industrial insurance. In some States, within the jurisdiction of those sovereignties in local affairs, they, too, are beginning the experiment that will ultimately lead to better social justice. No one would have the hardihood to tax any of these instrumentalities. Below the support and bread line all taxation on any form of income is a gross error.

PROTECT OUR OWN WORKMEN.

Superior to all else in this great industrial army of 30,000,000 people is work here for willing hands. I believe in a Government of regulated individualism; I believe in the responsibility of the individual himself; I believe, further, that he is entitled to our work, our wages, and our own markets, both for his commodities and for his services.

What does it profit us to rear splendid systems of self-help, to sanitate, to safeguard, to insure against disability and death, when the mills are silent and idleness reigns supreme, holding in his hand the sceptered emblem of cheapness? It is vain to talk of social justice unless that mighty army of 30,000,000 American laborers in all the departments of human activity be employed, and that our whole country be at once their market, their workshop, and their home.

#### BREAKING DOWN CIVIL SERVICE.

Paragraph O of the income-tax section appropriates \$1,200,-000 for additional employees to carry it into effect, and exempts them all from the civil-service laws. Why is this necessary? Is the list of eligibles under the civil service exhausted, or, perchance, are they unfit? Is the work so difficult as to be impossible of performance unless touched and sanctified as spoils? It is neither. I know what it means, and so do you. It is an assault on the civil service. It is a legislative precedent. this succeeds, covert paragraphs will soon ornament departmental appropriations every time a supply bill makes its appearance in this Chamber. It is the first break in the dam. If not repaired, the flood behind will force itself through. Government is now making a valuation of all our railways and the employees to be engaged in this work are under civil-service Why is the income-tax employee exempted? Is any particular ability required other than in other departments?

There are limitations upon the civil service. I do not think that every employee ought to be under its provisions. of a highly confidential character, those that handle money or property and immediately represent a superior officer or the head of a department, those who sustain such immediate pecuniary responsibility or that degree of confidence, I think properly ought to be exempted. It is not a universal rule to be applied to every appointive officer in the country, but with sane limitations, as every person understands. There is no such proper limitation in this provision of the bill; it passes away beyond it, and, it seems to me, shows a deliberate intention to violate the spirit of the general act.

DUTY ON FOREIGN BOOKS.

Books printed in foreign languages are made dutiable at 15 per cent. The estimate gives from this source \$150,000 revenue Many provisions of this bill are to be regretted. None other, however, does more than attempt to apply, what its critics believe, an economic error in government. The duty on books in foreign tongues beggars legitimate criticism; it is pitiable. If the free trader in his exalted moments rise to the impossible heights of a world-wide altruism, he is theoretically sublime, though impossible. When he taxes foreign literature, he is practically ridiculous. We are inviting the derision and contempt of the great thinkers in the empire of intellect throughout the world.

A powerful strain in our blood is the German. The German is a law-abiding, an industrious, a thrifty, and a most desirable citizen. He brings with him and continues to use his native The great literature of his race is not printed here in German; but little type to be used for this purpose is found here. Many of our people learn the German language. French is a cosmopolitan tongue. Many who are native to that lan-guage retain it, and many of us acquire it. Italians have come to us. They are industrious, hard working, and saving. The Scandinavian Peninsula has given us generously of her hardy sons. On many a wide field they sow for the coming harvest and serve in many ways the whole industrial life of their

fully every demand of American citizenship. I have neighbored with all those nationalities named, and with more.

The particular tariff on books printed in a foreign tongue is No like competitive books are printed to any appreciable degree in this country. I will not vote to burden the immortal tragedies of Dante or of Faust, the poetry of Schiller, the fiction of Balzac, or the drama of Moliere by making them more expensive for those who are able to read them in their mother tongue.

Let us not forget that modern science spoke through Pasteur and Erlich and all that splendid host who have worked in study and in laboratory that science might gain and humanity might have a better world for our "little lives that are rounded with a sleep." So many of them have written the story of their toil and triumph in the foreign tongue they learned from their mother's lips. Knowledge is world-wide. There is no good thought alien to us wherever the brain was born or in whatever accent it falls from the tongue that speaks it. It comes from the "eternal spirit of the chainless mind."

ART SHOULD BE FREE.

The artist's brush and the sculptor's chisel are degraded by the customs duties levied in this bill. All of earth's minted gold can not produce a genius. No sordid hope of pecuniary gain has created the world's great masterpieces. I am opposed to that paragraph of the present law and of this bill. Such productions ought to be forever duty free. We should attract art from In public or in private it adds to our daily life the intellectual, the beautiful, the spiritual that are part of man's priceless heritage that survives the grave.

The PRESIDING OFFICER (Mr. Lea in the chair). The

question is on agreeing to the amendment reported by the com-

Mr. BRISTOW. I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum being suggested, the Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Hitchcock Hollis Hughes James Johnson Myers Nelson Norris O'Gorman Oliver Bacon Smith, Ariz. Smith, Ga. Borah Bradley Brady Brandegee Smith, Md. Smith, S. C. Smoot Owen Page Perkins Pittman Bristow Jones Stone Stone Sutherland Swanson Thomas Thompson Townsend Vardaman Warren Williams Works Bristow Bryan Catron Chamberlain Chilton Clark, Wyo. Clarke, Ark. Kenyon Kern La Follette Lane Lane
Lea
Lewis
Lippitt
Lodge
McCumber
McLean
Martin, Va.
Martine, N. J. Pomerene Ransdell Robinson Saulsbury Shafroth Colt Sheppard Sherman Shively Simmons Works 'ummins Fall etcher

Mr. RANSDELL. My colleague, the senior Senator from Louisiana [Mr. Thornton], is unavoidably absent. I ask that this announcement stand for the day.

The PRESIDING OFFICER. Sixty-eight Senators have answered to their names. A quorum of the Senate is present.

Mr. BRISTOW. Mr. President, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The Secretary will read the

The Secretary. On page 165, line 19, it is proposed to strike out "\$20,000" and insert in lieu thereof "\$10,000"; in line 20 out \$20,000 and insert in flet thereof \$10,000; in fine 20 strike out "\$50,000" and insert in lieu thereof "\$20,000"; on page 166, in line 1, strike out "\$50,000" and insert in lieu thereof "\$20,000," and strike out "\$100,000" and insert in lieu thereof "\$30,000"; in line 3 strike out "\$100,000" and the period and insert in lieu thereof "\$30,000 and does not exceed \$40,000, and 4 per cent per annum upon the amount by which the total net income exceeds \$40,000 and does not exceed \$50,000, and 5 per cent per annum upon the amount by which the total net income exceeds \$50,000 and does not exceed \$60,000, and 6 per cent per annum upon the amount by which the total net income exceeds \$60,000 and does not exceed \$70,000, and 7 per cent per annum upon the amount by which the total net income exceeds \$70,000 and does not exceed \$80,000, and 8 per cent per annum upon the amount by which the total net income exceeds \$80,000 and does not exceed \$90,000, and 9 per cent per annum upon the amount by which the total net income exceeds \$90,000 and does not exceed \$100,000, and 10 per cent per annum upon the amount by which the total net income exceeds \$100,000."

The PRESIDING OFFICER. The question is on agreeing to

the amendment proposed by the Senator from Kansas,

Mr. BRISTOW. Mr. President, the proposed amendment proadopted country; they and many other nationalities all meet vides for an income tax of 1 per cent on incomes between \$3,000 and \$10,000. That is the same rate as provided in the pending bill up to \$10,000. The proposed amendment makes no change whatever in the tax on incomes of \$10,000 and less. amendment the tax on an income of \$10,000 on a bachelor-that is, the maximum tax that could be imposed on anyone-would be \$70, the same as in the bill reported by the committee. Under the exemption, if a man had a family of a wife and two children, the tax would be \$50 instead of \$70.

On incomes between \$10,000 per annum and \$20,000 per annum I add an additional per cent over that provided in the bill, making the total tax on the second \$10,000, 2 per cent; so that the tax on an income of \$20,000 per annum under the amendment would be \$270 per annum, while under the committee bill it would be \$170; that is, I add an additional 1 per

cent on the additional \$10,000.

On incomes between \$20,000 and \$30,000 I add another 1 per cent, making the additional tax 2 per cent. The amount of the tax on an income of \$30,000 under the proposed amendment would be \$570 a year, while under the committee bill it would be \$370 a year.

On incomes of \$40,000, adding 1 per cent more for each additional \$10,000, the tax would be \$970 per annum under the amendment, while under the committee bill it would be \$570.

On incomes of \$50,000 under the proposed amendment the tax would be \$1,470 per annum, while under the committee bill

it would be \$770 per annum.
On incomes of \$60,000 the tax under the amendment would be \$2,070 per annum, while under the committee bill it would be \$1,070 per annum.

On incomes of \$70,000 or more the tax under the amendment would be \$2,770 per annum, while under the committee bill it

would be \$1,370 per annum.
On incomes of \$80,000 the tax under the amendment would be \$3,570 per annum, while under the committee bill it would be \$1,670 per annum.

On incomes of \$90,000 per annum the tax under the proposed amendment would be \$4,470 per year, while under the com-

mittee bill it would be \$1,970.

On incomes of \$100,000 the tax under the amendment would be \$5,470, while under the committee bill it would be \$2,270. It is a graduated income tax, starting with the same percentage that the committee fixes on all incomes less than \$10,000; and, then, for each \$10,000 that is added to the income there is levied an additional tax of 1 per cent.

There has been some apprehension on the part of those who are opposed to an income tax that this proposition of mine, which I made yesterday, would be extremely radical. The papers this morning said that "Senator Bristow had offered a radical amendment to the income-tax provision of the bill." I submit this question to the Senate: Does the Senate believe that when a man has an income of \$100,000 per annum a tax of \$5,470 for the maintenance of his Government is an excessive tax for him to pay?

There is not a property owner in a city in the United States who does not pay far in excess of that on any business he may have, when you take into consideration his property and license taxes

The difference between this tax and taxing property as it is taxed in our States, counties, and municipalities is that the man whose property is taxed pays a certain percentage upou his principal. If you have \$20,000 invested in a mercantile business, you are assessed on the \$20,000, and you pay on the \$20,000 whether your business is profitable or not. Even if during a year you have lost money in the conduct of your business instead of making money, you have to pay the tax just the same while a system of taxation such as this instead. the same, while a system of taxation such as this imposes it only upon the men who have the money to pay it. It is not levied on the property investment, but on the actual net income.

The Senator from Mississippi is apprehensive that we shall

get too much money. As was stated yesterday by the Senator from Idaho [Mr. Borahl], I do not think it is possible to form any reliable estimate as to how much money this income tax will bring. I have here the estimate submitted in the House

report, but the more you study it the less satisfied you are with any estimate that you may undertake to work out.

It is estimated here that there are 100 men in the United States who have incomes of more than a million dollars each per annum, and that those 100 men would pay \$5,826,000 as their income tax under the House provision. That is a mere guess, upon the most superficial information. That must be guess, upon the most superficial information. conceded by all. It is estimated here that there are 178,000 people in the United States who have incomes ranging from \$5,000 to \$10,000 per annum. I think that is the merest guess. We can not tell anything about it. My judgment is—and it is

not raise anything like \$70,000,000. I may be mistaken in that, My judgment is not worth any more than that of anybody else, but I do not believe we shall get anything like \$70,000,000 from this tax

My principal objection to the provision of the bill is that it does not sufficiently assess the men of enormous incomes. The Senator from Mississippi stated yesterday that we ought to start with a simple provision, so as not to have it complicated. This amendment is not any more complicated than the provision in the bill. It simply carries it out in a little more detail and places a heavier burden on those who are more able to bear it,

I trust the Senator from Mississippi will not resist this adjustment of the income tax. It seems to me it is not radical; it is not a dangerous levying of tuxes upon the rich; it does not come from an enemy of property. It simply seeks to levy a tax for the maintenance of the Government upon those who are best able to pay it, and it seems to me that no more just system of taxation can be devised.

I submit herewith a table showing the amount of tax under the amendment and the bill:

Tax on incomes to \$100,000.

Incomes and full tax on incomes.	Revenue collected on maxi- mum in- come in each divi- sion.1	Revenue collected on maxi- mum in- come in each divi- sion. ²
Up to \$10,000 at 1 per cent. From \$10,000 to \$20,000 at 1 (income tax)+1 (additional tax)=	\$70	\$70
2 per cent	270	170
From \$20,000 to \$30,000 at 1 (income tax)+2 (additional tax)= 3 per cent	570	370
From \$30,000 to \$40,000 at 1 (income tax)+3 (additional tax)= 4 per cent	970	570
From \$40,000 to \$50,000 at 1 (income tax)+4 (additional tax)= 5 per cent.	1,470	770
From \$50,000 to \$60,000 at 1 (income tax)+5 (additional tax)= 6 per cent.	2,070	1,070
From \$60,000 to \$70,000 at 1 (income tax)+6 (additional tax)= $7 \text{ per cent}$	2,770	1,370
From \$70,000 to \$80,000 at 1 (income tax)+7 (additional tax)= 8 per cent	3,570	1,670
From \$80,000 to \$90,000 at 1 (income tax)+8 (additional tax)=	4, 470	1,970
From \$90,000 to \$100,600 at 1 (income tax) +9 (additional tax)=	5, 470	2,270

1 Proposed amendment.

² Committee bill.

Mr. WILLIAMS. Mr. President, I have my doubts as to whether or not I ought to take up the time of the Senate, even for a few minutes, at this juncture, but perhaps it will be well to do so.

In connection with everything in this world there is a beginning and an end. The beginning of most things is the motive behind them. The end is the effect which follows. The motive behind the amendment offered by the Senator from Kansas is not revenue. It is a punitive, vindictive motive. It is to punish and take from those who have large incomes, not because the Government needs the money, but because the Government has the power to do it.

The Senator says we can not make a close estimate of how much money we are going to get by the income tax. Admit it; nor could we make any very close calculation as to how much was to come in from the corporation license tax, but we arrived at it pretty closely all the same, and I think we will arrive at this.

The effect of this amendment, if adopted, would be to pile up in the Treasury a lot of money which we would not need. That would be the ultimate effect; and it would encourage extravagance upon the part of the lawmakers and the bureaus of the Government. But the immediate effect would be still another thing. We would have to go back over this entire bill and reduce proportionately the taxes upon consumption which are contained in the bill. We have neither the time nor the ability, to do that in so hurried a manner.

The Senator's amendment has a defect that is even greater than that. He forgets that the very beauty, the chief raison d'être, of an income tax consists in its elasticity. During normal times of peace you have a slight tax upon incomes, graduated not with a view of punishing those who have large incomes, but with a view of equalizing the taxes, because of the greater opportunities that people of large incomes have to escape taxation than people of small incomes have. In other words, it is equalized in proportion to ability to pay. Then, when the piping \$5,000 to \$10,000 per annum. I think that is the merest guess. We can not tell anything about it. My judgment is—and it is a matter of judgment—that the tax as provided in the bill will tax law which affects domestic business directly, purposely, or incidentally-one of the three-you merely meet in Congress and raise the income tax one-tenth or one-twentieth or one-fourth or whatever you choose, as to the entire scale or as to some parts

of the scale, leaving the balance untouched.

One of the virtues of an income tax is that it taxes approximately in accordance with the ability to pay. That is its virtue as far as the payer of the tax is concerned. Its virtue as far as the Government, the payee, is concerned lies in the elasticity of the tax, the ability to raise and lower revenue without disturbing commercial and industrial enterprise.

I do not see any particular sense in adopting the amendment offered by the Senator from Kansas, and I hope it will be voted

down.

Mr. BRISTOW. The Senator designates the motive Behind the offering of this amendment as a vindictive one that seeks to penalize men of wealth. I deny the statement. I think I have an equitable motive.

Mr. WILLIAMS. It may be necessary for me to say that I did not mean by that to impute any personal purpose to the Senator; but the Senator has a large sympathy with the sort of feeling to which I was referring, and that is that the people

who have too much money ought not to have so much.

Mr. BRISTOW. The Senator may know better about what my purposes and feelings are than I do, but I am not willing to admit it. I do think some men have more than their share of this world's power that goes with great wealth; but the purpose of this amendment is to try to distribute with some equality and some equity the burdens of government.

I believe the man who has an income of \$100,000 a year can pay \$5,000 a year tax to the maintenance of his Government without being burdened to any extent or without incurring any great personal inconvenience. He has a vast interest in the enjoyment of which the Government protects him, and I do not believe the Government is imposing upon him any unjust or inequitable burden when it asks him to contribute that amount to sustain the Government,

Mr. WILLIAMS. If the Senator will pardon me, if he wants to carry his last observation to its logical conclusion, he can carry it very much further. He might say that if a man with \$5,000 income pays \$500 tax per annum, leaving him \$4,500, a man with \$100,000 income ought to pay about \$95,500, leaving him \$4,500 per annum. The object of taxation is not to leave men with equal incomes after you have taxed them.

This bill, if the Senator will pardon me a moment, levies a tax of 1 per cent upon people who have incomes or less than \$20,000. It doubles that tax for the next grade. It adds 33\frac{1}{3} per cent to the doubling for the next grade following. So this is a graded income tax, and it does attempt to equalize things with a view to correcting what the Senator from Idaho [Mr. BORAH] referred to yesterday, and which is absolutely true—the greater opportunity of men of greater income, whose incomes are generally drawn from bonds, stocks, bills receivable, and various things of that sort, to hide their incomes, as compared with the ordinary man, whose property is in a visible shape and form, and whose income is known to all his neighbors.

I think that is not fair. I do not mean by that, again, that the Senator means to be unfair. I am talking about the Senator's argument and his proposition, and not about him. do not think it is fair to leave upon the country the impression that we have not made a graduation of the tax in proportion to the increase of the income. I think we have made sufficient graduation. But the main thing is this: If you go ahead, upon your theory, and tax incomes all they can bear in normal times

of peace, what are you going to do when war comes?

One of the misfortunes about a tariff tax in war times is that when you meet and raise your tax you decrease your revenue, because war times decrease importations; and, in addition to that, increasing the tax decreases importations, also. emergency tax, the import-duty system is unworkable, and the most workable system in the world is the income tax. start at a level low enough down to get the revenue which the Government needs, and not any more. Suppose we find out that we have made a mistake, and can not collect quite as much under this tax as we thought we could: We can at the next session levy a tax as quickly as the snap of a finger, in a statute with 10 lines in it, affecting nothing but the income tax, in order to make up the deficit, and to restore the proper relationship between expenditures and receipts.

Mr. BRISTOW. I agree that the bill as formulated provides for a graduated income tax. My amendment carries out exactly the same principle that the bill itself carries out. It provides for a graduated income tax; but I seek to adjust the rates of taxation according to my views in a way that is more suitable to the ability of the taxpayers to meet.

While the bill would impose a tax of \$2,270 upon a man who has an income of \$100,000 per annum, my amendment would impose a tax of \$5,470 upon him. I do not think that is an excessive tax for the man who has an income of \$100,000, as I have said before. I started with exactly the same amount as the bill upon all incomes less than \$10,000; 1 per cent on all above the exemption of \$3,000, or \$70 on the bachelor for the first \$10,000 of income, which is exactly what the committee Instead of going up as slowly as the committee does, and having such large amounts in the graduated steps, I take \$10,000 steps and add 1 per cent for each step, which is very simple. Then, when you reach the maximum, I think it is a very moderate tax.

Mr. BORAH. Mr. President, I understand the Senator from Mississippi to feel that the tax proposed by the amendment of the Senator from Kansas is in its nature a punitive tax, and not based upon the principle of equity; in other words, that it goes too far, and therefore becomes a punitive tax in its nature rather than one constructed with a desire to equalize burdens and secure sufficient revenue. I do not believe there is anything inequitable in it. I am not in favor of trying to equalize the fortunes of this country through taxation. I am not in favor of punishing people who, through one method or another, have acquired fortunes which it is almost beyond man's mental conception to measure. There are other ways to deal with that. But it is a known rule of taxation, and one which we profess to follow, that men ought to pay taxes in accordance with their ability to pay, or pay them on the principle of causing them the least possible inconvenience when they part with their money

The report on this bill which came from the House contained

this statement:

For the fiscal year ending June 30, 1912, the Government derived \$311,000,000 from tariff taxation and \$293,000,000 from internal revenue proper. These taxes rest solely on consumption. The amount each citizen contributes is governed not by his ability to pay tax but by his consumption of the articles taxed. It requires as-many yards of cloth to clothe, and as many ounces of food to sustain, the day laborer as the largest holder of invested wealth; yet each pays into the Federal Treasury a like amount of taxes upon the food he eats, while the former at present pays a larger rate of tax upon his cheap suit of woolen clothing than the latter upon his costly suit. The result is that the poorer classes bear the chief burden of our customhouse taxation.

The tax upon incomes is levied according to ability to pay, and it would be difficult to devise a tax fairer or cheaper of collection.

I have here somewhere the estimate of receipts under the present bill, made by the House committee, which gives the customs revenue as \$267,000,000 and the internal revenue as \$322,000,000, making a total of \$589,000,000, while it is estimated that we shall collect \$70,000,000 from incomes. Taking the rule announced by the report, that the consumption tax is paid, I will not say almost entirely, but disproportionately, by the poor people of the country, is it to be said that we are unfair or punitive in our disposition when we undertake to raise the amount from \$70,000,000 when we are already collecting on consumption \$589,000,000?

A short time ago there was an estate probated in this country for \$87,000,000. The man who possessed that estate, in my judgment, did not pay as much tax to the support of the National Government as one of his employees who took care of his building. The employee undoubtedly paid all the way from 5 to 10 or 15 per cent of his annual income into the Treasury of the United States, while the man with the \$87,000,000 estate at that time did not pay nearly so much in proportion to his income, and under this amendment the percentage he would pay would not be in excess of that paid by the laborer who was in his employ.

When we take into consideration the fact that we are collecting \$600,000,000 upon consumption and only \$70,000,000 or \$100,000,000 upon property, can it be said that those who would increase the property tax are seeking to do so solely by reason

of a desire to punish some one?

Mr. WILLIAMS. The very men who are now seeking to increase the amount of revenue from the income tax have been seeking throughout this entire discussion to prevent us from decreasing the taxes upon consumption; that is, the tariff taxes upon the necessaries of life.

Mr. GALLINGER. And they did not succeed.

Mr. BORAH. The very men who are advocating an income

tax have done nothing of the kind.

Mr. WILLIAMS. I say, the very Senators in this Chamber who are now making these speeches, including the Senator from Idaho, who are now asking us to add to the revenues of the Government by increasing the income tax, have been criticizing Senators on this side of the Chamber for decreasing the taxes on consumption, to wit, for decreasing the import duties to a point which, in their opinion, was too low.

Mr. BORAH. Mr. President, one answer which I might make to that is that if it be true, nevertheless it is within the power of the Senator and his majority to decrease the tax upon consumption. You have the votes and it is no excuse that criticism may or may not have been lodged against you.

Mr. WILLIAMS. We have already done so.

Mr. BORAH. Notwithstanding our criticism, it is perfectly within your power to take the tax off clothing, all kinds of clothing, remit it in its entirety, and put them upon the free list. If you are correct in your position that that is the way to serve the people and you want to protect the labor of the country, or the men of limited means, you have the power now to take off that tax and to collect an equivalent amount by adding a percentage to the tax upon these large incomes. Why should you hesitate to do what you claim is justice?

Mr. WILLIAMS. Mr. President, the Senator from Idaho knows that although we have that power, it would be iniquitous, it would be foolish, it would be governmentally absurd, to attempt now to exercise the power to its limit. The Senator knows as well as I know that when you step into a condition where a false and artificial fiscal system exists, upon which industries have been built, you can not all at once remove all

taxes upon consumption.

As far as I am individually concerned, I should like to see all revenue raised by the Federal Government by an income tax and by internal-revenue taxes upon things which are either unnecessary or lead to vice. But when the Senator stands in his place and challenges Senators on this side to reduce still further the taxes upon manufactured products in this country, and then later on, or previously to that time, votes against us because in his opinion we have already reduced them too much, I leave him to cure the inconsistency of his own position.

Mr. BORAH. What particular schedule does the Senator have reference to when he says the Senator from Idaho voted against the reduction of the duty upon manufactured goods?

What vote? What duty?

Mr. WILLIAMS. Did the Senator from Idaho vote for any of the Democratic bills that were presented here at the last Congress which embodied substantially these schedules?

Mr. BORAH. The Senator made his charge as to this bill.

What schedule does he refer to?

Mr. WILLIAMS. The Senator just at this moment is criticizing nothing except the income tax, but here we had during the last Congress Democratic bills that were sent over here from the House, and the Senator, as far as my memory serves me, was in opposition to them by insisting that substitute bills offered by the Senator from Wisconsin [Mr. LA FOLLETTE] and by the Senator from Kansas [Mr. Bristow], which raised the duties, should take the place of the Democratic bills which the House had sent here, and the schedules in all those bills were substantially the schedules in this bill.

Mr. BORAH. Mr. President, we will confine ourselves for the present to this bill. What rate on a manufactured article has the Senator from Idaho criticized because it reduced the duty too low? The only criticism which the Senator from Idaho has made in the Senate this year upon this bill is because you did not treat the producer the same as you did the manu-

Mr. WILLIAMS. Did not the Senator during the last Con-

Mr. BORAH. The Senator asserted that the same Senators who were urging this income tax were the men who were criticizing that side of the Chamber because in this bill you reduced the duties too much. I ask the Senator the schedule the Senator from Idaho voted against where you proposed to reduce the rate on manufactured goods.

Mr. WILLIAMS. Schedule K came from the House of Representatives in the last Congress and in the opinion of the Senator from Idaho it cut the duties too low and the Senator from Idaho voted for the bill offered either by the Senator from Wisconsin [Mr. La Follette] or the Senator from Iowa [Mr.

CUMMINS], I have forgotten which.

Mr. SUTHERLAND. The Senator from Wisconsin.
Mr. WILLIAMS. He voted for the bill offered by the Senator from Wisconsin reducing the duty on the sugar schedule 333 per cent. The Senator voted for the bill offered by the Senator from Kansas [Mr. Bristow], which reduced it, I believe, about 29 per cent or 27 per cent, something less at any rate. The same situation confronted the Senator in connection with the other House bills sent here, and, so far as I remember, in every case he took a like course.

Mr. BORAH. Mr. President, the Senator has shifted away from the present bill and the charge he really made and desires to discuss what took place in a former Congress. It is true that I voted for the La Follette amendment. In my judgment, the La Follette amendment did not increase the burden to the consumer. But that is a difference of opinion. In my judgment it was more proportionate; it dealt more fairly as producer and the manufacturer. I repeat that the Senator from Idaho has never to his recollection in this bill complained of any reduction which the other side has made upon manufactured articles. It may be that where I voted for an entire schedule that would not be true, but where it was lifted into existence by itself I have not complained of that fact. I urge that the RECORD will bear me out.

Now, Mr. President, I said in my remarks two weeks ago that I knew it to be a most difficult thing to formulate an income tax, and I have not indulged in any criticism. The amendments which we have offered have been offered in good faith to perfect the income tax, assuming, Mr. President, that if we offered an amendment which really had the effect of equalizing the burdens as we believe they ought to be equalized the majority side would accept it in good grace and in good feeling, and not charge us with merely an attempt to play politics. As I look at it, there ought not to be very much politics in an income tax. If I were playing politics I would want something upon which I could unite the party of which I am a member. offered my amendment yesterday I found that I had about as many opposed to me on this side as on the other side, and I think if the caucus rule had been released I would have had fully as many with me on the other side as I had on this side.

There is one other feature of the bill which ought to be considered when we are considering the question of graduation, and that is the corporation tax. It is assumed, and it is argued, that the corporation tax is one of the taxes which is paid by property, by wealth, and does not rest upon the consumer; but we know from experience that that is not true-that a very large proportion of that tax is passed over to the consumer in an additional price upon the articles which he must buy. So when you take into consideration that you are collecting about \$600,000,000 through indirect taxation and a corporation tax, and add those together, we will see that we are collecting a very small portion of this tax from the property of the country. I do not think it is unfair; I do not think it is inequitable; I think it is just and that it ought to be adopted.

Mr. BRISTOW. Mr. President, the Senator from Mississippi [Mr. WILLIAMS] spoke of the opposition which those of us who are advocating an increase in the rate on the large incomes have offered to the reduction of certain duties in this bill. In my opinion, we could go through the bill, and if the Senator thinks this amendment of mine would bring more revenue than the Government needs, cut out duties that are levied upon noncompeting articles. Take the tax on bananas.

Mr. WILLIAMS. In other words, the Senator wants to cut

out those dutes where all the tax goes into the Treasury and

none of it goes into the pocket of private individuals.

Mr. BRISTOW. The Senator and I could speak probably all the remainder of the afternoon on the question of protection and free trade. I believe that a protective tariff is a good thing for the country. I do not believe it is a tax for the benefit of special interests or private individuals. I think it is a tax levied for the public welfare, for the purpose of developing our latent resources, and also for the purpose of providing and maintaining good wages for those employed in the production of the various commodities. The Senator seems to think that a vicious system of taxation. We disagree as to that.

But far from criticizing us for undertaking to increase the revenue exorbitantly, I was suggesting to the Senator how I would reduce the revenues on consumption and do it without interfering with the principle that he has laid down frequently in the Chamber; that is, not reducing duties that have been imposed for the purpose of protection more than they ought to be without demoralizing the industries that have grown up under such a stimulus. That can be done very easily by taking the duties off of noncompeting articles.

Mr. JONES. Mr. President, I merely want to suggest that frequently as we have proceeded with this bill the only reason given for retaining certain duties was for the purpose of raising No suggestion was made that we would disturb busi-

ness, but that we would have to have the revenue.

Mr. BRISTOW. Yes; the statement has been made time and again. I wish there was some way by which we could get a fair expression of the Senate on this amendment. I am going to ask for a roll call because I want to have it voted upon. believe it is right. I think it ought to go into this law. roll call will show that there are fewer Senators who believe in it than the facts would justify, but I do not know any way to induce men to vote for this amendment when they believe it is right, because they seem to be bound by a caucus agreement, which they think it is dishonorable to violate. If in levying

an income tax we are not justified in taxing the man whose income is \$100,000 a year as much as \$5,000 on that enormous income, then the theory of a graduated income tax, which is a theory upon which this bill is framed, is not worthy of consideration.

Mr. NORRIS. Mr. President, if I really thought the Senator from Mississippi [Mr. Williams] was serious in what is really a veiled charge that those who favor this amendment are not acting in good faith, I would feel considerably grieved. As far as I am concerned, there has been nothing so far proposed in the consideration of the bill that so completely appeals to my sense of justice and right as the amendment proposed by the Senator from Kansas. I have no disposition to legislate against or to criticize the man who is getting a large income. I have no prejudice against a man who is getting a large income. I have no fault to find with him. I do not see any reason why it should be said that because some of us believe that on very large incomes a larger rate of income tax should be charged than the bill proposes it should be said that we are not acting in good faith or that we are not moved by the highest and purest of motives.

Mr. President, every tax is burdensome; we all dislike to pay taxes; but it does seem to me that if we are going to levy an income tax-one that is not connected with the theory or principle of tariff-you may be a free trader or a protectionist, but your idea of an income tax is not affected one way or the other whether you believe or disbelieve in any particular theory of tariff. Though you may disagree on that side from us and favor a tariff for revenue or a free-trade tariff, the reasons that divide us on that proposition do not exist and can not exist when we come to the consideration of an income tax.

It is perhaps one of the fairest and best taxes in theory. is one that is very difficult to properly administer, but having decided to have an income tax it seems to me that we ought to go into it in good faith, with the idea of getting an income tax that is the fairest and the best we can possibly get, each man acting according to what he believes to be right in the premises.

I regret, therefore, that many men on the other side of the Chamber are bound by a caucus rule which on this question will prevent them from voting their true sentiments and voting for a principle in which they believe. If there was any justifica-tion to bind each other together on account of the theory of a tariff bill as to whether it should be a protectionist measure of a tariff for revenue that can not exist when we come to the consideration of an income tax.

The amendment of the Senator from Kansas appeals to me, because the heaviest levy of taxation is made upon the incomes that will feel it the least. The man with an income of \$100,000 can pay a tax of \$10,000 without feeling it nearly as much as the man who has an income of \$3,000 if he is compelled to pay The Senator from Kansas could have gone much further in levying the tax so that it would fall with least burdensome effect upon those who have to pay it.

Mr. WEEKS. Mr. President-

I yield to the Senator from Massachusetts. Mr. NORRIS.

Mr. WEEKS. During my service in the House at a time when an income tax was being considered a prominent Member of the House was discussing the question of a minimum amount to be taxed. At that time it was proposed to make the minimum \$5,000, and he said he would make the minimum higher than When interrogated as to where he would place the limit, he finally said that if he had his way when a man had \$100,000 income he would take a quarter of it; "yes," he said, " I would take half of it"; and added that the citizen would have enough left even if that were done.

Now, I would like to ask the Senator from Nebraska where we are likely to stop in the unequal taxation which is proposed in this income-tax provision, and I think the country would like to know where the limit is to be placed. to adopt the suggestion of the gentleman to whom I refer that eventually if a man has \$100,000 income we will take half of it, on the theory that he will have enough left, or are we to approach this subject in moderation and determine where we can get the most income with the least danger of unduly sacrificing reasonable equality in our system of taxation? Now, where is the limit at which we are to stop?

Mr. NORRIS. In answer to the Senator from Massachusetts I will say that the limit is very easy to determine under the amendment which is offered by the Senator from Kansas. It says that upon the excess of that part of an income above \$100,000 the tax shall be 10 per cent.

Mr. WEEKS. Suppose that next year we need additional

revenue, as we shall, are we going to double the limit?

Mr. NORRIS. "Sufficient unto the day is the evil thereof." When we reach that proposition, when we reach the time that |

we need a larger assessment, and if I have a vote on it, and if I thought under all the circumstances a larger tax ought to be levied, I would not hesitate to levy it either on the man who has a \$100,000 income or the man who has a smaller income.

Mr. BORAH. Mr. President-

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Idaho?

Mr. NORRIS. I yield.

Mr. BORAH. The Senator from Massachusetts asks if next year we need more money shall we increase the rate of taxation upon incomes. I desire to ask the Senator from Massachusetts if next year we need more money, and we are already collecting \$600,000,000 from consumption and from \$75,000.000 to \$100,000,000 from the property of the country, would the Senator from Massachusetts increase the tax upon consumption rather than take something from the large estates of the country, which would pay it without ever knowing that they had parted with their money?

Mr. WEEKS. Mr. President, that would lead to a very broad discussion of the principles of taxation, whether it is wise to get more by imposing additional internal-revenue taxes, whether we can impose to better advantage a stamp tax, or some other form of taxation. I should want to take all those questions into consideration in making my reply. But I do think the country wants to know where there is to be a limit to this form of taxation that is to be imposed on incomes, and whether in future we are to assume that when additional reve-

nue is required it shall be raised in this way.

Mr. BORAH. Mr. President, just a word. Undoubtedly the country is interested in knowing how much more taxes we are going to take either one way or the other, but it can not be possible that the country is more concerned about taking an additional tax from the incomes of the country than in not levying a larger tax upon consumption. It can not be said that the country understands that we are inequitable in starting out with the kind of an income tax proposed by the Senator from Kansas when we are already taxing the small incomes of the country, the labor of the country, from 8 to 10 per cent in many instances upon their incomes as the law now stands.

Mr. NORRIS. Mr. President, the question of the Senator from Massachusetts [Mr. Weeks] could be asked every day upon a proposition to tax anything to raise revenue anywhere. You could ask, Where is the limit going to be? Every man must know that there is no limit, and that when Congress, to meet an emergency, is compelled to raise additional money by taxation, it will find some way to fairly and honestly meet the

emergency.

Mr. LODGE. Mr. President-

Mr. NORRIS. In just a moment, if the Senator please. I want to go a little further on that line. I can say the same thing to the Senator. When we come to levy a tax on sugar or cotton manufactured goods or anything else in the schedule, the country wants to know what the limit is going to be.

The country wants to know where you are going to stop. far as this bill is concerned we are stopping with the amendment of the Senator from Kansas. If that amendment is unjust, if it is unfair, if the rate of taxation for the income of \$100,000 and over is too high, we ought to be honest enough, wise enough, and square enough to cut it down, but if we believe the rate that he has fixed in it is not unfair, that it is just and equitable, then we ought to support it. I support it because I believe that there is not any injustice in it, because I believe it is fair, because I believe it will not be a hardship upon the income of \$100,000 to pay the rate prescribed in the amendment. Now I yield to the Senator from Massachusetts.

Mr. LODGE. I want to ask the Senator if it is not true that there are a great many subjects of taxation on which there is a limit, and that is the limit of probable collection. For instance, take the internal-revenue tax on whisky and beer. There is a point at which if you make the tax sufficiently high our revenue falls off.

Mr. NORRIS. That is true. It is well illustrated in the case of diamonds. If you tax them too high you get no revenue,

Mr. LODGE. It is the same way with an import duty. You can make it prohibitory, as we did in the case of State bank circulation, when by the tax we extinguished the State banks. In a great many cases there is a natural limit on taxation. course, in this case there is no natural limit, because unless you have absolute confiscation you can hardly conceive of reaching a point where collection is not possible. The evasion of the tax, of course, can be increased.

Mr. NORRIS. I believe the suggestion the Senator from Massachusetts has just made does not really apply to an income tax because, as he very well says, the same condition does not apply that would apply, for instance, to the levying of an internal-revenue tax on beer or whisky or diamonds. But every time we are brought face to face with a proposition of levying such a tax it is for us to decide it, and it is our duty to decide it according to the best light and the best judgment that we have. It is no objection to any particular tax to say that at some other day, in some other year, in some other Congress, somebody may want to levy a higher rate. It may be that some other day and in some other Congress some one will want to levy a lower rate of taxation.

Neither in my judgment is it any objection to this amendment that it will raise too much revenue. The Senator from Mississippi [Mr. Williams] makes an objection on that point. He says they framed this bill along certain lines for so much revenue coming from every available source, and if we increase this income tax they will get more money than they need. If that is true, then it is a vindication of the caucus—that is, that after a chosen few have framed the bill and fixed it up to suit themselves no amendment should be offered, because of necessity it would either raise or lower the amount of revenue the bill would produce.

Mr. WILLIAMS. Mr. President, if the Senator will pardon me, I do not know that we ought to be insulted at being called

Mr. NORRIS. I did not offer it as an insult, I assure the

Mr. WILLIAMS. We may be few and we may be chosen, but we were at least chosen.

Mr. NORRIS. I think both those statements are true.

Mr. WILLIAMS. We were at least chosen by the American people.

I admit it.

Mr. WILLIAMS. And we have our responsibilities and we are going to carry them out.

Mr. NORRIS. I have no doubt that you will carry them out, no matter what may happen.

Mr. WILLIAMS. The chosen few happen to be the majority in this Chamber elected by the American people.

Mr. NORRIS. The chosen few who framed the bill are not a majority of the majority, but a very small minority of the

Mr. WILLIAMS. I beg the Senator's pardon. This is the first tariff bill in the history of this country where the bill was submitted to a full and free and fair discussion of every one of the dominant party in a free and fair caucus, where every man could be heard and where they merely obeyed the will of

Mr. NORRIS. It was the first bill, as the Senator says, in the history of the country where the bill was submitted to a secret caucus of the majority members of the House and then to the majority members of the Senate. There never was a Republican bill framed in a caucus and brought out with a

claim that therefore it should be adopted without the dotting of an "i" or the crossing of a "t."

Mr. WILLIAMS. There the Senator is mistaken. There never was a Republican bill which was framed by all the

Republicans in either House. Mr. NORRIS. That is true That is true.

Mr. WILLIAMS. However, that is true of this bill.
Mr. NORRIS. I have not contended to the contrary, but there never was a Republican bill that was framed in a secret caucus of the membership, particularly of this body. There were methods used that I condemned as much as the Senator does, and I condemned them when my party was in power. The Senator, however, condemns those measures when his party is in the minority and he defends them when his party is in the That is the only difference.

Mr. WILLIAMS. The Senator never knew a Republican bill framed by what he is pleased to call a secret caucus. I doubt if he ever knew of a Republican bill that was not framed outside of Congress

Mr. NORRIS. I doubt whether this bill was framed outside of the White House.

Now, if the Senator really means that, of course he knows, and he does not want to go to his constituents as asserting otherwise, that the President has taken no part in framing this bill except in connection with two items.

Mr. NORRIS. Yes; some of the principal items. I do not mean to say that the President went into every detail, or anything of that kind; but on the very important parts upon which there was a very great division of opinion and which were the crux really of the bill, the President, I presume, had more to do with the framing of this bill than any other person, and the caucus simply obeyed his will.

Mr. SMOOT. Mr. President—
Mr. NORRIS. I yield to the Senator from Utah.
Mr. SMOOT. I simply wanted to call the attention of the
Senator from Mississippi to the fact that the bill was framed
exactly the same as all the other bills have been framed, as far as the Senate is concerned. There have been importers and there have been manufacturers visiting here and visiting the subcommittees and making suggestions, and many of those suggestions have been acted upon and many of them have been rejected. That is the way all tariff bills have been framed.

Mr. NORRIS. Mr. President, I do not want to be diverted by going into the ways various tariff bills have been framed in the past. Since this matter has been brought up, however, I want to say, in passing, that, in my judgment, there never has been a tariff bill framed either by the Republican Party or by the Democratic Party that was framed along scientific lines.

There never has been a method adopted of framing a tariff bill by either party when it was in power that I believe was right. The method pursued in framing this bill is much the same as that pursued in framing all its predecessors. evidence was taken was taken from men who have a direct interest in the result of the legislation. There has not been either in this instance or heretofore the careful consideration along scientific lines that ought to be given to the making and the framing of a tariff bill.

In my judgment, it only illustrates what has always been illustrated by every tariff bill which has been presented to the Congress for consideration, namely, the necessity, before we can get a scientific tariff bill, of having a nonpartisan, permanent tariff commission to procure and furnish the absolute scientific facts and data upon which a just tariff bill can be built.

But, Mr. President, as I said a moment ago, that has nothing to do with the question now before the Senate. In my judgment, the man with an income of \$100,000 can afford to pay and will pay with less hardship upon himself the amount of the tax provided for in the amendment of the Senator from Kansas than can the man who pays the smallest tax and who has the smallest income. I believe that in fixing the income tax we ought to take into consideration the ability of the men to pay it, and let the burdens-and there are and always will be burdens in taxation-fall upon the shoulders of those who can best afford to bear them and upon those who will feel the effect the least.

Later on in this bill, if the Senator is afraid we are going to raise too much revenue, we will have an opportunity to cut down the revenues somewhat. For instance, we can well extend the exemptions provided in the income-tax section. I notice in this bill that while there is an exemption made in the income of a man who has a wife and two children, there is no greater exemption made for a man who has three or four or five children. We can well eliminate the clause that limits the exemption to families consisting of a man and wife and two children, and let the exemption be unlimited, let the burden fall where it will do the least harm, and where it will require the least exertion to

Mr. TOWNSEND. Mr. President, some things which the Senator from Nebraska [Mr. Norris] has said as reciting what the Senator from Mississippi [Mr. WILLIAMS] has stated makes it perhaps unnecessary for me to say anything, because the Senator from Mississippi has stated, according to the reference of the Senator from Nebraska, one of the reasons why I have felt that we are not prepared, or at least why I am not prepared, to vote for a change in the provisions of this bill so far as incomes are concerned.

I have believed that taxes should be levied only for the necessities of the Government, properly administered. Where the Democratic Party has made an estimate of the expenses that would probably be incurred during the next year and has made provision for raising the revenue to meet those expenses, it would seem that it would be most unwise for the Congress to vote to change the rates imposed in the income-tax section of the bill.

I recognize, of course, that the people of this country have adopted as an amendment to their Constitution, a provision which permits the taxation of incomes. I have no doubt that it is as equitable a method as can be employed for raising revenue; in many respects the most equitable. It is not, however, entirely without some danger. I think the most equitable way to impose a tax, if we are to eliminate the revenue derived from customs, would be to impose a tax upon all the people of the United States in proportion to their ability to pay it.

I myself think, Mr. President, that it may result in some danger to the Republic to provide that all the taxes of the Government shall be paid by a few, because the majority would not be subject to that tax, and yet they would administer the Government and appropriate the money; they would impose

the taxes and incur the expenses of Government.

Extravagance is one of the greatest evils that can come to any nation. I believe that history will disclose that it has been the cause of the destruction of more nations than any other cause. The temptation to extravagance on the part of people who do not meet the expenses of the Government, it seems to me, would be great.

Furthermore, Mr. President, I desire to say briefly, in answer to the statement made by the Senator from Mississippi, that, if he had his way about it, all the expenses of the Government

would be raised by a tax upon incomes.

Mr. President, if I may interrupt the Mr. WILLIAMS. Senator to keep him from misquoting me, I said by an income tax and internal-revenue taxes upon those things which are either unnecessary or lead to vice.

Mr. TOWNSEND. I stand corrected. I recall that that is

what the Senator said.

Mr. WILLIAMS. And in that connection, if the Senator will pardon me, I will say that the Senator from Idaho [Mr. Borah], in quoting the amount of consumption taxes at \$600,000,000, neglected to make the statement that about half of the taxes upon consumption were levied upon tobacco, whisky, and wineinternal-revenue taxes.

Mr. TOWNSEND. Mr. President, I have been in favor of a protective tariff because it made incomes possible. I have believed that there would be no incomes of any considerable amount in this country if we were to destroy the protective policy. Provided I and other Republicans are right about that, by its destruction we are going to interfere materially with

the business of the country.

I have not felt, Mr. President, that the tariff duties in all cases, or in a majority of cases, so far as that is concerned, taking all things into consideration, impose an additional bur-den upon the people. If by diversifying the industries in this country; if by increasing the business in all communities, we enlarge the opportunities for men to work and to acquire; if we make it possible for them to secure incomes, we, of course, make it possible for them to pay taxes, which all ought to pay

according to their ability to pay.

I submit that no man can be the best kind of a citizen unless he pays his share, no more no less, of the expenses of running We all feel small if we get into company the Government. where the other fellow pays all the bills; and those of us who are of moderate means hesitate about accepting favors from those who are better able to entertain, because we feel that we can not do the fair thing in return. So it is in reference to government itself. The man who helps to support the Government feels more interest in that Government and is a better citizen because he contributes to its support.

I understand, of course, that the income tax is a tax levied upon those who are best able to pay it. It has been adopted by the people, and I am in favor of it, but I submit, Mr. President, that, even so far as an income tax is concerned, I do not care to levy a tax in excess of the needs of government.

I do not know whether or not the rates contained in this bill are proper rates. I do not know that the committee understands how much revenue will be derived, but its estimate is that for the first 10 months under this bill they expect to receive \$58,000,000, which, I take it, will be something like \$70,000,000 during the 12 months.

Mr. SHIVELY. That will be in addition to the present excise

Mr. TOWNSEND. I understand that amount is to be raised from the income tax as provided in the bill. If we increase the rate on incomes without any regard to the amount of tax we are to receive, and the amount shall be in excess of the needs of government, will it not be a temptation to extravagance on the part of the Government? Is it the legitimate province of Congress to levy unnecessary taxes? It is not because I have any objection to the income-tax provision that I question this amendment. I would like to have it more generally distributed; I would like to have it apply to smaller incomes; I would like to know that even the man whose net income is \$3,000 a year pays something toward the expenses of this Government under this tax if all taxes are to be raised from incomes. Increase the rate if you wish on the larger incomes, but make the class of men who pay the tax as large as you can; distribute it equitably over as great a mass of the people as should equitably bear its burden, but be sure that you need the money before you levy it. Mr. BORAH.

Mr. President-The VICE PRESIDENT. Does the Senator from Michigan yield to the Senator from Idaho?

Mr. TOWNSEND. I do.

Mr. BORAH. Does not the Senator from Michigan feel that a man who has an income of a thousand dollars a year pays his due proportion of taxes under the present indirect tax system without being taxed additionally?

Mr. TOWNSEND. With the suggestion the Senator has made I do not agree—that there are schedules in the pending bill where the duties on manufactured products are too high. I will say now that if I believed that a protective tariff simply taxed people on consumption, without compensating benefits accruing to the country directly and to him indirectly from it, other things being considered, I would be a free trader; but I do not believe in that doctrine; I do not believe that all tariff duties are necessarily burdens upon the American people.

Mr. BORAH. Mr. President, we have to deal with a situation as we find it. It has been stated repeatedly in this debate that the reason why our Democratic friends have not reduced indirect taxes is because they had to have revenue. That has been repeatedly stated. The majority undoubtedly feel that way, because, believing in a tariff for revenue only, they would reduce duties more if it were not for the fact that they thought that they had to have more revenue. Now, we have offered here a means by which they can reduce them more and test the principle upon which they were elected and put to the country the theory upon which they came into power without any excuse or apology whatever. We offer a means to get revenue. What excuse, therefore, can they have on the ground of revenue for not reducing duties, as they say they would, were it not a question of revenue?

Mr. TOWNSEND. I can understand how that might be a good argument to present to a Democrat, but it is not a good argument to present to me, because I do not believe, as a general rule, that the majority have kept duties too high. I am not in favor of reducing duties so low as to deny proper protection to legitimate American industries.

Mr. BORAH. Mr. President, if the Senator from Michigan had the power to shape this bill, I would feel that I ought to address my argument to him, instead of to the Democratic side; but they are making the bill, and I assumed, when they said that they could not reduce the duties because of the fact that they had to have the revenue, that they would accept in good faith a suggestion as to how to get the revenue. We have presented it, and now they say it will produce too much revenue.

Mr. TOWNSEND. But does the Senator from Idaho have any idea that even if we were to adopt the amendment offered by the Senator from Kansas the Senators on the other side would reduce the duties they have submitted to the Senate? We would have the same duties as are contained in the bill now, whether we increase the income rates or not, and I do not think we ought to unnecessarily increase the revenues. I do not know that anybody has any estimate of how much money would be obtained by the proposed amendment; I do not imagine that anybody knows how much would be raised by it, but certainly it would raise an amount in excess of what the Senators in charge of the bill say is required to meet the expenses of the Government during the ensuing year. Therefore, it seems to me unwise to increase the rates at this time. If there was a proposition now before the Senate to fix rates on incomes without any regard to other revenues which we are proposing to raise in this bill, it would be another proposition, and I would gladly support any properly prepared measure.

Mr. NORRIS. Mr. President-

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Nebraska?

Mr. TOWNSEND. I do.

Mr. NORRIS. I should like to ask the Senator, if it is true that he can not vote for this amendment because it would raise too much money, whether the same reasoning would not prevent him, for instance, from voting for a duty on sugar, which the majority has put on the free list?

Mr. TOWNSEND. No.

Mr. NORRIS. Would not that raise more revenue than the Government would need?

Mr. TOWNSEND. But there is a question involved in the sugar proposition that is not involved in this matter. Nobody is pretending-

Mr. NORRIS. I can see, I will state to the Senator, that there is a different theory involved; but, so far as the revenue of the Government is concerned, it seems to me it is the same. am not arguing that there is not a different principle behind it; I do not want the Senator to understand me as saying that. The theory, however, of protection or free trade is not involved in the particular motion made by the Senator from Kansas, as I understand.

Mr. TOWNSEND. There is where I differ from the Senator. If I thought it was not involved, I should like to consider the proposition; but it seems to me it is inseparably involved with

the tariff question before the Senate.

Mr. GALLINGER. Mr. President—
The VICE PRESIDENT. Does the Senator from Michigan yield to the Senator from New Hampshire?

Mr. TOWNSEND. I do. Mr. GALLINGER. The Senator will recall the fact that the Senator from Mississippi openly declared that if he could have his way he would entirely abolish import duties and raise revenue by an income tax and other similar sources.

Mr. BORAH. Well, Mr. President, may I ask the Senator

from New Hampshire a question?

Mr. GALLINGER. Certainly, if the Senator from Michigan will permit.

Mr. BORAH. I know the Senator from New Hampshire is

opposed to an income tax

Mr. GALLINGER. The Senator has no right to make that

statement. I expect to vote for the income tax.

Mr. BORAH. Then, I apologize to the Senator; I am very

glad to hear that.

Mr. TOWNSEND. I am in favor of an income tax, but I can not say that I am in favor of the amendment as here presented in connection with this tariff bill. I think the exemption is too high; I think we ought to begin lower down, with a very insignificant rate, if you please. You might reduce the rate to one-fourth of 1 per cent; but I should like to increase the number of people who are to be affected by this tax, knowing that they would thereby feel a greater interest in the Government; and especially do I want to do this in view of the statement of the majority that they are expecting the time will come, or may come, when from income and internal revenue taxes they may meet all the expenses of the Government. When, however, that time comes in this country the question of incomes will have solved itself, because when we reach the point that our markets are thrown open absolutely on equal terms to the whole world we will not have the incomes to tax.

Mr. WORKS. Mr. President, I am very much in favor of the amendment offered by the Senator from Kansas [Mr. Brisrow]. I favor it because I think it tends to equalize the burdens of taxation. A man with a large income can pay the larger amount imposed upon him as a tax with a great deal less burden than the man who receives a smaller income. If I believed it were intended or would have the effect to penalize the man who receives the highest income, I should be opposed to it, of

It is not a crime in this country to be rich; it is not an offense to receive a large income; but we should impose upon the man who receives a large income a greater responsibility and the requirement that he should pay a larger sum to maintain the Government.

I am not at all alarmed by the suggestion of the Senator from Michigan [Mr. Townsend] that we are going to get too much money to run the Government. If there is any danger of that result following, then I should like to see the taxes taken off of noncompeting goods, as proposed in this bill, which is in effect a direct tax upon the consumer. There are ample ways by which we can reduce the amount otherwise to be realized from this bill without injury to anyone and for the benefit of the consumer, and thereby equalize the amount that should be realized from the bill. So I am not very much impressed by that argument.

I am satisfied that it is only a matter of simple justice that the man who receives a large, sometimes a disproportionate, income should be compelled to bear a larger proportion of the burdens of government. There are a great many men in this country, Mr. President

Mr. WILLIAMS. Mr. President-

Mr. WORKS. Just one moment. There are a great many men in this country at present, and the number is increasing, whose income and the amount of money they have accumulated are a positive burden to them rather than a benefit. If we can take some of that away in such an instance and apply it to the maintenance of the Government, we shall be doing them a favor

rather than an injury.

Now I yield to the Senator from Mississippi.

Mr. WILLIAMS. Mr. President, I should infer from what the Senator from California has said that he thinks this bill does not already impose an increased tax on those with the larger incomes. Not only is it true that a uniform ad valorem rate would be a larger tax, measured in dollars and cents, upon the man with the larger income, but it is also true that in the provisions of this bill the rate is doubled and trebled as the income rises. It is doubled at one point of demarcation and trebled at another.

Mr. WORKS. Well, Mr. President, I agree with the Senator from Mississippi that the bill is drawn upon right principles, in my judgment, but I think the proportionate difference between the man who receives a small income and the one who receives a large income is not great enough under the bill as it is now framed. I think the amendment offered by the Senator from Kansas [Mr. Bristow] is very moderate in that respect, so far as it applies to those who receive an income of a hundred thousand dollars or more.

Mr. CLAPP. Mr. President, I listened with a great deal of interest to the Senator from Michigan [Mr. Townsend], and I feel, while I shall cordially support this amendment, and I think the amendment should be adopted, that the Senator from Michigan is entitled to support upon one point, which men rarely get in this day and age. I want to commend him for his courage in advocating the necessity of extending this tax further down the line.

I would not only make the tax heavy against the larger fortunes, because the larger fortunes can bear it, and I would put it on the precise ground that just as in case of war a man who is able to bear arms should go forth and bear arms, so in peace as in war the man who is able to maintain the Government and the burdens of government should bear those burdens.

I quite agree with the Senator from Michigan that there is danger if we leave the minimum amount of taxation too high. Of course, we should leave a certain exemption, as in almost every State, I think, there is an exemption allowed, not as a gratuity, not as an act of kindness or charity, but upon the theory that it is unwise for the public to exhaust the resources of those of limited means, and among other reasons, lest in the exhaustion of their limited resources they become a public bur-That is one of the grounds upon which the exemption rests, not only against taxation but against levies upon execution and If this minimum amount were raised and the burden upon the large fortunes increased, we would then begin, I think, see in this country a different view with reference to the Public Treasury.

The trouble in this country is that too many people seem to think that the Government is an identity, a person, possessed of income and revenue, out of which an endless and ever-swelling stream can pour, and yet come from no source whatsoever. If I had it in my power, I would reduce the tax at the customhouse to the point where it was only necessary as a matter of keeping alive those industries which require it. of the tax to run this Government I would take directly by a direct tax from the taxpayers, so that the taxpayers would come to more fully realize that every dollar wrung from the Public Treasury for the many propositions that we are to-day be-sieged to make appropriations for first came from their own If this were done, it would have the effect in this country to discourge the constant demand upon Congress for appropriations for those things which ought to be done directly by the people themselves, by whom it could be better done than through the function of government. For that reason I would retain the proposition of the Senator from Kansas [Mr. Brisrow] as to the man with the big fortune. I want to say that my observation teaches me that it is the men of independent means in this country more than the men of small means who are constantly insisting that great enterprises be taken over by the Government. Those people would then realize that every dollar appropriated by Congress came out of some man's pocket, and they would realize that it came out of their pockets. At the same time I would extend the limit further down, so that a greater proportion of men of moderate means, too, would realize that every dollar that came out of the Public Treasury first came out of their pockets.

Then, commending the courage of the Senator from Michigan, in proportion as you extend this tax down in the minimum amount collected, you would lessen the danger-and no man can shut his eyes to the danger in this country-of unwise expenditure if once we get the theory that only a few are to bear the burdens of taxation.

While I shall most cheerfully support the amendment proposed by the Senator from Kansas, I feel it was due to commend the courage of the Senator from Michigan upon one phase of his remarks.

Mr. GALLINGER. Mr. President, in response to a suggestion of the Senator from Idaho [Mr. Borah], I said that I should vote for an income tax. I had no hesitancy in saying that; but I shall vote for what I conceive to be a proper income tax, a moderate income tax, and I think that the proposition contained in the bill meets that view.

I am very much disturbed over the declaration made by the Senator from Mississippi [Mr. Williams], and doubtless shared in by other Senators, that, if he could have his way, he would entirely dispense with import duties and raise all the revenues of the Government from internal taxes, incomes, and other means of that kind. In my judgment, if the time shall ever come when that is an accomplished fact, I can see the wreck of the industrial world, so far as this country is concerned; and I shall never give my consent or cast a vote to bring about a condition such as I imagine would result.

This leads me to the further suggestion that, holding to that view, I am opposed to the amendment submitted by the Senator from Kansas [Mr. Bristow], because, in my judgment, it looks to the collection of too large a proportion of our revenues from direct taxation. I appreciate the arguments that have been made that we ought to commence moderately; and if the condition of the country, from war or other calamities or necessities, should require it, we can readily increase the rates of direct taxation.

That is all I care to say about the matter. I never have brought myself to believe that an income tax is an unjust tax, and to-day I cordially give my assent to the proposition that, supplemental to the duties that are imposed in the bill under consideration, an income tax is a very proper mode of raising additional revenue.

I will add that I have thought, along the line suggested by the Senator from Michigan, that we might well commence at a lower point than this bill commences. I believe it will make better citizens of all our people if they contribute something to the support of the Government. But I apprehend that that can not be done under existing conditions. That being the fact, I think the limit set by the committee is as fair as we could reasonably expect.

I wish to add that in saying that I shall vote for an incometax provision, I mean that I shall vote for it if it is presented to the Senate as a separate proposition. If it is presented to the Senate as a part of the bill under consideration, I shall feel constrained to vote against the entire bill.

Mr. BORAH. Mr. President, the Senator from Michigan [Mr. Townsend] and the Senator from Minnesota [Mr. Clapp] seem to proceed upon the theory that the man of limited means, the man with an income under two or three thousand dollars, does not at this time pay a sufficient tax to interest him in the question of economy. I differ with them. I think that man feels his tax now and would be quick to support real economy

Mr. CLAPP. Mr. President, will the Senator pardon an interruption?

Mr. BORAH. Certainly.

Mr. CLAPP. The difficulty with the tax that he now pays, whether he be rich or poor, is that it is an indirect tax which he does not feel and he does not realize that he is paying it, and hence is not watchful as to its expenditure. In proportion as the direct tax is increased in the form of an income tax, it will naturally follow, or it should follow, that the amount of indirect tax that he pays will be decreased.

Mr. TOWNSEND. Mr. President, if the Senator from Idaho will pardon me, my discussion was on the proposition laid down by the Senator from Mississippi [Mr. Williams], and reiterated by others, that this is the beginning of a plan to abolish all by others, that this is the beginning of a pair to about an indirect taxes, except, perhaps, internal-revenue taxes, which would not fall upon all of the people, and that we are starting here to-day upon a scheme which probably will endure for years, probably as long as we have taxation. I should like to have it start right. I think the Senator will agree that if there were no other method of taxation than the income tax, that tax should be equitably spread over as many of the people as pos-

Mr. BORAH. I agree with the proposition that if we were collecting all our taxes by direct methods we should begin I agree fully with the proposition with a very low exemption. that every man should contribute something to the support of the government under which he lives. I do not, however, agree with the proposition which seems to be thrown out by the argument of the Senator from Michigan, and so well indorsed by the Senator from Minnesota, that the people who belong to the class which would be exempt are not already bearing a sufficient burden to interest them in the question of econ-I know that there may not be as much pain administered to them as otherwise there might be by reason of the fact that it is an indirect tax; but I think we can administer the pain in some other way than that of putting more taxes upon them

I desire to quote a statement made by John Sherman, who was not noted as a radical in his day and who was a very

strong advocate of the protective-tariff system. It was made in the last days of his life. I think the declaration which I quote is from a speech, but he reiterates it, practically, in his autobiography.

He says:

The public mind is not yet prepared to apply the code of a genuine revenue reform, but years of further experience will convince the whole body of our people that a system of national taxes which rests the whole burden of taxation on consumption and not one cent on property or incomes is intrinsically unjust. While the expenses of National Government are largely caused by the protection of property, it is but right to require property to contribute to their payment. It will not do to say that each person consumes in proportion to his means. This is not true. Everyone can see that the consumption of the rich does not bear the same relation to the consumption of the poor that the income of the one does to the wages of the other. * * As wealth accumulates this injustice in the fundamental basis of our system will be felt and forced upon the attention of Congress.

I know that it has been said many times since the income-tax matter came under discussion in the last four of five years that those who are advocating a large exemption are doing so because they are playing to a popular vote. They refuse to answer the proposition that at the present time the same class whom we would exempt are paying in other forms of taxation a larger percentage of their incomes than anyone contemplates levying as a tax upon income. I agree in a measure with the doctrine announced by the Senator from Michigan with reference to protection; but the Senator from Michigan will not contend that there are not many instances in which the burden of the tax does reach the consumer. When you take the duties together with the excise taxes quite enough reaches the con-

Mr. TOWNSEND. Mr. President—
The VICE PRESIDENT. Does the Senator from Idaho yield to the Senator from Michigan?

Mr. BORAH. I do. Mr. TOWNSEND. If my attention can be called to any item in the tariff bill where the burdens upon the consumer are not more than offset by the benefits which come from protection of the industry for which the duty is levied, I will vote to put it on the free list. No such item has been called to my attention. If it is called to my attention, as I say, I will vote to put it on the free list.

I have voted for these protective duties on the theory that the maintenance of the industries helped the consumer in this country and every other person in this country by making it possible for him to obtain higher wages and better prices for his products, and thus maintained a better condition of living. If that is not true, if there is a single item that the Senator can bring to my attention as to which it is not true, I desire to vote to put it on the free list.

Mr. BORAH. The Senator says that the tax which does reach the consumer is offset by the general prosperity which it gives to the country. I think that is a correct principle, from the protective standpoint. But it then becomes a matter of speculation as to how much the consumer is benefited by the general prosperity of the country, in which the people who have these large incomes also share. So that which benefits him, the indirect method by which he is aided, is also building up and is beneficial to those whose incomes we now propose to tax. But the amount the laborer, for instance, consumes and uses, in proportion to his income, is wholly disproportionate to the income which we would tax, although the man with the large income gets the benefit of the general prosperity the same as the man with the small income.

Mr. TOWNSEND. If the Senator will permit, I quite agree with that proposition. I do not know of anything that I have said that disputes it. The only difference between the Senator and myself on this proposition is that he would fix, for instance, higher than the committee has fixed, which has recognized the difference between the small income and the large income. The committee has proposed a rate of 1 per cent, for instance, with a maximum of 3, if I remember correctly, or possibly 4. The pending amendment makes that difference greater, and fixes it between 1 and 10.

Mr. WILLIAMS. I just want to correct the Senator for a moment, and incidentally to correct a statement which I made inadvertently awhile ago. The Senator must remember that the normal tax runs clear through, from the lowest to the highest taxable person. Then the additional tax begins at 1, which doubles the normal, and then adds 2 per cent, and finally it gets in 3 additional per cent, which is quadrupling instead of tripling the original tax.

Mr. TOWNSEND. I understood it so.
Mr. WILLIAMS. I made that mistake, and I want to cor-

Mr. TOWNSEND. I desire to say to the Senator, to make myself clear, that I am not opposing, nor have I said one word that could be construed as opposing, the proposition to make the tax on the larger incomes greater than on the small incomes. The thing I was discussing, obiter dictum—because it is not in the bill, and it will not be considered here—was the question of reducing the exemption, making it still smaller, and the other question as to whether the proposition submitted by the Senator from Kansas to increase the tax to 10 per cent would bring about more justice and subserve the best interests of legislation at this time, all other things considered. Those are the only questions I have been discussing.

Mr. BORAH. As I understand the Senator from Michigan, he desires to reduce the amount of exemption, which of course is not a practical proposition at this time, because he desires to reach a class of people who ought to be reached in order that they may know that they are contributing something to the support of the Government. I agree with the Senator that if we were collecting all our taxes by direct methods, that is a perfectly just and fair proposition. But the point which I make is that the man whom the Senator wishes to reach has already been reached. He is paying more than his proportion now, and one of the very objects of income tax is to equalize burdens, equalize taxes.

Mr. TOWNSEND. Is the Senator, then, agreeing that we have started out on that proposition now, and that we ought to start right by passing this bill? We have adopted a proposition which will eventually lead, according to the Senator from Mississippi-and I believe it is the opinion of Senators generally that if this is a success it will finally lead-to an abolition of all direct taxes, unless possibly it be the internalrevenue tax; and ought we not to begin right? I thought \$3,000 would be none too low an exemption.

Mr. BORAH. But so long as we are collecting \$600,000.000 a year in the other way we have not really begun to collect our taxes by the direct method. We are collecting about one-eighth of them by the direct method and the rest by the indirect When we arrive at the time that we are collecting seven-eighths by the direct method and one-eighth by the indirect method, undoubtedly we should reduce the amount of exemption to a very low figure. But so long as we are not doing that, it can not be justly said that those who are in favor of raising the exemption are doing it through a desire to exempt some people from taxation. We do it upon the theory that we believe it can be demonstrated beyond all question that those people are already paying their proportion of the taxes; yes, far more than their proportion.

One individual in this country is represented to receive an income of \$12,000,000 a year. He lives most of the time abroad. In my judgment, he does not pay as much toward the support of the National Government under the present laws as one of his employees. When this bill shall have passed, even with the amendment of the Senator from Kansas, he will not pay as much out of his income, proportionately, as the man who is working for him.

It is upon that theory that we are in favor of the exemption and not for the purpose of relieving anybody from the burdens which everyone ought to bear in reference to taxation. If I thought that it was untrue that men of limited means are paying more than their proportion I would look at this question exemption and graduation in an entirely different light.

Mr. SUTHERLAND. Mr. President, when the Senator from Idaho [Mr. Borah] was discussing this subject a few days ago I took the liberty of suggesting to him substantially the same thing suggested by the Senator from Michigan [Mr. Townsend] this afternoon and concurred in by the Senator from Minnesota [Mr. Clapp]. I have felt that it was a wise thing to provide in an income tax for an exemption very much lower than that which is provided by this bill. I should not tax the very lowest income that a man earns. I should not begin at \$600, or per-haps at a thousand dollars; but I think it would be very well if the exemption were to begin at \$1,200 or \$1,500—\$1,500 at the outside. The danger of this income tax, as I see it—and I entirely agree with what Senators have said as to the justice of it-is that you will collect your tax from a limited few in number; not in ability to pay, but a limited few in number; and therefore the vast majority of the people of the country, so far as that tax is concerned, will have little direct interest in its expenditure. I think it is a very good thing that a large number of the people of the country should feel an interest in the expenditure of the revenues of the Government, in order that their influence may operate as a check upon extravagant expenditures.

The Senator from Idaho has said that we are already imposing all, or substantially all, our taxes upon consumption, and that it is not a wise thing to do; that we ought to begin to

impose direct taxes. I think the Senator overlooks or ignores the fact that in this country we have a dual system of government. At the same time that the Federal Government is collecting taxes the State governments are collecting taxes. That is a condition which does not exist in many of the countries which have income taxes. Notably, of course, it does not exist in England, and it does not exist in France.

Under the dual system which prevails the bulk of the taxes imposed in the States are of the direct character. They are upon property; they are in some instances upon incomes; they are in more instances upon the estates of decedents, and in various ways they are of the direct form. It is true that the Federal Government, generally speaking, imposes its taxes in an indirect form. But when we come to consider the whole field of taxation, as divided between the two classes of government, I undertake to say that a very much larger sum is raised from the direct form of taxation than from the indirect form.

The proposition made by the Senator from Kansas [Mr. Bais-Tow] strikes me as being a great deal more scientific in its classification than that proposed by the bill. It has seemed to me all the way through that there was rather too large a gap between the several amounts upon which the tax is graduated. We jump from \$20,000 to \$50,000, and from \$50,000 to \$100,000. So, as I have said, I think the scale proposed by the Senator from Kansas is more scientific in its character, and I should support it if it were not for one consideration. That is that I do not know, and I do not think anybody knows, how much more the scheme proposed by the Senator from Kansas would put into the Treasury. I should like to know whether it would put into the Treasury an additional fifty million or seventy million or one hundred million dollars, or what it would do, before I give it the assent of my vote. It is estimated by the committee that the tax proposed by it will put into the Treasury about \$70,000,000.

Mr. WILLIAMS. That is the estimate for this year, but it covers only eight months of this year.

Mr. SUTHERLAND. Then it would be more for the full

Mr. WILLIAMS. It is estimated that it will be \$100,000,000 n year.

Mr. SUTHERLAND. Yes. If that be true, I should not want to add materially to it. We are not imposing an income tax for the purpose of punishing anybody. We are not imposing it for the mere sake of making it a burden upon anybody. We have no right to impose a tax upon anybody, rich or poor, unless the Government needs the tax; and I am not persuaded that the Government needs any revenue in addition to that which is proposed by this bill.

Another consideration is that in the past this form of taxation has not been indulged in to any great extent by the various States. It has been used to some extent. I do not recall just how many States in the Union impose income taxes, but they are comparatively few in number. Perhaps there are four or five or six or eight of them. I think that has been generally because of the difficulty of collecting such taxes. There has been a sort of feeling that a tax of this kind would be evaded, that it would lead to perjury. There has been a great deal of talk of that sort, and many States have been dissuaded from imposing the tax for those or other reasons. But if the Government of the United States shall impose an income tax which shall prove successful in collection I have no doubt that the various States of the Union, which are continually reaching out for new subjects of taxation and which are continually needing new subjects of taxation, will in a very large measure adopt the income tax as a part of their fiscal system.

Mr. GALLINGER. Mr. President—
The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from New Hampshire?

Mr. SUTHERLAND. I yield to the Senator.
Mr. GALLINGER. The Senator is correct in saying that a
very small number of the States have imposed income taxes, and I think he is equally correct in saying that for some reason or other they are not made operative. For instance, the State of Massachusetts has had an income tax for a long time, but I think it is safe to say that no money is collected in that State under the terms of that law. I want to add that I hope the Federal income-tax law will be enforced more rigorously than the State income-tax laws seem to be enforced at the present time.

It seems to me the Senator must be misinformed when he says that the tax rate in Massachusetts is imposed upon only 15 or 20 per cent of the personal property. That strikes me as being extraordinary.

Mr. BORAH. If I am mistaken, it is due to a report made by the tax commissioner of Massachusetts.

Mr. GALLINGER. It simply can not be so.

Mr. SUTHERLAND. However that may be-and I do not know what the situation is in Massachusetts-for some reason or other the various States have not favored income taxes in the When it is demonstrated, as I believe it will be, that a tax of this character can be collected, and when the disclosures are made that will be made as the result of putting such a law into operation, I have no doubt most of the States of the Union will follow the same form of taxation; and if that be done, nobody can foresee to what extent incomes are going to be taxed. I think it is the part of prudence to proceed with some caution in beginning to formulate this scheme of taxation. As a general feature of revenue taxation it is new in this coun-We imposed it at one time as a war measure and at a later time as a part of a general scheme of taxation, but that was soon declared to be unconstitutional, so that it did not become effective. But, so far as its enforcement and operation are concerned, it is substantially a new departure for the Government, and I think it is the part of wisdom to proceed with some degree of conservatism until we shall demonstrate whether we need the additional tax and until we see how far we ought to go in imposing this class of taxation. But, as I say, while I think the general scheme presented by the Senator from Kansas, if the rates had been reduced, would have been preferable to that proposed by the bill, for the reason stated I shall feel constrained to vote against his proposed amendment.

Mr. CRAWFORD. Mr. President, in considering an amendment to a general statute like the income tax it is a little difficult to exclude a general survey of the bill beyond the more narrow question relating to the specific amendment. It may be that if we were to adopt the amendment proposed by the Senator from Kansas [Mr. Bristow] and were to make no corresponding reductions in other parts of the income-tax provision, we would get more revenue than we need. But it seems to me that we ought to adopt the amendment offered by the Senator from Kansas, and we ought to make some corresponding changes that would remove the probability that it would produce an unnecessary surplus. I am not in sympathy with the entire elimination of all distinctions between the character of incomes with which you are dealing. I think it is fundamentally wrong to place the salary which is earned by a professional man, a college educator, a genius who is contributing his service, giving his brain and his ability to serve his fellow men, on the same basis that you put the income that is enjoyed by a favored child of fortune whose parent has left him great property and who is a drone and an idler, doing nothing for his

I do not believe we should put as much of a burden upon the income of the first class named as we do upon the income of the other. England does not do it. I was just reading from the work of Prof. Seligman on the Income Tax, where he quotes from Chancellor of the Exchequer Asquith in a budget speech he made in 1907 where he distinguishes between what he calls the earned income—that is, the income that is actually earned by the man following a vocation or practicing a profession-and what he calls the unearned income, which is simply the receipt which some man enjoys from the rental of property inherited by him; and there is a wide distinction made between the two. If this amendment should carry, I shall offer an amendment

which I will ask the Secretary to read. It is hard to discuss one of these amendments alone without its relation to the other

The VICE PRESIDENT. The Secretary will read as re-

The Secretary. On page 172, after line 16, add the following

Provided further, That in computing net income under subdivision 1 of paragraph A of this section there shall also be deducted the amount, if any, which is claimed and proved by any individual to have been immediately and directly derived from the personal exercise by him of a profession, trade, or vocation.

Mr. CRAWFORD. That is taken from subdivision 3 of section 19, paragraph 7, of the English income-tax law, where they except from the other classification of incomes the income immediately derived by the individual from carrying on or the exercise of a profession, trade, vocation, and so forth.

Just imagine the number of people in the United States who when they leave this earth will practically leave to their families nothing except some life insurance and perhaps a little home, who while they are alive are actively, unselfishly engaged in the practice of a profession-in medicine, surgery, law, Here and there men earn an income that would be taxable under the first subdivision of the bill, and they are put in exactly the same class with the good-for-nothing idler who is not even an ornament, and who lives to dissipate and waste himself and be an injury to others. The English draw the line there, and I think we ought to draw it there, and if you do thing toward the Government. But I tell you he does, and it is

that you will materially reduce the receipts in another direc-

Mr. CUMMINS. Mr. President-

The VICE PRESIDENT. Does the Senator from South Dakota yield to the Senator from Iowa?

Mr. CRAWFORD. I'do.

Mr. CUMMINS. Simply for information. I supposed that England made a difference between the earned incomes and unearned incomes, but my information has been that the earned incomes were not entirely exempt.

Mr. CRAWFORD. Oh, no; that is true.
Mr. CUMMINS. The Senator from South Dakota would Mr. CUMMINS. The Senator f exempt the earned incomes entirely.

Mr. CRAWFORD. Not from the second subdivision. They

run up until they come within this additional income provision.
They are taxed. I think the Senator will find it so.
Mr. CUMMINS. I did not so gather from the reading of the

proposed amendment. Possibly I am wrong about it. Then I understand the Senator from South Dakota simply means to except the earned incomes from the surtax or the additional tax? Mr. CRAWFORD. Practically all incomes that are earned

from the following of professions and vocations and personal efforts I would exempt until they reach the point of the additional tax.

Mr. CUMMINS. You propose that they shall all pay, above \$3,000 up to \$20,000, 1 per cent? Mr. CRAWFORD. No; I do not.

Mr. CUMMINS. I do not exactly understand what the Sen-

ator's amendment proposes.

Mr. CRAWFORD. The purpose of the amendment is to practically exempt these incomes personally earned until they come within the class where you have the graduated tax.

Mr. CUMMINS. That begins at \$20,000. Let me ask if the Senator from South Dakota proposes to make these earned incomes after they reach \$20,000 taxable?

Mr. CRAWFORD. I propose to subject them to this additional tax.

Mr. CUMMINS. But incomes are to be exempt from 1 per

cent until they do reach \$20,000? Mr. CRAWFORD. Yes; the additional tax. Mr. CUMMINS. It means, then, that all below \$20,000 are to

be exempt? Mr. CRAWFORD. Exactly; where earned in personal serv-

ice, trade, and vocations where no property income is involved. Mr. CUMMINS. Does the Senator have any idea about what part of the proposed revenue would be taken away by the amendment?

Mr. CRAWFORD. I only know, as the rest of us, by a general estimate of it. I think it would be considerable, and I think we could well afford to make it up by putting the tax upon the large property incomes and even by securing an additional revenue through an inheritance tax.

Mr. CUMMINS. I am entirely in sympathy with the proposition made by the Senator from South Dakota that there ought to be a difference in the rate of taxing the earned incomes as distinguished from the unearned incomes. I would have to reflect a little before I would be willing to exempt them to the extent suggested by the Senator from South Dakota.

Mr. CRAWFORD. I wanted to get this question before the Senate, and I offered the amendment in connection with the other for the purpose of getting it before the Senate. Mr. President, take a surgeon over at Johns Hopkins or in Chicago, or go out to the hospital where the Mayo brothers operate in Minnesota; take this class of men and see what they are doing for their fellow men, and see what they are contributing every day of their lives to human happiness. These men have large in-comes, but many of them spend it like princes and die poor. They give it to charity and benevolence, and contribute of their genius to their fellow men and die poor. You could go into nearly every field where men of that type are serving humanity, and whatever field it may be in which their gifts enable them to serve they enjoy large incomes, but they think little of what they may save and tie up in trusts and leave to their children to spend and waste and dissipate to the fifth generation that may follow them. The men who have this power and who are earning five, ten, fifteen, and twenty thousand dollars a year are a class of men who should be encouraged to go on doing the kind of work they are doing. I think if we must raise the money, if it is necessary, it ought to be raised by imposing an additional tax upon the receipts from dead property.

I am absolutely in sympathy with what has been said about every man carrying his share of the burden. I believe that a man who has only a roof over his family and who is earning not fair to him to intimate in any manner, shape, or form that he does not. At least, so far as I am acquainted with him he does. He may pay only a poll tax or a road tax or a school tax, or he may work it out on the streets. But I tell you when you come to measure what it means to him in loss of time and in whatever way he does it, you need not worry about his not doing his share. If he lives in the country, he is paying a civil township tax and he is paying a road tax and he is paying a school tax in the little township in which he lives. If he is living in a village or a municipality, he is contributing to that and he is contributing to the State. He is not drawing a fine distinction when he is making these payments as to whether it is going into the township fund or into the county fund or into the school fund or into the State fund or into the Federal Treasury. As a simple, honest soul who is serving his generation in his way he is contributing to the extent he ought to be asked to contribute to the orderly support of government, and he does not divide it with nice distinctions,

I am not worried about such a man being benumbed and indifferent and reckless and anxious to waste the public money because he thinks somebody else is paying the bill. I have no fear of that whatever. I think I know that man too well in this country to have much fear that there is danger from him.

I am in favor of this amendment, and I am in favor of placing in this statute a distinction such as there is in the English statute. I believe we ought to do it. It is not with the idea that we should make some attack upon great estates and great incomes for the purpose of having a redistribution of wealth here, but we must all know and understand that there is a feeling, and a sincere feeling and a well-founded feeling, in the country that they do not bear as large a proportion of this burden as they ought. I do not think they do. I do not believe that we are imposing any unfair and unjust burden upon them by an amendment of the kind and character of the one I of-If the committee thinks it ought to be examined carefully for the purpose of having it weighed in its relations to other provisions of the bill and put into the framework so that it harmonizes with its purposes, I think myself it ought to go to the committee for that purpose. I do not believe it is a matter so hedged about with difficulty and impossibility that the committee can not take it and put it into the bill. Change the rate if you think it is wrong, but put it into the bill and say in this legislation that we distinguish the difference between the earning power of an active force for service in society and the income from dead property.

Mr. BRANDEGEE. I should like to have the Secretary read the amendment offered by the Senator from South Dakota [Mr. CRAWFORD] once more so that I can note it accurately.

The VICE PRESIDENT. The amendment will be read. The Secretary. On page 172, after line 16, add the following

Provided further, That in computing net income under subdivision 1 of paragraph A of this section there shall also be deducted the amount, if any, which is claimed and proved by any individual to have been immediately and directly derived from the personal exercise by him of a profession, trade, or vocation.

Mr. TOWNSEND. I should like to ask the Senator from Kansas [Mr. Bristow] if he has made any estimate as to how much revenue his amendment will produce?

Mr. BRISTOW. I have said that I do not know. No one can tell. My judgment is that the estimate of the committee in the report that the proposed law will bring \$70,000,000 in revenue is extravagant. I do not think it will bring anything like \$70,000,000. My guess would be that this amendment of mine would bring from \$70,000,000 to \$100,000,000, somewhere near that amount; but, of course, the committee that prepared this estimate would disagree with me.

There is no data upon which you can base an estimate with any accuracy. To illustrate, it is estimated here that there are people in the United States with an income of over \$1,000,000 per annum. As to how much more than \$1,000,000 per annum or whether there are 100 or less is an estimate that must be based upon very inaccurate information, because there is no reliable information that is available.

Mr. BORAH. Not only that, but so far as this surtax is concerned it must all be collected upon the showing of the man who is going to pay the tax. It is not collected from the source; it must be collected upon his showing that he has an income of that kind. In estimating this revenue upon the income which he has you fall far short when you come to get the money from the income which he will turn in.

Mr. TOWNSEND. My object in asking the question of the Senator from Kansas was to find out whether he had taken any steps to determine what change his amendment would make in the revenue proposed by the bill. It would seem to me that

that is quite an important matter. It is a decisive matter with me, and I should like to have some information on the subject. I thought possibly the Senator might be able to make at least a fairly accurate estimate of the amount.

Mr. BRISTOW. It is absolutely impossible for any man living to make an accurate estimate. Experience is the only thing that will determine it, because, just as the Senator from Idaho [Mr. Borah] has stated, and it is in harmony with our experience when we collected the income tax during the war, it is a tax which men seek to evade. It is a difficult tax to collect. There is no doubt but that it is the most difficult tax to collect that we levy

Mr. TOWNSEND. Suppose the bill with the Senator's amendment should produce \$200,000,000 instead of \$70,000,000 or \$100,-000,000, as estimated by the committee, would the Senator still insist that the amendment ought to be adopted?

Mr. BRISTOW. I think that is an absolutely ridiculous presumption. There is nobody who has studied the question for an hour who would believe that it would produce any such amount.

Mr. ROOT. Mr. President, I think the Senator from Kansas [Mr. Barstow] is unduly pessimistic about the collection of the income tax. I think the experience of the countries that have had an income-tax system for a considerable period is that gradually, year by year, it becomes easier and easier to collect. I do not think it is going to be such a difficult tax to collect. With the provisions for payment and with the gradual placement of the comparatively small number of persons who are to pay a surtax, I think that we may reasonably expect that within a short period the income tax will be readily and easily collected with but little injustice and but little injury or inconvenience to the people who have to pay it.

I quite dissent from the idea that the income tax must be permanently and continuously a vexatious and inquisitive and perjury-breeding measure.

Mr. BRISTOW. The Senator from New York has assumed that I said that the collection of the tax would be a permanent difficulty. I did not go that far; but the Senator from New York knows that when we were collecting the income tax during the Civil War it was a very difficult tax to collect. I agree with the Senator that in countries where it has been a continuous system of taxation year by year they have greatly improved the methods of taxation until they have developed by experience a system that has become satisfactory.

May I say one other thing? I do not take so much interest in these questions about just how the gradation shall be established, because I think we are entering upon a new field for us and we have got to get experience; we have got to find out how this provision and that provision and this rate and that rate will work and what the result will be. I do not know but the arrangement which the committee has reported is just as good an arrangement to begin on as any One thing we can be sure of is that after a few years we shall know a great deal more than we do now, and we shall probably have to perfect, modify, and improve a great many of the provisions of the law. I do not really feel as if it were particularly useful to try to get a finality in what we are now We can get that only as the result of experience.

Mr. CUMMINS. Mr. President-The VICE PRESIDENT. Does the Senator from Kansas yield to the Senator from Iowa?

Mr. BRISTOW. I yield. Mr. CUMMINS. The Senator from Kansas very properly refuses to be led into an estimate that he is willing to authenticate; but, assuming that the bill before us will produce \$70,-000,000 a year or \$100,000,000 a year, it is easy to see that the amendment suggested by the Senator from Kansas will not lead us into any wild accumulation of money. For instance, the tax on incomes up to \$10,000 remains the same. Our ob servation teaches us that very much the larger aggregate of incomes in this country is made up of incomes of \$10,000 or Therefore, we begin the estimate, I think fairly, with the assumption that more than half, I would say-it is purely an estimate, of course—but I would say three-fourths of all the taxes upon incomes remain the same under the amendment of the Senator from Kansas as in the bill reported by the committee. Then the increase runs in this way: From \$10,000 to \$20,000 the tax would be \$270 under the amendment and \$170 under the bill, and so on. If, therefore, it can be assumed that the bill will raise \$70,000,000 or \$100,000,000, it can justly be assumed that the amendment will not increase the entire collection beyond a fair contribution to the Treasury of the country.

Moreover, Mr. President, if the Senator from Kansas will yield to me a moment further, the important thing here is to fix the ratio of tax correctly in the beginning; that is far more important than to fix the amount of the collection correctly in the beginning. If the distribution of the burden under the amendment proposed by the Senator from Kansas is fairer and better than is the distribution as proposed by the committee, we ought to adopt it, for if it be found by experience that it raises more money than we need it is the easiest thing in the world, in the light of that experience, to reduce the percentage of taxation upon each of these classifications; but if we begin with the adoption of an unwise proportion we shall find it much harder in future to change that proportion. Therefore it seems to me that every consideration leads to the adoption of the amendment, provided we believe that the distribution is better in the amendment than it is in the bill. I believe it is better.

If I had my way about it, I would make the disparity still greater than in the amendment; that is to say, I would make the lower tax lower and the higher tax higher than here. The Senator from Utah [Mr. SUTHERLAND] suggested an important fact, and it was emphasized by the Senator from South Dakota [Mr. CRAWFORD]. The tax levied by the Government of the United States here is a pittance as compared with the taxes which the people of this country must pay. In my own municipality-and I have vast pride in it; I think it is as well governed, as well regulated a community as can be found in the country-the tax last year was something like 2 per cent on the value of all the property. That was made necessary because we are a progressive community and we expend a large amount of money in order to bring to the people those advantages and benefits which come from great development. Here when it is proposed to levy a tax of 10 per cent, not upon the value of property, but upon the income of property of those who enjoy incomes of more than a hundred thousand dollars, it is characterized as radical and as indicating a feeling of enmity toward those who possess such incomes. That charge is unjust and unfair. It is a very moderate, conservative suggestion, as I look at the whole subject.

And, again, may I remind the Senator from Michigan and

the Senator from Minnesota

Mr. SUTHERLAND. Mr. President, I caught rather imperfectly what the Senator from Iowa said. I do not know whether he was referring to something I had said or not.

Mr. CUMMINS. I was referring with great commendation to something the Senator from Utah had said, namely, that under our dual system of government the taxes paid for the support of the Federal Government constitute but a small part

of the general burden of taxation.

Mr. SUTHERLAND. To that part of it, of course, I have no objection. I am always glad to have the commendation of the Senator from Iowa, but it was a subsequent remark to which I referred

Mr. CUMMINS. I did not attribute that to the Senator from Utah.

Mr. SUTHERLAND. I misunderstood the Senator from Iowa. Of course I did not say, and I did not mean to say, that this amendment had been proposed in any spirit of enmity. I

know better than that.

Mr. CUMMINS. I did not impute that to the Senator from I was not impressed with the suggestion of the Senator from Michigan [Mr. Townsend], which was commended so highly by the Senator from Minnesota [Mr. CLAPP]. There is a higher duty that rests upon every citizen than the duty to pay taxes or contribute to the expenses of his Government. If our Government is to continue and our institutions endure, there is one duty which every citizen ought to perform, and perform well, that, in my judgment, stands high above the duty of contributing to organized society in the way of taxes. duty is to be a good citizen; it is to be moral and upright and fairly prosperous. That duty is, if he be the head of a family, to provide for that family, to clothe the family, to educate the family, and to train it and prepare it to take a useful place in a country like ours. My limit upon taxation is fixed by that consideration. I do not believe that an income tax should be levied upon any incomes fairly necessary to enable the citizen to discharge the duties of citizenship, to clothe himself and feed himself-to clothe himself well and feed himself bountifully to give to all those who are dependent upon him every fair and reasonable opportunity so to equip themselves that they can as they come into maturity discharge their duties with fidelity and intelligence. Our country absolutely depends upon the performance of this duty on the part of the citizen.

It is unnecessary for me to say here just where the taxable limit is. I am satisfied with the limit of this bill. I do not think it ought to be much less in the beginning, at any rate; but, whatever it is, my standard would be the amount that would enable a man properly to care for himself and for his family and fit all those who depend upon him to discharge the

duties of citizens of this country as those duties ought to be discharged.

Mr. BRISTOW. Mr. President, responding to the inquiry of the Senator from Michigan [Mr. Townsend], I will say that I took up the figures which have been given us by the committee and undertook to make an estimate; but I soon came to the conclusion that the estimate was purely a guess. However, in order to compare the influence of this amendment on those estimates I will make a brief explanation.

It is estimated in the report of the Finance Committee that there are 425,000 persons in the country who will be subject to the income tax. Of these 425,000 persons the committee estimates that 304,000 have incomes of less than \$10,000 per annum. Upon the income of those 304,000 there is no increase in the tax in the amendment I have proposed; it is just the same. It is also estimated that there are 77,000 who have incomes between \$10,000 and \$20,000 per annum.

Mr. TOWNSEND. In the Senator's amendment does he have

a tax on incomes less than \$10,000 a year? Mr. BRISTOW. Oh, yes.

Mr. TOWNSEND. What is the minimum? Mr. BRISTOW. Three thousand dollars a year is the mini-

Mr. TOWNSEND. The Senator begins at \$3,000? Mr. BRISTOW. Yes. The bill proposes a tax of 1 per cent on all whose incomes are less than \$20,000 and above \$3,000. In my amendment I leave that the same as is provided in the bill up to \$10,000. The amount of the tax is 1 per cent on all incomes under \$10,000 and above \$3,000; that is, on those who are not married. Where they are married it is \$4,000; and where they have a family of two children or more the exemption is \$5,000 a year. I leave that just as it is in the bill.

As I was saying, the committee estimates that there are 77,000 persons whose income is between ten and twenty thousand dollars a year. In that bracket I add \$100 additional to the committee bill. The committee bill imposes a tax on those whose income is \$20,000 a year of 1 per cent on all over \$3,000, or \$170 per annum, while my amendment would impose a tax of 1 per cent on all under \$10,000 and above \$3,000 and 2 per cent on all between \$10,000 and \$20,000, making \$270 per annum. If you add \$100 per annum, which is the increase that I make, to the 77,000 you would have \$7,700,000 additional; but, of course, there would not be anything like that much added, because the income of all would not be the maximum of \$20,000. If the income is only \$11,000 per year, there would be but \$10 additional added to the income tax collected from that individual over that provided by the committee bill; and if it is \$15,000, there would be 1 per cent of \$5,000, or \$50 more added. So that there would not be anything like \$7,000,000 more collected in that bracket.

The highest rate imposed is the tax on incomes of \$100,000 and over per annum. Under the bill as it comes from the committee the tax on incomes of \$100,000 is only \$2,270. it \$5,470. The committee estimates that there are 100 persons with an income of more than a million dollars. Under the bill if a person has an income of a million dollars, he would pay \$38,270 per annum tax, while under my amendment he would pay \$52,235 per annum tax, or \$13,965 more. So running through hurriedly it appears that the amendment would increase the estimated revenue, as nearly as can be ascertained, about \$30,000,000 or \$35,000,000 more than the amount estimated by the committee. Believing that the estimate here is too great, my judgment is that, with my amendment adopted, the collection would be somewhere between \$70,000,000 and \$100,000,000. So that the apprehension that we are likely to have much more money than we can use is entirely groundless. I might also add that if in the judgment of the committee we are getting more revenue than we need, why not take the duty, off some of the noncompeting articles?

In going through this bill there has been article after article, commodity after commodity, taken off of the free list and put on the dutiable list in order to get revenue. Articles that have been on the free list for years are transferred to the dutiable list for the purpose of collecting additional revenue. Let us put those back on the free list, where they were, and get the addi-

tional revenue in this way. It is certainly more equitable.

The Senator from Michigan [Mr. Townsend], the Senator from New Hampshire [Mr. GALLINGER], and others seem to be apprehensive that this is a menace to the protective system. Indeed, I might say-and I believe I am justified in sayingthat the protected interests of this country, or a large number of them, have fought an income tax because they believed it would be a menace to the protective system. I believe I am as firmly convinced that the protective principle is a wise and just policy as is the Senator from Michigan or the Senator

from New Hampshire. But it must be administered in a just and equitable way or it is not a wise and a beneficent and a just policy. When you undertake to perpetuate an injustice because it has been injected into our laws under the protective policy which we support and indorse you do an injustice to the protective policy and you weaken it and discredit it with the American people.

Every Senator who has spoken here this afternoon has declared that he is in favor of an income tax. The only objection that has been made to this amendment is that there is danger of imposing too great a burden upon the rich men of the country. Yet no one will contend that this amendment imposes an unjust burden upon the rich men of the country. not much patience with the argument that we ought not to impose a proper tax because in the future some one may impose an improper one. If there is anyone who believes that a man with a net income of \$100,000 a year will be unjustly burdened because the Government believes he ought to contribute \$5,000 a year to maintain his Government, I should like to have the Senator get up and make an argument from that point of view. That is what is proposed here, and nothing more.

The junior Senator from Massachusetts [Mr. Weeks] says the country wants to know where we are going to stop. I am not worrying about where we are going to stop. I believe in a republican form of government. I believe the American people are capable of self-government. I believe their purpose is to do what is right to every citizen. The American people as a whole would not do an injustice to a rich man any quicker than they would to a poor man. Some men may think that is an opti-mistic view to take, but I believe it is a correct one. I would rather trust the honesty of the American people as a whole in dealing with a rich man than to trust a good many of the rich men in their dealings with the American people.

If there is any prejudice in this country against the rich, it is because the rich have not been just in their dealings with the There is no fundamental prejudice in the Anglo-Saxon race against property or the rights of property. It is the very basis upon which every Saxon nation has been builded in the history of our civilization. Yet here in this, the most enlightened Nation of all, in my opinion, we are afraid to enter upon a system of taxation which England has been following for years, because, forsooth, the American people may confiscate the property of their well-to-do citizens. Such a suggestion is abhorrent to me.

Do they do injustice to the rich in our system of taxation in the States or the municipalities? An income tax such as is proposed in this amendment is the most equitable tax that can be imposed. We tax the property in our towns for the benefit of the community to make public improvements, and the man who owns property pays the tax. The man who is running a dry goods store pays his tax. Even if he loses money during the year he has been in business, he has to pay the tax just the same. He contributes that much to the welfare of the com-But in my experience I have not known a State or a community, county or municipal, where the people have undertaken to confiscate property or impose unjustly upon the well-todo men of the community. The fact is that the rich men pay less, in proportion to their ability to pay, in almost every community in this country of ours than do the men of moderate The burden of maintaining the municipal and State governments rests very largely upon the men who would not come within the provisions of this amendment. The great majority of the taxable property in the community of every Senator here belongs to men whose incomes do not reach \$5,000 a year; and these men bear the burden of their local taxation.

In endeavoring to work out this amendment I have tried to be conservative and just, so that no man could say it was a radical measure, and no man has declared here that it was an The only objection to it has been from those who were afraid that in the future somebody else might do an injustice.

Mr. WILLIAMS. Mr. President, I should like to have a vote

now, if Senators are through discussing the amendment.

The VICE PRESIDENT. The question is upon the amendment proposed by the Senator from Kansas [Mr. Bristow].
Mr. Bristow. On that I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded

Mr. CHILTON (when his name was called). I have a general pair with the junior Senator from Maryland [Mr. Jack-

son]. In his absence, I withhold my vote.

Mr. McCUMBER (when Mr. Gronna's name was called).

My colleague is necessarily absent from the Senate. He is paired with the junior Senator from Illinois [Mr. Lewis].

Mr. LEWIS (when his name was called). I beg to state that am paired with the junior Senator from North Dakota [Mr. RONNA], and therefore withhold my vote.

Mr. McCUMBER (when his name was called). eral pair with the senior Senator from Nevada [Mr. Newlands]. As he is absent, I will withhold my vote. Were I at liberty to

vote, I should vote "yea."

Mr. MARTIN of Virginia (when the name of Mr. SMITH of Maryland was called). The senior Senator from Maryland [Mr. SMITH] is unavoidably absent. He is paired with the senior Senator from Vermont [Mr. DILLINGHAM].

Mr. STONE (when his name was called). My colleague [Mr. Reed] is absent on business of the Senate. He is paired with the senior Senator from Michigan [Mr. SMITH]. Has the senior Senator from Wyoming [Mr. CLARK] voted?

The VICE PRESIDENT. He has not.

Mr. STONE. In accordance with my general pair with that Senator, I will withhold my vote. If permitted to vote, I should vote "nay."

Mr. SUTHERLAND (when his name was called). I inquire whether the senior Senator from Arkansas [Mr. Clarke] has

The VICE PRESIDENT. He has not.

Mr. SUTHERLAND. I have a pair with that Senator, and therefore withhold my vote.

Mr. THOMAS (when his name was called). I have a general pair with the senior Senator from Ohio [Mr. Burton]. I there-

fore withhold my vote.

Mr. TILLMAN (when his name was called). I have a pair with the junior Senator from Wisconsin [Mr. Stephenson], and therefore withhold my vote.

Mr. TOWNSEND (when his name was called). announce that the senior Senator from Michigan [Mr. SMITH] is absent from the Senate on important business. He is paired with the junior Senator from Missouri [Mr. Reed]. I desire this announcement to stand for the day.

The roll call was concluded.

Mr. CHILTON. I transfer my pair with the junior Senator from Maryland [Mr. Jackson] to the junior Senator from Arizona [Mr. SMITH] and will vote. I vote "nay.

Mr. BANKHEAD. I transfer my pair with the junior Senator from West Virginia [Mr. Goff] to the senior Senator from

Louisiana [Mr. Thornton] and will vote. I vote "nay."
Mr. GALLINGER. I inquire whether the junior Senator
from New York [Mr. O'GORMAN] has voted?

The VICE PRESIDENT. He has not.

Mr. GALLINGER. I have a general pair with that Senator. I transfer it to the junior Senator from Maine [Mr. Burleigh]

and will vote. I vote "nay."

Mr. THOMAS. I transfer my pair with the senior Senator from Ohio [Mr. Burton] to the junior Senator from Nevada

[Mr. PITTMAN] and will vote. I vote "nay."
Mr. FLETCHER (after having voted in the negative). I am paired with the junior Senator from Wyoming [Mr. WARREN]. I transfer that pair to the junior Senator from Tennessee [Mr.

SHIELDS], and will allow my vote to stand. Mr. GALLINGER. I have been requested to announce that the senior Senator from Delaware [Mr. Du Pont] is paired with the senior Senator from Texas [Mr. Culberson]; that the junior Senator from North Dakota [Mr. Gronna] is paired with the junior Senator from Illinois [Mr. Lewis]; and that the junior Senator from Maryland [Mr. Jackson] is paired with

the senior Senator from West Virginia [Mr. CHILTON] Mr. BACON. I inquire whether the senior Senator from Minnesota [Mr. Nelson] has voted?

The VICE PRESIDENT. He has not.

Mr. BACON. I have a general pair with that Senator, and therefore withhold my vote.

The result was announced—yeas 16, nays 46, as follows:

	YE	AS-16.	
Borah Brady Bristow Clapp	Crawford Cummins Jones Kenyon	La Follette Norris l'age Perkins	Poindexter Sherman Sterling Works
	NA	YS-46.	
Bankhead Bradley Brandegee Bryan Catron Chamberlain Chilton Colt Fletcher Gallinger Gore Hollis	Hughes James Johnson Kern Lane Lea Lodge McLean Martin, Va. Martine, N. J. Myers Oliver	Overman Penrose Pomerene Ransdell Robinson Root Saulsbury Shafroth Sheppard Shively Simmons Smith, Ga.	Smith, S. C Smoot Swanson Thomas Thompson Townsend Vardaman Walsh Weeks Williams

#### NOT VOTING-33.

Ashurst. Fall Goff Gronna Hitchcock Stephenson Newlands O'Gorman Stone Sutherland Thornton Bacon Burleigh Owen Pittman Burton Clark, Wyo. Clarke, Ark. Culberson Dillingham Jackson Lewis Lippitt McCumber Reed Shields Smith, Ariz. Smith, Md. Smith, Mich. Tillman Warren du Pont Nelson

So Mr. Bristow's amendment was rejected.

Mr. LA. FOLLETTE. Mr. President, I offer the following amendment.

Mr. BRISTOW. Will the Senator from Wisconsin yield to me for just a moment?

Mr. LA FOLLETTE. For what purpose?

Mr. BRISTOW. I wish to get permission to insert a table in the RECORD.

Mr. LA FOLLETTE. Certainly.

It is a table which I prepared showing the Mr. BRISTOW. amount of tax collected by the amendment as compared with the bill. I should like to have it inserted in connection with

The VICE PRESIDENT. Without objection, permission is

granted.

Mr. BRISTOW. If the Senator from Wisconsin will bear with me, I will say that I have another amendment along the same line, except it is reduced in amount, that I should like to offer now, unless it will interfere with the amendment which the Senator has. It is in substance the same except that it starts with one-half of 1 per cent and goes up one-half per cent each additional \$10,000 instead of 1 per cent. It is drawn to meet the objection made by the Senator from Mississippi that we would be collecting an additional revenue.

Mr. LA FOLLETTE. As it varies somewhat from the per-centage which I have fixed in the amendment which I offer, I do not think there will be any conflict, and it can be offered

just as well after this amendment is voted upon.

Mr. BRISTOW. Very well. The VICE PRESIDENT. The Senator from Wisconsin offers

an amendment, which will be read.

The Secretary, Strike out all after the words "the total net income exceeds," in line 19, page 165, lines 20 and 21, etc., down to and including "\$100,000," in line 3, on page 166, and insert in lieu thereof the following: "\$10,000 and does not exceed \$20,000; and 11 per cent per annum upon the amount by which the total net income exceeds \$20,000 and does not \$30,000; and 2 per cent per annum upon the amount by which total net income exceeds \$30,000 and does not exceed \$40,000; and 2½ per cent per annum upon the amount by which total net income exceeds \$40,000 and does not exceed \$50,000; and 3 per cent per annum upon the amount by which total net income exceeds \$50,000 and does not exceed \$60,000; and 4 per cent per annum upon the amount by which the total net income exceeds \$60,000 but does not \$70,000; and 5 per cent per annum upon the amount by which total net income exceeds \$70,000 but does not exceed \$80,000; and 6 per cent per annum upon the amount by which the total net income exceeds \$80,000, but does not exceed \$90,000; and 7 per cent per annum upon the amount by which the total net income exceeds \$90,000 but does not exceed \$100,000; and 10 per cent per annum upon the amount by which the total net income exceeds \$100,000."

Mr. LA FOLLETTE. Mr. President, it will be observed by

Senators that my amendment does not make any change in the provisions of the bill affecting incomes below \$10,000. amendment is a variation, in some respects, from the amendment presented by the Senator from Kansas. The rates provided for each of the subdivisions until an income of \$100,000 is reached are somewhat lower than the rates of his amendment.

I have followed this discussion with a good deal of interest, Mr. President, and I quite agree with the observations made by the Senator from New York [Mr. Root] that we are just entering upon a plan of Federal taxation that will move forward very rapidly and without obstruction to reasonably perfect execution.

There are a number of States that have income-tax laws. These have been constructed upon the old plan, and their execution has been committed largely to local officers. This has led almost invariably to a defeat of their purpose and to a failure of any considerable return from them. In the year 1911 the State of Virginia collected the largest return from an income tax ever collected by any State in this Union up to that time, and that amounted to \$129,427.

In Wisconsin we have put into force an income-tax law. We

of its operation we recovered more from the income tax of Wisconsin than all the income taxes of all the States combined. We collected about 33 per cent more than was collected for all of the country under the Federal income tax in 1863. The thing can be done. It has been done in Wisconsin. Last year we collected \$3,300,000 under our income-tax law. We purpose to have it take the place of the personal-property tax. The total tax levied upon personal property in Wisconsin last year would amount to something over \$4,000,000. The first year that tax was in operation in Wisconsin we found and assessed almost enough incomes to take the place of this personalproperty tax. It will ultimately completely do so.

Mr. LEWIS. Will the Senator allow me an inquiry?

Mr. LA FOLLETTE. Certainly.

Mr. LEWIS. The Senator is now upon a subject that has given me a great deal of concern. It may not be unfamiliar to him as traditional history that I unsuccessfully made the attempt in the State of Illinois to prescribe an income tax. What is the Senator's opinion, if we adopt the Federal income tax and there still shall prevail a State income tax, as to how far that could be urged as operating under the Constitution as a double tax, as was the ruling of the Supreme Court in the Allen case on the matter of the national bankruptcy act superseding State

insolvency laws?

Mr. LA FOLLETTE. I think that point would have no merit at all as against an income tax such as we have enacted and are enforcing in Wisconsin. It would be most remarkable, Mr. President, if the enactment and enforcement of a Federal income tax should deprive the States of the power to tax the personal property of that State. Realizing that we in Wisconsin were reaching, as they are in all the States of the Union. but a moiety of the personal property by the ordinary personalproperty assessment and that the great bulk of this class of property was escaping taxation, we have established a system to take the place of the ineffective and inequitable personalproperty tax. Surely the Federal Government can not come in and say that we may not establish in our State some system of taxation to supplant the imperfect system of assessing and collecting taxes upon personal property.

Mr. President, I noted the comment of the Senator from New Hampshire [Mr. Gallinger] upon the statement of the Senator from Idaho [Mr. Borah] regarding the collection of taxes on personal property in Massachusetts. It brought back to my mind an investigation of this subject that I made many years ago in Wisconsin. At that time I very carefully looked into the personal-property tax of the whole country. I recall distinctly that by the report of the comptroller less personal property was paying taxes in New York in 1897 than had paid taxes in that State 14 years before. That is startling. Yet, as to all the great financial centers of this country that statement can

be duplicated in a measure.

Now, just let me tell you what the operation of the income tax law in Wisconsin disclosed. In one case that I recall a very eminent citizen of the State made a sworn statement that the amount of his personal property was \$5,000. Over and over again he filed such statements. Under the income-tax law his personal property assessable under the law during all the years these statements were filed was found to be over \$1,000,000. Every one of you have cases of that kind in your own States.

Mr. GALLINGER, Mr. President—

The VICE PRESIDENT. Does the Senator from Wisconsin

yield to the Senator from New Hampshire?

Mr. LA FOLLETTE. Certainly. Mr. GALLINGER. Will the Senator permit me to ask as to whether in the State of Wisconsin all tax returns are made under oath?

Mr. LA FOLLETTE. Yes; they are. Mr. GALLINGER. If the Senator will permit me, in my own little State, under the operations of a tax commission somewhat recently formed, I am very sure that our personal property is being assessed at a very high rate, perhaps not the full value of it, and we return under oath our tax lists.

Mr. LA FOLLETTE. The rate is high, and just in propor-

tion as you make the rate upon personal property high, under the system of assessment and collection of taxes prevailing in nearly all the States, you increase the difficulty of discovering it and listing it for taxation.

Mr. SMOOT. You have a personal-property tax in Wis-

consin?

Mr. LA FOLLETTE. But we are substituting the income tax for the personal-property tax. We offset the personal-property tax against the income tax. The theory upon which we are proceeding is to make an entire and complete substitumade our assessment and collection last year. In the first year | tion of the income tax for the personal-property tax.

Mr. LIPPITT. I am quite interested in what the Senator is saying. I merely wish to ask him if the returns for the income tax made a distinction between the amount of the income that

came from real property and personal property?

Mr. LA FOLLETTE. Oh, yes; the sources of income are specified in the return, and the law has distinct provisions for

the taxation of individuals, partnerships, and corporations.

Mr. GALLINGER. Mr. President, will the Senator kindly state, if he carries it in his mind, at how low a point is the in-

come tax?

Mr. LA FOLLETTE. The Wisconsin law taxes all incomes above \$800 per annum received by an unmarried person, above \$1,200 per annum for man and wife, and allows \$200 additional exemption for each child under 18 years of age. The tax rate in Wisconsin is based on units of a thousand dollars. The owner of an income amounting to a thousand dollars above the exemptions is taxed 1 per cent upon that thousand; upon the second thousand, if he has \$2,000 of taxable income, he is taxed 14 per cent; upon the third thousand, 1½ per cent; upon the fourth thousand, 1¾ per cent; upon the fifth thousand, 2 per cent; upon the sixth thousand, 2½ per cent; upon the seventh thousand, 3 per cent; upon the eighth thousand, 34 per cent; upon the ninth thousand, 4 per cent; upon the tenth thousand, 41 per cent; upon the eleventh thousand, 5 per cent; upon the twelfth thousand, 51 per cent; and on any sum in excess of \$12,000 he pays an income tax of 6 per cent.

In the administration of the law many cases came to light of the heaviest taxpayers under the income tax who were among those who had paid the very lightest amount of taxes on personal property. There seemed to be a sort of understanding among the very wealthy men of the State that they should swear off their personal property down to \$5,000. In the case of a very distinguished citizen of the State now deceased I recall distinctly that the settlement of the estate disclosed that the taxable personal property that had been sworn to the year before

as \$5,000 aggregated considerably over \$1,000,000.

In another case one of the most eminent and one of the most respectable members of the bar of Dane County, where I live, a man for whom I had the very highest esteem, returned \$5,000 personal property for assessment. The inventory of his taxable personal estate ran up over \$300,000, I think to \$375,000.

In another case, that of a retired farmer who on oath had returned \$5,000 of personal property subject to taxation, it was found on his death that his administrator had turned in for assessment notes and mortgages to the amount of \$317,000.

Mr. President, personal property is reached for taxation under the Wisconsin plan.

Mr. BORAH. Mr. President-

The VICE PRESIDENT. Does the Senator from Wisconsin

yield to the Senator from Idaho?

Mr. LA FOLLETTE. In just a moment. We do not leave the execution of this law to local officers, and I think in that fact alone lies to a considerable extent the success we are meeting with in the levying of this tax in our State. I yield to the Senator from Idaho.

Mr. BORAH. That is in line with the suggestion I made a while ago that in order to reach proportionately the large incomes it is absolutely necessary that an almost exaggerated rate be put upon them because they do escape taxation. For instance, without mentioning the State, as that would not throw any light on the subject, there were seven estates probated in one State of the Union a few years ago for \$215,000,000. Those seven estates had paid taxes for the previous year on \$3,000,000. which is much less than the percentage which I gave a while ago. So there is no possible danger of taxing too heavily when by any ingenuity which the human mind can conceive of on the part of those who have that class of property it so easily escapes taxation.

Mr. LA FOLLETTE. It is just that thought, Mr. President, which relieves me of any anxiety because of the argument made here this afternoon that the adoption of an amendment similar to that offered by the Senator from Kansas would work such an unequal distribution of burden that a considerable portion of citizens of this country would not realize their obligations to the Government. They have been bearing double, triple, fourfold of the burdens of the Government through many decades.

The taxation upon living which they have been carrying while untold millions have escaped altogether should, I think, relieve us of any apprehension that we may overtax this great wealth by the adoption of an amendment such as that offered by the Senator from Kansas [Mr. Bristow] or that which I have just presented to the Senate.

Mr. President, it is not necessary to impose double taxation on the poor to teach them patriotism. There never has been an hour when this Government was in peril that the humblest of linheritance tax that shall prevent the dead hand from exerting

our citizens have not been willing to offer their lives for the perpetuity of our institutions. There is nothing to be found in our history to warrant us in imposing additional taxation on them by the direct method in order to make them responsive to the call of the country whenever there is a demand for them to serve it. No, Mr. President.

I do not want to speak critically or harshly, but most of those who have argued against the amendments presented this afternoon to increase the income tax upon great wealth are those who have always been opposed to an income tax of any When the opportunity offers to equalize these burdens, I regret, Mr. President, that there should come a line of division on the Republican side, emphasizing differences which I had hoped to see disappear. A new day is coming in this country. If the Republican Party will not see it, then, Mr. President, its place will be taken by some party that will see it.

Mr. GALLINGER. Mr. President—

Mr. LA FOLLETTE. I yield to the Senator from New Hampshire.

Mr. GALLINGER. I was about to suggest, Mr. President, that this is not the only vote upon which there was a line of division on this side of the Chamber and as to which no fault has been found.

Mr. LA FOLLETTE. No, Mr. President; and some of those votes will be analyzed before we have finished here. I am going to take occasion to say to this side of the Chamber that a new accounting must be made in the application of the

principles to which we are devoted.

Mr. GALLINGER. Mr. President, the Senator from Wisconsin has made the same assertion, sometimes in the nature of a threat, heretofore. It is not going to alarm those of us who do

not agree with the Senator in his economic views.

Mr. LA FOLLETTE. Oh, I do not expect to alarm anybody, Mr. President. I said to certain associates of the Senator from New Hampshire six or seven years ago, when I appealed in vain to them to pass a law to ascertain the value of the railroad property of this country, that their refusal to heed the demand for a correction of grave abuses would result in permanently vacating many seats on the Republican side of this Chamber. My warning was scorned, and a goodly percentage of those gentlemen have disappeared from their places upon this side and many of their seats are occupied by men who realize that legislation must adjust itself to the new industrial conditions of this country.

Mr. GALLINGER. If the Senator will permit me further-

Mr. LA FOLLETTE. I will.
Mr. GALLINGER. It is true that some Senators have disappeared from this side of the Chamber and some have disappeared from the other side; and it is equally true that the Republican Party has been put out of power by some men who sympathized with the Senator from Wisconsin in his extreme views.

Mr. LA FOLLETTE. Mr. President, since the Senator from New Hampshire refers to it, I will say that the Republican Party has been put out of power by the people of this country who are in accord with the views which I am now expressing, and they will retire more men from the Senate of the type of the Senator from New Hampshire before we finally dispose of these issues.

Mr. GALLINGER. Mr. President, the Senator from New Hampshire is not a bit alarmed. The Senator from New Hampshire may go out voluntarily, as some other men to whom the Senator alludes went out voluntarily; but if the people of New Hampshire choose to elect another man than myself the Senator from Wisconsin need not grieve over it, for I certainly shall not.

Mr. LA FOLLETTE. Well, I did not say to the Senator from New Hampshire that I should grieve over it, if he is seek-

ing that sort of a response from me.

Mr. GALLINGER. If the Senator wishes to make this a personal issue, I will suggest to him that I shall not grieve any more than he will, whatever happens.

Mr. LA FOLLETTE. No. Well, now, that we have adjusted these personal matters, I may return to the amendment under

consideration.

Mr. President, I want to say to Senators upon the other side that this is a matter, it seems to me, of supreme importance. You are about to establish an income-tax system for the Federal Government. The course of politics has thrown that great op-portunity into your hands. Establish it upon principles that will appeal to the sense of justice of the people of this country. I well understand that there are many Senators on both sides of the Chamber who think that these mighty fortunes, accumulated largely in violation of law, can be better dealt with under an

a controlling influence upon the life of the generation that is to follow; but I say to you, Mr. President, that it is a mistake not to tax these great fortunes and make them bear their share according to the full measure of their ability so to do. The income tax offers an opportunity to do it. It should be supplemented by an inheritance tax. Together they will help us to attain that end which our fathers thought they were guaranteeing to us when they provided forever against the law of primogeniture and entail.

Mr. President, I can not hope, in view of the experiences which we have had here, that the amendment which I have offered will be adopted. I understand that those in the majority have started upon quite another course and that they will go through with it to the end; but I do hope that they may consider it worth while to take this provision of the bill and the amendment which I have offered back to their committee room and give it consideration, to the end that these enormous incomes may be compelled at last to pay the tax they have here-tofore evaded. I hope this provision of the bill will be taken

back to the committee for reconstruction.

Mr. WILLIAMS. Mr. President, I do not care to prolong the debate, but the remarks made by the Senator from Wisconsin [Mr. LA FOLLETTE] are not altogether complimentary to this side of the Chamber. He seems to labor under the delusion that we have not given any consideration to this subject matter. We think we have; we think the Senate Committee on Finance did; we think that the Committee on Ways and Means of the House did; we think the caucus in the House did; and we think the caucus in the Senate did. We may not have arrived at a conclusion which meets with the entire approbation of the Senator from Wisconsin, but it at least met with our approbation. I decline to admit that we have acted without consideration merely because we did not consider it in the same way.

I decline also to let the question as to what shall be the points of demarcation in the graduation of the income tax be dignified into a great and important national issue. That the principle of an income tax itself is a great and important national issue nobody would undertake to deny; and, in devotion to that principle, I think I may claim some degree of precedence as a public man. I voted for the income tax in 1894, and I introduced in every succeeding Congress so long as I was a Member of the House of Representatives a joint resolution providing an amendment to the Constitution of the United States to make possible an income tax for the Federal Government. So I have not been without considering the question of an income tax for very many years—that is, many years for a man who is as young, as boyish, and as alert as I am, although not so many years from the standpoint of history, of course.

We are doing the best we know how; we are not neglectful of our duty, nor are we neglecting to spare time and nerve power and intensity in the public service to accomplish a common purpose which we all have in view. I am of the opinion that this bill as it stands as a first bill to be presented to the American people containing an income-tax provision is better without the amendment of the Senator from Kansas [Mr. Bristow] and without the amendment of the Senator from Wisconsin [Mr. LA FOLLETTE], the latter being substantially the same as the former.

We are not acting over here, however gentlemen upon the other side may think, without some degree of common sense, some degree of information, and some small degree of knowledge attained by the best methods that could be employed. All of us are fallible and some of us do not take ourselves very seriously—it is notorious that at least one of us does not take himself very seriously [laughter]—but to the best of our poor ability, with sincerity, with honesty, and with the idea of serving the country, we have presented this bill with this provision in it; and I am still, speaking individually, unconvinced that either of the amendments offered betters the bill in any respect. They simply complicate it; they simply undertake to go upon a theory that you are to levy a tax without regard to the needs of the Government for revenue. That is the defect in all the arguments on the other side, whether made by standpatters or whether made by progressives. They are always considering something in a tax besides the tax; something in a tax besides the revenue.

I do not know to what extent inequalities of fortune are a menace to the Republic. I do know that they are a menace to a large extent; I do know that our ancestors acted very wisely when they abolished primogeniture and entail; and I think I know that the time will come some day when there must be a limitation put upon the amount that may be inherited or left by bequest or devise to any one person or purpose, so as to destroy the power of attack in great fortunes transmitted from generation to generation. But however that may be-and I am

not going afield now upon that subject—this is not the instrumentality to play upon in order to give the country that tune.

Mr. LA FOLLETTE. Mr. President, will the Senator yield to me there just for a moment?

The VICE PRESIDENT. Does the Senator from Mississippi yield to the Senator from Wisconsin? Mr. WILLIAMS. Yes.

Mr. LA FOLLETTE. The Senator realizes the danger that may follow from the passing of an enormous fortune from the deceased promoter of that fortune to somebody else. Does he not also realize the danger of the use of that fortune in the hands of the man who accumulated it?

Mr. President, just a word more. When a fortune has passed from the hands of the dead to his successor, perhaps to his son, perhaps to one who has inherited no attribute of the man who accumulated and used that fortune for 30 or 40 years to oppress his fellow men, or even though the person inheriting had all of the attributes and all of the genius of the one from whom he inherited it, he would require years of training and experience to make it as great a menace as it was in the hands of the man who accumulated it. Then, instead of awaiting the opportunity to reach after death that great accumulation of wealth which the Senator has admitted is a menace, why not diminish it by a system of taxation that is constitutional, legitimate, and proper?

Mr. WILLIAMS. Mr. President, all through that vale I, too, have passed with such measure of thought as I was capable of. I not only recognize that a vast fortune may do harm in the hands of its accumulator, but I recognize that it may do harm in a still greater way after he is dead by being kept together by his direction; and I especially fear a sort of habit that has grown up among a few of the great rich families of America of not permitting their fortunes to be divided equally between their children, but leaving them to the best moneygrubber in the family, so that the deceased may feel assured in some other life somewhere that his philosophy of life is being carried out by somebody who is nearest to him in his own family. I realize all that, But I realize another thing: No honest man can make war upon great fortunes per se. The Democratic Party never has done it; and when the Democratic Party begins to do it, it will cease to be the Democratic Party and become the socialistic party of the United States; or, better expressed, the communistic party, or quasi communistic party, of the United States. I have a suspicion that a man can not make one of these immense, great, big fortunes honestly in one lifetime. Perhaps that suspicion grows out of the fact that I myself am not a money-maker, and never have seen any way whereby I could honestly do it. Perhaps I am mistaken about that,

Mr. President, will the Senator yield to me? Mr. WILLIAMS. Not right now. The war that an honest man or an honest party makes upon accumulated wealth must be a war upon the manner in which the wealth was accumulated. It comes with bad grace from Senators on the other side of the Chamber, whose party has furnished a rough-and-ready system whereby great fortunes could be accumulated by the prop of the taxing law, to ask us to tax out of existence the inequalities which they have created.

I hope to see the day, some time, when no man will have help or hindrance from the law, in a fair competition with his fellows; when no law will prop him up in his business and no law will weigh him down in his business; when the Government will say to all men: "Here is a free field and a fair opportunity, and that is all the Government has to do with you in so far as your business is concerned." Of course it has a heap more to do with him when it comes to his behavior, and some other things.

There will be no great fortunes accumulated in one man's lifetime if all men have equal opportunities and no man has law-conferred special privilege. Let us start at the evil in the right way for doctoring it. Let us start at it by doing away with everything upon the statute books which does confer special privilege.

There are no great differences between the intellects of men. A man who makes money, as a rule, makes it not because he is smarter than the man who does not make it, but because he loves money more. The man who loves learning will grow learned; the man who loves plety will grow plous; the man who loves money will grow rich. He may be naturally 50 per cent less able and with less information than the man who piles up his millions. That which your heart yearneth for that you are pretty apt to attain in this world, because the ruling passion will subordinate everything else to its end.

I am not going to attempt to make this tariff bill a great panacea for all the inequalities of fortune existing in this country; nor would it do any good if we did, because we would be doctoring the symptoms and not the cause of the disease. No

wise physician ever fools with mere symptoms. He goes to the

The Senator said a moment ago that a new day was dawning upon this country. The Senator is mistaken. A new day has dawned upon this country. The sun is almost above the horizon. It is not yet the morning twilight, but the sky is showing the colors. The great progressive party of America, the Demo-cratic Party, has been sent here to do its work, and it is going to do it. It is going to do it wisely, cautiously, carefully; and while it is doing it it is not going to disrupt everything in present conditions.

So much for that. I started out by saying that I was not going to prolong the debate, and I find myself, like everybody clse, making a promise to the ear of the Senate and breaking it to its patience

Mr. BRISTOW. I desire to submit this amendment in order that it may be printed and lie on the table for the purpose of offering it as soon as the amendment of the Senator from Wisconsin is voted upon.

The VICE PRESIDENT. The amendment will lie on the

table and be printed.

#### EXECUTIVE SESSION.

Mr. KERN. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After 1 hour and 15 minutes spent in executive session the doors were reopened, and (at 7 o'clock and 5 minutes p. m.) the Senate adjourned until to-morrow, Thursday, August 28, 1913, at 11 o'clock a. m.

### NOMINATIONS.

Executive nominations received by the Senate August 27, 1913.

MEMBER OF THE EXCISE BOARD OF THE DISTRICT OF COLUMBIA.

Henry S. Baker, of the District of Columbia, to be a member of the Excise Board of the District of Columbia for a term of three years from July 1, 1913.

### APPOINTMENTS, BY TRANSFER, IN THE ARMY.

Second Lieut. David B. Falk, jr., Twelfth Cavalry, to be second lieutenant of Infantry with rank from June 12, 1913.

Second Lieut. Carlyle H. Wash, Fourteenth Infantry, to be second lieutenant of Cavalry with rank from June 12, 1913.

# APPOINTMENTS IN THE ARMY.

#### MEDICAL RESERVE CORPS.

To be first lieutenants with rank from August 25, 1913. To be first licutenaits with rank from August 25, 1915.

Alexander Watson Williams, of the District of Columbia.

Walter Paul Davenport, of Minnesota.

Ralph Michael Le Comte, of Pennsylvania.

Louis Hopewell Bauer, of Massachusetts.

Lauphear Wesley Webb, jr., of Pennsylvania.

Austin James Canning, of Pennsylvania.

Harold Henry Fox, of New York.

Frederick Henry Dieterich, of New York.

William Guy Guthrie, of Kansas.

#### CONFIRMATIONS.

Executive nominations confirmed by the Senate August 27, 1913. REGISTER OF THE LAND OFFICE. .

A F. Browns to be register of the land office at Sterling, Colo. POSTMASTERS.

James C. Burns, Bay Minette. H. W. Crook, Bessemer. Albert M. Espey, Albertville.

CALIFORNIA.

Isidore J. Proulx, Willow. Eliza Stitt, Vacaville. Alice E. Tate, Lone Pine. Georgia A. Wiard, Chula Vista. Frank Zimmerman, Monrovia.

FLORIDA.

J. B. Potter, Mulberry. George D. Rhode, Punta Gorda.

GEORGIA.

D. F. Davenport, Americus. Mary L. Carswell, Jeffersonville. Bolling H. Jones, Atlanta. A. L. McArthur, Cordele. ILLINOIS.

A. A. Dobson, Elburn. J. C. Dorfier, Area (late Rockefeller). John H. Henson, Xenia. John E. Rethorn, Chandlerville. Wilbur A. Woods, Pawpaw.

INDIANA.

William B. Latshaw, Oaktown. Earl Talbott, Linton.

NEVADA

George A. Myles, Austin.

NEW JERSEY.

Harry T. Allen, Vincentown.

NEW YORK.

John J. Costello, Manlius. John J. Kesel, Syracuse. Edward S. Moore, Norwich. James A. Traphagen, Waterloo.

William J. Prince, sr., Piqua.

J. C. Lamkin, Hillsboro.

SOUTH DAKOTA.

George L. Baker, Britton. J. A. Churchill, Hurley.
James Gaynor, Springfield.
A. D. Griffee, Faulkton.
Peter Schnitt, Waubay.
E. B. Wilbur, Oacoma.

TEXAS.

Cora Lee Baker, Buffalo. John Dunlop, Houston Heights. Lee D. Ford, Brookshire. T. W. House, Houston. Annie Watson, Sugar Land.

VIRGINIA.

C. Moncure Campbell, Amherst. H. G. Shackelford, Orange.

# HOUSE OF REPRESENTATIVES.

Wednesday, August 27, 1913.

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the fol-

lowing prayer:

O Thou great Father Soul, who art leaving the impress of Thy wisdom, power, and goodness upon everything, guiding the stars to their appointed courses, swaying the minds and hearts of Thy children to nobler purposes and higher destinies, rule Thou in the hearts of our chosen rulers and sway the minds of these Thy servants in their deliberations, that as a Nation we may go forward to all that is purest, noblest, best until all the world shall recognize the purity of our motives, and Thine shall be the praise through Jesus Christ our Lord. Amen.

The Journal of the proceedings of yesterday was read and

approved.

ADJOURNMENT UNTIL FRIDAY NEXT.

Mr. UNDERWOOD. Mr. Speaker, I ask unanimous consent that when the House adjourns to-day it adjourn to meet on Friday next.

The SPEAKER. The gentleman from Alabama asks unanimous consent that when the House adjourns to-day it adjourn to meet on Friday next. Is there objection? [After a pause.] The Chair hears none, and it is so ordered.

LEAVE OF ABSENCE.

By unanimous consent, Mr. HILL was granted leave of absence, for 10 days, on account of important business.

JOINT SESSION OF THE SENATE AND HOUSE.

The SPEAKER. Of course Members understand that when the Senate comes over that these three front rows are to be vacated for them by agreement. The special order is the Hetch Hetchy bill.

Mr. RAKER. Mr. Speaker, in regard to the bill H. R. 7207, I ask that it be passed for the present, retaining its place on the calendar

Mr. MANN. It is a continuing order and it can not lose its place.

The SPEAKER. It will be passed without prejudice. Doorkeeper informs the Chair that it will take a vacation of the three front rows clear around on both sides. The Chair desires to admonish people in the galleries that they are here by courtesy of the House, and they must refrain from conversation. A very little talk on the part of each member of a large congregation makes a noise that disturbs the proceedings.

#### MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Tulley, one of its clerks, announced that the Senate had passed the following resolution, in which the concurrence of the House of Representatives was requested:

"Senate concurrent resolution 8.

Resolved by the Senate (the House of Representatives concurring), That the Secretary of War be directed to submit to Congress a supplementary report on the project for the improvement of the mouth of the Columbia River, Oreg.-Wash., setting forth, according to latest estimates, the amount that will be required to complete the north jetty; said report also to contain the opinion of the Chief of Engineers and River and Harbor Board as to the advisability of a lump appropriation for said work, with a view to hastening its completion.

#### SENATE CONCURRENT RESOLUTION REFERRED.

Under clause 2, Rule XXIV, the following resolution was taken from the Speaker's table and referred to its appropriate committee, as indicated below:

Senate concurrent resolution 8.

Resolved by the Senate (the House of Representatives concurring), That the Secretary of War be directed to submit to Congress a supplementary report on the project for the improvement of the mouth of the Columbia River, Oreg.-Wash, setting forth, according to latest estimates, the amount that will be required to complete the north jetty; said report also to contain the opinion of the Chief of Engineers and River and Harbor Board as to the advisability of a lump appropriation for said work, with a view to lastening its completion—

to the Committee on Rivers and Harbors.

#### JUDGE EMORY SPEER.

Mr. CLAYTON. Mr. Speaker, on yesterday I presented to the House a resolution empowering the Committee on the Judiciary to investigate certain charges which have been made against Judge Speer, judge of the United States Court of the Southern District of Georgia, and I asked unanimous consent for its consideration at that time. Objection was interposed, and the matter went over until to-day. Now, Mr. Speaker, I renew that request for unanimous consent for the present consideration of the resolution which was reported from the Clerk's desk on yesterday touching these charges against Judge Speer. (H. Res. 234.)

Mr. LLOYD. Mr. Speaker, the resolution ought to have an amendment in it with reference to the expenditures. gentleman from Alabama simply provides that they shall be paid out of the contingent fund. The form that has been used in connection with all these special committees and special authority is something like this:

On vouchers ordered by the Committee on the Judiciary and signed by the chairman thereof and approved by the Committee on Accounts and evidenced by the signature of the chairman thereof.

Mr. CLAYTON. That is the practice of the House, and under the language of this resolution that would be the practice pursued in this case.

Mr. LLOYD. I beg the gentleman's pardon. It is the practice of the House because it has been placed in the resolution, but it has not been placed in the resolution for the last two

years Mr. CLAYTON. The gentleman is wholly at fault in his recollection. I have taken this language bodily from the resolution covering a similar matter in the Hanford case, in the Archbald case, in the Swayne case, and all other impeachment cases that I now recall. The resolution in the case of Judge Hanford was adopted June 13, 1913, and is in the following language:

Resolved, That the Committee on the Judiciary be directed to inquire and report whether the action of this House is requisite concerning the official misconduct of Cornelius H. Hanford, United States judge for the western district of the State of Washington, and say whether said judge has been in a drunken condition while presiding in court; whether said judge has been guilty of corrupt conduct in office; whether the administration of said judge has resulted in injury and wrong to litigants in his court and others affected by his decisions; and whether said judge has been guilty of any misbehavior for which he should be impeached.

And in reference to this investigation the said committee is hereby

should be impeached.

And in reference to this investigation the said committee is hereby authorized to send for persons and papers, administer oaths, take testimony, employ a clerk and stenographer, if necessary, and to appoint and send a subcommittee whenever and wherever it may be necessary to take testimony for the use of said committee. The said subcommittee while so employed shall have the same powers in respect to obtaining testimony as are herein given to said Committee on the Judiclary, with a sergeant at arms, by himself or deputy, who shall serve the process of said committee and the process and orders of said subcommittee and shall attend the sittings of the same as ordered and as directed thereby, and that the expense of such investigation shall be paid out of the contingent fund of the House.

Mr. LLOYD. That is true as to the Hanford case and the Swayne case, but-

Mr. CLAYTON. And as to the Archbald case.

Mr. LLOYD. But this method was brought about in the last Congress. It is a very necessary resolution, and I am It is a very necessary resolution, and I am sure it is to the gentleman's interest to put it in.

Mr. CLAYTON. This resolution is in the precise terms, as nearly as practicable, of the resolution adopted in Judge Hanford's case at the last session of Congress. And it not only follows precedents but is ample for every purpose.

Mr. MANN. I do not see how the gentleman can have any objection. Of late it has been customary to put that provi-

sion in.

Mr. CLAYTON. That is not true in regard to resolutions like this, to investigate the conduct of judges. My only regret is that the gentleman from Missouri [Mr. Lloyd] did not call my attention to this matter before I brought the resolution up, so that we could have agreed upon an amendment and put it through as a matter of course. I want to meet the views of any Member of the House and will do so if in doing so the efficacy of the resolution itself is not subtracted from.

Mr. LLOYD. Here is the amendment.

Mr. CLAYTON. Very well, Mr. Speaker. Then, I will call up the resolution and move to amend-

The SPEAKER. The gentleman has reached a place where he can amend it.

Mr. CLAYTON. I understand that, but the gentleman from Wisconsin [Mr. Nelson], my associate on the committee, de-

sires to say a few words to the House.

Mr. MANN. When unanimous consent is given, the gentleman will yield time?

Mr. CLAYTON. Very well.

The SPEAKER. Is there objection to the present consideration of this resolution? [After a pause.] The Chair hears none. The gentleman from Alabama [Mr. CLAYTON] is recognone. nized.

Mr. NELSON.

Mr. NELSON. Mr. Speaker——
The SPEAKER. The Chair would like to inquire of the gentleman from Alabama [Mr. Clayton] what has become of the original resolution.

Mr. CLAYTON. The gentleman from Alabama left it with the Clerk yesterday and has not seen it since that time. I now yield to the gentleman from Wisconsin [Mr. Nelson]

15 minutes

Mr. NELSON. I will yield back whatever time I do not

The SPEAKER. The gentleman from Wisconsin [Mr. Nel-

son] is recognized for 15 minutes.

Mr. NELSON. Mr. Speaker, judging from observations in committee, reports in the newspapers, remarks in this House, and discussions in another body, it may be well for some of us who represent the minority on the Judiciary Committee to briefly supplement what was said by our distinguished chairman to the House on yesterday with reference to this pending

There are gentlemen, able, learned, upright, who have serious misgivings as to the proposed method of ascertaining the facts with reference to the official conduct of members of the They raise the issue of the source of the information, In plain terms, they question the propriety or the right of the Attorney General of the United States to order investigation by examiners of the good behavior of any of the judges of the country. Now, I am going to spend but a moment or two on that issue. I regard it as a side issue, and it may as well be settled at some other time as now—indeed, rather so.

On this subject much may be said pro and con. It may be easy to imagine that some time some Attorney General, actuated by intense partisanship, or personal malice, or moved by outside evil influences, may build up a system of esplonage upon the judges of the country whereby he might be enabled to intimidate a timid judge or bias the opinions of a weak judge. But it is inconceivable, at least for me, how any judge will be biased in his judicial action by any examination such as this, if he is honorable, if he is honest, if he is incorruptible. These virtues of common honesty and honor and incorruptibility are as transplendent in the judicial office as elsewhere, when subjected to the bright light of the living day. We can imagine cases, I say, conjure up cases, but this is a real case which is before us, and as a member of the committee, acting in a common-sense, practical way, I have not seen any earmarks of malice or partisanship or any other evil influence in this case any more than was seen in the Archbald case, and if we are to criticize the present Attorney General or the preceding Attorney General, we must do so by blaming them for erring on the side of justice, of seeking to maintain judicial integrity, and to

perpetuate this branch of the Government in the confidence of

the American people.

Now, there are other gentlemen who insist upon the technique of parliamentary procedure, and rightly so. It is important that these proceedings should be begun in an orderly way, and it is the usual thing for some Member of the House to rise in his seat and impeach a judge, and offer a resolution preferring charges, which are referred to the Judiciary Committee, and then reported back to the House. But in this case, and in the Archbald case, we have had the assistance of the Department of Justice in ascertaining the facts, and having investigated the Archbald case I find them identical, except that Judge Norris introduced a resolution calling for certain facts. There was no speech made by him and no charges preferred. Now, this House There was no is as safe, it seems to me, in following the suggestions of the Judiciary Committee, the action of 23 attorneys, representing all three parties, as it would be in following the initiative of any individual Member who might arise upon the floor of the House and make an impeachment charge. It is well to be regular, but it is not always necessary to follow in the rut of regularity.

Now, the facts are these: We have these charges before the committee, and the committee has investigated them in a general way, and finds them sufficiently serious, sufficiently grave, to warrant something being done. In general, I may say that they go to the mental capacity of the judge, charging that he is unfit to execute his office because he is addicted to the use of They go to his official conduct, charging that he is unfair, arbitrary, and oppressive; that in fact a fair trial in his court is almost impossible. In a measure, they go to his official integrity, alleging that he uses funds deposited with officials in his court, and that it is difficult to get them back at times; that he uses the servants of the court in his private domestic service, and that he permits a son-in-law, a practitioner before his court, to be appointed and reappointed receiver, and so forth, and that this son-in-law and others eat up receivers funds through excessive fees.

In general terms the charges are of this nature. Now, what shall we do with them? They are before us. Shall we accept them? Obviously not, because this judge has written to the committee a long letter, insisting that he is innocent of these charges and asking to be heard, saying that during his twenty or more years of service on the bench he has discharged his duties fairly and justly as a judge. But are we to reject them or to suppress them? Obviously not, because these litigants and the members of the bar in that judicial circuit have rights that we

can not ignore.

But above our duty to the judge, above our duty to these litti-gants and members of the bar, we owe a duty to the bench of the United States, which ought not to be demoralized by the misconduct of any one judge when attention is called to his conduct, and no judge should be permitted to besmirch the ermine of the bench under any such conditions as are alleged here. But before our duty to the bench, even, is our duty to the people of this country. Now that the demand for the recall of judges is being heard with increasing insistence, now that a political party has made the recall of judicial decisions one of its platform planks, we ought to the fullest possible extent make use of the machinery which the Constitution has placed in our hands to enforce judicial integrity, however complicated and cumbersome it may seem to many. If it is important that we of the legislative branch should be honest, honorable, upright men in the making of the laws or else forfeit our seats; if it is important that the members of the Cabinet in the executive branch should be honorable, upright, and honest men in administering the law or be removed, surely it is still more important that the members of the judiciary, who are free from the temptations and the turmoil and the strife of party elections and party politics, set apart as they are by the Constitution in a peculiarly dignified place, should, like Cæsar's wife, not only be virtuous, but free from the very suspicion of venality or corruption.

The Constitution has pointed the way for us. We have the sole power of impeachment, but our duties and our powers are cir-cumscribed and limited. We have not the right to try, but we have the right to exercise the functions of a grand jury. The Senate tries. We are not to convict this judge, but we ought to be sure that we have a prima facie case and we can not then take this report alone, however well it may be backed up with affidavits or other exhibits. We ought to see the witnesses. We ought to look into their faces. We ought to make inquiries as to all matters of doubt, and then report to the House. We as

a committee

Mr. HARDY. Mr. Speaker, will the gentleman yield for one

question?

The SPEAKER. Does the gentleman from Wisconsin yield to the gentleman from Texas?

Mr. NELSON. In just a minute. We as a committee have these charges before us. We have looked them over. We find them sufficiently grave to report the facts as they are before us to the House and to ask for your instructions; and if you desire us to continue to investigate and report upon them to the House, we ask for authority to enable us to do so.

Now I will yield to the gentleman from Texas.

Mr. HARDY. I will ask the gentleman to state how this matter got before his committee. If it was not by a motion of the House or resolution of the House, how did it get before the committee?

Mr. NELSON. The Attorney General of the United States on his own motion transmitted a report of a special examiner, he having designated that examiner to look into certain charges of misconduct that had come to him as the Attorney General with reference to this judge, and submitted the report of that

examiner to the committee to do with as it pleased.

Mr. HARDY. If that report of the Attorney General had been transmitted to the Speaker of the House for such action as the House might see proper, would it not then have been necessary to have some motion to refer it to that committee? In other words, I desire to know how it leaped through the House to the committee. A little attention to that detail would have brought this matter properly before the committee for full investigation

Mr. NELSON. Answering the gentleman, I will say that the Attorney General undoubtedly followed the procedure in the Archbald case-

Mr. MANN. Oh, no.

Mr. NELSON. Let me qualify that. He followed that procedure, except that there a Member, Judge Norms, introduced a resolution calling for certain facts, or asking if those facts had been found with reference to a judge, naming him, I think. That resolution went to the Judiciary Committee. No speech was made and no charges were made. On Judge Norms's statement to the Judiciary Committee that committee found that the resolution ought to go to the Attorney General, and the House agreed with the Judiciary Committee.

In response to that inquiry the President of the United States transmitted a letter to the Speaker, but I believe he sent the proofs to the Judiciary Committee, and he said, in substance, that he sent the documents to the Judiciary Committee because it was not advisable that the charges should all be made public; that some of them might be of an inconsequential nature, and that they ought not to be made public until the Judiciary Committee had sifted them and ascertained whether

they were worthy of attention or not.

Mr. HARDY. Do I understand the attitude of the Judiciary Committee is, in effect, the same as offering a resolution submitting this matter to them for investigation?

Mr. NELSON. We initiate this procedure in this way, asking

an instruction from the House.

Mr. HARDY. What would be the difference between your doing that and some individual Member introducing a resolution to the same purport?

Mr. NELSON. It seems to me this is a better way. Mr. MANN. Will the gentleman yield?

Mr. NELSON. Yes.

Mr. MANN. As I understand, this communication was sent by the Attorney General directly to the Judiciary Committee or its chairman.

Mr. NELSON. To the chairman of the Judiciary Committee. Mr. MANN. Evidently the Attorney General does not feel that he is required to be conversant with the rules of the House, and he plainly is not, because Rule XLI of the House provides that all communications from the executive departments intended for the consideration of any committee of the House shall be addressed to the Speaker and referred as provided by the rules.

Mr. NELSON. That may be so.
The SPEAKER. The time of the gentleman from Wisconsin

[Mr. Nelson] has expired.

Mr. CLAYTON. Mr. Speaker, in view of the publicity given to this matter through the medium of the press, and the desire of the judge and his friends to know what these charges are, I deem it important to give a summary of them to the House at this time. They charge the judge with having violated section 67 of the Judicial Code in allowing his son-in-law, Mr. A. H. Hayward, to be appointed to and employed in offices and duties in his court; with the violation of the bankruptcy act, in allowing compensation in excess of the provisions of that act to a trustee who was his personal friend; a violation of the laws in drawing juries; a violation of a mandate of the Supreme Court of the United States; oppressive and corrupt use of his official position in deciding cases unjustly in favor of his son-in-law;

unlawful and corrupt conduct in proceedings in cases wherein his son-in-law had a contingent fee; corrupt and unwarranted abuse of his official authority in using court officials who were paid by the Government as private servants without rendering any service to the Government; oppressive and corrupt conduct in allowing the dissipation of assets of bankruptcy estates by the employment of unnecessary officials and the payment of excessive fees; oppressive and corrupt abuse in granting orders appointing receivers for property without notice to the owners and without cause, resulting in great loss to the parties; oppressive and corrupt abuse of authority in refusing to allow the dismissal of litigation for the purpose of permitting relatives and favorites to profit by the receipt of large fees; improper if not corrupt abuse of authority in taking or causing to be taken money from the court fund for his private use; oppressive conduct in entertaining matters beyond his jurisdiction, fining parties, and the like; unlawful and oppressive conduct in defying the mandate of the circuit court of appeals; oppressive conduct in allowing money to remain on deposit without interest in banks in which relatives or friends were And there is also some evidence adduced before the committee of the judge having allowed excessive fees to receivers for improper purposes, and also corrupt conduct in raising the amount of fees allowed to others in order that his son-in-law might profit thereby; attempted bribery of officials appointed to act as custodians; oppressive conduct in unlawfully seizing and selling property; the use of drugs; general and unlawful oppressive conduct for his own private ends.

Mr. Speaker, accompanying this report to which I referred in my remarks of yesterday there are a number of affidavits and other documents, including photostat copies of documents. The report, with accompanying exhibits, I have in my hand, and it is now in the possession of the House. As I suggested on yesterday, it being in the possession of the House fol-lowing the precedent set in the Archbald case, I think, and the committee thinks, that no further details should be given in this matter until the committee, under the authority of the

House, has made further investigation.

But the committee deems it proper, in view of what occurred yesterday and what has appeared in the press, that I should make this statement, which is merely supplemental to the excellent statement which my associate on the committee, Mr. Nelson, made this morning. Therefore, Mr. Speaker, I ask that the amendment to the resolution which I have sent to the desk be agreed to.

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

Amend, page 2, by inserting after the word "House," in line 19 and before the semicolon, the following: "On vouchers ordered by the Committee on the Judiciary, signed by the chairman thereof and approved by the committee on Accounts and evidenced by the signature of the chairman thereof."

The SPEAKER. The question is on agreeing to the amend-

The amendment was agreed to.

Mr. CLAYTON. Mr. Speaker, I now ask that the resolu-tion as amended be agreed to by the House.

The question was taken, and the resolution as amended was agreed to.

On motion of Mr. CLAYTON, a motion to reconsider the vote whereby the resolution was agreed to was laid on the table.

JOINT SESSION OF SENATE AND HOUSE.

At 12 o'clock and 50 minutes p. m. the Doorkeeper announced the Vice President of the United States and the Members of the United States Senate.

The Members of the House rose.

The Members of the House lose.

The Senate, preceded by the Vice President and by its Secretary and Sergeant at Arms, entered the Chamber.

The VICE PRESIDENT took the chair at the right of the Speaker, and the Members of the Senate took the seats reserved for them.

The SPEAKER. The Chair announces as a committee on the part of the House to wait upon the President, Representatives UNDERWOOD, FITZGERALD, and MANN. The Vice President will announce the committee on the part of the Senate.

The VICE PRESIDENT announced as the committee on the part of the Senate, Senators BACON, WILLIAMS, and ROOT.

ADDRESS OF PRESIDENT WILSON.

At 12 o'clock and 57 minutes p. m. the President of the United States, attended by members of his Cabinet and escorted by the joint committee of the Senators and Representatives, entered the Hall of the House, standing at the Clerk's desk, amid applause on the floor and in the galleries.

The PRESIDENT. Gentlemen of the Congress, it is clearly my duty to lay before you, very fully and without reservation,

the facts concerning our present relations with the Republic of The deplorable posture of affairs in Mexico I need not Mexico. describe, but I deem it my duty to speak very frankly of what this Government has done and should seek to do in fulfillment of its obligation to Mexico herself, as a friend and neighbor, and to American citizens whose lives and vital interests are daily affected by the distressing conditions which now obtain beyond our southern border.

Those conditions touch us very nearly. Not merely because they lie at our very doors. That of course makes us more vividly and more constantly conscious of them, and every instinct of neighborly interest and sympathy is aroused and quickened by them; but that is only one element in the determination of our duty. We are glad to call ourselves the friends of Mexico, and we shall, I hope, have many an occasion, in happier times as well as in these days of trouble and confusion, to show that our friendship is genuine and disinterested, capable of sacrifics and every generous manifestation. The peace, prosperity, and contentment of Mexico mean more, much more, to us than merely an enlarged field for our commerce and enterprise. They mean an enlargement of the field of self-government and the realization of the hopes and rights of a nation with whose best aspirations, so long suppressed and disappointed, we deeply sympathize. We shall yet prove to the Mexican people that we know how to serve them without first thinking how we shall serve ourselves.

But we are not the only friends of Mexico. The whole world desires her peace and progress; and the whole world is interested as never before. Mexico lies at last where all the world looks on. Central America is about to be touched by the great routes of the world's trade and intercourse running free from ocean to ocean at the Isthmus. The future has much in store for Mexico, as for all the States of Central America; but the best gifts can come to her only if she be ready and free to receive them and to enjoy them honorably. America is particular—America north and south and upon both continents waits upon the development of Mexico; and that development can be sound and lasting only if it be the product of a genuine freedom, a just and ordered government founded upon law. Only so can it be peaceful or fruitful of the benefits of peace. Mexico has a great and enviable future before her, if only she choose and attain the paths of honest constitutional government.

The present circumstances of the Republic, I deeply regret to say, do not seem to promise even the foundations of such a peace. We have waited many months, months full of peril and anxiety, for the conditions there to improve, and they have not improved. They have grown worse, rather. The territory in some sort controlled by the provisional authorities at Mexico City has grown smaller, not larger. The prospect of the pacification of the country, even by arms, has seemed to grow more and more remote; and its pacification by the authorities at the capital is evidently impossible by any other means than force. Difficulties more and more entangle those who claim to constitute the legitimate government of the Republic. They have not made good their claim in fact. Their successes in the field have proved only temporary. War and disorder, devastation and confusion, seem to threaten to become the settled fortune of the distracted country. As friends we could wait no longer for a solution which every week seemed further away. It was our duty at least to volunteer our good offices-to offer to assist, if we might, in effecting some arrangement which would bring relief and peace and set up a universally acknowledged political authority there.

Accordingly, I took the liberty of sending the Hon. John Lind, formerly governor of Minnesota, as my personal spokesman and representative, to the City of Mexico, with the following instructions:

Press very earnestly upon the attention of those who are now exercising authority or wielding influence in Mexico the following considerations and advice:

The Government of the United States does not feel at liberty any lenger to stand inactively by while it becomes daily more and more evident that no real progress is being made toward the establishment of a government at the City of Mexico which the country will obey and respect.

of a government at the City of Mexico which the country will obey and respect.

The Government of the United States does not stand in the same case with the other great Governments of the world in respect of what is happening or what is likely to happen in Mexico. We offer our good offices, not only because of our genuine desire to play the part of a friend, but also because we are expected by the powers of the world to act as Mexico's nearest friend.

We wish to act in these circumstances in the spirit of the most earnest and disinterested friendship. It is our purpose in whatever we do or propose in this perplexing and distressing situation not only to pay the most scrupulous regard to the sovereignty and independence of Mexico—that we take as a matter of course to which we are bound by every obligation of right and honor—but also to give every possible evidence that we act in the interest of Mexico alone, and not in the interest of any person or body of persons who may have personal or property claims in Mexico which they may feel that they have the

right to press. We are seeking to counsel Mexico for her own good and in the interest of her own peace, and not for any other purpose whatever. The Government of the United States would deem itself discredited if it had any selfish or ulterlor purpose in transactions where the peace, happiness, and prosperity of a whole people are involved. It is acting as its friendship for Mexico, not as any selfish interest, dictates.

The present situation in Mexico is incompatible with the fulfillment of international obligations on the part of Mexico, with the civilized development of Mexico herself, and with the maintenance of tolerable political and economic conditions in Central America. It is upon no common occasion, therefore, that the United States offers her counsel and assistance. All America cries out for a settlement.

A satisfactory settlement seems to us to be conditioned on—

(a) An immediate cessation of fighting throughout Mexico, a definite armistice solemnly entered into and scrupulously observed;

(b) Security given for an early and free election in which all will agree to take part;

(c) The consent of Gen. Huerta to bind himself not to be a candidate for election as President of the Republic at this election; and

(d) The agreement of all parties to abide by the results of the election and cooperate in the most loyal way in organizing and supporting the new administration.

The Government of the United States will be glad to play any part in this settlement or in its carrying out which it can play honorably and consistently with international right. It pledges itself to recognize and in every way possible and proper to assist the administration chosen and set up in Mexico in the way and on the conditions suggested.

Taking all the existing conditions into consideration, the Government of the United States can conceive of no reasons sufficient to justify those who are now attempting to shape the policy or exercise the authority of Mexico in declining the offices of friendship thus offered. Can Mexico gi

Mr. Lind executed his delicate and difficult mission with singular tact, firmness, and good judgment, and made clear to the authorities at the City of Mexico not only the purpose of his visit but also the spirit in which it had been undertaken. But the proposals he submitted were rejected in a note, the full text

of which I take the liberty of laying before you.

I am led to believe that they were rejected partly because the authorities at Mexico City had been grossly misinformed and misled upon two points. They did not realize the spirit of the American people in this matter, their earnest friendliness and yet sober determination that some just solution be found for the Mexican difficulties; and they did not believe that the present administration spoke, through Mr. Lind, for the people of the United States. The effect of this unfortunate misunderstanding on their part is to leave them singularly isolated and without friends who can effectually aid them. So long as the misunderstanding continues we can only await the time of their awakening to a realization of the actual facts. We can not thrust our good offices upon them. The situation must be given a little more time to work itself out in the new circumstances; and I believe that only a little while will be necessary. For the circumstances are new. The rejection of our friendship makes them new and will inevitably bring its own alterations in the whole aspect of affairs. The actual situation of the authorities at Mexico City will presently be revealed.

Meanwhile, what is it our duty to do? Clearly everything that we do must be rooted in patience and done with calm and disinterested deliberation. Impatience on our part would be childish, and would be fraught with every risk of wrong and We can afford to exercise the self-restraint of a really great nation which realizes its own strength and scorns to misuse it. It was our duty to offer our active assistance. It is now our duty to show what true neutrality will do to enable the people of Mexico to set their affairs in order again and wait for a further opportunity to offer our friendly counsels. The door is not closed against the resumption, either upon the initiative of Mexico or upon our own, of the effort to bring order out of the confusion by friendly cooperative action, should fortunate

occasion offer.

While we wait the contest of the rival forces will undoubtedly for a little while be sharper than ever, just because it will be plain that an end must be made of the existing situation, and that very promptly; and with the increasing activity of the contending factions will come, it is to be feared, increased danger to the noncombatants in Mexico as well as to those actually in the field of battle. The position of outsiders is always par-ticularly trying and full of hazard where there is civil strife and a whole country is upset. We should earnestly urge all Americans to leave Mexico at once, and should assist them to get away in every way possible—not because we would mean to slacken in the least our efforts to safeguard their lives and their interests, but because it is imperative that they should take no unnecessary risks when it is physically possible for them to leave the country. We should let every one who assumes to exercise authority in any part of Mexico know in the most unequivocal way that we shall vigilantly watch the fortunes of those Americans who can not get away, and shall

hold those responsible for their sufferings and losses to a definite reckoning. That can be and will be made plain beyond the possibility of a misunderstanding.

For the rest, I deem it my duty to exercise the authority conferred upon me by the law of March 14, 1912, to see to it that neither side to the struggle now going on in Mexico receive any assistance from this side the border. I shall follow the best practice of nations in the matter of neutrality by for-bidding the exportation of arms or munitions of war of any kind from the United States to any part of the Republic of Mexico—a policy suggested by several interesting precedents and certainly dictated by many manifest considerations of practical expediency. We can not in the circumstances be the partisans of either party to the contest that now distracts Mexico, or constitute ourselves the virtual umpire between

I am happy to say that several of the great Governments of the world have given this Government their generous moral support in urging upon the provisional authorities at the City of Mexico the acceptance of our proffered good offices in the spirit in which they were made. We have not acted in this matter under the ordinary principles of international obligation. the world expects us in such circumstances to act as Mexico's nearest friend and intimate adviser. This is our immemorial relation toward her. There is nowhere any serious question that we have the moral right in the case or that we are acting in the interest of a fair settlement and of good government, not for the promotion of some selfish interest of our own. If further motive were necessary than our own good will toward a sister Republic and our own deep concern to see peace and order prevail in Central America, this consent of mankind to what we are attempting, this attitude of the great nations of the world toward what we may attempt in dealing with this distressed people at our doors, should make us feel the more solemnly bound to go to the utmost length of patience and forbearance in this painful and anxious business. The steady pressure of moral force will before many days break the barriers of pride and prejudice down, and we shall triumph as Mexico's friends sooner than we could triumph as her enemies-and how much more handsomely, with how much higher and finer satisfactions of conscience and of honor!

I thank you, gentlemen. [Applause on the floor and in the galleries.

At 1 o'clock and 23 minutes p. m. the President and his Cabinet retired from the Hall of the House.

The SPEAKER. The joint convention is dissolved.

Thereupon the Vice President and the Members of the Senate

returned to their Chamber.

The SPEAKER. The President's address will be printed, together with the accompanying documents, and referred to the Committee on Foreign Affairs. (H. Doc. No. 205.)

### ADJOURNMENT.

Mr. UNDERWOOD. Mr. Speaker, I move that the House do' now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 27 minutes p. m.) the House, under its order previously agreed to, adjourned to meet on Friday, August 29, 1913, at 12 o'clock

#### EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1. A letter from the Acting Secretary of War, transmitting, with a letter from the Chief of Engineers, report on examination and survey of Fairport Harbor, Ohio, with a view to enlarging and improving the outer harbor area (H. Doc. No. 206); to the Committee on Rivers and Harbors and ordered to be printed with illustrations.

2. A letter from the Acting Secretary of War, transmitting, with a letter from the Chief of Engineers, report on examination of Rockhall Harbor, Md., with a view to extending navigation beyond its present head (H. Doc. No. 207); to the Committee on Rivers and Harbors and ordered to be printed with illus-

tration.

3. A letter from the Acting Secretary of War, transmitting, with a letter from the Chief of Engineers, report on examination of canal from St. Johns River, Fla., to Lake Beresford, with a view to making a cut-off from the river to Lake Beresford near Da Land River Landing (H. Doc. No. 208); to the Committee on Rivers and Harbors and ordered to be printed with illus-

4. A letter from the Acting Secretary of War, transmitting, with a letter from the Chief of Engineers, reports on prelimi-

nary examination and survey "from deep water to Oyster, Va. (H. Doc. No. 209); to the Committee on Rivers and Harbors and ordered to be printed with illustration.

5. A letter from the Commissioner of Patents, transmitting the report of the business of the Patent Office for the year ended December 31, 1912 (S. Doc. No. 946); to the Committee on Patents and ordered to be printed.

#### CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 941) granting a pension to Sarah E. Dillon; Committee on Invalid Pensions discharged, and referred to the

Committee on Pensions. A bill (H. R. 4998) granting a pension to Thomas M. Carew Birmingham; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

### PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memo-

rials were introduced and severally referred as follows:

By Mr. RAKER: A bill (H. R. 7825) reappropriating and making available for the fiscal year ending June 30, 1914, the unexpended balance of the appropriation of \$15,000 for improvements at Fort Bidwell School, in California, under the act of August 24, 1912; to the Committee on Appropriations.

By Mr. KEATING: A bill (H. R. 7826) to provide for the closing of barber shops in the District of Columbia on Sunday;

to the Committee on the District of Columbia.

By Mr. JOHNSON of Washington: Joint resolution (H. J. Res. 124) requesting the Secretary of War to submit to Congress a supplementary report on the project for the improve-ment of the mouth of the Columbia River; to the Committee on Rivers and Harbors.

By Mr. DYER: Resolution (H. Res. 236) to print an original article read in the general session of the Missouri State Medical

Association, at the fifty-sixth annual meeting, held at St. Louis, May 13 to 15, 1913; to the Committee on Printing. By Mr. ESCH: Memorial of the Legislature of Wisconsin memorializing Congress to amend section 5219 of the Revised Statutes of the United States, relating to the taxation by the several States of shares of stock in national banking associations; to the Committee on Ways and Means.

Also, memorial of the Legislature of Wisconsin memorializing Congress to adopt Senate joint resolution 131 and H. R. 16808, introduced during the second session of the Sixty-second

Congress; to the Committee on the Judiciary.

### PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BOWDLE: A bill (H. R. 7827) granting an increase

of pension to Theodore Elchlepp; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7828) granting an increase of pension to Anna Mary Huenemann; to the Committee on Invalid Pensions. Also, a bill (H. R. 7829) granting a pension to Mary Craig;

to the Committee on Invalid Pensions.

Also, a bill (H. R. 7830) granting a pension to Emma Fox; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7831) granting a pension to Sarah A. Shinkle; to the Committee on Pensions.

By Mr. DUPRÉ: A bill (H. R. 7832) granting an increase of pension to Emily Waters; to the Committee on Invalid Pensions. By Mr. KIESS of Pennsylvania: A bill (H. R. 7833) granting an increase of pension to Sarah Jane Burroughs; to the Committee on Invalid Pensions.

#### PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid

on the Clerk's desk and referred as follows:

By the SPEAKER (by request): Petition of Local Union No. 3; United Brotherhood of Carpenters and Joiners of America, at Wheeling, W. Va., favoring a change in the present form of government; to the Committee on the Judiciary.

By Mr. ESCH: Petition of the Brotherhood of Locomotive

Firemen and Enginemen, at Peoria, Ill., favoring adoption of electric headlights and safety appliances on road engines; to the Committee on Interstate and Foreign Commerce.

By Mr. PETERS (by request): Petition of Central Committee of the Socialist Party, of Boston, Mass., and the Boston Socialist Club with regard to Patrick Quinlan; to the Committee on the Judiciary.

By Mr. RAKER: Papers to accompany bill (H. R. 1514) for

the relief of Bert Harris; to the Committee on Claims.

Also, petition of the voters of Pike, Cal., favoring Senate

joint resolution No. 1, extending the right of suffrage to women; to the Committee on the Judiciary.

#### SENATE.

# THURSDAY, August 28, 1913.

The Senate met at 11 o'clock a. m. Prayer by the Chaplain, Rev. Forrest J. Prettyman, D. D.

CALLING OF THE ROLL.

Mr. SMOOT. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll. The Secretary called the roll, and the following Senators answered to their names:

Ashurst Bacon Borah Brady Smith, Ariz. Smith, Ga. Smith, S. C. Smoot Hitchcock Oliver James Johnson Jones Overman Owen Page Penrose Brady Brandegee Bristow Bryan Catron Chilton Clapp Colt Kenvon Sterling Sterling
Stone
Sutherland
Thomas
Thompson
Townsend
Vardaman
Weeks
Williams
Works Perkins Poindexter Pomerene Kern La Follette Lea Lippitt Lodge McCumber McLean Martin, Va. Martine, N. J. Reed Robinsen Root Shafroth Crawford Cummins Dillingham Sheppard Sherman Shively Simmons Works Myers Norris Gallinger

Mr. McCUMBER. My colleague [Mr. Gronna] is necessarily

absent.

Mr. SHEPPARD. My colleague, the senior Senator from Texas [Mr. Culeerson], is unavoidably absent. He is paired with the Senator from Delaware [Mr. DU PONT]. nouncement may stand for the day.

Mr. SMOOT. I desire to announce that the senior Senator from Delaware [Mr. Du Pont] and the junior Senator from Wisconsin [Mr. Stephenson] are detained from the Senate on

account of illness.

Mr. GALLINGER. I make a similar announcement concern-

ing the junior Senator from Maine [Mr. Burleigh].

The VICE PRESIDENT. Sixty-two Senators have answered to the roll call. There is a quorum present. The Secretary will read the Journal of the proceedings of the preceding day.

#### THE JOURNAL.

The Journal of yesterday's proceedings was read and approved.

# MEMORIALS.

Mr. OLIVER presented a memorial of the directors and officers of the First National Bank of Swissvale, Pa., remonstrating against the enactment of legislation to provide for the establishment of Federal reserve banks, for furnishing elastic currency, affording means of rediscounting commercial paper, and to establish a more effective supervision of banking in the United States, and for other purposes, which was referred to the Committee on Banking and Currency.

Mr. ROOT presented a memorial of the De Laval Separator Co., of Poughkeepsie, N. Y., and of the Iowa Dairy Separator Co., of Waterloo, Iowa, remonstrating against the placing of centrifugal cream separators on the free list, which was

ordered to lie on the table.

### BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. McLEAN:

A bill (S. 3056) granting an increase of pension to Annie M. Johnson (with accompanying papers); to the Committee on Pensions.

By Mr. LEA (by request):

A bill (S. 3057) for the adjudication and determination of the claims arising under joint resolution of July 14, 1870, authorizing the Postmaster General to continue in use in the postal service Marcus P. Norton's combined postmarking and stamp-canceling hand-stamp patents or otherwise; to the Committee on Claims.

### AMENDMENT TO THE TARIFF BILL.

Mr. HITCHCOCK. I desire to ask for a reprint as cor-Mr. HITCHCOCK. I desire to ask for a reprint as corrected of the amendment which I offered on yesterday providing for the taxation of trusts, by striking out, on page 2, line 21, the words "a year." The reprint is rendered necessary on account of the typographical error.

The VICE PRESIDENT. The amendment will lie on the table and will be reprinted as corrected at the request of the

Senator from Nebraska.

NATIONAL CONSERVATION EXPOSITION, KNOXVILLE, TENN.

Mr. LEA submitted the following resolution (S. Res. 175) which was referred to the Committee on Industrial Expositions: Whereas the National Conservation Exposition is to be held at Knox-ville, Tenn., from September 1, 1913, to October 31, 1913, inclusive;

Whereas this exposition has for its purpose the emphasizing of the necessity for conservation of all natural resources of the country and the study of the best methods of forwarding this movement; and Whereas the officers of the said National Conservation Exposition have requested the honor of the presence of Members of the Senate of the United States at some time during said exposition, to be designated by the Senate: Therefore be it *Resolved*, That the President of the Senate be empowered to appoint a committee of seven Members which will accept this invitation on the part of the Senate and visit said exposition at some time to be agreed upon between the members of said committee and the president of the exposition.

#### SUBJECT INDEX TO CONGRESSIONAL RECORD.

Mr. LEA submitted the following resolution (S. Res. 176) which was referred to the Committee on the Library:

which was referred to the Committee on the Library:

Resolved, That the Committee on the Library be empowered and directed to cause to be made a subject index of the contents of the Congressional Record, in the nature of a digest reference of the speeches, debates, and subjects introduced into the Record, to be supplementary to the present form of index, to begin with the Sixty-second Congress and go back Congress by Congress to the beginning of the publication of the Record, to be printed for use as each Congress is completed. The index shall be by subjects, with the names of the Senators or Representatives who are the authors attached to each reference.

That they shall also cause to be made and maintained a current subject index to begin with the Sixty-third Congress and go forward, to be in addition to the present form of index.

That the committee shall employ for constructing such subject index a capable man with expert knowledge of public affairs and intelligent conception of the subject matter of legislation and discussion in Congress, who shall, when so selected, become an official employee of the Senate and go upon its rolls and be paid \$3,600 per year for his services. That the subject index be paid \$3,600 per year for his services. That the subject index be paid \$3,600 per year for his services. That the subject index be paid \$3,000 per year for his services. That the subject index of credit of \$200 per year in the stationery room of the Senate for office stationery and supplies.

#### PERSONAL EXPLANATION.

Mr. POINDEXTER. Mr. President, I rise to a question of personal privilege. I send to the Secretary's Gesk and ask to have read a publication which recently appeared in a newspaper published in the city of Scattle, in the State of Wash-

The VICE PRESIDENT. The Secretary will read as requested.

The Secretary read as follows:

POINDEXTER CLAN CLUTTERS PUBLIC OFFICE PAY ROLL—ALLEGED FRIEND OF THE PEOPLE GRABS ALL PATRONAGE FOR RELATIVES—TAKES CARE OF VIRGINIA—FAMILY ALSO GETS FAT PRICE FROM GOVERNMENT FOR ESTATE IN SOUTH—WASHINGTON SENATOR SOON AFFER BUYS IMPOSING HOME IN CAPITAL—GETTING VEFY GOOD FOR THE POINDEXTERS.

The Progressive Senator from Washington, Miles Toindexter, a supporter of conservation, unloads Virginia mountain land owned by his family on the Forest Service for \$30,000.

He buys an imposing home in Washington following this sale.
Poindexter has no appointments for party supporters in his own State, but has put three brothers, one son, six cousins, and the wife of a seventh cousin on the Federal pay roll since he entered Congress.
These relatives are:
Ernest Poindexter,
William Poindexter,
William Poindexter,
Gale Poindexter.
Eugene Poindexter.
Carlton D. Poindexter.
Maj. Jefferson D. Poindexter.
Maj. Jefferson D. Poindexter.
Mrs. Anna L. Poindexter.
Mrs. Anna L. Poindexter.
Samuel J. Graham.

Samuel J. Graham.

The unnamed Poindexter is on the navy-yard pay roll at Washington, D. C., and the son, Gale Poindexter, is a midshipman at Annapolis. The first three named are brothers of the Progressive Senator, the fourth is his son, and the seven last are cousins.

Mr. POINDEXTER. Mr. President, this is the first time in more than four years' service in Congress that I have risen to a question of personal privilege. In general, it is not a good practice to speak of one's private and personal affairs in public, for two reasons. First, it is an imposition on the public which has to listen, and, second, it is an embarrassment to the individual whose private affairs are exposed to the public gaze. I would not have done so in this case, but for the fact that this libelous publication has been printed and reprinted throughout the Nation, and on account of its specific and circumstantial statements seems to receive

more credence than such publications usually meet with. Furthermore, it involves a number of other people besides myself, who are outraged by the false statements made concerning them and who are entitled to have the matter corrected. There is also another reason, the more important one, perhaps, namely, that the honor of this great tribunal is itself concerned in the conduct of every Member of it. If the matter has been called to your attention you are entitled to know all the facts concerning it. I have too great a respect for the Senate of the United States even to pretend that I am indifferent to an attack upon the integrity or even the propriety of my conduct here.

I have not asked that the entire article be read, as it is somewhat lengthy, but what has been read covers the essential points. The publication states that I have secured Government positions for 11 relatives, whose names are given, as follows: Ernest Poindexter, William Poindexter, Fielding L. Poindexter, Gale Poindexter, Eugene Poindexter, Carlton D. Poindexter, Robert H. Poindexter, Maj. Jefferson D. Poindexter, Mrs. Anna L. Poindexter, Poindexter, Samuel J. Graham.

The truth is that I do not know Eugene Poindexter, Robert H. Poindexter, Maj. Jefferson D. Poindexter, Mrs. Anna L. Poindexter, or Poindexter. I have never had any correspondence with them or with anyone on their behalf, and never heard of them until my attention was called to the publication referred to. I do not know whether they are holding Government positions or not. If they are holding such positions I had nothing whatever, directly or indirectly, to do with the same.

Of the others named-Ernest Poindexter, Fielding L. Poindexter, and Samuel J. Graham-Ernest Poindexter does not hold any Government position, and, as far as I am aware, never has held any, except that in 1900 he assisted in taking the Federal census at Walla Walla, Wash., which employment lasted

for a few weeks.

Fielding L. Poindexter is a first lieutenant, retired, in the United States Army. He was appointed second lieutenant after serving as a private in the Oregon Volunteers in the war in the Philippine Islands. He was highly commended for voluntarily exposing himself under fire in a special duty. After returning to this country and many years before I was a Member of Congress, and on account of the strong recommendations of his superior officers, he was commissioned a recond lieutenant, and was later promoted first lieutenant and retired. Since then he has at various times been employed in active service as military instructor in certain schools and as recruiting officer at different points, and acted in both of these capacities long before I became a Member of Congress.

Samuel J. Graham is a distant cousin of mine, but does not owe his appointment to me in any sense whatever. His home is in Pittsburgh, Pa. He was the leader of the Wilson forces in the primary campaign in western Pennsylvania, and later was one of the Wilson managers on the floor of the Baltimore convention. He is a gentleman of excellent character and a lawyer of ability. He owes his position to his own standing and to the support of influential Members of Congress from Pennsylvania

and many other States.

Carlton D. Poindexter I have had some correspondence with, and received a call from him on one occasion in this city. He lives in West Virginia, and is not a relative of mine unless it be that some centuries back we may have had a common ancestor. He had a clerkship under the Isthmian Canal Commission, which, I believe, was in the classified service and was given to him under the rules of that service after an examination. My impression is that he gave up the position some years ago,

although I am not sure as to that,

Gale Poindexter is my son. I notice the charge is made that when appointed to Annapolis he was accredited to the State of Washington. In view of the fact that he was born in the State of Washington and has lived there all his life, he being now 20 years of age, I know of no reason why he should not be ac-credited to that State. His mother was born and has lived all of her life in the State of Washington; his grandfather, Thomas Page, lived in Walla Walla and did his full share as a leader in peace and war to hold and develop that great valley; his great-grandfather, Joseph Gale, was a member of the first executive committee which governed the Oregon colony. Joseph Gale built the first ship that was constructed on the Pacific coast and navigated it from the Columbia River to San Francisco, where he exchanged it for cattle, which he brought back to the Willamette Valley. He was one of the great free spirits whose genius and courage put the Oregon colony on a substantial footing and laid the foundations for four Commonwealths of the Union. He was one of the noted "mountain men" who, always pressing forward, carried civilization inland from the Willa-mette Valley. Nevertheless the publication referred to inti-mates that his great-grandson, Gale, is an alien to that land.

I think the editor of the publication has been in the State two years and, of course, may have some superior claims upon the State. This vicious libeler has lived two years in the State of Washington and thinks he has now been there long enough to be the arbiter as to who should and who should not be accredited to the State. A short time ago this editor conducted a Democratic paper in this city, whence he went direct to conduct a standpat Republican paper in Seattle. He was a complete failure, for a reason indicated by his name—Bone—more Bone than otherwise, too much Bone. A failure else here, he will be a failure in Seattle. We have come upon degenerate times and customs in some respects, but we have not yet become so wholly corrupt that a man without regard for truth or justice can make a permanent success in the newspaper business.

It seems to be claimed that my son should not have been appointed to Annapolis at all. I was not aware that young men in this country were barred absolutely the opportunity of service in the Army or Navy because their fathers were in Congress. Perhaps, however, that is the case according to the very high standards of the newspaper referred to. My understanding has always been in regard to this and other similar matters, that the proper rule is that all should be treated alike; that there should be no favor or discrimination one way or the other. I think myself that discrimination one way would

be as bad as the other way.

I did not appoint my son to Annapolis. He was appointed by Representative William L. La Follette, however, at my and my son's suggestion and request. I suppose, however, that Representative LA Folletts would not have appointed him except that in his judgment the appointment was proper and At any rate, it was passed upon and acted upon not by myself but by Representative La Follette, and it was for the very reason that I desired it to be so that I did not make the appointment myself. It is also true that at the same time, at Representative La Follette's request, I appointed Earl Chambers, of Spokane, to the West Point Military Academy. In this I also acted upon my own judgment as to the propriety of the appointment. In fact, as the record will show, I had previously appointed Earl Chambers to Annapolis, and he had failed in the entrance examinations, and could not be appointed to Annapolis by Representative La Follette, because he had passed the age limit for admission to that academy. I was so impressed, however, with his perseverance and excellent character and disposition that I was glad, not only on Representative LA Follette's request but on my own account, to give him the appointment to West Point.

I believe the only other person mentioned in the list of 11 "nepotes" by the paper referred to is my brother, William Poindexter, and out of the 11 persons named this is the only one in regard to whom the allegation is true. I did appoint him to a position in the folding room of the Senate, and he filled the position for some time and did the work required, although recently he has been compelled by ill health to be absent, and is

now in a hospital.

The malice of the paper referred to is indicated by its repetition of the false statement after it had been informed of its utter falsity. In fact, the original publication shows on its face that the editor knew it to be false at the time it was published. For instance, it lists Maj. Jefferson D. Poindexter as one of the horde of relatives for whom it alleges I have obtained appointments, yet in the same article is the admission that the said Maj. Jefferson D. Poindexter—whom I do not know—"entered the Government service without aid from the Progressive Senator."

If there is any Senator in this body who can say that I have ever requested his support for a relative of mine for office, I would ask him to state it now or hereafter, so that it may be printed in the Record, where Mr. Bone can read it. I do not

recall any such request.

In the same article there is an insinuation that I had some corrupt connection with the sale to the Government of lands in Virginia in which I was interested. This is as utterly false as the statements referred to above. Of course, with the vindictiveness of this paper, if there is any record or proof to support their allegation that I "unloaded Virginia mountain land on the Forest Service," they will produce it. They have not produced it, because no such fact exists. The sale referred to was of a portion of the estate of my grandfather, Judge Francis T. Anderson, in Rockbridge County, Va. It was negotiated with the Forest Service by the executor of the estate, my uncle, Hon. William A. Anderson, of Lexington, Va. I did not suggest it to him, and had absolutely no connection with the matter from beginning to end. I had originally a slight interest in the land sold, but long before the sale had assigned that interest.

In the search of this editor for misconduct I am charged also with the crime of buying a house. It is true that I have bought a small house at a modest price. Not a dollar of the money from the sale of the Anderson land in Virginia was invested in this house, for the very good reason, as stated above, that my interest in it was long before assigned to persons in the State of Washington, the details of which can easily be produced, if necessary.

I will state, in addition, that I have never spoken or written a word to any Government official in regard to that sale. I only had a very slight interest in it—I think a forty-second interest.

If this editor had broadened the scope of his investigation, he would have found that in my disreputable career this is not the only offense of this kind I have committed, but that at other times and places, in the last quarter of a century, in different States, both before and since I became a Member of Congress, I have been guilty of buying houses and paying on those in the State of Washington my share of the exorbitant taxes which the political ring, of which this newspaper is the principal exponent,

has imposed upon the people of my State.

The article which the Clerk has read is a criminal libel. Its malice is demonstrated by its repetition in the same paper, and by enlargements upon it in the most offensive form of which petty vindictiveness is capable. It is of the same class of weapons in common use by the criminal interests by which this interest-serving paper is controlled and in which it is a common partner. It is in the same class as murder by the robber syndicate of Alaska, kidnaping and assassination with dynamite and pistol by the franchise grabbers of San Francisco, and the bribery of judges and packing of juries in the State of Washington by the same railroad company which supplied the money for the purchase of this paper from its former owners. ring and the interests they represent seem to want to make this a war of extermination. I often wonder if they imagine that in such a war they will be the ones who will survive. There can be only one kind of liberty in this country, and that is liberty subject to and regulated by law. It is singular that the proprietors of these property interests can not see that when they leave that safe highway there is no other way by which they may be saved. When they pack juries and corrupt elections, as they have done so often, they are striking at the foundations of their own castle. When they institute a war of fraud and slander and take up the torch and stiletto of the Mafia and Camorra they can not complain when the evil day comes.

It is said that incendiary speeches, denouncing the flag and the law, were made recently in Seattle by orators of the so-called I. W. W.'s. Forthwith, in order to cure the I. W. W.'s of incendiarism and teach them to respect the law and honor the flag, a mob broke into the I. W. W.'s rooms and made a bondire of their property. The mob was led by United States sailors and incited by the same type of paper of which I am speaking. It was a fine example of obedience to law and respect for the flag. Of course it will have the same beneficent effect that all such object lessons have. However, if I were leading or inciting the game of torches I should want to be sure that I lived myself in an asbestos house. "They who live by the sword shall die

by the sword."

It is our good fortune, however, to have our habitation in a land where public opinion is sovereign and just. We are members of a people who have decreed in their hearts that the law shall be supreme; that there shall be no discrimination as to persons, whether the disturber of the peace be a thieving corporation, an I. W. W. wind jammer, an incendiary mob, or a libelous newspaper. The ignorant and poverty-stricken alien who talks lawlessness should be punished, but for every year of his incarceration the bandits of big business and their literary prostitutes, like this man Bone, who act lawlessness, should serve 10 years in prison. A hired criminal libeaer is in the same class as a hired murderer. Nothing would do this country more good to-day than that they and those who hire them should have a chance to learn what the flag really represents as it waves over a penitentiary in which they are confined at hard labor. Their present course illustrates that perfectly familiar but yet quaintly curious wise saying, "Whom the Gods would destroy they first make mad."

#### THE TARIFF.

Mr. SIMMONS. I ask unanimous consent that the Senate proceed to the consideration of House bill 3321.

There being no objection, the Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 3321) to reduce tariff duties and to provide revenue for the Government, and for other purposes.

and for other purposes.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from Wisconsin [Mr. La Follette].

Mr. LA FOLLETTE. On that I ask for the yeas and nays, Mr. President.

The yeas and nays were ordered.

Mr. ASHURST. Mr. President, I ask that the pending question may be stated.

The VICE PRESIDENT. The Secretary will state the amendment proposed by the Senator from Wisconsin, which is

the pending question.

The Secretary. The amendment is to strike out all after the word "exceeds" in line 19, page 165, all of lines 20 and 21, page 165, down to and including "\$100,000," in line 3, page 166, and insert in lieu thereof the following: "\$10,000 and does not exceed \$20,000, and 11 per cent per annum upon the amount by which the total net income exceeds \$20,000 and does not exceed \$30,000, and 2 per cent per annum upon the amount by which the total net income exceeds \$30,000 and does not exceed \$40,000, and 2½ per cent per annum upon the amount by which the total net income exceeds \$40,000 and does not exceed \$50,000, and 3 per cent per annum upon the amount by which the total net income exceeds \$50,000 and does not exceed \$60,000, and 4 per cent per annum upon the amount by which the total net income exceeds \$60,000 but does not exceed \$70,000, and 5 per cent per annum upon the amount by which the total net income exceeds \$70,000 but does not exceed \$80,000, and 6 per cent per annum upon the amount by which the total net income exceeds \$80,000 but does not exceed \$90,000, and 7 per cent per annum upon the amount by which the total net income exceeds \$90,000 but does not exceed \$100,000, and 10 per cent per annum upon the amount by which the total net income exceeds \$100,000."

Mr. SIMMONS. I suggest the absence of a quorum, Mr.

President.

The VICE PRESIDENT. The absence of a quorum being

suggested, the Secretary will call the roll.

The Secretary called the roll, and the following Senators

answered to their names:

Gallinger Hollis Ashurst Bacon Borah Bradley Norris Shively Norris Oliver Overman Page Penrose Perkins Poindexter Simmons Smith, Ariz, Smith, Ga. Hughes James Johnson Brady .* Brandegee Smoot Sterling Kenyon Kern La Follette Sutherland Thomas Thompson Bristow Pomerene Ransdell Bryan Catron Chilton Clapp Colt Lea Lippitt Reed Robinson Townsend Vardaman Lodge McCumber McLean Martin, Va. Myers Nelson Root Saulsbury Shafroth Walsh Weeks Williams. Crawford Cummins Dillingham Fall Sheppard Sherman

Mr. RANSDELL. I wish to announce that my colleague, the senior Senator from Louisiana [Mr. Thornton], is unavoidably absent on important business. I ask that this announcement

stand for the day.

The VICE PRESIDENT. Sixty-two Senators have answered the roll call. There is a quorum present. The question is on the amendment proposed by the Senator from Wisconsin [Mr. LA FOLLETTE], on which the yeas and nays have been ordered. The Secretary will call the roll.

The Secretary proceeded to call the roll.

Mr. ASHURST (when his name was called). Mr. President, I have been assured by leading members of the Finance Committee that the necessary alteration will 'e made in the present condition of the bill, so that incomes over \$100,000 a year will be taxed properly. I vote "nay."
Mr. WILLIAMS. Mr. President, I do not know that I under-

stood the Senator.

Mr. LA FOLLETTE. The roll call is proceeding, as I understand.

The VICE PRESIDENT. The roll call is proceeding.
Mr. WILLIAMS. If the Senator from Arizona was in order,

Mr. PENROSE and other Senators. Regular order!

Mr. WILLIAMS. I simply desire to say that nobody had a right to give such assurance.

Mr. CHILTON (when his name was called). I have a general pair with the junior Senator from Maryland [Mr. Jackson], which I transfer to the junior Senator from Tennessee [Mr. Shields] and will vote. I vote "nay."

Mr. DILLINGHAM (when his name was called). I have a

general pair with the senior Senator from Maryland [Mr. SMITH]. As he is absent this morning, I withhold my vote.

Mr. McCUMBER (when Mr. Gronna's name was called). My colleague is necessarily absent. He has a pair with the junior Senator from Illinois [Mr. Lewis]. I will allow this announcement to stand for all votes during the day.

Mr. McCUMBER (when his name was called). I have a general pair with the senior Senator from Nevada [Mr. New-LANDS]. As he is absent, I will withhold my vote,

Mr. OLIVER (when his name was called). I have a general pair with the senior Senator from Oregon [Mr. CHAMBERLAIN]. As he is absent, and not knowing how he would vote if present, I withhold my vote.

Mr. REED (when his name was called). I have a pair with the senior Senator from Michigan [Mr. SMITH], which I transfer to the junior Senator from Oklahoma [Mr. GORE] and will vote. I wish to be permitted to say that I am voting under the impression and belief, which is very firm with me, that this matter will be further considered and will come up again, Under those circumstances I vote "nay."

Mr. TOWNSEND (when the name of Mr. SMITH of Michigan was called). The senior Senator from Michigan is absent from the Senate on important business. He is paired with the junior Senator from Missouri [Mr. REED]. I desire to have this

announcement stand for the day.

Mr. SUTHERLAND (when his name was called). I understand the senior Senator from Arkansas [Mr. CLARKE] is not present. I have a pair with that Senator and therefore withhold my vote.

Mr. THOMAS (when his name was called). I have a general pair with the senior Senator from Ohio [Mr. BURTON], which I transfer to the senior Senator from Louisiana [Mr. THORNTON] and will vote. I vote "nay."

Mr. THOMPSON (when his name was called). With the

assurance that I have received-

Mr. GALLINGER. Mr. President, debate is not in order.

SEVERAL SENATORS. Regular order! Mr. THOMPSON. I vote "nay."

Mr. PERKINS (when the name of Mr. Works was called). My colleague [Mr. Works] is temporarily absent on official business. If he were present, he would vote "yea."

The roll call was concluded, Mr. SAULSBURY. I am requested to announce that both Senators from Oregon [Mr. Chamberlain and Mr. Lane] are absent on official business.

Mr. STONE. I transfer the general pair I have with the senior Senator from Wyoming [Mr. Clark] to the senior Senator from Nebraska [Mr. HITCHCOCK] and will vote. I vote nay."

Mr. SMOOT, I am requested to announce that the senior Senator from Washington [Mr. Jones] has been called from the Chamber on account of public business. If he were pres-

the Chamber on account of public business. If he were present, he would vote "yea."

Mr. FLETCHER. I am paired with the junior Senator from Wyoming [Mr. Warren]. I transfer that pair to the junior Senator from Oregon [Mr. Lane] and will vote. I vote "nay."

Mr. GALLINGER (after having voted in the negative). I inquire if the junior Senator from New York [Mr. O'Gorman]

has voted?

The VICE PRESIDENT. He has not.

Mr. GALLINGER. I have a general pair with that Senator. I transfer that pair to the junior Senator from Maine [Mr. BURLEIGH] and will allow my vote to stand.

I have been requested to announce pairs between the senior Senator from Delaware [Mr. DU PONT] and the senior Senator from Texas [Mr. Culberson], the junior Senator from West Virginia [Mr. Goff] and the Senator from Alabama [Mr. BANKHEAD], and the junior Senator from Wisconsin STEPHENSON] and the senior Senator from South Carolina [Mr.

The result was announced-yeas 17, navs 43, as follows:

	Y	EAS-17.	
Borah Brady Bristow Clapp Crawford	Cummins Kenyon La Follette Nelson Norris	Page Perkins Poindexter Sherman Sterling	Townsend Vardaman
	N.	AYS-43.	
Ashurst Bacon Brandegee Bryan Catron Chilton Colt Fall Fletcher Gallinger Hollis	Hughes James Johnson Kern Lea Lippitt Lodge MeLean Martin, Va. Myers Overman	Owen Penrose Pomerene Ransdell Reed Robinson Root Saulsbury Shafroth Sheppard Shively	Simmons Smith, Ariz. Smith, Ga. Smoot Stone Thomas Thompson Walsh Weeks Williams
2 4 5 4 1 15	NOT	VOTING-35.	
Bankhead Bradley Burleigh Burton Chamberlain Clark, Wyo. Clarke, Ark. Cufberson Dillingham	du Pont Goff Gore Gronna Hitchcock Jackson Jones Lane Lewis	McCumber Martine, N. J. Newlands O'Gorman Oliver Pittman Shields Smith, Md. Smith, Mich.	Smith, S. C., Stephenson Sutherland Swanson Thornton Tillman Warren Works

So Mr. LA FOLLETTE's amendment was rejected.

Mr. BRISTOW. Mr. President, I offer an amendment, which I send to the desk

The VICE PRESIDENT. The amendment will be stated. The Secretary. The Senator from Kansas [Mr. Bristow]

offers the following amendment:

offers the following amendment:

On page 165, in line 6, before the figure "1," insert "½ of," and in line 18, before the figure "1," insert "½ of"; in line 19 strike out "\$20,000" and insert in lieu thereof "\$10,000"; in line 20 strike out "\$50,000" and insert in lieu thereof "\$20,000," and strike out the figure "2" and insert in lieu thereof the figure "1."

On page 166, in line 1, strike out "\$50,000" and Insert in lieu thereof "\$20,000," and strike out the figure "2" and insert in lieu thereof "\$30,000 and strike out "\$100,000" and insert in lieu thereof "\$30,000," and strike out "\$100,000" and insert in lieu thereof "\$30,000, and a strike out "\$100,000" and the period and insert lieu thereof "\$30,000 and does not exceed \$40,000, and 2 per cent per annum upon the amount by which the total net income exceed \$50,000, and 2 per cent per annum upon the amount by which the total net income exceed \$50,000 and does not exceed \$50,000 and does

Mr. BRISTOW. Mr. President, on yesterday I offered an amendment providing for a graduated scale, adding 1 per cent additional tax for each additional \$10,000 of income, making the total tax 10 per cent on an income of \$100,000. Objection was made to that by the Senator from Mississippi [Mr. WILLIAMS], in charge of this part of the bill, upon the ground that it would provide too much revenue, thereby giving us more money than is needed. To meet that objection, I have prepared an amendment which starts with one-half of 1 per cent on less than \$10,000, and then adds, as an additional rate, one-half of 1 per cent for each additional \$10,000 of income until \$100,000 is reached, when the tax becomes 5 per cent, and all over \$100,000 is taxed at 5 per cent.

This would bring in approximately the same revenue as the provision in the bill. It is not as much money as I think we ought to raise from incomes. The tax is not as high as I think it ought to be, but it is higher on the large incomes than the

present bill provides.

Mr. GALLINGER. Mr. President-The VICE PRESIDENT. Does the Senator from Kansas yield to the Senator from New Hampshire?

Mr. BRISTOW. I do.

Mr. GALLINGER. Do I understand the Senator to say that the aggregate amount collected under the provisions of this amendment would be approximately the same as that collected under the bill itself?

Mr. BRISTOW.

Mr. GALLINGER. The only difference being that there is a larger percentage assessed on the large incomes?

Mr. BRISTOW. And a smaller percentage on the small

Mr. LODGE. It is better proportioned.

Mr. BRISTOW. Yes; it is better proportioned.
To illustrate: On an income of \$10,000 the tax under this amendment will be \$35, while under the bill it will be \$70; on an income of \$20,000, under my amendment it will be \$135, while under the bill it will be \$170; on \$30,000, under my amendment it will be \$285 and under the bill \$370; on \$40,000, under my amendment it will be \$485 and under the bill \$570; on \$50,000, under my amendment it will be \$735 and under the bill \$770; on \$60,000, under my amendment it will be \$1,035 and under the bill \$1,070; on \$70,000, under my amendment it will be \$1,385 and under the bill \$1,370; on \$80,000, under my amendment it will be \$1,785 and under the bill \$1,670; on \$90,000, under my amendment it will be \$2,235, while under the bill it will be \$1,970; on \$100,000, under my amendment it will be \$2,735, while under the bill it will be \$2,270. Under my amendment it will be 5 per cent on all incomes over \$100,000. while under the bill it will be 4 per cent on all incomes over \$100,000. As nearly as can be estimated, I think that the gross collection under this amendment will be about the same as under the bill.

Mr. SUTHERLAND. Mr. President-Mr. BRISTOW. I yield to the Senator.

Mr. SUTHERLAND. I call the attention of the Senator from Kansas to the fact, which he very well understands, that the number of incomes of \$10,000 and less will be very much greater than those above that amount. I wish to ask the Sena-tor whether he has taken that into consideration in making his estimate?

Mr. BRISTOW. I have.

Mr. SUTHERLAND. If the Senator will permit, it seemed to me, as I listened to the figures the Senator gave, that the amount of the assessment under his proposed amendment is not

as much as the amount proposed by the pending bill until we reach the income of something over \$40,000-

Mr. BRISTOW. Yes; \$60,000.
Mr. SUTHERLAND. Sixty thousand dollars, which would cause me to think that probably his amendment would not produce as much revenue as the proposed amendment of the committee.

Mr. BRISTOW. Of course, it is impossible to tell, but the committee estimates that the large collection under the committee bill will be on the incomes ranging from \$50,000 up. Under the estimate of the committee the incomes from \$100,000 to \$250,000 will bring \$11,650,000, and the largest collection that will be made will be on incomes of more than \$100,000.

Mr. SUTHERLAND and Mr. BORAH addressed the Chair. The VICE PRESIDENT. Does the Senator from Kansas

yield, and to whom?

Mr. BRISTOW. I yield first to the Senator from Utah. Mr. SUTHERLAND. I was going to make one other suggestion.

Mr. BRISTOW. There will be just as much money collected under this amendment as under the law as proposed if any reliance whatever can be made upon the committee estimate as to the size of the income which will pay the greater amount of the tax.

Mr. SUTHERLAND. As I understand this amendment, if it will raise as much revenue as that proposed by the committee I intend to support it, because I think it is a very much better arrangement than that proposed by the committee. As I said yesterday in speaking about the former amendment proposed by the Senator from Kansas, I think the proposition of the committee is altogether unscientific; the gap between \$50,000 and \$100,000 is too large a gap to make in arranging the graduated scale.

I was going to suggest to the Senator from Kansas whether it would not be better if he would begin his assessment at half of 1 per cent on incomes between \$1,500 and \$5,000, 1 per cent

between \$5,000 and \$10,000, and then on up.

Mr. BRISTOW. I did not want to inject that element of discussion into this amendment. It is a separate proposition as to whether we are assessing a tax on low enough incomes. That is a different proposition from the graduation of the tax that is assessed, and there is a wide difference of opinion among those who favor an income tax as to the amount of exemptions. I did not want to involve that question in this amendment.

Mr. SUTHERLAND. Then I make this suggestion to the Senator, in order that it may be certain that there will be as much revenue raised by this proposed amendment as under the bill: Would the Senator object to making the initial figure 1 per cent instead of half of 1 per cent, and then going up by steps of half a cent each time until we reach the \$100,000 income, which would be taxed at the rate of 51 per cent?

Mr. BRISTOW. I could not favor that because that taxes the man with less than \$10,000 at a higher rate than the man with more than \$10,000. I do not think that we ought to put a larger percent of tax on the man with the lower income.

Mr. SUTHERLAND. It puts a higher tax all the way up the

Mr. BRISTOW. But I have all that worked out. If I do that I will meet with the same objection that I met with yesterday in the first amendment, because that will raise a good deal more money than the present bill will raise. If you take that, then the assessment on \$100,000 would be \$32,020, which would be all right, and it would be \$70 on the \$10,000 man, and it would raise a good deal more money than the bill as it is presented to us.

To satisfy Senators that this amendment will raise as much revenue as the bill as proposed I want to call attention to the estimate given in the report. It is estimated that on incomes above \$50,000 there will be \$45,000,000 collected out of the \$70,000,000. The estimate of the committee is that there will be \$25,000,000 collected on incomes less than \$50,000 under the committee rates and \$45,000,000 will be collected on incomes above \$50,000. On every income of less than \$50,000 I have reduced the rate. On most of the incomes above \$50,000 I have increased the rate. The committee estimate here that \$35,-000,000, or half of the revenue from this income tax, will be collected from parties whose income is more than \$100,000 per If half of it is collected on incomes of more than annum. \$100,000 per annum on all those incomes, I add one additional per cent, making it 5 per cent instead of 4 per cent.

Mr. BRISTOW subsequently said: I ask permission to have incorporated in my remarks a table showing the amount that would be paid on each one of the divisions suggested in the

amendment I offered.

The PRESIDING OFFICER (Mr. SMITH of Georgia in the chair). Is there any objection? The Chair hears none, and it will be so ordered.

The table referred to is as follows:

Tan on incomes to \$100 000

Incomes.	Revenue collected on maxi- mum amount each division.1	on maxi- mum amount each
Up to \$10,000 at \( \frac{1}{2} \) per cent.  From \$10,000 to \$20,000 at \( \frac{1}{2} \) +\( \frac{1}{2} \) per cent=1 per cent.  From \$20,000 to \$30,000 at \( \frac{1}{2} \) +\( 1 \) per cent=1\( 1 \) per cent.  From \$30,000 to \$40,000 at \( \frac{1}{2} \) +\( 1 \) per cent=2\( \frac{1}{2} \) per cent.  From \$30,000 to \$50,000 at \( \frac{1}{2} \) +\( 2 \) per cent=2\( \frac{1}{2} \) per cent.  From \$50,000 to \$50,000 at \( \frac{1}{2} \) +\( 2 \) per cent=3\( \frac{1}{2} \) per cent.  From \$70,000 to \$50,000 at \( \frac{1}{2} \) +\( 2 \) per cent=4\( \frac{1}{2} \) per cent.  From \$80,000 to \$90,000 at \( \frac{1}{2} \) +\( 4 \) per cent=4\( \frac{1}{2} \) per cent.  From \$80,000 to \$100,000 at \( \frac{1}{2} \) +\( 4 \) per cent=4\( \frac{1}{2} \) per cent.	\$35 135 285 485 735 1,035 1,385 1,785 2,235 2,735	\$70 170 370 579 770 1,070 1,370 1,670 1,970 2,270

1 Proposed amendment.

2 Committee bill.

Mr. BORAH. Mr. President-

The VICE PRESIDENT. Does the Senator from Kansas yield to the Senator from Idaho?

Mr. BRISTOW. I do. Mr. BORAH. I am not going to suggest to the Senator to amend his amendment and I am going to vote for it, but I want it understood that in doing so I do it as a concession to a situation. I am thoroughly of the opinion that when a man has an income of \$20,000 there ought to be a different rate established from that which the amendment provides for. must remember that in computing an income for the purpose of a normal tax there should be allowed as deductions, according to the amendment of the committee-

First, the necessary expenses actually paid in carrying on any business, not including personal, living, or family expenses; second, all interest paid within the year by a taxable person on indebtedness; third, all national, State, county, school, and municipal taxes paid within the year, not including those assessed against local benefits; fourth, losses actually sustained during the year, incurred in trade or arising from fires, storms, or slipwreck, and not compensated for by insurance or otherwise; fifth, debts due to the taxpayer actually ascertained to be worthless and charged off within the year; sixth, a reasonable allowance for the exhaustion, wear, and tear of property arising out of its use or employment in the business, not to exceed, in the case of mines, 5 per cent of the gross value at the mine of the output for the year for which the computation is made.

Mr. President, when you get a net income of \$20,000 with those exemptions and exceptions you have a vast estate behind

Mr. CUMMINS. Mr. President-

The VICE PRESIDENT. Does the Senator from Kansas yield to the Senator from Iowa?

Mr. BRISTOW. I do.

I will say in regard to what has just been Mr. CUMMINS. mentioned by the Senator from Idaho I suppose we must assume that these deductions will finally receive the approval of a majority of the Senate. But I desire to say now that in so far as I am concerned I shall insist that some of them ought not to be made, and when we reach that part of the bill I intend to offer amendments which will change the bill in that There are some of these deductions which obviously ought not to be made in ascertaining net incomes.

Mr. BORAH. Mr. President, the deductions will likely have the same place in the bill after we get through as what we

find at present in the bill with reference to the rates

Mr. CUMMINS. I am afraid that is true, but I did not want it to be assumed so far as I am concerned that I believe the committee reached the right conclusion with regard to these deductions

Mr. BRISTOW. Mr. President, referring to the statement of the Senator from Idaho [Mr. BORAH], I agree with him. I do not think this tax is high enough. We tried yesterday to get an amendment that levied a higher tax than this. The amendment I offered yesterday imposed a tax of \$270 on a man with an income of \$20,000-I think a reasonable tax, certainly not excessive-and the amendment went up by steps until a man who has an income of more than \$100,000 was assessed a little over \$5,000 a year. I think that amendment should have been adopted, but it was defeated by the Senate by a very

The Senator from Wisconsin [Mr. LA FOLLETTE] offered an amendment here this morning that has been voted upon and which has been defeated. That rate was slightly less on the smaller incomes than that which I offered yesterday, and it has been defeated.

The argument made yesterday, and the only argument practically against my amendment, was that it would raise too much money. I do not think it would, but I meet that argument by offering an amendment which graduates it and makes the amount on an income of more than \$100,000 pay a larger per cent of the tax in proportion than the bill at present provides on these incomes. Where we collect, according to this estimate, approximately half on incomes of over \$100,000 this amendment of mine would levy a tax of 5 per cent, 1 per cent more than the committee proposes. On the smaller incomes it levies a less tax. It graduates it, I think, in a better way. A man whose income is a million dollars will pay a good deal more tax under this amendment than under the provision of the Senate committee, and I think he ought to pay more. It does not jump from \$50,000 to \$100,000, but it goes up \$10.000 at a step and adds one-half per cent for each step until we reach \$100,000.

Mr. GALLINGER. Will the Senator permit me?

Mr. BRISTOW. I yield to the Senator from New Hampshire, Mr. GALLINGER. Mr. President, I voted against the amendment that the Senator from Kansas offered, as well as against the amendment the Senator from Wisconsin offered, for reasons entirely satisfactory to myself. It seems to me that the amendment now offered by the Senator from Kansas is a very wise one, provided he is satisfied it will raise as much revenue as the provision in the bill.

If I had my way about it, I would increase the rate for the lower salaries to three-fourths of 1 per cent in place of onehalf of 1 per cent, making it quite certain that we would get more money from the large class of taxpayers who will pay on smaller amounts. But, however that may be, I am so impressed with the idea myself that the enormously rich men can well afford to pay a larger amount than is provided in the bill under consideration I have brought myself to the view that I can properly and safely vote for the amendment the Senator has proposed

Mr. BRISTOW. Replying to the Senator from New Hampshire, I will say that the estimate of the committee is that on the small incomes of less than \$10,000 the collections will be only about \$6,000,000. Under the 1 per cent on incomes less than \$10,000 the committee estimates that at that rate the revenue will aggregate only about \$6,000,000-

Mr. GALLINGER. I had not looked at the report, and I am quite surprised to note that that is the estimate, because I had

supposed it was very much larger.

Mr. BRISTOW. While the committee estimates that on the incomes from \$50,000 to \$100,000 there will be collected \$11,-560,000, and between \$100,000 and \$250,000 they estimate \$11,-650,000. So on the incomes from which we are to receive the large returns this amendment of mine increases the rate. think it will really collect more money than the proposed law If any reliability whatever can be placed on these estimates. Mr. LODGE. Mr. President, it has seemed to me in regard

to the provisions in the bill, whether the House or Senate committee provision, the proportion is bad. If we are to have a graduated income tax it ought to be the first condition that it shall be properly proportioned. It seems to me, not only in the amendment but in the proposition of the House, it is ill proportioned, owing to the great gaps that are made and that it falls unduly hard upon the smaller or the more moderate incomes. I am speaking only of incomes subject to taxation. It seems to me also, as well as I can judge, that the amendment now offered by the Senator from Kansas will unquestionably raise more money than the one offered by the committee.

Mr. BRISTOW. I think it will,

Mr. LODGE. If we are to have a graduated income tax, this is much better proportioned and much better arranged than the others, and I propose to vote for it.

Mr. TOWNSEND. Mr. President, my belief is that whatever amendment we propose should be offered on the supposition that it ought to be enacted into law. I have not knowingly voted for anything that I did not believe would make the measure better.

I realize, of course, that amendments offered by the minority, whatever their merits, will be defeated.

Yesterday I opposed what seemed to me to be an effort to increase the revenues above what it was clearly understood would be required for meeting the expenses of the Government. The Senator from Wisconsin [Mr. La Follette] offered an amendment to-day which proposed to reduce the revenues to a considerable extent, as I understand the figures, below those which would have been raised by the amendment offered by the Senator from Kansas [Mr. Bristow] yesterday, and I could vote for it. The present proposition reduces it still more, and brings the amount of the revenue to be derived practically to the same relative amount as that proposed to be raised by the bill. Therefore I shall vote for it.

The thing that I would do if I had the authority just now is this: I would take the duties off from certain noncompetitive articles that are shipped into the United States, because I know that in every such instance the tax levied is paid by the consumer without producing any good or benefit to anybody in the United States. I would take off those duties and so reduce the revenues provided in the bill, and I would make up the deficit this would create in the estimate made by the committee by increasing the taxes which are to be imposed upon incomes

I have no objection to increasing the rates provided they are equitably distributed. As I said yesterday, I should like to begin lower with a very small rate and increase it as the incomes increase. This plan of increasing the revenues from incomes while reducing it. like amount the duties on noncompeting articles would maintain the equilibrium of the bill and at the same time present a proposition for which all who are in favor of proper income rates could vote without any question as to whether they are doing right or wrong. With me, income taxes are imposed for no other purpose than that of raising money to meet the expenses of government economically administered.

I have had some talk with Senators this morning, and, as I understand, before this bill is disposed of a proposition will be presented to the Senate whereby we as Republicans can vote to remove what we regard as the unnecessary rates of duty and at the same time supply the amount of revenue thereby done

away with by increasing the taxes on incomes.

Mr. BORAH. Mr. President, I did not understand the statement of the Senator from Michigan as to what proposition it

was that was going to be submitted to the Senate.

Mr. TOWNSEND. A proposition to remove certain duties now imposed on noncompeting articles to be shipped into the United States and increasing the tax on incomes, so as to produce enough revenue from that source to offset the revenue that would be destroyed by taking off such duties from noncompeting articles.

Mr. BORAH. Do I understand that we are to have a voice in taking those duties off and a voice in fixing the rates or

graduating rates on incomes?

Mr. TOWNSEND. There is no reason why it should not be

Mr. BORAH. There is no reason why it should not be done,

except the question of votes. Mr. TOWNSEND. But we will have as many votes for such a proposition as we will have for the amendment now pending.

We will have more votes for it.

Mr. SMOOT. Mr. President, as nearly as I can figure, the amendment offered by the Senator from Kansas [Mr. Bristow] this morning will bring more revenue than the pending bill provides. I think also that the amount that has been estimated by the committee on incomes under \$20,000 will be greater than the estimate shows. The estimate of the committee is based upon the amount collected during war times, when the last in-come tax was in force in this country, and the committee has taken the volume of business of that day and compared it with the volume of business to-day.

Mr. WILLIAMS. That income tax was not repealed for

some time after the war.

Mr. SMOOT. I repeat, the committee has taken the volume of business at the time the income tax was collected and compared it with the volume of business of to-day, and compared the amount that was collected at the time that we formerly had an income tax with the amount that we shall collect under this bill.

Mr. GALLINGER. Mr. President, can the Senator from Utah state or can the Senator from Mississippi state the exact date when that tax was repealed? I know it was some time after

the war.

Mr. WILLIAMS. I am just trying to refresh my memory. It was quite a while after the war; I think about 1871.

Mr. GALLINGER. About 1871.

About 1870 or 1871, as I remember.

WILLIAMS. I thought it was about 1871. So the standard taken was not altogether a war standard. It was after the war as well as during the war.

Mr. SMOOT. That is true, but the income tax was collected until the time when the law imposing it was repealed. estimate was made from the time that the income tax was first imposed until the time it was repealed.

I believe, Mr. President, that the amount of income in this country to-day is in greater proportion to the business that is done to-day than the amount of the income during the sixties was to the amount of business that was done at that time.

Mr. WILLIAMS. That tax was levied in 1862 and went into

operation in 1863, I think,

Mr. SMOOT. So, Mr. President, there is no question in my mind but what the amount will be collected that is estimated in the handbook furnished us by the committee. It is my opinion that it will be a great deal more than that amount.

Mr. President, I should like to ask the Sena-Mr. KENYON. tor from Kansas [Mr. Bristow] a question, to make the matter clear before voting. I understand under the amendment proposed by the Senator from Kansas incomes from \$20,000 to \$50,000 will bear a less tax than under the pending bill.

Mr. BRISTOW. Yes. Mr. KENYON. What about those above that amount?

Mr BRISTOW. Above \$60,000 they will bear a heavier tax. Mr. KENYON. From \$40,000 to \$60,000 is the rate practically the same as in the pending bill?

Mr. BRISTOW. It is slightly less.

Is it substantially less for incomes from Mr. KENYON. \$20,000 to \$40,000?

Mr. BRISTOW. Under the amendment it is \$35 on less than \$10,000, and under the bill it is \$70; on \$20,000 it is \$135, while under the bill it is \$170. It then gradually goes up until it passes \$60,000; then, when it gets up to \$100,000, it is 25 per cent more than in the pending bill.

Mr. ROOT. Mr. President, has the Senator from Kansas noted the probable returns from each class as he has figured it out? He mentioned some I noticed a little while ago.

Mr. BRISTOW. I have undertaken to make a comparison with the estimates made by the committee. My own judgment is that those estimates are not of very great value, because I think experience is the only thing that can inform us.

The committee estimates that on incomes less than \$10,000

there will be collected approximately \$6,000,000; on incomes between \$10,000 and \$20,000 the committee estimates there will be collected approximately \$7,500,000. That is under the bill as reported by the committee. On incomes from \$20,000 to \$50,000 the committee estimates that there will be collected \$11,500,000, approximately; from \$50,000 to \$100,000 there will be collected \$11,560,000; from \$100,000 to \$250,000 there will be collected \$11,650,000; from \$250,000 to \$500,000 there will be collected \$6,743,000; from \$750,000 to \$1,000,000 there will be collected \$9,190,000; on over \$1,000,000 there will be collected \$5,826,000. Those are the committee estimates.

Now, I propose to increase the tax on the incomes that would make up about \$45,000,000 of the \$70,000,000. I decrease the tax on incomes that would make up \$25,000,000 of the \$70,000,000. On the larger incomes, as I have stated, the increase is 25 per cent over the pending bill and on the smaller incomes it is less than the rate in the pending bill.

Mr. SUTHERLAND. The estimate made by the committee, which has just been read by the Senator from Kansas, is that there will only be \$6,000,000 realized from the tax upon incomes under \$10,000, which would be considerably less than one-teuth of the entire amount realized. To me that is a manifest absurdity.

Outside of a few of the large cities of the country, such as New York, Boston, Chicago, and Philadelphia, I venture to say that there will be more than a fourth or a third of the amount derived under the income-tax provision of the bill from incomes under \$10,000. In my own State, for example, I do not suppose there is a man in the whole State who receives year after year an income of \$50,000, certainly not more than one or two; in fact, I doubt very much whether there are many who are receiving an income of more than \$30,000 a year.

The vast proportion of the people are receiving an income of less than \$10,000; so that in a State like Utah and the adjoining States of Wyoming, Idaho, Kansas, and Nebraska, great agricultural States, I would imagine that anywhere from a half to three-fourths of the revenue derived in those States would result from the tax upon incomes of less than \$10,000. To say, taking the country at large, that less than 10 per cent of the entire amount to be realized from the income tax will be derived from incomes of less than \$10,000 is absurd.

I think the amendment proposed by the Senator from Kansas will produce less, rather than more, income, and, while I intend to vote for it, I would much prefer that the Senator had begun at 1 per cent on incomes under \$10,000, and risen by successive steps until he finally reached the amount of 5½ per cent, instead of 5 per cent, on the larger incomes.

Mr. SMOOT. Mr. President, my opinion is that it will clearly raise more, for the reason that during the years 1862 to 1870 or 1871, when the income tax was in force, there were very few individuals, institutions, or corporations in this country that had an income of \$20,000 per annum, or even \$10,000 per annum, while to-day there are thousands of them. It is that particular bracket of the income-tax provision which, in my opinion, is going to increase greatly the revenue received.

Mr. SUTHERLAND. But this is not a tax on the income of corporations; the tax is on the stockholders of corporations.

Mr. SMOOT. Yes; but the income of a corporation goes to the stockholders, so, of course, will amount to exactly the same thing in the end. I am only calling attention to the matter. The money made by these institutions goes to the stockholders, and there is no doubt that in this country to-day there are hundreds of thousands of well-to-do men, whereas in 1865, 1866, and during the years immediately following the Civil War there were but few of them. I believe that the committee's estimate on the first bracket is unreasonably low, and I shall be greatly surprised if instead of \$6,000,000 under that bracket the amount collected will not be twenty or twentyfive million dollars.

The PRESIDING OFFICER. The question is on agreeing to

the amendment offered by the Senator from Kansas.

Mr. BRISTOW. I should like the yeas and nays on the amendment.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. BANKHEAD (when his name was called). I transfer my pair with the junior Senator from West Virginia [Mr. Goff] to the senior Senator from Louisiana [Mr. Thornton], and will vote. I vote "nay."

Mr. DILLINGHAM (when his name was called). pair upon this question with the Senator from Maryland [Mr. SMITH]. If he were present I should vote "yea."

absence I withhold my vote.

Mr. GALLINGER (when his name was called). I transfer my pair with the junior Senator from New York [Mr. O'Gor-MAN] to the Senator from Maine [Mr. Burleigh] and vote "yea.

Mr. TOWNSEND (when the name of Mr. Jones was called). The senior Senator from Washington [Mr. Jones] has been called from the Chamber on official business. If he were here,

I am instructed to say that he would vote "yea."

Mr. KERN (when his name was called). I transfer my pair with the Senator from Kentucky [Mr. Bradley] to the Senator from Nebraska [Mr. HITCHCOCK] and vote "nay.

Mr. LEWIS (when his name was called). I am paired with

the Senator from North Dakota [Mr. Gronna]

Mr. McCUMBER (when his name was called). I have a general pair with the senior Senator from Nevada [Mr. New-LANDS]. I will transfer that pair to the senior Senator from Washington [Mr. Jones] and vote "yea."

Mr. REED (when his name was called). I transfer my pair with the Senator from Michigan [Mr. SMITH] to the Senator from Oklahoma [Mr. Gore] and vote "nay."

Mr. THOMAS (when his name was called). I transfer my pair with the Senator from Ohio [Mr. Burton] to the junior Senator from Oregon [Mr. LANE] and vote "nay."

Mr. TILLMAN (when his name was called). I have a general pair with the Senator from Wisconsin [Mr. Stephenson] and therefore withhold my vote.

The roll call was concluded.

Mr. SUTHERLAND (after having voted in the affirmative). I have a pair with the Senator from Arkansas [Mr. Clarke]. I voted without reflection. Observing that pair, I withdraw my

Mr. STONE. I have a general pair with the Senator from Wyoming [Mr. CLARK]. I transfer that pair on this vote to the Senator from Oklahoma [Mr. Owen] and vote "nay.

Mr. FLETCHER. I have a pair with the Senator from Wyoming [Mr. Warren]. I transfer that pair to the junior Senator from Nevada [Mr. PITTMAN] and vote "nay."

Mr. CHILTON. I have a general pair with the Senator from Maryland [Mr. Jackson] and therefore withhold my vote. If permitted to vote, I should vote "nay."

The result was announced-yeas 29, nays 36, as follows:

		NS-29.	, 40 201101121
Borah Brady Brandegee Bristow Catron Colt Crawford Cummins	Fall Gallinger Kenyon La Follette Lodge McCumber McLean Nelson	Norris Oliver Page Penrose Perkins Poindextér Root Sherman	Smoot Sterling Townsend Weeks Works
	NA	YS-36.	
Ashurst Bacon Bankhead Bryan Chamberlain Fletcher Hollis Hughes James	Johnson Kern Lea Martin, Va. Martine, N. J. Myers Overman Pomerene Ransdell	Reed Robinson Saulsbury Shafroth Shieppard Shively Simmons Smith, Ariz.	Smith, Ga. Smith, S. C. Stone Swanson Thomas Thompson Vardaman Walsh Williams

	NOT	VOTING-30.	
Bradley Burleigh Burton Chilton Clapp Clark, Wyo. Clarke, Ark. Culberson	Dillingham du Pont Goff Gore Gronna Hitchcock Jackson Jones	Lane Lewis Lipplit Newlands O'Gorman Owen Pittman Smith, Md.	Smith, Mich, Stephenson Sutherland Thornton Tillman Warren

So Mr. Bristow's amendment was rejected.

Mr. McCUMBER. Mr. President, I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated. The Secretary. On page 165, line 6, after the word "tax," it is proposed to strike out all the words down to the word "All," in line 3, page 166, and to insert in lieu thereof the following:

in line 3, page 166, and to insert in lieu thereof the following:

Where such income amounts to \$1,000 and less than \$5,000 the rate of taxation shall be one-tenth of 1 per cent; where such income amounts to \$5,000 and less than \$10,000 the rate of taxation shall be two-tenths of 1 per cent; where such income amounts to \$10,000 and less than \$20,000 the rate of taxation shall be three-tenths of 1 per cent; where such income amounts to \$20,000 and less than \$30,000 the rate of taxation shall be five-tenths of 1 per cent; where such income amounts to \$30,000 and less than \$50,000 the rate of taxation shall be seven and one-half tenths of 1 per cent; where such income amounts to \$50,000 and less than \$10,000 the rate of taxation shall be 1 per cent; where such income amounts to \$50,000 and less than \$1,00,000 the rate of taxation shall be 2 per cent; where such income amounts to \$50,000 and less than \$1,000,000 the rate of taxation shall be 3½ per cent; where such income amounts to \$10,000,000 and less than \$10,000,000 the rate of taxation shall be 3½ per cent; where such income amounts to \$10,000,000 and less than \$10,000,000 the rate of taxation shall be 3½ per cent; where such income amounts to \$10,000,000 and less than \$10,000,000 the rate of taxation shall be 3½ per cent; where such income amounts to \$10,000,000 and less than \$10,000,000 the rate of taxation shall be 3½ per cent; where such income amounts to \$10,000,000 and less than \$10,000,000 the rate of taxation shall be 3½ per cent; where such income amounts to \$10,000,000 and less than \$10,000,000 the rate of taxation shall be 3½ per cent; where such income amounts to \$10,000,000 and less than \$10,000,000 the rate of taxation shall be 3½ per cent; where such income amounts to \$10,000,000 and less than \$10,000,000 the rate of taxation shall be 3½ per cent; where such income amounts to \$10,000,000 and less than \$10,000,000 and

Mr. McCUMBER. Mr. President, it is quite evident that no two Senators will agree upon the number of steps in the sliding scale in this bill, and it is equally true that no two of them will agree upon the ratio of rate for each particular step.

I have an abiding conviction, based upon my idea of the rights and obligations of citizenship, which is entirely out of harmony with the provisions of the bill. I regard it as at least a species of tyranny when any one person or number of persons have authority to impose a tax upon others in the payment of which tax they are to take no part. I believe every American citizen, according to his means, should pay his proper proportion of the taxes necessary to run the Government.

I appreciate the fact that if we made the steps too low the cost of collection in some instances would be considerably greater than the amount we would receive from the tax. Therefore I recognize the necessity of several steps in an ascending scale. But if I have an income of \$2,900 a year and the Senator at my right has an income of \$20,000 a year, I can hardly see that I have an inherent right to vote a certain rate of tax upon him while I will not be called upon for one cent. I think I ought to pay my proportion of it according to my ability.

Therefore in formulating this amendment I have taken a much lower sum for the beginning, namely, \$1,000, the same amount of income that is adopted as the first rung in the ladder in the legislation of the State of Wisconsin.

I seek by this amendment to accomplish another thing, which I think very proper to be done. In the first instance, I make the rates very much lower upon the small incomes and very much higher upon what we might call the excessively great incomes. I obtained my table from a source entirely independent of the report of the committee. The table which I purpose to introduce as a part of my remarks I obtained from the depart-

Let me make a statement to show just what the result of this amendment would be.

There are about 5,000,000 persons in the United States who have incomes of from \$1,000 to \$5,000 per annum. I make the rate of taxation for those persons only 1 mill, which would produce \$15,000,000.

There are 200,000 persons in the United States who have annual incomes of from \$5,000 to \$10,000. I make the rate of taxation upon those incomes in this amendment only 2 mills, which would bring a revenue of about \$3,000,000.

There are 100,000 persons who have incomes of from \$10,000 to \$20,000. I make the rate in that case 3 mills, which would give us a revenue of \$4,500,000.

There are about 75,000 persons who have incomes ranging from \$20,000 to \$30,000. I make the rate 5 mills on that class of incomes, which would realize \$9,375,000.

There are about 21,000 persons who have incomes of from \$30,000 to \$50,000. I make the rate  $7\frac{1}{2}$  mills upon those incomes, which would realize \$6,320,000.

There are about 10,000 persons who have incomes of from \$50,000 to \$100,000. I make the rate 1 per cent upon those incomes, which would produce \$7,500,000.

There are about 2,000 persons who have incomes of from \$100,000 to \$500,000. With a rate of 2 per cent we would realize upon those incomes revenue amounting to \$12,000,000.

There are about 500 persons in the United States who have incomes ranging from \$500,000 to \$1,000,000. With a 31 per cent rate upon those incomes we would realize \$13,125,000.

There are about 100 persons in the United States who have incomes ranging from \$1,000,000 to \$10,000,000 a year. With a 5 per cent tax upon those incomes we would realize \$2,500,000. Finally, there are about 20 persons in the United States who

have incomes of \$10,000,000 and over. With a 7½ per cent tax

on those incomes we would realize \$1,500,000.

This would give us, in the aggregate, \$74,820,000. It would realize something more than would be realized under the bill as it is proposed, and the burden would be very much lighter, indeed, upon those with the smaller incomes and very much heavier upon those with the very large incomes.

Mr. WILLIAMS. Mr. President-

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Mississippi?

Mr. McCUMBER. I do.

Mr. WILLIAMS. The Senator has said that his amendment would produce a revenue of \$74,000,000, which he states would be larger than the revenue which it is estimated the provision of the bill will produce. He is mistaken as to that. He is making an estimate per annum, and he is comparing it with an estimate for 10 months in the case of the provision of the bill.

Mr. McCUMBER. It is estimated that this amendment would produce about \$75,000,000; so upon a 10 months' basis it produce about the amount which would be produced by

the bill.

I realize the fact that no amendment to the bill can possibly be adopted, and I do not want to take up the time of the Senate in a call of the roll upon my amendment; but I will submit it, and will ask that the table which I send to the desk may be made part of my remarks.

The PRESIDING OFFICER. In the absence of objection, it

will be so ordered.

The matter referred to is as follows:

Amount of income.	Number of taxable persons.	Rate of tax.	Amount to be realized.
\$1,000 to \$5,000. \$5,000 to \$10,000. \$10,000 to \$20,000. \$20,000 to \$30,000. \$30,000 to \$50,000. \$30,000 to \$50,000. \$100,000 to \$100,000. \$100,000 to \$1,000,000. \$10,000,000 to \$10,000,000.	5,000,000 200,000 100,000 75,000 21,000 10,000 2,000 500 100 20	Per ct. 0.001 .002 .003 .005 .007 .01 .02 .03 .05 .07 .05	\$15,000,000 3,000,000 4,500,000 9,375,000 6,320,000 7,500,000 12,000,000 2,500,000 1,500,000
Total			74, 820, 000

Mr. BORAH. Mr. President, I understand that the Senator who offers the amendment does not propose to have a roll call upon it; therefore I wish to say just a word on the subject.

As I understand the amendment, it reduces the exemption in

the bill from \$3,000 down to \$1,000. I desire to go on record as being opposed to the amendment. As I have discussed the matter heretofore, I shall not state at length why I am opposed to it. Suffice it to say that in this country, in my opinion, a man who has an income of no more than \$1,000 has paid his proportion of taxes until you reach a sum considerably above

I know that we contend upon this side of the Chamber that protective tariff does not visit the consumer with the tax. That is not always or wholly true. In addition to that, however, we have our internal taxes or excise taxes; in addition to that the tax which is now levied upon corporations, and which is largely passed over to the consumer; and in addition to that taxes are covered by rents and prices and passed over

to the consumer. Suppose a man with a family of three or four children, upon whom devolves the obligation of educating and clothing them, finds at the end of the year that he has \$1,000 out of which to send two or three of his girls or two or three of his boys to college. In what position is he to meet the situation—to train them for citizenship and to prepare them for the duties of life? So far as I am concerned, after men of that class have paid the tax which they must pay in this country by our indirect method, I am in favor of relieving them from any further pay-

ment until they can fully discharge their duties to their families and meet the obligations of citizenship.

I might extend these remarks, but I wish to go on record against the amendment. There is an inevitable and unconquerable disposition in our taxing system to hunt the low man, and it always gets him at last.

Mr. McCUMBER. I think it is worth the one dollar that a man with a net income of a thousand dollars would have to pay, to become and remain in every respect a full citizen of United States, shouldering his responsibilities with his duties. I think the man who has an income of \$5,000 a year can well afford to pay \$5 of that and become a part of the taxable resources of the country. I do not think it is going to injure him in any way. But I do believe there ought not to be one class of citizens that is taxed and another class that is free from taxation.

Mr. BORAH. Mr. President, there is not one class of citizens whom we tax and another class whom we relieve from taxation. So long as we have the mixed system of taxation which we have in this country that can not possibly be true. There is no man in this country outside of an insane asylum or a poorhouse or prison who does not pay taxes. I do not care what his vocation may be or how humble he may be, he pays a tax, and in a large number of instances he pays 10, 15, or 20 per cent of his income as a tax. So long as we have the mixed system of indirect taxation and the direct tax, the excise tax, there is no possibility of any man escaping the responsibility of taxation in this country. Especially is there no possibility of the man of limited means escaping. Not only does he pay taxes on consumption, but if he has a little property it is all in sight and never escapes.

Mr. McCUMBER. There is not any question about one thing, that he has a voice in fixing a tax which he pays no part of, and I do not think that that is in conformity with our general

ideas of the rights and obligations of citizenship.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from North Dakota [Mr. Mo-CUMBER].

The amendment was rejected.

Mr. POINDEXTER. I offer an amendment which I ask may be read.

The PRESIDING OFFICER. The amendment will be read. The Secretary. On page 166, line 3, after "\$100,000," insert: "and 10 per cent per annum upon the amount by which the total net income exceeds \$500,000 and does not exceed \$1,000,000, and 20 per cent per annum upon the amount by which the total net income exceeds \$1,000,000."

Mr. POINDEXTER. Mr. President, it seems to me that the principal vice of the bill, as far as this phase which we are now discussing is concerned, is that the principle of graduation upon which the income tax is based stops before it reaches the excessive fortunes. In other words, an income of \$500,000 or of \$1,000,000 would be required to pay the same income tax as that of \$100,000.

The objection which I have to the amendment just introduced by the Senator from North Dakota [Mr. McCumber], and which caused me to vote against it, was not only that which was stated by the Senator from Idaho [Mr. Borah], that it reduced the exemption to a lower amount than in my judgment it should be reduced to, but also because it lowered the rate of taxation upon incomes-which the Senator from North Dakota seemed to refer to as small incomes, but which I regard as large ones-ranging from \$100,000 to \$500,000 a year.

Mr. President, the incomes in this country over \$500,000 per annum and over \$1,000,000 per annum are not the result of the accumulations of steady industry on the part of their possessors. In almost every case the incomes are upon fortunes which have been acquired by special privilege of one kind or another. Of these special privileges one of the most far-reaching, in my judgment, in bringing about such accumulations has been a discrimination and special favor in transportation rates, by which the public utility of transportation has been used to benefit certain industries and certain individuals in preference to the general public, with the result that in many instances private monopolies have resulted.

I will mention one other special privilege—it might be called such-which has been one of the most potent causes in making possible the excessive incomes I refer to. In passing I will say that I have not so much objection myself to the existence in this country of such incomes as to the manner in which they have been acquired. I do think, however, that a just system of taxation should proceed with its graduation scale to a point where there is a difference made between an income ranging around \$100,000 and one ranging around \$1,000,000 a year,

- As I started to say, another one of the opportunities which have enabled their possessors to obtain such incomes has been the acquirement, through special favors, of the natural resources of the country-gifts of lands; sometimes the acquirement of vast areas of public land or of valuable elements in the public land by illegitimate means; sometimes by what might be justly denominated as fraudulent means; sometimes through a careless policy of legislation in former years, when resources were more abundant in comparison to the demands upon them. Some of these incomes were acquired in a perfectly legitimate way, but without effort and without labor by the owners' good fortune in coming into the possession of great mines of precious

It seems to me that a fortune acquired in such a way, not only on account of its size but on account of the easy and some-times the illegitimate manner in which it has been acquired, can very justiv be called upon to pay a much larger proportion of the burdens of government than other fortunes,

Mr. President, the objection which was made by the Senator from Mississippi [Mr. Williams] to all these propositions to increase the tax on the largest incomes I do not think offers any obstacle to the adoption of this or similar amendments. His objection is that no calculation has been made as to the amount of revenue which would be received, and that we ought not to levy this tax until we know the amount of revenue and whether or not we need the revenue.

It is impossible, in the first place, Mr. President, to know from the information which we have—and I doubt whether it could be obtained—the amount of revenue which would be received by the Government from an increased income tax upon the excess of incomes over \$1,000,000. I do not think it is material. Whatever amount of revenue may be derived from that source will be based upon a just principle of taxationand it is always within the power of the Government to remit from its revenues by legislation, which can be enacted at any time, if we are receiving a surplus, revenues which are paid upon the necessities of life, revenues which are a burden upon people who have a harder struggle for existence than those who are receiving an income of \$1,000,000.

We could remit some of those taxes-which are nothing at all but taxes, especially according to the theory of the Senator from Mississippi, but which are called revenue duties—upon the necessities of life. There is always an opportunity to do that. As some one has already said this morning, we can not know to what extent we ought to do it to offset the effect of these amendments until the amendments have been put into operation and we have learned by experience.

This amendment ought to be adopted, because there is no danger that the Government will be injured by any revenue, whatever it may i.e, that will be received from it, and because whatever revenue is received is received upon a just principle of taxation and from property which can most easily afford to pay it, and which, upon the other hand, requires and receives more of the care and the expense of government than other portions of the national wealth.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Washington [Mr. POINDEXTER].

Mr. CRAWFORD. I ask for a reading of the amendment.
The PRESIDING OFFICER. The amendment will be again

The Secretary. On page 166, line 3, after "\$100,000," insert the following:

And 10 per cent per annum upon the amount by which the total net income exceeds \$500,000, and does not exceed \$1,000,000, and 20 per cent per annum upon the amount by which the total net income exceeds \$1,000,000.

Mr. POINDEXTER. Mr. President, I make the point of no

The PRESIDING OFFICER. The Secretary will call the roll. The Secretary called the roll, and the following Senators answered to their names:

Smith, Ga.
Smith, S. C. Smoot Sterling Stone Sutherland Swanson Thomas Thompson Townsend Vardaman Walsh Weeks Williams
-

Mr. TOWNSEND. The senior Senator from Washington [Mr. Jones] has been called from the Senate on official busi-

The PRESIDING OFFICER. Sixty-two Senators have answered to their names. A quorum is present.

Mr. POINDEXTER. I ask for the yeas and nays on agree-

ing to the amendment.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CHILTON (when his name was called). I make the same announcement as to my pair that I made on the former

Mr. GALLINGER (when his name was called). my pair with the junior Senator from New York [Mr. O'Gor-MAN] to the junior Senator from Maine [Mr. Burleigh] and vote "nay."

Mr. KERN (when his name was called). On account of my pair with the Senator from Kentucky [Mr. Bradley] I withhold my vote.

Mr. LEA (when his name was called). I am paired with the senior Senator from Rhode Island [Mr. Lippitt]. If I were at liberty to vote, I would vote "nay" liberty to vote, I would vote "nay."

Mr. LEWIS (when his name was called). I again announce my pair with the senior Senator from North Dakota [Mr. MCCUMBER]

Mr. REED (when his name was called). I wish to announce my pair with the Senator from Michigan [Mr. SMITH]. I

therefore withhold my vote.

Mr. SAULSBURY (when his name was called). I have a general pair with the junior Senator from Rhode Island [Mr. COLT]. I therefore withhold my vote. If I were at liberty to vote, I would vote "nay."

Mr. THOMAS (when his name was called). I transfer my pair with the senior Senator from Ohio [Mr. BURTON] to the junior Senator from Oregon [Mr. LANE] and vote "nay.

Mr. TILLMAN (when his name was called). I again announce my pair with the Senator from Wisconsin [Mr. Stephenson], and withhold my vote.

The roll call was concluded.

Mr. CHAMBERLAIN (after having voted in the negative). I have a pair with the junior Senator from Pennsylvania [Mr. OLIVER]. In his absence I withdraw my vote.

Mr. BANKHEAD. I transfer my pair with the Senator from West Virginia [Mr. Goff] to the Senator from Louisiana [Mr. Thornton] and vote "nay." I desire the announcement of this transfer to stand for all votes to-day.

Mr. BACON (after having voted in the negative). I inquire whether the senior Senator from Minnesota [Mr. Nelson] has

The PRESIDING OFFICER. He has not.

Mr. BACON. Then I withdraw my vote, as I have a general pair with that Senator.

Mr. SAULSBURY. I transfer my pair with the junior Senator from Rhode Island [Mr. Colt] to the Senator from Oklahoma [Mr. Owen] and vote. I vote "nay."

Mr. FLETCHER. I transfer my pair with the senior Senator from Wyoming [Mr. WARREN] to the junior Senator from Nevada [Mr. PITTMAN] and vote "nay."

Mr. CLARKE of Arkansas (after having voted in the negative). I observe that the junior Senator from Utah [Mr. SUTH-ERLAND] has not voted. If therefore withdraw my vote.

Leanning man	YE	AS—12.	11, as lonows:
Borah Brady Bristow	Clapp Crawford Cummins	Kenyon La Follette Norris	Perkins Poindexter Sterling
ASSESSED FOR STATE	NA	YS-41.	Fred Selection 1
Ashurst Bankhead Brandegee Bryan Catron Clark, Wyo. Fletcher Gallinger Gore Hitchcock	Hughes James Johnson Lodge Martin, Va. Martine, N. J. Myers Overman Page Penrose Pomerene	Ransdell Robinson Saulsbury Shafroth Sheppard Shields Shively Simmons Smith, Ariz. Smith, Ga.	Stone Swanson Thomas Thompson Townsend Vardaman Walsh Williams
thoras and the		OTING-42	
Bacon Bradley Burleigh Burton Chamberlain Chilton Clarke, Ark. Colt Culberson Dillingham du Pont	Fall Goff Grouna Jackson Jones Kern Lane Lea Lewis Lippitt McCumber	McLean Neison Newlands O'Gorman Oliver Owen Pittman Reed Root Sherman Smith, Md.	Smith, Mich, Smoot Stephenson Sutherland Thoraton Tillman Warren Weeks Works

So Mr. Poindexter's amendment was rejected.

Mr. BRANDEGEE. Mr. President, I have made no remarks upon these various amendments to change the provisions of the income tax as found in the bill. I desire to state very briefly the reason why I have voted against most of the amendments. and I shall probably continue to do so. This is a bill entitled "An act to reduce tariff duties and to provide revenue for the Government." These amendments have had no such proper consideration, in my opinion, as would justify me in voting for any one of them. It may be that one or another of them would provide a more equitable or more satisfactory system of taxing the incomes of both corporations and individuals, but I do not think in the passage of a tariff bill we should attempt to utilize it as a vehicle to float through any propositions to tax corporations out of existence or to penalize the rich or to reduce swollen fortunes or to accomplish any other collateral purpose, no matter how desirable.

I am perfectly satisfied that if it shall be the settled conviction of the majority of the people of the country that the tax as provided by the committee should be changed, there is sufficient time in the future to overhaul entirely the proposed income tax in the light of the way the present provisions may operate and with much better satisfaction both to us and to the

The amendment just offered, which proposed to tax incomes over a million dollars 20 per cent, I could not possibly vote for I have heard of collecting tithes, but I have never heard of collecting fifths of the incomes of people. Without going into or criticizing the details of the various amendments I simply think it is better to try the plan as proposed by the committee in its general features, and then having established the principle of an income tax, go about amending it as the necessity of the occasion in the future may warrant.

Mr. CRAWFORD. Mr. President, yesterday evening before the Senate adjourned I offered an amendment the purpose of

which was to distinguish between what in England are called earned incomes and unearned incomes. That amendment was I am not going to press it at this time, but in not acted upon. connection with it I want to call attention to the report made in the English Parliament in 1907 after a very thorough investi-

gation of the whole subject.

England has had an income tax, as I understand it, for three-quarters of a century, and from time to time, as the sys-tem has been evolved, they have improved it, enlarged it, and extended it. Within the last two or three years, under the ministry in which Lloyd George has been so active, they have thoroughly overhauled it and extended its provisions in many ways. In this report in 1907, which was an exhaustive one, after a thorough investigation, they find that this distinction should be made:

Differentiation between earned and unearned income.

They find that it is practicable to observe that differentiation in the income-tax system. I want to put into the Record what Mr. Asquith said in commenting upon it, because it is so well said and is so brief and simple, and it relates to a matter of the utmost importance here. In discussing it he gives this example. He says:

example. He says:

Comparing two individuals, one "who derives, we will say, £1,000 a year from a perfectly safe investment in the funds perhaps accumulated and left to him by his father, and, on the other hand, a man making the same nominal sum by personal labor in the pursuit of some arduous and perhaps precarious profession, or some form of business," to say that those two people are, from the point of view of the state, to be taxed in the same way is, to my mind, flying in the face of justice and common sense."

I believe that that simple statement finds a response in the judgment of every man. Why not in this bill and in establishing this system here start right upon that question? Here is the question of making property, capital, and investment contribute its share of taxes; on the other hand, here is the question of how far shall we go in putting a tax upon energy, industry, and service given to society by men who are engaged in practicing professions or in following other useful vocations in life. We are putting them all together, and making one levy, one rate, upon them all; in other words, we are putting a tax one rate, upon them and, in other words, included the family, and upon personal service rendered to the home, the family, and the community and which earns an annual income. The income may be precarious and vary from one year to another and end when the life of the person ends who is earning it. We are putting that class of incomes in the same class with rents from great structures, inherited, perhaps, by some child of fortune, that are a lifeless species of property. England differentiates between these classes of income. Why should not we?

Mr. GALLINGER. Mr. President—

The PRESIDING OFFICER (Mr. Lea in the chair). Does the Senetar from South Deleter sidely to the Senetar from New York.

the Senator from South Dakota yield to the Senator from New Hampshire?

Mr. CRAWFORD. I do.

Mr. GALLINGER. This is an interesting phase of the discussion, Mr. President, and I desire to ask the Senator from South Dakota how it would work. Supposing a man were in receipt of \$3,000 from investments which his father had made possible and he likewise was in receipt of \$3,000 from the pracdice of his profession, would there be a differentiation in that?
Mr. CRAWFORD. Oh, certainly. The distinction is made

between the earnings from a man's professional services and the earnings from his investments. They have all that worked out

in England.

Mr. GALLINGER. Would he be exempt on the \$3,000 which he earns from professional services under those circumstances? Mr. CRAWFORD. I am not saying that. I think the fault in the amendment which I offered yesterday was that it went too far in making exemptions. In England they are not ex-empt above a certain rate, but they discriminate in their favor. So, if the Senator will permit me, I shall offer a resolution which I ask to have read and ask to have it considered in connection with my amendment, which I admit is faulty in that respect. I should like to have the Senate consider both the amendment and the resolution together and take such action as

it may think best.

The PRESIDING OFFICER. The Secretary will read the resolution proposed by the Senator from South Dakota.

The resolution (S. Res. 177) was read, as follows:

Resolved, That the Committee on Finance be directed to investigate and ascertain the difference in character between income immediately and directly derived by an individual from the carrying on owe exercise by him of his profession, trade, and vocation, and income derived from property or investment of capital, and to report an amendment which will make a just discrimination in the rate of levy in favor of incomes immediately and directly derived from the exercise of a profession, trade, or calling, as compared with income derived from property and capital investment.

Mr. CRAWFORD. Mr. President, of course I am not dog-matic enough to undertake here to say what this difference should be and what this rate should be; but I am offering this resolution so that it may come before the Senate for the purpose of having this question, which I think has fundamental justice at the bottom of it, receive the consideration that I think it should receive here and have the investigation to which I think it is entitled. Therefore I submit the resolution.

The PRESIDING OFFICER. The resolution will be printed

and lie on the table.

Mr. WILLIAMS. Mr. President, do I understand that the

resolution is to lie on the table?

The PRESIDING OFFICER. The Chair understood that that was the request of the Senator from South Dakota.

Mr. CRAWFORD. No; I did not ask to have the resolution lie on the table; I asked to have it take the usual course. presume, if objection is made to it, it will have to be printed and go over.

The PRESIDING OFFICER. Does the Senator from South Dakota make a request for unanimous consent for the present consideration of the resolution?

Mr. CRAWFORD, Yes; I ask unanimous consent for the

present consideration of the resolution.

The PRESIDING OFFICER. The Senator from South Dakota asks unanimous consent for the present consideration.

of the resolution which has just been read. Is there objection?

Mr. WILLIAMS. Yes; I object, Mr. President.

The PRESIDING OFFICER. The Senator from Mississippi objects, and the resolution will be printed and go over.

Mr. WILLIAMS. Mr. President, I want to say a few words in this connection, so as to explain why I have objected. In the first place, I do not see any pagestive of any investigation to first place, I do not see any necessity of any investigation to determine an abstract question, which every man can determine for himself, as to whether this distinction ought or ought not to be made. So far as I am personally concerned, I am opposed to it. Of course, it would be a very nice thing for the Members of the two Houses of Congress to make that distinction, as about nine-tenths of them are lawyers and get their incomes from their profession, but I do not see why a man who is in a profession should have his income exempt any more than a man who is carrying on a farm or a factory.

The other day some one said something about some surgeons who made an immense amount of money each year by their great skill and genius, who lived like princes and saved nothing.

Mr. CRAWFORD. Mr. President, will the Senator permit me

to interrupt him?

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from South Dakota?

Mr. WILLIAMS. Yes, Mr. CRAWFORD. The Senator is assuming that the amendment makes a difference between professional men and men following a trade or men cultivating farms. It makes none whatever. It includes professions, trades, and vocations—all three.

Mr. WILLIAMS. Then, whom would you leave to be taxed? Mr. CRAWFORD. Property, capital, investments; and not human exertion and human energy and human service. I do not say they should be exempt. I have said that my amendment went too far in that respect, and I say that there should be a differentiation in favor of energy and service of the man who is doing something and where the earning depends entirely upon his personal exertions—that there should be a differentiation in favor of that source of income as against the income derived

from capital and property.

Mr. WILLIAMS. The Senator the other day referred, as an illustration, to some brilliant surgeon or some one who made an immense income every year, but lived like a prince and had nothing left. There might be another surgeon who made the same amount of income who would have better sense and instead of living like a prince might invest some of the income in land or in city property or in bonds or in stocks. So the effect of it would be to tax a man who was thrifty, industrious, frugal, and saving and exempt the fellow who spent all his income and never invested anything. I do not see for the life of me why any man who earns \$50,000 a year or \$20,000 or \$10,000 as a great surgeon or as a great lawyer should not thank God for the possession of that much and be willing to contribute of that a small amount for the support of the Government. You are taxing men in proportion to their ability to pay, not in proportion to their ability to save or to invest.

Mr. CRAWFORD. Mr. President, that is simply wiping out the discrimination-and it is one of the subjects of actual, active, growing interest in this country-between the burden that should be imposed upon property, upon capital, and that which should be imposed upon the character of service that is so closely linked with humanity that you can not separate it. You can not judge a thing by stating an extreme case. After three-fourths of a century and at a time when the most popular ministry that was ever in control of the Government of England, the one which has reached out and reached into the hearts of the masses to a greater extent than ever before, led by Lloyd George, makes this discrimination; the Senator from Mississippi thinks it is wrong in principle. I believe it is right.

Mr. WILLIAMS. Money is as much property as is anything else, and when a man earns \$20,000 in money during a year he has got that much property.

Mr. BRANDEGEE. Mr. President, I realize that, as the Senator from South Dakota [Mr. Crawford] has stated, the amendment which the Senator submitted yesterday is not strictly the pending amendment, I assume, for action at the present time.

Mr. CRAWFORD. No. My statement was that I had offered a resolution. I do not know whether the Senator was here at the time, but the resolution has been read and laid over.

Mr. BRANDEGEE. I was here. Mr. CRAWFORD. The two are simply related to this subject, and so I thought it would not be improper for the Senate to say whether they should not direct the Committee on Finance to consider the questions there suggested and report to the Senate whether such a discrimination in favor of vocational income as against property income should not be observed in this bill.

I realize that the amendment which I hastily drew yesterday, where the exemption was made broader than it ought to be, is imperfect; I was conscious of the fact that it was imperfect at the time, but it was introduced to get the subject before the Senate. Now, as it is made a little more appropriate for general consideration by the resolution which I have introduced, I prefer to have the two considered together.

Mr. BRANDEGEE. I do not at all, as I think, misunderstand the situation. I understand it exactly as the Senator from South Dakota has stated it. In conversation with the from South Dakota has stated it. Senator yesterday afternoon I stated that I thought the amendment was not as carefully drawn as the Senator himself would like to have it, and he said that it was hastily prepared and simply designed to bring the general subject matter to the attention of the Senate, which has been accomplished.

Now, I will read the amendment in order that there may be in the Record, in connection with the remarks upon this subject, the text of the matter we are discussing. The Senator's amendment reads:

Provided further. That in computing net income under subdivision 1 of paragraph A of this section there shall also be deducted the amount, if any, which is claimed and proved by any individual to have been immediately and directly derived from the personal exercise by him of a profession, trade, or vocation.

I think there is a good deal to be said in favor of the contention of the Senator-which is also sustained by the works of

a great income or any income derived entirely from the efforts of those who have gone before—which cost the present beneficiary no effort or labor of any kind-should bear a larger proportion of the burden of taxation than the income derived from the personal effort of the beneficiary in possession of the income.

The amendment of the Senator, of course, as I think he will recognize, and as I am firmly convinced, would, if passed as drawn, exempt absolutely all income derived from the effort of anybody. I mean to put it just that broad, because the amendment provides that there shall be deducted from the amount anything which is proved by the individual "to have been immediately and directly derived from the personal exercise by him of a profession, trade, or vocation."

Mr. WILLIAMS. Mr. President, will the Senator pardon a

question?

The PRESIDING OFFICER. Does the Senator from Connecticut yield to the Senator from Mississippi?

Mr. BRANDEGEE. Certainly.

Mr. WILLIAMS. A thought occurs to me which makes me ask the question. Take my salary as a Senator, or the salary of the Senator from Connecticut. Would or would not that fail within this description? Would that be derived from a profession, or trade, or vocation, or would it be connected with what the Senator calls "dead property," or where would it

Mr. BRANDEGEE. I think there is a twilight zone about such a question. It would depend, perhaps, upon whether the Senator would consider himself to be a professional politician

or a statesman; I do not know.

Mr. WILLIAMS. Really, I consider myself a statesman; but that is an income derived in the manner described in the amendment of the Senator from South Dakota, and it would be exempt under that very amendment.

Mr. CRAWFORD. Mr. President, will the Senator permit

Mr. BRANDEGEE. Certainly. Mr. CRAWFORD. That language is identically the same as the language in the income-tax law of Great Britain, except that, based upon it, they levy a lower rate on such incomes instead of exempting them. The amendment which I drew, instead of differentiating in favor of a lower rate, I admit went too far in exempting them; but the language "claimed and proved by any individual to have been immediately and directly derived from the personal exercise by him of a profession, trade, or vocation" is literally copied from the clause in the English statute as it appears in Prof. Seligman's book.

Mr. WILLIAMS. That does not help it, so far as this ques-

tion is concerned.

Mr. CRAWFORD. It helps it in this way, that it is being successfully operated in England, and Prof. Seligman says in his conclusion that after years of evolution the British system is the most perfect income-tax system in the world, and that while in Gladstone's time, a generation ago, it created hostility and bitterness, now it is accepted everywhere and will remain for all time.

Mr. WILLIAMS. Whether it is the English law and whether or not the English law is a good law is not relevant to this question. The question is whether we want to start a system of taxation in this country that will exempt the incomes of lawyers, doctors, politicians, and others—all incomes that come directly from personal services, whether for the Government or for somebody else.

Mr. CRAWFORD. I should like to ask the Senator if he seriously asserts that politicians have an income?

Mr. WILLIAMS. Well, after they get through with the year

they have not much left. [Laughter.]
Mr. BRANDEGEE. No net income.
Mr. WILLIAMS. But they have at least had a salary and

an opportunity to have an income.

Mr. BRANDEGEE. Mr. President, as usual, I seem to have managed by skillful interference to have projected myself in between two fires or between the upper and the nether millstones and to occupy the floor simply in the capacity of a yielder.

I do not disagree with the Senator from South Dakota at all,

and, if I had been allowed to continue consecutively, I would have stated long since, I think, everything that he has stated. I understand perfectly well that the language which he uses in his amendment exempts incomes made by the exertion of personal effort, whereas the equivalent law in Great Britain simply imposes a lower rate of tax upon them.

I started to say that I had, so to speak, considerable offhand sympathy, without having had a chance to give it any mature consideration, with the idea that the two incomes were so essentially different in character, especially in consideration of British origin upon the subject to which he has referred—that the sympathy we have with people who have to strive and work in order to live, as differentiated from those who, so to speak, are born with a gold spoon in their mouths and are simply living on the efforts of their ancestors—that I have considerable sympathy with the idea that there ought to be a difference at least in the rate of taxation. I am simply calling attention to the fact that the amendment of the Senator from South Dakota will exempt entirely from taxation every income derived from personal effort, because the expression "profession, trade, or vocation" includes every possible line of human effort. The amendment would exempt everything that was made by a stock gambler or a gambler in the wheat pit. It would exempt—

Mr. WILLIAMS. If the Senator will pardon me, there would be one thing, and one alone, that would not be exempt under it, and that would be an inheritance or a legacy. The idea of taxing inheritances and legacies has much soundness in it, as distinguished from income which one acquires by his own labor; but that is to be reached by an inheritance and legacy tax and is reached in nearly all countries in that way. That would be about all that would be exempt under that amendment, and inheritances and legacies are already quite generally

taxed.

Mr. BRANDEGEE. Mr. President, what I said was that the amendment exempts absolutely everything that a man makes for himself. Of course, it would not exempt a legacy which somebody else made for him and gave to him. If a man's occupation or vocation—for vocation means nothing but a calling—if his calling or occupation were that of a financier it would exempt everything he made by underwriting and by financial operations in the course of a year that would be the product of his effort. Nothing can be imagined that a man can busy himself about with a view of profit which the amendment as drawn would not utterly exempt. I know it is the intention of the Senator from South Dakota not to seek to do that, but simply to impose a different rate of taxation.

In addition to what I have already said, it occurs to me that it is not, and probably would not be, the perfectly simple question that at first blush it may appear to be, to wit, to arrive at a proper differentiation of the various merits of the different kinds of professions, trades, and vocations, in order to ascertain at what rate they should be taxed. The country doctor works hard and makes very little compared with his efforts, and the efforts of the clergyman are more or less of a philanthropic character and he generally gets low pay. Many people would want to tax them at a lower rate than they would tax the income of the great corporation lawyer or of the financier.

So that even the products of the individual efforts of various men among themselves might, in the opinion of a legislative committee and of Congress, require various shadings of taxa-tion. Whether there could be an agreement ultimately about a matter of that intricate character I do not know; but I am quite willing, although I do not suppose the committee would care to enter upon the investigation now-I am quite willing at the proper time to vote for the resolution requesting the committee to consider the question, and I will do so without any intention of being offensive to the committee or of asking them to consider anything out of their jurisdiction or that ought not to be considered at this time. I assume, however, that the committee would not have either the time or the inclination, perhaps, to take it up now, but simply to show the interest that I take in the subject and as an evidence of some degree of faith at least in the idea of trying to see if anything possibly could be evolved out of it, I should be happy to vote for the resolution introduced by the Senator from South

Mr. LODGE. Mr. President, the income tax as a mode of taxation is well recognized by all economists as open to two very serious objections. One is the failure to differentiate between unearned and earned incomes. The other is the ease of evasion. It is one of the easiest taxes in the world to evade. It falls with absolute certainty very largely on trustees, who have to make returns, who in a majority of cases represent women and children, and who can not evade such a tax. The evasions of the income tax in England to-day are very large. The tax also falls with full force upon the people who are the most honest in the community, while the shifty and dishonest escape. In a word, it has all the objections that arise to any tax which in its nature is easy of evasion.

The other objection about earned and unearned incomes can be partially met, if not wholly overcome. At least it is so thought in England, and I am not sure that we may not be able to learn something from considering the systems of taxation of other countries, although my friend the Senator from Mississippi does not seem to think so. Speaking broadly, I believe it may be said that all economists recognize that a tax imposed

upon the earning capacity of a community is not theoretically the best tax. It is inferior, for example, to the inheritance tax, which does not place a burden upon earning capacity and is certain of collection, owing to the fact that an inheritance has to pass through probate offices and requires the assent of the Government before it can be distributed.

A burden on the earning capacity of a community is a very serious thing. The earning capacity of a community, which is the motive power of prosperity, is something which it is desirable under every civilized government to encourage. It is not wise to throw too heavy a proportion of the burden upon the earning capacity of any community. The men who draw the load should not be overweighted or disheartened. England has finally met this difficulty in a degree at least by differentiating between the tax derived from earned income and the tax derived from unearned income; and I think this point will have to be considered by us if we have adopted the income tax, as I believe we have, for a permanent source of national revenue. I think we must try to make the burden fall more heavily upon the income which is not earned than upon that which is earned, and the income, so called, which is not earned is very large, so large that there need be no fear of an insufficient return.

Mr. WILLIAMS. Does not the Senator momentarily lose sight of the fact that property is taxed in all the States?

Mr. LODGE. I understand that.

Mr. WILLIAMS. There is another consideration, too. The very people who will evade an income tax are for the most part not those who derive an income from rents or from other property, such as bonds or stocks. Everybody knows what a dividend is, and everybody knows what a rent is; but lawyers, doctors, and other people have uncertain incomes known only to themselves, so that there is naturally in the very working of the law when men are not fairly honest—the fairly honest man is going to act the same way in both capacities—already a discrimination against the man who has the property. He has to pay State and county taxes upon his property, so that the man whose property consists in dollars which he earns in a year is the least taxed of all men.

Mr. LODGE. The Senator, of course, understands that I am not advocating the exemption of earned incomes, but only that a heavier burden should rest on the unearned than on the

earned income.

Mr. President, there is another question raised by the income tax, as provided for in the bill, which is to my mind far graver than that of differentiating between the earned and the unearned income, and that is, making the exemption limit so high.

I think a high exemption is vicious in principle if it is made for any reason except that at the exemption point you go beyond the possibility of profitable collection. In theory, at least, everybody should pay his share of taxes, especially in a popular government. I know well the great objection to making a lower exemption than that established by this bill. The fatal objection is that to do so is unpopular. But I believe in the long run it will be seen that it has the best and only enduring grounds of popularity, which is justice.

Of course the men of small earnings and small incomes pay taxes to the Government of the United States in the indirect form, and one great objection to indirect taxes, so excellent economically, is that people do not realize fully that they are paying them. The tax which the man pays over the counter is the one he realizes. When he walks up to the taxgatherer_in his town and finds that his rate has been raised he takes an interest in the administration of the business of the town. But as to the indirect tax, the tax that the man pays on alcoholic liquors, if he chooses to drink, or the tax that he pays on tobacco, are not only indirect but voluntary taxes, and he does not know, as a matter of fact, whether he pays them or not. The difference, He pays them, but he does not feel them. moreover, between what one man consumes and what another consumes in the way of food and drink and tobacco and raiment is not very great, for the power of consumption of the individual can not vary very largely, and he who lives and chooses most expensively pays most in taxation. But this tax which we are now imposing for the first time is a direct tax; and this country has hardly known direct taxes except in times

A man who has \$1,000 income per annum and pays, as proposed by the Senator from North Dakota, \$1 a year as income tax to the United States Government is not, I think, bearing too heavy a burden, but he is realizing what his Government is doing, which is of enormous value and makes him thereby a better citizen. He realizes that he is responsible for the Government as never before. There has been no greater misfortune to this country than what we have seen in every great city, and that is that the men who pay no taxes spend the

revenues. The result is inevitably extravagance and corruption. Men are always ready to spend some one else's money.

Look at the history of our municipal governments. They are not a subject of pride to any American. But if every man in those communities had paid his tax, if it was only 5 cents, and if he knew that if the money was extravagantly spent it might be 10 cents, he would have had more care about spending the public money, about the men he elected, and about the administration of his local government. One great reason for the extravagance we have had in our National Government, in my judgment, arises from the fact that almost all our revenues have been raised by indirect taxation.

enues have been raised by indirect taxation.

I want the man with \$1,000 to pay his dollar or his 50 cents or his 25 cents, if you wish—I do not care how small you make it—so that he may keep his eye on the National Government in Washington. If you make the man contribute out of his pocket to the maintenance of the Government and know that he is doing so, he will take the interest he ought to take. He will watch his Representatives and Senators; he will look at the national appropriations. In my judgment it tends to good government, to greater economy in expenditures, to less waste of money, to the expenditure of money in such a way as to secure the best return. I believe, moreover, that it is in accordance with every sound historic traditional American doctrine that I have ever learned in the history of the country, and I think it is as sound a doctrine now as it ever has been, that every man should pay his share for the support of the Government which he helps to create.

I am not oblivious to the fact that many of those who can best afford to pay have escaped and are escaping their share of taxation. We know that this evil exists everywhere, from our towns to our Nation. But that does not alter the principle that every man, no matter how trifling his contribution, should pay his share of the expense of carrying on the Government

that supports and protects him.

This brings me to the other important point in the consideration of the imposition of an income tax. The Senator from Mississippi [Mr. Williams] said yesterday—and I was extremely glad to hear him say it, because I think it touches a very vital question—that when taxes were imposed simply to take money from a man because he was rich, and for no other reason, the party that would do it would cease to be the Democratic Party and would become a party of communism, and perhaps something worse. It will be an evil day for us when we enter on confiscation of property under the guise of taxation. What we want to do is to raise money for the support of the Government in such a way that we shall make those pay most who can best afford to pay. I know that we are far short of that standard now. But I remember that among the many wise things Mr. Lincoln said was this: That you could find fault with any tax as to its incidence, as to those who escaped it, as to its unfairness, as to its burdensomeness, but that if we stayed talking about it until we got a perfect tax we never should raise any revenue at all.

No tax can be perfect; but it should be the effort of the Government and of the taxing power to impose the tax, if it be an income tax, so as to raise the revenue in the largest proportion from those who can bear it best. But let us beware how we enter upon taxing on the ground that we want to punish somebody because he has money. If he has earned his money improperly and unlawfully, by oppression and extortion, he is a subject for punishment under other laws. That is a question of the method of accumulation, as the Senator from Mississippi said yesterday. But to have the Government undertake, for vindictive reasons, to punish a man simply because he has succeeded and has accumulated property by thrift and intelligence and character, or has inherited it honestly under the law, is entering upon a dangerous path. It would convert this tax from the imposition of a tax to the pillage of a class. That I

think is a very dangerous ground to enter upon.

Very rich men, large properties, are no new thing in the world. You have but to turn to the history of Rome at the time when it passed through the form of a republic to the form of an empire and see the enormous properties which were then held by single individuals. You can read of it in Cicero's familiar letters to Atticus, who was one of that class. There were enormous fortunes then; there have been enormous fortunes under every commercial civilization from that day to this. What distinguishes our time is the colossal size of the fortunes which have been accumulated in this country, because we have had the greatest opportunities, larger than exist anywhere else. But huge fortunes—huge beyond anything the world has ever dreamed of hitherto—have in these days been amassed everywhere. Undoubtedly they constitute, in some ways, a menace to free, orderly, constitutional government. They are often

grossly abused. They arouse evil passions. Undoubtedly they are a danger. But the danger is one that is not going to be successfully met by allowing a spirit of vindictiveness to enter in, and to say broadly that a man, whether innocent or guilty, must be punished through the taxing power of the Government for merely possessing property. Make him bear his fair burden, by all means. I would put the burden especially heavily on the income that is unearned; but I would not set a class apart and say they are to be pillaged, their property is to be confiscated, in order to gain, perhaps, for myself or my party a brief and fleeting popularity. We shall thereby come too near to that which proved the downfall of the Roman Republic, when the one cry for the man who chose to raise himself above his fellows and to gain great power was to promise, "Panem et circenses." The man who would give the bread and the games was the man who attained power, and it is easy to drive men to this if they have to choose between that and ruin.

I do not want to see that class built up in this country. I do not want to see its members forced into that position by being hunted like wild beasts. I want, just so far as intelligence and ingenuity can do it, to impose this direct tax so that it will fall most heavily on those best able to bear the burden; but I want it done in order to raise revenue for the Government of the United States and for no other purpose. I do not want it done in a spirit of hatred to a man merely because he happens

to have money.

I know the present tone is that any man who has money is prima facie a criminal and that any man who has been successful in any way falls under suspicion. But there has been in this country for many years, and there is to-day, in my judgment, a great deal of honest success honestly won. There have been great fortunes honestly made and wisely and benevolently distributed. I do not believe Americans of that class are all gone. I think this country is full of honest men making large incomes in business or at the bar or elsewhere, and making them honestly and fairly. I think they are entitled to the fruits of their success, and they as a rule bear the burden of their duty to the community generously and well. It will be an ill day for this country when we raise the cry that success honestly won is to be punished; that money honestly gained is the badge of criminality; and that we are to go to the people of the United States in the search for popularity, and say to them: "Follow us. We will plunder the people who have got the money. You shall spend it, and it will not cost you anything." That is a dangerous cry to raise in any country, for when you unchain that force you can not tell where it will stop, and in your eagerness to destroy property and rob men of hope and ambition you may bring your boasted civilization down in rulns about you.

This Government was founded in justice and in belief in the individual man. Of that Thomas Jefferson was the great apostle. I believe we are trenching on very dangerous ground when we assume that if a man has succeeded, if a man has accumulated wealth honestly and fairly, therefore he ought to be brought to the block and punished for the mere fact that his brains and his character and his work and his self-control have

enabled him to rise.

Success used to be held out as the prize for every American boy. Now we are holding out to him the suggestion that he can not reach success without pursuing devious ways, and that if he does attain success, if he does amass a fortune, he is to be an object of suspicion to all his fellow men.

Let us impose our tax in the best and justest way we can. Let us do it in such a way as to make those pay most who can best pay. Let us do it to raise revenue. Do not let us do it in order to gratify hatred and malice and all uncharitableness.

Mr. BORAH. Mr. President, in my judgment if anyone should undertake to organize a movement in this country for the purpose of attacking a man simply because he was successful, or discriminating against a man or men because they were successful or because they were the possessors of wealth, he would find himself in a very short time the most unpopular man in America.

I do not know, from my limited reading, of a country in the world where there is so little feeling against a man simply because he possesses wealth as in this country. I do not know of any country where the people are so tolerant of success, and are always so willing and anxious to congratulate a neighbor or a friend upon his success, as here in this country.

I do not believe it is popular in this country to take the opposite view, and to assail wealth because of its existence, or to assail a man because he has been successful in gathering wealth. I think the Senator from Massachusetts has pictured a condition which does not exist in this country at all. He has painted in lurid and fretful outlines a scene wholly un-

known to American life. I do not believe there is any feeling upon the part of the people which would encourage men to gather about one who is following the course he has indicated men might be following now for the purpose of securing popularity. But every time there is an effort upon the part of anyone to bring the men of means and of grent wealth within the rule that obtains with reference to all other men, the cry of the demagogue is raised, and the men who undertake to do it are immediately assailed as appealing to popular prejudice. It is an old cry. Unable to meet the arguments of Justice, unable to confute the logic of equity, they draw their phylacteries about them and proudly withdraw from the demagogue and the shouting populace.

The effort to bring into subjection and under the rule and control of the law those who have obtained such power and such influence as, in many instances, to enable them to Ignore it, immediately leads many people to suppose that it is being done solely for the purpose of popularity rather than for the purpose of enforcing the law as to all men, rich or poor, great or small. I do not know of anyone who has ever advocated an income tax or an exemption upon the theory of punishment, or upon the theory that some should pay taxes and others should not. The men who have given their lives to the study of this question, who do not deal with populare prejudice, who ask no favors at their hands, who seek no votes from them, will be found to sustain the position of those who advocate a reasonable exemption in an income-tax law.

I challenge the Senator from Massachusetts and those who view the matter as he does to point me to a single great publicist or writer upon this question who does not bear out the statement I have made.

The income tax had its impetus not with men seeking popular favor but in a thorough, conscientious, persistent investigation upon the part of those who have gone to the sources of information and have studied the statistics which are available from almost all the countries of the world. I could quote many, but I am going to quote a short paragraph from one who occupies a most eminent position in one of the great universities of this country, and who, I presume, cares as little about popular favor as any man who could possibly be called into this discussion.

He says:

Under existing conditions in the United States the burdens of taxation, taking them all in all, are becoming unequally distributed, and the wealthier classes are bearing a gradually smaller share of the public burden. Semething is needed to restore the equilibrium; and that something can scarcely take any form except that of an income tax.

In the State which the Senator who has just spoken has the honor to so ably represent it was discovered a few years ago that the assessed valuation of all the real estate amounted to \$2,000,000,000, while the valuation of all the personal property in the State, according to the assessment, amounted to only \$500,000,000. In other words, as I stated yesterday, this class of property escapes taxation in spite of all the ingenuity of man to bring it within the law, and an honest effort to make it bear its proportion of the burden is not to be whistled down the wind by the assertion that those who advocate it are appealing to popular prejudice. I seek to punish no man because of his wealth. I honor the man whose genius, coupled with honesty, gathers well of this world's goods. But I would count myself recreant to the public service if I did not seek to so shape the laws of my country as to mete out to him the same obligations as rest upon the unsuccessful or the penniless. It is not demagoguery; it is the fundamental but forgotten principle upon which this Government was established.

Two or three very large estates have been probated within the last three months in a single city of the United States, one of which was probated for \$\$7,000.000 and the other two for \$100.000.000 each. What percentage of their income or what rate of tax did they pay to the National Government? Every man should pay a tax to his government. Of course he should. To state that is to state a rule as fundamental as the Ten Commandments. But does not every man in this country pay a tax? Does anyhody escape it?

a tax? Does anybody escape it?

The only logic of the Senator's argument is finally to accept direct taxation, exclusively and alone, as a means of raising taxes. When we shall adopt a system of direct taxation, exclusively and alone, I will join the Senator from Massachusetts in putting the exemptions down to a very low figure. But I insist now, as I have insisted before, that so long as we raise seven-eighths of our revenue by another method and only one-eighth by direct taxation, it can not be said that any man is escaping taxation. Neither can it be said that in giving a reasonable exemption we are exempting a class, for that class supposed to be exempted have already paid more than their proportion.

The Senator cited the case of city governments as extravagant. Do they have a system of indirect taxes to any extent? Who operates and runs, and who is responsible for, these extravagant city governments? Take the city government of New York. Notwithstanding its great extravagance, as exhibited by the figures which I read in the New York Sun a few days ago, does anybody suppose that the men who are really managing the business affairs of New York are the poor people upon the streets, to whom the Senator refers as the authors of extravagance? Certainly not. The men who are operating and managing the business affairs of the city of New York are, in a large measure, of the same class of men for whose protection the Senator pathetically pleads.

There is sufficient incentive to economy upon the part of the man of ordinary means in this country by reason of the taxes he already pays. Where does the demand for increased expenditures come from? Has any Senator undertaken to satisfy himself from whence arise these demands for increased expenditures? Do they come from the man upon the street or upon the farm or in the shop or the man of limited means? When there is a cry to raise salaries or to build embassies or to increase expenditures in one way or another, from whence comes the support? The great support comes, nine times out of ten, from those whose properties are paying practically no tax at all to the National Government. There is little disposition to extrava-gance upon the part of the masses. They are not asking for such expenditures, nor have they shown any disposition to increase expenditures and put the burden of the increase upon the wealth of the country. I have seen no disposition of men of small means to vote taxes. I have always noticed that in matters of local expenditure, in matters of new taxes, in matters of creating new offices, that the general voter is very slow. Extravagant demands have come from those who feel that however great the burden they will pay no more out of their abundance than their neighbor pays out of his less fortunate allow-

It is not necessary, Mr. President, to add something mere to the burden of the man in the field or shop in order to interest him in the question of economy. The effort of those who have been here advocating the proposition of a weasonable exemption and a reasonable graduation is based not upon the design to punish, but is based upon the principle which is the foundation of all just taxation, that men shall pay in proportion to their ability to pay.

Will the Senator from Massachusetts or anyone else undertake to demonstrate to me that the wealth of this country is paying as much tax to the support of the National Government in proportion to its property and its income as the one who it is said we are appealing to for popular favor? Will they take the statistics of the past which may be gathered and undertake to show that he is not now meeting more than his proportion of heavy burden? Until they do that their mouths are closed and they are estopped from challenging the good faith of those who advocate a reasonable exemption in this kind of taxation. After a man pays the tax which he must pay on consumption, then give him a chance to clothe and educate his family and meet the obligations of citizenship and preparation of those dependent upon him for citizenship before you add any additional tax. That is the basis of this exemption, and it is fair and just to all and toward all.

Mr. WILLIAMS. Mr. President, I want to express the hope that we may now go on with the bill. This is a purely academical discussion which has been taking place between the Senator from Massachusetts and the Senator from Idaho, and is especially academical at this time. There may be great merit in the argument of the Senator from Massachusetts some of these days, but not now. The reason why there is not great merit in it now is because while it taxes these people with indirect taxes of various sorts these things should be left for some day, when the good day comes—the golden day—when there will be no taxes upon consumption at all except upon whisky and tobacco and wine and beer and things that are considered harmful, and no import duties at all except countervailing duties to offset them, and when everybody will pay in proportion to his income. It might then be well to reduce the exemption or to do away with it, so that a man with \$5,000 would pay his \$50, or whatever it was, and the man with \$500 would pay his \$5, and the man with \$50 would pay his 1 cents, and call it the people's pence, like Peter's pence, and let everybody pay his share.

But it is absolutely academical at this moment. It is not doing any good to carrying on the legislation of the Senate, and it can not be even intelligently discussed until we get into an entirely changed condition of things. So I ask that we may go on with the bill,

Mr. WARREN. Mr. President, I wish to ask a question, not of an academical nature at all. And if the Senator is not tromuch in haste I want to say, before I ask the question, that I am one of those who voted for a constitutional amendment to enable the Government, without fear of former constitutional limitations, to provide for an income tax. I was one of those who then believed and I am one of those who now believe that an income tax should be altogether, or, if not altogether, pretty much retained as a reserve resource. I am one of those who believe that customs duties and the internal-revenue taxes ought to support the ordinary expenses of the Government. I think they should be so levied as to harm nobody and to protect and encourage industrial pursuits, in order to enrich and not impoverish the people; and the matter of an income tax could be lying back in reserve, with the necessary macLinery ready, if you please, so that in time of war or great stress we could immediately, as the Senator from Mississippi has said, enlarge and provide the necessary additional revenue.

But there are some questions which arise in my mind; it may be because I have not yet sufficient grasp of the bill. I recall with regret that one of the matters which has been before this body and before the other body ever since I can remember, and then some, is the election of Senators by the people. Finally after years and years of struggle and debate and profound consideration, we legislated, and almost within the twinkling of an eye we are in the midst of trouble in the matter of knowing how to apply that measure to existing circumstances or knowing exactly what the law means. There is an eminent man rapping at the door here for a seat in the Senate; he is worthy in every way; and the live question is, Under what circumstances and under what interpretation of the law can we permit him to take his seat? With that election-of-Senators law which we have just enacted with so much care and which caused us to listen hours and hours to constitutional speeches upon the matter, we are hung up in the air by a seeming!y simple matter following a happening that may occur again at any moment in the death of a Senator and the filling of a vacancy.

Now, we may meet some very awkward situations in doing real business under this proposed income-tax tariff law unless we most carefully perfect the measure before its passage. The other day I happened to be doing some business with the president of a trust company. My connection with that company had been where they had acted as trustee for bondholders of certain small corporations which others, with me, had bonded, and while it did not come up in the nature of a complaint the president nonchalantly asserted that unless the pending bill is changed in some manner he feared it would be very awkward in its application to trust companies and to those who have the distribution of money collected for the coupons on bonds, and so forth. For instance, as he said, his company collected or paid a great many coupons on bonded companies.

WILLIAMS. Bonds payable to bearer? Mr. WARREN. Sometimes they are registered and sometimes they are payable to bearer. They are issued or indorsed both ways, as the Senator knows. A man up in Washington or Oregon sends down the coupons here, and, as we understand the law, we shall be compelled to enter upon our books collections as an account, with names of all collections and payments, and if we do that it means 30 or 40 or more extra clerks; we must then notify the parties in interest that the money is there. Then we shall have to have proof from him that it is duly accounted for in the way of an income tax, or else we shall have to subtract and pay here and enter up accordingly on our books.

Have the Senator and those who work with him thoroughly canvassed that situation? They did very much for it. I do not say they have not, but I want to know whether they have.

Mr. WILLIAMS. I think we have.

Mr. WARREN. I want to say to the Senator that it seems to me the way to correctly figure out a bill is just along a proposition of that kind of how it will apply absolutely in actual business. All of us remember the old farmer saying that "the proof of the pudding is in chewing the string."

The Senator can see what an awkward situation there might be if somebody sends down a little package of coupons to be collected and intended to be applied to paying an obligation of his own, and he had to be hung up until he could go before some United States officer and make proper affidavit and have proper papers executed and sent down here at an expense perhaps that would eat up a large portion of that income.

Mr. GALLINGER. I will ask the Senator if coupons of that

nature are not usually sent through the banks?

Mr. WARREN. They are often, but in that case I can hardly see how it makes any difference. Somebody must be responsible to the Government. It may be the trust company in New York, it may be in Chicago, or it may be nearer home.

am only raising this inquiry for the purpose of ascertaining whether that side of the equation has been fully considered.

If not, I hope it may be.

WILLIAMS. In answer I will say to the Senator it gave us a great deal of trouble and it gave those in the House a great deal of trouble. We were faced with the question of being certain that they got the revenue, and we were also faced with the question of deducting at the source, which is the cause of all the trouble, of course. We adopted that system because we discovered that in Great Britain and elsewhere without raising the rate it increased the revenue very much, and also there were less evasions under it. We adopted generally the principle

of deducting at the source.

Mr. WARREN. The Senator will see that if it should be necessary for the banks and the trust companies to carry a line of accounts open, purposely for this, and employ more help for doing this business, it would be a larger thing than a great inconvenience to the owners of such securities, because the collecting agents would seek compensation for extra services.

Mr. WILLIAMS. That is very true; it will increase the amount of bookkeeping by paying at the source. It is unfor-

tunate, but it can not be avoided.

Mr. WARREN. Can the Senator avoid all the delay?

Mr. WILLIAMS. The tax is paid at the source. the taxpayer is not subject to the tax he makes a statement to that effect before the tax is actually paid if he chooses, or the company could make it for him, or if it is paid before any statement is made, then he becomes entitled to a refund of it upon a proper showing in another clause of the bill. Of course, you can not have an income-tax law upon the principle of deduction at the source without throwing some extra burdens upon the people who pay the tax and have the people make a statement to the other people as to what they have done. To that extent the complaint is just, but it is unavoidable.

Mr. WARREN. I think I see in this explanation of the Sena-

tor a good deal of delay and a good deal of expense. Is the Senator quite sure that the subcommittee has exhausted all its resources in reducing that to a plainer mode of handling?

Mr. WILLIAMS. Yes.

Mr. WARREN, Because if everyone must wait until the proper proof is presented and all these records are to be made, I can see that on a 4 per cent bond or a 3½ or 5 per cent bond a very large percentage is going to come out of the income, and it goes not into the Government's hands, but into expenses.

Mr. WILLIAMS. I was trying to find the provision here. I can not lay my hand upon it right now, but when we do get to it I will explain it fully to the Senator. I should like to read it

now

Mr. WARREN. I hope the Senator may, before the bill

passes, give it further consideration.

Mr. WILLIAMS. That matter has had our full consideration. We had hearings upon it which lasted quite awhile. It gave me personally a good deal of trouble and embarrassment, and it did to the committee.

Mr. SHERMAN. Mr. President, I appreciate the difficulty in which the Senator from Mississippi finds himself in framing what would be entirely satisfactory to those interested in the trustees, and I think he is entirely correct in saying that in many of these things a workable or more perfected form of the law will not be had until we have tried it a while. I am not disposed to be at all critical in the matter.

Mr. WILLIAMS. Just one word. The Senator from Wyoming will find what I was referring to is in paragraph D of

this section.

Mr. WARREN. I understand. Mr. WILLIAMS. It begins on page 172, at line 17. if the Senator will read that entire paragraph he will find the matter about as well taken care of as is possible with the limited ability of anybody to entirely avoid the absolute impossibility of throwing some extra labor upon those who must make the statements in order to pa, at the source.

Mr. WARREN. I notice with pleasure this change from the

original bill, but I hope the Senator will again still further

elucidate it.

Mr. SHERMAN. Mr. President, the discussion originally began on the amendment offered by the Senator from South Dakota [Mr. Crawford], as I remember. I wish to recur to that for a brief moment. The criticism in the application of the principle embodied in that amendment is that it taxes the thrifty and exempts the prodiga!. The same criticism I am aware, and I know it is one of the difficulties, would apply to the savings of any active person. If the savings be out of property income there would be at the end of the year a surplus derived from that income, and that in turn invested would become principal; the principal would produce in turn income, and so on, indefinitely. The earnings of any person from any occupation or

profession would, if not spent in like manner, become principal. If by professional effort any person should earn a given sum annually and he spends half of it, he saves the other half. The half so saved in turn becomes principal. That principal is property. The savings from the income by professional effort or by any form of skilled labor or unskilled by hand becomes At the end of any given period that saving is a principal, and any income derived from it is an income from property, not an income from the earning capacity or the personal ability of the taxpayer in question. So, in every instance it comes finally to the same result. I can see no criticism in the application of the principle embodied in this amendment because of that reason.

I believe in the classification that we have to make it is a just classification to distinguish between those who have incomes from fixed investments of property and those who have incomes from earning capacity. That is the point involved in the amendment offered by the Senator from South Dakota. That distinguishing difference consists in the source of the income. The one is a stable, fixed investment in the form of property, either in the form of credits or in the form of tangible property, either merchandise or realty, or any of the different forms that personalty assumes. Those investments that produce an income from a property source I think are properly to be distinguished from those arising from the earning capacity of the individual. A public officer, an employee, one who earns by professional ability, an architect, a musician, a lawyer, a doctor of divinity, a doctor of medicine, all are earning because of their personal ability.

I think the distinguishing line is as indicated in the amendment. When there is a perfect Government tax rate it will be very low or reduced to a point where none of us will complain. Every taxpayer is an involuntary victim of the necessities of government. That will continue until the time when govern-ment has become so perfected that a large portion of our expenses will be rendered unnecessary. That is a good way off. We will have to perfect human nature, and that is so far away

that it is purely an academic question.

Here are the percentages on the estimates made by the report of the Senate Committee on Finance. If postal receipts be excluded, it is some \$716,000,000 at present on the estimate and on the actual collection of revenue. The greater part of the Government income is from internal revenue and is in the nature of a direct tax, because it operates directly to increase the cost of the commodity. The internal revenue on this estimate will be 41 per cent of the total income for the fiscal year ending the 30th day of June, 1914. Our customs duties will be 37 per cent, our income-tax revenue will be not quite 10 per cent. The corporation tax will be 5 per cent. Our income from the sales of public lands and from miscellaneous sources of all kinds constitute the other 7 per cent, making a total of 100 per cent, aggregating about \$716,000,000. The rest of the \$996,810,000 of the governmental income of the next fiscal year consists of \$280,000,000 estimated postal receipts.

So under this proposed plan of taxation there are now on the estimate barely 10 per cent to be raised by an income tax. That is a very small part. I think you might justly increase within certain limits of the classification the taxes to be levied, and you might decrease appropriately the income derived entirely from the earning capacity or, in other words, the personal efforts of the ability and industry of those who earn the

Mr. WILLIAMS. Now, Mr. President, let us go on with the

The PRESIDING OFFICER. The reading will proceed. The Secretary. The bill has been read down to the middle of line 13, on page 167, where the committee proposes the following amendment. On page 167, line 13, before the word "bequest," to insert the word "gift," so as to read:

"bequest," to insert the word "gift," so as to read:

B. That, subject only to such exemptions and deductions as are hereinafter allowed, the net income of a taxable person shall include gains, profits, and income derived from salaries, wages, or compensation for personal service of whatever kind and in whatever form paid, or from professions, vocations, businesses, trade, commerce, or sales or dealings in property, whether real or personal, growing out of the ownership or use of or interest in real or personal property, also from interest, rent, dividends, securities, or the transaction of any lawful business carried on for gain or profit, or gains or profits and income derived from any source whatever, including the income from but not the value of property acquired by gift, bequest, devise, or descent.

The amendment was agreed to.

The next amendment was, on page 167, line 18, after the word "contract," to insert "or upon surrender of the contract,"

word contract, to insert or upon surrender of the contract, so as to make the proviso read:

Provided, That the proceeds of life insurance policies paid upon the death of the person insured or payments made by or credited to the insured, on life insurance, endowment, or annuity contracts, upon the return thereof to the insured at the maturity of the term mentioned in the contract, or upon surrender of the contract, shall not be included as income.

Mr. CUMMINS. Mr. President, before we go further with the bill I want to make a suggestion to the Senator from Mississippi [Mr. WILLIAMS]. I make it through the medium of an amendment, which I now propose.

I move that all that part of paragraph marked "B," under subdivision 2, on page 167, down to and including the word "descent," in line 13, be stricken out.

I want the Senator from Mississippi, the committee, and, indeed, all the Senators on the other side of the Chamber to understand that I offer this amendment in a friendly spirit. I am quite as much in favor of the income tax as any of them can possibly be.

It ought not to be forgotten, however-and I am now speaking to the lawyers on the other side; I want to make a lawyer's argument and not to raise at this moment any question of policy-that the authority of the Congress of the United States with regard to this subject is not unlimited. Our power is not like the power which Great Britain exercises over the subject. It is not like the power which the several States exercise over the subject. It is a power granted in article 16 of the Constitution, and I will read it:

Congress shall have power to lay and collect taxes on incomes, from whatever source derived, without apportionment among the several States, and without regard to any census or enumeration.

Our authority is to levy a tax upon incomes. I take it that every lawyer will agree with me in the conclusion that we can not levy under this amendment a tax upon anything but an income. I assume that every lawyer will agree with me that we can not legislatively interpret the meaning of the word "income." That is purely a judicial matter. We can not enlarge the meaning of the word "income." We need not levy our tax upon the entire income. We may levy it upon part of an income, but we can not levy it upon anything but an income; and what is an income must be determined by the courts of the country when the question is submitted to them.

I think there can be no controversy with regard to those propositions. I am very anxious that when this bill shall have passed it may be effective, that its operation may not be sus-

pended or delayed through a resort to legal tribunals.

pended or delayed through a resort to legal
Mr. FLETCHER. Mr. President—
The PRESIDING OFFICER. Does the Senator from Iowa
yield to the Senator from Florida?

Mr. CUMMINS. I yield to the Senator. Mr. FLETCHER. I should like to inquire whether the Senator means to state that Congress can not by statute define what shall be regarded as an income tax?

Mr. CUMMINS. I do not think so, Mr. President. The word "income" had a well-defined meaning before the amendment of the Constitution was adopted. It has been defined in all the courts of this country. When the people of the country granted to Congress the right to levy a tax on incomes, that right was granted with reference to the legal meaning and interpretation of the word "income" as it was then or as it might thereafter be defined or understood in legal procedure. If we could call anything income that we pleased, we could obliterate all the distinction between income and principal. Whenever this law comes to be tested in the courts of the country, it will be found that the courts will undertake to declare whether the thing upon which we levy the tax is income or whether it is something else, and therefore we ought to be in the highest degree careful in endeavoring to interpret the Constitution through a statutory enactment.

Now, let us see. Subdivision 1 says:

That there shall be levied, assessed, collected, and paid annually upon the entire net income-

And so forth.

That is a declaration which is fair, which is constitutional, which is complete. If we wanted to do it, we could levy a tax upon the gross income. The bill chooses to levy the tax upon the net income; and that is entirely within our power, because, as I said before, we can diminish the operation of the Constitution; that is to say, we need not levy the tax upon the entire income; but we can not enlarge the operation of the Constitution and levy a tax upon anything but income. Therefore, it seems to me that the bill ought to continue throughout its length in the language with which it begins, namely, that we levy a tax upon the entire net income of the citizens of the United States who fall within the provisions of the bill.

With these observations in view, I want to read that part of the bill which my amendment seeks to eliminate, on page 167.

It is as follows:

B. That, subject only to such exemptions and deductions as are hereinafter allowed, the net income of a taxable person shall include gains, profits, and income derived from salaries, wages, or compensation for personal service of whatever kind and in whatever form paid, or from professions, vocations, businesses, trade, commerce, or sales or dealings in property, whether real or personal, growing out of the ownership or use of or interest in real or personal property, also from

interest, rent, dividends, securities, or the transaction of any lawful business carried on for gain or profit, or gains or profits and income derived from any source whatever, including the income from but not the value of property acquired by gift, bequest, devise, or descent.

Mr. WILLIAMS. Mr. President, I want to offer an amendment at that point to cure a defect. After the word "sales," in line 6, there ought to be a comma.

Mr. CUMMINS. I do not, of course, found my amendment upon any omission of that kind.

Mr. WILLIAMS. I merely want first to perfect the language, if there is no objection.

Mr. BRANDEGEE. Right at that point-if the Senator from

Iowa will pardon me—if the Senator from Mississippi inserts a comma after the word "sales," he does not intend——Mr. WILLIAMS. It reads, "businesses, trade, commerce, or

Mr. BRANDEGEE. It reads "sales or dealings in property." Mr. WILLIAMS. It refers to profits derived from any sort of sales—profits derived from "sales or dealings in property."
Mr. BRANDEGEE. Why have the words "in property" after "dealings" and not after "sales"?
Mr. CUMMINS. Mr. President, I hope the amendment sug-

gested by the Senator from Mississippi will be allowed without any controversy, because my amendment is not involved nor does it concern that correction.

The VICE PRESIDENT. By unanimous consent, then, the amendment proposed by the Senator from Mississippi will be

Mr. CUMMINS. It will be observed that here is an attempt, Mr. President, to define the meaning of the word "income," to describe its scope, to determine its effect. I reiterate that the attempt will be ineffective and may be exceedingly dangerous.

Great Britain might employ such words as these in modification or explanation or enlargement of the word "income," because Great Britain has no constitutional restriction upon her Parliament. A State might use these words with perfect propriety, because a State has a right to include whatever she likes within the meaning of the word "income"; but the Congress has no right to employ them, because the Congress can not affect the meaning of the word "income" by any legislation whatsoever. The people have granted us the power to levy a tax on incomes, and it will always be a judicial question as to whether a particular thing is income or whether it is principal.

Mr. LEWIS. Mr. President, knowing the Senator from Iowa to be an excellent lawyer, will he give me his views on this point: Does the Senator contend that the word "income," therefore, as stated in the Constitution, must be construed to mean what it meant and was understood to mean at the date of its adoption as part of the Constitution?

Mr. CUMMINS. I do not so say. What I have said is, how-ever, that it is not for Congress to interpret what it means; it is for the courts of the country to say, either at this time or at any other time, what it means. If it were within the power of Congress to enlarge the meaning of the word "income," it could, as I suggested a moment ago, obliterate all difference between income and principal, and obviously the people of this country did not intend to give to Congress the power to levy a direct tax upon all the property of this country without apportionment.

Mr. LEWIS. Then, assuming that the matter would have to

be determined finally by the court, which concession we all must make, would the Senator's legal mind revert to the theory that the court, then, would have a right to define the word "income" to mean whatever was understood judicially by "income" at the

date of the adoption of this act?

Mr. CUMMINS. I do not accept that at all, because it is entirely beyond the domain of Congress. In 1789, I believe, the people of this country gave Congress the power to regulate commerce among the States. It is not within the power of Congress to say what commerce is. "Commerce" may mean a very different thing now as compared with what it meant in 1789; it has broadened with the times; the instrumentalities have changed with the course of years; but Congress can not make a thing commerce. The court must declare whether a particular regulation is a regulation of commerce, and in so declaring it defines for the time being what commerce is.

Why, Mr. President, should Congress attempt to do more than is declared in the first section of the proposed bill? It is right; it is comprehensible; it embraces everything—no, I will withdraw that; it does not embrace the full power of Congress, because Congress can levy a tax upon gross incomes if it likes; it may diminish the extent of its taxing power or not exercise it all; it may exclude certain things from the taxing power that it might include; but it can not change the character of the taxation; and when it is declared in the first lines of this bill that a tax is levied upon the entire net income of all the citizens of this country, we have exercised all the power we have. If we upon.

desire to limit ourselves to net income, we can not define "net income"; we can not say what shall be included in income and what shall not be included in income. We are only preparing ourselves for delay, for disappointment, and possible defeat if we endeavor to interpret the meaning of the word "income."

Mr. SHIVELY. Mr. President-

The PRESIDING OFFICER (Mr. CHILTON in the chair). Does the Senator from Iowa yield to the Senator from Indiana? Mr. CUMMINS. I do.

Mr. SHIVELY. I can readily agree with the Senator that the courts will finally give a definition of "income"; but that does not prevent Congress from limiting the application of the word in legislation.

Mr. CUMMINS. Not at all. I have so said. Mr. SHIVELY. If the Senator will observe the words "except as hereinafter provided" in the first subdivision of this

Mr. CUMMINS. I have not sought to strike out any part of the limitations save the gift, devise, bequest, or descent, and I do not think there is any man in America, were it not for what precedes those words, who would contend or could contend that a gift or devise or bequest of property or property coming to one by descent is income. I never heard of it being so construed, and it is not possible that it could be so construed. It would not have been put in there were it not for the attempted enlargement of the word "income" contained in the previous part of the paragraph.

Mr. WILLIAMS. How does the Senator think that is an attempt to enlarge it? Tell us specifically to what words the

Senator refers.

Mr. CUMMINS. Mr. President, if it has not that effect, or attempted effect, it can have none. It is certainly not an attempt to limit or to restrict the meaning of the word "income"; and if it has not the effect or if it is not thought or if it was not in the mind of the person who drew it to enlarge the meaning of the word "income," then the draftsman of the bill has offended against the first principles of legislation by incorporating language that is absolutely meaningless

WILLIAMS. Now, if the Senator will pardon me a

The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Mississippi?

Mr. CUMMINS. I do.
Mr. WILLIAMS. It was not the intent there to enlarge or to stretch the meaning of the words "net income," which is the income referred to here, and not gross income at all.

Mr. CUMMINS. I have not said it was gross income. Mr. WILLIAMS. The Congress in undertaking to specify what it proposes to tax does undertake neither to enlarge nor to restrict the meaning of the words "net income," but to define their meaning for the purposes of this bill, for the purposes of this taxation. It may be that a court might come to the conclusion that Congress had wrongfully defined the term. If so, the court will correct the definition, and if the court corrects the definition, then this bill will be to that extent altered or changed; but the contention is that this is a correct definition of the articles which, under a bill seeking to tax net incomes, will be taxed. The question I asked the Senator was in what respect he thinks that this definition enlarges the meaning of the words "net income" or restricts them, either?

Mr. CUMMINS. Mr. President, as I remarked before, if these words qualifying, modifying, and explanatory are not intended either to enlarge or to restrict, they are entirely useless.

think, however, with deference—
Mr. WILLIAMS. Does the Senator think it is useless in a tax bill to try to define the thing you propose to tax?

Mr. CUMMINS. Mr. President, I do think in this instauce that it is worse than useless; I think it is dangerous, and I will

proceed to show why.
Mr. SIMMONS. Mr. President-

The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from North Carolina?

Mr. CUMMINS. I do. Mr. SIMMONS. I readily agree with the Senator in his contention that we have no authority to tax anything except income, and I readily agree with him that, in the last analysis, the court must decide what is income and what is not income; but before the court can get jurisdiction of that question, there must be a levy; there must be an assessment; there must be an attempt to collect. I can see no other way in which the court could possibly acquire jurisdiction. So that before the matter can ever reach the court there must be some one who will decide the question of what is "income."

Mr. WILLIAMS. And describe the property to be levied

Mr. SIMMONS. And, as the Senator from Mississippl very properly says, describe the property to be levied upon. The Senator from Iowa says, as I understand him, that it is not competent for the Congress to define what is income and what is not Then, the only conclusion from the Senator's argument is that we ought simply to levy a tax against incomes and stop. Suppose we should do that, who then can decide the question of what is income and what is not income, seeing that that question must be decided before the court can acquire the jurisdiction to determine the question of whether or not the thing taxed is income?

Are we to leave it to the officers of the taxing branch of the Government to determine what is income? Are we ourselves to hold that we have not the authority to define the word, but that the officer of the law has the authority to define and determine it? It seems to me that is what the Senator's argument would lead to. I may be mistaken about that; he may have some way in his mind by which we could reach a determination of what is income otherwise than through the definition of Congress or through the decision of the officer of the law, but I can not myself see how we would select the things upon which this tax is to operate except through a definition of the word "income" by Congress, or a definition of the meaning of that word by some subordinate officer of the law.

Mr. CUMMINS. Mr. President, the difficulty with the Senator from North Carolina is that he does not distinguish between a requirement in the law for a return to an administrative officer of the various matters included within this paragraph and a declaration that the income shall include these

things.

Mr. SIMMONS. Yes; I do. The Senator is mistaken. Mr. CUMMINS. Mr. President, there is a very great difference. I agree with the Senator from North Carolina that it is quite within the province of Congress to require the citizen to make a return, including his gains and profits and income from his sales and dealings of all kinds. That is entirely within our power; but it is not within our power to declare that these things shall be included in the income.

Mr. SIMMONS. The Senator is mistaken when he says I have not considered that. I have considered that as the third If Congress has not the power to decide, if the alternative. officers of the law charged with the enforcement of the law have not the power to determine, then the only other person who could have the power is the man who is to pay the tax. Would not the Senator's position, therefore, force him into the attitude of maintaining that the proper person, in the first instance, to determine what is income and what is not income

is the man who pays the tax, and, next, the court?

Mr. CUMMINS. I do not think so, Mr. President, nor do I

think my suggestion leads to that result. I have no doubt about the power of Congress in requiring those who are to make return to include their gains and profits and their dealings of all kinds, and from that return I have no doubt that it is within our power to give to the taxing officer the right to discover the amount of the net income, and, if his judgment be wrong, the taxpayer can question it, and finally the court must determine it. That is not what is sought to be done in this paragraph. We are attempting to define what "net income" is graph. We are attempting to define what "net income" is and of what it is composed, and what we may lawfully tax. But I want to read now what this means

Mr. SIMMONS. Before the Senator leaves that point, does not the Senator think that it would be a great deal better for us, in the first instance, to indicate as best we can what the legislative judgment is as to what constitutes "income" and require the taxpayer to account for his income upon all of those particular things? If we make a mistake and include in our designation of what is "income" something which is not income, but is property, then, of course, the court would come in and settle that controversy. Does not the Senator think that is better than to leave it to the taxpayer to determine in the first instance what is "income," and then leave it to the officer to correct him if he should make an error, and bring it into court in that way

Mr. CUMMINS. Mr. President, I do not think it is better. There is just this difference between the two courses: The course suggested by the Senator from North Carolina will end, if Congress makes a mistake, in the declaration that the law is

unconstitutional and of no effect.

Mr. SIMMONS. Why, Mr. President—
Mr. CUMMINS. Just a moment. The other course will end in a correction of the report of the individual taxpayer, and the law will continue to be enforced according to the Consti-

Mr. STERLING. Mr. President-

The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from North Dakota?

Mr. CUMMINS. I do.

Mr. STERLING. I should like to ask the Senator from Iowa if the courts, in construing the word "income," would not take into consideration the usual and ordinary signification of that

Mr. CUMMINS. I have no doubt of that, Mr. President. Mr. STERLING. And the court would have recourse to a standard dictionary, would it not, in construing that word?

Mr. CUMMINS. Unquestionably; and not only so, but to the common acceptation of the word and to the judicial opinions, of which there have been very many, in which the word has been considered.

Mr. STERLING. If in the definition of the word "income" as given in a standard dictionary the words "gains and profits" are also given as synomymous with the term "income there be anything wrong in the use of those words in the section to which the Senator refers?

Mr. CUMMINS. I do not think there would be, although they would be wholly unnecessary. But, of course, the point I make has no reference to the use of the words "gains and

profits."

Mr. CHILTON. Mr. President, will the Senator allow me? The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from West Virginia?

Mr. CUMMINS. I do.
Mr. CHILTON. I agree with the Senator that the Congress can not add to nor take from the word "income"; but it seems to me the Senator has done injustice to the very language of the

Mr. CUMMINS. I have not pointed out my objection to the clause I am seeking to strike out, for I have not been permitted

to advance that far.

Mr. CHILTON. Well, so far as the Senator has gone. Let me offer this suggestion: On page 167, beginning in line 3, it is provided that the "income derived from salaries, wages," and so forth, shall be included. It has to be income before it can be taxed, no matter how it is derived. We could say that only income from salaries or income from property or income from interest should be taxed. We have simply mentioned certain things; but they must be income before they can be taxed. We

use the very language of the Constitution.

Mr. CUMMINS. Of course, if that be true, Mr. President, then it is simply saying in another way that these words are entirely meaningless and useless; and I have never favored the introduction of words that can have no other effect than to confuse, even though they have no material bearing. The Senator from West Virginia [Mr. Chilton], however, is not, as I view it, quite accurate when he says that "income" as used in this paragraph necessarily means such income as gains and profits, in view of what is subsequently found in the paragraph.

Now, allow me to read a little further:

Or from professions, vocations, businesses, trade, commerce, or sales or dealings in property, whether real or personal, growing out of the ownership or use of or interest in real or personal property.

I was led to offer this amendment largely on account of a colloquy I had with the Senator from Mississippi [Mr. WILLIAMS] the other day, who seems to have become indifferent and who does not regard the matter as worthy of his attention or presence. I recall, however, the Senate to the colloquy that I mentioned a moment ago. I asked this question:

tioned a moment ago. I asked this question:

The Senator from Mississippi must certainly understand what I am trying to say. If applied to a general business, in which purchases and sales take place and gains and profits are reckoned, I can very well understand that the Senator from Mississippi is right, under the language of this bill. But suppose 10 years ago I had bought a horse for \$900, and this year I had sold him for \$1,000, what would I do in the way of making a return?

Mr. WILLIAMS. I will tell the Senator precisely what he would do.

Mr. CUMMINS. I mean, what would other men do?

Mr. WILLIAMS. I will tell the Senator precisely what the Senator would do, or precisely what I mean is precisely what the Senator would do, or precisely what I mean is precisely what he ore 10 years ago and sold him this year for a thousand dollars. That thousand dollars is a part of the Senator's receipts for this year, and being a part of his receipts, that much will go in as part of his receipts, and from it would be deducted his disbursements and his exemptions and various other things.

Mr. CUMMINS. Would the price I paid for the horse originally be deducted?

ducted?

Mr. WILLIAMS. No; because it was not a part of the transactions in that year; but if the Senator turned around and bought another horse that year, it would be deducted.

Mr. CUMMINS. Mr. President, the answer of the Senator from Mississippi has disclosed very clearly the weakness that I have been attemptive to report out.

ing to point out.

I am not sure, Mr. President, and I do not assert, that these modifying, qualifying, and explaining phrases will render the effort of Congress unavailing. I do not assert that they must necessarily be construed as unconstitutional. I do assert, however, that we are putting the law in a jeopardy which may easily be avoided. If the answer made by the Senator from Mississippi to the question I propounded day before yesterday is correct, then the law is unconstitutional.

Then there is an effort here to convert what is obviously principal into income, and it was because the distinguished Senator from Mississippi held that view of the paragraph that I intro-

duced the amendment that is now pending. I do not intend to continue the argument further. I will only say that I believe the words that are used here can perform no useful function. I believe that in describing what is to be taxed the words "net income" are as comprehensive and as complete as any words that can be found in the English language, and therefore that we ought not to imperil or hazard the bill by attempting to emphasize them or to explain them or to enlarge them.

If the Senate will return to the paragraph immediately before this-and it is typical of two other provisions in the bill, I think-it will be seen that there is an effort to declare that undivided profits in a corporation shall be recomed as income of the shareholders. In my opinion that can not be accomplished in any such way. The undivided profits are not the property of the shareholder, from a legal standpoint. Although he may be in part the equitable owner of all the property of the corporation, he is no more the equitable owner of the undivided profits than he is the equitable owner of a share in all the property of the corporation. I agree that there ought to be some way of reaching these undivided profits; but just so surely as you attempt here to broaden the meaning of the word "income" so as to make it include property that belongs to a corporation which it might distribute to its shareholders, but which it has not distributed, you will imperil the bill and meet disaster when you come to enforce it.

I pass now from the legal question to another subject that is closely associated with it, and I reach a question of policy. I come to the part of the committee amendment on page 169. I grant that here we are within the field of complete authority, so far as Congress is concerned. Congress can deduct from an income, in order to reach a taxable part of the income, anything it pleases. It can deduct a quarter of it, or it can deduct a half of it, or it can deduct all of it. This, therefore, does not relate to the constitutional authority of Congress.

I read from the committee amendment:

That in computing net income for the purpose of the normal tax there shall be allowed as deductions: First, the necessary expenses actually paid in carrying on any business, not including personal, living, or family expenses.

I have no objection to that, although I think there will be vast difference of opinion in regard to the construction or meaning of the word "personal."

Second, all interest paid within the year by a taxable person on in-

I have objection to that. This whole paragraph is framed upon the idea that the capital of the individual must be protected intact, must be preserved; that he can use any part of the income he likes for the repair of the capital with which he entered the year and have it deducted from the income. principle is wrong. It ought not to be in any income-tax law. It is not a part of the purpose of an income-tax law to guarantee that the capital shall be maintained. If the capital is lost, there will be a diminished income the following year upon which to levy the tax; but the taxable income should not be depleted by withdrawing from it a sum sufficient to maintain the capital, unless the income arose out of a business in which the capital was employed.

Third, all national, State, county, school, and municipal taxes paid within the year, not including those assessed against local benefits.

There can be no objection at all to that deduction.

Fourth, losses actually sustained during the year, incurred in trade or arising from fires, storms, or shipwreck, and not compensated for by insurance or otherwise.

This deduction is partly right and partly wrong—partly so wrong that it is utterly indefensible.

Suppose I earned \$20,000 a year in the practice of my profession, and during the same year I speculated upon the Board of Trade in Chicago and lost \$20,000, I would not taxable at all under this provision.

Mr. WILLIAMS. How does the Senator arrive at that conclusion?

Mr. CUMMINS. Simply because I have lost \$20,000 in trade, and it would not be compensated for by insurance.

WILLIAMS. Does the Senator call speculation in futures trade?

Mr. CUMMINS. Certainly it is trade. Why, the very organization through which it is carried on is called a board of It is trade in the most literal sense of the word.

Mr. WILLIAMS. It is no more trade than betting on a horse race.

Mr. CUMMINS. I say it is trade. The Senator from Mississippi says it is not. But suppose I had bought 10,000 bushels of eats from a farmer and had lost \$5,000 on it. That would be trade, would it not? I was not including the speculating or the gambling idea in the suggestion I made a moment ago. But it is trade as pure and simple as any other form of business; and yet because I had lost a part of my capital in doing a business that was entirely disconnected with the profession out of which I earned my income, I could use a part of my income to repair my capital and deduct it in my return.

There is no equity in it. There is no reason in it. There is no principle in it. As it seems to me, we ought to confine losses in business or in trade to the losses in the business or the trade out of which the profit or the income is made; and we ought not to permit an income derived from one source to be used for the purpose of paying either debts or losses incurred some entirely distinct business or trade.

Mr. BRANDEGEE. Mr. President—
The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from Connecticut?

Mr. CUMMINS. I do.

Mr. BRANDEGEE. I wish to ask the Senator whether, in his opinion, the profits of speculation would be a part of the income which should be taxed?

Mr. CUMMINS. Undoubtedly; unquestionably.

Mr. BRANDEGEE. Then why should not the losses incurred be deducted?

Mr. CUMMINS. There is no more doubt about it than that two and two make four. I assume that the Senator from Mississippi was not serious in the comment he made.

Mr. BRANDEGEE. My inquiry is, If the profits made from the speculation which the Senator from Mississippi thinks would not be trade would be a legitimate object of taxation as income, why would not the losses incurred in the same speculation be a legitimate deduction from income?

Mr. CUMMINS. They should be if the business, being reckoned up at the end of the year, shows a profit. Then it becomes a part of the income and should be taxed. If it shows a loss, there would be no income arising from it, and it should not be taxed. But it is proposed here that if one is engaged in that sporadic business in which so many Americans are engaged, and in which so large a part of our incomes are dissipated, he can take the profit or the income he has from some other vocation or profession or trade and use that profit or income to make good his losses in the speculation or trade to which we have

Mr. GALLINGER. Mr. President, if the Senator will permit me, departing from the argument as to the purchase of stocks in the market, how would it be if a man legitimately bought, say, railroad stocks? As an illustration, not long ago the stock of the Boston & Maine Railroad Co. was selling at over 200 a share. To-day it is selling at 63. Suppose a man bought a thousand shares of it at the former price, would the loss he sustained be a proper deduction?

Mr. CUMMINS. Undoubtedly, if it could be called "in trade." The general purpose of this paragraph is to insure the capital of the person, so that at the end of the year the capital will be as great as it was at the beginning of the year. There are exceptions to that here; but that is the general idea of the paragraph, and it is a false idea in the preparation of an income-tax law.

Mr. SHIVELY. If his losses were actually greater than his gains, there would be no net income.

Mr. CUMMINS. Yes; that is true. That is, if a man had \$100,000 of property at the beginning of the year and it was destroyed in some fashion or other, or if he embarked it in a venture of any kind and lost that property, even though he had an income of \$100,000 from some other source, he could take the income from the other source and repair his losses of capital and have no income. That is the purpose of the para-If you think that is right, you have expressed it very well.

Mr. SHIVELY. Let us take the illustration the Senator has just used. Suppose he has \$100,000, half of which is embarked in buying and selling grain and the other half in buying and selling live stock. Suppose in the grain business he loses \$5,000 during the year and in the live-stock business he gains \$5,000 during the year. Would the Senator say there was any net Would the Senator say there was any net income?

Mr. CUMMINS. I think there would not be.
Mr. SHIVELY. Then I do not understand the objection of
the Senator to this particular clause of the bill.
Mr. CUMMINS. The objection is this: In the case just put

by the Senator from Indiana, here is a business in which a man is engaged. At the end of the year it is to be ascertained whether there is any net profit growing out of the business. Of course all the losses are considered, all the gains are considered, and the result determines whether there is any income from the But I put the case again: Suppose I am not in business at all, but I have \$100,000 a year coming to me from the rent of property. I take \$100,000 and invest it in a mine in rent of property. Utah, and during the year I reach the conclusion that the mine is not worth anything. I deduct that \$100,000 from the \$100,000 of rent I have received, and the result is that I am a man without an income. If that is the real purpose of the framers of the bill it is exceedingly well phrased.

Mr. SHIVELY. You would be without a net income for that

year, of course

Mr. CUMMINS. I did not suppose it was intended to do anything of the kind. In the case I have just put I did not suppose it was intended to guarantee a man's capital and to repair all the losses he might sustain in any venture into which he might enter. I do not believe that is a fair foundation for

an income-tax law.

Mr. SHIVELY. But, Mr. President—

Mr. CUMMINS. If the Senator will permit me to proceed just a little bit further, he will see the full scope of my views.

Mr. SHIVELY. Very well. Mr. CUMMINS. We then come to debts:

Fifth, debts due to the taxpayer actually ascertained to be worthless and charged off within the year.

Suppose 10 years ago a man had given me his note for \$100,000. I had thought it to be good. I had carried it as a part of my principal, a part of my property. This year I have an income of \$100,000 arising from the practice of the law or from rents or anything else. I discover this year that the man who made that note, who has had nothing to do with my income, who has not contributed in any way toward it, who is not in any way interested in the business out of which my income arises, has become bankrupt and that he never will pay the note. I am permitted by this bill to deduct \$100,000 from my income, and again I am a man without an income, although I had just as much income as though the man had remained solvent. I have simply lost a part of my capital or property, and it is proposed here to repair that loss by deducting its amount from my income. I do not mean now, of course, that it is repaired in the sense of being made good, but it is repaired to the extent of not making me pay a tax upon the income.

Mr. WILLIAMS. Will the Senator permit me to make a

suggestion?

Mr. CUMMINS.

WILLIAMS. A port A part of the Senator's confusion of thought grows out of the fact that he forgets that in all bookkeeping there is a debit side and a credit side. A man would have counted among his credits this note that he thought was good, and that would go in as a part of his gross income. Now, mind you, I say "gross income." Then he ascertains that it is worthless, and this provision permits him to charge it off and deduct it; that is all.

It is just like the Senator's horse illustration the other day, which proceeded upon the idea that a man did not keep any books, and that, when he got a thousand dollars for a horse, in rendering his return for the receipts of \$1,000 he did not also debit himself with the fact that he had lost the horse. It was the profit involved in the horse trade that was taxable, not the

total receipts for the horse.

Here you are making a serious argument that we should not permit a man to strike off a worthless note after he has made return of all his bills payable as a part of his income, or the things that constitute a part of his income. You are really altogether losing sight of the fact that there is another side to the ledger

Mr. CUMMINS. No, Mr. President; I am not. I am not in

the least confused about bookkeeping.

Mr. WILLIAMS. Any man would have a right to strike off that note if he had put it on the other side of the ledger.

Mr. CUMMINS. Of course profits do not consist in the difference between the amount of assets and the amount of liabilities. A man might have \$100,000 of assets and but \$10,000 of liabilities, and not have any income at all. The Senator from Mississippi apparently forgets the way in which people arrive at their profits or their losses.

Mr. GALLINGER. Mr. President, I had supposed, from a casual reading of the bill, that the loss had to be sustained during the year; but I infer from what the Senator says that it

Oh, it may date back indefinitely.

Mr. GALLINGER. As an illustration, a man abandons his profession, as I abandoned mine, and turned over my books to a collector, and he reports to me during the next year that he | the amount paid in the way of the income tax.

finds \$6,000 uncollectible. Would that enable me to come here and say that I had sustained that loss under the terms of the

Certainly.

Mr. GALLINGER. I think that is extraordinary. Mr. CUMMINS. The difficulty is, if I may again remind the Senator from Mississippi about bookkeeping, that this provision has in view men who are carrying on a business such as merchandising or banking or manufacturing. Those are the conditions which are really covered, and accurately covered. have not a word of objection to the bill as it relates to such enterprises. But when you come to apply the bill to nine men out of ten who will be called upon to pay a tax under it, it is not accurately adjusted to their affairs, nor is it expressed so as to do justice to their affairs. When you come to profits and losses and incomes, you can not group all the individuals of this country under one rule. You must make some allowance for the differences which exist in the way in which they earn their incomes and in the way in which they expend their incomes.

I proceed one step further:

Sixth. A reasonable allowance for the exhaustion, wear, and tear of property arising out of its use or employment in the business.

That is another effort, of course, to maintain the capital intact; but see what endless difficulty you will confront in its administration. A farmer in my own State, we will say, has an income of more than \$3,000. In making up his account he must determine, if he can, to what degree the soil which he is cultivating has been exhausted, and somebody will have to make him an allowance for the depreciation caused by the exhaustion of the soil. That is true with regard to every kind of property. While there is a certain justice in doing that and it will be done among concerns which do keep an account of depreciation, and which do charge up every year a fair percentage of depreciation, and in that way reach the amount of their profits, so that they will have no difficulty about it, the ordinary man will find it impossible to apply this clause to his affairs. There ought to be a better considered provision to take care of the great multitude of the people, nine-tenths of the people who must pay and will pay the tax under this bill when it becomes a law.

Of course, as to mines a maximum of depreciation has been fixed. I have no objection at all to that. But I could stand here and mention a hundred instances of depreciation which it will be utterly impossible to ascertain or apply under this pro-

I say this without the least feeling against the provision. I would vote for it just as it is if I had to, and it were separated from the rest of the bill, so strongly am I in favor of levying duties upon incomes. But when we are beginning this system it seems to me we ought to begin it in the best possible way

I shall have something more to say at a later time with regard to the latter part of this paragraph when we come to consider the payment of the tax at its source. I am in favor of that principle; but there are a great many things here that it seems to me will make the bill utterly unworkable, and instead of simplifying the collection of the tax they will compli-

cate it, and possibly entirely defeat it.

There is one thing in regard to this provision that I might as well say while I am on my feet, and it constitutes the real fundamental defect in the bill, so far as principle is concerned. I will point it out now, and at a later time I will point it out again. The bill provides, substantially, that those who have incomes of less than \$3,000 shall not pay a tax. I am satisfied at the present time with that limit, and I would not vote to reduce it at this time. But there is incorporated her a provision for taxing the earnings of corporations. no objection to that, but the men and women in this courtry who have an income of less than \$3,000 a year and who derive all of it or a part of it from the dividends of corporations which are taxed are compelled to pay the income tax exactly as though they had an income of more than \$3,000 a year. It is unjust, it is unequal, and it ought in some way to be We have assumed here that a man might well take his first \$3,000 and use it for the general purposes of life, for the training and education both of himself and family; but with respect to every one of them who derive a part of their income or all of it from the dividends of corporations they are compelled to pay this tax, are they not?

Mr. WILLIAMS. How are they compelled to pay it?
Mr. CUMMINS. They are compelled to pay it because the

corporation pays the tax on the entire income of the corporation, and that reduces the dividends paid to these people by just

Mr. WILLIAMS. Mr. President, the Senator's answer to my question has disclosed what I wanted to bring out. In other words, instead of meaning that the bill taxes those people, he means that the corporations are able to shift their tax.

Mr. CUMMINS. So they are. Mr. WILLIAMS. I should like to know if there is a tax in

the world, except a poll tax, that can not be shifted.

Mr. CUMMINS. The Senator from Mississippi has misunderstood me. Of course, the corporation very often passes on its That unfortunately is true. I do not know of any way in which to prevent it. I am not complaining at this moment of the tax that is passed on. I am complaining of this. As an illustration, suppose I stand with an income of less than \$3,000. It is the policy of this bill that my income shall not be diminished by a tax levied by the General Government. have that income as an employee of the corporation, it goes free. It is not affected by any tax levied upon the property of the corporation. I get my pay and I am permitted to spend it in the way that seems to me wise. Now, suppose that I have an income of \$2,900 from the same corporation, derived as dividends on stocks that I hold in the corporation, the 1 per cent is taken from that dividend and I receive just 1 per cent less than I would have received if the tax had not been levied.

Mr. WILLIAMS. It is taken from the dividends by whom? It is taken from the dividends necessarily Mr. CUMMINS. by the corporation. It is first taken from the corporation by the Here is \$100,000-

Mr. WILLIAMS. That is just what I said a moment ago.

The corporation shifts the tax.

Mr. CUMMINS. No; here is \$100,000 which the corporation has earned and is applicable to the payment of dividends. We will suppose that it is the entire net income of the corpora-It is to be distributed among its stockholders, but before it is distributed 1 per cent is deducted and paid to the Government of the United States, and therefore 1 per cent less than would have been paid to me is paid to me. It is all that I am entitled to.

Now, I make no objection to the payment on the part of the corporation, but I do say we ought to provide some way in which the man who has an income of less than \$3,000 should

not bear that tax.

Mr. WILLIAMS. How can you do that?

There are two or three ways in which it Mr. CUMMINS. can be done. It can be done either through segregation by the corporation under proper provisions, or it can be done by adding to the bill a paragraph that, in the case of every man whose income is derived in whole or in part from the dividends of a taxed corporation and is less than \$3,000, upon application to the Government the Government will reimburse him for the deduction that has been made from his part of the earnings of the corporation. It can be done in either of those ways, and will be if justice prevails.

But I had not intended to enter upon that subject. I have it very much at heart, and when we reach that part of the bill I intend, if I can, to offer an amendment that will set

forth my views with regard to that particular matter.

Mr. SUTHERLAND. Before the Senator leaves the matter of a corporation tax, I wish to say that I think perhaps most of the States in the Union in one form or another impose a tax upon corporations as such. It is not always measured by the Sometimes it is measured by the amount of the capital income. Sometimes it is measured by the amount of the stock. It is measured in various ways; but it is a special tax stock. It is measured in various ways; but it is a special tax upon the corporation, because it is recognized that the right to do business in corporate form is a very valuable right and that it is more beneficial to the stockholder in the great majority of cases to have an investment in corporate form than it is to have it in some individual form.

Now, I ask the Senator whether or not a tax of this kind, although it is imposed by the General Government, can not be justified upon the same theory that it is a tax upon the franchise of the corporation, upon the right of the stockholders to do business in a corporate form, which is a valuable right.

Mr. CUMMINS. I am not complaining of the tax upon the corporation; I have always thought there was a better way of reaching that result; but I am not concerning myself about it now. I want to remind the Senator from Utah that we establish a policy here that the men who get less than \$3,000 ought not to pay any part of this income tax either nominally or actually. That proceeds upon the theory that they can make better use of their incomes than to pay the expenses of the Gov-ernment of the United States. Now, it does not make any difference whether the incomes are derived from the stocks of corporations or whether they are derived from salaries from corporations, the men who get the money need the money just the same.

Mr. SUTHERLAND. Mr. President, there is this difference: The man who derives an income from an investment in a corporation gets it with less effort than he does if he has to work for it. He has the advantage of having his money in a corporation which has certainly very valuable rights. For example, he has one of the most valuable rights, namely, that he can not be sued beyond the extent of his investment in the corporation. He can not be held responsible for the debts of the corporation as he could be if it were a partnership or in some other form of association.

Mr. CUMMINS. I think that consideration does not enter the question I am discussing at all. Suppose one man gets \$2,850, we will say, as dividends from a corporation. Another man gets \$2,900 as rents from real estate. Out of the former there has been taken 1 per cent. Out of the latter there is taken nothing. I assume that the labor of receiving it is not much greater in one case than in the other. It matters not that the corporation may have a valuable franchise; however valuable it was, its dividends did not result in giving this particular man more than \$3,000, and therefore he ought to be able to hold his place among the untaxed.

I have consumed much more time than I intended, Mr. President, and I apologize for it. I rose simply to suggest the desirability of removing from this paragraph some dangers which I think are in it and the removal of which would not

weaken it in the slightest degree, but rather fortify it against assaults that may hereafter be made upon it.

Mr. SUTHERLAND. Before the Senator takes his seat, he referred to another paragraph, and if I understand it I entirely agree with the Senator's position. It is the clause on page 169: Second, all interest paid within the year by a taxable person on in-

If I understand that, it would result in this sort of a situa-tion: Here is one man, for example, who has purchased a home. He has given a mortgage upon it for its price or a large part of it, and is paying, let us say, \$1,000 in interest. Under this bill that would be deducted from his net income. But if his neighbor has rented a house, and instead of virtually paying what the first-named man does in the form of interest he pays directly \$1,000 rent. He gets no deduction whatever, and yet the situation of the two is to all intents and purposes precisely the same. One has made a purchase and is paying interest which virtually amounts to rent. The other has not made a purchase, but pays the rent direct. One gets the exemption and the other does not.

Mr. CUMMINS. I think the conclusion of the Senator from Utah is correct. It is simply another illustration of the fact that the bill was composed to meet the conditions of organized business, such as merchants and manufacturers, and is not well fitted to meet the situation as it actually exists.

I do not intend to call for the yeas and nays upon my amendment. I know how futile it would be, and I have no desire to inconvenience the Senate. I offered it because I wanted to make my own position in the matter entirely clear.

Mr. WILLIAMS. Mr. President, I will ask for a vote.

The VICE PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from Iowa [Mr. Cum-MINS].

The amendment was rejected.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee, on page 167, lines 18 and 19, inserting the words "or upon surrender of the contract."

The amendment was agreed to.

The next amendment of the committee was, on page 167, after line 19, to strike out the following:

after line 19, to strike out the following:

That in computing net income for the purpose of the normal tax there shall be allowed as deductions the necessary expenses actually incurred in carrying on any business, not including personal, living, or family expenses; all interest accrued and payable within the year by a taxable person on indebtedness; all National, State, county, school, and municipal taxes accrued within the year, not including those assessed against local benefits; losses actually sustained during the year, incurred in trade or arising from fires, storms, or shipwreck, and not compensated for by insurance or otherwise; debts actually ascertained to be worthless and charged off during the year; also a reasonable allowance for the exhaustion, wear and tear of property arising out of its use or employment in the business, but no deduction shall be made for any amount of expense of restoring property or making good the exhaustion thereof for which an allowance is or has been made; no deduction shall be allowed for any amount paid out for new buildings, permanent improvements, or betterments, made to increase the value of any property or estate; the amount of income received or payable from any source at which the tax upon such income, which is or will become due, under the provisions of this section, has been withheld for payment at the source in the manner hereinafter provided, shall be deducted; but in all cases where the tax upon the annual gains, profits, and incomes of a person is required to be withheld and paid at the source as hereinafter provided, if such annual income, except that derived from interest on corporate or United States indebtedness, does not exceed the rate of \$4,000 per annum, or if the same is uncertain, indefinite, or irregular in the amount or time

during which it shall have accrued, and is not fixed or determinable, the same shall be included in estimating net annual income to be embraced in a personal return; also the amount received as dividends upon the stock, or from the net earnings of any corporation, joint-stock company, association, or insurance company which is taxable upon its net income as hereinafter provided shall be deducted.

And in lieu thereof to insert:

And in lieu thereof to insert:

That in computing net income for the purpose of the normal tax there shall be allowed as deductions: First, the necessary expenses actually paid in carrying on any business, not including personal, living, or family expenses; second, all interest paid within the year by a taxable person on indebtedness; third, all national, State, county, school, and municipal taxes paid within the year, not including those assessed against local benefits; fourth, losses actually sustained during the year, incurred in trade or arising from fires, storms, or ship-wreck, and not compensated for by insurance or otherwise; fifth, debts due to the taxpayer actually ascertained to be worthless and charged off within the year; sixth, a reasonable allowance for the exhaustion, wear, and tear of property arising out of its use or employment in the business, not to exceed, in the case of mines, 5 per cent of the gross value at the mine of the output for the year for which the computation is made: Provided, That no deduction shall be allowed for any amount paid out for new buildings, permanent improvements, or betterments made to increase the value of any property or estate; seventh, the amount received as dividends upon the stock or from the net earnings of any corporation, joint-stock company, association, or insurance company which is taxable upon its net income as hereinafter provided; eighth, the amount of income, the tax upon which has been paid or withheld from payment at the source, under the provisions of this section: Provided, That whenever the tax upon the income of a person is required to be withheld and paid at the source as hereinafter required, if such annual income does not exceed the sum of \$3,000 or is not fixed or certain or is indefinite or irregular as to amount or time of accrual, the same shall not be deducted in the personal return of such person. of such person.

Mr. STERLING. Mr. President, I do not rise to propose any amendment, but simply to make a suggestion called out by a statement made by the Senator from Iowa [Mr. Cummins]. It is in regard to the exemptions on account of losses incurred in trade, and so forth. The question was raised as to whether it would include losses in speculation on a board of trade. I am inclined to think that under the definition of "trade" it would include losses thus sustained, and the question is whether we want to exempt losses thus incurred.

I call the attention of the Senator from Mississippi simply to the definition of the word "trade," so that he will see how the

proposition stands:

Trade comprehends every species of exchange or dealing, either in the produce of land, in manufactures, in bills, or in money; but it is chiefly used to denote the barter or purchase and sale of goods, wares, and merchandise, either by wholesale or retail.

And so forth.

It seems to me that under this very broad and comprehensive definition it might include trade on a board of trade and the exemption would pertain to a loss sustained on a board of trade.

If the language could be qualified by some such expression as "losses incurred in legitimate and ordinary trade pursued by the party," or equivalent words, it seems to me that it would be better than the broad expression used.

Mr. WILLIAMS. Mr. President, all net income comes from a comparison of receipts and losses. There can be no other way of arriving at a net income except by comparing gains and losses. If a man lost a certain amount of money during the year, no matter how he lost it, he ought not to be compelled to put it in as a part of what he still has. If two men bet upon a horse race, so far as that is concerned, during the year and one of them lost \$100 and the other gained \$100, the man who has the hundred dollars would have to take heed of it in computing his net income, and the man who lost it would take heed of the loss in computing his net income. So far as I can see, you can not arrive at net income except by taking what comes in and what goes out.

Mr. STERLING. But, if the Senator will permit me-Mr. WILLIAMS. Allow me to add just this: I think this language would have been more easily understood if, instead of using the word "deductions" here, we had used what it really means, namely, that in computing net income for the purpose of the normal taxpayer he shall be allowed to return such and such things. I think that is where the confusion comes in, if I understand at what the Senator is aiming.

Mr. STERLING. This is the way in which it occurred to me:

Here is a man who, under the protection of the Government, has an enormous income for which he would be taxable under this proposed law, but he squanders all that income or more in speculation, in illegitimate trade on the board of trade. The question in my mind is whether he ought to have the privilege of deducting from his income the losses thus sustained.

Mr. WILLIAMS. Mr. President, a squandered income is no income. If it was squandered during the year of the computa-tion, it does not make any difference how the man lost it. Take this sort of a case, for example: The Senator from South Dakota and the senior Senator from Iowa seem to be worried a good deal about the losses of a man in something else. The

Senator from South Dakota seems to have the idea in his mind that if a man was both a farmer and a lawyer he ought to keep two separate income accounts, and that what he lost as a farmer ought not to be charged up against what he gained as a lawyer, or vice versa, as well as I could understand him; and he seems to be very much worried about a part of a man's capital, if it were lost, being permitted to be charged off.

Now, take this sort of a case: I am practicing law, let us say, and I get \$10,000 during the year from that practice, and during the same year I lose \$5,000 in my agricultural pursuits. My net income, therefore, so far as that is concerned, is \$5,000. Suppose that my house, which is worth \$5,000, burned down; suppose the house burned by no fault of mine; that I had no insurance upon it; and I take my \$5,000 and pay it out during that identical year to build a new house. If all three of these things happen in the same year, I have no net income at all; nor ought I to be charged with any.

Mr. STERLING. Mr. President, I grant that in the case sup-

posed by the Senator from Mississippi he should not be charged with any net income, because his losses were sustained in a legitimate business-in a commendable business. But in the other case the loss has not been sustained in that kind of business at all; but, whether a man having earned \$10,000 as a lawyer or as a physician, should be allowed to offset against or deduct from that income of \$10,000 that which he has lost in

speculation on a board of trade, is the question.

Mr. WILLIAMS. Mr. President, the object of this bill is to tax a man's net income; that is to say, what he has at the end of the year after deducting from his receipts his expenditures or losses. It is not to reform men's moral characters; that is not the object of the bill at all. The tax is not levied for the purpose of restraining people from betting on horse races or upon "futures," but the tax is framed for the purpose of making a man pay upon his net income, his actual profit during the year. The law does not care where he got it from, so far as the tax is concerned, although the law may very properly

care in another way.

Mr. STERLING. If the Senator will permit me, suppose a man has made \$10,000 legitimately in a legitimate business or profession; the inspector or collector knows that; and a tax is levied because of that income, or it is attempted to be levied, and the man says, "I lost \$10,000 in a poker game," what then?

Mr. WILLIAMS. Suppose, in other words, that at the time

the computation of his tax takes place he has not a red cent of profit or income during that year, no matter how it occurred?

Mr. SMOOT. Some one must have won what the other man

lost in the poker game.

Mr. WILLIAMS. By the way, it is suggested to me that one man has gained what the other has lost, and that the winner might be taxed on his winnings, so the Government would not lose anything.

Mr. WEEKS. Mr. President, I should like to ask the Senator from Mississippi to give me his opinion on a case which I will put to him. Suppose a man has a hundred thousand dollars in stocks, which are worth par; that they are selling at that price; and a dividend of 5 per cent is paid on them; in other words, he gets \$5,000 income from his investment, he earns \$5,000 from his personal efforts during the year, and his income is \$10,000 for that year; then suppose his stocks depreciate in value

\$10,000, has he any net income for that year?

Mr. WILLIAMS. I never thought about that, but I do not think that cuts any figure because the depreciation in the value of the stock is not like a depreciation by reason of the wear and tear arising out of the use of property. A man's income would still remain an income regardless of the value of his property. My plantation this year might yield me, say, \$3,000, and next year the same plantation might yield me \$4,000 or \$2,000; my income would be measured by what the plantation yielded me and not by the value of the plantation. Meanwhile the property might go up in value or it might go down in That would have nothing to do with the income, nor would the value of your stock in the market have anything to do with the dividends which you receive upon your stock.

While I am talking upon that subject, there is another point that occurs to me, and that is what the Senator from Iowa [Mr. CUMMINS] went over a few moments ago. If the Senator from Iowa can invent any way under the sun of preventing the shifting of taxation, he is the wisest man who has lived since Solon died. The Senator seems to think that you ought to give a bounty to people who have less than \$3,000, provided their income comes in the shape of dividends in corporations, because when the corporation was taxed the corporation reduced the dividends. It may be that the corporation did, and it may be that it did not, but I am going to suppose first that it did. Suppose it did shift the tax in that way, do you imagine that the man who works for a salary for that corporation will not have a part of it shifted on him, too, in the way of not raising his wages as. much as they otherwise would have been raised? pose that the merchant or the lawyer who pays the income tax is not going to make it up somehow in the price of his goods or in the price of his services, if he can do it, if the demand and supply of the market for the goods or for his peculiar sort of ability enable him to do it? And absolutely it is proposed to give the man with less than \$3,000 a bounty because a corporation has shifted its tax to him.

Mr. WEEKS. Now, I want to submit an additional inquiry to the Senator from Mississippi, relating to the case which I have already submitted to him, and that is: Suppose at the time those stocks were selling at 10 per cent below what they were selling for the previous year, I sold them for \$10,000 less than they were priced at the year before, is that to be deducted from

my income?

Mr. WILLIAMS. I think not. That is a mere change of capital and principal from stocks into money.

Mr. WEEKS. It seems to me that it would be deducted. Mr. WILLIAMS. Do you mean that in casting up your accounts and arriving at your gross income, you do not count that? Of course, you would count it as you would count any money that you got from any source, but you would charge against it also what was regarded as the value of the stock.

Mr. WEEKS. It seems to me, Mr. President, that it would be a shrinkage of my principal; and, under the reading of this bill, I am not sure but what that loss of principal could be deducted against my income, so that there would be no taxes.

Mr. WILLIAMS. Under what clause of the bill? What

provision of it do you mean? Does the Senator refer to the depreciation clause?

Mr. WEEKS. Yes.

Mr. WILLIAMS. Oh, no. It says:

Sixth, a reasonable allowance for the exhaustion, wear and tear of property arising out of its use or employment in the business.

That could not possibly refer to stocks.

Mr. CUMMINS. Mr. President, in response to the suggestion just made by the Senator from Mississippi, let us see how we stand. He says that a man at the end of the year sits down to make up an account to see whether or not he has any net income. If he is a merchant, he takes an inventory of his goods; if they are worth less than they were the year before, they are marked down, and the market value of that property is entered upon the books in order to show whether or not he has made a profit during the year. According to the Senator from Mississippi, the same thing would happen with a lawyer. He sits down at the end of the year and puts on one side of the account all he has taken in, all his profits, and he puts on the other side all his losses. If his losses are to be reckoned in the same way that the merchant's losses are reckoned, then, of course, the depreciation of all the property that he may own, if there be a depreciation, must also be entered upon the books.

That shows, Mr. President, that, while the Senator from Mississippi is right with regard to ascertaining the profits and net income of business, he is not right, and the bill does not adjust itself to the ascertainment of net income of individuals who are not in what is ordinarily known as business.

Mr. WILLIAMS. What is the Senator complaining of-that they can not charge off anything to depreciation account, while

the merchant can?

Mr. CUMMINS. I do not think they ought to be permitted

to charge off depreciation of their property.

WILLIAMS. Well, that is a different proposition. supposed that probably the Senator thought the lawyer also ought to be allowed to do it, and that we also should be allowed to charge the depreciation in our mental faculties, which would be pretty hard to estimate. [Laughter.]
Mr. CUMMINS. I am not. I am speaking against the prin-

Mr. WILLIAMS. I do not know but that the Senator is right about the general idea that no depreciation oughf to be allowed to be deducted. There may be something in that suggestion, but it has been almost the uniform policy of all incometax laws to permit it.

Mr. CUMMINS. I simply want to record my protest against that principle.

Mr. STERLING. I offer the amendment which I send to

The VICE PRESIDENT. The amendment will be stated.
The Secretary. On page 169, line 15, it is proposed to strike out the words "in trade" and insert "by the taxpayer in the pursuit of any ordinary and legitimate trade or business."

Mr. STERLING. If the amendment were adopted, the provision would read:

Losses incurred by the taxpayer in the pursuit of any ordinary and legitimate trade or business.

Mr. WILLIAMS. In other words, you are going to count the man as having money which he has not got, because he has lost it in a way that you do not approve of.

Mr. STERLING. And I think rightly so.

Mr. SMOOT. Mr. President, I should like to ask the Senator what becomes of the man who is a broker and whose whole business is dealing upon the stock exchange? Does the Senator think that he ought to be taxed upon his income; and, if so, should not that man be allowed to deduct whatever loss he may incur in that particular line of business

Mr. STERLING. I think so, because I think the business of the broker, as a general proposition, is a legitimate business; but the amendment would exclude losses sustained in stock and

grain gambling; that is the idea.

The Senator differentiates, then, between the Mr. SMOOT. broker who does nothing else but follow that business and the man who does it "on the side"?

Mr. STERLING. Oh, no. A man may occasionally engage in the brokerage business, and, taking a particular deal, it may be perfectly honest and legitimate; or he may be a regular broker engaged continuously in a business which is legitimate. My only object in suggesting this amendment is to prevent, if it can be done, what might be termed the setting off of a loss in a strictly gambling operation.

Mr. McCUMBER. Let me ask the Senator a question right there. If the successful party in the gambling operation—and I always supposed that what one man loses the other man gains in a straight gambling contract—makes \$10,000, would not the

Senator charge it up to him as taxable income?

Mr. STERLING. I do not know but that I would; and I do not think there would be any injustice or wrong in doing so.

Mr. McCUMBER. Very well. Then, if the Senator taxes him once upon that, why should he seek to tax that same \$10,000 twice, both to the man who lost it and to the man who gained it?

Mr. STERLING. The same supposition might be made in other cases, so far as that is concerned. You do not always avoid double taxation.

The VICE PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from South Dakota [Mr.

The amendment was rejected. The VICE PRESIDENT. The question recurs on the amendment reported by the committee.

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in section 2, page 170, at the beginning of line 22, to strike out the letter "C."; in line 25, after the word "possessions," to strike out "the principal and interest of which are now exempt by law from Federal taxation," so as to read:

That in computing net income under this section there shall be excluded the interest upon the obligations of a State or any political subdivision thereof, and upon the obligations of the United States or its possessions; also the compensation of the present President of the United States during the term for which he has been elected, and of the judges of the supreme and inferior courts of the United States now in office, and the compensation of all officers and employees of a State or any political subdivision thereof.

The amendment was agreed to.

The next amendment was, in section 2, page 171, after line 6. to strike out:

D. That there shall be deducted from the amount of the net income of each of such persons, ascertained as provided herein, the sum of \$4,000 : Provided, That only one deduction of \$4,000 shall be made from the aggregate income of all the members of any family composed of one or both parents and one or more minor children, or husband and wife, but if the wife is living permanently apart from her husband she may be taxed independently; but guardians shall be allowed to make deduction in favor of each and every ward, except that in case where two or more wards are comprised in one family and have joint property interests the aggregate deduction in their favor shall not exceed \$4,000; and

And insert:

And insert:

C. That there shall be deducted from the amount of the net income of each of said persons, ascertained as provided herein, the sum of \$3,000, plus \$1,000 additional if the person making the return be a married man with a wife, living with him and being herself not taxable under the income-tax law, or plus the sum of \$1,000 additional if the person making the return be a married woman with a husband living with her and being himself not taxable under the income-tax law; but in no event shall this additional exemption of \$1,000 be deducted by both a husband and a wife. If the person making the return shall be a married man or a married woman there shall be an additional exemption of \$500 for each minor child living with and dependent upon the taxable parent, but the total exemption on account of children shall not exceed \$1,000: Provided, That the additional exemption or exemptions for children shall operate only in the case of

one parent in the same family, and that the total exemption on account of children shall apply to a widow or a widower with a minor or dependent child or children: Provided further, That where both parents are taxable under this act because of having more than \$3,000 of net income each the exemption on account of the children hereinbefore provided for shall not apply to either.

Mr. BRISTOW. I call attention to the words beginning in line 25, on page 171, reading:

Plus the sum of \$1,000 additional if the person making the return be a married woman with a husband living with her and being himself not taxable under the income-tax law.

Does that presume that a married woman with an income has a husband whom she has to support and therefore there ought

to be an exemption because of that burden upon her?

Mr. WILLIAMS. It presumes that where she has the money she ought to pay the tax. The object of it, Mr. President—not to follow up the form of the Senator's question, which would lead me into digressions-was simply this: The House framed its bill upon the theory that \$4,000 was a reasonable amount, in its opinion, for an American family to live upon, with a proper standard of living, and that a sum below that ought not to be taxed. When it came to us in that shape we concluded that that was true if you were going to take the family as a basis. The House bill provided that the husband and wife should be taxed as one. We provide that the man and woman shall be taxed just as if they were two men or two women. Then we give this \$1,000 additional to make the family exemption \$4,000; but if both husband and wife are taxable, each has an exemption of \$3,000 already, and therefore we do not give two taxable persons, being man and wife, in one household the \$1,000 additional exemption. They have \$6,000, to wit, \$3,000 That is the reason that was put there.

Mr. BRISTOW. I do not think the Senator fully understood

just what my objection was.

Mr. WILLIAMS. Possibly not.

Mr. BRISTOW. I believe that if the man has a wife to support the exemption on the married man should be a thousand dollars more than on the unmarried man, but I do not believe the woman ought to have an exemption of a thousand dollars more because she happens to have a husband. I think the husband ought to be able to take care of himself.

Mr. WILLIAMS. I think she needs it a lot more than he

Mr. BRISTOW. It seems to me the Senator is encouraging indigent husbands

Mr. WILLIAMS. No; no more than I am encouraging indigent wives

Mr. BRISTOW. I do not agree with the proposition an-

nounced by the Senator.

Mr. WILLIAMS. My object is to give the family \$4,000 in any event where a man and wife are living together as man and wife, but I did not want to give them \$7,000. If both of them are taxable persons and each one had a right to an exemption of \$3,000, if I had given the additional \$1,000 that family would have gotten \$7,000 of exemption. In other words, in addition to \$3,000 to each as a person, they would have received \$1,000 as a family.

Mr. BRISTOW. My view of the matter, I take it, is different from the Senator's view. Where the husband has an income of \$4,000 I think no attention should be paid to the income of the wife, I do not care what it is; and if her income is \$3,000 I do not believe she ought to have an additional \$1,000 exempted because she happens to have a husband. I am opposed to permitting the wife to deduct the extra thousand dollars because of the presumption that she has to support her

husband.

Mr. WILLIAMS. We did not put it upon the ground that the presumption was that she had to support her husband, nor did we put the additional exemption of a thousand dollars in the husband's case on the ground that he had to support his wife. We put it upon the ground that a family in any event, if either of them is taxable, ought to have an exemption a thousand dollars greater than a single person not in a family. In other words, we have tried to make the family the basis of the tax

Mr. BRISTOW. Mr. President, in order to express my views In over to strike out of the amendment on page 171 all of line 25 after the word "law" and the comma, down to and including the word "wife," in line 4, page 172. That will strike out the part of the amendment which permits the wife to deduct from her net income a thousand dollars because she happens to have a husband

The VICE PRESIDENT. The question is upon agreeing to the amendment proposed by the Senator from Kansas to the amendment of the committee.

The amendment to the amendment was rejected.

Mr. NORRIS. Mr. President, I move to strike out, on page 172, the last two words of line 7 and all of line 8, being the following words:

But the total exemption on account of children shall not exceed \$1,000.

I should like to inquire of the Senator from Mississippi why, in the opinion of the committee, the exemption of \$500 for each minor child supported by the head of the family, who has the income, should be limited to two? What is the theory of the committee-that the man with two children should be entitled to \$500 exemption for each one of them, and the man with three children should not be entitled to any more of an exemption?

Mr. WILLIAMS. Of course when you take an arbitrary line to stop or start with, in the case of anything, it is utterly impossible to give a logical reason for it, except that we wanted to limit somewhere the amount of exemptions to which the family would have a right; and it was thought that a thousand dollars was enough, in addition to the \$4,000, to constitute the exemption on account of children. In other words, if a man had \$3,000 a year that was exempt, and then had another thousand dollars on account of the fact that he was married, making \$4,000, and then had another thousand on account of the fact that he had children, that would be \$5,000, which was as much as we cared to have exempted from taxation to any one family.

It is possible under this bill that a family might have \$6,000 exempt; but, if so, it would be because the husband was a taxable person with an income of over \$3,000, and the wife

was a taxable person with an income of over \$3,000.

I will say to the Senator in all frankness that as far as I am personally concerned I should not object if the exemption from taxation were \$500 for each child, with a limitation larger than this, but there must be a limitation somewhere. Surely, if a man happened to have 10 children, you would not want to give him an exemption from taxation of \$5,000 on account of the children; because the Senator knows, as I do, that the expense of taking care of a family does not grow in arithmetical proportion with the increase in the number of children. It is not much more expensive to take care of three or four children in a family than to take care of two, because the maintenance of the husband and the wife and the household expenses and a great many other charges are in common in both cases. But we thought we ought to fix a limit somewhere; and the committee, as well as the Democratic Party in conference assembled, con-cluded that a thousand dollars was a sufficient amount to allow for exemptions on account of children.

Of course I could not give any logical reason why you should stop at two any more than at three, or at three any more than at four; but the business reason which we had in mind was

about what I have stated.

Mr. NORRIS. Mr. President, I am very much obliged to the Senator from Mississippi for his very candid explanation. I believe the Senate committee has improved upon the House bill in this particular respect, at least. It appeals to me that the man who is married and has a wife ought to have a greater exemption than the unmarried man. It appeals to me that the man who is raising children ought to have more of an exemption than the married man who is not raising children. this particular part of the bill the theory upon which the committee acted has always appealed to me, with the one exception of this limitation.

The Senator knows, and it is common knowledge, that the ordinary family of the ordinary person has, and ought to have, more than two children. There ought to be encouragement given for larger families than two children, at least. If \$4,000 is a sufficient exemption for an entire family, the Senator could meet the difficulty by making the amount of exemption for each child a less amount than \$500.

It seems to me there ought to be no limitation, however. It is not very much of a concession if you concede that much to the men and the women who are raising families and perpetuating the race and continuing the stability of the country. If there is to be an exemption, it seems to me that the man who is raising four or five children is more entitled to it than the

man who is raising only two.

I do not believe the Senator's argument is well founded as far as this particular limitation is concerned. As far as I am concerned, I should like to take off the limitation entirely. But if you do not feel like taking it off entirely, as my amendment would, at least extend it to the ordinary-sized family that we would like to see and do see exist in the ordinary run

of life.

Mr. OLIVER. Mr. President—
The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Pennsylvania?

Mr. NORRIS. I yield to the Senator.
Mr. OLIVER. I will add to what the Senator says that this concession amounts to only \$5 a year for each child, and I do not think \$5 is too much bounty or premium to offer for each additional child. In fact, I think it would be good policy for the Government to offer more than that to encourage the propagation of liberal-sized families throughout the land.

Mr. NORRIS. I believe that is right.

Mr. WILLIAMS. In other words, stop race suicide; but let us do it in a separate bill.

Mr. NORRIS. The Senator knows that particularly on that subject it would be difficult to get a bill this far along in the parliamentary situation. Mr. WILLIAMS. Yes.

Mr. NORRIS. The opportunity is here, now. If it is right to do it, let us do it. Here is the place, and this is the time.

Mr. WILLIAMS. Seriously, Mr. President, and laying

Mr. NORRIS. I want to say to the Senator that in offering

this amendment I am serious.

Mr. WILLIAMS. Oh, I know the Senator is; but I meant

"being serious." Mr. NORRIS. I am serious, and I think the Senator ought

to be.

Mr. WILLIAMS. When I say "seriously," I mean that I intend to be serious, not that the Senator does. He is always serious. But, seriously, this exemption was not put here for the purpose of encouraging families to have children. It was put here because we thought a man with two children to take care of ought not to be taxed at the same rate as a man without children.

Mr. NORRIS. Then why tax the man with three children

the same rate as the man with two?

Mr. WILLIAMS. We were trying to adapt the tax to the ability of the taxpayer, and not using it as a means to encourage large families, nor do I think this would be precisely the right bill in which to include any provision for that purpose. It may be that the Senator is right, and that the exemption ought to extend to three children or to four. Certain it is that families with only two children can not increase the population of any country, nor add strength to the State of which they are citizens. But we have it this way, and we have stopped at \$1,000; and I think everybody will admit that whether a man has two children or three or four this exemption helps him by keeping him to this extent from being taxed under the bill.

Mr. NORRIS. Mr. President, I look at the matter on this theory: I am not advocating giving a premium for families of any particular size. I do not want to apply any other rule of that kind. I simply think the man with three children can not afford to pay the tax as well as the man with two. You have made an exemption for children because it is harder for a man with a family of children to support to pay the tax than it is for the other man. Every time you tax him, and curtail his ability to support his family, he does just that much less, and must do just that much less, for the family. In the case of the family of more than two children, you are depriving them of some of the luxuries and some of the necessaries of life which you are not taking away from the others.

I congratulate you on extending liberal exemptions to the family of two children; but for the same reason that you did that you ought to make the same exemption for the man who has three or four children. Certainly there is no justice, it

seems to me, in stopping where the committee did. Mr. WILLIAMS. We man who has 17 children. We had to stop somewhere. I know one

Mr. NORRIS. I think we ought to let nature take its course, and not make an arbitrary stop. I ask for the yeas and nays on my amendment.

The yeas and nays were ordered, and the Secretary pro-

ceeded to call the roll.

Mr. CHILTON (when his name was called). I announce my

pair as on the former votes, and withhold my vote.

Mr. BRYAN (when Mr. Fletcher's name was called). My colleague [Mr. Fletcher] is absent on public business. He is paired with the junior Senator from Wyoming [Mr. WARREN].

Mr. LEWIS (when his name was called). I am paired with the junior Senator from North Dakota [Mr. Gronna], and

therefore withhold my vote.

Mr. REED (when his name was called). I am paired with the Senator from Michigan [Mr. SMITH]. I transfer that pair to the Senator from Oklahoma [Mr. Gore] and vote "nay.

Mr. THOMAS (when his name was called). I transfer my pair with the senior Senator from Ohio [Mr. Burron] to the funior Senator from Nevada [Mr. PITTMAN] and vote "nay."

Mr. WARREN (when his name was called). I am paired with the senior Senator from Florida [Mr. Fletcher]. I therefore withhold my vote.

The roll call was concluded.

Mr. LEA. I am paired with the Senator from Rhode Island [Mr. Lippitt]. I transfer that pair to the junior Senator from Mississippi [Mr. Vardaman] and vote. I vote "nay."

Mr. KERN. I am paired with the Senator from Kentucky

[Mr. Bradley] and withhold my vote.

Mr. CLARKE of Arkansas. I ask if the junior Senator from Utah [Mr. SUTHERLAND] has voted?

The VICE PRESIDENT. He has not.

Mr. CLARKE of Arkansas. I withhold my vote.

Mr. STONE. I have a pair with the Senator from Wyoming [Mr. CLARK], and will have to withhold my vote.

Mr. CHILTON. I transfer my pair to the junior Senator from Tennessee [Mr. Shields] and vote "nay."

Mr. GALLINGER. I have a general pair with the junior Senator from New York [Mr. O'GORMAN], which I transfer to the junior Senator from Maine [Mr. BURLEIGH]. I vote "yea."

Mr. WARREN. I announced a pair with the senior Senator from Florida [Mr. Fletcher]. I transfer that pair to the senior Senator from Connecticut [Mr. Brandegee], so that the senior Senator from Florida will stand paired with the senior Senator from Connecticut. I vote "yea."

Mr. DILLINGHAM. I am paired with the Senator from Maryland [Mr. SMITH] on this and all other questions which

arise on the bill. I make this announcement for the day. For that reason I withhold my vote.

Mr. I.A FOLLETTE. I wish to announce that the junior Senator from Minnesota [Mr. CLAPP] is unavoidably absent from the Chamber this afternoon. If he were present, he would vote "yea."

The result was announced-yeas 27, navs 34, as follows:

	YE	AS—27.	a, as lonows.
Borah Brady Bristow Catron Colt Crawford Cummins	Fall Gallinger Jones Kenyon La Follette Lodge McLean	Nelson Norris Oliver Page Penrose Perkins Poindexter	Sherman Smoot Sterling Townsend Warren Weeks
	NA	YS-34.	
Ashurst Bacon Bankhead Bryan Chamberlain Chilton Hollis Hughes James	Johnson Lane Lea Martin, Va. Martine, N. J. Myers Overman Owen Pomerene	Rahsdell Reed Robinson Saulsbury Shafroth Sheppard Shively Simmons Smith, Ariz.	Smith, Ga. Smith, S. C. Swanson Thomas Thompson Walsh Williams
	NOT V	OTING-34.	
Bradley Brandegee Burleigh Burton Clapp Clark, Wyo. Clarke, Ark. Culberson Dillingham	du Pont Fletcher Goff Gore Gronna Hitchcock Jackson Kern Lewis	Lippitt McCumber Newlands O'Gorman Pittman Root Shields Smith, Md. Smith, Mich.	Stephenson Stone Sutherland Thornton Tillman Vardaman Works.

So Mr. Norris's amendment to the amendment of the committee was rejected.

Mr. LODGE. I suggest, in line 6, on page 172, to strike out the word "minor." I think it is a hasty conclusion to infer I think it is a hasty conclusion to infer that a minor child is a greater burden or expense upon the parents than a child that is not a minor. I think that is an erroneous deduction.

Mr. WILLIAMS. It is based upon the theory that the law compels the parent to take care of the minor child, and I think the law in taxing the parent ought to have some regard to that obligation.

Mr. LODGE. But, in line 7, it reads "living with and dependent upon." If the child is living with and dependent

Mr. WILLIAMS. There was an amendment to be made. I Mr. WILLIAMS. There was an amendment to be made. I think that is a misprint. It ought to read "each minor child of the taxable parent." The language "living with and dependent upon" was, I think, stricken out, but we will examine into it and we can take it up again. If I am right about it, I think that the language "living with and dependent upon" was stricken out, and it was left to read "each minor child of the taxable parent."

Mr. LODGE. The language is "child living with and dependent upon," and even if it were not a minor child of course the child is a charge upon the parent.

Mr. WILLIAMS. I will tell the Senator how it happened. It was at one time proposed to say "each child under 18," and then it was suggested there might be daughters over 18 still dependent upon the family. So that language was put in. They were called minor children, and necessarily under 21 years. The legal obligation stops at 21 and of course the exemption ought to stop at that age.

Mr. GALLINGER. In lines 12 and 13 the words "living with and dependent upon" are dropped out.
Mr. WILLIAMS. I will take the matter up, and if I find

out that I am wrong about it I will bring it up again.

Mr. LODGE. If I may make a suggestion to the Senator, I think the words "living with and dependent upon" are a better definition than the word "minor," because we know in many cases there are children of delicate health or perhaps crippled who are dependent upon the parents and live with them long after they are 21.

Mr. WILLIAMS. Yes; that is true; but the legal obligation

to support them ceases at 21

Mr. LODGE. The legal obligation ceases.

Mr. WILLIAMS. And of course the principle lying under exemption ceases. The language "living with" ought to be stricken out, anyhow. It might happen, for example, that a child, for many reasons conceivable, might be living with a grandparent or living with an uncle or somebody else. My impression is that we struck out the words "living with and dependent upon" and just left it to read "minor child."

Mr. OLIVER. Mr. President, I notice in lines 12 and 13 it reads "that the total exemption on account of children shall

apply to a widow or a widower with a minor or dependent child or children." Therefore, it seems from the language employed that if a married couple have children they must be minors, but in the case of a widow or widower the limitation of

age is entirely stricken off.

Mr. WILLIAMS. The Senator's suggestion would be per fectly just if it were not the fault of the printer. Instead of "or" it ought to read "and." I was expecting when we got to it to make that change, so as to read "with a minor and dependent child or children."

Mr. OLIVER. It is fortunate that there is a printer.

Mr. WILLIAMS. I will make it now. In line 12 the word or" ought to be "and." I move that amendment to the amendment.

The VICE PRESIDENT. The question is on agreeing to the

amendment to the amendment of the committee.

Mr. JONES. I understood the Senator to say that the question was to be considered whether it should be limited to minor children of a certain age, under 18 or 16.

Mr. WILLIAMS. There was a proposition at one time to limit it to 18, upon the ground that a boy of 18 ought to be out making his living. Then it was suggested it might not be a boy; it might be a girl. So, finally, it was put that way.

Mr. JONES. It occurred to me that some limitation of that kind ought to be made. There are many families where there kind ought to be made. There are many arms of age who make may be a couple of boys 18, 19, or 20 years of age who make a living for themselves, and I suppose generally they do. Yet have the parents get an exemption on that account. Then, Yet here the parents get an exemption on that account. on the other hand, there is a family of four or five children under 7 or 8 years of age, who make nothing for their support, and the parents get no greater exemption for those than the family does for the grown-up boys who are barely under 21.

Mr. WILLIAMS. Anybody seeking faults with a tax bill

can always find them.

Mr. JONES. It seemed to me that it would be a much more equitable arrangement to specify minor children under a certain age. In the pension laws we recognize a limitation on minor children.

Mr. GALLINGER. Mr. President, I rose to suggest to the Senator that we probably have passed hundreds, certainly scores, of private pension bills giving a pension to deformed children and children sick from birth, regardless of their age.

Mr. JONES. Yes; that is true, but-

Mr. GALLINGER. We have passed hundreds of them, and it seems to me that if this was made to read "dependent children, without any reference to age, it would be better.

Mr. JONES. I merely make that suggestion. I do not think

I shall offer any amendment, but it seems to me that that change should be made.

Mr. WILLIAMS. I thought if it read "dependent children" a great many children might be crowded in, and we had to fix some way to meet the conditions.

Mr. JONES. Why not provide that there shall be so much exemption for each child under 16 years of age, like we allow a widow in a pension case?

That would not be just to the girls in the Mr. WILLIAMS. family. Frequently there are unmarried girls who can not support themselves. The exemption ought to apply to them until they are 21. In other words, it ought to apply until the legal

obligation of the parent to support ceases. If the Senator wants to find a logical point, the logical point is that the exemption shall cease where the legal obligation to support ceases

Mr. JONES. Of course the exemption covers children who are capable to care for themselves; it becomes more than a matter of relief to the parent; it becomes a matter of favor.

Mr. WILLIAMS. It is a relief for the parents because of the

legal obligation.

The VICE PRESIDENT. The Chair understands that the amendment proposed by the Senator from Mississippi is to change the final word "or," in line 12, to the word "and," so as to read: Shall apply to a widow or a widower with a minor and dependent child or children.

Mr. WILLIAMS. Yes.

The amendment to the amendment was agreed to.

Mr. GALLINGER. Does the Senator propose to strike out the words "living with and," at the beginning of line 7?
Mr. WILLIAMS. No; I ask to take that back and see what we have done. My impression is that it was stricken out.
Mr. GALLINGER. Very well.

Mr. SIMMONS. The committee will examine it.
Mr. WILLIAMS. I do not mean to recommit it, but I wanted

merely to assure the Senate that I would look into that matter.

Mr. JONES. I wish to ask the Senator another question.

The amendment now reads "with a minor and dependent child or children." Does that mean that there may be an exemption on account of one child as a minor and another child over age but dependent?

Mr. WILLIAMS. No; it is minor or dependent child or minor and dependent children.

Mr. JONES. What is the significance of the word "dependent" there? I understood the Senator to say a moment ago that if the child was a minor of course the parent had a legal obligation to support it.

Mr. WILLIAMS. If the Senator will notice above, in line 7, he will see the language "living with and dependent upon." If the Senator had done me the honor to have listened to me, he would have heard me say that I thought in caucus or in committee, one or the other, we had stricken out that language. If it was stricken out in the one place, it was stricken out in both. My recollection is that it was stricken out, but if it is to be left in one place of course it is to be left in the other.

Mr. JONES. I heard the Senator make that remark, but do I

understand now it is to be left in, or is the Senator-

Mr. WILLIAMS. I will examine it and find out whether it is to be left in and what we did with it.

Mr. JONES. Is it not the Senator's idea that the word "dependent" was left out?

Mr. WILLIAMS. That is my recollection.

Mr. JONES. Then the Senator will bring the matter to the attention of the Senate again?

Mr. WILLIAMS. I will, provided it was left out.

Mr. JONES. But if it is to be left in, the Senator will let it go without any suggestion.

Mr. WILLIAMS. Yes.

Mr. JONES. I should like to have the Senator bring it to the attention of the Senate if he concludes that it is properly left in, because I think it ought to be left out or else we ought to understand whether the word "dependent" means something more than mere minority.

Mr. WILLIAMS. The Senator a moment ago was talking about the wrong of the exemption on account of 16 or 17 or 18

year old children who are not dependent.

Mr. JONES. Certainly. Mr. WILLIAMS. And now, if I understand him, he is ob-

jecting to keeping the word "dependent" in the bill.

Mr. JONES. No; I want to know whether it means something or not when it is left in the bill, and I want to know if we leave it in whether it means that if the parents have one minor child and then another child who is not a minor, but is dependent on them, they get an exemption for both.

Mr. WILLIAMS. Undoubtedly it means that in order to have the exemption the child must be a minor and dependent. It

is left in the bill and it says so.

Mr. JONES. I do not think that is what it means. I do not agree with that construction. I think if the Senator leaves the words "minor" and "dependent" in, it would be construed to mean one minor child and one child that was dependent because he was

Mr. WILLIAMS. It could not possibly be so construed, be-

cause that is not the language.

Does the Senator mean that the minor child Mr. JONES. must be disabled in order to enable the parent to secure an ex-

Mr. WILLIAMS. No; I do not.

Mr. JONES. Then, what does the word "dependent" mean? Mr. WILLIAMS. It means dependent for support upon the taxpayer.

Mr. JONES. Does that mean actually dependent?

Mr. WILLIAMS. In other words, where the child or children are not making their own living.

Mr. JONES. But suppose a 20-year-old boy is making his living but is living with his parents?

Mr. WILLIAMS. Then, if this language means anything at

all, there will be no exemptions on his account.

Mr. JONES. That is what I want to get at. In other words, the word "minority" does not procure the exemption, and the parent, in order to get the exemption for a minor child, must show that that child is actually dependent on him and is not making a living for himself? If that is what it means, that is what I wanted to understand.

Mr. WILLIAMS. That is what it says. It says minor and

dependent child.

Mr. JONES. Yes. I had understood, however, that it was the Senator's contention that the fact of minority was the basis for the exemption. If the other contention is the understanding

of the Senator, that is what I wanted to know.

Mr. SHIVELY. The Senator from Washington can easily conceive of a case where there may be a minor child with an absolutely independent fortune, in which event the parent would not have the benefit of the exemption.

Mr. JONES. What I wanted to understand clearly was whether or not that was the intention of the language here.

The VICE PRESIDENT. The question is on agreeing to the amendment reported by the committee, beginning in line 20, on page 171.

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 172, line 17, before the word "said," to insert "D. The"; in line 18, after the words "income of," to strike out "such" and insert "each"; in the same line, after the word "person," to strike out "for the year ending December 31, 1913, and for each calendar year thereafter; and on," and in lieu thereof to insert "subject thereto, accruing during each preceding calendar year ending December 31; Provided, however. That for the year ending December 31. Provided, however, That for the year ending December 31, 1913, said tax shall be computed on the net income accruing from March 1 to December 31, 1913, both dates inclusive, after deducting five-sixths only of the specific exempclusive, after deducting live-sixths only of the specific exemptions and deductions herein provided for. On"; on page 173, line 9, after the word "having," to strike out "a net" and insert "an"; and in the same line, after the words "income of," to strike out "\$3,500" and insert "\$3,000"; on page 174, line 2, after the word "individuals," to insert "Provided, That a return made by one of two or more joint guardians, trustees, executors, agents, receivers, and consequents agents. administrators, agents, receivers, and conservators, or other persons acting in a fiduciary capacity, filed in the district where such person resides, or in the district where the will or other instrument under which he acts is recorded, under such regulations as the Secretary of the Treasury may prescribe, shall be a sufficient compliance with the requirements of this paragraph"; in line 15, after the word "annual," to insert "or periodical"; and in line 17, after the word "person," to insert "deduct and withhold from the payment an amount equivalent to the normal income tax upon the same and," so as to read:

to the normal income tax upon the same and," so as to read:

D. The said tax shall be computed upon the remainder of said net income of each person subject thereto, accruing during each preceding calendar year ending December 31: Provided, however, That for the year ending December 31: 1913, said tax shall be computed on the net income accruing from March 1 to December 31, 1913, both dates inclusive, after deducting five-sixths only of the specific exemptions and deductions herein provided for. On or before the 1st day of March, 1914, and the 1st day of March in each year thereafter, a true and accurate return, under oath or affirmation, shall be made by each person of lawful age, except as hereinafter provided, subject to the tax imposed by this section, and having an income of \$3,000 or over for the taxable year, to the collector of internal revenue for the district in which such person resides or has his principal place of business, or, in the case of a person residing in a foreign country, in the place where his principal business is carried on within the United States, in such form as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall prescribe, setting forth specifically the gross amount of income from all separate sources and from the total thereof, deducting the aggregate items or expenses and allowance herein authorized; guardians, trustees, executors, administrators, agents, receivers, conservators, and all persons, corporations, or associations acting in any fiduciary capacity, shall make and render a return of the net income of the person for whom they act, subject to this tax, coming into their custody or control and management, and be subject to all the provisions of this section which apply to individuals: Provided, That a return made by one of two or more joint guardians, trustees, executors, administrators, agents, receivers, and conservators, or other persons acting in a fiduciary capacity, filed in the district where such person resides, or in the

sufficient compliance with the requirements of this paragraph; and also all persons, firms, companies, copartnerships, corporations, joint-stock companies or associations, and insurance companies, except as herein-after provided, in whatever capacity acting, having the control, receipt, disposal, or payment of fixed or determinable annual or periodical gains, profits, and income of another person, subject to tax, shall in behalf of such person deduct and withhold from the payment an amount equivalent to the normal income tax upon the same and make and render a return, as aforesaid, but separate and distinct, of the portion of the income of each person from which the normal tax has been thus withheld, and containing also the name and address of such person or stating that the name and address or the address, as the case may be, are unknown.

The amendment was agreed to.

Mr. WILLIAMS. Mr. President, I want to offer an amendment at this point to cure an oversight in the bill. After the colon following the word "unknown," on page 174, line 24, I move to insert the following language:

Provided. That the provision requiring the normal tax of individuals to be withheld at the source of the income shall not be construed to require any of such tax to be withheld prior to the date of the passage of this act.

Then, Mr. President, following that amendment, the proviso in line 24 should read "Provided further."

Mr. BORAH. Mr. President, as I understand, the Senator

from Mississippi a day or two ago asked that a provision of the bill back on page 166 should be recommitted to the committee for further consideration.

Mr. WILLIAMS. Yes. Mr. BORAH. I should like to have that portion of the bill which deals with the subject of relieving corporations from withholding the money due upon bonds to go with that provision, because they will both have to be considered together in a large measure, as I understand.

Mr. WILLIAMS. I do not see why they should both go together. Does the Senator mean the amendment which I have

just offered?

Mr. BORAH. No; not this particular matter; but you have a provision in the bill relieving the payment at the source with

reference to bonds, have you not?

Mr. WILLIAMS. Is the Senator referring to the provision

in lines 6 and 7 on page 170?

Mr. BORAH. No; I am not referring to that. I will call the Senator's attention to the express provision when we reach it.

Mr. WILLIAM3. Very well; that will probably be better, if

we have not reached it.

Mr. BORAH. I expected to leave the Chamber, but I will remain here until it is reached.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from Mississippi [Mr. Whiliams].

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Finance, was, in section 2, paragraph D, page 174, line 25, after the word "exceeding," to strike out "\$3,500" and insert "\$3,000"; on page 175, line 1, after the word "required," to insert "Provided further, That any persons carrying on business in partnership shall be liable for income tax only in their individual capacity, and the share of the profits of a partnership to which any taxable partner would be entitled if the same were divided, whether divided or otherwise, shall be returned for taxation and the tax paid, under the provisions of this section, and any such firm, when requested by the Commissioner of Internal Revenue, or when requested by the Commissioner of Internal Revenue, or any district collector, shall forward to him a correct statement of such profits and the names of the individuals who would be entitled to the same, if distributed"; in line 12, after the word "persons," to strike out "liable only" and insert "liable"; in line 13, after the word "tax," to insert "only"; in line 18, after the word "provided," to strike out the semicolon and the words "and the" and insert a period; in the same line, after the word "provided," to insert "Any person for whom return has been made and the tax paid, or to be paid as aforesaid, shall not be required to make a return unless such person has shall not be required to make a return unless such person has other net income, but only one deduction of \$3,000 shall be made in the case of any such person. The"; after the word "it." at the end of line 24, to strike out "and may increase the amount of any list or return if he has reason to believe that the same is understated: Provided, That no such increase shall be made except after due notice to such party and upon proof of the amount understated; or if the list or return of any person shall have been increased by the collector, such person may be permitted to prove the amount liable to be assessed; but such proof shall not be considered as conclusive of the facts, and no deductions claimed in such cases shall be made or allowed until approved by the collector" and insert "If the collector or deputy collector have reason to believe that the amount of any income returned is understated, he shall give due notice to the person making the return to show cause why the amount of the

return should not be increased, and upon proof of the amount understated may increase the same accordingly," so as to read:

return should not be increased, and upon proof of the amount understated may increase the same accordingly," so as to read:

Provided, That in either case above mentioned no return of income not exceeding \$3,000 shall be required: Provided further, That any persons carrying on business in partnership shall be liable for income tax only in their individual capacity, and the share of the profits of a partnership to which any taxable partner would be entitled if the same were divided, whether divided or otherwise, shall be returned for taxation and the tax paid, under the provisions of this section, and any such firm, when requested by the Commissioner of Internal Revenue, or any district collector, shall forward to him a correct statement of such profits and the names of the individuals who would be entitled to the same, if distributed: Provided further, That persons liable for the normal income tax only, on their own account or in behalf of another, shall not be required to make return of the income derived from dividends on the capital stock or from the net earnings of corporations, joint-stock companies or associations, and insurance companies taxable upon their net income as hereinafter provided. Any person for whom return has been made and the tax paid, or to be paid as aforesaid, shall not be required to make a return unless such person has other net income, but only one deduction of \$3,000 shall be made in the case of any such person. The collector or deputy collector shall require every list to be verified by the oath or affirmation of the party rendering it. If the collector or deputy collector have reason to believe that the amount of any income returned is understated, he shall give due notice to the person making the return to show cause why the amount of the return should not be increased, and upon proof of the amount understated may increase the same accordingly. If dissatisfied with the decision of the collector, such person may submit the case, with all the papers, nich expert every list to be a c

The amendment was agreed to.

The next amendment was, in section 2, paragraph E, page 176, line 20, after the word "made," to insert "by the Commissioner of Internal Revenue"; on page 177, line 5, before the word "provided," to strike out "above"; in the same line, after the word "for," to insert "in this section or by existing law," so as to read:

law," so as to read:

E. That all assessments shall be made by the Commissioner of Internal Revenue and all persons shall be notified of the amount for which they are respectively liable on or before the 1st day of June of each successive year, and said assessments shall be paid on or before the 30th day of June, except in cases of refusal or neglect to make such return and in cases of false or fraudulent returns, in which cases the Commissioner of Internal Revenue shall, upon the discovery thereof, at any time within three years after said return is due, make a return upon information obtained as provided for in this section or by existing law, and the assessment made by the Commissioner of Internal Revenue thereon shall be paid by such person or persons immediately upon notification of the amount of such assessment; and to any sum or sums due and unpaid after the 30th day of June in any year, and for 10 days after notice and demand thereof by the collector, there shall be added the sum of 5 per cent on the amount of tax unpaid, and interest at the rate of 1 per cent per month upon said tax from the time the same became due, except from the estates of insane, deceased, or insolvent persons. or insolvent persons.

The amendment was agreed to.

The next amendment was agreed to.

The next amendment was, in section 2, paragraph E, page 177, line 19, after the word "including," to strike out "lessees or"; and on page 178, line 2, after the word "exceeding," to strike out "\$4.000" and insert "\$3,000," so as to read:

out "\$4.000" and insert "\$3,000," so as to read:

All persons, firms, copartnerships, companies, corporations, jointstock companies or associations, and insurance companies, in whatever capacity acting, including mortgagors of real or personal property,
trustees acting in any trust capacity, executors, administrators, agents,
receivers, conservators, employers, and all officers and employees of the
United States having the control, receipt, custody, disposal, or payment
of interest, rent, salaries, wages, premiums, annuities, compensation,
remuneration, emoluments, or other fixed or determinable annual gains,
profits, and income of another person, exceeding \$3,000 for any taxable
year, other than dividends on capital stock, or from the net earnings
of corporations and joint-stock companies or associations subject to like
tax, who are required to make and render a return in behalf of another,
as provided herein, to the collector of his, her, or its district, are hereby
authorized and required to deduct and withhold from such annual
gains, profits, and income such sum as will be sufficient to pay the
normal tax imposed thereon by this section, and shall pay to the officer
of the United States Government authorized to receive the same; and
they are each hereby made personally liable for such tax.

The amendment was agreed to.

The amendment was agreed to.

The next amendment was, in section 2, paragraph E, page 178, line 13, after the word "tax," to strike out:

178, line 13, after the word "tax," to strike out:

In all cases where the income tax of a person is withheld and deducted and paid or to be paid at the source, as aforesaid, such person shall not receive the benefit of the exemption of \$4,000 allowed herein except by an application for refund of the tax unless he shall, not less than 30 days prior to the day on which the return of his income is due, file with the person who is required to withhold and pay tax for him, an affidavit claiming the benefit of such exemption; nor shall any person under the foregoing conditions be allowed the benefit of any deduction provided for in subsection B of this section unless he shall, not less than 30 days prior to the day on which the return of his income is due, file either with the person who is required to withhold and pay tax for him a true and correct return of his annual gains, profits, and income from all other sources, and also the deductions asked for, and the showing thus made shall then become a part of the return to be made in his behalf by the person required to withhold and pay the tax, or such person may likewise make application for deductions to the collector of the district in which return is made or to be made for him.

And insert:

And insert:

Provided, That landlords are to make their own returns and tenants are exempt from the provisions of the foregoing requirement except when, in the case of individuals, trustees, and other noncorporate owners, the terms of the lease require the tenant to pay State and municipal taxes and assessments against the property, the cost of

maintenance, repairs, and insurance, in which case tenants are authorized and required to deduct the tax out of the gross rental in the manner above prescribed. Where the owner is a corporation the tenant shall not be required in any case to deduct the tax upon the gross rental, the corporation itself being required to make the return and the statement of the deduction.

If the person receiving such payment of more than \$3,000 per annum is also entitled to deductions under the second paragraph of subsection B which reduce his aggregate income so as to entitle him to exemption from the normal income tax, or reduction of the amount subject to the tax, he may receive the benefit of such exemption, or reduction, either by filing with the person required to withhold the tax and pay it to the Government, not less than 30 days prior to the day on which the return of his income is due, an affidavit claiming the benefit of such exemption, and a true and correct statement of his annual income from all other sources, and of the deductions claimed, which affidavit and statement shall become a part of the return to be made in his behalf by the person required to withhold and pay the tax, or by making the application for the exemption to the collector of the district in which return is made or to be made for him, and proving to the satisfaction of the collector that he is entitled to the same.

The amendment was agreed to.

Mr. BORAH. Mr. President, the next paragraph is the one to which I referred, which I should like to have passed over until the committee reports upon the paragraph on page 166.

Mr. WILLIAMS. Let the Secretary read it.

The Secretary read as follows:

Where under the terms of a contract entered into before this act takes effect the payment to which the taxable person is entitled is required to be made without any deduction by reason of any tax imposed, the obligor shall not be compelled to make such deduction or withhold the income tax, but shall give notice to the collector of the payment made, or to be made, as part of the return which he is required to make, and the said sum shall in that case, for the purposes of this act, be computed as a part of the income of the taxable person. If the obligor fails to give such notice he shall be personally liable for the income tax if the same is not paid by the taxable person. No such contract entered into after this act takes effect shall be valid in regard to any Federal income tax imposed upon a person liable to such payment: Provided further, That if such person is a minor or an insane person, or is absent from the United States, or is unable owing to serious illness to make the return and application above provided for, the return and application may be made for him or her by the person required to withhold and pay the tax, he making oath under the penalties of this act that he has sufficient knowledge of the affairs and property of his beneficiary to enable him to make a full and complete return for him or her, and that the return and application made by him are full and complete.

Mr. WILLIAMS. I should like to hear what it is that the

Mr. WILLIAMS. I should like to hear what it is that the Senator has in mind.

Mr. BORAH. What I said was that I should like to have that part passed over until the committee reports upon the provision upon page 166.

Mr. WILLIAMS. Why should this go with that?

Mr. BORAH. Of course, the latter part of this has nothing to do with that; but there is one view of the matter on page 166 which I think might have a good deal to do with it. I do not know what the report of the committee will be upon it.

Mr. WILLIAMS. I do not see that one of these things is connected with the other. The clause to which the Senator refers is one intended to meet the case of contracts where the corporation undertakes to pay the tax, like the Steel Trust, for example, the Carnegie stock, and all that. This substantially leaves the question to be determinable at law. It exempts the corporation from being compelled to make the deduction, but makes it give notice to the collector of the tax. In that case the collector will compute the interest as a part of the income of the taxable person. But it is followed by this:

If the obligor fails to give such notice, he shall be personally liable for the income tax if the same is not paid by the taxable person.

If a corporation having that sort of a contract wants to keep its contract, all it has to do is to fail to give the notice and go ahead and pay the tax; and if there is going to be a lawsuit about it, the United States Government wants the taxable person-in the illustration I have given, Mr. Carnegie-to pay his tax.

The VICE PRESIDENT. The question is on agreeing to the

amendment of the committee.

Mr. WILLIAMS. I will say that I do not think the two things are indissolubly tied to one another. If the Senator desires it to go over for some reason, of course I am perfectly willing that it shall go over; but I am not willing that it shall be recommitted.

Mr. BORAH. I am not asking that it shall be recommitted. Mr. WILLIAMS. Very well; then the Senator simply wants it to go over. In that event it will be passed over; certainly. I owe an apology to the Senator. I misunderstood what he wanted.

The VICE PRESIDENT. Let the Chair understand the matter. Does the amendment go over before it is agreed to, or after?

Mr. BORAH. Before it is agreed to. Mr. WILLIAMS. Yes; before it is agreed to.

Mr. SIMMONS. Why may not the amendment be agreed to now, with the understanding that it may be called up again if the Senator desires?

Mr. BORAH. I have no objection to that. I simply made the suggestion which is usually made here. I have no objection if it is to be reconsidered if we desire to reconsider it. Then let it be adopted.

The amendment was agreed to.
The VICE PRESIDENT. The Secretary will make a note that the amendment may be reconsidered if desirable.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 181, line 16, after the word "bonds," to strike out the comma and insert the word "and"; in the same line, after the word "mortgages," to insert "or deeds of trust"; in line 17, after the word "other," to strike out "indebtedness" and insert "obligations," so as to read:

Provided further, That the amount of the normal tax hereinbefore imposed shall be deducted and withheld from fixed and determinable annual gains, profits, and income derived from interest upon bonds and mortgages, or deeds of trust, or other obligations of corporations.

Mr. GALLINGER. I will call the Senator's attention to the fact that after the word "associations," in line 18, page 181, the word "and" should be inserted. It becomes necessary from the fact that the language on the next line has been stricken out.

Mr. WILLIAMS. The Senator is right about that. That was brought about by striking out the subsequent language.

The VICE PRESIDENT. The amendment will be stated. The Secretary. On line 18, page 181, before the words "insurance companies," it is proposed to insert the word "and."

The amendment was agreed to.

The next amendment of the Committee on Finance was, on page 181, line 19, after the words "insurance companies," to strike out "and also of the United States Government not now exempt from taxation"; in line 22, before the word "subject," to strike out "\$4.000" and insert "\$3.000"; in line 24, after the word "income," to insert "and paid to the Government"; and on page 182, line 13, after the word "exceed," to strike out "\$4,000" and insert "\$3,000," so as to read:

Joint-stock companies or associations and insurance companies, whether payable annually or at shorter or longer periods, although such interest does not amount to \$3,000, subject to the provisions of this section requiring the tax to be withheld at the source and deducted from annual income and paid to the Government; and likewise the amount of such tax shall be deducted and withheld from coupons, checks, or bills of exchange for or in payment of interest upon bonds of foreign countries and upon foreign mortgages or like obligations (not payable in the United States), and also from coupons, checks, or bills of exchange for or in payment of any dividends upon the stock or interest upon the obligations of foreign corporations, associations, and insurance compenies engaged in business in foreign countries; and the tax in each case shall be withheld and deducted for and in behalf of any person subject to the tax hereinbefore imposed, although such interest, dividends, or other compensation does not exceed \$3,000.

The amendment was agreed to.

The next amendment was, at the top of page 183, to insert:

All persons, firms, or corporations undertaking as a matter of business or for profit the collection of foreign payments by means of compons, checks, or bills of exchange shall obtain a license from the Commissioner of Internal Revenue, and shall be subject to such regulations enabling the Government to ascertain and verify the due withholding and payment of the income tax required to be withheld and paid as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, shall prescribe; and any person who shall undertake to collect such payments as aforesaid without having obtained a license therefor, or without complying with such regulations, shall be deemed guilty of a misdemeanor and for each offense be fined in a sum not exceeding \$5.000, or imprisoned for a term not exceeding one year, or both, in the discretion of the court.

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment was, on page 183, line 21, after the word "return," to strike out "any person for whom return has been made and the tax paid, or to be paid as aforesaid, shall not be required to make a return unless such person has other net income, but only one deduction of \$4,000 shall be made in the case of any such person" and insert "under rules and regulations prescribed by the Commissioner of Internal Revenue and approved by the Secretary of the Treasury.

Mr. WILLIAMS. Mr. President, that ought to be "to be prescribed." I move to amend the amendment by inserting the

words "to be."

The VICE PRESIDENT. The amendment to the amendment will be stated.

The SECRETARY. On page 183, line 25, before the word "prescribed," it is proposed to insert "to be.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The next amendment was, on page 184, after line 3, to insert: The provisions of this section relating to the deduction and payment of the tax at the source of income shall only apply to the normal tax hereinbefore imposed upon individuals.

The amendment was agreed to.

The amendment was agreed to.

The next amendment was, in paragraph F, page 184, line 12, after the word "penalty," to strike out "not exceeding \$500" and insert "of not less than \$20 nor more than \$1,000"; in line 13, after the word "person," to insert "or any officer of any corporation"; and in line 18, after the word "exceeding," to strike out "\$1,000" and insert "\$2,000," so as to make the paragraph read:

F. That if any person, corporation, joint-stock company, association, or insurance company liable to make the return or pay the tax afore-said shall refuse or neglect to make a return at the time or times here-inhefore specified in each year, such person shall be liable to a penalty of not less than \$20 nor more than \$1,000. Any person or any officer of any corporation required by law to make, render, sign, or verify any return who makes any false or fraudulent return or statement with intent to defeat or evade the assessment required by this section to be made shall be guilty of a misdemeanor, and shall be fined not exceeding \$2,000 or be imprisoned not exceeding one year, or both, at the discretion of the court, with the costs of prosecution.

The amendment was agreed to.

The next amendment was agreed to.

The next amendment was in paragraph G, page 185, line 2, after the word "organized," to strike out "but"; in line 4, before the word "upon," to insert "then"; in line 4, after the word "income," to strike out "arising or"; and in line 5, after the word "accruing," to strike out "by it," so as to read:

the word "accruling," to strike out "by it," so as to read:

G. (a) That the normal tax hereinbefore imposed upon individuals likewise shall be levied, assessed, and paid annually upon the entire net income arising or accruing from all sources during the preceding calendar year to every corporation, joint-stock company or association, and every insurance company, organized in the United States, no matter how created or organized, not including partnerships; but if organized, authorized, or existing under the laws of any foreign country, then upon the amount of net income accruing from business transacted and capital invested within the United States during such year.

The amendment was agreed to.

The reading of the bill was resumed, and the Secretary read to line 11, page 185, as follows:

Provided, however, That nothing in this section shall apply to labor, agricultural, or horticultural organizations, or to mutual savings banks not having a capital stock represented by shares, or to fraternal beneficiary societies, orders, or associations operating under the lodge system.

Mr. WILLIAMS. Mr. President, on line 11, page 185, after the word "system," there ought to be an amendment made to carry out the purpose of the bill. It says:

Fraternal beneficiary societies, orders, or associations operating under

It appears from some information I have recently received that the insurance branch of the Masonic fraternity does not operate under the lodge system, although, of course, the fraternity itself does. I ask that this part of the proviso may be held open for the purpose of an amendment. I have not yet had a chance to consult the committee about it.

The VICE PRESIDENT. The proviso, beginning on line 7,

page 185, and going down to line 11, will be passed over.

The reading of the bill was resumed. The next amendment was, on page 185, line 19, after the word "charitable," to insert "scientific"; and in line 21, after the word "individual," to insert "nor to business leagues, nor to chambers of commerce or boards of trade, not organized for profit or no part of the net income of which inures to the benefit of the private stockholder or individual; nor to any civic league or organization not organized for profit, but operated exclusively for the promotion of social welfare," so as to read:

And providing for the payment of life, sick, accident, and other benefits to the members of such societies, orders, or associations and dependents of such members, nor to domestic building and loan associations, nor to cemetery companies, organized and operated exclusively for the mutual benefit of their members, nor to any corporation or association organized and operated exclusively for religious, charitable, scientific, or educational purposes, no part of the net income of which inures to the benefit of any private stockholder or individual, nor to business leagues, nor to chambers of commerce or boards of trade, not organized for profit or no part of the net income of which inures to the benefit of the private stockholder or individual; nor to any civic league or organization not organized for profit, but operated exclusively for the promotion of social welfare.

The amendment was agreed to.

The amendment was agreed to.

Mr. HITCHCOCK. Mr. President, I have an amendment which I should like to offer and have read at this point.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. After the first paragraph in section G, page 186, it is proposed to insert the following proviso, to come in after the word "welfare" in line 2:

Provided, That whenever a corporation, joint-stock company, or association shall produce or sell annually one-quarter or more of the entire amount of any line of production in the United States open to general manufacture or production the rate of tax to be levied, assessed,

and paid per annum upon the entire net income of such corporation, joint-stock company, or association arising or accruing from all sources shall be as follows:

A. If its production or sale be one-quarter and less than one-third of the total amount of any line of production, its annual tax shall be five times the normal tax hereinbefore imposed, to wit, 5 per cent.

B. If its production or sale be one-third and less than one-half of the total amount of any line of production, its annual tax shall be ten times the normal tax hereinbefore imposed, to wit, 10 per cent.

C. If its production or sale be one-half or more of the total amount of any line of production for the whole country, its annual tax shall be twenty times the normal tax hereinbefore imposed, to wit, 20 per cent on its entire net income accruing from all sources. The words "line of production" above used shall be construed to mean any particular article or any particular commodity, or to mean any class of articles or commodities ordinarily manufactured in conjunction with each other from the same or similar materials; but no line of production shall subject a corporation to any additional tax imposed by this paragraph unless said line of production amounts to at least \$10,000,000 a year, nor shall this additional tax provided for in this paragraph apply to corporations, joint-stock companies, or associations employing less than \$50,000,000 capital represented by stock or bonds, or both. In the levying and collection of the tax authorized in this paragraph the findings of the Secretary of Commerce as to the annual production and sale by corporations, joint-stock companies, or associations shall be taken as prima facle evidence; and whenever those findings show that a corporation, joint-stock companies, or associations controls one or more other carporations, joint-stock companies, or associations one or more other carporations, joint-stock companies, or associations have stockholders in common to the extent of 50 per cent in either, each shall pay

Mr. WILLIAMS. If the Senator from Nebraska wants to be heard upon this amendment, as I apprehend is the case-

Mr. HITCHCOCK. Yes, sir; it is. Mr. WILLIAMS. It is 6 o'clock now, and I will yield for a motion to go into executive session.

## EXECUTIVE SESSION.

Mr. HITCHCOCK. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After 8 minutes spent in executive session the doors were reopened, and (at 6 o'clock and 10 minutes p. m.) the Senate adjourned until to-morrow, Friday, August 29, 1913, at 11 o'clock a. m.

# NOMINATIONS.

Executive nominations received by the Senate August 28, 1913.

AMBASSADOR EXTRAORDINARY AND PLENIPOTENTIARY.

Henry Morgenthau, of New York, to be ambassador extraordinary and plenipotentiary of the United States of America to Turkey, vice William Woodville Rockhill, resigned.

## COLLECTORS OF CUSTOMS.

Zach L. Cobb, of Texas, to be collector of customs for the district of El Paso, in the State of Texas, in place of Alfred L. Sharpe, resigned.

Frank Rabb, of Texas, to be collector of customs for the district of Laredo, in the State of Texas, in place of James J.

Haynes, resigned.

## AGENT AND CONSUL GENERAL.

Olney Arnold, of Rhode Island, to be agent and consul general of the United States of America at Cairo, Egypt, vice Peter

## MINISTER RESIDENT AND CONSUL GENERAL.

George W. Buckner, of Indiana, to be minister resident and consul general of the United States of America to Liberia, vice Fred R. Moore, resigned.

# CONFIRMATIONS.

Executive nominations confirmed by the Senate August 28, 1913.

PROMOTIONS AND APPOINTMENTS IN THE NAVY.

Lieut. George B. Landenberger to be a lieutenant commander. Lieut. (Junior Grade) Herndon B. Kelly to be a lieutenant. Theodore W. Johnson to be a professor of mathematics.

Carlos V. Cusachs to be a professor of mathematics. Arthur E. Younie to be an assistant surgeon in the Medical Reserve Corps.

Walter C. Espach to be an assistant surgeon in the Medical Reserve Corp.

John F. X. Jones to be an assistant surgeon in the Medical Reserve Corps.

POSTMASTERS.

IOWA.

E. R. Ashley, Laporte City. Henry F. Eppers, Montrose. Anton Huebsch, McGregor. Ben Jensen, Onawa.

NORTH DAKOTA.

Frank Lish, Dickinson. V. F. Nelson, Cooperstown.

OHIO.

E. E. France, Kent. James P. Stewart, Niles.

TEXAS.

Lon Davis, Sealy. W. T. Hall, La Porte.

WEST VIRGINIA.

J. L. Butcher, Holden.

# SENATE.

# FRIDAY, August 29, 1913.

The Senate met at 11 o'clock a. m.

Prayer by the Chaplain, Rev. Forrest J. Prettyman, D. D. The Secretary proceeded to read the Journal of yesterday's proceedings, when, on request of Mr. SIMMONS and by unanimous consent, the further reading was dispensed with and the Journal was approved.

GOODS IN BOND.

The VICE PRESIDENT. The Chair lays before the Senate a communication, which will be read.

The Secretary read as follows:

TREASURY DEPARTMENT, Washington, August 27, 1913.

The PRESIDENT OF THE UNITED STATES SENATE.

The President of the United States Senate.

Sir: I have the honor to acknowledge receipt of a copy of a Senate resolution under date of the 21st instant, requesting, for the use of the Senate, certain information relative to goods held without the payment of duty in warehouse now and at the same time in the year 1912. In reply I have to advise you that similar information with respect to goods in warehouse August 1, 1912, and August 1, 1913. was forwarded to you under date of August 21, 1913, in compliance with a resolution of the Senate of August 1, 1913.

The figures, if compiled on goods in warehouse August 21, would probably differ but little from those furnished you computed on goods in warehouse under date of August 1, and it would take some time to compile them. In view of the matter, I have to request to be informed whether data similar to that given in my letter of August 21, as of August 1, is desired brought down to August 21.

Respectfully,

W. J. McAddoo, Secretary.

W. J. McAdoo, Secretary.

The VICE PRESIDENT. The communication will lie on the

# ENROLLED BILL SIGNED.

A message from the House of Representatives, by D. K. Hempstead, its enrolling clerk, announced that the Speaker of the House had signed the enrolled bill (S. 1620) to provide for representation of the United States in the Fourteenth International Congress on Alcoholism, and for other purposes, and it was thereupon signed by the Vice President.

# CALLING OF THE ROLL.

Mr. KERN. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll. The Secretary called the roll, and the following Senators answered to their names:

Ashurst Bacon Bankhead Borah Bradley Norris Oliver Page Penrose Perkins Fletcher Smith, Md. Smith, S. C. Smoot Gallinger Hitchcock Hollis Hughes James Johnson Smoot Sterling Stone Sutherland Swanson Thomas Thompson Townsend Vardaman Walsh Warren Weeks Brady Brandegee Bristow Pittman Pomerene Robinson Johnson
Jones
Kenyon
Kern
La Follette
Lane
Lea
Lodge
McCumber Root Saulsbury Shafroth Sheppard Sherman Bryan Chamberlain Chilton Clapp Clark, Wyo. Colt Shields Crawford Cummins Dillingham McCumber McLean Martin, Va. Martine, N. J. Shively Simmons Smith, Ariz. Smith, Ga. Williams Works

Mr. McCUMBER. I again announce the necessary absence of my colleague [Mr. Gronna].

Mr. TOWNSEND. The senior Senator from Michigan [Mr.

SMITH] is absent from the city on important business. He is

paired with the junior Senator from Missouri [Mr. Reed]. desire this announcement to stand for all roll calls to-day.

Mr. SMOOT. I desire to announce that the junior Senator from Wisconsin [Mr. Stephenson] and the senior Senator from Delaware [Mr. DU PONT] are detained from the Senate on account of illness. I will allow this notice to stand for the day.

The VICE PRESIDENT. Seventy Senators have answered

to the roll call. There is a quorum present.

### ESTATE OF THOMAS BRITTON, DECEASED.

Mr. BRANDEGEE. On June 26 I introduced a bill (S. 2642) for the relief of the estate of Thomas Britton, deceased, and it was referred to the Committee on Military Affairs. I move that that committee be discharged from the further consideration of the bill and that it be referred to the Committee on Claims.

The motion was agreed to.

#### ASSISTANT IN SENATE DOCUMENT ROOM.

Mr. SHAFROTH. From the Committee to Audit and Control the Contingent Expenses of the Senate I report back favorably with amendments Senate resolution 174, submitted by the Senator from Minnesota [Mr. Clarp] on the 27th instant. I ask for the immediate consideration of the resolution.

The Senate, by unanimous consent, proceeded to consider the resolution.

The amendments were, in line 3, to strike out the words "\$1,440 per annum" and insert "\$120 per month until October 31, 1913," and, in lines 4 and 5, to strike out the words "until otherwise provided by law," so as to make the resolution read:

Resolved, That the Secretary be authorized to employ one additional assistant in the Senate document room at a compensation of \$120 per month until October 31, 1913, to be paid out of the contingent fund of

The amendments were agreed to.

The resolution as amended was agreed to.

### BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CHAMBERLAIN:

A bill (S. 3058) authorizing the President of the United States to appoint Col. James Jackson to the rank of brigadier general on the retired list; to the Committee on Military Affairs.

By Mr. THOMAS:

A bill (S. 3059) to amend an act entitled "An act making appropriations for the current and contingent expenses of the Indian Department and for fulfilling treaty stipulations with various Indian tribes for the fiscal year ending June 30, 1903, and for other purposes"; to the Committee on Indian Affairs.

A bill (S. 3060) granting an increase of pension to Mary C.

Jackson; to the Committee on Pensions.

By Mr. PENROSE:

A bill (S. 3061) granting an increase of pension to Winfield S. Brooks; to the Committee on Pensions.

By Mr. CATRON:

A bill (S. 3062) to provide for a mausoleum in Arlington National Cemetery for the interment of Army and Navy officers; to the Committee on Military Affairs.

# MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by J. C. South, its Chief Clerk, announced that the House had passed with amendments the joint resolution (S. J. Res. 52) to authorize the appointment of Thomas Green Peyton as a cadet in the United States Military Academy, in which it requested the concurrence of the Senate.

The message also announced that the House had passed a joint resolution (H. J. Res. 111) to authorize the reinstatement of Adolph Unger as a cadet in the United States Military Academy, in which it requested the concurrence of the Senate.

## THOMAS GREEN PEYTON.

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the joint resolution (S. J. Res. 52) to authorize the appointment of Thomas Green Peyton as a cadet in the United States Military Academy, which were, in line 3, to strike out "Secretary of War" and insert "President," and in line 5, after "Academy," to insert "Provided, That this shall not operate to increase the Corps of Cadets at said academy as now authorized by law." at said academy as now authorized by law.

Mr. CHAMBERLAIN. I move that the Senate concur in the

amendments of the House.

The motion was agreed to.

#### PRESIDENTIAL APPROVALS.

A message from the President of the United States, by Mr. Latta, executive clerk, announced that the President had approved and signed the following acts:

On August 28, 1913:

S. 1353. An act to authorize the board of county commissioners of Okanogan County, Wash., to construct, maintain, and operate a bridge across the Okanogan River at or near the town of Malott.

On August 29, 1913:

S. 1620. An act to provide for representation of the United States in the Fourteenth International Congress on Alcoholism, and for other purposes.

### HOUSE JOINT RESOLUTION REFERBED.

H. J. Res. 111. Joint resolution to authorize the reinstatement of Adolph Unger as a cadet in the United States Military Academy was read twice by its title and referred to the Committee on Military Affairs.

#### INCOME TAX.

The VICE PRESIDENT. The Chair lays before the Senate a resolution coming over from the previous day, which will be

The Secretary read Senate resolution 177, submitted yesterday by Mr. Crawford, as follows:

Resolved, That the Committee on Finance be directed to investigate and ascertain the difference in character between income immediately and directly derived by an individual from the carrying on or exercise by him of his profession, trade, and vocation, and income derived from property or investment of capital, and to report an amendment which will make a just discrimination in the rate of levy in favor of incomes immediately and directly derived from the exercise of a profession, trade, or calling, as compared with income derived from property and capital investment.

Mr. CRAWFORD. Mr. President, I do not wish to have this resolution in any way delay the Senate or embarrass the com-I wanted the subject brought before the Senate, and I am willing that the resolution and the amendment which I offered be referred to the Committee on Finance. It is late in the session, and it is a new feature of the income tax. I realize that it may not be quite fair to ask to have it receive full consideration. At any rate, I am willing that it shall go to the committee.

The VICE PRESIDENT. Without objection, the resolution will be referred, with the amendment submitted by the Senator from South Dakota, to the Committee on Finance.

## THE TARIFF.

The VICE PRESIDENT. The morning business is closed.

Mr. SIMMONS. I ask unanimous consent that the Senate proceed to the consideration of House bill 3321.

There being no objection, the Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 3321) to reduce tariff duties and to provide revenue for the Government,

and for other purposes.

The VICE PRESIDENT. The pending amendment is on page 186, where, after line 2, the Senator from Nebraska [Mr. HITCHCOCK] proposes to insert a proviso, which has been read.

Mr. HITCHCOCK. Mr. President, this is the first amendment to the tariff bill which has been proposed from the Democratic side, and in view of that fact it seems to me proper that I should make an explanation of the causes which have led me to differ from the conclusions of the Democratic caucus and which still inspire me to urge this amendment upon the attention of the Senate.

Mr. President, I am not quite as extreme as some who decry the caucus. In spite of all the evils which have grown out of caucus legislation and caucus domination, I believe there are occasions when the caucus may be necessary to harmonize party action upon a party bill. If any bill is entitled to be termed a party bill it is a tariff bill, because tariff has become the great issue between the two leading parties of the country representing two distinct schools of political thought.

Thus, when the pending bill came to the Senate with its three

or four thousand separate items, I felt that I could properly go into that caucus and surrender a measure of my own independence for the sake of securing a harmonious party result.

But the pending bill, Mr. President, is something more than a

tariff bill. It presents other means of raising revenue. It levies other taxes than tariff taxes and contains a number of provisions for the regulation of business.

To my mind it was, to say the least, a mistake to endeavor in a Democratic caucus to bind the individual to the details, for instance, of the pending section providing an income tax. The income tax is a comparatively new idea in revenue legislation in this country. It involves great questions. It has its

advocates on the other side of the Chamber as well as on this side of the Chamber. The collection of an income tax has become a matter of distinct constitutional right by Congress, and Republicans as well as Democrats voted for and assisted in securing the amendment to the Constitution to that effect.

When the income-tax question comes into this Chamber, involving as it does not only the degree to which taxation shall be levied upon the incomes of the country, but involving also great social changes which may follow, it seems to me that the individual Democrat, like the individual Republican, ought to be permitted by his party to stand here and vote for his con-

After all, Senators here were elected to the Senate not to a caucus, and it is in the interest of the public welfare that great questions of this sort be debated in public and decided in public, particularly when we are engaged in formative, fundamental

legislation of this sort.

So, Mr. President, it seemed to me a mistake when my party undertook to decide the details of the income-tax bill in the caucus. Still, I did not leave the caucus on that account. left the caucus when I asked the privilege of being permitted in the open Senate to introduce a legitimate amendment for the taxation of trusts, and that privilege was denied me. I asked it not only for myself but I asked it for other Democrats on this side of the Chamber who believe in the principle and want to see it engrafted upon the pending bill. Those men, if compelled to vote against my amendment, which I am here to-day to urge, will have difficulty in explaining to their constituents why they have done so. It is not right for the party to put them in that position when no great party issue is involved.

It has been an unpleasant sight to me, as it has been to many Democrats during the last few days in this Chamber, when Senators on the Republican side of the Chamber have proposed amendments to the income-tax provision that appeal to the sense of justice and appeal to the judgment of Senators on this side, but who, because of caucus rule, were compelled to vote against such amendments. I do not think that is a worthy sight in the Senate of the United States. I do not believe it is right to bind individual Senators and compel them to vote against their conscience and their judgment upon such amend-

ments when no party policy is involved.

Mr. President, in order to justify myself for the position I am taking, I shall go a little further, and perhaps verge upon the improper in reference to the Democratic caucus of which I was a part. Like all caucuses, I believe the fact to be that our Democratic caucus degenerated into a political machine, and I do not believe that upon the vote upon my tobacco amendment the real sense of the caucus was evoked. I did not offer my tobacco amendment; I merely asked the caucus to leave me free to offer it in the Senate of the United States as an amendment

and an addition to the revenue bill.

Mr. President, it might be said that I have the privilege of offering a separate bill for this purpose. That is not so. Constitution of the United States, as is well known, requires that all revenue bills shall originate in the House of Representatives, and there is no chance for a Senator of the United States to offer a provision for the taxation of trusts except as an amendment to a bill which comes here from the other House. This was the only opportunity I would have, or that any other Senator would have, to offer such an amendment at this session or probably at the next session. I did not, however, ask the caucus to approve my amendment; I asked to be left free to offer it here in the Senate, and I asked that other Democratic Senators be left free to vote for it according to their consciences and their judgment. I was refused. The Senator from Arizona [Mr. Ashurst], however, offered my amendment, and after a heated controversy it came to a vote in that caucus. The votes have been published, so I am revealing none of the secrets of that caucus when I say that 18 members of the Senate voted for my amendment and 23 appeared to vote against it. I say "appeared" because it is a fact, which I shall take the liberty appeared" of stating, that the nine Democratic members of the Committee on Finance voted as a unit, regardless of their convictions. So we have a wheel within a wheel, a machine within a machine, The inner machine controlled the caucus. The vote cast was not the correct expression even of the caucus.

Mr. President, under these circumstances I felt that I was justified and that I could still maintain my Democracy in leaving the caucus and coming here and offering my amendment, as

I do to-day, to this bill.

What is this amendment? The pending section of the bill provides a tax of 1 per cent upon the net earnings of the corporations of the United States. My amendment develops the idea a little further and provides that when a corporation has obtained control of one-quarter of the business in any single line

in this country, instead of paying 1 per cent tax it shall pay 5 per cent; when it has progressed further and secured a third of the business of the country in any one line, it shall pay 10 per cent; and when it has still further approached a monopoly and obtained 50 per cent of the business of the country in any one line, it shall pay 20 per cent of its net earnings to the Government of the United States. That is equitable; it is in line with the other provisions in the bill, which make the rate of taxation upon the income of the rich man higher than the rate of taxation upon the income of the poor man. It is equitable because, as everyone knows, a corporation which approaches monopoly proportions has reduced its cost of production to a minimum and magnified its profits to a maximum. Such a corporation can much easier afford to pay 5 per cent of its net income than the John Smith Grocery Co. can afford to pay 1 per cent upon its net income, because the John Smith Grocery Co. is engaged in a competitive struggle with the other business men in that line, while the great trusts, to which this applies, are freed from competition and are practically exercising monopoly powers in this country to-day. So I say the amendment is equitable, and it is in line with the other provisions of this bill. There is no doubt as to its validity. I challenge any Senator here, lawyer or not, to question the validity of a tax of this sort that Congress levies. The Supreme Court has time and time again said that there is no limit upon the power of Congress, except that the tax levied shall be uniform and for the public welfare. I remember a case in which the court acted and upheld a tax upon the gross receipts of sugar and tobacco companies in excess of \$250,000, evidently an effort to levy taxes upon trusts then forming.

So, I say, Mr. President, there is no doubt as to the validity of this amendment. Of what other proposed antitrust amendment or law can it be said that there is no question as to its validity? For 25 years Congress has been legislating against the trusts, and for as many years we have been embroiled in litigation in the courts of the land.

Now let me consider some of the objections that might be urged. I hear one say that this a tax on efficiency. Of what value or merit is efficiency in a great trust, organized to the highest degree, if consumers receive no benefit and the men who labor in that industry receive no benefit? Of what use is that efficiency to the country when it only goes to magnify the profits of those who are exercising monopoly power? Of what use is that efficiency to the country when it has served to create the multimillionaires of the country, to centralize wealth, and to really work an injury upon the business world by intensify-ing the struggle for existence among those compelled to compete?

Yes, and I hear another objection, that it proposes to limit Well, do Senators think of what limitation has been placed on enterprise by the great trusts which have grown up in the land? Do they think how those trusts have crushed small competitors; how they have ruined independents; how they have driven men out of business and reduced them from the position of independent citizens to wage earners and salaried The limitation of enterprise in this country has been worked by the great trusts themselves in the destruction of innumerable companies that were endeavoring, under the

laws of competition, to do the business of the country.

Mr. President, there may not be many precedents for just this style of legislation, but I recall one at the present time which seems to me very similar and which is highly thought of. A few years ago, under the leadership of Gov. Hughes, of New York, now a justice of the Supreme Court of the United States. New York enacted a law prohibiting the giant insurance companies of New York from writing more than a certain per cent of new business each year. That law has been proved beneficent; it has saved money to the holders of policies; it has tended to restrict and reduce the growth of the Money Trust in this country; and it has given an opportunity for the lesser and legitimate insurance companies to increase their business. So that the limitation of the growth of the great concerns is not altogether without legitimate and healthy precedent.

Mr. President, I have said that for 25 years Congress has been legislating and courts have been struggling to enforce legislation against the trusts, but our progress has been almost This has been the very era of the growth of trusts; it has been the very era of the centralization of wealth. In that time a great imperialism has grown up in our business To-day, after the decisions of the Supreme Court in the rd Oil and Tobacco cases, we are practically con-Standard Oil fronted with the fact that we have failed-failed in legislation, failed in our courts, and that we have been checked in our effort to do away with the development of these great giants in the business world. Shall we give up? Shall we abandon

the fight and give over the country to the exploitation of these

Almost every man here has pledged his constituents at one time or another to do what he can against the trusts. They are an acknowledged evil. Every platform has denounced them. I believe I was not only standing upon the ground of public interest, but that I was standing on good Democratic ground when I left the caucus because I was denied even the privilege, if I remained in it, of presenting to the Senate this amendment proposing to tax the trusts in proportion to their size.

No plank in the last Democratic platform was stronger or more unqualified or definite in binding the Democrats in office than that plank which reads:

We * * * demand the enactment of such additional legislation as may be necessary to make it impossible for a private monopoly to exist in the United States.

This, Mr. President, is the Democratic doctrine, and I believe I have the right to call upon the Democratic managers in the Senate of the United States to give the Democratic Senators here an opportunity to vote for it.

The VICE PRESIDENT. The question is on the amendment offered by the Senator from Nebraska [Mr. HITCHCOCK].

Mr. NORRIS. Mr. President, I should like to make an inquiry of my colleague, if he will give me his attention. On page 2 of the amendment, beginning in line 18, among other exceptions it is provided:

Nor shall this additional tax provided for in this paragraph apply to corporations, joint-stock companies, or associations employing less than \$50,000,000 capital, represented by stock or bonds, or both.

The question I want to ask is with regard to the modifying clause "represented by stock or bonds, or both." It struck me at first glance that those words weakened the proposition. Would it not be possible for some joint-stock company or association to have a capital of \$50,000,000 and have neither bonds nor stock; and if that were true, would they not escape the provisions of this amendment?

Mr. HITCHCOCK. I think there may be some point in the criticism which my colleague makes; but I will state that I used that phrase for the reason that if I confined the language to capital stock it might be possible for a company to organize with \$25,000,000 capital stock and have \$25,000,000 of bonds, and thus escape. I am willing to accept any modification that may be suggested.

Mr. NORRIS. In that case it would all be capital. I should think there would be no question about that. It seems to me that the ground is covered if you stop at the word "capital." It would not make any difference then how it was represented, whether it was by shares of stock or bonds or any other method that might be devised; but if you leave in the words which I have mentioned and any scheme were devised to have the capital composed not of stock or bonds, then they would be excepted, and I take it, of course, that my colleague does not mean to have that occur.

Mr. HITCHCOCK. It is possible that it would be well to change the language so as to read "employing less than \$50,000,000 capital represented by stocks, bonds, or otherwise."

Mr. NORRIS. Why should we say anything further? Why not stop at "capital"? Would not that include it all?

Mr. HITCHCOCK. I doubt it. If a concern in that case had

Mr. HITCHCOCK. I doubt it. If a concern in that case had only \$25,000,000 capital and borrowed \$25,000,000 more, I think it would not come within the provision.

Mr. NORRIS. I think the suggestion the Senator has made, to add the words "or otherwise," would at least remove the difficulty.

Mr. HITCHCOCK. I ask leave, then, to modify the amendment in that particular by inserting the words "or otherwise," so as to read:

Employing less than \$50,000,000 capital, represented by stocks, bonds, or otherwise.

Mr. BRISTOW. Mr. President, I am interested in the limitation of \$50,000,000. Does not the Senator have in mind any corporations or stock companies that might have a less capital and still hold a monopoly of the business? Does he think \$50,000,000 is low enough? I should like his views as to why he made it fifty millions instead of say twenty-five millions.

he made it fifty millions instead of, say, twenty-five millions.

Mr. HITCHCOCK. I will say to the Senator from Kansas that I presume it was because of my extremely conservative nature. I do not like to go too far. I thought possibly there might be danger that a concern of less capital, manufacturing some comparatively insignificant article, might be involved. I am not at all wedded, however, to the \$50,000,000 limit. If any reason can be shown why it should be made \$25,000,000, I shall be glad to accept the suggestion.

Mr. BRISTOW. I feel that I should say that my idea as to the control of the trusts has been along different lines from

those proposed in this amendment. I have felt that we ought to have an industrial commission, given powers to inquire into the operations of all of these concerns, and with authority to correct any monopoly that might exist. I have pending now before the Committee on Interstate Commerce a bill to that effect; but this amendment seems to me to be very desirable. I can not see how any harm could come from it. Certainly it would not interfere with any business that was conducted along legitimate lines and did not maintain itself by virtue of the power it might have as a result of a monopoly.

I shall certainly most heartily support the amendment.

Mr. BORAH. Mr. President, I wish to ask the Senator from Kansas and the Senator from Nebraska if this extraordinary tax is placed upon these monopolistic combinations, what means have we to prevent the combinations from transferring practically all of the tax to the consumer? Take the case of the American Tobacco Co., the corporation which gave rise to this amendment.

Mr. BRISTOW. I will say to the Senator that this tax is on the net income. It is not on the gross business. It is levied after the commodities have been sold and distributed and consumed, upon the profits that accrue from the business.

Mr. NORRIS. If the Senator will permit me, even though we might admit that the tax could be passed on, I presume the theory of the amendment is that if it were passed on it would enable those who are independent and who do not have to pay this high tax to get on the market with a cheaper article and thus bring about real competition.

Mr. BORAH. That would be true if there were no monopoly. Mr. NORRIS. This applies where they control from one-quarter up of the product. Unless some concern controlled the entire product they would not be able to pass on this tax, even if otherwise they could do so, providing somebody else was manufacturing it at a lower price and was able to put it on the market.

Mr. BRISTOW. The Senator from Idaho will observe, on page 2, in subdivision C, that the amendment provides that "if its production or sale be one-half or more of the total amount of any line of production for the whole country, its annual tax shall be twenty times the normal tax hereinbefore imposed." When you impose a tax that heavy, it seems to me, it gives the smaller concern an opportunity to compete in the market. It puts a handicap upon the monopolization of the American market by a giant concern and relieves the smaller producers from that burden.

The idea plainly is to give the small man a chance in his competition with the powerful concern. If there is anything needed in American commercial or industrial life to-day it is just such legislation as this. It is all very well for us to go on the stump throughout the country and advocate the control of monopolies and denounce them violently, and then, when an opportunity comes in the United States Senate, to refuse to vote for a measure that would, to some extent at least, put a handicap on them in their efforts to monopolize the American market.

I think we owe a debt of gratitude to the Senator from Nebraska for presenting an amendment like this, which enables us at least to express our views as far as that principle goes. Mr. THOMAS. Mr. President, some time before the Demo-

Mr. THOMAS. Mr. President, some time before the Democratic caucus assembled the Senator from Nebraska introduced an amendment which was aimed at and intended to affect the American Tobacco Co. I should like to ask him if it was not that amendment which was discussed and which received the vote to which he referred a few moments ago?

Mr. HITCHCOCK. If the Senator will permit me to reply, I not only introduced my tobacco amendment, which was referred to the Committee on Finance, but I also introduced an amendment very similar to this now pending providing for a graduated tax upon the incomes of trusts. That amendment also was referred to the Committee on Finance of which the Senator from Colorado is a member. That committee ignored it.

If a committee is to control the caucus, and the caucus is to control the party, and the party is to fix legislation, I think the committee at least ought to give hearings, and ought to give an opportunity for the consideration of the legislation upon which it passes.

Mr. THOMAS. I am very sorry that my question seems to have offended the Senator. I asked the question in perfect good faith. I am of course aware of the fact that this amendment and the other amendment were introduced and referred as the Senator says; but I am here to assert from my recollection that it was the tobacco amendment which was there discussed, and which there received the vote to which the Senator refers. I may be mistaken; my memory may be infirm, but that is my recollection, because I know that my chief objection to the amendment was that it was aimed at a particular concern, and was not general in its terms and purposes.

Mr. HITCHCOCK. The Senator states the matter correctly so far as he goes; and I certainly regret it if in the heat of my remarks I have seemed to reflect overseverely upon the Committee on Finance. I realize that the committee has done a great work, and that it has been burdened with details; but I think a matter which was serious enough to command the attention of the Democratic caucus for two days should have been given 15 minutes consideration by the Committee on

I introduced not only my tobacco amendment but this amendment. They were both referred to the Finance Committee, and both rejected by the Finance Committee, as I was informally

informed some time thereafter.

I stated in my remarks here to-day that I did not ask the caucus to adopt either one of my amendments and bind all the Democrats to vote for them. All I asked was that the caucus should leave me free and leave its members free to present and vote upon those amendments here in the Senate. That is all I asked.

Mr. THOMAS. I think the Senator is aware of the fact that a vote was asked and taken upon his amendment.

Mr. HITCHCOCK. It was, but it was not asked by me. said I did not ask it.

Mr. THOMAS. That is true; but it was nevertheless asked and recorded, and the matter was discussed by the Senator

from Nebraska as well as by some others.

Mr. HITCHCOCK. That is true, but if the caucus had given me the privilege of presenting it upon the floor of the Senate I should have been entirely satisfied. It was the Senator from Arizona [Mr. Ashurst] who presented the amendment, because it seemed to be less offensive to members of the committee than to give me the freedom of offering the amendment here before

Mr. HITCHCOCK subsequently said: Mr. President, I find upon examining the official report of the colloquy that occurred to-day between the Senator from Colorado [Mr. Thomas] and myself that I placed an erroneous construction upon a question which he put to me. Under the erroneous impression that my statement was being questioned by the Senator from Colorado, I replied harshly and unjustly to him; and I desire to tender my apologies.

Mr. GALLINGER. Mr. President, some of the secrets of the Democratic caucus are now being revealed. I should like to ask those in charge of the bill if we may not have a transcript of the entire proceedings of that celebrated gathering? might enable us to legislate more intelligently than we can other-

wise, being in the dark as we are at the present time.

Mr. WILLIAMS. Mr. President, there is one very serious objection to furnishing the Senator from New Hampshire with a transcript of the proceedings of the Democratic caucus. If one came back from the dead with Democratic doctrine of any description, it would not appeal to the Senator from New Hampshire. It would not do him the slightest good if he had before him to-day every word of wisdom that was uttered in that conference.

One word more, Mr. President. I had not intended to get on my feet at all. In the most good-natured way possible I wish to announce that the Democratic Party in its own good time, and in the fullness of its wisdom, will deal with the trust problem. It will also deal with the banking and currency problem. It will deal with a great many other things. But it is not going to make this bill the vehicle of all sorts of reformations, and it is not going to deal with a great problem like the trust problem in any hairbrained manner. It is going to deal with it after full consideration and full hearings.

There are several bills dealing with the trust question pending now, introduced by several gentlemen. Perhaps when the Democratic Party comes to deal with that question it may avail itself of some of the propositions or some of the suggestions contained in this amendment. I do not know as to that. It will if it thinks it is wise. It will not if it thinks it is unwise. But it is not going to make this bill the vehicle for every manner of alleged reformation in some field or other.

Mr. GALLINGER. I can not refrain from expressing regret that we can not get this information that is lodged in the tomb of the Democratic caucus; but if it has been ordained otherwise, of course we must get along as best we can, without having information that we would very much like to possess.

I observe that the Senator has marked out a great program for the Democratic Party, which he says it is going to carry out in the fullness of its wisdom. I regret to say that in view of the past performances of that party, I am afraid the fullness of its wisdom will come short of the performance which the Senator from Mississippi suggests.

Mr. WILLIAMS. That may be, Mr. President, but if the Senator frem New Hampshire approved of us in any way, we

might not suspect our wisdom just for that reason, but we

would suspect our Democracy.

Mr. GALLINGER. There is no question about the Senator's Democracy, and there is no question about the Democracy of this bill, because it is along the lines of ante bellum days, when Democracy was in its glory. It has been rehabilitated for a little while, but it will not last long.

Mr. CUMMINS. Mr. President, I have nothing to say with

respect to the controversy between Senators on the other side of the Chamber as to the caucus. I have expressed my opinion heretofore with regard to that way of legislating, and I have

not in the least degree changed it.

I do desire, however, for a very brief time to express my views upon the merits of the amendment proposed by the Senator from Nebraska. I am not content with the answer made by the Senator from Mississippi [Mr. WILLIAMS], who says that in the fullness of time and in the wisdom of the Democratic Party we will deal comprehensively with the trust problem. I suppose he means that when a majority of the Members on the other side of the Chamber come to the conclusion that we ought

to legislate upon that subject we may be able to approach it.

I assume that the proposal of the Senator from Nebraska will be characterized as another assault upon wealth so graphically described by my friend from Massachusetts [Mr. Lodge] yesterday. I think that the Senator from Massachusetts did the country a great injustice, or the people of the country a great injustice, when he declared that there was a prejudice among the men and women of America against wealth as such. There is no such prejudice and there is no such feeling. I have never heard in any campaign, however heated, one word uttered against the man of wealth, the man of success. Success is as highly esteemed now as it ever was in the history of the world, but the last 25 years, and especially the last decade, have witnessed the accumulation of so much dishonest wealth, or, to speak more accurately, so much wealth has been dishonestly accumulated, that the criticisms against the methods which have been employed are sometimes regarded as criticisms against success or the expression of envy upon the part of those who have not been so successful.

When it is remembered that a great proportion of the immense fortunes of the country have been accumulated in ways that have fallen under the condemnation of every right-thinking man, it is not to be wondered at that in the effort to analyze the causes and in the effort to find some remedy for the evils which exist the superficial observer should think there was a campaign in progress against all success, against all wealth. It is not so. But when the country thinks of the \$700,000,000 and more unfairly created in the organization of the United States Steel Corporation, which made fortunes beyond description for those, or some of those, who were engaged in the enterprise; when it is remembered that the Chicago & Alton Railway Co, rose overnight from a corporation of about \$30,000,000 of capital to one of \$130,000,000 of capital, absorbed by the unscrupulous but capable men who were engaged in the enterprise; when it is recalled that Mr. Carnegle, an estimable man, sold a plant to the United States Steel Corporation that was not worth by any fair standard of value more than \$100,000,000 for \$500,000,000, simply because there passed with it a certain monopolistic power, we can not be surprised if we find the people of the country alert and determined to thwart in some way these avaricious' desires and to restrict these monopolistic powers

This, fellow Senators, is the real thought at the bottom of all this agitation, and the sooner we recognize not only the right but the duty of reaching out for these dishonest fortunes and endeavoring in some way to prevent their increase or to prevent others from imitating what has heretofore been done, the sooner we will inculcate a real respect and a real regard for honest

success and legitimate wealth.

If I had my way about it I would prefer to reach this subject through some other power of Congress. Primarily I would not adopt the taxing power in order to accomplish the purposes that every good citizen, I think, wants to accomplish. But there are times when we must take whatever power is at hand. There are times when our duty requires us not to wait for the future and for legislation of another character, although it reaches the same end, but to do what we can now, because in so doing we at least will have made one step in the long journey toward the abolition of great monopolies.

I do not agree with the sentiment that has been so frequently expressed here that we must not employ the taxing power for anything else than raising a revenue. I know that that must be the legal intent uppermost in our minds; but, incidentally, if we can while raising a revenue at the same time restrict modopolies and trusts we ought to do it.

You will all remember that when it was thought necessary to retire the circulation of State banks it was done through the taxing power without any real purpose of raising a revenue. When it was thought best to protect the farmers of this country against frauds and deceptions in one of their products we protected them through the taxing power. I think no man will now criticize the efforts that were then made and the results that were then accomplished.

Only last year my friend from Massachusetts [Mr. Lodge], who deplores apparently the use of the taxing power for any other purpose than raising a revenue, introduced, and through his influence secured the passage of, a law taxing a certain kind of matches, not for the purpose of putting money in the Treasury of the United States, but for the purpose of protecting the lives and the health of the people. He is justly entitled to the gratitude of all the people of the country for the destruction of the business which thus menaced life and health, but the tax which was imposed in that bill was a prohibitive tax and could have no other effect than the destruction of the business which it concerned.

Therefore when we observe this great menace of monopolistic control in the industries of our country and see how slowly and ineffectively we have hitherto dealt with the subject, and see here an opportunity at least to discourage the increase of business of one corporation beyond a reasonable proportion, I think we ought to embrace the opportunity. We ought to pass the amendment. It will have the effect of discouraging any corporation from desiring to do more than 25 per cent of the business of the particular kind that the corporation carries on.

I am willing to go much further. I do not believe that any person or any corporation ought to be permitted to do more than 25 per cent of the whole business. If I had my way, and if there was any effective method by which it could be accomplished, no corporation should be permitted to grow to a magnitude that would enable it to take to itself more than 25 per cent of all of one kind of business of this great country. We are large enough always to maintain more than four corporations or four persons engaged in the same business.

Take the United States Steel Corporation, inasmuch as I have mentioned it, as an illustration. It does practically 50 per cent of the business in which it is engaged. I have no criticism upon the methods that it employs in the business itself, but it would be very much better for the people of the United States if instead of having one corporation doing 50 per cent of that business it was distributed among five corporations doing the same extent of business. If our object is to preserve the competition we have and to restore the competition we have lost, let us put every obstacle that we can in the way of any corporation going to the point at which it can exercise this monopolistic power.

Therefore it matters not to me whether this raises a revenue or not. I suppose it will raise some revenue, because I assume some of these corporations will be able to pay this added tax and still meet their competitors upon fair and even terms. But, however that may be, this will be some obstacle in the way of growth beyond 25 per cent of the business. There ought not, as it occurs to me, to be two minds about erecting whatever obstacle we can to prevent the onward march of monopoly and trust.

Mr. LODGE. Mr. President, I notice that the Senator from Idaho [Mr. Borah] yesterday said that in the State of Massachusetts a few years ago the assessed valuation of all the real estate amounted to \$2,000,000,000, while the valuation of all the personal property in the State, according to the assessment, amounted to only \$500,000,000. I do not know to just what date the Senator referred, but I have gone back a few years. I have taken the report for 1910, three years ago. The total value of the real estate was \$2,977,000,000 and the total valuation of personal estate was \$2,050,000,000, a difference between them of only \$900,000,000 instead of a billion and a half or two billion, showing that the valuation of the personal estate is very close to the valuation of the real estate. Fifty-one million

Mr. NORRIS. Will the Senator yield right there? Mr. LODGE. I should like to put in the figures consecutively. Fifty-one million was raised by the tax on real estate-I do not give the detailed figures-and \$34,000,000 was raised by the tax on personal estates. I am reading from the tax commissioners' report covering the year 1910.

Mr. NORRIS. Now, Mr. President, if the Senator will yield,

for the sake of information I should like to know if he has any estimate as to what proportion in value of personal property this particular assessment covers? How much, on a percentage basis, of the value of personal property was really listed for taxation?

Mr. LODGE. I do not know. That is undertaking to make them state the property that escapes taxation. Undoubtedly some property does escape it. That is the case everywhere.

Mr. NORRIS. I understand; but the Senator was reading from some statistics, and I supposed that perhaps the officer making that report had given those figures.

Mr. LODGE. They give no estimate of the amount that escapes taxation, because if they could they would get it.

Mr. NORRIS. Not necessarily.
Mr. LODGE. They would come pretty near getting it.
Mr. BORAH. I think that is a mistake, because it has been estimated very closely and very accurately, apparently, by a great many tax commissions that they get for taxation only about 20 or 25 per cent of the personal property. I did not cite Massachusetts, because Massachusetts was an exception: but there are other States in which when estates come to be probated it is shown that they have paid taxes upon about onetwentieth of what they were worth.

Mr. LODGE. Unquestionably some personal property more or less escapes everywhere. It is very difficult to determine how much has escaped because the very fact that it escapes shows that it is concealed, and any estimate must necessarily be guesswork. I am far from defending it. I know when estates go to probate they often exhibit a much larger amount than they are taxed, but under our system which in the main has been in existence for centuries, the man is not required to make a sworn return. In the towns and cities he is doomed, as it is called, so much personal property. If it is more than he thinks he ought to pay on, it is upon him to make a return. Of course, under the dooming a certain amount necessarily escapes, but there is no such gap as the Senator suggested; just as undoubtedly a certain amount of real estate is undervalued where dealing with 300 or 400 towns and cities. I know towns where they put what they consider the full valuation on real estate, and then tax all the real estate in the town one-half its valuation.

Mr. GALLINGER. Mr. President-Mr. LODGE. I yield to the Senator.

Mr. GALLINGER. I will ask the Senator from Massachusetts if it is not the custom in New England largely, if not entirely, where property is doomed, where a return has not been made, to increase the rate two or three times so as to punish them in that way? That is the case in New Hampshire,

Mr. LODGE. In cities and towns where taxes are high and money is greatly needed dooming is very severe and comes right up to the edge. In other towns and cities where there is no debt, perhaps, or they do not require such large taxes they do not push the dooming to the limit.

Mr. NORRIS. I wish the Senator would explain, as a matter of information, just what method is employed that he has

termed "dooming."

Mr. LODGE. It is done by the assessors of a city or a town, as the case may be. The theory is that all personal property, including income of every kind, is to be taxed. Nothing is exempted practically, except double taxation of mortgages; that is, mortgaged property is taxed once and they do not tax a mortgage in the hands of the mortgagee. With that exception, everything is supposed to be taxed. The assessors value the real estate and make another such valuation as they think proper for taxation. They then value the man's personal property and make their estimate on it and put it at anything they please.

Mr. NORRIS. Upon what basis? Do they not consult the taxpayer in any way? Does he not have to make some return

of his personal property?

Mr. LODGE. He has to make some return if he is dissatisfied with the dooming.

Mr. NORRIS. Then dooming, as a matter of fact, would be mostly guesswork, would it not?

Mr. LODGE. It may be mostly guesswork, but if you lived in one of the cities or towns of Maine or Massachusetts you

would think they doomed you for about all you had. It is a very common practice in many of the cities to go on increasing dooming and to make it just as high as they can. Men avoid making returns, of course, because they do not want the value of their property publicly known. That is the case in Massachusetts, and the same plan, I believe, prevails in the District. as the Senator from Utah [Mr. SUTHERLAND] suggests to me. Undoubtedly some personal property escapes under any system the wit of man can devise, but in the valuation of personal property there is no such gap—at least there has not been of late years, and I am not aware that there ever has been such a gapas the Senator from Idaho [Mr. Borah] has described.

Mr. BORAH. Mr. President, the figures which I used yester-day were taken from some remarks which I made in the Senate on the 3d day of May, 1909, at the time when the Senator from Massachusetts took part in the debate. At that time when the figures were challenged, I had the report to which I referred upon my desk, and I read from it. I am not able to give the Senator this morning the report from which I read, but I know that I can secure it. I had it on my desk then. The debate on this particular subject came up unexpectedly yesterday.

Mr. LODGE. Of course, I do not question that the Senator took his figures from some authentic source; but certainly they

do not correspond with the present figures.

Mr. BORAH. And I think the Senator from Massachusetts will agree with me that practically all the writers upon taxation have agreed that an assessment of personal property is a failure, and that it is agreed generally among them that the assessors do not get over 20 per cent of the property.

Mr. LODGE. I think it is agreed among those writers that to assess personal property is a clumsy system; but I do not remember what percentage they say can be got, though certainly a great deal more than 20 per cent is got in the State of

Massachusetts. I am sure of that. Mr. BORAH. Well, I have given Well, I have given some attention to the mat-

ter, and I have never

Mr. LODGE. I will say that since the debt of the State has increased taxation has risen, and the State authorities undoubtedly have been of late years appraising the valuation of property at much more than they did before. You can see how the valuation has risen.

Mr. STONE. Mr. President, it is impossible for us on this side of the Chamber to hear what the Senator is saying.

Mr. BORAH. Was the Senator from Missouri making a remark? I did not catch it.

Mr. LODGE. I do not want to detain the Senate-

I said I could not hear what was said on the Mr. STONE. other side of the Chamber, and I have not heard what the Sen-

ator from Idaho has just said.

Mr. LODGE. I will say, very frankly, that the Senator from Idaho and I were not debating the measure under consideration, but we were discussing some figures which the Senator from Idaho gave yesterday, which have no bearing on this debate. I am sorry to have delayed the Senate from its business even for so long a time as I have.

Mr. WEEKS. Mr. President, I should like to suggest, in addition to what my colleague [Mr. Lodge] has said, that there is a large amount of personal property in Massachusetts which is exempt under our laws. For instance, mortgages on real estate in Massachusetts are not taxable. For that reason there are hundreds of millions of dollars of that character of personal property known to exist which are not included in the lists of personal property held by residents of the State.

Mr. LODGE. Of course, those mortgages are all known, if my colleague will permit me, because they are all matters of

They ought not to be taxed. record.

Mr. BORAH. I did not refer to Massachusetts as an exception.

Mr. LODGE. I understand that. Mr. BORAH. But it is an important matter as to how much of the personal property of the country is reached. That has been pretty thoroughly investigated by tax commissions and by the National Tax Association. The figures which I have quoted came from sources of that kind.

Mr. STONE. If the Senator will pardon me, I should like to inquire whether we have before us at this time an amend-

ment to some law in the State of Massachusetts?

Mr. LODGE. I am sorry to disappoint the Senator, but I

do not think we have.

The VICE PRESIDENT. The pending amendment is one to the tariff bill which is now under consideration.

Mr. WORKS. Mr. President-

Mr. WILLIAMS. Let us have a vote on the amendment.

Mr. WORKS. Mr. President, I am sincerely glad, I am rejoiced, that at least one Democratic Senator has had the moral courage, the independence, and the patriotism to protest against the despotic power of the secret caucus. I think this country owes the Senator from Nebraska [Mr. HITCHCOCK] a debt of gratitude for the independence he has shown in the stand he has taken. If this sentiment is the beginning of a movement that will absolutely destroy the secret caucus, it will be worth more to this country, in my judgment, than any tariff bill that can be passed during this session of Congress.

I am in entire sympathy with the object and purpose of the amendment offered by the Senator from Nebraska, but I could not let this opportunity pass without expressing my appreciation of the stand the Senator has taken upon this important

Mr. BRISTOW. Mr. President, I was interested in the statement of the Senator from Mississippi [Mr. WILLIAMS] that the Democratic Party in its own time and at its own convenience would provide a proper regulation for the trusts. I can see the same spirit prevailing on the part of the Senators in control of this bill now which prevailed on the part of the Senators in control of the tariff bill four years ago-a dependence bers of the Democratic Party will do as some members of the

upon the power of a majority vote independent of the merits of the proposition submitted.

Under the rule that is controlling the proceedings of this Chamber now, 26 Senators compose a quorum of the caucus of the dominant party, and a majority of 26, or 14, can determine what shall be the action of the Senate, and any Senator who refuses to obey the orders or the mandates that may be issued from that caucus is branded as a bolter from his party.

I appreciate the position which the Senator from Nebraska [Mr. HITCHCOCK] has taken here this morning, and I think can understand something of the spirit that animates him. I myself, in connection with some other Senators, have stood up and advocated amendments that we believed ought to be made to a tariff bill, and thereby incurred the displeasure of those then in control of our party's management. To my mind the caucus method is a dangerous method, and it will not, in my judgment, receive the approval of the American people. The quicker it can be exposed in all its hideousness the better it will be for the country, and the quicker the dominant party disclaims such a system of legislation the better it will be for that party.

So far as using the taxing power to regulate trusts, as the Senator from Nebraska and the Senator from Iowa have both said, it is not new. It is employed to-day; it has been employed for many years, as the Senator from Iowa has illustrated; it can be employed now by adopting this amendment, and the results from such legislation will be desirable. Instead of waiting for some future time, with its uncertainties and its accidents, why should we not employ the opportunity that is here now to accomplish something along this desirable line?

Mr. STONE. Mr. President, having heard this luminous and all-pervading speech of the Senator from Kansas several times,

I think we might now have a vote.

Mr. NORRIS. Mr. President, I had not intended to say anything on this question at this time, but it seems to me that I ought not to let this occasion pass without expressing my gratification and my congratulations to my colleague in the Senate [Mr. HITCHCOCK] for the stand he has taken before the Senate and before the country on this particular proposition.

I have not agreed, and do not agree, with my colleague as to a great many measures that have been presented, and perhaps as to many which will be presented in the future, involving some of the basic principles of government; but, to my mind, a man has taken the greatest step for the good of his country and the good of any party when he declares his independence and refuses to permit any caucus to control his

official action in an official body.

If I refer in uncomplimentary language to the caucus, I do so without having any reference to any individual or any inten-tion to charge any individual with any lack of patriotism or lack of honesty or lack of ability. I know it is one method of government; but, to my mind, my colleague has taken the right step, and although, as I have said, we disagree greatly on a great many questions, I think it due to him that I should say, and say publicly, that I shall be glad to make the statement either here or elsewhere at any other time.

Since he has taken this step, I sincerely trust and hope that he will take the next one. He has not yet gone the full length. He has, as a rule, I think perhaps without exception, voted as the caucus decreed on all matters except this one; and he has said, and said truly, that, particularly on yesterday, amendments were proposed here on this side which appealed to many Members on the other side, as I know they did to him. He will feel better and he will be able to accomplish more good for his country and his fellow men when he takes the next step and refuses to permit a caucus to control his official action or his official vote at any time or on any occasion and on any ques-tion where he has reached conscientious convictions as to his

It seems to me that here in this body, where official record is kept, where the public are able to see and to hear what is said and what is done, in the last analysis, every man, whenever he has an official vote to cast or an official act to perform, ought to be guided only and entirely by the dictates of his own conscience as to what is right and as to what is wrong on that

particular question.

I know that there are matters of policy and matters of detail where men, whether they are here or elsewhere, if they are reasonable and fair, will be willing to give way to their fellows, but it should always in the end come home to the individual for him to decide for himself whether on a particular occasion or on a particular question he should give way, or whether he should follow his own idea as to what is just and what is

I believe, Mr. President, that the time is coming when mem-

Republican Party have done heretofore-break the caucus shackles—and, in my judgment, when that is done, any act that is passed through this body and the House of Representatives, where the same rules shall eventually prevail, will mean the honest and the sober judgment of a majority of the Members of the Congress of the United States; and in that way alone will a majority of the people be able to put on the statute books their sentiment and their will.

Mr. LANE. Mr. President, in truth, I am getting a little tired of these lectures, and I wish to express my disapproval of them. In relation to the amendment presented at the Democratic conference, of which I was a member, by the Senator from Nebraska, I wish to say that it related to a single trust, namely, the Tobacco Trust, which produces a luxury and not a necessity of life. I voted upon and against it as a free man, unbound by any dictation from the caucus, and declared to the caucus that I would not be bound by it. I was not asked to be bound there, nor am I bound here. I voted against that proposed amendment for the reason that I considered it an absolutely unfair proposition. It dealt with but one trust. If the Senator from Nebraska wants to go into that question, let him take it up in a fair manner and treat all trusts alike, and I will travel down the road with him.

I was very much better pleased with the conduct, the explanations, and the actions of my other associates than I was with the conduct of the Senator from Nebraska on that occasion. He was impatient and strictly interested in a measure of his own. It was not a measure that would have been given consideration in the Senate by either side. I merely wish to say this much in justice to Senators on this side of the Chamber.

It is being assumed here that the amendment of the Senator from Nebraska, which was submitted in the conference, covered all trusts. It did not do so. I do not know how far it goes at this time; but at any rate it seemed to me then that it was a proposition which should be acted upon separately and not be tacked onto a measure, which, even by the greatest good luck, can not fail to have errors and mistakes enough in it under the present circumstances.

I have not been in entire accord with the members of my party, and am not now, in relation to the income-tax amendment, and I take the liberty of saying that I expect that they will look into that matter and satisfy me before I finally vote upon it. Incidentally and accidentally the other day, after being hurriedly called upon to vote, on subsequently looking over the roll call I found myself in a position which has rather embarrassed me and upset my digestion. I am beginning to have doubts about the wisdom of one of my votes on that subject, and I am going to ask to have a chance to change it later on. I found myself, to my surprise, in company with which I am unused to travel.

Mr. SUTHERLAND. Mr. President, I desire to ask the Senator from Nebraska a question relative to his proposed amendment. In the first place the provision is-

That whenever a corporation, joint-stock company, or association shall produce or sell annually one-quarter or more of the entire amount of any line of production in the United States—

It shall be taxed as thereafter provided. Does the Senator mean by that that if a corporation produces in the United States more than one-quarter of a given commodity, it would be liable to a tax although it should sell the greater part of it abroad?

Mr. HITCHCOCK. That might raise a very interesting question, but I think it would be subject to the tax.

Mr. SUTHERLAND. I merely want to understand whether the Senator intends to include that kind of a case.

Mr. HITCHCOCK. I think that if it produces more than onequarter of the American production, it would be considered as approaching a monopoly to that extent, and subject to taxation

wherever it sold its product. Mr. SUTHERLAND. Suppose it produced, we will say, one fourth of the entire amount of a given commodity in the United States and sold in the United States only one-tenth? I simply

desire to get the Senator's view of the meaning of the provision. The other question I wish to sumbit is this: On page 2, beginning on line 16, the language of the amendment is:

But no line of production shall subject a corporation to any additional tax imposed by this paragraph unless said line of production amounts to at least \$10,000,000 a year.

Does the Senator mean by that that the entire production of a given article in the United States shall amount to \$10,000,000 per year, or does he mean that the production of the corporation or association which is sought to be made liable to the tax shall amount to \$10,000,000 per year?

Mr. HITCHCOCK. I undoubtedly intended to express the idea that this tax was not to apply where the total line of production was less than \$10,000,000 a year; that is, it would not

apply where it was some specialty that was not sufficiently important for a control of the production to be a hardship.

Mr. SUTHERLAND. The Senator intends to apply this tax only to articles which are produced in such enormous quantities as would be indicated by the \$10,000,000?

Mr. HITCHCOCK. Yes.
Mr. SUTHERLAND. And not to require that such quantity

shall be produced by the given corporation?

Mr. HITCHCOCK. That is correct. It was intended simply to reach the great, notorious concerns that employ \$50,000,000 capital or more and produce a certain percentage of the total production.

Mr. SUTHERLAND. So far as I am concerned, I entirely approve of this method of dealing with these great combinations. I think probably some such use of the taxing power will be the most effective way by which we can reach the evils which we all recognize exist.

I think it is a very unfortunate thing in any country when any individual or any combination of individuals, whether in the form of a corporation or otherwise, produce and sell an abnormally large proportion of a given commodity. effect of that is to stifle competition; and I think competition is a very necessary thing and ought to be preserved.

While I think there are a number of crudities in the amendment that ought to be worked out before it could become effective as a law, I am so much in favor of the general principle involved that I intend to vote for it.

Mr. BORAH. Mr. President, before the Senator takes his

seat I should like to ask him a question.

The Senator has stated that he intends to vote for this amendment. That encourages me very much to vote for it, because I have great respect for the Senator's legal knowledge and his judgment generally. But what I should like to ask the Senator is, how are you going to protect the consumer from having this tax transferred to him? If I thought it could not be transferred I would likely support it, and may do so, anyway, but rather as a declaration in favor of a principle than the belief that it will work out successfully.

Mr. SUTHERLAND. I do not know that he can be entirely protected, but I have always had this particular notion about these combinations—that even though the enforcement of un-limited competition should result in an increase of prices, it would still be a desirable thing.

The difficulty with a great combination which controls the output of a commodity is that it drives every aspiring man from the field. If it could be imagined that half a dozen great combinations, for example, should control the output of the staple commodities of the country, although they might cheapen the article to the consumer, and undoubtedly they would be able to cheapen the article to the consumer, I think we would pay too big a price for the cheapness in the discouragement which such a situation would give to everybody who might desire to embark in the particular lines of business represented by these great combinations and in the final breaking down to a greater or less extent of the opportunity for individual initiative and the stifling of individual development which would gradually but inevitably result.

I think in the production and sale of commodities, particularly those whose price can not be regulated by law, as is the case with reference to railroad transportation, it is of vital necessity that thoroughgoing competition should be preserved; and I think a provision of this kind will have a tendency in that direction. I think perhaps it may be true that to some extent the increased tax will be shifted to the consumer, although to a certain extent that will be offset by the fact that it will give opportunity for the smaller independent producers to compete upon more equal terms with those who control a

large part of the commodity. Mr. SMOOT. Mr. President, the question asked by the Sena-tor from Idaho was a very pertinent question. Taking into consideration all the evidence that has been given before every committee of the Senate and the House I have no doubt that this tax will be transferred to the ultimate consumer. Whatever tax may be added will be figured in by the great corporations in the same way that they figure their local taxation, in the same way that they figure the interest upon their bonds, and every other expense attached to maintaining their business, and it will be added as a part of the cost of producing whatever they

may manufacture.
Mr. NORRIS. Mr. President-

The VICE PRESIDENT. Does the Senator from Utah yield

to the Senator from Nebraska?

Mr. SMOOT. I yield.

Mr. NORRIS. I desire to ask the Senator if he does not think the general proposition that the tax can be passed on would not apply here, because the competitor who is not able

to control any part of the market will not pay this tax? This is a fax that is paid only by the so-called monopolist.

Mr. SMOOT. I am coming to that very subject now.

the Senator will listen to what I have to say, for I will tell him in a very few words what I have noticed during my service in the Senate and in the discussion of this same question.

There never has been a time during the last 10 years when every independent manufacturer of steel goods in this country has not followed the price fixed by the trust, up or down. There never has been a time that I know of when the independent tobacco manufacturers of this country have not followed the price of the Tobacco Trust, up or down. The testimony before every committee of both the House and the Senate has shown that to

If this tax is levied upon the Tobacco Trust, for instance, it will be added as a part of the cost of producing tobacco just the same as the interest upon their bonds is added, just the same as their local taxation is added, just the same as wages paid are added. When the cost is established they will add their profit upon that cost, and at whatever price they sell to the American consumer the independent manufacturers of the country will follow them.

Mr. NORRIS There is not any doubt but that the Senator states a proposition, I think, that is always followed wherever it can be followed. But the illustrations he gives are in every instance cases where no such law as this was in operation. am not denying what the Senator says, but I think he ought to take into consideration the fact that his illustrations have that infirmity. If this amendment were on the statute books, the one who was operating the monopoly part of the business would have a tax to pay that the other one would not pay. So unless there should be a great deal of difference in the cost of production as between the independent manufacturer and the monopolist, the latter could not pass on the tax to the consumer and he would be driven out of business by competition.

Mr. SMOOT. It is my opinion that there is a great deal of difference in the cost of production. I believe the Tobacco Trust of this country manufactures tobacco cheaper than any independent concern in this country can do it. I believe the Steel Trust manufactures its products cheaper than any independent concern in this country can.

Mr. NORRIS. Does the Senator think they can do it 20 per cent cheaper?

Mr. SMOOT. In some cases; yes. Mr. NORRIS. That is the limit in this amendment.

Mr. SMOOT. In some cases I think they can. Mr. BORAH. Mr. President—

The PRESIDING OFFICER (Mr. POMERENE in the chair). Does the Senator from Utah yield to the Senator from Idaho?

Mr. SMOOT. I yield.

Mr. BORAH. I desire to say that the questions which I have asked are asked by one who is very friendly to the purposes which this amendment seeks to attain-that is, the general purpose to control these combinations-and I can not say too much of the earnestness and courage of the author of it. But in 1898 we passed a tax which was designed to tax the output of the American Tobacco Co. and the American Sugar Refining Co., and it is now known beyond peradventure that those two companies pass on that tax to the consumer. In addition to that we passed a corporation tax some two or three years ago. I think the Senator from Utah supported that tax. I know some of us opposed it on the very ground that the corporations would pass the tax over to the consumer.

I could favor this proposition if I could be clear that it is so

drawn as to prevent that being done in this case,

Some Senators here believe that the amendment is so drawn that it will prevent it. If so, I shall likely vote for it. But unless there is some means by which to prevent the tax being passed over to the consumer I am afraid it will not result in regulation. I say again that should I, after discussion, conclude to vote for it the vote will represent my conviction that some-thing ought to be done rather than any faith in the efficacy of this particular remedy.

Mr. HITCHCOCK. Mr. President, will the Senator permit

an interruption at that point?
The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Nebraska?

Mr. SMOOT. I do.

Mr. HITCHCOCK. In reply to the several instances that have been given—say, for instance, the Steel Trust—I think the Senator from Utah will admit that the Steel Trust fixes prices, not upon the cost of production, but upon the fluctuating supply and demand; and such fluctuation as has occurred in the steel market has been due to the increasing or diminishing demand for steel goods.

Mr. SMOOT. And that, by the way, will continue in the future, no matter whether this tax is imposed or not.

Mr. HITCHCOCK. That is an influence which applies to large and small concerns alike. Here in this tax we have an influence which applies only to the large concerns. Take the instance of sugar, to which the Senator from Idaho refers. There, again, it is the supply and demand of sugar, the fluctuating supply, if not the fluctuating demand, which causes the change in the price of sugar from time to time. When the beet sugar comes upon the market the price of sugar has been invariably reduced. But here in this proposed tax we have a proposition which will not apply to the large and the small alike, but will apply only to the large. It gives an opportunity to the small to compete. It gives them an opportunity to enlarge their market against the large concern, that may be required to restrict its market on account of the tax.

Mr. SMOOT. The trouble with the Senator's argument is that past experience and history prove that no matter whether the advance has been 5 per cent, 10 per cent, or 20 per cent, the independents have followed it. They have not sold their goods upon the basis of cost. They have sold their goods upon the same basis upon which the trusts have sold their goods.

Mr. CUMMINS. Mr. President-

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Iowa?

Mr. SMOOT. I yield.

Mr. CUMMINS. Of course, the argument of the Senator from Utah proceeds upon the theory that we can not have competition in this country at all. I grant that it will require all the skill and wisdom we have to maintain it. But suppose this amendment required the payment of 75 per cent of the income of the corporation into the Treasury of the United States. Does the Senator from Utah think the United States Steel Corporation could raise its prices so as to repair its treasury after the payment of that amount, and that the others would follow?

I do not, Mr. President. Mr. SMOOT.

Mr. CUMMINS. Certainly not.

I will come to that question in my argument. Mr. SMOOT. If it were possible to do so, I would support and will support any kind of a measure that will control trusts in this country. I hardly think this will do it, however. I think the proper way to do it will be to create an industrial commission along the lines of the Interstate Commerce Commission and give that commission the power to regulate the trusts and prices as the railroad rates are regulated in this country by the Interstate Commerce Commission.

Mr. CUMMINS. I am in favor of an industrial commission; but, looking into the future, it seems to me that a commission of that kind is more distant now than it ever was before

Mr. GALLINGER. Why, Mr. President, an industrial commission has just been appointed.

Mr. CUMMINS. Not an industrial commission of the kind I have in mind.

This will not completely cure the trust evil, of course; but it will help, in my opinion. It can not be asserted as a positive fact that the independents or the smaller concerns will in every case follow the prices fixed by the larger concerns. They want to live, and each wants to get ahead; and there will be some competition excited by this amendment that otherwise would not exist.

Mr. SMOOT. It is a matter of opinion between the Senator and every other Senator. My opinion is that the amendment itself will not bring actual competition, because of the fact that the rates prescribed, in my opinion, are not sufficient to prevent the independents from following the prices fixed by the trust.

Mr. BRISTOW. Mr. President—
The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Kansas?

Mr. SMOOT. Certainly. Mr. BRISTOW. If the Senator's inferences prove to be true, can we not increase it, then, the next time and make it enough to control? I do not think that the steel company, with this handicap, will monopolize the business of the country so much as it does now. If 20 per cent is not enough, if that proves to be insufficient, let us make it 50 the next time.

Mr. SMOOT. It seems to me that there may be a way to do that, as I said, by the creation of an industrial commission and give them power to control the trusts and regulate the prices in

this country

Mr. BRISTOW. I desire to say that I have a bill pending before the Committee on Interstate Commerce now to create an industrial commission and give it, I think, drastic powers. But it has been there for a year and more, and when will it come out? I want to have an opportunity to do something. Still, the purpose seems to be to refuse to do something that we can, because, in the future, in our own good time, as the Senator from Mississippi says, we propose to do something in our own This will not interfere with an industrial commission.

Mr. SMOOT. No; but an industrial commission ought to be created, and if it can regulate the trusts, well and good. If such a commission can not regulate the trusts, then I think there ought to be a provision of this kind, with penalties even greater than those here proposed. That is the position I take in relation to the matter.

Mr. BORAH. Mr. President—
The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Idaho?

Mr. SMOOT. Yes; I yield.

Mr. BORAH. I am glad the Senator from Utah has joined the third party upon the question of the regulation of the trusts. I am not going to enter upon a discussion of the regulation of trusts, although the regulation implies the proposition that we have conceded they must exist and that there is no way to get rid of them. But I rose to ask the Senator from Nebraska, who I know has given a great deal of time to this matter, does he feel that this amendment with its terms and conditions will prevent its operation from being oppressive to the consumer?

Mr. HITCHCOCK. Most assuredly, Mr. President. I have enough faith in the American people to believe that competition, if given half a chance, will assert itself. I believe that if a concern occupies the field now and has 25 per cent of the business of the country, it has such a great preponderance of business that it is able to crush its competitor. I believe that by a tax you can handicap that concern so as to give competition a

chance, and giving competition a chance it will live.

Mr. SMOOT. In answer to the Senator from Idaho in relation to joining the third party, I wish to say to the Senator that I do not have to join any party other than the Republican Party to vote my true convictions upon any question I am called to vote upon. I am fully convinced in my mind that there must be a regulation of trusts in this country. The first bill that comes before the Senate of the United States with that directly in view, I am going to support and vote for; and I do not propose to leave the Republican Party to do so.

Mr. TOWNSEND. I should like to ask the Senator from Nebraska how many trusts and corporations the amendment

would affect, if he has looked into that question?

Mr. HITCHCOCK. I have recently made up a little computation here, for the accuracy of which I will not vouch entirely. As I figure it, the United States Steel Co. has a capital of \$1,500,000,000, and its profits are \$54,000,000. It would be subject, I think, under this amendment to a tax of 20 per cent, which would be \$10,000,000.

The American Tobacco Co. has a capital of \$98,000,000 and an annual profit of \$15,000,000. I think its production alone would probably subject it to the tax applying to a concern having 25 per cent of the consumption of the country, to wit, 5 per cent; but if it should develop that the American Tobacco Co., Liggett & Myers, and the Lorillard Co. are owned to the extent of 50 per cent of the stock by the same stockholders, and they should be considered as one and as controlling 70 per cent of the tobacco business of the United States, they would be subject to a tax of 20 per cent upon their aggregate output.

the International Harvester Co., think \$15,000,000 in the last report, would be subject to the higher The Standard Oil Co. unquestionably would be subject to the higher tax. There may be some others, but those occurred to me yesterday afternoon, and I had them looked up for this

purpose.

Mr. TOWNSEND. The amount of earnings has nothing to do with it? It is the amount of capital and the amount of production that decides whether they are to be under this provision?

Mr. HITCHCOCK. No one is subject to this tax unless he is

employing \$50,000,000 capital.

Mr. WILLIAMS. Mr. President, the Senator from Utah having joined the Democratic Party by a profession of undying allegiance to the ultimate consumer, and having been invited into the third party by the Senator from Idaho, who has full authority for advice; and nearly all the presidential candidates in the third party having spoken to-day; and the junior Senator from Nebraska having mistaken the order of the day, evidently thinking his colleague here was dead and his eulogies were up, and he was to pronounce a eulogy upon him, can we not now have a vote upon the pending amendment?

Mr. HITCHCOCK. I ask for the yeas and nays on agreeing

to the amendment.

The yeas and nays were ordered, and the Secretary proceeded

Mr. CHILTON (when his name was called). I have a general pair with the junior Senator from Maryland [Mr. Jackson] and withhold my vote. If I were permitted to vote, I would vote "nay.

Mr. GALLINGER (when his name was called). I have a general pair with the junior Senator from New York [Mr. O'GORMAN], which I transfer to the junior Senator from Maine [Mr. Burleigh] and vote "yea."

Mr. LEWIS (when Mr. LEA's name was called). quested by the senior Senator from Tennessee [Mr. Lea] to announce that he is called from the Capitol on official business and that he is paired with the Senator from Rhode Island [Mr.

Mr. LEWIS (when his name was called). Speaking for myself, I am paired with the junior Senator from North

Dakota [Mr. GRONNA]

Mr. McCUMBER (when his name was called). I have a general pair with the senior Senator from Nevada [Mr. NEWLANDS], and he being absent I withhold my vote.

Mr. POMERENE (when his name was called). I am paired with the senior Senator from Connecticut [Mr. Brandegee] and

therefore withhold my vote.

Mr. REED (when his rame was called). I am paired with the Senator from Michigan [Mr. Smith]. I have not been able to arrange a transfer, therefore can not vote. If I could vote, I would vote, with my party, "nay."

Mr. THOMAS (when his name was called). I have a general

pair with the senior Senator from Ohio [Mr. Burron] and with-

hold my vote.

Mr. TILLMAN (when his name was called). I again announce my pair with the junior Senator from Wisconsin [Mr. STEPHENSON ]

The roll call was concluded.

Mr. BANKHEAD. I transfer my pair with the Senator from West Virginia [Mr. Goff] to the senior Senator from Louisiana [Mr. Thornton] and vote "nay." I make this announcement for the day. I desire to state that the senior Senator from Louisiana is unavoidably absent.

Mr. GALLINGER. I desire to announce a pair between the Senator from Delaware [Mr. DU PONT] and the Senator from

Texas [Mr. Culberson].

Mr. LA FOLLETTE. I simply wish to say that the junior Senator from Minnesota [Mr. Clapp] is unavoidably absent from the Senate Chamber for the balance of the day, and I am directed by him to say that if he were present he would vote for this amendment.

The result was announced-yeas 30, nays 41, as follows:

YEAS-30.

Nelson Norris Oliver Page Penrose Perkins Poindexter Root Dillingham Sterling Sutherland Townsend Warren Borah Bradley Brady Bristow Fall Gallinger Hitchcock Jones Catron Clark, Wyo. Crawford Cummins Kenyon La Follette Lodge Works NAYS-41.

Robinson Saulsbury Shafroth Ashurst Johnson Johnson Kern Lane McLean Martin, Va. Martine, N. J. Myers Overman Owen Pittman Bacon Bankhead Sharroth Sheppard Sherman Shields Shively Simmons Bryan Chamberlain Clarke, Ark. Fletcher Hollis Smith, Ariz. Smith, Ga. Smith, Md. Ransdell

NOT VOTING-24. du Pont Goff Gore Gronna Jackson Lea Lewis Lippitt McCumber Newlands O'Gorman Pomerene

Reed Smith, Mich. Stephenson Thomas Thornton Tillman

Smith, S. C. Smoot Stone

Swanson

Thompson Vardaman Walsh Williams

Clapp Culberson So Mr. HITCHCOCK's amendment was rejected.

Mr. CUMMINS. I desire to present an amendment to be inserted at this point, although I do not want to take it up at this time. I ask that it be read and passed over, with the consent of the chairman of the committee.

Mr. SIMMONS. Let it be read.

Brandegee Burleigh Burton Chilton

The PRESIDING OFFICER (Mr. Walsh in the chair). The amendment will be read

The Secretary. On page 186, after line 2, insert:

The SECRETARY. On page 100, after time 2, insertibuted in dividends to stockholders whose entire annual net income from all sources, including such dividends, is less than the amount of individual net income exempt from tax under this act shall be reimbursed to such stockholders. The procedure and rules for reimbursement to be established by the Commissioner of Internal Revenue and approved by the Secretary of the Treasury.

Mr. WILLIAMS. Mr. President, the Senator from Iowa had this identical matter before the Senate yesterday and addressed himself at considerable length to the question.

Mr. CUMMINS. I do not want it to be voted upon at this

Mr. WILLIAMS. I do not see why we can not vote on it, and if the Senator wants to discuss it further why he can not do it

Mr. CUMMINS. I make the request that it be passed over until to-morrow. If the requst is denied, then I must, of

Mr. WHALIAMS. No; I will not deny it, but I do think it is rather an abuse, when there is no particular reason for it, when Senators are here in person, to pass things over after they have been once discussed. But I shall not object, Mr. President.

Mr. CUMMINS. I have not discussed it: I have referred to it. The reason why I ask that it be passed over is that I am collecting some information with regard to stockholders of various corporations whose probable incomes are less than the taxable amount. I wanted to present that information to the

Senate.

Mr. WILLIAMS. Why could not the Senator have brought it here this morning?

Mr. CUMMINS. Of course the Senator from Mississippi can take whatever action he pleases.

Mr. WILLIAMS. I do not object. Let the amendment be passed over.

The Secretary continued the reading of the bill.

The next amendment of the Committee on Finance was, on page 186, after line 2, to insert:

There shall not be taxed under this section any income from whatever source derived accruing to any State, Territory, or the District of Columbia, or any political subdivision of a State, Territory, or the District of Columbia, nor any income accruing to the government of the Philippine Islands or Porto Rico, or of any political subdivision of the Philippine Islands or Porto Rico.

The amendment was agreed to.

The next amendment was, on page 186, line 10, before the letter "(b)," to strike out "Second"; in line 15, after the word "year," to strike out "out of income"; in line 22, after "mines," to strike out "an" and insert "a reasonable"; in line 23, after "deposits," to strike out "on the basis of their actual original cost in cash or the equivalent of cash" and to insert "not to exceed 5 per cent of the gross value at the mine of the output for the year for which the computation is made," so as to read:

(b) Such net income shall be ascertained by deducting from the grees amount of the income of such corporation, joint-stock company or association, or insurance company, received within the year from all sources, (first) all the ordinary and necessary expenses paid within the year in the maintenance and operation of its business and properties, including rentals or other payments required to be made as a condition to the continued use or possession of property; (second) all losses actually sustained within the year and not compensated by insurance or otherwise, including a reasonable allowance for depreciation by use, wear and tear of property, if any; and in the case of mines a reasonable allowance for depletion of eres and all other natural deposits not to exceed 5 per cent of the gross value at the mine of the output for the year for which the computation is made; and in case of insurance companies the net addition, if any, required by law to be made within the year to reserve funds and the sums other than dividends paid within the year on policy and annuity contracts.

The amendment was agreed to.

The next amendment was, on page 187, line 5, after the word "contracts," to insert the following proviso:

Provided, That mutual life insurance companies shall not be required to return as a part of their income any portion of premium deposits actually returned to their policyholders within the year for which the income-tax return is made, nor any portion actually credited to the policyholders by being applied as a deduction from the amount of the premium otherwise due to the company within the year for which the income tax is returned.

Mr. WILLIAMS. I ask in behalf of the committee that the proviso be recommitted.

The PRESIDING OFFICER. If there is no objection, that order will be made. The Chair hears none, and the paragraph stands recommitted.

The reading of the bill was continued.

The next amendment of the committee was, on page 187, line 21, after the word "reserves," to insert the following provise:

Provided further, That mutual marine insurance companies shall in-Provided parking, that initial marine insurance companies shall include in their return of gross income gross premiums collected and received by them less amounts paid for reinsurance, but shall be entitled to include in deductions from gross income amounts repaid to policyholders on account of premiums previously paid by them and interest paid upon such amounts between the ascertainment thereof and the payment thereof.

Mr. WILLIAMS. I ask that this proviso be recommitted. The PRESIDING OFFICER. If there is no objection, that order will be made. The Chair hears none, and the paragraph stands recommitted.

The next amendment of the committee was, on page 188, line 5, after the word "exceeding," to insert "one-half of the sum of its bonded indebtedness and," so as to read:

Third. Interest accrued and paid within the year on its indebtedness to an amount of such indebtedness not exceeding one-half of the sum of its bonded indebtedness, and its paid-up capital stock outstanding at the close of the year, or if no capital stock, the capital employed in the business at the close of the year.

The amendment was agreed to.

The next amendment was, on page 188, in line 9, after the word "year," to insert the following proviso:

Provided, That in case of indebtedness wholly secured by collateral the subject of sale in ordinary business of such corporation, joint-stock company, or association, the total interest secured and paid by such company, corporation, or association within the year on any such indebtedness may be deducted as a part of its expense of doing business.

The amendment was agreed to.

The next amendment was, on page 188, line 20, after the word "association," to insert "loan"; in line 21, after "deposits," to insert "or on moneys received for investment and secured by interest-bearing certificates of indebtedness issued by such bank, interest-bearing certificates of indebtedness issued by such bank, banking association, loan or trust company"; on page 189, line 1, before the word "or." to insert "thereof"; in the same line, after "or," to insert "imposed by the"; in the same line, after "country," to strike out "as a condition to carry on business therein"; in line 6, after "income," to strike out "received" and to insert "accrued"; in line 18, after the word "mines," to strike out "an" and to insert "a reasonable"; in line 19, after "deposits," to strike out "on the basis of their actual original cost in cash or the equivalent of cash" and to insert "not to exceed 5 per cent of the gross value at the mine of the output for the year for which the computation is made," so as output for the year for which the computation is made," so as to read:

to read:

Provided further, That in the case of bonds or other indebtedness which have been issued with a guaranty that the interest payable thereon shall be free from taxtion no deduction for the payment of the tax herein imposed shall be allowed; and in the case of a bank, banking association, loan or trust company interest paid within the year on deposits or on moneys received for investment and secured by interest-bearing certificates of indebtedness issued by such bank, banking association, loan or trust company; (fourth) all sums paid by it within the year for taxes imposed under the authority of the United States or of any State or Territory thereof, or imposed by the Government of any foreign country: Provided, That in the case of a corporation, joint-stock company or association, or insurance company organized, authorized, or existing under the laws of any foreign country such net income shall be ascertained by deducting from the gross amount of its income accrued within the year from business transacted and capital invested within the United States, (first) all the ordinary and necessary expenses actually paid within the year out of earnings in the maintenance and operation of its business and property within the United States, including rentals or other payments required to be made as a condition to the continued use or possession of preperty; (second) all losses actually sustained within the year in business conducted by it within the United States and not compensated by insurance or otherwise, including a reasonable allowance for depreciation by use, wear and tear of property, if any, and in the case of mines a reasonable allowance for depetion of ores and all other natural deposits not to exceed 5 per cent of the gross value at the mine of the output for the year for which the computation is made: and in case of mines a reasonable allowance for depletion of ores and all other natural deposits not to exceed 5 per cent of the gross value at the mine of the output for the year for which the computati

The amendment was agreed to.

The next amendment was, on page 190, line 1, after the word contracts," to insert the following additional proviso:

Provided further, That mutual life insurance companies shall not be required to return as a part of their income any portion of 'premium deposits actually returned to their policyhoiders within the year for which the income tax is made, nor any portion actually credited to the policyhoiders by being applied as a deduction from the amount of the premium otherwise due to the company within the year for which the income tax is returned.

Mr. WILLIAMS. The proviso beginning in line 1, on page 190, and ending with the word "returned," in line 8, is identical with the one previously recommitted, and I desire that this also shall be recommitted.

The PRESIDING OFFICER. There being no objection to that course, it will be so ordered.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 190, in line 16, after the word "reserves," to insert:

Provided further, That mutual marine insurance companies shall include in their return of gross income gross premiums collected and received by them less amounts paid for reinsurance, but shall be entitled to include in deductions from gross income amounts repaid to policyholders on account of premiums previously paid by them, and interest paid upon such amounts between the ascertainment thereof and the payment thereof.

Mr. WILLIAMS. This is a repetition of the proviso previously recommitted, and I wish it also to be recommitted.

The PRESIDING OFFICER. Accordingly, that provise will likewise be recommitted to the Committee on Finance, in the absence of objection.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 191, line 1, after the words "portion of," to insert "onehalf of the sum of its bonded indebtedness and"; in line 15, after the word "thereof," to strike out "as a condition to carry on business therein" and to insert "or the District of Columbia"; and in line 17, after the word "companies," to insert "whether domestic or foreign," so as to read:

Third. Interest accrued and paid within the year on its indebtedness to an amount of such indebtedness not exceeding the proportion of one-half of the sum of its bonded indebtedness and its paid-up capital stock outstanding at the close of the year, or if no capital stock, the capital employed in the business at the close of the year which the gross amount of its income for the year from business transacted and capital invested within the United States bears to the gross amount of its income derived from all sources within and without the United States: Provided, That in the case of bonds or other indebtedness which have been issued with a guaranty that the interest payable thereon shall be free from taxation, no deduction for the payment of the tax herein imposed shall be allowed; (fourth) all sums paid by it within the year for taxes imposed under the authority of the United States or of any State or Territory thereof or the District of Columbia. In the case of assessment insurance companies, whether domestic or foreign, the actual deposit of sums with State or territorial officers, pursuant to law, as additions to guarantee or reserve funds shall be treated as being payments required by law to reserve funds.

The amendment was agreed to.

The amendment was agreed to.

The next amendment was, on page 191, after line 20, to strike

Third. The tax herein imposed shall be computed upon its entire net income for the year ending December 31, 1913, and for each calendar year thereafter.

And in lieu thereof to insert:

(c) The tax herein imposed shall be computed upon its entire net income accruing during each preceding calendar year ending December 31: Provided, however, That for the year ending December 31, 1913, said tax shall be imposed upon its entire net income accruing during that portion of said year from March 1 to December 31, both dates inclusive, to be ascertained by taking five-sixths of its entire net income for said calendar year.

Mr. BRANDEGEE. Mr. President, I notice in several in-stances in provisions similar to this the words "accruing during each preceding calendar year" are used. I wonder whether that better describes what is intended than would the word "accrued." It seems to contemplate a perfected thing that has happened during the preceding year, and I do not know but that the past participle of the word would more properly describe what is referred to. The word "accruing" would seem to me to contemplate a continuous process not yet completed, though I am aware it is sometimes used in a secondary way in another sense.

Mr. WILLIAMS. The Senator from Connecticut is right.

The word ought to be "accrued" instead of "accruing."

Mr. BRANDEGEE. I call the Senator's attention to the fact that the same language occurs in several previous instances in the bill.

Mr. WILLIAMS. I think the Senator is right. I move to strike out the words "accruing during" and to substitute for

them the words "accrued within."

The PRESIDING OFFICER. The amendment proposed by the Senator from Mississippi to the amendment of the committee will be stated.

Mr. WILLIAMS. The words first occur in line 25, on page 191, and I move the same amendment there.

The Secretary. On page 191, line 25, after the word "income," it is proposed to strike out "accruing during" and in lieu thereof to insert "accrued within."

The amendment to the amendment was agreed to.

Mr. WILLIAMS. I move the same amendment to the amendment of the committee, in line 4, on page 192.

The PRESIDING OFFICER. The amendment to the amend-

ment of the committee proposed by the Senator from Mississippi will be stated.

The Secretary. On page 192, line 4, after the word "income," it is proposed to strike out "accruing during" and in lieu thereof to insert "accrued within."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 192, line 7, after the word "Provided," to strike out "however," and to insert "further."

The amendment was agreed to.

Mr. McLEAN. Mr. President, I should like to call the attention of the committee to the fact that there are manufacturing concerns that would be affected by the next proviso of the bill, which are neither corporations nor joint stock companies nor associations, and it has been suggested to me by those who own a very large concern in New England, which has several branches abroad, that they should have the same leeway as to the date of the filing of their returns, their estimates, and their

tax as has a corporation. I suggest an amendment describing them as "any business or manufacturing concern," which would meet the situation suggested.

Mr. WILLIAMS. To what line does the Senator refer?

Mr. McLEAN. The phrase occurs in several places. I would suggest an amendment in line 9, on page 192, to insert between the word "company" and the word "subject" the words "or any business or manufacturing concern." We have many such concerns where brothers or other members of a family run the

Mr. WILLIAMS. If the Senator will draw up the amendments in the several places in which they should come, we will

Mr. McLEAN. I will call attention to it later.

Mr. WILLIAMS. Very well. The Senator may hand the amendments to the Senator from Indiana [Mr. Shively] or to

The PRESIDING OFFICER. It is understood that these amendments may be offered later?

Mr. WILLIAMS. Yes; the Senator from Connecticut will hand the amendments to us and we will consider them. If we approve of them, we shall bring them in as committee amendments.

Mr. McLEAN. That is satisfactory.

The reading of the bill was resumed and continued to the word "reserves," on page 194, line 25.

Mr. WILLIAMS. Mr. President, I wish to have recommitted the proviso beginning with the words "Provided further," in line 25, on page 194, and going down to and including the word "thereof," in line 14, page 195.

The PRESIDING OFFICER. There being no objection, the

part of the text referred to by the Senator from Mississippi

will be recommitted.

The reading of the bill was resumed, and continued to the

word "reserves," on page 196, line 8.

Mr. WILLIAMS. I ask that the proviso beginning on page 196, line 8, with the words "Provided further," down to and including the word "thereof," in line 23, be recommitted to the committee. It is identical with the other.

The PRESIDING OFFICER. There being no objection, the proviso referred to will be recommitted to the committee.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 196, line 25, after the word "exceeding," to insert "one-half of the sum of its bonded indebtedness and," and on page 197, line 23, after the word "country," to strike out "as a condition to carrying on business therein," so as to read:

condition to carrying on business therein," so as to read:

Sixth. The amount of interest accrued and paid within the year on its bonded or other indebtedness not exceeding one-half of the sum of its bonded indebtedness and its paid-up capital stock, outstanding at the close of the year, or if no capital stock, the amount of interest paid within the year on an amount of indebtedness not exceeding the amount of capital employed in the business at the close of the year, and in the case of a bank, banking association, or trust company, stating separately all interest paid by it within the year on deposits; or in case of a corporation, joint-stock company or association, or insurance company, organized under the laws of a foreign country, interest so paid on its bonded or other indebtedness to an amount of such bonded or other indebtedness to an amount of such bonded or other indebtedness to an amount of such bonded or other indebtedness of the year, or if no capital stock, the amount of capital employed in the business at the close of the year, which the gross amount of its income for the year from business transacted and capital invested within the United States bears to the gross amount of its income derived from all sources within and without the United States. Seventh. The amount paid by it within the year for taxes imposed under the authority of the United States and separately the amount so paid by it for taxes imposed by the Government of any foreign country. foreign country.

The amendment was agreed to.

The next amendment was, on page 198, line 22, after the word "as," to strike out "above," and in the same line, after the word "for," to insert "in this section or by existing law," so

as to read:

All assessments shall be made and the several corporations, joint-stock companies or associations, and insurance companies shall be notified of the amount for which they are respectively liable on or before the 1st day of June of each successive year, and said assessment shall be paid on or before the 30th day of June: Provided, That every corporation, joint-stock company or association, and insurance company, computing taxes upon the income of the fiscal year which it may designate in the manner hereinbefore provided, shall pay the taxes due under its assessment within 120 days after the date upon which it is required to file its list or return of income for assessment; except in cases of refusal or neglect to make such return, and in cases of false or fraudulent returns, in which cases the Commissioner of Internal Revenue shall, upon the discovery thereof, at any time within three years after said return is due, make a return upon information obtained as provided for in this section or by existing law, and the assessment made by the Commissioner of Internal Revenue thereon shall be paid by such corporation, joint-stock company or association, or insurance company immediately upon notification of the amount of such assessment; and to any sum or sums due and unpaid after the 30th day of June in any year, or after 120 days from the date on which the return of income is required to be made by the collector, there shall be

added the sum of 5 per cent on the amount of tax unpaid and interest at the rate of 1 per cent per month upon said tax from the time the same becomes due.

The amendment was agreed to.

The next amendment was, on page 199, at the beginning of line 11, to strike out "Fourth" and insert "(d)," so as to read:

(d) When the assessment shall be made, as provided in this section, the returns, together with any corrections thereof which may have been made by the commissioner, shall be filed in the office of the Commissioner of Internal Revenue and shall constitute public records and be open to inspection as such: Provided, That any and all such returns shall be open to inspection only upon the order of the President, under rules and regulations to be prescribed by the Secretary of the Treasury and approved by the President.

The amendment was agreed to.

Mr. LA FOLLETTE. Mr. President, if I can have the attention of the Senator in charge of this section, I wish to propose an amendment to be inserted after the word "President," in line 19, on page 199, and to read as follows:

Provided further, That the proper officers of any State imposing a general income tax may, upon the request of the governor thereof, have access to said returns or to an abstract thereof, showing the name and income of each such corporation, joint-stock company, association, or insurance company, at such times and in such manner as the Secretary of the Treasury may prescribe.

Mr. WILLIAMS. Mr. President, that amendment seems so absolutely unobjectionable that I imagine there will be no protest against it, and I shall take the liberty of accepting it.

Mr. LA FOLLETTE. I will say to the Senator that the suggestion of this amendment comes to me from the tax commission of Wisconsin.

Mr. WILLIAMS. I understand. It is merely to enable the State authorities to get information upon which they may base the administration of their State laws of like character.

Mr. LA FOLLETTE. I would like to say, further, Mr. President, that the same suggestion is made as to the returns of in-dividuals, provision in regard to which occurs earlier in the section. Concerning that, however, I will talk to the Senator at his convenience.

Mr. WILLIAMS. I am afraid that that would involve too much expense. The amendment which the Senator has proposed would not.

The PRESIDING OFFICER (Mr. THOMPSON in the chair). The amendment proposed by the Senator from Wisconsin will be

The Secretary. After the word "President," at the end of line 19, page 199, it is proposed to insert the following:

Provided further, That the proper officers of any State imposing a general income tax may, upon the request of the governor thereof, have access to said returns or to an abstract thereof, showing the name and income of each such corporation, joint-stock company, association, or insurance company, at such times and in such manner as the Secretary of the Treasury may prescribe.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Wisconsin [Mr. LA FOLLETTE].

The amendment was agreed to.

Mr. BRANDEGEE. Mr. President, in the hasty reading of the bill I was not quite able to follow, and I do not yet see, though there may be a reason for it, what is the meaning of the word "for," in line 6, on page 199. Let me read the part to which I refer, commencing in line 2:

And to any sum or sums due and unpaid after the 30th day of June in any year, or after 120 days from the date on which the return of income is required to be made by the taxpayer, and for 10 days after notice and demand thereof by the collector, there shall be added the sum of 5 per cent on the amount of tax unpaid and interest at the rate of 1 per cent per month upon said tax from the time the same becomes

Does that mean that only for 10 days 5 per cent additional shall be added?

Mr. WILLIAMS. I will ask the Senator to repeat his sugges-

Mr. BRANDEGEE. Does it mean that the 5 per cent shall only be added for the period of 10 days?

Mr. CHILITON. Commencing 10 days after that. Mr. BRANDEGEE. Then, I should think, if I get the idea of what is intended, it should read "and after 10 days after notice and demand thereof by the collector there shall be added the sum of 5 per cent," and so forth. I may be obtuse about it, but, as I have said, in the hurry of reading I did not understand it.

Mr. WILLIAMS. I think the Senator is right. I make the motion, or the Senator can make it, to strike out—

Mr. BRANDEGEE. Let the Senator make it.
Mr. WILLIAMS. I move to amend by striking out the word
"for," in line 6, on page 199, and inserting the word "after" in lieu thereof.

The PRESIDING OFFICER. The amendment will be stated.

The Secretary. On page 199, line 6, before the word "ten," it is proposed to strike out the word "for" and insert the word after.'

The amendment was agreed to.
The reading of the bill was resumed.
The next amendment of the Committee on Finance was, on page 200, after line 7, to insert:

In addition to the normal tax of 1 per cent as herein provided there shall be levied and collected an additional tax of 4 per cent per annum on the net income of railway corporations doing business in Alaska upon business done in Alaska, which shall be in lieu of the license tax of \$100 per mile per annum now imposed by law.

The amendment was agreed to.

The next amendment was, in paragraph N, page 207, line 15, after the words "governments of," to insert "the District of Columbia," so as to make the proviso read:

And provided further, That nothing in this section shall be held to exclude from the computation of the net income the compensation paid any official by the governments of the District of Columbia, Porto Rico, and the Philippine Islands or the political subdivisions thereof.

The amendment was agreed to.

Mr. BORAH and Mr. JONES addressed the Chair.
The PRESIDING OFFICER. The Senator from Idaho is recognized.

Mr. BORAH. I yield to the Senator from Washington.
Mr. JONES. Mr. President, I move to amend the paragraph
by inserting, after the words "Porto Rico," in line 6, a comma and the word "Alaska."

I desire to ask the Senator from Mississippi whether the committee gave any consideration to the proposition of giving to Alaska the same right you have given to Porto Rico and the Philippine Islands in regard to any income tax that may be collected in those jurisdictions?

Mr. WILLIAMS. Alaska is a regular Territory of the United States and is provided for under that language. Porto Rico is not a Territory, as the Senator knows; the District of Columbia is not a Territory, and the Philippine Islands are not. All the balance of our possessions are Territories, and Alaska falls under the general appellation of "Territories."

Mr. JONES. The point I make is that you allow all the revenue collected in Porto Rico and the Philippine Islands to go to those jurisdictions. While they may not be Territories in exactly the same sense that Alaska is, yet they have organized governments, much more so than Alaska. They have property titles far more than Alaska. The conditions in both those jurisk dictions are far more favorable toward the collection of the tax and its use, even outside of those jurisdictions, than in Alaska.

Only last year we provided for a Territorial form of government in Alaska. The powers of the legislature there are very limited. They are not nearly so great as in the case of the legislative bodies of Porto Rico and the Philippines. No titles to real property have passed. They own practically nothing upon which taxes can be levied.

As a matter of fact, there is but very little income there except what is actually dug out of the ground. It seems to me we ought to help these people, if we possibly can, in starting their government. Their legislature first met in the spring of this year. They have no property that they can tax, because no titles can pass. About all the taxation they can raise is direct taxation.

It does seem to me that the conditions in Alaska should appeal much more strongly to those who favor a provision like this than the conditions in Porto Rico or the Philippines, and if the committee have not considered the proposition I wish they would do so.

Alaska must look to Congress for help. While we have given it a Territorial form of government, it is one of very limited powers. We have tied up all her resources, and while I hope we will open them soon, we have not yet done so. This is a small thing to do and we ought to do it gladly.

Mr. WILLIAMS. Mr. President, ever since this Government embarked upon the high seas of imperialism we have had one way of managing things in continental America and another way in the Philippines and Porto Rico. That never has met with the approval of my judgment, speaking individually. It has seemed to me that every foot of territory under the flag of the United States ought to be treated like every other foot of territory under the flag, and that there was no more reason why the Philippine Islands should be given the proceeds and benefits of Federal taxes than why Mississippi should be given them, much less Alaska. I never have seen any sense at all in it, as far as that goes. But we can not undo the whole system in this tariff bill, and we have recognized it as a thing that is existing. Hence this provision has been put in the bill. We do not care, however, to extend it still further to Alaska.

The truth is that all Federal taxes ought to go into the Federal Treasury, and taxes ought to be uniform everywhere. The truth is that this bill ought to apply to the Philippines as much as to the United States, as long as the Philippines are under our flag at all. But if we had undertaken to do it in this bill it would have brought on every sort of embarrassment. We would have had to amend all the laws that have been passed since we started upon this course.

I will say frankly to the Senator that I do not see any more reason why Alaska should not have the revenue collected from incomes in Alaska than why Porto Rico should have it; but I differ with him about wanting to give it to Alaska, because if I had my way I never would have given it to the others.

Mr. JONES. But, Mr. President, as a matter of fact, the committee have given it to Porto Rico and they have given it to the Philippines. I do not exactly appreciate the reason why it was given there. I do not think it should have been given. But it has been done, and I ask the same treatment for Alaska.

Mr. WILLIAMS. I think Porto Rico ought to be declared a Territory of the United States, the same as all our other Territories have been treated, and that we ought to get rid of the Philippines as soon as we can.

Mr. JONES. Porto Rico has a Commissioner on the floor of the House, who for all practical purposes has just as much authority as the Delegate from Alaska. The only difference is the difference between the names. They have an organized government in Porto Rico, much more comprehensive than that in Alaska. So if there are any reasons that appeal to us for allowing the people in Porto Rico and the Philippines to have this money, it seems to me that they should appeal to us all the more strongly in Alaska, where we are just starting a government and where, as I suggested a moment ago, they have no titles to land, as they have in Porto Rico and the Philippines.

Mr. WILLIAMS. This does not appeal to me any more strongly for Alaska than it does for Arizona or New Mexico,

although they are States.

Mr. JONES. They are in the Union now, as States, and Alaska is the only Territory we have. It is separated from the main body of the country by several hundred miles. As

the Senator has already said, there is certainly no more reason why these revenues should go to Porto Rico or the Philippines than why they should go to Alaska. In my judgment, there are far greater reasons why they should go to Alaska than to these other outlying possessions.

I had very much hoped the Senators in charge of the bill would be willing to allow Alaska to be treated the same as Porto Rico and the Philippines, and I hope the Senate will vote in that way.

Mr. WILLIAMS. I am sorry I can not accommodate my friend, but I can not think that way. It seems to me that that sort of thing has gone far enough and that we ought to retrace our steps rather than to advance further in that direction.

Mr. JONES. Of course Alaska is the only Territory we have left, besides Porto Rico and the Philippines; so that the proposition could not go any further.

Mr. WILLIAMS. I do not know; it may not be the only one we may have before we get through.

Mr. JONES. I hope it will be.
Mr. WILLIAMS. We have been left several times with very

few Territories, but later on we had others.

Mr. JONES. I do not think we ought to be controlled in our action on this bill by the remote possibility of getting some other territory in the future. This bill is to deal with the present condition of things as they are.

Mr. GALLINGER. Mr. President, I am impressed with the suggestion of the Senator from Washington that Alaska might well be included in this list, but I wish to inquire why Guam is not included? Why is Porto Rico included and not the island of Guam? It has a governor.

Mr. WILLIAMS. I do not know. Mr. LODGE. Or Tutuila?

Mr. GALLINGER. I think probably we ought not to take in Tutuila.

Mr. WILLIAMS. I think Guam is mentioned in the bill somewhere.

Mr. GALLINGER. I do not discover it.
Mr. WILLIAMS. You will find a general definition here, saying that wherever the word "States" is mentioned it shall include political subdivisions not mentioned elsewhere.

Mr. LODGE. Guam and Tutuila are excepted in the first

section.

Mr. WILLIAMS. In the first section; that is what I thought. Mr. LODGE. But they ought to be mentioned here, because I

they are there mentioned with the Philippine Islands. They ought to be mentioned here.

Mr. BRANDEGEE. They are mentioned in the first section only for purposes of tariff duties.

Mr. GALLINGER. That is all.

Mr. BRANDEGEE. This is the income tax.

Mr. LODGE. I think they ought to be included with the Philippine Islands. They are classed with them in the first section.

Mr. WILLIAMS. That may be.

Mr. GALLINGER. That was my view, and that is the reason rose to suggest Guam. I see no reason why Porto Rico and the Philippine Islands should be dealt with more generously than our other possessions. I hope it will be consented on the other side that at least Guam may be included, and I assume that Tutuila is in the same attitude.

Mr. LODGE. Mr. President, I will suggest to the Senator from Mississippi, or to the Senator from North Carolina, that putting in Guam and Tutuila will make this section correspond to the first section. They ought to be enumerated. Where the Philippine Islands are spoken of as excepted, Guam and Tutuila ought to be excepted, too, for the sake of completeness, to conform to the first section.

Mr. WILLIAMS. I suspect the Senator is right. I am willing

to accept that suggestion.

Mr. JONES. Mr. President, do I understand that the Senator from Mississippi is willing expressly to provide here that the income tax from these other Territories shall be left to them?

Mr. WILLIAMS. I did not understand that that was the suggestion of the Senator from New Hampshire.

Mr. BRANDEGEE. That would be the effect of inserting the names of those two islands.

Mr. JONES. Certainly.
Mr. WILLIAMS. Where would that amendment come in?

Mr. BRANDEGEE. On line 6, page 207.
Mr. WILLIAMS. The Senator from Washington is referring to one part of the bill, and this is a suggestion that is made to apply to the following part of it.

Mr. JONES. I understood it was made in connection with the part of the bill to which I have offered my amendment.

Mr. WILLIAMS. This part of the bill says:

That nothing in this section shall be held to exclude from the computation of the net income the compensation paid any official by the Governments of the District of Columbia, Porto Rico, and the Philippine Islands or the political subdivisions thereof.

Mr. GALLINGER. I will say to the Senator from Mississippi, if he pleases, that what I had in view was to add to the proviso which reads:

Provided, That the administration of the law and the collection of the taxes imposed in Porto Rico and the Philippine Islands shall be by the appropriate internal-revenue officers of those Governments, and all revenues collected in Porto Rico and the Philippine Islands thereunder shall accrue intact to the general governments thereof, respectively.

My suggestion was that I could see no reason why the island of Guam, which has a governor, should not also be included there. That was my purpose.

Mr. WILLIAMS. If that is what the Senator is talking about, I differ with him there. Guam is administered as what might be called a sort of a crown colony.

Mr. GALLINGER. It has a governor, has it not?
Mr. WILLIAMS. If I understand correctly—I may be mistaken-I think all the expenses in Guam are paid by the Federal Government, just as they are paid at a military station or reser-

Mr. LODGE. I think that is true.

Mr. WILLIAMS. Then, of course, we do not want to have any income tax going to the treasury of Guam.

Mr. GALLINGER. I will say to the Senator that I was not aware of that fact, and I think it ought to be looked into.

had an entirely different impression.

Mr. JONES. Mr. President, I wish to say that this is a matter of very considerable importance, especially to the people of Alaska; and while I do not like to delay the consideration of the bill. I feel that I shall have to ask for a vote on the amendment I have proposed.

Mr. BRANDEGEE. If the Senator will allow me, before he asks for a vote, lines 7 and 8, on page 207, provide that this revenue "shall accrue intact to the general governments thereof." What would the Senator say was the general government of Alaska?

Mr. JONES. We have a legislature there; we have a treasurer and a governor—a Territorial government.

Mr. BRANDEGEE. Does it mean to pay it into the treasury.

of the Territory of Alaska? Mr. JONES. Yes; certainly.

Mr. SIMMONS. Mr. President, would it not be just as proper to provide that this income should be paid into the treasury of State? Alaska is certainly a Territory of the United States. These others here—for instance, Porto Rico—are not Territories of the United States. They are simply possessions of the United States. We have permitted them to use their own revenues for the purpose of paying the expenses of their own governments. But when you come to an organized Territory, so far as its relations to the Federal Government are concerned in the levying of Federal taxes, it stands upon a parity with a State.

Mr. SMITH of Arizona. If the Senator will permit me, the usual custom was to take everything from the Territories instead of giving them anything. That is my experience with

national legislation in that particular.

Mr. SIMMONS. It may be that the Territories have not had quite a fair deal in the past. I do not know how that is. But I can see no reason why an income tax levied for the support of the Federal Government, if the taxpayer happens to reside in a Territory, should go into the treasury of that Territory any more than an income tax imposed upon an individual residing in a State should go into the treasury of that State.

Mr. JONES. But the Senator from Mississippi concedes that there is no more reason why the revenue coming from this tax in Alaska should go to the Federal Government than there was why it should go to it in Porto Rico or the Philippine

Islands-

Mr. WILLIAMS. The Senator from Mississippi conceded that but asserted at the same time that it ought not to go into the local treasury in either event.

Mr. JONES. Certainly; but it does go into it in these other

cases.

Mr. WILLIAMS. And the only excuse for it is that we

could not disrupt existing conditions in this bill.

Mr. JONES. It certainly will not disrupt anything to bring this revenue into the Treasury of the United States; and it certainly would not disrupt anything to take this revenue and let it stay in Alaska, occupied by our own people, part of our territory, technically a Territory but without any lands or property upon which they can assess taxes to raise any revenue, most of its revenue coming from direct taxes, from licenses, and all that sort of thing. I can not see where there would be any

Mr. WILLIAMS. I meant by that statement that one rule has been established for continental America and another rule for the appurtenances or appendages of continental America, as the Supreme Court has called them. The Philippine Islands get all of their revenues. They get the import duties that are

collected there.

Mr. JONES. Alaska does not.

Mr. WILLIAMS. In the Philippine Islands there is a good reason for it. We want to get rid of them in the course of time, and it is pretty well for them to have all their revenues kept

Mr. SMITH of Arizona. If the Senator will permit me to interrupt him, the Senator has no more sympathy for Alaska in its difficulties than I have.

Mr. JONES. I think that is true.

Mr. SMITH of Arizona. I presume I have had about as much experience with territorial existence and its relations to the Congress of the United States as any man who has ever lived in the whole world. I know what Territories suffer from. I see no reason, however, in this particular case for permitting the revenues under this bill to remain in Alaska any more than they should have remained in the other Territories which have now become States, except that in those days we had a greater freedom.

Alaska, by the course of conduct which has been followed toward her, has been absolutely robbed of the resources that she should necessarily have to support her government. I would suggest, rather, that the Senator from Washington and others join me in an effort to take the oppressive hand of the Govern-ment off of the property in the Territory of Alaska to which

her people are entitled.

There never has been a Territory in the last 50 years that could not have easily taken care of itself if properly treated, and Alaska as easily as any of them, or easier, provided you will permit the brave and vigorous and strong spirits who have gone there to develop that country to have some sort of a right to develop it by getting possession of the resources of the Territory and using them, not only for their own benefit but in a way that will result in the greatest possible benefit to the common country. We ought to take the hand of the Government off of Alaska, or at least soften the grip, and give her a chance rather than to continue present conditions. This little income they shall have covered into the treasury of the Territory the

from taxes will amount to nothing and can do no good to Alaska, but may be held up against her when we try to give real aid.

Mr. JONES. I agree with all the Senator has so well said as to the treatment of the Territories and what Alaska might do if properly treated. He has said it much better than I could. The fact that we have treated the Territories unjustly in the. past, however, should not be held as an excuse for continuing that injustice toward Alaska. While this will not do very much, it will certainly show a disposition on the part of Congress to deal at least fairly with the people in that far-away Territory, who are suffering under possibly far greater hardships than the people of any other Territory of the United States. I can not believe that Congress would take this for an excuse to treat Alaska unjustly in the future. That would be even worse treatment than we have accorded it heretofore, and that has been very bad.

Mr. SMOOT. Mr. President-

The PRESIDING OFFICER. Does the Senator from Washington yield to the Senator from Utah?

Mr. JONES. Certainly.

I wish to say that Alaska is treated with a Mr. SMOOT. great many more hardships than any other Territory that I know of, for the simple reason that all of her lands have been withdrawn. Nobody can get a foot of land in Alaska. Not a dollar of taxation is raised from the imposition of taxes upon lands there. She is off of the great highway of trade. There are a very few people in that vast territory struggling for exist-I recognize the truth of what the Senator from North Carolina says, that technically there would be no difference between taking this income and giving it to the treasury of a State on the one hand and giving it to the treasury of the Territory of Alaska on the other. The conditions in the two cases are entirely different, however. From a moral standpoint it does seem to me that we could at least do that much for Alaska for the reasons that have been so well stated.

Mr. JONES. Mr. President, I ask for the yeas and nays on

my amendment.

Mr. KENYON. Let the amendment be stated.

The Secretary. On page 207, line 6, after the words "Porto Rico," the Senator from Washington proposes to insert a comma

and the words "and Alaska."

Mr. BRANDEGEE. Mr. President, I do not see any reason for turning over the proceeds of this Federal income tax to the treasury of Alaska. Her people do not own the lands there. They lease them. They lease rights, and they make money, and they have incomes, and they are calling upon the Federal Government for a great many improvements. If they do not prosper there as other people do in their States, they are not compelled to stay there. If they want to raise money from their incomes for local purposes independently of the Federal income tax, they can impose one of their own, as other States do.

While I have nothing whatever against Alaska, I do not see any reason for making a special exception of that Territory and paying back to them for their own uses the moneys that the Federal Government raises for its uses.

Therefore I shall be compelled to vote against this amendment.

Mr. BORAH. Mr. President, I rose to offer the amendment which the Senator from Washington has offered. Having had considerable information from the Territory of Alaska as to the situation there with reference to taxable property, and the means by which they can raise taxes, I think they are entitled to this tax. They have not the property to tax, and under present conditions of governmental control they can not very well get it. If the country were open to exploitation or occu-pation as in other places there might be considerable logic in the argument of the Senator from Connecticut, but under present conditions it seems to me it is not well founded.

I do not desire to continue the debate, but I concur fully in what the Senator from Washington has said. The people of Alaska are building up that Territory under very adverse circumstances and conditions; and in my judgment they would build it up much more rapidly and efficiently if they were given an opportunity to do so. But certainly in building up their schools and their communities they need something in the way of taxes, and they ought to have that which is collected from

them in this way.

Mr. SMITH of Arizona. Mr. President, reiterating my expression of sympathy for the people of Alaska, I think their condition is such that it will require much more for their relief than anything that could occur to them under this bill. For myself rather than put in a tariff bill a mere provision that

taxes from the few people there who are able to pay them I should much prefer, if we still insist on keeping our hand on the throats of those struggling people, that we treat them as we have treated other dependencies of the United States, and provide for them out of the Treasury itself, provide for their government by paying the money to carry it on, or else give them an opportunity to run their government on the resources which they can easily run it on if they are given any sort of freedom.

I shall vote against this amendment; but fearing that that vote might reflect a want of sympathy for the people of Alaska, I felt it necessary to give this expression to my views on the

Mr. CHAMBERLAIN. Mr. President, I am in cordial sympathy with the Senators who have expressed themselves in favor of opening up at least a part of the resources of Alaska to the people of this country, and I am usually in sympathy with the arguments of the Senator from Washington along this line. But I can not agree with him in reference to this particular amendment, for the reason that the Government of the United States appropriates quite largely for the support and maintenance of the government of Alaska. It makes contributions to its support which it does not make to any of the other States or Territories generally, and the money that might come to the Treasury through the imposition of this income tax would practically go back to Alaska again. So there is no particular reason why this amendment should be favored at this time.

I wanted to state this much, because I am not voting against the amendment because I am not in sympathy with the people of that country. Besides that I doubt very much if there are men in Alaska who have incomes generally that would be taxable under this provision. Those who have the largest interest in Alaska, those who have reaped the harvest from the resources of Alaska, are men who live principally in the United States proper, and many of them in the State of New York.

So I do not think there is any reason for the adoption of the

amendment.

The PRESIDING OFFICER. The Senator from Washington demands the yeas and nays on agreeing to the amendment offered by him.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CHILTON (when his name was called). I announce my pair the same as on the previous roll call, and withhold my vote. If I were at liberty to vote, I would vote "nay."

Mr. GALLINGER (when his name was called). I have a general pair with the junior Senator from New York [Mr. O'GORMAN], which I transfer to the junior Senator from Maine

[Mr. Burleigh], and vote "yea."

Mr. McCUMBER (when Mr. Gronna's name was called). My colleague [Mr. Gronna] is necessarily absent. He is paired with the junior Senator from Illinois [Mr. Lewis]. I will allow

this announcement to stand for the day.

Mr. McCUMBER (when his name was called). I have a general pair with the senior Senator from Nevada [Mr. NEWLANDS].

He being absent I will withhold my vote.

Mr. REED (when his name was called). I am paired with the senior Senator from Michigan [Mr. SMITH]. If permitted to vote, I would vote "nay."

Mr. THOMAS (when his name was called). I transfer my

general pair with the senior Senator from Ohio [Mr. Buston] to the Senator from Oklahoma [Mr. Gore] and vote "nay."

Mr. TILLMAN (when his name was called). I again announce my pair with the Senator from Wisconsin [Mr. Steph-ENSON]. This announcement will stand for the day.

Mr. WARREN (when his name was called). I am paired

with the senior Senator from Florida [Mr. Fletcher]. I therefore withhold my vote.

The roll call was concluded.

Mr. BRYAN. I wish to announce that my colleague [Mr. FLETCHER] is necessarily absent on public business.

Mr. MYERS. Has the Senator from Connecticut [Mr. Mc-LEAN] voted?

The VICE PRESIDENT. He has not.

Mr. MYERS. I am paired with that Senator and withhold my

Mr. REED. I transfer my pair to the Senator from Oklahoma [Mr. OWEN] and vote "nay."

Mr. LA FOLLETTE. I was requested to announce that the junior Senator from Minnesota [Mr. CLAPT] is unavoidably detained from the Senate. If present, he would vote "yea" on

Mr. WILLIAMS (after having voted in the negative). just learned of the absence from the Chamber of the Senator from Pennsylvania [Mr. Penrose], with whom I have a pair. I voted a moment ago. I want now to transfer my pair with

the Senator from Pennsylvania to the Senator from Nebraska [Mr. HITCHCOCK], and let my vote stand.

The result was announced—yeas 28, nays 3%, as follows: YEAS-28.

Borah Bradley Brady Bristow Catron Clark, Wyo. Colt	Crawford Cummins Dillingham Fall Gallinger Jones Kenyon	La Follette Lodge Nelson Norris Oliver Page Poindexter YS—38.	Root Sherman Smoot Sterling Sutherland Townsend Weeks
Ashurst Bacon Bankhead Brandegee Bryan Chamberlain Clarke, Ark. Hollis Hughes James	Johnson Kern Lane Martine, Va. Martine, N. J. Overman Pittman Pomerene Ransdell Reed	Robinson Saulsbury Shafroth Sheppard Shields Shively Simmons Smith, Ariz, Smith, Ga.	Smith, S. C. Stone Swanson Thomas Thompson Vardaman Walsh Williams
200 W WW		OTING—29.	
Burleigh Burton Chilton Clapp Culberson du Pont Fletcher Goff	Gore Gronna Hitchcock Jackson Lea Lewis Lippitt McCumber	McLean Myers Newlands O'Gorman Owen Penrose Perkins Smith, Mich.	Stephenson Thornton Tillman Warren Works

So Mr. Jones's amendment was rejected. Mr. WILLIAMS. In behalf of the committee and in behalf of the Senator from Arkansas [Mr. CLARKE], I as: that the provision which I understand the Secretary is about to read, from line 18, on page 207, be passed over until Monday next, as the Senator from Aikansas wishes to speak upon it.

Mr. SIMMONS. If the Senator from Mississippi will pardon me, the Senator from Arkansas wishes section 3, on page 210,

Mr. WILLIAMS. 'All right. We have not reached that.

Mr. CLARKE of Arkansas. In connection with the statement of the chairman of the committee, I will say that on Monday next I will submit some observations in support of that propo-

The next amendment of the committee was, on page 207, after line 17, to insert:

line 17, to insert:

O. That for the purpose of carrying into effect the provisions of Section II of this act, and to pay the expenses of assessing and collecting the income tax therein imposed, there is hereby appropriated, out of any money in the Treasury not otherwise appropriated for the fiscal year ending June 30, 1914, the sum of \$1,200,000, and the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, is authorized to appoint and pay from this appropriation all necessary officers, agents, inspectors, deputy collectors, clerks, messengers, and janitors, and to rent such quarters, purchase such supplies, equipment, mechanical devices, and other articles as may be necessary for employment or use in the District of Columbia or any collection district in the United States, or any of the Territories thereof: Provided, That no agent paid from this appropriation will receive compensation at a rate higher than that now received by traveling agents on accounts in the Internal-Revenue Service, and no inspector shall receive a compensation higher than \$5 a day and \$3 additional in lieu of subsistence, and no deputy collector, clerk, messenger, or other employee shall be paid at a rate of compensation higher than the rate now being paid for the same or similar work in the Internal-Revenue Service.

Mr. WILLIAMS. I move to strike out the word "will," after

Mr. WILLIAMS. I move to strike out the word "will," after the word "appropriation," in line 8, on page 208, and substitute the word "shall."

The amendment to the amendment was agreed to.

Mr. BORAH. In line 15, on page 208, after the word "Service," I submit the following amendment.

The VICE PRESIDENT. The amendment will be read.

The SECRETARY. On page 208, at the end of line 15, after the word "Service," insert:

word "Service," insert:

It shall be the duty of the Commissioner of Internal Revenue to report annually to Congress full statistics as to the results of the income tax, which statistics shall show:

(a) The amounts collected in each taxing district.

(b) The number of persons contributing to the tax.

(c) The amounts allowed for exemptions.

(d) A classification of the income-tax payers in each district according to occupation.

(e) A classification of the taxpayers in each district and in the country at large according to the amount of income assessed to each.

(f) A classification of sources of income so far as shown by the returns.

country at large according to the amount of income as shown by the (f) A classification of sources of income so far as shown by the returns.

(g) A detailed statement of amounts and kinds of income collected at the source.

(h) A classification of the amounts claimed and allowed as deductions, and such other information as he may deem pertinent and necessary.

Such report shall be made and filed on or before the third Monday of November of each year, beginning with the year 1914.

Mr. BORAH. Mr. President, I do not desire to take up the time of the Senate in discussing this amendment, but it is apparent upon the face of the amendment what is the object to be attained. It is to gather data for our intelligent action with reference to formulating an income-tax law. It will enable us also, if we desire, to take up the subject in the future of differentiating as to carned and unearned incomes, and so forth. At any rate it will give us that which we have not now and which the English people acquired only after a long investigation.

I submit the amendment for the consideration of the Senate. Mr. WILLIAMS. Mr. President, the committee had this identical provision before it. It was suggested by somebody down in the department and we went through with it. seemed to us that it was not necessary to provide for all this annual expense in the shape of a report that perhaps would not be read. The information will be there; it can be obtained at any time by a resolution of either House upon the request of a Senator or Representative if he wants any particular part of the information. These rolls are made public rolls for certain purposes.

After a full consideration of it we concluded that it was better to leave that out of the bill at this time. Of course the object of it is purely statistical. We have all sorts of statistical bureaus all around everywhere, and we did not see any use of establishing another one. The main result of it would be to establish a new bureau with a new man at the head of it— I started to say earning-receiving probably \$5,000 a year.

Mr. BORAH. I do not ask for any appropriation nor the creation of any bureau nor the appointment of persons for any extra services, but there is enjoined upon the collector of internal revenue the duty of classification, which he can do if he is required to do it by a very little additional expenditure.

Mr. WILLIAMS. I understand that; but the Senator must

understand that this great report, with all its classifications and complications, must be made every year upon a new com-putation of incomes, and there would have to be a bureau and

a lot of clerks provided.

If there is any particular information concerning the income tax, as to how many people there are paying incomes, for example, between \$20,000 and \$50,000 or between \$50,000 and \$100,000, or how many people there are paying incomes accruing purely and altogether from personal service, or anything of that sort, it could be obtained without keeping this bureau in constant operation and all this immense expense and creating a new bureau.

Mr. SMITH of Arizona. The record will necessarily show the

Mr. WILLIAMS. The record will necessarily show the fact, and anybody having access to the record can ascertain the fact. Mr. BORAH. The record will not show the fact at all.

Mr. WILLIAMS. Wait a minute. This morning, even, a couple of amendments were put upon the bill which gives access now for statistical purposes to the officers of the United States Government, giving the officers of the States upon the request of the governor access so that they could prepare statistical returns from the material in the office of the Commissioner of Internal Revenue attained in the process of administering this law.

Mr. BORAH. Mr. President, I will not urge any information

upon the majority side that they do not desire.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from Idaho [Mr. BORAH].

The amendment was rejected.

Mr. BORAH. Now, I want a yea-and-nay vote on the amendment following.

Mr. SMOOT. That is a part of the committee amendment, but it has not yet been read.

The VICE PRESIDENT. It is a part of the original amendment.

Mr. BORAH. I refer to that portion of the amendment beginning on line 16 on page 208 and ending with the word "appointment," in line \$2 on page 209.

The Secretary read the remainder of the amendment of the

committee, as follows:

committee, as follows:

For the administration, in the Internal Revenue Bureau at Washington, D. C., of this act in the collection of the tax aforesald there shall be appointed one additional deputy commissioner, at a salary of \$4,000 per annum; two heads of divisions, whose compensation shall not exceed \$2,500 per annum; and such other clerks, messengers, and employees, and to rent such quarters and to purchase such supplies as may be necessary: Provided, That for a period of two years from and after the passage of this act the force of agents, deputy collectors, and inspectors authorized by this section of this act shall be appointed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, and without compliance with the conditions prescribed by the act entitled "An act to regulate and improve the civil service," approved January 16, 1883, and amendments thereto, and with such compensation as the Commissioner of Internal Revenue may fix, with the approval of the Secretary of the Treasury, within the limitations herein prescribed: Provided further, That no person now in the classified service who shall be appointed an agent, deputy collector, or inspector shall lose his civil-service status because of such appointment.

Mr. LODGE. I move to strike out from the amendment just read the first proviso. That proviso, of course, is a perfectly unvarnished attempt to take all these offices out of the classified service and make them the subject of political appointment and personal favoritism. The registers of the civil service contain an ample number of persons competent to fill the places mentioned here. They are people, both men and women, who have taken the examinations in good faith, believing that when the services of clerks were needed they would have their opportunity. It is a much quicker and better way, and you get a better class of clerks.

Mr. ROOT. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll. The Secretary called the roll, and the following Senators answered to their names:

Smith, Ga. Smith, Md. Smith, S. C. Smoot Sterling Sutherland Swanson Thompson Tillman Townsend Hitchcock Hollis Hughes James Johnson Jones Ashurst Oliver Onver Owen Page Perkins Pittman Poindexter Bacon Bankhead Borah Brady Brandegeo Jones Kenyon La Follette Lane Lodge McCumber McLean Martin, Va. Martine, N. J. Myers Norris Bristow Bryan Catron Chamberlain Chilton Clark, Wyo. Poindexter Pomerene Ransdell Robinson Root Saulsbury Tillman Townsend Vardaman Warren Weeks Williams Works Shafroth Sheppard Sherman Shively Simmons Colt Crawford Cummins Dillingham Gallinger Smith, Ariz.

The VICE PRESIDENT. Sixty-seven Senators have an-

swered the roll call. There is a quorum present.

Mr. LODGE. Mr. President, I will repeat what I said. This proviso which I move to strike out arranges for the giving of these additional offices, made necessary by the addition to the work of the Internal-Revenue Bureau, over to political and personal favoritism, and sets aside the act of 1883 under which the civil service was first classified.

Mr. SIMMONS. Mr. President-

The VICE PRESIDENT. Does the Senator from Massachusetts yield to the Senator from North Carolina?

Mr. LODGE. Certainly.

Mr. SIMMONS. I think the Senator from Massachusetts made his statement a little too broad when he said that the proviso provides that all the officers authorized to be appointed for the enforcement of this section of the bill shall be appointed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury. If the Senator will examine the language he will see that applies only to agents, deputy collectors, and inspectors.

Mr. LODGE. I am aware of that. I should have said the

more important offices.

Mr. SIMMONS. His statement was very broad.
Mr. LODGE. Many of them are agents, inspectors, and deputy collectors. I suppose under the wording of the section that only those mentioned in the proviso are thrown out of the service.

Mr. SIMMONS. I think that is true.

Mr. LODGE. I do not question that. Mr. SIMMONS. I want to state to the Senator-

Mr. LODGE. If I said all the officers, without exception, of course my statement was too broad.

Mr. SIMMONS. I want to state to the Senator that I think he will find in that respect this provision is an exact copy, or very nearly an exact copy, of the provision for the appointment of officers under the denatured-alcohol act, which was passed by the minority party only a few years ago when they were in the majority. As in that act so in this act, the authority of the Secretary of the Treasury to appoint is limited to two years.

Mr. LODGE. Mr. President, that may be the case; but I do not think that two wrongs make a right. These positions can all be filled perfectly well from the civil-service registers.

Mr. SMITH of Georgia. I should like to ask the Senator from Massachusetts if it is not true that there is a special examination required for each State, and is it not further true that in many of the States the registers are not now filled and that the new collectors do not find men upon them eligible for

appointment as deputies?

Mr. LODGE. Mr. President, there are plenty of names on the registers to fill such places as these-an abundance of them.

Mr. SMITH of Georgia. I will state to the Senator that in my own State the collector had to get authority to appoint temporary deputies because there were only six on the list of eligibles in the State, and four of them had other positions and did not want the small salary of about \$1,200 that a deputy

They can be sent from here perfectly well. .There is no difficulty in filling the places; none whatever.

Mr. SIMMONS. I think, as a matter of fact, if the Senator will pardon me, that not only in the State of Georgia but in a great many other States, if not in all of the States, they are now holding examinations for applicants for positions in the Internal-Revenue Service. I know they have held examinations during this month and also in July in my State.

Mr. BRISTOW. Mr. President, I want to call the attention of the Senator from Massachusetts [Mr. Lodge] to the wording of the provision here; doubtless he has noticed it, but I

want to read it. It is as follows:

That for a period of two years from and after the passage of this act the force of agents, deputy collectors, and inspectors authorized by this section of this act shall be appointed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, and without compliance with the conditions prescribed by the act entitled "An act to regulate and improve the civil service," approved January 16, 1883, and amendments thereto.

It is not left discretionary with the President or with the Secretary of the Treasury as to whether they may take these employees from the civil-service rolls, but it forbids them

Mr. LODGE. I was about to call attention to that point, but I am very glad the Senator from Kansas has done so. This makes it impossible for two years to put anyone into the service

from any eligible list now or hereafter to be made.

Mr. President, at the time of the Spanish-American War, on the ground of immediate emergency, a large additional force of clerks was authorized without requiring a civil-service examination. It took longer to fill the places in that way than it would have done if the heads of departments had gone to the register; but emergency was made the ground of the change. As a result they got, as was the testimony of all the departments, an inferior class of clerks.

Of course, Mr. President, the object is simply to make political a certain number of positions commanding a fair salary. There is no other purpose in it. I think it a bad thing to break down the civil-service act in that way; but I do not want to take the time to argue here what has been argued again and again—the general question of the civil service. I think, however, this is a thoroughly bad provision. I move to strike it out; and on that motion I ask for the yeas and nays.

I also ask leave, Mr. President, to insert in the RECORD some brief letters from chambers of commerce in Massachusetts and in Ohio and from the civil-service reform associations—the National association and State associations—of Massachusetts, All only association and state associations of massacraticates. Illinois, and other States. All the statements are brief, and I should like to have them printed with my remarks.

The VICE PRESIDENT. Without objection, permission to

do so is granted.

The papers referred to are as follows:

Worcester, Mass., August 18, 1913.

Hon, HENRY CABOT LODGE, United States Senate, Washington, D. C.

United States Senate, Washington, D. C.

Dear Sir: At the last meeting of the executive committee of the Worcester Chamber of Commerce it was voted that the Worcester Chamber of Commerce it was voted that provision of the Simmons-Underwood tariff bill as reported by the Senate Committee on Finance, which provides for the employment of agents, inspectors, deputy collectors, etc., required to enforce the income-tax law without requiring said officials to comply with the provision of the civil-service law.

The Worcester Chamber of Commerce is of the opinion that all the officials used by the Federal Government in the enforcement of this law should be certified by the Civil Service Commission exactly the same as all other officials are, this organization being informed that said Civil Service Commission has upon its registers a full complement of eligibles from whom selection can be made for these positions.

Any attempt to discriminate in favor of these employees is directly contrary to the spirit of the civil-service laws and is calculated to pave the way to further inroads upon a system which is now in general and satisfactory operation in this country. There appears to this organization to be no reason for making exception in this instance and in behalf of the Worcester Chamber of Commerce we desire to respectfully protest against any such exceptions being made.

For the Worcester Chamber of Commerce we desire to respectfully protest against any such exceptions being made.

For the Worcester Chamber of Commerce we desire to Commerce,

FALL RIVER CHAMBER OF COMMERCE, Fall River, Mass., August 9, 1913.

Hon. Henry Cabot Lodge, United States Senate, Washington, D. C.

Dear Sir: I am inclosing herewith a copy of a protest sent by vote of the Fall River Chamber of Commerce to the Hon. Furnifold McL. Simmons, chairman of the Senate Committee on Finance, and relating to the provision of the Simmons-Underwood bill, by which a large force of agents, inspectors, and deputy collectors are to be employed without complying with the provisions of the civil-service law.

May we ask your efforts in preventing the passage of this provision?

Very truly, yours,

William A. Hart. Secretary.

WILLIAM A. HART, Secretary.

FALL RIVER, MASS., August 9, 1913.

Hen. Furnifold McL. Simmons, Chairman Senate Committee on Finance, Washington, D. C.

Chairman Senate Committee on Finance, Washington, D. C.

Dear Sir: The Fall River Chamber of Commerce, by vote of its directors, desires to enter its protest against the provisions in amendment O of the Simmons-Underwood tariff bill, H. R. 3321, allowing for the employment of a period of two years of agents, inspectors, deputy collectors, etc., without complying with the provisions of the civil-service law. We believe that this arrangement is a serious step backward from the merit system now satisfactorily established in this country, and at the same time contrary to the protestations of the platforms of all three of the great parties in the recent national election. It is our belief that all appointments provided for in the bill should be made under the civil-service law, and we trust that this provision will not prevail. prevail, Very truly, yours,

THE FALL RIVER CHAMBER OF COMMERCE, WILLIAM A. HART, Secretary.

CLEVELAND CHAMBER OF COMMERCE, Cleveland, August 18, 1913.

Hon. Henry Cabot Lodge, Committee on Finance, United States Senate, Washington, D. C.

Washington, D. C.

Dear Sir: On behalf of the Cleveland Chamber of Commerce I urge upon your attention the undesirability of those portions of amendment O (pp. 207-209) of the Simmons-Underwood tariff bill, as reported by the Senate Committee on Finance, providing for the employment for a period of two years of a considerable number of agents, deputy collectors, and other employees without compliance with the provisions of the civil-service law.

As we understand this provision, it is a step backward in the efficient operation of the Government service, in addition to the immediate effect of placing the actual duties to be performed, duties of the greatest significance and importance, in the hands of political employees. We agree with the National Civil Service Reform League in believing that inefficiency and friction in the administration of law would be the inevitable result.

If we are correctly informed, the Civil Service Commission has upon its register a full complement of eligibles from whom selection could be made for these positions. It seems to us that the regulation is in violation of the spirit of the Democratic, Progressive, and Republican Party platforms.

Very respectfully, yours,

W. S. Hayden, President.

THE WOMEN'S AUXILIARY OF THE MASSACHUSETTS CIVIL SERVICE REFORM ASSOCIATION, Boston, August 1, 1913.

Hon. Henry Cabot Lodge,
United States Senate, Washington, D. C.

Dear Senator Lodge: On behalf of the 1,100 members of the Women's Auxiliary of the Massachusetts Civil Service Reform Association I desire to express our earnest hope that you will use your utmost influence to secure the striking out of the clause under amendment O in the Simmons-Underwood tariff bill which permits the appointment of a large force of agents, inspectors, collectors, etc., outside the civil-service law.

To exempt these positions from the supervision of the Civil Service Commission will make possible appointments for political or personal motives instead of on the basis of merit, and thus will seriously handicap the work of enforcing the income-tax act. Such a backward step is especially to be deplored at a time when public sentiment so strongly favors economy and efficiency for the Nation.

Yours, respectfully,

Marian C. Nichols, Secretary.

MARIAN C. NICHOLS, Secretary.

SPOILS RAID IN THE TARIFF BILL.

SPOILS RAID IN THE PARTY BILL.

[Memorandum of the National Civil Service Reform League in opposition to paragraph O of section 2 of the tariff bill (H. R. 3321).]

NATIONAL CIVIL SERVICE REFORM LEAGUE,

New York, July 24, 1913.

To the Members of the Senate and the House of Representatives:

New York, July 24, 1213.

To the Members of the Senate and the House of Representatives:

The tariff bill (H. R. 3321) as introduced in the Senate provides for the employment for the period of two years of a large force of agents, inspectors, deputy collectors, etc., without complying with the provisions of the civil-service law. This provision is found in amendment 0 (pp. 207-209) appropriating \$1,200,000 for salaries and supplies required to enforce the income-tax law. The provision referred to in full is as follows:

"Provided, That for a period of two years from and after the passage of this act the force of agents, deputy collectors, and inspectors authorized by this section of this act shall be appointed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, and without compliance with the conditions prescribed by the act entitled 'An act to regulate and improve the civil service,' approved January 16, 1883, and amendments thereto, and with su@n compensation as the Commissioner of Internal Revenue may fix, with the approval of the Secretary of the Treasury, within the limitations herein prescribed: Provided further, That no person now in the classified service who shall be appointed an agent, deputy collector, or inspector shall lose his civil-service status because of such appointment."

We can find nowhere in the report of the Committee on Finance, as printed in the Congensional Recond, any reasons stated why this large force should be recruited outside the civil-service law. The only excuse for such a provision would be inability on the part of the Civil Service Commission to supply an adequate force within a reasonable time, but we are informed by the commission that it has upon its registers a full complement of eligibles from whom selection could be made for these positions. In view of the lack of any necessity for going outside the eligible lists to make these appointments this provision in the bill is a gross injustice to those who have taken the examinations

and ill-advised provision in the sundry civil appropriation bill of last year allowing temporary appointments in the Pension Office for a period of one year. At the time of the Spanish War emergency and in the face of full lists of eligibles a large force was appointed without regard to the civil-service rules. Before the lapse of any considerable time it was shown that this force was distinctly inferior in capacity to the regular civil-service employees, yet by subsequent legislation they were covered into the classified service.

This proposed legislation is an attempt to secure patronage at the expense of the merit system and is contrary to the civil-service planks in the platforms of the three great parties. The plank in the Democratic platform favored the enforcement of the civil-service law to the end that "merit and ability should be the standard of appointment and promotion rather than service rendered to a political party." The Progressive Party went on record as in favor of "the enforcement of the civil-service law in letter and spirit," while the Republican Party "stands committed to the maintenance, extension, and enforcement of the civil-service law."

We therefore ask your assistance in preventing any such spoils raid as is proposed in the tariff bill and in upholding by your vote the principles of your party that the subordinate civil service should be absolutely withdrawn from politics. We sincerely hope that you will refuse to record your vote in favor of this particular provision of the tariff bill.

Very respectfully, yours,

ROBERT D. JENKS,
Chairman of the Council,
George T. Keyes.

ROBERT D. JENKS, Chairman of the Council. GEORGE T. KEYES, Assistant Secretary.

NATIONAL CIVIL SERVICE REFORM LEAGUE, New York, July 26, 1913.

NATIONAL CIVIL SERVICE REFORM LEAGUE,

New York, July 26, 1915.

Hon. Henry Capot Lodge,
United States Senate, Washington, D. C.

My Dear Sir: Permit me to acknowledge receipt of your letter of the 25th instant addressed to Mr. Jerks as chairman of the council. We are very glad to learn that you are opposed to the provision in the tariff bill excepting from competition the large force of inspectors, deputy collectors, etc., required to enforce the income-tax act. In case you feel willing to speak against this proposal on the floor of the Senate, I take the liberty of presenting further arguments on this matter. As stated in our circular of recent date, the registers of the Civil Service Commission contain sufficient eligibles who can be immediately certified for appointment. The experience of the Civil Service Commission shows that little inconvenience is occasioned to the departments in supplying large numbers of employees. It is a misconception that it requires red tape and delay to set the machinery of the commission in motion. Hundreds of appointments can be made from the registers in a few hours, and it only remains to send printed letters of appointment to the persons chosen. For example, when the Record and Pension Office was created 140 persons were appointed in one day.

The civil-service rules also make ample provision for the transfer of trained employees from other parts of the service. In the organization of the Department of commerce and Labor exceptions were found to be unnecessary, as that department was able to secure employees with the necessary qualifications by transfer.

The rules further allow unusual latitude in the organization of a new department. Legislation is unnecessary, as the President may make such exception from examination as he may deem wise. The proposal to exempt positions by law is opposed to the declared policy of the Senate Committee on Civil Service Retrenchment. In a report of March 9, 1898, this committee agreed that the "Executive has the power to make such modificati

Assistant Secretary.

CIVIL SERVICE REFORM ASSOCIATION OF CHICAGO, Chicago, July 25, 1913.

Hon. Hener Cabot Lodge, Member of Finance Committee, United States Senate, Washington, D. C.

DEAR SIR: We beg to direct your attention to the inclosed protest against amendment 0 to the tariff bill (H. R. 3321).

We urge you to use every proper influence to defeat this attack on civil-service principles.

Respectfully, yours,

R. E. BLACKWOOD,

Recretary

R. E. BLACKWOOD, Secretary.

CIVIL SERVICE REFORM ASSOCIATION OF CHICAGO, Chicago, July 25, 1913.

To the Hon. F. McL. SIMMONS, Chairman, and the members of the Finance Committee of the United States Senate:

The Illinois and Chicago Civil Service Reform Associations in joint session vigorously protest against provisions in amendment O to the tariff bill (H. R. 3321, pp. 207-209) for the employment for a period of two years of a large force of agents, inspectors, deputy collectors, etc., without complying with the provisions of the civil-service law, because.

because—
It is in direct violation of the spirit of the civil-service law.
Hundreds of persons would be employed upon a spoils basis.
The Civil Service Commission stands ready to certify persons to be employed in enforcing the income-tax law.
To fill the positions by other than persons whose names appear on the eligible lists would be an injustice to those who have qualified by tests for such work.
Experience has shown that employees obtained in this manner are inferior in efficiency to those obtained through the operation of civil service.

We protest against spoils and urge that this amendment be defeated the interests of merit and efficiency.

Respectfully,

WILLIAM B. HALE.

WILLIAM B. HALE. Chairman of Joint Meeting. R. E. BLACKWOOD, Secretary.

GENERAL FEDERATION OF WOMEN'S CLUBS, July 26, 1913.

Hon. Henry Carot Lodge,

United States Senate, Washington, D. C.

Dear Sir: The civil service reform committee of the General Federation of Women's Clubs, an organization representing a million women, respectfully urges that you use your vote and influence to defeat that provision of amendment O of the Simmons-Underwood tariff bill which would permit the appointment of agents, inspectors, deputy collectors, etc.. without civil-service examinations.

The General Federation of Women's Clubs believes that efficiency and economy in government can be obtained only through the enforcement of the civil-service law.

Yours, respectfully,

Imogen B. Oakley,

Chairman.

WATERTOWN, MASS., July 29, 1913.

WATERTOWN, MASS., July 29, 1913.

To the Hon. Henry Cabot Lodge,
Senate Chamber, Washington, D. C.

Sir: The Massachusetts State Federation of Women's Clubs takes this opportunity to appeal to you to use your influence against the passage of amendment O of the Simmons-Underwood tariff bill (H. R. 3321). The proposed legislation is not only contrary to the interests of the public service but is diametrically opposed to the civil-service planks in the platforms of the three great political parties.

May we depend upon you to do all in your power to prevent the passage of this measure?

Yours, truly,

Mabel Rogers Tabor,
Chairman Civil Service Reform Department.

Mabel Rogers Tabor, Chairman Civil Service Reform Department.

NEWTON, MASS., August 4, 1913.

Hon. HENRY CABOT LODGE, Senate, Washington, D. C.

Senate, Washington, D. C.

Dear Sir: The Simmons-Underwood tariff bill (H. R. 3321), as reported to the Senate, provides for the employment for a period of two years of a large force of agents, inspectors, deputy collectors, etc., who are to be appointed without civil-service examinations. This provision is under amendment O, appropriating \$1,200,000 for salaries and supplies required to enforce the income-tax act.

On behalf of the Newton Branch of the Women's Auxiliary of the Civil Service Association, I take the liberty of writing you to urge you to use your influence against, and if necessary to vote against, this measure so diametrically opposed to the spirit of civil service reform.

reform.

I thank you for the interest I am sure you will take in a matter so vital to the improvement of the public service, and remain, dear sir,

Very respectfully, yours,

Marion A. (Mrs. Charles H.) Buck,

Chairman of the Newton Branch.

MANCHESTER, MASS., July 30, 1913.

Manchester, Mass., July 30, 1913.

Hon. Henry Carot Lodge,
United States Senate, Washington, D. C.

Dear Senator Lodge: May I call your attention to the provision in the House of Representatives bill 3321 (the Simmons-Underwood tariff bill) for the employment for a period of two years of a large force of agents, inspectors, deputy collectors, etc., without complying with the provisions of the civil-service law?

Of course, I know you would not approve of this in general, but may I bring to your notice the fact that during the War with Spain the War Department was given the power to make appointments outside the civil-service law, under the piea of emergency, and that, as a matter of fact, it took longer to make these appointments than it would have taken under the civil-service rules, as the commission had then, as it also has now, a large number of eligibles fitted for these positions? Furthermore, it was later found out and reported by the War Department itself that the appointees made in this way were inferior on the average to those that had been sent in by the Civil Service Commission, and that a large proportion of these patronage appointments proved so undesirable that fully 50 per cent had to be changed.

With kind regards, believe me,

Sincerely, yours,

RICHARD HENRY DANA.

Mr. ROOT. Mr. President, I do not think the question raised

Mr. ROOT. Mr. President, I do not think the question raised by the amendment the Senator from Massachusetts [Mr. Longe] proposes can be disposed of by any reference to so trifling a matter as providing for the statute regarding denatured alcohol. We are now entering upon a new system of Government finance, a new system of raising the revenues for the support of the Government of the United States. It is a vast undertaking; it will involve the cooperation of an enormous number of Government employees; and the question raised is whether in this new departure, in the adoption of this new system of Government finance, we are to repudiate the existing civil-service system. Are the revenues of the Government of the United States hereafter to be raised and administered without reference to the hitherto established policy of the United States in regard to civil-service appointments? No reason has been given or can be given for inaugurating this new system with a return to the old method of-making appointments without reference to merit, without selection upon examination, which will not continue to apply to the continuance of the system.

Mr. President, we have had here an exhibition not equaled in recent years of legislation through the method of party government. It is not my purpose to criticize the method adopted by the Democratic Party in securing the full force of its party membership in the Senate by means of caucus action; but, sir, the exercise of the power of party government involves party responsibility, and I beg my friends upon the other side of the Chamber to realize that their action upon the method of constituting this new force for collecting the revenues of our Government will be the test-they can not avoid its being made the test-of the sincerity of the Democratic Party in its professions of adherence to the principles of civil-service reform. If they reject this amendment and insist upon the method they propose here of constituting this new force, they must be held to be insincere in the professions they have made and to have abandoned the merit system in American politics.

Mr. STERLING. Mr. President, assuming that the effect of striking out the committee provision would leave these appointments to be made under the civil-service law and rules, I take occasion now to submit a few remarks, although I had myself prepared and introduced an affirmative amendment requiring the appointments to be made in accordance with the civil-service

It was my privilege, Mr. President, a few weeks ago to present to the Senate and to have printed in the RECORD the protest of the National Civil Service Reform League against the last paragraph of section O of the committee amendment to the income-tax portion of the bill. The Civil-Service Reform League in its protest states what must be obvious to every Senator here, namely, that nowhere in the report of the Committee on Finance is any reason stated why this large force of deputy collectors, inspectors, and agents should be recruited outside the civil-service law; that the only excuse for disregard of the civil-service law would be the inability on the part of the Civil Service Commission to supply an adequate force within a reasonable time; that instead of this being the situation it is the contention of the league that the Civil Service Commission has now on its registers a full complement of eligibles from

whom selection could be made for these positions.

Mr. SMITH of Georgia. I ask the Senator from South Dakota what authority he has for that statement? Are the Civil Service Commission not limited in the appointments?

Mr. STERLING. If the Senator from Georgia will indulge

me, I will produce

Mr. SMITH of Georgia. Are they not limited in the appointments to the States in which the examination is taken and to the districts in which the examination was had?

Mr. LODGE and others. No. Mr. STERLING. I think not. Mr. SMITH of Georgia. They are.

Mr. LODGE. They can be sent from Washington.

Mr. SMITH of Georgia. On the contrary, I was advised by the Civil Service Commission that they are limited to men from the States and to the registers from the States.

Mr. LODGE. I think if they will open the examinations in the State of Georgia there will be plenty of excellent young men and women who will take those examinations and fill any vacancies before this bill goes into operation.

Mr. SMITH of Georgia. I do not think that a young man just out of high school is fit for one of these places.

Mr. LODGE. That is the old argument.

Mr. SMITH of Georgia. I will later impress it a little

Mr. STERLING. It is further shown, in view of the fact that we have the services of this commission, that it will be a gross injustice to go outside the eligible lists and appoint persons to these places who have never taken any examination or qualified themselves for the positions in accordance with law and custom; that the number of clerks whose appointments are thus thrown open to political influences will run into the hundreds; that Congress could continue their appointment by further legislation at the end of the two-year period; and that Congress would be importuned at the end of that period to grant an extension of employment or to cover all the appointments made thereunder into the classified service. I think we have already some examples of that. It is further contended that the proposed legislation is an attempt to secure patronage at the expense of the merit system, and that it is contrary to the civil-service planks of the platforms of the three great parties, and, I might say, notably of the Democratic Party during the last several campaigns

The communication from the league is otherwise vigorous in its protest against this disregard of the law and the evident will of the people, as that will has been truly expressed, I

think, in the several party platforms.

Some of the most distinguished citizens of our country are Their numbered among the officials of this great reform league. names appear on the face of the communication which I presented on July 25. They are the names of men distinguished for their great services in the cause of education, in the cause of literature, in the cause of jurisprudence, and in the cause of good government.

I am now, and have always been, in full sympathy with the purpose sought to be accomplished by the Civil Service Reform League and with the protest against this, as it appears to me, Dakota? The Chair hears none.

flagrant and needless violation of the principles of civil-service reform. So it was that on the day after presenting this communication I submitted the amendment to which I have referred, and which I think is rendered needless perhaps by the amendment offered by the Senator from Massachusetts [Mr. Lodge].

First, as to the necessity of the amendment proposed by the committee. My remarks, Mr. President, are largely for the purpose of submitting a record on which this vote may be taken.

The evidence at hand shows there is absolutely no necessity for this proposed method-this return to the spoils system. It will not be even a matter of convenience, let alone necessity, for the appointment of these hundreds of employees to be made in the manner proposed by the committee instead of according to civil-service rules. The "convenience," as I shall show conclusively, is all in favor of recourse to the law instead of the proposed provision here, which, for the purpose of these appoint-

ments, abrogates the law.

Here is our Civil Service Commission; the examinations have been had under it; men have answered to the test of ability and merit required; their names are now on the list of eligibles for the performance of these duties in the investigation of incomes and the collection of the income tax. If in the face of these facts the majority of this Senate are in favor of sustaining this committee amendment, it will be obvious that the purpose is purely political and partisan. The majority might well take warning, too, that the country will take note that such is the purpose.

But, adverting to the proofs, I send to the desk to be read by the Secretary a letter received from Hon. John A. McIlhenny, president of the Civil Service Commission, of date August 5. showing what the commission will be able to do in supplying

these various positions.

The VICE PRESIDENT. In the absence of objection, the Secretary will read as requested.

The Secretary read as follows:

UNITED STATES CIVIL SERVICE COMMISSION, Washington, D. C., August 5, 1913.

Hon, THOMAS STERLING, United States Senate.

United States Senate.

Senator: At the request of Mr. George T. Keyes, assistant secretary of the National Civil Service Reform League, the commission has the honor to advise you that there are ordinarily a sufficient number of eligibles at all times on first-grade registers of the commission available for certification for filling classified positions in the Internal-Revenue Service, such as deputy collectors, clerks, etc. Mr. Keyes calls attention to the provision in the tariff bill for the employment, for a period of two years, of a large force of deputy beliectors, agents, and clerks to administer the income tax without complying with the provisions of the civil-service law, and to the amendment introduced by you eliminating this provision and providing that this large force of men shall be appointed in accordance with the provisions of the civil-service law.

Information was recently furnished the Treasury Department, showing the number of eligibles which would result from the annual first-grade examinations held throughout the United States in February, 1913. For many of the internal-revenue districts it was believed by the department that the register contained a sufficient number of eligibles to meet the needs of the service. In certain of the districts, however, the department advised that it was believed that additional examinations would be necessary. For this reason examinations were announced to be held throughout many of the internal-revenue districts of the United States on August 16, 1013 (in the internal-revenue district of Arkansas on Sept. 20, 1913). A list of these places is inclosed herewith, and it is trusted that this information will supply you with the facts desired.

Should the positions referred to in connection with the income-tax law be filled in accordance with the civil-service law, it would be nos-

facts desired.

Should the positions referred to in connection with the income-tax law be filled in accordance with the civil-service law, it would be possible to fill them not only from the registers referred to but also by transfer of competitive classified employees in the Internal-Revenue Service or other branches of the Federal service.

A copy of this letter will be sent to Mr. Keyes for his information. By direction of the commission:

Very respectfully,

John A. McIlhenny, President.

Mr. STERLING. Mr. President, I have here a list of the examinations held in various internal-revenue districts in several States of the country on the 16th of the present month. tion is made of one State where an examination will be held on the 20th of September next. The list is entitled and gives notice as follows:

Places at which the first-grade or clerical examination for the Internal-Revenue and other field services will be held on August 16, 1913.

Prospective applicants may secure application forms and pamphlets of instructions from the local board of civil-service examiners at the place at which examination is to be held.

Date of closing receipt of applications, August 11, 1913.

Without reading further, I ask that the list may be printed in connection with my remarks.

Mr. SMITH of Georgia. Is that a list of questions propounded at the examination itself?

Mr. STERLING. No; a list of places where the examina-

tions are to be held in the several internal-revenue districts of 18 States.

Mr. SMITH of Georgia. Very well.

The VICE PRESIDENT. Is there objection to printing in the RECORD the matter referred to by the Senator frou South The matter referred to is as follows:

The matter referred to is as follows:

The internal-revenue district of Alabama: Birmingham, Ala.; Greenville Miss.; Griport, Miss.; Hattiesburg, Miss.; Jackson, Miss.; Meridian, Miss.; Mobile, Ala.; Montgomery, Ala.; and Vicksburg, Miss.

The internal-revenue district of Arkansas (Sept. 20, 1913): Fort Smith, Harrison, Little Rock, Pine Bluff, and Texarkana.

The internal-revenue district of Connecticut: Bridgeport, Conn.; Hartford, Conn.; New Haven, Conn.; New London, Conn.; Newport, R. I.; Providence, R. I.; Stamford, Conn.; Waterbury, Conn.; and Williamatic, Conn.

The internal-revenue district of Florida: Cedar Keys, Gainesville, Jacksonville, Key West, Miami, Pensacola, Tallahassee, and Tampa.

The internal-revenue district of Georgia: Atlanta, Augusta, Columbus, Macon, and Savannah.

The internal-revenue district of Georgia: Atlanta, Augusta, Columbus, Macon, and Savannah.

Fifth internal-revenue district of Illinois: Galesburg, Peoria, and Rock Island.

Eighth internal-revenue district of Illinois: Bloomington, Danville, Decatur, Quincy, and Springfield.

Thirteenth internal-revenue district of Illinois: Cairo, Carbondale, East St. Louis.

Seventh internal-revenue district of Indiana: Evansville La Fayette, New Albany, Terre Haute, Vincennes.

Third internal-revenue district of Iowa: Ames, Cedar Rapids, Denison, Dubuque, Fort Dodge, Mason City, Sloux City, Spencer, Waterloo.

Fourth internal-revenue district of Iowa: Burlington, Council Bluffs, Creston, Davenport, Des Moines, Iowa City, Ottumwa.

Second internal-revenue district of Kentucky: Bowling Green, Hopkinsville, Owensboro, Paducah.

Sixth internal-revenue district of Kentucky: Covington.

Seventh internal-revenue district of Kentucky: Danville, Middlesboro, Richmond.

The internal-revenue district of Louisiana: Alexandria, New Orleans, Shreveport.

Eighth internal-revenue district of Kentucky: Danville, Middlesboro, Richmond.

The internal-revenue district of Louisiana: Alexandria, New Orleans, Shreveport.
Fourth internal-revenue district of Michigan: Escanaba, Grand Haven, Grand Rapids, Houghton, Kalamazoo, Manistee, Marquette, Muskegon, Sault Ste. Marie, Traverse City.

The internal-revenue district of Montana: Billings, Mont.: Boise, Idaho; Bozeman, Mont.: Butte, Mont.: Coeur d'Alene, Idaho; Great Falls, Mont.; Helena, Mont.: Idaho Falls, Idaho; Kalispell, Mont.; Lewiston, Idaho; Lewistown, Mont.: Livingston, Mont.; Logan, Utah; Miles City, Mont.; Missoula, Mont.; Livingston, Mont.; Logan, Utah; Pocatello, Idaho: Provo, Utah; Salt Lake City, Utah; Sandpoint, Idaho; Wallace, Idaho.

Fifth internal-revenue district of New Jersey: Newark, Perth Amboy. Fourteenth internal-revenue district of New York: Albany, Newburgh, Plattsburg, Troy.

Fourth internal-revenue district of North Carolina: Beaufort, S. C.; Charleston, S. C.; Columbia, S. C.; Durham, N. C.; Elizabeth City, N. C.; Georgetown, S. C.; Greensboro, N. C.; Greenville, S. C.; Newbern, N. C.; Raleigh, N. C.; Wilmington, N. C.

Fifth internal-revenue district of North Carolina: Asheville, Charlotte, Statesville, Winston-Salem.

Tenth internal-revenue district of Virginia: Fredericksburg, Newport News, Norfolk, Petersburg, Richmond.

Sixth internal-revenue district of Virginia: Abingdon, Alexandria, Charlottesville, Danville, Lynchburg, Roanoke, Staunton, Winchester.

The internal-revenue district of Wisconsin: Appleton, Fond du Lac, Green Bay, Kenosha, Milwaukee, Oshkosh, Rachne, Sheboygan.

Second internal-revenue district of Wisconsin: Appleton, Fond du Lac, Green Bay, Kenosha, Milwaukee, Oshkosh, Rachne, Sheboygan.

Second internal-revenue district of Wisconsin: Appleton, Fond du Lac, Green Bay, Kenosha, Milwaukee, Oshkosh, Rachne, Sheboygan.

Mr. GALLINGER. Mr. President, will the Senator yield to me for a moment's

The VICE PRESIDENT. Does the Senator from South Da-

Mr. STERLING. Certainly.

Mr. GALLINGER. Mr. President, what I have most complained of heretofore in connection with the civil service has been that hundreds and thousands of young men and women are summoned from their homes to take civil-service examinations, and, after passing and going on the eligible list, they never receive an appointment. It costs five or ten or fifteen or twenty dollars, perhaps, for each one, and they are flattered with the information that they have passed the examination. They remain on the list for one year without an appointment; then they are dropped from the list, and if they want to get on it

again, they are compelled to take another examination.

It seems possible that, anticipating this legislation, examinations have been held in the collection districts, and doubtless a large number of young men and young women have passed the examinations and are waiting for certification; and now it is calmly proposed to ignore this fact and make these appoint-

ments without reference to the civil-service law.

Mr. President, I think it is a violent thing to do. have not been a great admirer of the civil service as it has been administered in this country, in this particular instance it seems to me that it would be an injustice to the young men and the young women who have taken the examinations, and that it would be unpardonable on our part unless we rebuked it with our votes

Mr. STERLING. Mr. President, I quite agree with the Senator; and in connection with what he has said as to the number of applicants for these places or of persons taking the examination, I will say that on inquiry made of the Civil Service Commission this morning I found that, while they have not obtained returns from the examinations held on the 16th of August, the

estimate was that between 3,000 and 3,500 persons had taken the examinations.

Mr. President, the Civil Service Commission has communicated with the chairman of the Committee on Finance of the Senate in regard to this very situation, and he, the president of the commission, has kindly furnished me with a copy of the letter, without my having requested it. I desire to take the liberty of reading some extracts from that letter. The commission say to the Finance Committee:

mission say to the Finance Committee:

The commission is not informed of the reasons for these exceptions from the requirements of the civil-service act. If it is necessary in the organization of a new service that latitude be allowed in the selection of employees, the President has authority to make exceptions from examination. It has been found wise that this authority be exercised by the President, since he may adapt it to the varying exigencies of the service and avoid extensive and unnecessary exceptions, which in the past have resulted in the appointment of persons of inferior ability, causing the work to be unnecessarily prolonged and its cost increased. The ability of the majority of persons appointed on the basis of political favor is far below the average of persons appointed to like positions by promotion, transfer, or through competitive examinations, and if additional employees for this service may be appointed as needed by the established methods, with such modification as the President may make, better service will be secured and efficiency and economy promoted.

In the case of the Spanish War emergency employees, of 1,242 persons appointed without reference to the provisions of the civil-service law nearly one-half had to be dropped as useless, and not because of failure of appropriation or reduction in force, while those remaining were as a class distinctly inferior to those selected from competitive examination. The exception of the Spanish War emergency employees was made for the ostensible reason that the commission was not prepared to meet such an emergency.

such an emergency.

Just as has been intimated on the other side, the commission may not be prepared to meet an alleged emergency existing on the passage of this bill.

The commission said there was no need to depart from civilservice rules even then, great as that emergency was.

The letter continues:

The commission in its seventeenth report said:

"Never in the history of the commission were there so many names upon the eligible registers for all characters of positions necessary to carry on the increased work incident to the War with Spain as at that time; and, moreover, the commission had demonstrated its ability in times past to meet such emergencies.

Further, they say:

When positions are left to be filled without examination, the appointing officers are rarely left free to choose the best men.

The Internal Revenue Commissioner will be met with just that situation and just that condition, and if there are any subordinates under him who have recommending power or appointing power they will be confronted with that situation.

It has been the constant testimony of appointing officers that they are forced by political considerations to appoint to these excepted places men who are incompetent and who would never be appointed were they left untrammeled in the exercise of their own judgment.

Mr. President, if I was ever led to doubt the efficiency of our Civil Service Commission or to question the practicability of civil-service reform, that doubt has been dissipated by the contents of this letter from the president of the Civil Service Commission to the chairman of the Committee on Finance. I see that the commission is accomplishing great good, that its ideals and purposes are high, that it warns against a disregard of the law, that it anticipates the needs of the service, and does all it can in the way of improving the Government service.

Further, the president of the commission says:

Further, the president of the commission says:

If positions are required to be filled under the civil-service rules, appointing officers are freed from importunate solicitation and coercive influence from outside the service. That the committee which submitted the bill which later became the civil-service act intended to except very few nonpolitical places from its operation will be seen from the following extract from the committee's report:

"But the subordinates in the executive departments, whose duty is the same under every administration, should be selected with sole reference to their character and their capacity for doing the public work. This latter class includes nearly all the vast number of appointed officials who carry into effect the orders of the Executive or heads of departments, whether in Washington or elsewhere."

Not stopping to read all of this letter, I will nerely read the concluding paragraph:

Upon a proposal to exempt certain classes of positions by law the Senate Committee on Civil Service and Retrenchment, in report of March 9, 1898, said: "The Executive has the power to make such modifications as may be found advisable, therefore no legislation is needed."

So, from that standpoint there is absolutely no need for this express legislation incorporated in this bill authorizing appointments to be made outside of the civil-service law and rules.

Now, Mr. President, to complete this record, I desire to call attention to a few declarations of the Democratic Party in its platforms in regard to civil service. I shall not go back prior to 1888 or prior to the civil-service law of 1883, although several declarations in favor of civil-service reform were made by the party prior to that time. But taking the platform of 1888, what does it say?

Honest reform in the civil service has been inaugurated and maintained by President Cleveland, and he has brought the public service to

the highest standard of efficiency, not only by rule and precept, but by the example of his own untiring and unselfish administration of public affairs.

I think that, to a large degree, is a deserved tribute to President Cleveland and his efforts to abide by and enforce the civilservice law according to its spirit.

I take just a short extract from the platform of 1892:

Public office is a public trust. We reaffirm the declaration of the Democratic national convention of 1876 for the reform of the civil service, and we call for the honest enforcement of all laws regulating the same.

These several declarations are not simply declarations in favor of the idea of civil-service reform, but they are declarations in favor of enforcing existing laws in regard to civil service.

Take the platform of 1896:

We are opposed to life tenure in the public service, except as provided in the Constitution. We favor appointments based on merit, fixed terms of office, and such an administration of the civil-service laws as will afford equal opportunities to all citizens of ascertained fitness.

Oh, you must consider the grand principles you have enunciated here, though just now you seem to think they are "more honored in the breach than in the observance.

Take the next platform, that of 1904:

The Democratic Party stands committed to the principles of civil-service reform, and we demand their honest, just, and impartial

The principles have been enacted into law, and it is that law of which you demand the enforcement,

The platform of 1908 said:

The law pertaining to the civil service should be honestly and rigidly enforced to the end that merit and ability shall be the standard of appointment and promotion rather than services rendered to a political party.

Yet here, in face of the fact that the Civil Service Commission certifies to the number on the eligible list, and certifies to the fact that examinations are being held sufficient to cover every possible need under the civil-service law, you are going absolutely to ignore it, and you have the hardihood to say so right here in this bill.

Again, the very last declaration-that of 1912-is:

The law pertaining to the civil service should be honestly and rigidly enforced, to the end that merit and ability shall be the standard of appointment and promotion rather, than service rendered to a political party.

The Civil Service Commission is trying out the question of merit and ability with thousands now for the very purpose of ascertaining whether or not they are competent to perform the duties of inspectors, collectors, and agents under this law. Do you really believe in merit and ability? Then, when there is no need for going outside the law and the rules, why not now put into practice the splendid principles you have so loudly professed and in which, I think, your constituents, nay, the American people, now most heartily believe?

Why, with those many expressions of loyalty to the principle of civil-service reform, if I should be permitted to personify that principle, I think I would be quite justified in exclaiming:

Et tu Brute!

For in the face of such pretensions this is the unkindest cut of all.

Mr. President, we know the old saying, the declaration of the old principle which permeated and poisoned our politics for so long a time and was so detrimental to the interests of good government-

To the victors belong the spoils.

I want to call attention to one or two extracts here, and inquire if the Democratic Party to-day sanctions these expressions on the part of Democrats.

A Member of the present House of Representatives says:

I am opposed to the civil-service law as now administered and could not vote for any provision placing these positions under such civil-service law. In fact, I expect to introduce a bill to repeal the present

In this day and age of the world and at this time in the history of our country talk about repealing the civil-service law and going back to or approaching anywhere near the old and evil doctrine, "To the victors belong the spoils"! It is preposterous!

But here is another. He says:

I do not concur with the reasons you assign for your opposition to this feature of the income-tax provisions of the tariff bill.

And he boldly asserts:

I am one of those who believe that to the victors belong the spoils. I am not in favor of any of the provisions of the "act to regulate and improve the civil service."

I suppose before the election these men stood on the party platform. Have you, too, here in the Senate thrown off all disguises?

There is another saying-I will not say it is the saying of any author in particular, but in contrast, anyhow, to the saying, "To the victors belong the spoils," I here urge this expression, "To the victor belongs magnanimity." Not, Mr. President, a magnanimity which calls for a division of the spoils; nothing of that kind, but "magnanimity" means great-heartedness, greatmindedness; the great-mindedness which, putting aside the thought of mere party advantage, resolves to obey and observe a wholesome and beneficent law in which the people believe. That is the magnanimity we crave, and that is all.

Why, with these professions, how does it seem to say, "To the victors belong the spoils"? To the Democratic Party, civil-service reform again personified, it might say, as said the char-

acter in King Lear:

Despite thy victor sword and fire-new fortune, Thy valor and thy heart, thou art a traitor.

A traitor to the principles you have proclaimed again and again, and which, aside from the spoils that tempt, you in your hearts now believe to be just.

So, Mr. President, without any necessity for it-but on the other hand, with convenience as a reason for making these appointments under the civil-service rules-where is the justification for this act to-day? It is not simply for civil service that I ask this, and that the friends of civil-service reform ask it, but here is a peculiar law, an income-tax law. I want briefly to call attention to some observations made by Judge Cooley in

regard to such a law.

Time out of mind we have heard it said that an income-tax law is the most difficult of enforcement of all tax laws. The system of espionage involved, the inquisitorial methods necessarily employed, have rendered it an unpopular law. I do not believe such prejudice exists now as existed when Mr. Cooley wrote these lines. I believe to some extent it has been overcome. But the thing more than all others that has helped to overcome that prejudice is the fact that in an income tax the people ee a more equitable distribution and some relief from the rapidly increasing burdens of taxation upon their property, State and municipal taxation. But there will still be objections to its enforcement and greatest care will be required to avoid prejudice against the law.

Judge Cooley said:

1. An income tax can not be enforced without minute inquiry into every man's affairs. In this regard the difficulties are found to be much greater in this country than in most others, because in older countries society is more steady and fixed; the people change their locality, their pursuits, and their business relations less frequently; and sources of income and probable returns are more open to public inspection. In most other countries, also, the supervision by the public authorities of private life and private business is more constant, minute, and particular than the ideas of our own people would tolerate—

We all recognize that is true and that that has made one great difficulty in the reconciliation of the people to an incometax law

and the traditions of our people—who remember the general warrants of the last century and who trace their liberties through resistance to inquisitorial inspection of private affairs and domiciliary visits of effi-cials—are all such as to set them instinctively and firmly in opposition to the measures necessary to obtain the information on which the tax must be levied.

And much more to the same purpose. So I want to see the faithful, honest, efficient administration of this income-tax law, in which I believe and in the principle of which I believe. How shall we get it? By looking first to merit and to ability in these subordinate officials who are to inspect, who are to be the agents of the Government, and who are to collect the tax, and who can leave with the public the impression that they, the officials, are in no sense partisans, and that no person on account of party will be visited with their oppression or be the recipient of their favors.

Mr. SMITH of Georgia. Mr. President, I believe it was dur-ing the latter part of the administration of Mr. Cleveland that the civil-service law was extended over deputy collectors of internal revenue. With the reorganization of the service under Mr. McKinley, it was found that the civil-service examinations were unsatisfactory. The order of Mr. Cleveland was set aside, and appointments of deputy collectors were made without reference to the civil-service law.

I do not believe civil-service examinations, certainly not the present ones, are at all suitable to determine the question of merit for deputy collectors of internal revenue. The suggestion of the Senator from New York [Mr. Root], that the object was to get away from the merit system, I do not think is warranted. I regard the present examinations that are given by the Civil

Service Commission as utterly incapable of determining the question of merit for a deputy collector. I have examined a number of them. A bright young man out of the high school might take them, but very few business men 40 years of age could pass them.

Mr. President-Mr. ROOT.

The VICE PRESIDENT. Does the Senator from Georgia yield to the Senator from New York?

Mr. SMITH of Georgia. I do. Mr. ROOT. May I ask the Senator from Georgia if he thinks the recommendation of a Congressman is a better means of determining merit than the examinations that are now held?

Mr. SMITH of Georgia. I think the recommendation of a Congressman would be better than this examination, but I think a competent collector would pass upon the qualifications of his deputies, and select good men, and select them on account of their merit.

Mr. ROOT. May I ask the Senator from Georgia, then, what there is left of the present merit system, if he would have the recommendation of a Congressman substituted for the examina-

tions as a means of determining merit?

Mr. SMITH of Georgia. I did not state that I would have the recommendation of a Congressman substituted.

Mr. ROOT. Mr. President-

Mr. SMITH of Georgia. One moment; let me answer the Senator's question. I said I thought the recommendation of a Congressman was a better method than this examination. That was what I said.

I now yield to the Senator.

Mr. ROOT. I entirely fail to perceive any distinction between the last statement and the former statement of the Senator from Georgia. He now says he thinks the recommendation of a Congressman would be a better means of determining merit than an examination; and in this bill he proposes to substitute an appointment without examination, which we all know-everyone knows-means merely that the appointments will be made upon the recommendations of Congressmen. I ask, again, what there is left of the civil-service system, based upon merit as determined by examination, if the course proposed by the Senator is to be followed?

Mr. SMITH of Georgia. Mr. President, I propose entirely to distinguish these deputy collectors from the ordinary class of civil-service employees, and to show why they fall under a different head. I will answer the Senator from New York. He did not quote me correctly. I simply said that I believed that the recommendation of any Congressman, certainly from my State, would give a better deputy collector than the examination propounded by the Civil Service Commission in my State and I repeat it. I not only say that is true, but I say that the men who passed their civil-service examinations are not as suited for the service as the men that have been recommended to the collector.

Mr. GALLINGER, Mr. President—
The VICE PRESIDENT. Does the Senator from Georgia yield to the Senator from New Hampshire?

Mr. SMITH of Georgia. I do. Mr. GALLINGER. Did I understand the Senator from Georgia to say that during the McKinley administration deputy collectors of internal revenue had been removed from the provisions of the civil-service law?

Mr. SMITH of Georgia. That is my information. I have not

seen the order.

Mr. GALLINGER. I will say to the Senator from Georgia, upon information received within five minutes, that they are now under the civil-service law. I knew that to be the fact in my own State and I made inquiry of the Commissioner of Internal Revenue, and he states that to be a fact.

Mr. SMITH of Georgia. That they are now under the civil-

service law?

Mr. GALLINGER. That they are now under the civil-service

Mr. SMITH of Georgia. I think they were again put under it some six or eight years ago.

Mr. GALLINGER. I think the Senator is probably right

about that.

Mr. SMITH of Georgia. But what I was bringing to the attention of the Senate was the fact that Mr. Cleveland undertook to extend the civil-service law over them and President McKinley found that they were not suited to the civil service and took them out from under it. If I could do so-

Mr. LODGE rose.

Mr. SMITH of Georgia. If the Senator will allow me, I should like to make a few remarks before being interrupted. I should like to see every deputy collector taken out from under the present system of civil service.

Mr. LODGE. If the Senator will allow me at that point, I

will say that I am sure he is going to see it.

Mr. SMITH of Georgia. No; I am afraid I am not. But this is one instance in which we are going to follow, I hope, the advice of our friends upon the other side, and exercise our own judgment, without waiting for advice from the other end of the

Mr. LODGE. Subsequently the deputy collectors were all put

back into the civil service.

Mr. SMITH of Georgia. Why, certainly. After the places were all filled, after the men were all appointed, the civil-

service law was extended over them.

Mr. LODGE. Certainly; they did exactly what Mr. Cleveland did. He filled all the offices with Democrats, and covered them in. In the case of the deputy collectors Mr. McKinley did the same thing.

Mr. SMITH of Georgia. Not at all. Mr. Cleveland did not find them under the civil service. He put them there for the

Mr. LODGE. After filling the positions he put them there. Mr. SMITH of Georgia. He put them under civil service Mr. SMITH of Georgia. He put them under civil service after the appointments had been made, as the Republicans have so often done in other cases.

Mr. LODGE. As both sides have always done.

Mr. SMITH of Georgia. No; you took them out from under the civil service, made appointments, and then put the civil service over your appointees

Mr. LA FOLLETTE. Mr. President-

The VICE PRESIDENT. Does the Senator from Georgia yield to the Senator from Wisconsin?

Mr. SMITH of Georgia. Yes; I yield.
Mr. LA FOLLETTE. I hope the Senator will permit me to enter a dissent right there to his statement, "as the Repub-

licans have always done everywhere."

As governor of the State of Wisconsin I had the opportunity to sign a civil-service law that covered not only all of the appointments ordinarily covered, but all legislative appointments as well. That law required every official in the State to pass the same examination and the same test for holding his office or remaining in his office that he would have had to pass had he been outside of the civil service and applying for appointment. There is one instance, anyway, where they were not covered in under the law.

Mr. SMITH of Georgia. Mr. President, I am not surprised at the course pursued by the governor of Wisconsin, but I am not willing to give the Republican Party credit for everything that is done by the Senator from Wisconsin. There are a great many things he has done, and still does, that the Republican Party generally can not claim credit for. I was referring to national appointments and national action, and I repeat that the Senator from Massachusetts is not justified in saying that the Democrats and the Republicans acted alike.

Mr. Cleveland did not remove from the civil service those he found under it. He extended the civil service over deputy collectors, and Mr. McKinley took them out from under it. I think Mr. McKinley was right about it. Now I wish to say why I

think he was right about it.

Wherever an appointment can be filled by a young man just out of college, or just out of the high school, I believe in these competitive examinations, testing his scholarly acquirements, starting him in at the bottom, keeping the whole of the work under the civil service, and promoting solely upon the ground of merit. I believe in opening up to young men through the civil service just as wide and broad a field as possible for advancement in the Government service under the civil service.

What I am contending for is this: Deputy collectors get only about \$1,200 a year. A young man just out of college is unfit for the work. You might just as well expect a big wholesale house in New York City to select its traveling salesmen from young men just out of the high school, or just out of college, and have efficient work on the road, as to expect a collector of internal revenue to select an efficient force from young men just

There is no field for promotion in this service, and there is no room for any considerable advancement. A man of from 35 to 45 is needed to do the work. A man of some experience in handling men is needed. An ex-collector of taxes of any county would make a good deputy collector. An ex-sheriff would make a good deputy collector. Some man of middle age, who has had experience in doing work something upon the same lines, would do the service splendidly.

It might be that the Civil Service Commission could get up some kind of an examination, coupling with it tests of experience and age, that would be sufficient to decide by a civil-service test how to select men with merit for this work; but I deny

that the examinations they have been given are any tests of merit for this work. It never has been tried heretofore, because you filled them all up outside of the civil service. You have put in some since in that way, to be sure, but you have not undertaken to organize a force from the civil service,

Mr. LODGE. Why, Mr. President, large numbers who have gone in since the positions were covered into the civil service have gone in under the civil-service rules. These places of deputy collectors are not miraculous places. I suppose the Senator's remarks apply also to inspectors and agents as much as to deputy collectors, that their positions are so difficult that they can not be filled by examination.

Mr. SMITH of Georgia. That is not what I said. I said

the examinations given are no test for fitness.

Mr. LODGE. We will discuss that later. Mr. SMITH of Georgia. That is my position. Mr. LODGE. I wanted to know if agents and collectors were in the same category.

Mr. SMITH of Georgia. I have not inquired particularly phont them

Mr. LODGE. They are in this proviso.

Mr. SMITH of Georgia. Then I think they are.

Mr. LODGE. Undoubtedly.

Mr. STERLING. Mr. President, will the Senator permit me?

Mr. SMITH of Georgia. Yes. Mr. STERLING. Is not the presumption in favor of the man who has stood the theoretical test and taken the examination?

Mr. SMITH of Georgia. I do not think it is in this instance, and my observation is against it. The best men for the work who took the examination that I have examined did not pass it. Mr. CUMMINS. Mr. President, will the Senator from Georgia

yield to me?

Mr. SMITH of Georgia. Yes.

Mr. CUMMINS. There is nothing in the law, is there, that would prevent the Civil Service Commission from holding just such an examination and applying just such tests as the commission believes will develop fitness? We now have a Civil Service Commission of which, at least, two members are new and were appointed by the present administration. What reason is there to believe that this commission will not prescribe such an examination as will test, so far as an examination can test, the fitness of men who are proposed to be appointed deputy revenue collectors or inspectors or the like?

It seems to me the argument of the Senator from Georgia is directed toward a command to the commission to hold the kind of examination which he believes ought to be held. I quite agree with him that there could be held an examination for clerks that would be entirely unsuitable to determine the fitness of collectors; but if we have a commission that does its duty, it seems to me we can secure fitness through the examination prescribed rather than through the recommendations of Congress-

Mr. SMITH of Georgia. The Senator asks me what reason there is for believing this commission will not do so. I have seen the examination papers that they sent out in August, and I do not think that examination is any test whatever of the fitness of a man for the position of deputy collector.

Mr. CUMMINS. Then, Mr. President, that simply proves that our commission is not doing its duty and is not applying the tests which ought to be applied in order to secure the most

capable men for the offices.

Mr. SMITH of Georgia. Not necessarily. The commission has under it men who prepare examination papers, and who have been there for a long time. They are supposed to be trained and are supposed to use the best means that can be devised. Their means I consider a failure.

Mr. CUMMINS. I am not making any charge against the commission, for I have the highest regard for them. I am simply applying the charge which the Senator from Georgia has made.

Mr. SMITH of Georgia. I am not making any charge against the commission. I tell you what they have done, and I say I do not consider that examination any test. I feel sure that it is no test, and I apply it, then, to the men who took it, and I know that the least efficient for the particular service stood the examination, while the more proficient did not.

Mr. WEEKS. Mr. President, I want to ask the Senator from

Georgia if there is anything in the argument which he has used in support of this provision which will not apply with

equal force to all other similar civil-service examinations?

Mr. SMITH of Georgia. In answer to that question I will say that if it was exactly similar of course my argument would apply, but a few moments ago I undertook to distinguish a large class that were not similar.

Mr. WEEKS. One more question, Mr. President. Is this an indication of the tendency or the policy of the Senator's party regarding the civil service and its future application?

Mr. SMITH of Georgia. I am not prepared to say that it is, except as to a case like this. If I had my way, I would take every one of the deputy collectors out of the civil service and I would extend the civil service to every place where a young man could properly enter it and have a field for advancement as he grew in years and as he grew in experience.

Mr. WEEKS. One more question, Mr. President. Does not the Senator think that the Civil Service Commissioners could so frame their examinations that they would cover all the

objections which he has made in this case?

Mr. SMITH of Georgia. I am not sure. I think that there would have to be a good many changes in the subordinate force in the civil service for them to have judgment enough to pass upon it.

Mr. McCUMBER. Mr. President—
The VICE PRESIDENT. Does the Senator from Georgia yield to the Senator from North Dakota?

Mr. SMITH of Georgia. Yes.

Mr. McCUMBER. Do I understand that the Senator would have no examination whatever for these positions?

Mr. SMITH of Georgia. For what positions? Mr. McCUMBER. For the positions he is speaking of.

Mr. SMITH of Georgia. I would take the deputy collectors out from under the civil service.

Mr. McCUMBER. Would the Senator have any system what-ever of examination to determine their fitness or competency?

Mr. SMITH of Georgia. I do not at all think that is the best way to determine it. I think in the case of the deputies a capable man to be selected—the experience and record of a man would better determine his fitness than any book ex-

Mr. McCUMBER. Does the Senator believe that the Commissioner of Internal Revenue would of his own volition select the men whom he desired or would he be influenced more or less by those who were responsible for his appointment?

Mr. SMITH of Georgia. Perhaps more or less by that; but I think also if he was a capable man he would pass on the men

himself and reject any who were not competent.

Mr. McCUMBER. I think the Senator suggested a short time ago in his remarks that he thought the Civil Service Commission might promulgate some rules of examination that would determine the fitness and competency of men for these positions. Now, I want to ask the Senator this question, because I have already prepared an amendment to conform to the idea. Would he object to an amendment, inserting in line 6, on page 209, the

But upon such examination as to competency and fitness as may be prescribed by the Civil Service Commission.

So that while these appointees would not be under the civil service so far as relates to their right to hold like positions, and so forth, yet some commission would pass upon the competency or fitness of the persons applying for such positions. Could not the Senator conscientiously support an amendment of that kind?

Mr. SMITH of Georgia. I wish the Senator would read his

amendment once more.

Mr. McCUMBER. I will read it as it would read with my amendment, as follows, and then the Senator will understand it:

That for a period of two years from and after the passage of this act the force of agents, deputy collectors, and inspectors authorized by this section of this act shall be appointed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, and without compliance with the conditions prescribed by the act entitled "An act to regulate and improve the civil service," approved January 16, 1883, and amendments thereto, but upon such examination as to competency and fitness as may be prescribed by the Civil Service Commission.

Mr. SMITH of Georgia. Mr. President, very frankly I would rather let the Secretary of the Treasury prescribe the rules for this particular class of officials than the Civil Service Com-I think there are some men in the Civil Service mission. Commission who prepare examinations, and who could not stand an examination for the positions they have if they were tested by the examination papers that they have sent out. I think as to deputy collectors they have shown no conception of the work, and they have lacked the knowledge they ought to have had with reference to the work in their scheme of testing the fitness of those who are to take the places.

Mr. McCUMBER. Why does the Senator think that we would obviate that by changing the examination from one arm

or department or bureau of the Government to another? Mr. SMITH of Georgia. I have seen one tried and it has We would have a chance in the other direction. I know that the other examinations have failed.

Mr. BRISTOW. Mr. President—
The VICE PRESIDENT. Does the Senator from Georgia yield to the Senator from Kansas?

Mr. SMITH of Georgia. Yes.

Mr. BRISTOW. I should like to inquire why the Senator favors the language used forbidding the President or the Secretary of the Treasury from taking those from the eligible list of the civil-service rolls if he thought it best? This language forbids him to do it.

Mr. SMITH of Georgia. We agree with you that sometimes

it is just as well for us to act without advice.

Mr. BRISTOW. This is an administrative provision. I agree with the Senator that it is altogether proper for the legislative branch of the Government to legislate, but where it provides a system for the administration of the executive branch of the Government it seems to me some discretion might be left with the Executive as to the character of the subordinates upon whom he must depend to carry out the law. They are not legislative subordinates.

Mr. CHILTON. Mr. President, I wish to say, in response to what the Senator from Kansas stated, that I think he is totally in error in construing this language as he did. If he will look at the last proviso on page 208, he will see that there is really a legislative construction of the former provision. It reads:

Provided further, That no person now in the classified service who shall be appointed as an agent, deputy collector, or inspector shall lose his civil-service status because of such appointment.

Clearly meaning that we do not mean to prohibit an appointment from the classified service now.

Mr. BRISTOW. I suppose that means that those who are now deputy collectors shall not be discharged if they happen to be assigned to this work.

Mr. CHILTON. No; it means if you appoint anyone from the classified service, which in contemplation of law may be done, he shall not lose his place; that is all.

Mr. BRISTOW. Now, then, let me read the first proviso. Mr. SMOOT. Mr. President—

Mr. SMITH of Georgia. I yield to the Senator from Kansas, who was first on the floor, and then I will yield to the Senator from Utah.

Mr. BRISTOW. The first proviso reads:

That for a period of two years from and after the passage of this act the force of agents, deputy collectors, and inspectors authorized by this section of this act shall be appointed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, and without compliance with the conditions prescribed by the act

Mr. CHILTON. If the Senator will pardon me, that means that you are not required to comply with the act, but you may do so. That is, you may appoint persons either as deputy

Mr. BRISTOW. But the language is, if the Senator will permit me, that they shall be appointed by these officers, "and without compliance with the conditions" of the act of 1883. If that does not mean that they shall not be taken from the eligible list, I can not construe language.

Mr. SMITH of Georgia. I yield to the Senator from Utah. Mr. SMOOT. I was simply going to suggest to the Senator that it seems to me the easiest way to stop the whole of this argument is to say, "We want the offices, and we intend to have them if possible." It seems to me that is the whole situation.

Mr. SMITH of Georgia. Mr. President, I will answer both

the Senators.

In answer to the Senator from Kansas, I call his attention to the fact that the latter part of the clause applicable to appointments allows men to be taken from the classified service. The first clause means that they shall not be subject to the examination that has been held by the Civil Service Commission for deputy collectors. They may be selected from men already in the civil service and not lose the right of returning to the civil service.

Now, with reference to the suggestion of the Senator from Utah, if we had had intelligent examinations in my own State, of a character that would really test the fitness of men, I would vastly prefer they should get places that way than by political designation. So far as Representatives and Senators are concerned, the responsibility about suggesting men for office is

not a political asset, but a liability.

Now, Mr. President, if I may be allowed for five minutes to express my views without interruption, I do not believe that so far the examination by the Civil Service Commission tests the fitness of men for these small-salaried places, which require men of some experience and business capacity. These positions are easily distinguished from the class of positions where there are a large number employed, some at small salaries, some which quite young men without experience can fill, and where there is an inducement to enter the service by the chance of promotion. They are distinguished because these places have no promotions in them and they take a full-grown man to start with. They take, as nearly as you can get him, as

capable a man as a wholesale house or factory would employ to travel through a State and look after business on the road. is that class of men who are needed to do this work efficiently, and a young man just out of school or college has not the training and is not fit for it. It is not a clerical position in an office where you can start a young man and promote him.

Mr. LODGE. That is not the case with most of the offices. Mr. SMITH of Georgia. It is with the agents and deputy collectors and inspectors. We are not freeing the clerical force from the civil service. We have expressly distinguished between the clerical force and the field force. We intended this provision to apply only to that class of men who are sent out on the road, and a class of them doing work, as I said before, like the highest class and best-paid traveling men for big wholesale or manufacturing plants. I should like to know what wholesale house in New York City, being just organized and going into business, would undertake to hold a civil-service exclusively book examination for the selection of its force of traveling men. I wish to know what wholesale house in New York City, if half of its traveling men resigned, would undertake by the examination prescribed by the Civil Service Commission to fill up the vacancies existing in its force. The Senator from New York [Mr. Root] urges a merit system. If a business house followed such examination to select its force, it would not be in business very long.

Mr. BRISTOW rose.

Mr. SMITH of Georgia. I would rather not yield to the Senator now. I have been interrupted so often that I should like to finish

My reason for justifying President McKinley in taking these deputies out of the civil service is that a book examination is a very poor test, beyond reading, writing, and arithmetic, of the fitness of a man for the place. If you test his mental culture by an advanced examination, no man of 45 with any business capacity would wish the place. To illustrate, the questions in geography in the recent examination covered little towns scattered over the United States, with which I do not believe any Senator, except from the State in which the towns are located, would be familiar. I doubt whether half the Senate could take the examination.

I would rather risk the Commissioner of Internal Revenue to select a capable force of men to do this work. I believe he would select them with just as much care as any one of us would select a collector for his State, and I am sure no Senator would select a collector for his State that he was not confident

would fill the place well.

Now, the Senator from Kansas wanted to ask me a question. Mr. BRISTOW. I wanted to suggest to the Senator, by his permission, that there is a wide difference between the running of a wholesale house and the administration of a Government position. The Senator knows well that the man in control of a wholesale house is interested in the development of a business for profit. The man in charge of a political office in Georgia or Kansas or any place else is appointed there, if it is outside of the civil service, nine times out of ten because of political service that he has rendered to members of the party in power. The Commissioner of Internal Revenue is not free to go out and select the men who he thinks will administer the office better as is the man in charge of a business concern; he is bound by political obligations and ties. Now, we may theorize all we please, but that the Senator from Georgia knows to be a fact. I do not claim that Senators are any better than anybody else when it comes to appointments to office. The Senator from Georgia is as honorable and high minded as any Senator on this floor, and when he recommends a man for office in Georgia he recommends nine times out of ten some political friend who has rendered service to him. Of course he thinks he can properly discharge the duties of the office or he would not recom-The result of such an appointment has been such mend him. that the American people thought it best for their Government to establish a civil-service system and through that system to select men independent of political obligations.

Now, the Senator has arraigned the Civil Service Commission for incompetency. If it is incompetent, then it ought to be removed and competent men selected. If there are men in charge of the administration of that bureau who are not properly doing their duty, the commission should change them by reductions or transfers to positions which they can properly fill, or remove them if they are not fit for the service. But when one undertakes to make a comparison between a political and business administration, the comparison does not properly

Mr. SMITH of Georgia. The Senator's reference to appointments in my own State has made the suggestion to me to still further illustrate the distinction I draw between these deputies and a large number of places under the civil service. The Sen-

ate during the present week confirmed the new postmaster at the city where I live, which ranks among the cities having the largest postal receipts in the United States. Here there is a large force of men with varying salaries. I would not take a man in his force out from under the civil service. There is a splendid opportunity in this service to obtain proficiency through the civil service. They enter at from \$600 to \$900. The best men to enter are young men, and they are promoted until their

salaries reach quite competent pay.

The same is true in the Railway Mail Service and in all the postal service. I was distinguishing these lines of appointment, because they were all places of small pay—\$1,200 is about the pay—with no chance for an increase, and not suited to men without some business experience. I was not arraigning the Civil Service Commission. I was stating a fact. I have no doubt they do the best they can, but I do say that they have not found a way properly to test the selection of men of this character, and it is very difficult to find a way to test the capacity and fitness of a man where the position requires some business ability, some maturity, some knowledge of men, and yet is a poorly paid place which does not require any scientific knowledge and which does not offer the opportunity for promotion.

I am in favor of keeping the civil-service law over places that open a field to young men, that will be an inducement to them to enter and make the Government service their life work.

Mr. CUMMINS. Mr. President—
The VICE PRESIDENT. Does the Senator from Georgia yield to the Senator from Iowa?

Mr. SMITH of Georgia. Yes.

Mr. CUMMINS. The remark just made by the Senator from Georgia emboldens me to ask him his opinion concerning an amendment which I intend to offer to the clause under consideration if it shall be adopted.

Mr. SMITH of Georgia. I hope the Senator will not ask me whether I will vote for the amendment.

Mr. CUMMINS. Oh, no.

Mr. SMITH of Georgia. But I will promise him to consider

anything that comes from him.

Mr. CUMMINS. I ask the Senator his opinion with regard to it, but not as to how he will vote upon it. If this change shall be effected in the civil-service law I shall offer this amendment, which I think is in absolute harmony with the suggestion just made by the Senator from Georgia-

Mr. SMITH of Georgia. I will yield the floor to the Senator from Iowa. I have been on the floor so much longer than I intended to be that my associates on the Finance Committee will

never forgive me if I take up any more time.

Mr. CUMMINS. Mr. President, I want the Senator's opinion about this amendment, because it may lead to a good deal of light. I shall propose this:

Provided further, That the person so appointed without the examina-tion provided by the said act approved January 16, 1883, and acts amendatory thereof, shall not be covered into the regular classified service without competitive examination.

I am not going to argue it now, but I ask the Senator from Georgia whether he is not of the opinion that that is necessary in order to complete the very purpose he has in view?

Mr. SMITH of Georgia. I was interrupted, and did not exactly catch the language of the proposed amendment. Mr. CUMMINS. If this proposed act passes, we are about

to appoint a great many men and women to the service without examination. Of course the Senator from Georgia knows that once they are appointed to the service they can be covered into the classified service by an Executive order. Then they become officeholders for life or during good behavior or during competency, and are capable of being transferred into any other department of the service to which they may be eligible. Therefore I shall propose-I think it is in exact harmony with the suggestion made by the Senator from Georgia-that these special people, if they are not required to take an examination, ought not to be permitted to hold any other places than those to which they are appointed, and they ought not to be protected in their tenure by the civil-service law, but ought to retire at the will of the appointing power. Therefore I shall propose

Provided further, That the person so appointed without the examina-tion provided by the said act approved January 16, 1883, and acts amendatory thereof, shall not be covered into the regular classified service without competitive examination.

Mr. SMITH of Georgia. I will say to the Senator from Iowa that while I am not prepared at this time to vote with him the amendment suggested by the Senator impresses me most favorably.

Mr. LODGE. Mr. President, since I took my seat in the House of Representatives in December, 1887, down to the present time I have tried to fight for the maintenance and the ex-

tension of the civil-service system. I have fought with my own party, I think, quite as often as I have with the party on the other side, and though I may not have effected much I have acquired a considerable familiarity with the arguments which are made when gentlemen want to get offices for political distribution. They have always been the same from the beginning; there has been no change in the arguments, though the illustra-

tions may vary a little.

In the earlier days, when the civil-service system was struggling into life, it was common to hold it up to ridicule and to "You want to examine clerks here in the departments and you examine them in Greek and Latin; it is the Chinese system; you examine them in the higher mathematics." Of course that was never done; and still that kind of argument did very well at the time. As the character of the examinations became generally known the burlesque as to the examinations had to be abandoned, and the opponents of the system came down to the general proposition, when they wanted to get an office for political distribution, that the examination was bad-I am always perfectly certain that that will be said; that it does not test the fitness of the person properly-I am always perfectly certain that that will be said; and also that no Senator and no Member of the House could pass the examination if it was presented to him. I waited with interest to hear the Senator from Georgia [Mr. Smith] say that, and I was not disappointed; he did.

Mr. SMITH of Georgia. And I think it is true.

Mr. LODGE. I have no doubt it is; I have heard it repeated here at intervals within the last 26 years, and I expect to hear it again.

Mr. SMITH of Georgia. I have not heard it since I have been here

Mr. LODGE. Perhaps we have not had a civil-service discussion, though I think we have. While the last Republican administration was in power I think I remember making a fight against any amendment of the law in regard to covering in certain appointments, in which I found the Senator from Georgia, with the traditions of the Cleveland administration strong about him, one of the most ardent civil-service reformers that I have ever met.

Mr. SMITH of Georgia. Mr. President, I will ask the Senator from Massachusetts if the places we then had under consideration were exactly the same class of places as those to

which I have referred to-day?

Mr. LODGE. They were not the same places that are now to be distributed; no.
Mr. SMITH of Georgia. And not the kind?

Mr. LODGE. Not the same kind that are now to be distributed: no. Mr. SMITH of Georgia. I would be with you again in that

same fight.

Mr. LODGE. The case that is under consideration for political distribution is always a little different from all the other cases, and though the illustrations have varied there are certain figures that have always marched with me in civil-service debates during the last 24 years; there is always the high-school boy; there is always the college graduate; generally the schoolteacher—he was omitted to-day, but the high-school graduate and the college graduate have always been with us in these They are open to the charge, the crime, of being young ich is a charge that is always made. Those dark figdebates. men, which is a charge that is always made. ures have passed through these debates, casting their baleful shadow over the pathway of the experienced, valuable business man who can not take an examination. There the high-school boy and the college graduate have been shutting out the invaluable business men who can not take an examination.

I have great respect for all those figures and all those arguments. They are all old, and they deserve the respect which age inspires; but, Mr. President, now, as always, the real purpose is that on one side or the other we want to make political appointments to some office. I do not think there is any moral turpitude in that desire; I think it is a very natural one; we have all had it; but that is the real purpose behind this provision.

There is nothing very wonderful in the duties of a deputy collector or an agent or inspector of internal revenue. The work a deputy collector has to do in many districts is office work similar to the work performed by the collector. In some districts, no doubt where there is illicit whisky distilling, the deputy collector has to lead a more active life, and if the examination in such cases could be extended to test his readiness with a gun I think it would be very well, and perhaps better men would be secured for the place. Such a test might be added for those districts. As a rule, however, there is nothing very complicated about the duties of a deputy collector. Such a position is no more difficult to fill than a clerical position in any other branch

of the service; it is no more difficult to fill than the office of gauger or deputy collector in the customs service, or a thousand and one offices which require honesty, character, intelligence, good common sense of a reasonable sort, and also a reasonable degree of education.

Mr. CHILTON Mr President-

The VICE PRESIDENT. Does the Senator from Massachusetts yield to the Senator from West Virginia?

Mr. LODGE. With pleasure.
Mr. CHILTON. The Senator mentioned honesty as one of the requirements of a deputy collector. Does he recall that the law makes the collector liable for any dereliction or default of a The law goes so far as to make him not only liable upon his bond, but it makes him liable in a criminal prosecution for any default of the deputy.

Mr. LODGE. I am aware of that, Mr. President.

Mr. CHILTON, Would the Senator be willing to let an examination be held in Washington of girls and boys and men-I am not after the boys-and appoint people from the District of Columbia, from Ohio, and from Pennsylvania and send them to the State of Massachusetts, where the local officer upon his bond is liable to the Government for any dereliction? the Senator be willing to do that, or would he not want to make the selection himself and determine himself as to the honesty of the appointees? Is not defalcation really the first thing that should be guarded against? Does the Senator not think that makes this provision an exception and quite a different case from that of a clerk who has not the responsibility which makes the danger great?

Mr. LODGE. I know that argument also, Mr. President; it is an old friend; it has been met very largely by bonded officers taking bonds from their subordinates. Of course, if they take bonds from their subordinates, I will admit that you at once introduce an element which is dangerous to the experienced and invaluable business man who can not take an examination, because sometimes he can not furnish a bond. Of course a collector has the right to protect himself, and, as a matter of fact, such officers do protect themselves. Where their subordinates are civil-service appointees the superior officer takes a personal

But, Mr. President, the collectors are not going to fill these We all know that. If it were left to the collector alonethough I think we probably should do better than we do on the average under the civil-service system-if it were left solely to the collector or solely to the Secretary of the Treasury or solely to the Commissioner of Internal Revenue, looking merely at his administration, we should get a pretty good body of men; but the collector does not make the appointment, though he is responsible for the conduct of the service. Senators and Members of the other House make them, although they are not responsible for the conduct of the service, and that is the most vicious thing in the whole system. We may cover it up with all the fine phrases we please, but every one of us who has been in politics and has had experience knows that those places are filled by the heads of departments on the recommendation of Senators and Members of the House, who are not responsible for the administration of the department.

Mr. CHILTON. Mr. President-

The VICE PRESIDENT. Does the Senator from Massachusetts yield to the Senator from West Virginia?

Mr. LODGE. With pleasure.

Mr. CHILTON. Since the Senator has had the experience and appreciates what it is, I want to say to him that I have never had that pleasure, and I should be pardoned for wanting

to have the same experience that he has had.

Mr. LODGE. Naturally; and this clause has been put in to gratify that very natural desire on the part of the Democratic That is the honest reason, and there is no need to be ashamed of it. If you choose to argue it, I do not think it is for the best interest of the Government, but an honest reason squarely stated is all right. You may disagree with it, you may try to defeat it, but at least it is straightforward and honest

Now, a word as to private business, which is another familiar argument. Private business is a constant examination. If the traveling man or the agent, or whoever he is, does not do well, he is dismissed. He is acting under an examination of the most effective possible kind, but a man who enters office on a political appointment, with strong influence behind him, and does not do his work well, is not dismissed, because he is held there by political influence. The people who gather and pursue Senators and Representatives of both parties to help them retain their places in the departments, to help them get promotions—the men and the women, too, who seek influence in that way, as a rule, are inefficient clerks. The good clerks, who have nothing to fear, who are getting their promotions on merit, rarely disturb

a Senator or a Representative. That is the distinction between private business and public business.

Mr. President, when I began I did not mean to say as much as I have said; I only meant to say a few words. What I want is simply a vote on this paragraph, and I regret that I have consumed as much time as I have.

Mr. LANE. Mr. President, I should like to say merely a few words in connection with this subject. It is a matter which has always interested me a great deal, for the reason that I served for four years as chairman of a civil-service commission, and while I am now and always have been willing to concede that the civil-service system is superior to the spoils system and relieves the country of a great many evils which followed the spoils system, yet the present civil-service system has certain

weaknesses about it which I think we ought to endeavor to cure if we can.

The scope of an examination does not at any time prove the honesty, the common sense, or the energy of the appointee. characteristics can not be shown by any examination

which has yet been devised.

If an employee is inert or if he is unfriendly to the administration under which he is working, he can impede it, he can block it, he can do great harm, and yet commit no offense for which he can be held subject to dismissal. He can become an embarrassment which is insurmountable, and yet he is irremovable. So in our State we finally decided upon a change in our charter, and we changed it to this effect: We gave the civilservice commission full authority to conduct examinations for all subordinate positions, and we compelled the appointing power, the executive officer, fairly and openly to select his employees from the eligible list. It was a nonpartisan board and a nonpartisan administration. To protect the people from the loss which they sustained from inefficient work on the part of the civil-service employees who had been given their positions, who resented any interference with them, who, if you removed them, obtained a trial and carried the ease clear through to the supreme court, and if you did not have the strongest possible evidence against them, enough to convict a man for murder, you would fail to get rid of them and they would draw their salaries all the time while they were suspended—to protect the people, I say, we put a clause into the charter by which the appointing power, the executive officer under whom the employee worked, had the right to dismiss him at any time for cause, provided he were not removed for causes either of a political or of a religious nature.

We allowed him a free hand in every respect; then he could go back to the list again and pick and choose until he secured men who could loyally work with him for the benefit and the advantage of the people, the taxpayers, who have to pay these

salaries.

We found that the city had lost and had frittered away hundreds of thousands of dollars through inefficient help, and that was the only remedy we could devise without going back to what I consider a worse system—the spoils system.

I give you that for just what it is worth. I thank Senators

for their attention.

Mr. McCUMBER. Mr. President, I never have been a very firm advocate of the portion of the civil-service law which provides for a life tenure. I always have opposed it. I opposed it upon the very grounds that have just been given by the Senator from Oregon [Mr. LANE]; but I always have been in favor of the portion of the law which provides for an examination to determine the fitness of the applicant for the position which he

I can scarcely understand what seems to me to be a sudden change of position on the part of the Senator from Georgia upon this question. Only a year ago the Senator from Georgia seemed to be one of the strongest advocates of the inviolability of the civil-service law. I found him only about a year ago not only the ardent supporter of that law, but found him joining such radicals as the Senator from New York [Mr. Root] and the Senator from Massachusetts [Mr. Longe], and such conservatives as the Senator from Kansas [Mr. Bristow] and the Senator from Iowa [Mr. CUMMINS], in an ardent defense of the Civil Service Commission, and its methods of examination, and everything connected with it.

Mr. SMITH of Georgia. Mr. President, if the Senator will allow me, is it not true that the whole fight we had then was on the effort to limit the length of service? Was not the part I took one of insisting that the classes of places that could be opened to young men ought to be opened as a permanent service? And was there anything inconsistent in the position I took then

as compared with the one I took to-day?

Mr. McCUMBER. That is not the occasion to which I refer. A year ago I myself sought, by an amendment, to cover under

the civil-service law a number of persons that might range all the way from 30 to 100, who had had several years of experience as clerks in the Immigration Commission and who, after that, had had about two years of service in the Census Bureau, and to allow them to be used as clerks in both the Census Bureau and the Bureau of Pensions. If I remember rightly, those clerks who had had experience in the Immigration Commission had been weeded out until there were left only the very best of them. Then those very best were utilized by the Census Bureau, and came before us with the best character of examination in the world-the examination which consisted of a demonstration of their ability to do the work required of them.

I desired to cover them into the civil service. remember rightly, the Senator from Georgia joined these other Senators, and was not in favor of opening the door one inch to allow these persons to get in under the civil-service law, because of the influence it might have in the way of widening the breach and allowing others to get in.

Mr. SMITH of Georgia. No; the Senator is mistaken.
Mr. McCUMBER. Possibly I may be mistaken as to the
Senator joining in that, but I think he was one of those who were opposed to opening the door even to that extent where there had been this best of examinations in the world.

The Senator ought to agree with me at least upon one thing, and I think the Senator from Iowa ought to join him in that before he offers his amendment, and that is to vote in favor of an amendment I propose which will require an examination; that is all. If the Senator has doubts as to the propriety of the Civil Service Commission making this examination, I will agree with him that the Treasury Department may prescribe the rules of the examination for this purpose, but I do believe there should be an examination, so that we may not lay ourselves open to the charge that this is merely an opportunity for us to pay our political debts by the appointment of people who may or who may not be fit to fulfill the duties of their positions.

I think that is a proper amendment, and that it should be made, so that we may have at least competent persons; and I am willing to trust the Treasury Department to promulgate

rules for that examination.

Mr. WILLIAMS. Mr. President, this matter having been fully debated again for about the fortieth time since I have been a Member of Congress, and all the things that have been said before having been said again, I hope we may have a vote upon the amendment.

Mr. BRISTOW. Will the Secretary please state the amend-

ment, so that we may understand just what it is?
The VICE PRESIDENT. The amendment will be stated.

The Secretary. The amendment proposed by the senior Senator from Massachusetts [Mr. Lodge] to the amendment of the committee is, on page 208, line 23, to strike out the follow-

Provided, That for a period of two years from and after the passage of this act the force of agents, deputy collectors, and inspectors authorized by this section of this act shall be appointed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, and without compliance with the conditions prescribed by the act entitled "An act to regulate and improve the civil service," approved January 16, 1883, and amendments thereto, and with such compensation as the Commissioner of Internal Revenue may fix, with the approval of the Secretary of the Treasury, within the limitations herein prescribed.

Mr. LODGE. On that I ask for the yeas and nays.

Mr. McCUMBER. Before the yeas and nays are taken, is this a motion to strike out this part of the committee amend-

The VICE PRESIDENT. It is a motion to strike out.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CHILTON (when his name was called). I announce my

pair as on the former vote and withhold my vote.

Mr. BRYAN (when Mr. Fletcher's name was called). My colleague [Mr. Fletcher] is necessarily absent on public busi-He is paired with the junior Senator from Wyoming [Mr. WARREN]

Mr. GALLINGER (when his name was called). I transfer my pair with the junior Senator from New York [Mr. O'GOR-MAN] to the junior Senator from Maine [Mr. Burleigh] and

will vote. I vote "yea."

Mr. KERN (when his name was called). On account of my pair with the senior Senator from Kentucky [Mr. Bradley] I

withhold my vote.

Mr. McCUMBER (when his name was called). I again announce my pair with the senior Senator from Nevada [Mr. NEWLANDS | and withhold my vote.

Mr. THOMAS (when his name was called). I again announce the transfer of my pak with the senior Senator from Ohio IMr.

BURTON] to the junior Senator from Oklahoma [Mr. Gore] and will vote. I vote "nay.

Mr. JONES (when Mr. Townsend's name was called). sire to state that the junior Senator from Michigan [Mr. Town-SEND] is necessarily absent from the Chamber. He is paired with the junior Senator from Florida [Mr. Bryan]. If present, he would vote "yea."

Mr. WARREN (when his name was called). I transfer my pair with the senior Senator from Florida [Mr. Fletcher], so

that he may stand paired with the junior Senator from Michigan [Mr. Townsend], and will vote. I vote "yea."

The roll call was concluded.

Mr. REED. I am paired with the senior Senator from Michigan [Mr. SMITH]. I transfer that pair to the senior Senator from Nebraska [Mr. HITCHCOCK] and will vote. I vote "nav."

Mr. McCUMBER. I transfer my pair with the senior Senator from Nevada [Mr. NEWLANDS] to the senior Senator from New

Mexico [Mr. Fall] and will vote. I vote "yea." Mr. WILLIAMS (after having voted in the negative).

inadvertence and without thought I voted when I ought not to have done so. I have a pair with the senior Senator from Pennsylvania [Mr. Penrose]. As he is absent, I desire to withdraw my vote.

The result was announced-yeas 32, nays 37, as follows: VELS DO

	11.	A5-52.	
Borah Brady Brandegee Bristow Catron Clapp Clark, Wyo. Colt	Crawford Cummins Dillingham Gallinger Jones Kenyon La Follette Lodge	McCumber McLean Nelson Norris Oliver Page Perkins Poindexter	Root Sherman Smoot Sterling Sutherland Warren Weeks Works
	NA	YS-37.	
Ashurst Bacon Bankhead Bryan Chamberlain Clarke, Ark, Hollis Hughes James Johnson	Lane Martin, Va. Martine, N. J. Myers Overman Owen Pittman Pomerene Ransdell Reed	Robinson Saulsbury Shafroth Sheppard Shields Shively Simmons Smith, Ariz. Smith, Ga. Smith, Md.	Smith, S. C. Stone Swanson Thomas Thompson Vardaman Walsh
	NOT V	OTING-26.	
Bradley Burleigh Burton Chilton Culberson du Pont Fall	Fletcher Goff Gore Gronna Hitchcock Jackson Kern	Lea Lewis Lippitt Newlands O'Gorman Penrose Smith, Mich.	Stephenson Thornton Tillman Townsend Williams

So Mr. Lodge's amendment to the amendment of the committee was rejected.

Mr. GALLINGER. Mr. President, after the negative vote, I now move to strike out the proviso and to insert the matter which I send to the desk.

The VICE PRESIDENT. The amendment to the amendment will be stated.

The Secretary In the committee amendment it is proposed to strike out the proviso commencing on line 23, page 208, and ending on line 8, page 209, and to insert the following:

ending on line 8, page 209, and to insert the following:

Provided, That all appointments under the provisions of this section
shall be made in strict compliance with the rules and regulations of
the Civil Service Commission, in accordance with the terms and provisions of the act entitled "An act to regulate and improve the civil
service of the United States," approved January 16, 1883, and amendments thereto: Provided further, That hereafter when examinations are
held for the positions of deputy collectors, agents, and inspectors the
questions shall be so framed as to specifically test the capacity and
fitness of the applicants for the several positions.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from New Hampshire to the amendment of the committee.

Mr. GALLINGER. On that I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CHILTON (when his name was called). nounce my pair with the junior Senator from Maryland [Mr. JACKSON

Mr. GALLINGER (when his name was called). I will make the same transfer of my pair as heretofore announced and will vote "yea."

Mr. KERN (when his name was called). I transfer my pair with the Senator from Kentucky [Mr. Bradley] to the Senator from Nebraska [Mr. HITCHCOCK]. I vote "nay.

Mr. McCUMBER (when his name was called). I transfer my pair as before and vote "yea."

Mr. THOMAS (when his name was called). I make the same transfer as before and vote "nay."
Mr. JONES (when Mr. Townsend's name was called). I

make the same announcement in reference to the pair of the

Senator from Michigan [Mr. Townsend] that I made on the preceding vote. I will let this announcement stand for the rest of the day

Mr. WARREN (when his name was called). Making the same transfer as before, so that the Senator from Florida [Mr. FLETCHER] stands paired with the Senator from Michigan [Mr. Townsend], I vote "yea."

The roll call was concluded.

Mr. WILLIAMS. I wish to reannounce my pair with the Senator from Pennsylvania [Mr. Penrose].

Mr. REED. I am paired with the Senator from Michigan [Mr. SMITH], and having been unable to get a transfer I with-

The result was announced—yeas 32, nays 37, as follows:

	YE	AS-32.	
Borah Brady Brandegee Bristow Catron Clapp Clark, Wyo.	Crawford Cummins Dillingham Gallinger Jones Kenyon La Follette Lodge	McCumber McLean Nelson Norris Oliver Page Perkins Poindexter	Root Sherman Smoot Sterling Sutherland Warren Weeks Works
	N.A	YS-37.	
Ashurst Bacon Bankhead Bryan Chamberlain Clarke, Ark. Hollis Hughes James Johnson	Kern Lane Martin, Va. Martine, N. J. Myers Overman Owen Pittman Pomerene Ransdell	Robinson Saulsbury Shafroth Sheppard Shields Shively Simmons Smith, Ariz. Smith, Ga. Smith, Md.	Smith, S. C. Stone Swanson Thomas Thompson Vardaman Walsh
	NOT V	OTING-26.	
Bradley Burleigh Burton Chilton Culberson du Pont Fall	Fletcher Goff Gore Gronna Hitchcock Jackson Lea	Lewis Lippitt Newlands O'Gorman Penrose Reed Smith, Mich.	Stephenson Thornton Tillman Townsend Williams

So Mr. Gallinger's amendment to the amendment of the committee was rejected.

Mr. McCUMBER. I offer the following amendment to be inserted after the word "thereto" in line 6, on page 209.

The VICE PRESIDENT. The amendment to the amend-

ment will be stated.

The Secretary. On page 209, line 6, after the word "thereto," insert:

But upon such examination as to competency and fitness as may be prescribed by the Civil Service Commission.

The VICE PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from North Dakota to the amendment of the committee.

The amendment to the amendment was rejected.

Mr. McCUMBER. I now offer the following amendment, which is the same as that just offered and defeated by the other side, except that it provides that upon such examination as to competency and fitness as may be prescribed by the Secretary of the Treasury, and upon it I shall ask for the yeas and nays

The VICE PRESIDENT. The amendment to the amendment

will be stated.

The Secretary. On page 209, line 6, after the word "thereto," But upon such examination as to competency and fitness as may be prescribed by the Secretary of the Treasury.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from North Dakota to the amendment of the committee.

Mr. NORRIS. I should like to inquire of the Senator what is the object in making this exception to the ordinary rule? He proposes that the Secretary of the Treasury shall make the examination?

Mr. McCUMBER. If I could get the ordinary rule applied, I would not have offered this amendment. I have just introduced an amendment, and it was voted down, which provided for examinations as to competency and fitness by the Civil Service Commission.

Mr. NORRIS. I will say to the Senator I voted for that

amendment; I am very much in favor of it.

Mr. McCUMBER. I know; and having failed in that I desire
to get the nearest I can possible to it, and have some kind of an examination, so that these may not be wholly political appointments

Mr. NORRIS. I should think the tendency would be to make it a somewhat political appointment, because the examination would be held by a political officer rather than by the Civil Service Commission. It would make an exception to the ordinary rule of civil-service appointments. I doubt whether it

would be wise to do it. Of course we could do it, but I do not think we should.

Mr. McCUMBER. I think it would be better to have some examination than to have none at all. In the discussion of the Senator from Georgia I think he agreed that an examination

by the Secretary of the Treasury ought to be made.

Mr. NORRIS. If it was the usual rule to have that done there might be something in it, but this would break into the regular rule, making an exception, and the Senator himself concedes that it would not be as good as though it was done by the Civil Service Commission.

Mr. McCUMBER. Does the Senator see the way that the

bill has already broken into the rule?

Mr. NORRIS. I understand that. Mr. McCUMBER. I simply want to make the breach not

quite as wide as it now is. Mr. NORRIS. I agree entirely with the Senator that there' ought to be an examination and it ought to be made by the Civil

Service Commission. I am very much in favor of it.

Mr. McCUMBER. Then would the Senator say if it can not be made by the civil service it ought not to be made by anyone?

Mr. NORRIS. I would not say that.

I am forced to concede as an abstract proposition that if the Senator's amendment should be adopted it would be better than nothing. The danger, however, I fear, would be the establishment of a precedent that would perhaps be followed in the future, and before we got through we might have all kinds of examinations from all sorts of political appointees where we know the examination would be a farce.

Mr. McCUMBER. I do not think, if the Senator pleases, that it is going to establish any new precedent, if I gather the sentiment on the other side from all the votes they have cast.

Mr. NORRIS. I rather think that is true. Mr. CLAPP. Mr. President, the remark of the Senator from North Dakota just made, it seems to me, is a reason why we ought not to be asked to vote for this amendment. Either we vote for it knowing that it is absolutely a waste of time or we vote for something which we do not stand for. I for one do not stand for any modification of the civil-service law with reference to the matter contained in this bill or any other bill. If there was any use in voting for it, if there was a hope of succeeding in the vote, it would certainly put us in a position of taking a step toward modifying the civil-service law. We would not vote for this amendment if we knew that it could be adopted and made an expression of the legislation of this country with reference to the civil-service law and rules. For one, I would not vote for a precedent standing for something that was a modification of those rules.

The other side have taken these particular positions out of the civil service. We have tried earnestly and honestly to put them back. We have voted, first, to strike out the clause which exempts them, and then we have voted to place the appointments permanently within the classified service. For one I must say I do not like to be put in the attitude even by a vote of establishing a precedent here in an attempt, if no more than an attempt, to modify the civil-service law of this country and modify it with reference to this particular matter.

Having voted first to strike out the exemption and then having voted to put these places permanently within the classi-

fied service, I do not think, for one, that I can vote for the initia-tion of an attempt to modify the civil-service law. Mr. McCUMBER. Mr. President, the Senator from Minnesota is fearful lest in voting for this amendment he should vote for taking some steps to modify the civil-service law. By a failure to pass an amendment of this kind he is allowing a provision to stand which absolutely abolishes the civil-service law upon that particular branch of appointments. If I can not obtain all that I would desire, at least I would prevent, if I could, the total abandonment of the civil-service law in these appointments, and I would at least hold on to the part of it declaring that there should be an examination.

I shall not ask for the yeas and nays upon the amendment, because I know how useless it would be, and it would be taking

up time, but I will ask for a vote upon the question.

Mr. SHIVELY. Having witnessed in recent years several hundred thousand Federal officers and employees locked away in the civil service by Executive orders without civil-service examinations of any kind whatsoever, I believe the Senate is ready for a vote on the pending amendment.

Mr. GALLINGER. Mr. President, it will be interesting to learn just what the Senator means by several hundred thousand having been put into the service without examination.

Mr. SHIVELY. Not only put into the service without examination, but kept in without civil-service examination or any

Mr. GALLINGER. The most of those were put in by a Democratic President.

Mr. SHIVELY. Not at all, Mr. President. Quite the reverse. Mr. GALLINGER. Sixty or seventy thousand at one stroke

Mr. SHIVELY. Why, to-day, at least 90 per cent of the men employed in the Federal service throughout the United States are men of the Senator's own party faith.

Mr. GALLINGER. To my knowledge there are 50 per cent

in the hands of Democrats.

Mr. MARTINE of New Jersey. Mr. President, within the last five minutes I was in conversation with a gentleman who is a post-office inspector in the city of New York. He made a statement to me that seemed impossible. I asked him to put it down on paper, which he did. He says there are 390 post-office inspectors, and they are all Republicans but 35. This came under the Republican system of civil service.

Mr. GALLINGER. Will the Senator give the name of that

Mr. MARTINE of New Jersey. I would give the name, but the trouble would be that he himself is in the post-office employ in the city of New York, and I suppose that under the rules which govern it would make him amenable to some of the regulations and perhaps would hold him up. I have the name right

Mr. GALLINGER. Is he afraid of being dismissed by a Demo-

eratic President and a Democratic Postmaster General?

Mr. MARTINE of New Jersey. Whether dismissed by a Democratic or Republican President or not, he would be amenable to the rules.

Mr. GALLINGER. Then, did the Senator from New Jersey permit an official to violate the rules by communicating this to him?

Mr. MARTINE of New Jersey. We have not absolute hold of that thing yet, but we will have it in the near future.

Mr. GALLINGER. The Senator did not understand me. Did

the Senator permit an official to violate the rules of the Post Office Department by bringing this information to him?

Mr. MARTINE of New Jersey. I do not speak understandingly that there is such a rule, but I believe there is a rule. I say advisedly before the Senate of the United States that this gentleman, whom I know, whose name is here, made this state-

ment and placed those figures on this paper. Now, I think that is about in harmony with the general line of the operation of the civil service. I would have the best civil service in the world. I would not appoint a man unless he was fit and competent. Fitness and competency should be the qualification in every instance. I say advisedly that I would not appoint any man to office, however insignificant the office was, simply because of the fact that he was a Democrat; but I would not appoint a man to office unless he was a Democrat

under this system. Mr. GALLINGER. The Senator had-

Mr. MARTINE of New Jersey. I say if this civil-service proposition of examination were carried out here in the Senate I think there would be comparatively a small percentage of us who would be able to pass. I think, in the college phrase, we would "flunk." I believe it is possible for us to have a good and efficient service in the Internal-Revenue Service, in the Post Office Department, and in all the other branches of the Government without being compelled to go through the process of the civil service. I think there is an infinite amount of truth in the thought advanced here that young men or young women from high schools would pass most flippantly and glibly an examination which others who for 40 or 50 years of our lives have been fairly successful in the transaction of business, who have led honest and sober lives, would find it impossible to pass. I do not believe that the public service or the well-being of our country would be enhanced if that system is pressed any further.

Mr. GALLINGER. The Senator from New Jersey has declared his business position. It is that he would not appoint anybody to office but a Democrat; so that if the young men and the young women who pass the civil-service examination chance to be Republicans or Prohibitionists the Senator would not

Mr. MARTINE of New Jersey. I will do that which in my conscience and judgment will best advance the welfare of my country. I am a Democrat. I believe in the teachings and dogmas and principles of my party. I can not make my Gov-ernment a success by installing New Hampshire Republicans. Mr. GALLINGER. But the Senator from New Jersey has a

conscience that does not allow him to go beyond appointing

Democrats to office.

Mr. MARTINE of New Jersey. Well, my conscience is a pretty fair one

Mr. GALLINGER. It is rather elastic.

Mr. MARTINE of New Jersey. By general average throughout the length and breadth of the land, I believe in years gone by the Democratic conscience made good government for this fair land, and I believe that the Democratic conscience can be trusted here to-day to do justice to the people of this land and to advance and glorify the principles of the Democratic Party, which have been ratified and of which Woodrow Wilson to-day is the exponent.

Mr. GALLINGER. That is very beautiful, but it still leaves the Senator from New Jersey in "e attitude of being unwilling to appoint a man to office who is not a Democrat. And yet the Senator wants the best interests of the Government subserved.

Mr. MARTINE of New Jersey. I might take you in a pinch, but I venture to say I will be as liberal as the Senator from New Hampshire.

Mr. GALLINGER. Oh. no.

Mr. MARTINE of New Jersey. Tell me how many Democrats, dyed-in-the-wool, real, genuine Democrats, not make-believe ones, the Senator has been the means of installing.

Mr. GALLINGER. I have recommended the appointment of quite a number to positions to which I thought they were

entitled.

Mr. MARTINE of New Jersey. It would be ungenerous not to take the Senator's word for that. I will have to take his

word for it.

Mr. BRISTOW. Mr. President, the Senator from Indiana [Mr. Shively] undertook to create the impression, as I infer from what he has said, that the covering of Federal employees into the civil service by Executive order has resulted in hundreds of thousands of Republicans being now in the service who would not be there if the civil-service law had been properly administered. The Senator from Indiana ought to know that it has been the custom of the Presidents for a generation, at least since the civil-service law was enacted, to ex-Provision was made in the law for its extension by Executive order.

Mr. GALLINGER. In a separate law.

Mr. BRISTOW. And when it is extended by Executive order it covers all those who are then employed and are affected by the order. Mr. Cleveland, when he was President, extended very largely, and his example has been followed by the Presidents who have succeeded him. In one order issued a few months before Mr. Cleveland retired from the Presidency, he covered into the service thousands of men who had been appointed upon political recommendation without examination. I do not complain of that; that was the method that was established by the Congress for extending the civil service. Presidents who have followed him have extended the law and covered in .nembers of their own political parties. To endeavor to create the impression by remarks here that the civil service had been made partisan is an unjust reflection upon the Executives of the past, as well as upon the administration of the Civil Service Commission.

Mr. JAMES. I should like to ask the Senator from Kansas if he can state the exact date when President Taft covered into the civil service about 30,000 fourth-class postmasters?

Mr. BRISTOW. I do not care to state the date he did it.

Mr. JAMES. Does the Senator approve it? Mr. BRISTOW. Of course, I approve it.

Mr. JAMES. Does he approve the covering in of all the fourth-class postmasters throughout the Southern States who robbed Roosevelt of the Republican nomination for President?

Mr. BRISTOW. That has nothing to do with this question before us now.

Mr. JAMES. That is a fact, nevertheless.

Mr. BRISTOW. I do not care whether it is a fact or not. What has that got to do with the civil-service provision we are discussing?

Mr. JAMES. I know the Senator does not care whether or

not it is a fact. That is the reason I brought it out.

Mr. OVERMAN. Can the Senator from Kansas tell me, when Mr. Cleveland went out of office and his successor came in, how many thousand who had been covered into the civil service by Mr. Cleveland were turned out of office by his successor?

Mr. BRISTOW. Very few. Mr. OVERMAN. Were the

Mr. OVERMAN. Were there any? Mr. BRISTOW. Yes; I think there were some.

Mr. OVERMAN. I am here to tell the Senator that I believe there were hundreds of them.

Mr. BRISTOW. Oh, no; not that many. Mr. OVERMAN. I know of one case of my own knowledge, where I saw an affidavit of the chairman of the Republican national committee, which has been placed on file, setting forth the fact that a certain man in my State was turned out of office after he had been covered into the civil service simply and solely because he was a Democrat. It was done in that case and it

was done in thousands of other cases.

Mr. BRISTOW. Well, "thousands" are too many.

Mr. OVERMAN. Well, hundreds.

Mr. BRISTOW. "Thousands" are too many. I will not say that on the incoming of the McKinley administration men were not removed occasionally for political purposes who should not have been removed; I think a few of them were, but not many. I think also that a number were removed for cause who convinced their political friends that they were removed for political purposes, when in fact they were removed for inefficiency or for malfeasance in office. It is a familiar practice when any Federal employee gets into trouble to attribute that trouble to political reasons instead of to the real reasons. That occurs under all administrations.

So far as the civil service is concerned, I believe that, with few exceptions, during the last 25 years it has been administered honestly and efficiently. I believe that there should be some changes in the law. The extension of the civil service has been brought about by the executive department in the face of hostility on the part of the Congress, because Congress has not been friendly to civil-service reform. Its extension has been in the face of pronounced opposition time after time by Congress. I want to say that I think we have made greater progress by giving the Executive the power to extend it than we would have made if that authority had been reserved to Congress itself, because the Executive realizes the necessity of having men to perform the clerical work of this great Government who are not controlled by political motives, but who are selected because of their competency, irrespective of their political affiliations.

Mr. JAMES. Mr. President——

The VICE PRESIDENT. Does the Senator from Kansas yield

to the Senator from Kentucky?

Mr. BRISTOW. I do.

Mr. JAMES. I should like to ask the Senator from Kansas what he thinks would have been the effect of the issuance of an order by President Taft covering into the civil service 30,000 fourth-class postmasters if that order had been issued before the last Republican national convention was held in Chicago?

Mr. BRISTOW. I do not know what might have been the effect of it. If the Senator from Kentucky has any fault with President Taft because he used the civil service to promote his political fortunes, I am not going to hold a controversy with him in regard to that. I do not believe that the last administration was as careful to obey the spirit of the civil-service law

as it should have been; that is my judgment.

Mr. JAMES. But the Senator from Kansas told me a moment ago, when I inquired as to how many of those post-masters had participated in the wholesale robbery of Theodore Roosevelt in the Chicago convention, that that made no difference. Now, I am pointing out to the Senator from Kansas that President Taft served the people of the United States for a little more than three and a half years as President, and that he never did put those postmasters under civil-service protec-tion until after his fight for the nomination for the Presidency was over and he saw in front of him overwhelming defeat.

Mr. BRISTOW. As to what may have been President Taft's motive I do not propose now to inquire. It may have been as worthy as the motive of the Senator from Kentucky or my own motive in any act that he or I may have performed, and it may not have been; but if President Taft did cover into the civil service the fourth-class postmasters of the country he did a good thing, and I am not at all in sympathy with the subterfuge that has been resorted to by this administration to destroy the

effect of that order.

Mr. JAMES. And the Senator approves that order, notwithstanding the fact that it was issued without having any examination whatever to test the qualifications of the respective

Mr. BRISTOW. Those postmasters had served the United States Government in the capacity of postmasters. If they are not competent, they should be removed by this administration now. It has the authority to remove any man from the service who is incompetent, whether he is in the civil service or not. When those postmasters by their experience, by actual service, have demonstrated that they are qualified to conduct the affairs of their offices in a creditable way, they are entitled to stay there so long as they shall satisfactorily perform the duties of their office. If they are not efficient, if their service is not properly rendered, if their experience demonstrates that fact to the present administration, they should be removed for that cause.

Mr. JAMES. So that, if I understand the Senator from Kansas correctly, the ideal civil-service system is one that does not accord to all the people the right of competition for the place under proper examination, but appoints them as Republicans and solely on account of their politics and then covers them under the protecting wing of the civil service without requiring any examination at all. That was what was done in the case to which I have referred.

Mr. BRISTOW. An examination-Mr. WEEKS. Mr. President—

Mr. BRISTOW. If the Senator from Massachusetts will pardon me for just a moment, an examination is held for the purpose of determining the fitness of the applicant for the office which he seeks. If a man is in office and is performing the duties of the office, then it is easy to determine whether he is competent, because he has a record to show that fact, and an examination is not necessary.

I agree that is the case ordinarily, and, of Mr. JAMES. course, we are going to make a thorough examination into the qualifications of these various officials; but I doubt not that, after we do that and find many of them disqualified, as I have no doubt we will, the Senator from Kansas will be quite vehement in declaring when we remove them that we are doing

it all for partisan purposes.

Mr. BRISTOW. Oh, well, the Senator from Kansas may or may not; it depends upon whether he would be justified in making such a declaration. The Senator says that they are going to determine the qualifications of these men by examination; and yet the very amendment which we have been discussing all the afternoon declares that they shall not be examined to determine as to their qualifications, but shall be

appointed independent of any civil-service law.

Mr. JAMES. Let me ask the Senator another question. Does not the Senator admit, if the spirit of the civil-service law is to be actually carried out in justice to all men, without regard to politics, that instead of covering in a blanket fashion all of these officeholders into the protection of the civil service it would have been better, fairer, and more nonpartisan to have allowed examinations to have been held, so as to ascertain whether or not they might have found some straggling Democrats down in Kentucky who had at least enough wisdom to perform the duties of these offices?

Mr. BRISTOW. Let me ask the Senator if he believes when a man is in office performing the duties of the office it is necessary to hold an examination to find out whether or not he is properly attending to those duties? You may examine the record he has made, with a view of determining whether he is efficient, but if he is in office and performing its duties, to give him an examination to determine whether or not he is competent to fill the office is simply ridiculous.

Mr. JAMES. He did not get that office under civil-service

rules.

Mr. BRISTOW. Of course he did not-

Mr. JAMES. He got it from his party as a reward, doubtless, for party service; and all at once you discovered that it is necessary to extend the protection of the civil service to him on the eve of Democratic success.

Mr. BRISTOW. Does not the Senator from Kentucky know that that has been the method in vogue heretofore? Did not President Cleveland, a Democratic President, do exactly the same thing?

Mr. JAMES. President Cleveland did not do exactly the

same thing, nor anything like it.

Mr. BRISTOW. Did he not extend the civil service system and cover in men who had not taken an examination to deter-

mine their fitness before they were appointed?

Mr. JAMES. No other President of the United States ever did the same thing. President Taft stands to-day lonely, with the absolute distinction of being the only President who ever did, in front of impending defeat and for the purpose of covering under protection his own partisans, extend the civil service system.

Mr. BRISTOW. The Senator is simply not informed; that is all. If he will look up the record of his own party under the administration of President Cleveland, he will see that that President did exactly the same thing. I am not complaining of it. We have got to extend the civil service, and I do not know a better way than the one which has been employed. It has not been a partisan question. The same method which President Cleveland followed was followed by McKinley, Roosevelt, and Taft, and will be followed by President Wilson, if he lives out the term of his office.

Mr. WEEKS. Mr. President, I hardly think the Senator from Kentucky [Mr. James] is justified in the inference he has

drawn about the motive which governed President Taft in extending the civil-service system to fourth-class postmasters; that is, that it would affect his election. I should like to remind the Senator that fourth-class postmasters in the Northern and Eastern States-that is, north of the Ohio and east of the Mississippi River-had been under the civil-service law for several years, and the extension which President Taft made only applied to postmasters of a section of the country where there could be little or no possibility of his receiving an electoral vote.

Furthermore, Mr. President, I want to remin1 the Senator from Kentucky that President Cleveland in the last days of his first administration covered the whole Railway Mail Service into

the civil service without any examination whatever.

Mr. SHIVELY. Mr. President-

The VICE PRESIDENT. The Senator from Indiana.

Mr. SHIVELY. The Senate should be reminded also that President Cleveland's successor revoked the order, dismissed large numbers without cause other than politics, refilled the service with partisans without examinations, and then restored But this was not the purpose for which I rose. Rather have I risen to remind the Senate that the pending legislation is not without precedent that might be regarded as respectable on the other side of the Chamber. I invite attention to page 218 of the United States Statutes at Large for the Fifty-ninth Congress, and to section 3 of the act there set forth and entitled "An act for the withdrawal from bond, tax free, of domestic alcohol when rendered unfit for beverage or liquid medicinal uses by mixture with suitable denaturing materials." That act was passed by a Congress Republican in both branches.

Mr. BRISTOW. Mr. President, that has been referred to here this afternoon.

Mr. SHIVELY. Just wait a moment—— Mr. BRISTOW. It has been read here this afternoon, I presume in the Senator's absence.

Mr. SHIVELY. It has been referred to, but not read.
Mr. BRISTOW. I do not care what the language was—
Mr. SHIVELY. But I do, and now the Senator will suspend until I yield to him.

Mr. BRISTOW. I will be very glad to do so.
The VICE PRESIDENT. The Senator from Indiana declines to yield.

Mr. SHIVELY. The act the title of which I have read was approved June 7, 1906. Senators who are shocked by the language of the pending amendment are invited to compare it with the language of that act. The concluding clause of section 3 of that act reads as follows:

For a period of two years from and after the passage of this act the force authorized by this section of this act shall be appointed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, and without compliance with the conditions prescribed by the act entitled "An act to regulate and improve the civil service," approved January 16, 1883, and amendments thereof, and with such compensation as the Commissioner of Internal Revenue may fix, with the approval of the Secretary of the Treasury.

Mr. SMITH of Arizona. Has the Senator stated who was

President then?

Mr. SHIVELY. I have not. Of course, Theodore Roosevelt was President at the time, and approved the act. He had been training for years with the school of politicians, or statesmen, if preferred, who professed stout allegiance to the cause of civilservice reform. He himself had been a member of the United States Civil Service Commission. I am not appraising the wisdom of that act; it may not have been wise in all respects. But the words of the pending bill on the subject under controversy are precisely the words of that act. I assume there were exceptional reasons then, as there are now. Yet, Senators on the other side of the Chamber profess to see something novel and startling in a provision which after due consideration was deliberately incorporated in the act of 1906.

Mr. JAMES. Mr. President, the Senator from Massachusetts [Mr. Weeks] entirely misunderstood the statement I made in regard to President Taft. I never suggested that President Taft had covered fourth-class postmasters into the civil service upon the idea or with the hope that it would aid him to secure a single electoral vote in the final election. I am very well aware that President Taft knew before the November election that he was defeated. What I did say was that the Southern States, where the postmasters have been appointed without regard to the civil service, was the field of contest between President Taft and ex-President Roosevelt for the Republican nomination. If President Taft had covered the postmasters into the civil service before that contest, then there might have been some suggestion here that it was entirely for the good of the service, but I have my own opinion about why he covered those postmasters under the protection of the civil service after the Chicago convention was

held, and my opinion is that he did it because these men had been his friends and had helped him to secure that nomination. It was charged in Chicago-and they had affidavits to sustain the charge—that the postmasters in the Southern States took charge of the polls at the delegate elections and carried those States for President Taft. The point I make is this: These men, guilty as Roosevelt himself charged them and as many people believed, who had robbed Roosevelt of a nomination and participated in politics to that extent, were covered into the civil service by a blanket order-30,000 of them-without any examination being held or any investigation being made as to their participation in politics. This was done, in my judgment, as a reward for partisan work of the most reprehensible character, and was not for the good of the public service and does not meet the approval of the American people.

Mr. BRISTOW. Mr. President, so far as concerns the law relating to denatured alcohol which the Senator from Indiana read, I do not approve the provision in that law any more than I approve this. I suppose the same motive was behind that exemption that is behind this-that is, to exempt the appointments from the civil service so as to make them matters of

political patronage.

The fact that that was done under President Roosevelt's administration is no reflection upon him. It is true that he might have vetoed the bill. President Wilson might veto this bill. Judging from his declarations in the past, I do not believe that he believes in any such provision as the one that is incorporated here. If the majority in this Chamber believed President Wilson was in favor of the spoils system, they would not make it mandatory in the law that he should not use the Civil Service Commission and the civil-service law in filling these places. They would leave it discretionary with him. He has the power now to exempt these appointments from the civilservice law if he cares to do so. But no; it is not left to his judgment or his discretion; and it would be just as fair to denounce him in the future because he signed the bill containing this provision or this amendment as it would be to denounce President Roosevelt because he approved a bill that had a similar provision in it.

That method of argument is one that has been resorted to a great deal during the consideration of this bill. The fact that something was done a few years ago by a Republican Congress and a Republican administration seems to justify doing the same thing now; and time and again that argument has been brought up as the reason why something has been done that has

met criticism from some Members of this body.

Mr. WILLIAMS. Mr. President, can we not have a vote? Mr. BRISTOW. As to the opinion of the Senator from Kentucky with regard to the motives of President Taft, I have no interest in that matter now. They may have been worthy, and they may have been unworthy. The Senator from Kentucky may be right as to his motives. I am not going to discuss that question with the Senator from Kentucky. But if he extended the civil-service law so as to take out of politics the fourthclass postmasters, the result of that order, if it were permitted to stand, would be good for the administration of our postal affairs.

Mr. POMERENE. Mr. President, in view of the discussion that has taken place on the subject of the civil service, it seems to me it may not be out of place to give a few figures relating to the number of men who were covered into the civil service under the several administrations. An examination of the record shows the growth of the competitive classified service by various Executive orders.

Under President Arthur there were covered into the civil service 15,573 places.

Under President Cleveland's first administration there were placed under the civil service, by Executive order, 11,757 places. Under President Harrison's administration there were placed under the civil service, by Executive order, 15,598 places.

Under President Cleveland's second administration there were placed under the civil service, by Executive order, 38,961 places. Under President McKinley's administration there were placed

under the civil service, by Executive order, 3,261 places.

Under President Roosevelt's administration there were placed under the civil service, by Executive order, 34,766 places.

Under President Taft's administration there were placed un-

der the civil service, by Executive order, 41,559 places.

I have not been in the city of Washington very long, but I have been here long enough to justify the statement that the civil service is a very much more beautiful thing in profession than it has been in practice.

It seems to me-and this remark applies as well to past Democratic administrations as to Republican administrationsthat if these Executive orders had been issued at the beginning

instead of at the end of the different administrations we could have more confidence in the good faith of the orders. It does seem to me that the American public is justified in having some suspicion with regard to the good faith which has actuated the making of these orders when we bear in mind that the places have been filled by the spoils system, and after they had been filled under the operation of the spoils system they have been covered with the cloak of civil service. That is not the kind of civil service in which I believe, and I am a believer in honest civil-service reform.

Mr. NORRIS. Mr. President-

The VICE PRESIDENT. Does the Senator from Ohio yield to the Senator from Nebraska?

Mr. POMERENE. I do.

Mr. NORRIS. While I agree most fully with the Senator, at least in all but the last remark he has made, I wish to suggest to him that these various Presidents, both Republican and Democratic, found these offices already filled with spoilsmen. I would have had more faith in their good faith if they had done as the Senator says, and had covered them in at the beginning of their administrations. But in fairness it seems to me we ought to say as to all of them that the only difference was that they put their spoilsmen in at one time, when if they had done it before they would have put in spoilsmen of a different political faith. They would have been spoilsmen anyway.

Mr. POMERENE. Mr. President, I think an examination of the record will show that most of these orders were made near the ends of the administrations. I am not complaining of one party more than another in this matter. I am simply adverting to the system as it exists and as it has been administered.

I have had occasion to make some inquiry. I think it will be found in many of the departments, at least, that there are about nine Republicans to one Democrat. I think it will be further found that on the eligible lists, from which these places are filled, about nine out of ten of the persons are Republicans, am not willing to admit that the intellectual qualities of the Republicans who apply for examination are so far superior to those of the Democrats who apply for admission to the official service of the country as to justify this disparity.

All this I say as reflecting the difference between the two propositions, namely: Is it right to extend the civil-service system by Executive order and wrong to extend it by legislative act? If we must condemn the one, why not condemn both?

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from North Dakota [Mr. McCumber] to the amendment of the committee.

The amendment to the amendment was rejected.

Mr. CUMMINS. I offer an amendment to follow the word "appointment," in line 12, page 209.

The VICE PRESIDENT. The amendment to the amend-

ment will be stated.

The Secretary. On page 209, line 12, after the word "appointment," it is proposed to insert:

Provided further, That the persons so appointed without the examination required by the said act approved January 16, 1883, and acts amendatory thereof, shall not be covered into the regular classified service without competitive examination.

Mr. CUMMINS. Mr. President, I shall occupy but a moment. During the last hour we have heard a great deal with respect to the wrongdoing in the past. That is water over the dam.

It can not be recovered. But we can care for the future.

The bill, as it has been already approved by the Democratic majority, annihilates the civil service so far as these offices are concerned-offices that are already within the scope of the classified service, and which would be filled from the classified

lists were it not for the bill about to be passed.

I have nothing further to say about that innovation upon the service. But I do propose in this amendment that the persons appointed under the authority here conferred, inasmuch as they are not to bear the burden of a competitive examination, shall not be clothed with the immunities and the privileges which the law confers upon those who have passed a competitive examination. I propose to allow them to stand separate and apart from the other persons in the service, so that no Executive can cover them into the service and give them without examination the protection which the civil-service law

I have much sympathy with the observation made by the Senator from Kentucky [Mr. James]. If he is right respecting that criticism he will vote for this amendment, which will prevent these persons being covered into the service in the future without the competitive examination.

Mr. POINDEXTER. Mr. President, I do not desire to delay a vote upon this amendment except long enough to express my approval of the amendment offered by the Senator from Iowa,

and to say that it seems to me, carrying out the spirit of the proper civil service, that the Executive order covering—I use that word as it is in common use-into the civil service certain offices ought to apply to the offices themselves, and not to the incumbents that are in the offices at the time the order is made.

In what he has said about the abuse of a great principle like the civil service, the Senator from Kentucky [Mr. James] is undoubtedly correct, and he might have said a great deal more. In my judgment, the motive of the President at that time in applying the civil-service rules to all the fourth-class postmasters then in office was so bad that it was disreputable.

There ought to be such a system in practice in putting into the civil service different officers of the Government as would make an act of that kind impossible and prevent its recurrence in the future. It ought to refer to future appointments to offices. Take postmasters, for example. If President Taft had made an order that hereafter all appointments of fourth-class postmasters should be subject to the civil-service rules it would have been fair to the Republican Party and to the Democratic Party and would not have been used under the guise of applying a great principle in the interest of good government to prostitute it to partisan politics of the worst description.

I think the amendment of the Senator from Iowa would tend to bring about that sort of administration.

The VICE PRESIDENT. The question is upon agreeing to the amendment of the Senator from Iowa [Mr. CUMMINS] to the amendment of the committee.

Mr. CUMMINS. On that I ask for the yeas and nays.

The year and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CHILTON (when his name was called). I will transfer my pair with the junior Senator from Maryland [Mr. Jackson] to the Senator from Virginia [Mr. MARTIN] and vote. I vote

Mr. GALLINGER (when his name was called). I transfer my pair with the junior Senator from New York [Mr. O'Gor-MAN] to the junior Senator from Maine [Mr. BURLEIGH] and vote. I vote "yea."

Mr. KERN (when his name was called). Announcing my

pair with the Senator from Kentucky [Mr. Bradley], I with-

hold my vote.

Mr. McCUMBER (when his name was called). my pair with the senior Senator from Nevada [Mr. NEWLANDS] to the Senator from New Mexico [Mr. Fall] and vote "yea."

Mr. THOMAS (when his name was called). I make the same transfer as before and vote "nay."

The roll call was concluded. Mr. REED. I transfer my pair with the Senator from Michigan [Mr. Smith] to the Senator from Nebraska [Mr. Hitch-cock] and vote "nay."

Mr. MYERS. Has the Senator from Connecticut [Mr. Mc-

LEAN] voted?

The VICE PRESIDENT. He has not.

Mr. MYERS. I am paired with that Senator and withhold my vote.

Mr. BRYAN. I am paired with the junior Senator from Michigan [Mr. Townsend]. In his absence, I withhold my vote. Mr. WILLIAMS (after having voted in the negative). got again. I want to withdraw my vote. I am paired with the

Senator from Pennsylvania [Mr. Penrose].

Mr. GALLINGER. I desire to announce that the Senator from Delaware [Mr. DU PONT] is paired with the Senator from Texas [Mr. Culberson]; that the Senator from Rhode Island [Mr. Lippitt] is paired with the Senator from Tennessee [Mr. LEA]; that the Senator from Wisconsin [Mr. STEPHENSON] is paired with the Senator from South Carolina [Mr. Tillman]; and that the Senator from Michigan [Mr. Townsend] is paired with the Senator from Florida [Mr. Bryan].

The result was announced—yeas 27, nays 35, as follows:

### YEAS-27

Brady Brandegee Bristow Crawford Cummins Gallinger Catron Clapp Clark, Wyo. Colt Jones Kenyon La Follette Lodge

McCumber Nelson Norris Oliver Page Perkins Poindexter

Root Sherman Smoot Sterling Warren Weeks

NAYS-35

Ashurst Bacon Bankhead Chamberlain Chilton Fletcher Hollis

Johnson Lane Martine, N. J. Overman Owen Pittman Pomerene Ransdell Reed

Robinson Saulsbury Saulsbury
Shafroth
Sheppard
Shields
Shively
Simmons
Smith, Ariz.
Smith, Ga. Smith, Md. Smith, S. C. Stone Swanson Thomas Thompson Vardaman Walsh

NOT VOTING-33

Fall Goff Gore Lippitt McLean Martin, Va. Myers Sutherland Borah Bradley Thornton Tillman Townsend Williams Burleigh Gronna Hitchcock Jackson Kern Lea Newlands O'Gorman Burton Clarke, Ark. Penrose Smith, Mich. Culberson Dillingham Lewis Stephenson

So Mr. Cummins's amendment to the amendment of the committee was rejected.

The VICE PRESIDENT. The question recurs on agreeing to the amendment of the committee.

The amendment was agreed to.
Mr. SIMMONS. The hour of 6 o'clock having arrived, the bill may now be laid aside.

Mr. NORRIS. If I may have the attention of the Senator, I understand that we have finished the income-tax provision.

Mr. SIMMONS. Yes.

Mr. NORRIS. At this point I have an amendment that I want to offer, because the Senator from Washington [Mr. Jones has an amendment on the same subject and he is not ready to discuss it. I would like to have it go over until the other amendments that have gone over are taken up, if that course is satisfactory.

Mr. SIMMONS. Is it an amendment to the income-tax

section?

Mr. NORRIS. Yes; it is an amendment providing for an

inheritance tax, and it comes in properly at this point.

Mr. SIMMONS. I think it has been understood that we would go back for the purpose of an amendment any Senator desired to offer.

Mr. NORRIS. Several amendments have gone over, and the Senator from Washington, who has also an amendment on the same subject, desires that this may go over, to be taken up when the other amendments that have been put over are taken up.

Mr. SIMMONS. The Senator might offer the amendment at any time, I understand.

Mr. WILLIAMS. If the Senator please, does he want to

offer an amendment to our Federal inheritance tax?

Mr. NORRIS. No; the amendment that I offer will be in the way of an inheritance tax, but it comes right after the incometax provision of the bill. It comes in right now,
Mr. WILLIAMS. Does the Senator desire to repeal the pres-

ent inheritance tax and substitute a new one for it?

Mr. NORRIS. I was not aware that we have an inheritance

Mr. WILLIAMS. Yes; we have an inheritance tax.

Mr. NORRIS. I have gone on the theory that we have not an inheritance tax.

Mr. WILLIAMS. Yes; it depends on how much the inherit-

Mr. SIMMONS. If the Senator from Nebraska does not desire to offer his amendment now, he can probably offer it to-morrow

Mr. NORRIS. I thought, perhaps, it would be well to offer

it now and let it be pending with the other amendments.

Mr. WILLIAMS. I would advise the Senator to consult the present law before offering it. It may be that he will find he has what he wishes on the statute book.

Mr. NORRIS. I am obliged to the Senator for the suggestion. Mr. JONES. I should like to ask the Senator from Missis-

sippi when the inheritance law was passed?

Mr. WILLIAMS. It was passed, I think, in connection with the corporation tax.

Mr. JONES. I think the Senator is mistaken.
Mr. SIMMONS. I think the Senator from Mississippi is mistaken about it. I do not think we have an inheritance tax.

Mr. GALLINGER. Mr. President, the regular order. Mr. NORRIS. If it is agreeable to the Senator from North Carolina, I will offer the amendment now and let it be pending. The VICE PRESIDENT. The Senator from Nebraska has

a perfect right to offer the amendment now or at any other time.

Mr. NORRIS. I presume I have a right to offer it now and have it taken up now, but I do not want to do that.

Mr. JONES. I wish to suggest to the Senator from Nebraska

that it might be well to have the amendment printed in the RECORD

Mr. SIMMONS. The Senator can offer it now if he wants and it can go over, but the Senator can offer it at some later

Mr. NORRIS. I will offer it now and let it go over. I do not think it is necessary to have it read. It is quite long, and I will not ask that it be read.

Mr. SIMMONS. It is not necessary to have it read.

The VICE PRESIDENT. The amendment submitted by the Senator from Nebraska will be printed and lie on the table. The bill will be temporarily laid aside.

#### EXECUTIVE SESSION.

Mr. BACON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After seven minutes spent in executive session the doors were reopened, and (at 6 o'clock and 15 minutes p. m.) the Senate adjourned until to-morrow. Saturday, August 30, 1913, at 11 o'clock a. m.

#### NOMINATIONS.

Executive nominations received by the Senate August 29, 1913. UNITED STATES MARSHAL.

F. R. Brenneman, of Alaska, to be United States marshal for the District of Alaska, division No. 3, vice Harvey P. Sullivan, whose term has expired.

#### RECEIVER OF PUBLIC MONEYS.

Joseph E. Terrell, of Hobart, Okla., to be receiver of public moneys at Woodward, Okla., vice Charles C. Hoag; term expired May 22, 1913.

### PROMOTIONS IN THE ARMY.

#### COAST ARTILLERY CORPS.

Lieut, Col. Isaac N. Lewis, Coast Artillery Corps, to be colonel

from August 27, 1913, vice Col. John P. Wisser, who accepted an appointment as brigadier general on that date.

Maj. John P. Hains, Coast Artillery Corps, to be lieutenant colonel from August 27, 1913, vice Lieut. Col. Isaac N. Lewis, promoted.

Capt. Robert E. Wyllie, Coast Artillery Corps, to be major from August 27, 1913, vice Maj. John P. Hains, promoted. First Lieut. James B. Dillard, Coast Artillery Corps (detailed

captain in the Ordnance Department), to be captain from August

27, 1913, vice Capt. Robert E. Wyllie, promoted.

First Lieut. James K. Crain, Coast Artillery Corps, to be captain from August 27, 1913, vice Capt. James B. Dillard, whose detail in the Ordnance Department is continued from July 1.

## INFANTRY ARM.

Lieut. Col. Daniel L. Howell, Nineteenth Infantry, to be colonel from August 27, 1913. Under the provisions of an act of Congress approved March 3, 1911, this officer is named for advancement in grade in accordance with the rank he would have been entitled to hold had promotion been lineal throughout his arm since the date of his entry into the arm to which he permanently belongs.

Lieut. Col. Walter K. Wright, Twelfth Infantry, to be colonel from August 27, 1913, vice Col. Thomas F. Davis, Eighteenth Infantry, who accepted an appointment as brigadier general on

that date.

Maj. Abraham P. Buffington, Twenty-first Infantry, to be lieutenant colonel from August 27, 1913, vice Lieut. Col. Walter K. Wright, Twelfth Infantry, promoted.

Capt. Joseph C. Castner, Fourteenth Infantry, to be major from August 27, 1913, vice Maj. Abraham P. Buffington, Twenty-

first Infantry, promoted.

First Lieut. Elverton E. Fuller, Twelfth Infantry, to be captain from August 27, 1913, vice Capt. Joseph C. Castner, Fourteenth Infantry, promoted.

Second Lieut. Alvin G. Gutensohn, Twenty-seventh Infantry, to be first lieutenant from August 27, 1913, vice First Lieut. Elverton E. Fuller, Twelfth Infantry, promoted.

### PROMOTIONS IN THE NAVY.

Midshipman Neil H. Geisenhoff to be an ensign in the Navy from the 7th day of June, 1913.

Midshipman Rawson J. Valentine to be an ensign in the Navy

from the 7th day of June, 1913.

### POSTMASTERS.

### ALABAMA.

J. T. Farmer to be postmaster at Samson, Ala., in place of W. Hawke. Incumbent's commission expired December 16,

Mollie P. Henderson to be postmaster at Enterprise, Ala., in place of James A. Chambliss. Incumbent's commission expired December 16, 1912.

H. O. Sparks to be postmaster at Boaz, Ala., in place of Joe R. McCleskey, removed.

#### CALIFORNIA.

Warren A. Bradley to be postmaster at Gustine, Cal. Office became presidential July 1, 1913.

Byron Q. R. Canon to be postmaster at La Mesa, Cal., in place of Robert K. Haines, resigned.

James F. Monroe to be postmaster at Upland, Cal., in place of George B. Hayden, removed.

#### CONNECTICUT.

J. Edward Elliott to be postmaster at Central Village, Conn. Office became presidential October 1, 1912.

#### FLORIDA.

A. Keathley to be postmaster at Brooksville, Fla., in place of Charles C. Peck. Incumbent's commission expired January 26, 1913.

M. H. Sione to be postmaster at Plant City, Fla., in place of Charles E. Barnes. Incumbent's commission expired December 17, 1912.

### ILLINOIS.

John A. Freeman to be postmaster at Heyworth, Ill., in place of John S. Albin, resigned.

B. L. Greeley to be postmaster at Tremont, Ill., in place of J. H. Sipe, deceased.

Ira W. Metcalf to be postmaster at Momence, Ill., in place of

Henry C, Paradis, removed.

L. T. Neff to be postmaster at Illiopolis, Ill., in place of A. P. Bickenbach, removed.

Fred Le Roy to be postmaster at Streator, Ill., in place of John W. Fornof, resigned.

Joseph F. Traband to be postmaster at Lebanon, Ill., in place

of William L. Jones, removed.

Henry Werth to be postmaster at Breese, Ill., in place of John

Otto Koch, resigned.

#### INDIANA,

John M. Nelson to be postmaster at Crothersville, Ind., in place of William Goecker, resigned.

#### IOWA

Sebastian Dischler to be postmaster at Rock Valley, Iowa, in place of A. W. Hakes. Incumbent's commission expired April 23, 1913.

M. H. Kelly to be postmaster at Waterloo, Iowa, in place of

M. H. Kelly to be postmaster at Waterloo, Iowa, in place of William Robert Law. Incumbent's commission expired May 18, 1913.

J. S. Wildman to be postmaster at Blockton, Iowa, in place of N. O. Hickenlooper, resigned.

### KENTUCKY.

J. B. Cray to be postmaster at Millersburg, Ky., in place of U. S. G. Pepper, resigned.

P. A. McIntire to be postmaster at Uniontown, Ky., in place of James W. Thomason, deceased.

### MASSACHUSETTS.

John Adams to be postmaster at Provincetown, Mass., in place of Joseph A. West, deceased.

Martin B. Crane to be postmaster at Merrimac, Mass., in place of George E. Ricker. Incumbent's commission expired December 14, 1912.

### MICHIGAN.

Frank D. Perkins to be postmaster at Flushing, Mich., in place of M. B. Halliwell, resigned.

William R. Teifer to be postmaster at Trenton, Mich. Office became presidential October 1, 1912.

### MISSOURI.

Ross Alexander to be postmaster at Mercer, Mo., in place of Edward Gloshen, resigned.

L. R. Dougherty to be postmaster at Pacific, Mo., in place of Homer Calkins, resigned.

### MONTANA.

L. H. Adams to be postmaster at Somers, Mont., in place of George Noffsinger, resigned.

W. H. B. Carter to be postmaster at Polson, Mont., in place of H. W. Douglas, resigned.

### NEW JERSEY.

George Deiss, jr., to be postmaster at Bradley Beach, N. J., in place of Charles F. Burney. Incumbent's commission expired December 16, 1912.

Adolphus Landmann to be postmaster at Oradell, N. J., in place of Edmund Maples. Incumbent's commission expired July 23, 1913.

Henry Otto to be postmaster at Egg Harbor City, N. J., in place of Charles Morganweck. Incumbent's commission expired January 26, 1913.

#### NEW YORK.

E. A. Arnold to be postmaster at Katonah, N. Y., in place of David A. Doyle, deceased.

Leo R. Grover to be postmaster at Silver Springs, N. Y., in place of Albert H. Clark. Incumbent's commission expired February 9, 1913.

William Y. McIntosh to be postmaster at Pleasantville (late Pleasantville Station), N. Y., in place of William H. Marshall, to change name of office.

Hiram E. Safford to be postmaster at Cherry Creek, N. Y., in place of Charles J. Shults, removed.

#### NORTH DAKOTA.

John Foran to be postmaster at Mandan, N. Dak., in place of William Simpson. Incumbent's commission expired July 20, 1913.

Lydia Gullickson to be postmaster at Goodrich, N. Dak. Office became presidential July 1, 1913.

#### OHIO.

Wiley K. Miller to be postmaster at Shreve, Ohio, in place of Reno H. Critchfield. Incumbent's commission expired August 5, 1913.

### OKLAHOMA.

J. M. Crutchfield to be postmaster at Tulsa, Okla., in place of Walter I. Reneau, removed.

W. H. Davis to be postmaster at Stilwell, Okla., in place of Sid Smith. Incumbent's commission expired June 12, 1913.

M. C. Falkenbury to be postmaster at Miami, Okla., in place of Harland J. Butler. Incumbent's commission expired January 14, 1913.

14, 1913.
Walter T. Fears to be postmaster at Eufaula, Okla., in place of Bruce McKinley, resigned.

S. R. Hawks, jr., to be postmaster at Clinton, Okla., in place of Frank Gallop. Incumbent's commission expired January 28, 1913.

W. T. Kniseley to be postmaster at Glencoe, Okla., in place of Poe B. Vandament, resigned.

#### OREGON.

Esther Evers to be postmaster at Huntington, Oreg., in place of Herbert H. Mack, removed.

## SOUTH CAROLINA.

Henry P. Tindal to be postmaster at North, S. C. Office became presidential January 1, 1913.

### SOUTH DAKOTA.

Hugh J. McMahon to be postmaster at Philip, S. Dak., in place of A. W. Prewitt. Incumbent's commission expired June 14, 1913.

### TEXAS.

T. J. Lilley to be postmaster at Whitewright, Tex., in place of A. H. Davis. Incumbent's commission expired July 20, 1913.

J. W. Whatley to be postmaster at Miami, Tex., in place of Charles S. Seiber, resigned.

### WASHINGTON.

George P. Wall to be postmaster at Winlock, Wash., in place of John L. Gruber, resigned.

## WEST VIRGINIA.

J. Carl Vance to be postmaster at Clarksburg, W. Va., in place of Sherman C. Denham, removed.

### WISCONSIN.

J. P. Keating to be postmaster at Neenah, Wis., in place of Leonard H. Kimball, deceased.

George F. Mader to be postmaster at Winneconne, Wis., in place of George E. King. Incumbent's commission expired December 14, 1912.

Fred Seifert to be postmaster at Jefferson, Wis., in place of George J. Kispert, removed.

## CONFIRMATIONS.

Executive nominations confirmed by the Senate August 29, 1913.

MEMBERS OF EXCISE BOARD FOR THE DISTRICT OF COLUMBIA. Henry S. Baker to be a member of the Excise Board for the

District of Columbia.

Robert G. Smith to be a member of the Excise Board for the District of Columbia.

Joseph C. Sheehy to be a member of the Excise Board for the District of Columbia.

ASSISTANT SURGEONS IN THE PUBLIC HEALTH SERVICE.

Howard Franklin Smith to be assistant surgeon.

Lon Oliver Weldon to be assistant surgeon.

POSTMASTERS.

MASSACHUSETTS.

Edmund S. Higgins, Lynn.

MINNESOTA.

Emil A. Kurr, Sauk Rapids. George Lien, Granite Falls.

Charles E. Gain, London. Stewart D. Hazlett, Ada. Adam H. Meeker, Greenville.

OKLAHOMA.

J. L. Avery, Lindsay.

# HOUSE OF REPRESENTATIVES.

FRIDAY, August 29, 1913.

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the fol-

lowing prayer:

Almighty God, our heavenly Father, with whom there is no variableness, neither shadow of turning; the same yesterday, to-day, and forever; help us as we thus pause amid the busy whirl and turmoil of life's activities to fix our thoughts upon the eternal values. "Truth crushed to earth shall rise again." Justice, though long delayed, shall assert itself, and love, the crown of all humanity, shall at last claim its own. May we be the humble instruments in Thy hands to hasten the day; and we will ascribe all praise to Thee, through Jesus Christ our Lord. Amen.

The Journal of the proceedings of Wednesday, August 27, 1913,

was read and approved.

DESIGNATION OF SPEAKER PRO TEMPORE.

The SPEAKER. The Chair designates Mr. HAY to preside to-morrow.

ENROLLED BILL SIGNED.

The SPEAKER announced his signature to enrolled bill of the following title:

S. 1620. An act to provide for representation of the United States at the Fourteenth International Congress on Alcoholism, and for other purposes.

BILLS ON THE PRIVATE CALENDAR.

Mr. DENT. Mr. Speaker, I ask unanimous consent that the House, as in Committee of the Whole House, consider the only two bills on the Private Calendar.

The SPEAKER pro tempore (Mr. HAY). The gentleman from Alabama [Mr. DENT] asks unanimous consent that the

House, as in Committee of the Whole House, consider bills on

the Private Calendar. Is there objection?

Mr. MANN. Mr. Speaker, reserving the right to object, I understand the gentleman only makes that request about two bills.

Mr. DENT. Two bills. There are only two bills on the Private Calendar.

Mr. MANN. There are some other bills ordered reported. Mr. FINLEY. Mr. Speaker, reserving the right to object, I

would like to know the character of these bills.

Mr. DENT. They are simply to authorize the reappointment of two cadets to the Military Academy. They have been there and have been dismissed and want to be reappointed, and will be reappointed by their respective Congressmen.

Mr. FINLEY. On what grounds were they dismissed? Mr. DENT. One of them had exceeded his demerit record by about nine points. The other failed in only one study by only a small fraction.

Mr. FERRIS. Mr. Speaker, I have no disposition to interfere with the gentleman from Alabama, but the Speaker will remember, and likewise the House, that for several days the San Francisco waterworks bill has been the unfinished business, and I would not want anything to displace it more than these two bills. It is still the unfinished business under the unanimous consent heretofore granted, and with that understanding I have

Mr. LEVER. Mr. Speaker, reserving the right to object, I would like to ask the gentleman from Alabama if it is true that at the Military Academy they have a practice of forcing the cadets to testify at the end of the session whether or not they have any knowledge of any hazing having taken place during

the session? Mr. DENT. Mr. Speaker, I am not familiar with the situation and I could not answer the question of the gentleman. I do not know what the practice is there.

Mr. LEVER. The fact was brought to my attention, and I thought perhaps the gentleman might know something about it.
Mr. DENT. It has not been brought to my attention nor to the committee as far as I know.
Mr. LEVER. I have no objection.

The SPEAKER pro tempore. The Chair will state to the gentleman from Oklahoma that this unanimous consent will not interfere with the unanimous consent heretofore adopted. Is there objection? [After a pause.] The Chair hears noue.

#### THOMAS GREEN PEYTON.

The first business on the Private Calendar was Senate joint resolution 52, to authorize the appointment of Thomas Green Peyton as a cadet in the United States Military Academy.

The Clerk read as follows:

Resolved, etc., That the Secretary of War be, and he is hereby, authorized to appoint Thomas Green Peyton a cadet in the United States Military Academy.

The committee amendment was read as follows:

Add after the word "Academy," line 5, page 1, the following: "Provided, That this shall not operate to increase the corps of cadets at said academy as now authorized by law."

Mr. DENT. Mr. Speaker, I ask unanimous consent to amend the resolution by striking out-

The SPEAKER pro tempore. The Chair will state to the gentleman that the vote is first on the committee amendment.

I would like to make an inquiry of the gentleman from Alabama. This bill and the other bill which will be next taken up each proposes the appointment of a certain individual as a cadet at West Point; and the committee has reported an amendment in each case providing that it shall not increase the number of cadets. As I understood from the gentleman in private conversation, based upon a letter from the Secretary of War, the only effect of these bills is, first, to waive the age limit and authorize a reinstatement in one case, but that the

cadet will still have to be named by a Member of Congress?

Mr. DENT. That is absolutely true. That is the situation.

Mr. MANN. And still be a representative of one of the dis-

tricts now authorized to have a cadet?

Mr. DENT. That is absolutely the fact.

The SPEAKER pro tempore. The question is on agreeing to The SPEAKER pro tempore. the committee amendment.

The committee amendment was agreed to.

The SPEAKER pro tempore. The gentleman from Alabama [Mr. Dent] offers an amendment which the Clerk will report. Mr. DENT. Mr. Speaker, I move to strike out, in line 3, the words "Secretary of War" and insert in lieu thereof the

word "President." The SPEAKER pro tempore. The Clerk will report the amendment.

The Clerk read as follows:

Amend, line 3, by striking out the words "Secretary of War" and inserting in lieu thereof the word "President."

The SPEAKER pro tempore. The question is on agreeing to the amendment offered by the gentleman from Alabama [Mr. DENT1.

The question was taken, and the amendment was agreed to. The joint resolution as amended was passed.

### ADOLPH UNGER,

The SPEAKER pro tempore. The Clerk will report the next resolution.

Mr. GARD. Mr. Speaker, I ask for the consideration of House joint resolution No. 111.

The SPEAKER pro tempore. The Clerk will report the resolution.

The Clerk read as follows:

Joint resolution (H. J. Res. 111) to authorize the reinstatement of Adolph Unger as a cadet in the United States Military Academy.

Resolved, etc., That the President be, and he is hereby, authorized to reinstate Adolph Unger as a cadet in the United States Military Academy.

Also the following committee amendment was read:

After the word "Academy," in line 5, insert the following:
"Provided, That nothing in this resolution shall operate to increase
the number of cadets now allowed by law at the United States Military
Academy."

The SPEAKER pro tempore. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The joint resolution as amended was passed.

On motion of Mr. Dent, a motion to reconsider the vote by which the several resolutions were agreed to was laid on the table.

### HETCH HETCHY.

Mr. FERRIS. Mr. Speaker, under the order of business H. R. 7207 is the regular order, and before moving to go into

the Committee of the Whole I would like to see if we can agree on time for general debate. In order to get the matter before the House I move that the House resolve itself into the Committee of the Whole, and I ask unanimous consent that four hours be allowed for the purpose of general debate, two hours to be controlled by myself and the gentleman from California [Mr. RAKER], who is reporting the bill-I may not be here all the time-and two hours by the gentleman from Wyoming [Mr. Mondell], who announced two weeks ago he had some views on the subject.

Mr. MONDELL. I think the minority leader should have con-

trol of the time on this side.

Mr. MANN. Who is the ranking member?

Mr. FERRIS. The gentleman from Idaho [Mr. French], in the absence of the gentleman from Wisconsin [Mr. Lenroot], is the ranking member, but, of course, the committee is all for the

Mr. MANN. I think it would be better to proceed without limiting the time at present.

Mr. FERRIS. Well, I do not know as I have any objection to I think the gentleman realizes that where we can control debate and get under the five-minute rule it is a little better.

I would be very glad, indeed, if the bill could be disposed of, in order that I may go out into the country on Labor Day, but I expect it will take to-morrow anyway, or it may take three hours' time or it may take four hours' time. will say this, that the gentleman from Iowa [Mr. Towner] had expected to address the House in opposition to this bill for one hour. He has been called out of the city and he asks that he may have permission to insert his remarks in the RECORD, and later I hope the request will be granted.

Mr. FERRIS. Mr. Speaker, to dispose of that, I ask unanimous consent that the gentleman from Iowa [Mr. Towner] be permitted to extend his remarks in the RECORD. He has asked

for time on this bill, but is absent.

The SPEAKER pro tempore. The gentleman from Oklahoma [Mr. Ferris] asks unanimous consent that the gentleman from Iowa [Mr. Towner] have permission to extend his remarks in the RECORD on this bill. Is there objection? [After a pause.] The Chair hears none.

Mr. FERRIS. Relying on the suggestion of the gentleman from Illinois [Mr. Mann] I withdraw my request for consent to fix time now, and move, Mr. Speaker, that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 7207—the Hetch Hetchy bill.

The SPEAKER pro tempore. The gentleman from Oklahoma [Mr. Ferris] moves that the House resolve itself into Committee of the Whole House on the state of the Union for the consideration of House bill 7207. The question is on agreeing to

that motion.

The motion was agreed to.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union for the consideration of

the bill H. R. 7207, with Mr. Foster in the chair, The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the consideration of House bill 7207, which the Clerk will report.

The Clerk read the bill by title, as follows:

A bill (H. R. 7207) granting to the city and county of San Francisco certain rights of way in, over, and through certain public lands, the Yosemite National Park, and Stanislaus National Forest, and certain lands in the Yosemite National Park, the Stanislaus National Forest, and the public lands in the State of California, and for other

Mr. FERRIS. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The gentleman from Oklahoma [Mr. The CHAIRMAN. Ferris] asks unanimous consent that the first reading of the bill be dispensed with. Is there objection?

Mr. MONDELL. Mr. Chairman, of course the bill will be read for amendment under the five-minute rule, so that there will be a reading of the bill at length?

The CHAIRMAN. Certainly. Is there objection?

There was no objection.

Mr. MANN. Mr. Chairman, the gentleman from Pennsylvania [Mr. Kreider], who represents in the House the district formerly represented by Mr. Olmsted, lately deceased, is prepared to make a few remarks upon the life and character of Mr. Olmsted for a short time, and the gentleman from Oklahoma [Mr. Ferris] concedes that he may be given recognition now. I hope the Chair will recognize the gentleman from Pennsylvania [Mr. KREIDER].

The CHAIRMAN. The gentleman from Pennsylvania [Mr.

KREIDER] is recognized for one hour.

Mr. KREIDER. Mr. Chairman, I do not rise to pay either an adequate or a studied eulogy to our late friend, colleague, and associate, the Hon. Marlin E. Olmsted, who for 16 years served with you in this House and so ably represented the eighteenth, the capital, district of Pennsylvania. Any words of praise I might speak here will fall short of being adequate to measure our affection for the one that has passed on or the loss his countrymen feel, for a mighty man has passed away. But I desire to record a living tribute to his services and to his character on the records of this body.

It is fitting that we should say a few words to commemorate the services of those who have bequeathed to us the legacy of a life spent in devotion to high ideals. The good influence of such a life continues as long as public and private virtues are

reverenced among the sons of men.

In every time and in every clime the undying dead have risen and have lived again. Some have lived again in the beaten brass or in the sculptured marble, others in story and But, Mr. Chairman, these fleeting tributes may pass with their authors to the oblivious tomb. The beaten brass or sculptured marble may be buried beneath the accumulated dust of ages; they all pursue the paths that lead but to the grave. The brightest and best monuments, those really worth while, are those that are enshrined in the hearts and memories of their friends, associates, and fellow men with the milk of human kindness, purity, consideration, and devotion.

The pyramids are still standing, but their builders are only remembered for the oppression and misery they Scholars may dispute about the tomb of the Son of Mary, but

will anyone deny the beneficence of His influence?

Mr. Chairman, the capital district of Pennsylvania gives praise to the memory of her honored son, and well it may, for the fame of his brilliant career has brought honor to the district he loved and served so well. When the news of his sudden, untimely, and unexpected taking off was flashed across the wires and became generally known, there was genuine sorrow throughout the district. Coming as I do from his district as his succesor, I am perhaps better qualified than any other person to testify to the respect and esteem in which he was held and the confidence of his constituents, a people noted for chivalry, integrity, loyalty, appreciation, and all that goes to constitute character and good citizenship, and I feel that I express their sentiment when I say that in the death of Marlin E. Olmsted the eighteenth congressional district of Pennsylvania, the State of Pennsylvania, and the Nation (for he had become a national figure) have lost a faithful friend, a great leader; a man wise in counsel, strong in action; a doer of great deeds; constructive statesman.

Marlin Edgar Olmsted was born in Ulysses, Potter County, Pa., on May 21, 1847. He was the son of Henry Jason Olmsted and Evalena Theresa Cushing Olmsted. The Olmsted and Cushing families were among the early settlers of Potter County and always prominent in its affairs. Mr. Olmsted as a boy attended the common schools and later the Coudersport Academy. At the age of 22 years he held his first public office, being elected as auditor of the borough of Coudersport, Pa., in 1869. The same year he was appointed assistant corporation clerk and afterwards corporation clerk in the auditor general's office of Pennsylvania. Later he served in various positions of trust, honor, and responsibility. He studied law, was admitted to the bar, at once rose to a position of prominence, and was soon recognized as one of the most brilliant lawyers in the State and acquired an extensive law practice. He served eight terms—16 years—continuously in Congress, and was active and prominent in most important legislation.

It is, I believe, needless to call attention to his activities in this body nor to the fact that early in his congressional carees he became a recognized leading expert in parliamentary law. The House soon learned something of the worth of the man. He never addressed the House until he had mastered his subject, and then from the abundance of his information he was able to instruct. To such a speaker the House always listens. Olmsted was able to command attention. He might, perhaps, not be called by some a great orator. His style was deliberate, judicial, and convincing; his analysis was clear; his logic unanswerable, and behind the words was the living man—honest, truthful, and sincere. It is to such a speaker that men delight to listen and by whom people are moved by the power of reason.

He was always of the sane and normal type of mind, serene and calm, sure and reliable. He was considerate and courteous, firm in his convictions, and when those convictions found themselves rooted upon principle, unyielding but always openminded.

He was sympathetic to a degree and rejoiced in service. His life was full of good deeds to others. In his quiet way he was ever eager and watchful to be of assistance to others, often without their knowledge. Whenever there were grave cries before this House, when there were questions of high moment for decision and wise counsel was required, there was no man to whom the entire House turned with more respect and more confidence than to Mr. Olmsted. His views of life were sweet and wholesome. He was progressive without being radical. He was an optimist, not a pessimist; hopeful, not despondent. He lived as one who did daily his task and left the consequences with

On October 26, 1899, he was married to Miss Gertrude Howard, daughter of the late Maj. Conway R. Howard, of Virginia, and they were blessed with five children. His home life was ideal; he was a devoted husband, a kind and loving father. He greatly desired to spend his entire time with his family. The

place that was dearest of all to him was his home.

When he retired from this House in March he was broken in health, though he never complained. He was suffering, but gave no sign. He took a trip abroad, hoping to regain his health, but it seemed to fail, and when at last he could hope for no relief except by an operation that was pronounced extremely delicate, he decided to submit. Manly and godly man that he was, preparing for the worst, yet hoping for the best, he arranged his worldly affairs, selected his burial ground, took leave of his dear children and his loving wife, and then, with a living faith in his Saviour and his God and a prayer for his loved ones as his last benediction, he was prepared to leave all to "Him who doeth all things well." It can be truly said of Marlin E. Olmsted that "he was faithful unto death." In our weakness we can not understand why he who seemed so full of life and courage; he whose companionship was so dear to us; he who was so useful to his community; he from whose lips I never heard an unkind expression toward a fellow man, should be called away at this time. Yet some day we shall understand, "for now through a glass darkly, but then face to face; now we know in part, but then we shall know even as we are known."

Our sympathy goes out to her who now mourns the loss of a true and devoted husband. Deprived of his counsel, his support, and his love, she sits among the ruins of a broken family circle, and at her lonely fireside, waiting; yes, waiting "for the touch of a vanished hand, and the sound of a voice that is still." We

say he is dead. "He is not dead, but sleepeth."

The night dew that falls,
Though in silence it weeps,
Shall brighten with verdure
The grave where he sleeps.

And the tear that we shed, Though in secret it rolls, Shall long keep his memory Green in our souls.

[Applause.]

Mr. FERRIS. Mr. Chairman, I shall at this time detain the committee only a few moments. My colleague on the committee, the gentleman from California [Mr. RAKER], has drawn the report on the bill and will make a more exhaustive state-

ment concerning it than I am prepared to do.

This bill, as the committee knows, is known as the San Francisco Hetch Hetchy waterworks bill. The committee has been convinced by conversations had with Secretary Lane, with city officials of San Francisco, and conversations and hearings had with 11 Members of Congress from California, that the city of San Francisco is suffering from a water famine. About onethird of the city is without water connection, and those connected with the system are not permitted to use any considerable proportion of what they actually need. Notices are running in the papers out there to prohibit the watering of lawns, to prohibit the washing of steps, and generally to curtail the use of water. In fact, the city of San Francisco is not using one-half of the water that the people need. The lawns and the shrubbery and the plants are suffering for want of water.

Secretary Lane appeared before the committee. He used to be city attorney of that city. He explained the situation to us. There is a letter printed in this report which explains that situation. I do not say this with any idea of embarrassing San Francisco, because I believe if this bill can be passed the people of that city can handle the situation. On this point I will

insert Secretary Lane's lettter:

LANE URGES ACTION.

[Copy of letter from Hon. Franklin K. Lane, Secretary of the Interior, to Hon. OSCAR W. UNDERWOOD, House of Representatives, which letter was transmitted to Hon. Scott Ferris, chairman Public Lands Committee.]

THE SECRETARY OF Washington, May 29, 1913.

The newspapers and others are keeping it as quiet as possible, but the situation is one of emergency and of actual distress. As you doubtless know there has been pending here for some 10 years or more an application before this department for rights of way which will permit the use of the Hetch Hetchy Valley as a reservoir for San Francisco's water supply.

use of the Hetch Hetchy Valley as a reservoir for San Francisco's water supply.

When I was city attorney for San Francisco I made an argument before Secretary Hitchcock in this matter and have been interested in it ever since. Secretary Fisher just before he went out of office said that the matter was one that should be dealt with by Congress. I was appealed to to revoke this decision, but said that owing to the fact that I had been a constant advocate of such a permit and was one of the attorneys of record in the matter I felt it would be improper for me to act further than to express to Congress my opinion that this was a matter almost vital to San Francisco's growth as well as her present needs.

needs. I am advised to-day that the matter of securing the necessary legislation under which the Tuolumne waters may be used for a municipal water supply can be taken up by Congress as an emergency matter if you will say the word. San Francisco's need is so great that I think such action would be entirely justifiable. There is absolutely no politics in the matter. The president of the Spring Valley Water Co., which now supplies the city, in describing the water supply in that city recently said, "It is doing the city more harm than the earthquake ever did."

did."

I quite realize the pressure that is brought to bear upon you with respect to legislation that Members desire to push at this session. This fact, however, is not to be lost sight of, that a delay as to the Hetch Hetchy water supply now means the postponement for at least a year of securing the relief for San Francisco. There is sufficient data already had for the Land Committee to act upon and there is no question of policy involved affecting anything other than this one proposition.

I hope from these considerations that you will find it practicable to make the exception and permit this proposition to be considered during this session of Congress

Respectfully, yours,

Franklin K. Lane.

This bill grants to them a right of way over a part of the Stanislaus National Forest and part of the Hetch Hetchy Val-ley, which is 20 miles from the Yosemite National Park. The dam site is 142 miles from the city of San Francisco. The dam will, when completed, be about 300 feet high. It will cost San Francisco about \$77,000,000, no part of which is to be paid for by the Federal Government. In return for this grant, or, rather, almost a sale or a condition precedent, the city of San Francisco and San Francisco County agree to construct roads and trails and bridges and improvements which aggregate approximately \$1,000,000.

In addition to that, beginning at the end of a five-year period, which it is assumed will be required to construct the dam, San Francisco agrees to pay \$15,000 a year for the first 10 years, \$20,000 for the second 10 years, and \$30,000 annually thereafter

until Congress sees fit to change it.

Now, much has been said in opposition both in the press and by correspondents concerning this proposition. Many of you have received circular letters from people who actually believe and in good faith think that this will destroy the park. desire with such emphasis as I have to deny that it will destroy the park in any sense. On the contrary, I believe it will improve the park. As the matter now stands only rich and well-to-do people can visit the park at all. It is an expensive proposition to journey there. You have to go on burros, pack trains, and so forth, and there is no railroad or street car line that would enable you to go in any other way except by pack train. San Francisco concurs in this bill, and this bill exacts of the people of San Francisco as a condition precedent to build street car lines and roads and trails and railroads, so that the poor can visit the park. The improvement will really make a park in reality of what is now the roughest country God ever made.

In addition to that they must construct roads surrounding this lake, so that the people can go in there and view the scenery in the higher Sierra of California. I said before and I repeat that San Francisco will have to pipe this water 142

The project has been examined by a board of Army engineers, who say this is the most available supply and the supply that San Francisco ought to have.

The Secretary of the Interior knows the facts and he has recommended the bill both by letter and in person before our

committee in the strongest terms.

The committee has moved slowly and cautiously in this mat-ter, because some good people differed with them about it. We had before us the Secretary of Agriculture and examined him upon it. His view was that the bill was a good one, that it ought to be passed, that this dam site ought to be used, and that San Francisco was entitled to it.

I print his letter herewith:

DEPARTMENT OF AGRICULTURE, OFFICE OF THE SECRETARY, Washington, D. C., August 2, 1913.

Hon. SCOTT FERRIS. . Scott Ferris,
Chairman Committee on the Public Lands,
House of Representatives.

Hon. Oscar W. Underwood, House of Representatives.

My Dear Mr. Underwood: I have been in receipt for some time of communications from San Francisco respecting their water situation.

Dear Mr. Ferris: I have before me a copy of the bill, II. R. 7207, approved unanimously by the Committee on the Public Lands, granting to the city and county of San Francisco certain rights of way through the public lands, national forests, and Yosemie National Park. I have

your request that this dreatment make a report thereon and such suggestions as it may see fit to offer.

This bill, Il. R. 7207, now before me, does not differ in any essential particular, so far as the matters pertaining to the Department of Agriculture are affected, from the bill which was considered by your committee at the time I testified before it and on which I submitted to you a formal report with the approval of this department. So far as the Department of Agriculture is concerned in this bill, I can see no objection to its passage.

Sincerely, yours,

D. F. Houston, Secretary.

We had the Chief Forester, Mr. Graves, before us, who has to do with the handling of the national forests, and inasmuch as a part of this pipe line goes across the national forests, we thought he ought to be brought in and consulted about it. He says that with the regulations contained in this bill no part of the forest will be injured, no trees can be cut or devastated; and that San Francisco is entitled to this legislation and ought to have it.

UNITED STATES DEPARTMENT OF AGRICULTURE, FOREST SERVICE, Washington, June 30, 1913.

Hon. Scott Ferris,
Chairman Committee on the Public Lands,
House of Representatives.

House of Representatives.

MY DEAR MR. FERRIS: I wish to acknowledge receipt of your request for a report upon the bill (H. R. 4319) granting to the city and county of San Francisco certain rights of way through the public lands and reservations of the United States. On June 24 the Secretary of Agriculture addressed a letter to you giving the views of this department. The Forest Service participated in the preparation of the Secretary's report, which was designed to represent the agreed policy of the department, including the Forest Service.

Wery sincerely, yours,

It elegans had to Mr. Pinchet, and seven of the attention was recommended.

I telegraphed to Mr. Pinchot, and some of the other members did likewise, urging him to appear before the committee. Mr. Pinchot is well known to this House and well known to the country. He has given much patriotic attention to conservation questions. Mr. Pinchot came down from Pennsylvania, where he was temporarily, and before our committee in the strongest sort of terms, as the printed hearings show, and as his letter shows, he indorsed this as true conservation. I here present his testimony at the committee hearing:

PINCHOT INDORSES BILL.

[Extracts from statement of Hon. Gifford Pinchot, former Chief Forester, before Public Lands Committee, House of Representatives, June 25, 1913.].

We come now face to face with the perfectly clean question of what is the best use to which this water that flows out of the Sierras can be put. As we all know, there is no use of water that is higher than the domestic use. Then, if there is, as the engineers tell us, no other source of supply that is anything like so reasonably available as this one, if this is the best and within reasonable limits of cost, the only means of supplying San Francisco with water, we come straight to the question of whether the advantage of leaving this valley in a state of nature is greater than the advantage of using it for the benefit of the city of San Francisco.

Now the fundamental principle of the whole conservation policy is

greater than the advantage of using it for the benefit of the city of San Francisco.

Now, the fundamental principle of the whole conservation policy is that of use—to take every part of the land and its resources and put it to that use in which it will best serve the most people—and I think there can be no question at all but that in this case we have an instance in which all weighty considerations demand the passage of the bill.

* * The construction of roads, trails, and telephone systems which will follow the passage of this bill will be a very important help in the park and forest reserves. The national forest telephone system and the roads and trails to which this bill will lead will form an important additional help in fighting fire in the forest reserves. As has already been set forth by the two Secretaries, the presence of these additional means of communication will mean that the national forest and the national park will be visited by very large numbers of people who can not visit them now. I think that the men who assert that it is better to leave a piece of natural scenery in its natural condition have rather the better of the argument, and I believe that if we had nothing else to consider than the delight of the few men and women who would yearly go into the Hetch Hetchy Valley then it should be left in its natural condition. But the considerations on the other side of the question, to my mind, are simply overwhelming, and so much so that I have never been able to see that there was any reasonable argument against the use of this water supply by the city of San Francisco, provided the bill was a reasonable bill. * * * The (sanitary) regulations which are required are substantially what ought to be followed by any well-intentioned camper. * *

Now, some people have had an unusual and extraordinary idea of what conservation is. At times in my life I have had the same feeling about it; but when Mr. Pinchot came on the stand and told the committee that the conservation people believed in the use of our natural resources, I was glad to enlist with him. I have never believed in the form of conservation which purposes to bottle things up, but I do believe in that form of conservation which uses things and puts them to the highest and most beneficial and economic use. I am in favor of making war on graft, monopoly, and waste, but I am in favor of use, progress, and development.

Water in California is almost like gold dust. Every drop of it will have to be used for some purpose sooner or later. I call the attention of the committee to the fact that no higher purpose, no higher use, no higher conservation can ever be practised than furnishing a municipality with clear, pure water to drink and to bathe in. This bill accomplishes this for a heroic people who only ask an opportunity to do for them-

selves at their own expense what many others would not undertake.

Some gentleman may want to know what are the complica-This valley is just a rough craggy gorge between two mountains, which constitutes a good natural dam site. Below the gorge is the San Joaquin Valley. Some one may ask, "Are you going to do justice to the San Joaquin Valley." The answer is "Yes." The irrigationists were present by two able and patriotic attorneys who knew and preserved their every

The city and county of San Francisco are doing justice to the San Joaquin Valley by giving them the entire flow of the river and a part of the flood water with which to irrigate the San Francisco and the San Joaquin Valley people came together honorably as men and have aided the committee

materially.

The fact is that San Francisco purposes to go out and spend \$77,000,000 of her own money to corral the flood water that comes out of the snows and flood waters of the higher Sierra, to impound it in her waterworks system for herself, the irrigationists, and the other cities about her. I contend, and I believe this committee will conclude that there can be no higher form of conservation than to use flood waters for drinking, bathing, and other domestic purposes rather than to let them flow idly, unsubdued, and unattended into the sea.

I do not think there is or will be much opposition to this There is a little up in New England. I think one gentleman from Boston came down and appeared before the committee, and he was of the opinion that it was wrong to construct this dam, because he thought that this gorge ought to be left in its original condition. Well, now, I think that practical, thoughtful men, who really want water put to its highest use, can not agree with him. That gentleman from Boston has visited this park two or three times, at great expense and great inconvenience to himself, and while I do not attack his patriotism or his earnestness, his judgment will not square with any principle of economics known to man. The 11 Members of the California delegation approve this bill, all holding commissions from their people won on the battle field of politics. The Secretary of the Interior approves this bill, and he knows conditions there in California, as he has long been a resident of that State. Gifford Pinchot approves this bill, and he is always careful to safeguard the interests of the Government and those concerned. Mr. Graves, the Chief Forester, approves this bill, and he knows what is safe and unsafe in forestry and park matters. The Army engineers approve this bill, and they are not swayed by politics or partisanship at any time. The irrigation people below the dam approve this bill; they know when their rights are secure. The city of Oakland and the other cities surrounding San Francisco approve this bill, and it will be a blessing and a godsend to them. The only opposition that the committee have been able to find, in two or three months' painstaking investigation, has been that of a few people who believe it is wrong to dam up a gorge and collect the mountain waters that come down from the melting snows and use them for the highest economic purposes. These patriotic, earnest men believe that it is a crime to clip a twig, turn over a rock, or in any way interfere with Nature's task. I should be grieved if I thought practicability should completely drive out of me my love of nature in its crude form, but when it comes to weighing the highest conservation, on one hand, of water for domestic use against the preservation of a rocky, craggy canyon, allowing 200,000,000 gallons of water daily to run idly to the sea, doing no one any good, there is nothing that will appeal to a thoughtful brain of a common-sense, practical

I have never feared the judgment of this House when Members can understand what is going on. I do not speak with any disrespect of these people who think that a rugged, jagged gorge is of more importance than a beautiful lake of fresh bathing and drinking water for the people, but I respectfully differ with them. What is more beautiful than a beautiful lake supplying a great and growing city with water to drink and with water to bathe in, and who is there of us that can long contend that a rugged, jagged gorge between two mountains in the Sierras is of more importance, and that it is a crime to convert it into a beautiful lake?

Why, my friends, we have spent \$60,000,000 out of the Federal Treasury for irrigation purposes in helping the settlers in the West. I am glad that is so. It has done good and has helped to develop the West, but here comes San Francisco, and her Members of Congress are here ready to vouch for what I say, ready to spend \$77,000,000 of their own money, without a penny from the Federal Government in constructing these great improvements, ready to build a million dollars' worth

of roads so that the park may be available not for a few rich but for all the people. In addition to that they are ready to build a dam so that the irrigators can have not only the natural flow but a great deal of the flood waters in addition thereto.

Now, one word further. The Committee on the Public Lands did not move quickly; this bill involves some perplexing questions.

We have brought before us every conceivable authority we could get hold of to justify us in our action. The departments all favor it. They know of its merits and its demerits.

Mr. MANN. Will the gentleman yield?

Mr. FERRIS. Certainly.

Mr. MANN. It has been said by gentlemen opposed to this bill that the report of the Army board of engineers who came to the city of San Francisco was never furnished to the com-

Mr. FERRIS. We investigated that very carefully, and we brought the city engineers of San Francisco before us, the city clerk before us; the city clerk is still in town, and we brought the Army board of engineers before us, and they said that they had access at all times to every report, every document, and every species of proof of investigation of any sort. In addition to that the Public Lands Committee now has the identical book or report which was considered by the committee and referred to by a gentleman by the name of Sullivan, who came on and tried to fight this measure because he had a rival sys tem that he wanted to sell to the city of San Francisco. committee has absolutely exploded that, and there is no truth in it. The hearings disclose that Sullivan was an adventurer in the real estate business, who would like to stir up strife for San Francisco and unload a piece of property of doubtful value on the city when she does not want it and it would not be appropriate or suitable if she did. On this subject I present a letter from Col. John Biddle, of the Army board, who was there and made the investigation.

WAR DEPARTMENT,
OFFICE OF THE CHIEF OF STAFF,
Washington, July 31, 1913.

OFFICE OF THE CRIEF OF STAFF,

Washington, July 31, 1913.

My Dear Mr. Kent: Having reference to your communication of July
21, asking for comment from the board of Army engineers on the testimony of Mr. E. J. Sullivan, representing the Sierra Blue Lakes water
project on the Mokelumne River, proof sheets of which testimony were
sent by you, the following is submitted by the whole board:

The two main questions raised by Mr. Sullivan appear to be—first,
whether San Francisco needs water from the Sierras at all, and second,
whether the Mokelumne River is not the best and cheapest source of
such a supply.

According to the estimates made by the board, the amount of water
now used by the communities surrounding San Francisco Bay is 133,000,000 gallons daily. It is estimated that by the year 2000, 540,000,000
gallons daily will be needed. The board believes that about 100,000,000
gallons daily additional can be economically developed from near-by
sources and that for the remainder it will be necessary to go to some outside source, such as the Sierras. The city of San Francisco in its estimates provides for obtaining 400,000,000 gallons daily from the Sierra
sources, partly because of the doubt of the city engineers that the
near-by sources can be developed to the amount above estimated, and
partly because the full amount could be used to advantage. There can
be no question, however, but that from 300,000,000 to 400,000,000 gallons daily additional will be needed by the year 2000, and on account
of the situation in California, where all of the available water will be
eventually used for irrigation or power, it is most desirable for San
Francisco and the other cities to establish now their rights.

NO SUPPRESSION OF DATA.

NO SUPPRESSION OF DATA.

Francisco and the other cities to establish now their rights.

NO SUPPRESSION OF DATA.

As to the Mokelumne River, it is stated in the testimony of Mr. Sullivan that Gen. G. H. Mendell, Corps of Engineers, reported favorably on the Mokelumne River as a source of supply. This report was dated about 1877, and provided for only 25,000,000 gallons daily, so that, of course, it has no bearing on the present investigation. Mr. Sullivan makes as his principal point the fact that a report by Mr. Bartell, assistant city engineer, in April, 1912, was never submitted to the board of Army engineers, and that if this report had been submitted the conclusion of the board would have been very different. This report was not seen by the board. The board, however, attaches no importance to this fact. The assistant engineer in the employ of the board Mr. H. H. Wadsworth, has written that he had several conversations with Mr. Bartell on the subject and was generally familiar with considerable, at least, of the data obtained by him and his deductions therefrom. The main point, however, is that the board itself had such independent examinations and investigations made of the Mokelumne, as well as other streams, as seemed necessary in order for the board to form its opinion on this source of supply. Mr. Bartell's report could not have changed the facts thus ascertained. The report of the chief engineer of the company was in the hands of the board.

In determining the supply of water that can be obtained from any of the Sierra sources there are two main considerations: First, the amount of water that flows down the stream; and, second, the reservoir capacity for storage of water during the flow of any river, such as the Mokelumne, is to measure the flow at such points and at such times as may be practicable and to have the record of the rainfall from which the run-off may be deduced. The records of rainfall and run-off are not very complete or continuous for any length of time on these Sierra rivers. Some have been made by the State o

As to the reservoirs, the assistant engineer of the board made personal examinations and reconnoisances of the three principal reservoir sites—namely, North Fork of Mokelumne, Rallroad Flat, and Forest Creek—and directed special surveys to be made of the two largest ones by the city of San Francisco, which was done. The board itself inspected one of the two main reservoir sites, the Railroad Flat, for the special reason that the use of this reservoir was considered of doubtful value on account of its cost. One of the reservoirs specially mentioned by Mr. Sullivan is the Blue Lakes. This reservoir is, however, of little value, as the catchment area is only 4½ square miles, and therefore but little water will flow into it.

Furthermore, investigations by the Geological Survey in the last few years have indicated that the reservoir capacity on this watershed outside of the few mentioned is very small. The reservoirs on the Mokelumne are very inferior to those on the Tuolumne. For instance, with a dam somewhat over 300 feet in height, the amount of masonry in the dam at Hetch Hetchy is less than 5 cubic yards for each million gallons stored, while for the main reservoir on the Mokelumne, on the North Fork, it is 23 cubic yards, and that it the Railroad Flat Reservoir but little less. The capacity of the Hetch Hetchy Reservoir with a 300-foot dam is about 120,000,000,000 gallons; that at the North Fork of the Mokelumne, about 28,000,000,000 gallons; that at the North Fork of the Mokelumne, about 28,000,000,000 gallons; the Railroad Flat Reservoir, about 21,500,000,000 gallons. It is therefore very evident that the relative cost of the reservoirs on the Mokelumne River is much greater than at Hetch Hetchy Valley.

The amount of land that could well be irrigated from the Mokelumne and the rights for power and irrigation, and it is believed that in time it will be desired to irrigate much more land than at present. The amount assumed for irrigation is 200,000 acres, less than half of what is allowed for irrigation in t

The board therefore believes that the estimate of 128,000,000 gallons daily is about all that could be counted on from the Mokelumne River unless the existing water rights be purchased at great expense and unless the land tributary to this river be perpetually deprived of water from this source for irrigation. Even if all the water from the Mokelumne could be used for San Francisco, it would not be sufficient on account of the relatively small reservoir capacity in this watershed and the impossibility of using reservoirs in other watersheds on account of the prohibited expense. In California the floods last but a short time; dry years occur along with the wet ones and large storage possibilities are imperative.

It does not appear from the testimony of Mr. Sullivan just where the large supply he estimates, 350,000,000 to 500,000,000 gallons daily, is to be obtained. It is thought possible that he may make use of some of the water falling on the foothills and lower. This, however, has not been considered allowable in making estimates on any of the supply from the Sierras, for the reason that these foothills are fast becoming more and more thickly inhabited and it was desired to obtain water from a source which lies above ordinary habitation.

ARMY BOARD GOT ITS OWN DATA.

ARMY BOARD GOT ITS OWN DATA.

To sum up, there is nothing in the testimony of Mr. Sullivan, and it is believed that there can be nothing in the report of Mr. Bartell, which would affect the conclusions of the board, for the reason, as stated above, that the board obtained, as far as was considered desirable, its own data, excepting that which was of a public nature and therefore available to the board. As to the relative cost of the projects, the report indicates that the Tuolumne supply is much the more economical. The distance over which Mokelumne River water would have to be transported is about the same as for the Tuolumne, and difficulties in construction of aqueduct are about the same, while the cost of the reservoirs is relatively very much greater. For the amount of water that is needed by the bay communities there can be no question but that the Tuolumne supply is more economical than any other and that the Mokelumne can be used only in connection with supplies from other sources, as it is not in itself sufficient.

FULL HEARING GIVEN COMPANY.

It might be added that the board gave to the Sierra Blue Lakes Water & Power Co, on July 5, 1911, a hearing, which was stenographically reported. At this hearing were present Messrs. E. J. Sullivan, president; C. M. Burleson, chief engineer; James N. Gillett and W. H. H. Hart, attorneys for the company. Every opportunity was given them to thoroughly present the project, and in addition, a report on this source of supply prepared by the chief engineer, Mr. C. M. Burleson, was submitted to the board.

Very respectfully,

JOHN BIDDLE.

Colonel, General Staff, Chairman Board of Officers of Corps of Engineers, United States Army.

Hon. WILLIAM KENT,

House of Representatives, Washington, D. C.

Mr. MANN. But the gentleman understands that this statement is made by Robert Underwood Johnson, a gentleman of the highest character, a man whom no one would ever accuse of having a personal interest, and also by some other gentlemen, and I think it is due the committee that there be an understanding or explanation if such a report was not presented, and if so, why; and if it was presented, to have the erroneous impression corrected.

Mr. FERRIS. The gentleman is right; Robert Underwood Johnson, in my judgment, is a patriotic and good man. There are three or four rival companies in San Francisco-real estate concerns—trying to sell San Francisco a water supply which San Francisco does not want. There are various ramifi-cations, and they have through their engineers, who are on a contingent fee in event of sale, stirred up interest among patriotic men who really know nothing of the true conditions.

Mr. COOPER. Will the gentleman yield?

Mr. FERRIS. I will.

Mr. COOPER. As I understand it, if this proposed improvement is completed it will not in anywise affect the appearance of the world-famous Yosemite Valley as commonly understood

Mr. FERRIS. That is, in my judgment, fully true. The Hetch Hetchy Valley is 20 miles away from the Yosemite Valley. There are 719,000 acres in the Yosemite National Park, and this only floods about 3,000 acres. It really beautifies and improves the park. It does not mar it in the least.

Mr. COOPER. I asked the question of the gentleman from Oklahoma because of what has been said and written to me at different times. The correspondents evidently think that this would in some way seriously injure the beauties of the

Yosemite Valley.

Mr. FERRIS. The question is an important one, and a good many good men have been misled about it. They have an idea that a section of the park is going to be destroyed because San Francisco wants to erect a dam 300 feet high in this ragged, jagged, rough place and create a storage dam that only floods about one two-hundredths part of the park. It is all a frenzy and a mistake. This is created sentiment amongst people who do not have time to ascertain the facts.

Mr. COOPER. How far from the Yosemite proper would

this proposed lake be?

Mr. FERRIS. Twenty mile Mr. HAYES. Thirty miles. Twenty miles away.

Thirty miles, one of the California Members Mr. FERRIS. says. I think it is 20 by the map and according to the hearings before the committee.

Mr. TALCOTT of New York. How long will it take to get

the water to San Francisco if this bill is passed?

Mr. FERRIS. The engineers estimate four or five years, some longer; and I am glad the gentleman asked that question, because that is important. Some one may say if San Francisco is really in the throes of a water famine, as I have stated and the report states and as Secretary Lane states and the newspapers state, what good will it do to pass this bill. There is an answer, and I think the committee is entitled to it.

In 1910 they voted \$45,000,000 in bonds under a permit they had from the Interior Department to go ahead and construct a dam here and use this water. They can not use that \$45,000,000 of bonds they voted unless it be in laying mains and starting in on the Hetch Hetchy project, so that a part of that money will be used in laying additional mains, will be used in starting in to develop water they can get for temporary use, and in that way it will relieve them from a temporary water famine. I call attention to it, and I do it with no little feeling in my heart about it, to this disaster that San Francisco went through. We all know that they bravely, courageously, and heroically built that city up almost in a day and a night, and now they have voted bonds and are willing to go out with courage in their hearts, with a true conception of patriotism and statesmanship, to spend \$77,000,000, which will be the final sum spent, to develop a waterworks system that will be the glory of the whole Pacific coast. And I want to call attention to the fact that a beautiful, growing, and thriving city like San Francisco ought not to be hampered by an insufficient water supply. They ought not to be crowded and cramped and their progress impeded by an inadequate supply of water.

Mr. MANN. Will the gentleman yield?

Mr. MANN. Will the gentleman yield?

Mr. FERRIS. I do.

Mr. MANN. Is it the gentleman's understanding that it is the expectation to get this water for the coming exposition, or for one 100 years from now, out of this system?

Mr. FERRIS. I take it for granted the gentleman is indulg-

ing in a little sarcasm-

Mr. MANN. The gentleman says this bill ought to pass to furnish a water supply for the exposition. Does the gentle-

man mean the water from the Hetch Hetchy Valley?

Mr. FERRIS. I did not quite state it that way and I think I can answer the gentleman so as to satisfy him. I do not think he heard my statement fully. My statement was this, that the engineers say it will take four, probably seven years, to complete this. That, of course, will carry it beyond the exposition period. I said that in 1910 they voted \$45,000,000 for that purpose and unless Congress passes this act so they can begin the perfection of that system, so a part of the improvements can be laid to be attached to a temporary source, they can not spend any of the money they voted to relieve themselves as they otherwise could.

Mr. KENT. Mr. Chairman, I would like to say that there

comes another emergency question in regard to this San Fran-

cisco water supply which the chairman of the Committee on Public Lands did not mention. That is this: A large proportion of the water that San Francisco uses is pumped from Alameda County across the bay. That has lowered the water table some 30 feet, which constitutes a great damage to agricultural interests over there, and the people of San Francisco believe, and have reason to believe, that unless they have some means in sight for getting another supply sufficient to restore that water table that they will be enjoined and litigated against, which would cut off a large part of their present supply. That is another emergency matter which has been overlooked.

Mr. FERRIS. I thank my colleague on the committee very much. He knows much more about the whole matter and will explain it to you later. I want to add one or two things, which I said a while ago and which I repeat, and that is that every Member of the 11 Members of the California delegation have come before us in a patriotic, painstaking, careful way, and have helped us perfect the bill and protect the rights of the irrigationists and protect the rights of San Francisco and to protect the Federal Government. Some one may perhaps say that San Francisco would not protect the Federal Government. I want to say they have been patriotic, generous, square, and very fair in helping to protect the Government and to protect everybody from any possible wrongdoing in this thing. fornia may well be proud of their delegation. I am proud of the three members of the committee from that State. They have been fair, square, and generous in their endeavors to arrive at a just solution during all our work on this bill.

But to be doubly safe we brought the highest conservation authority in the United States, Mr. Pinchot; we brought all the departmental officers before us, and they all put their O. K. on

this waterworks system for San Francisco.

Now, I want to mention a fact that is a little personal to I was a member of the Committee on the Public Lands five years ago when this bill was considered by the committee. I opposed it then and signed an adverse report, with my good friend from Wyoming [Mr. MONDELL] and others. The gentleman from Wyoming [Mr. Mondell] wrote a very strong report. If the conditions were the same now as then I would oppose it These were the conditions then: They had a local company with whom they were in litigation, and they could not come to terms as to taking over the local supply. That was the principal reason for my position then. Another reason, they were not putting enough in the bill to protect the irrigation people below the dam. However, both of those objections are now overcome. As to the irrigation proposition and as to the local water-company proposition, if the conditions were the same to-day as they were then, I would not support this bill now. However, it is all changed. They have settled with the irrigationists and they are satisfied. I have resolutions here from the chambers of commerce of the San Joaquin Valley, where the irrigation people live. This is a great fertile valley below this dam, and they are pleased with the proposition. They say that they are getting all that they are entitled to under the law. There are extracts in the hearings from the local water-supply company, which say that the San Francisco earthquake itself never did as much damage to San Francisco as this drought and scarcity of water. So if the 11 Members of the California delegation, the board of Army engineers, all the Secretaries and departments that have anything to do with it, the local watercompany people and the irrigation people will be satisfied with this bill, I call your attention to the unanimous report of the Public Lands Committee. I call your attention to some of the people who indorse this bill. I here present them:

people who indorse this bill. I here present them:

The use of the Hetch Hetchy Valley in the Yosemite National Park as a reservoir for storing water for the city of San Francisco and other cities and for irrigation purposes is urged by the following:

Hon. Franklin K. Lane, Secretary of the Interior.

Hon. David F. Houston, Secretary of Agriculture.

Dr. George Otis Smith, Director United States Geological Survey.

Hon. F. H. Newell, chairman United States Reclamation Commission,
Hon. Henry S. Graves, Chief Forester, United States Forest Service,
The Board of Army Engineers: Col. John Biddle, Lieut. Col. Harry
Taylor, and Col. Spencer Cosby.

Hon. Gifford Pinchot, former Chief Forester.

Two Senators and 11 Representatives from the State of California,
The people of Oakland.

The people of Berkeley.

The people of Alameda.

The people of Menlo Park.

The people of Menlo Park.

The people of Richmond.

The Legislature of the State of California.

The conservation commission of the State of California.

The improvement clubs of San Francisco.

The newspapers of San Francisco and cities about San Francisco Bay. The landowners of the Turlock irrigation district.

The landowners of the Modesto irrigation district.

The Commonwealth Club of California.

Many members of the Sicra Club of California.

The Native Sons and Daughters of California.

The Public Lands Committee of the House of Representatives.

I am willing to pin my faith to this bill. I hope and firmly believe that the House will grant to San Francisco the right to expend her own money in securing a water supply that is

needed more than poor words can well depict. [Applause.] Now, Mr. Chairman, my colleague on the committee, the gentleman from New York [Mr. Brown] is going away at 5 o'clock. I want to yield him 10 minutes from my time, or so

much thereof as he may consume, in which to conclude his remarks, so that he can get away. [Applause.]

Mr. BROWN of New York. Mr. Chairman, I am heartily in favor of this bill. At this time I wish to discuss only one feature of it—that provision which grants to San Francisco some acres of land now included in the Yosemite National Park. The fact that San Francisco deeds to the United States an equivalent in acreage does not materially affect the main proposition; that part of a park which belongs to all the people of the United States is given to the use of some of the people of the United States.

Those who are familiar with conditions in our crowded eastern cities are of the opinion, and I heartily agree with them, that no encroachments more solid than an open band stand shall be permitted in their municipal parks; and the reason is that conservation of human life requires reservoirs whence fresh air, sun purified, may bring oxygen to those who live in dark rooms

on narrow courtyards.

The word "park" is used equally to describe the paved triangles surrounded by high tenements and the 1,100 and more square miles in the Yosemite National Park; so the natural tendency of people and newspapers is to judge all parks by those with which they are familiar. They forget that the highest beneficial use to which our parks can be put is often different in one case

from that of another.

Now, as regards the Yosemite Park, I think it is generally conceded that there is no lack of fresh air in the mountains and on the plains that bound it. But the crying need of the semiarid country around the Yosemite National Park, where the sun shines unclouded for 8 months out of the 12, is for water. Without water on the fields there are no crops; without abundance of water for domestic use there is sickness and desoladance of water for domestic use there is sickless and desoia-tion. If the State of California had sufficient water for its future development, I should have nothing to say, but the testi-mony of the record shows that it has not. Therefore, Mr. Speaker, I maintain that the highest conservation requires that the waste waters from the melting snows which each spring rush unrestrained into the sea be impounded at the only available economical place in this whole great catchment area, and be then put to their most beneficial use. I maintain that the few acres needed for this purpose within the park can be made to serve no higher purpose.

Let us see how this grant will affect the people of the United States who now own the Hetch Hetchy Valley. The turning of part of the valley into a lake may make or mar its beauty—that is a question of individual taste—but it is significant to note how few people have ever seen the valley as it is to-day. reason is simple: In the winter it is too cold, in the spring it is flooded, in the early summer the mosquitoes are a fearsome pest, and on account of no transportation facilities it requires of most people on foot or horseback more time than they can afford to go in and out during the brief season while the going is good.

For their deprivation of the use of these few acres of the valley floor the people of the United States receive great bene-The grantee builds and maintains a half a million dollars' worth of roads and trails, and contributes annually after a few years toward the maintenance of the national park such amounts as Congress shall determine. Upon the passage of this bill upward of 400,000,000 gallons daily of flood water will be conserved to the people of the State of California, and the Hetch Hetchy Valley will be made accessible as a recreation ground to thousands to whom it is now only a name. [Applause.]

The CHAIRMAN. The gentleman from Illinois [Mr. MANN]

is recognized.

Mr. MANN. Mr. Chairman, I can not quite agree with the last speaker [Mr. Brown of New York], who really made a delightful speech to the House, that because the Hetch Hetchy Valley or any other part of the parks of the United States may not at present be very accessible that that is any reason at all for destroying them. But that might be a very good reason for providing accessibility to them.

Mr. Chairman, I think it is quite safe to say that Congress, approaching a proposition involving the destruction of one of the greatest pieces of natural scenery in the United States, would approach the solution of the problem with a very strong bias in opposition if it were not that there was involved on the other side of this particular question the furnishing of a proper and sufficient water supply to one of the large cities and populated areas of the United States. In my judgment, it will not be many years until the question of the water supply becomes of pressing importance in all parts of the United States. Recently we provided by law that the Public Health Service should have added to its other functions that one of investigating and reporting upon the water supply, the purity, and so forth, of water in navigable streams,

Now, San Francisco is confronted with a situation where some gentlemen claim that the passage of this bill is necessary, whereas some who are opposed to it claim that it is not necessary. say this in passing, that I fear San Francisco is taking a load upon itself which in the end will bear down very heavily upon With the World's Fair to be financed largely by San Francisco publicly, and more privately; with the issuance of bonds for the production of the great sums of money involved in this bill, stated by the chairman to be \$77,000,000, which can probably be multiplied by two; with the recent vote of the people of that city to build competing and parallel street car lines, and with many other things which they are undertaking, in my judgment they will find that they have bitten off, to use a very homely phrase, more than they can comfortably chew.

I think, Mr. Chairman, it is proper to present to the House. in a way at least, the other side of the question, and I shall therefore ask to have read in my time a public letter, sent out generally throughout the country, by Robert Underwood Johnson, one of the men in the country who are wholly disinterested, of the highest standing, holding a commanding position among those who are in favor of preserving nature's beauties.

The CHAIRMAN. Without objection, the Clerk will read.

The Clerk read as follows:

MATTAPOISETT, MASS.

MATTAPOISETT, MASS.

My Dear Mr. Mann: Here is a challenge as to facts from a reputable source. I have seen a photograph of the suppressed report. Either these charges are untrue, in which case they should be refuted, or they are true, in which case the legislation should be delayed for further investigation as to the other sources available. In this unequal fight I hope you will stand for the whole people.

Sincerely, yours,

R. U. Johnson.

[For publication and comment in the press.]

THE HETCH HETCHY SCHEME—WHY IT SHOULD NOT BE RUSHED THROUGH THE EXTRA SESSION—AN OPEN LETTER TO THE AMERICAN PEOPLE, Fellow owners of the Yosemite National Park:

THE ENTRA SESSION—AN OPEN LETTER TO THE AMERICAN PEOPLE.

Fellow owners of the Yosemite National Park:

For 12 years the city of San Francisco has been trying to obtain from the Government the gift of the wonderful Hetch Hetchy Valley, 18 miles from the Yosemite Valley and one of the chief attractions of the greatest of your national parks. The plea has been that the Hetch Hetchy is the only available source of water supply for the city, this being the only plausible reason for the scheme, which involves the destruction of the valley by flooding if as a reservoir and the exclusion of the public from two of the three chief camping places amid this phenomenally beautiful scenery and from access to 20 miles of the most remarkable cascades in the world. The language of hyperbole is the only appropriate medium to describe the features of your Yosemite National Park. Better that there had never been a Niagara than that the northern half of the park should thus be diverted from the use of the public. The Hetch Hetchy is a veritable temple of the living God, and again the money changers are in the temple!

For these 12 years a few public-spirited men in California and elsewhere, led by John Muir, "California's grand old man," and supported by 8 or 10 national organizations, have succeeded in thwarting this project. Their attitude is not quixotic. They say: "If San Francisco could nowhere else obtain an abundant supply of good water, supremencessity would require that the valley should be placed at its disposal." But they claim that not until the city has demonstrated that the supply can not be obtained from any other source should any concession be made to its demands. And they further claim that the city is under obligations to prove this negative; that the Hetch Hetchy is not merely desirable, but that it is absolutely necessary. The importance of the reasons for dismembering your park must be equal to the importance of the reasons for its creation. And they further claim that the city is under obligations to prove t

turn over to the city 500 square miles—half your national park. The scandal consists in these facts: (1) That the appeal is made on ex parte evidence furnished by the city and not fully verified by the advisory board of Army engineers appointed by Secretary Fisher, and (2) that in presenting data to this board the city actually withheld a report showing that the Mokelumne River region will afford abundant resources

In presenting data to this board the city actually withheld a report showing that the Mokelumne River region will afford abundant resources at a smaller expense.

Before considering this other source of supply let me cite two damaging statements of a general nature. At the hearing before the Public Lands Committee of the Senate, Mr. Nelson, of Minnesota, in the chair, Mr. McCutcheon said to Mr. James D. Phelan, then and now the most conspicuous advecate of the scheme, substantially this:

"You know, Mr. Phelan, that you could go out overnight anywhere along the Sierra and get an abundant supply of pure water for the city."

"Yes," said Mr. Phelan, "by paying for it."

And Mr. Manson (another advocate) echeed, "Yes, by paying for it."

This is matter of record and has never been disputed. It shows that the object of the scheme is to get something for nothing—the simplest sort of a commercial "grab." The Nation is called upon to make sacrifice of its noblest pleasure ground, not to save the lives or the health of San Franciscans but their dollars; and, moreover, to supply water not merely for drinking but for power.

Again, the report of the Army board states the belief of its members that the city's reports on other sources besides the Sacramento and the Tuolumne (Hetchy Hetchy) are not thorough and complete, "due largely, it is thought, to the lack of importance and impracticability, from the point of view of the city authorities, of any source of supply other than the upper Tuolumne." This report was made on the order of the Interior Department that the city should investigate and report on all possible available sources. It has not done so in good faith. This report of the Army board, it is understood, was drawn up by H. H. Wadsworth, assistant engineer and secretary of the board, who on July 1, 1913, said he had not seen the elaborate report favorable to the Mokelumne River region, known as the Bartell report, and added: "I am very confident that no such report was submitted to the board." This is confirmed

to me.

The plain fact is that the Bartell report to the city of April, 1912, though it was made for the city, proved an obstacle to the theories and purposes of the supervisors, and therefore was withheld by them from the Army board, substitution being made of a report after a brief investigation by Engineer Grunsky (July, 1912) placing the resources of the Mokelumne at 60,000,000 instead of 432,000,000 gallons daily. This withhelding constitutes an important suppression of the truth, and was a wrong to the board, to the city's expert (Mr. Freeman), to the Members of both Houses of Congress, and to every other American citizen.

citizen.

If the legislation is not railroaded through Congress, an even fuller report of the Mokelumne resources than that of the Engineer Bartell will be presented, along with an offer of rights and sites by the Sierra Blue Lakes & Water Power Co.

The advantages claimed for this source over that of Hetch Hetchy

(1) It would obviate the invasion of your national park.
(2) It would save 70 miles of tunneling, much of its through selid

(3) It would be a shorter route by 65 miles.

(4) It could be completed in 4 years, as against the 10 needed to make Hetch Hetchy available.

(5) Its owners will offer it to the city at a price to be arbitrated.

(6) Its watershed is virtually in a forest reserve, not a national park, and thus is more fully protected than a scenic resort like Hetch Hetchy.

(5) Its owners will offer it to the city at a price to be arbitrated.
(6) Its watershed is virtually in a forest reserve, not a national park, and thus is more fully protected than a scenic resort like Hetch Hetchy.

The fact is that with the \$45,000,000 at their command the city made a most elaborate investigation of the source desired and very inadequate investigation of all but one of the others. A congressional investigation may be necessary to reveal whether there was any sinister reason for this attitude.

The country ought to know that the grant to the city would do an immeasurable wrong to the residents of California's greatest valley, the San Joaquin. Without water this valley is almost a desert; with water it is a paradise. This central valley of California should have prior claim on the water. I well know the purposes of Congress in creating the Yosemite National Park, for I was the only person who advocated it before the Public Lands Committee of the House in 1890. These were primarily to preserve the great scenery for the use and recreation of the whole Nation, to defend the forests against destruction by herds of sheep—"hoofed locusts," as Mr. Mulr called them—and to conserve the waters of the region for purposes of trigation in the San Joaquin Valley. The residents in that valley are overwhelmingly against this legislation, and although the city seems to have arranged with the Turlock and Modesto Irrigation representatives the people are not satisfied. This is particularly true of the Waterford region and other large regions dependent for prosperity on the Yosemite Park sources. In order to silence the opposition of the irrigation interests the city's agents have agreed to divide with them the waters of the coveted valley. The spectacle of thus parceling out the resources of one of God's most beautiful creations has had no counterpart since the casting of lots for the raiment of Jesus.

In the face of these facts, where is the "emergency" requiring the passage of this piece of inexcusable folly?

resources of the letter lieterly 10 years from now would not meet the emergency.

I have said nothing here of the offer of the local company, the Spring Valley, to sell to the city all its vested interests and options, which it claims would solve the problem for a hundred years, nor of the desirability of establishing a great filtration scheme, such as London is about to do, abandoning the plan of piping from the Welch Mountains. These are pertinent considerations, and they are new to the present Congress, and time should be given to them. This piece of vandalism,

so repugnant to the enlightened opinion of the country, can only be rushed through by the deference of the judgment of Congress to the statements of interested parties. A complete investigation of other sources—which the Army board states that it has had neither time nor facilities to make—should be undertaken by an impartial commission.

Col. Heuer, United States Engineer, said in 1898:
"Engineers who made surveys of Lake Eleanor and Hetch Hetchy inform me that there are other Sierra supplies which can be brought here at much less cost than the Hetch Hetchy. The latter by persistent advocates has been preached, almost forced, into acceptance by the people of San Francisco."

The simple issue is not "Shall San Francisco have a satisfactory water supply?" but "Shall the national park be dismembered and Hetch Hetchy destroyed unnecessarily?" The report of the Army board is quoted in favor of the scheme; but it includes the following significant, if not conclusive paragraph:

"The board is of the opinion that there are several sources of water supply that could be obtained and used by the city of San Francisco and adjacent communities to supplement the nearby supplies as the necessity develops. From any one of these sources the water is sufficient in quantity and is, or can be made, suitable in quality. While the engineering difficulties are not insurmountable, the determining factor is one of cost."

In other words, the American people are asked to subsidize the city's water supply to the extent of the money value of Hetch Hetchy and of 500 square miles of phenomenal scenery. Put up at auction what would this wonderland bring? "What am I bid," the auctioneer might say, "for one superb valley, 20 miles of unique cascades, half a dozen snow peaks, beautiful upland meadows, noble forests, etc., now owned by a gentleman named Uncle Sam, suspected of not being able to administer his own property? Do I hear \$20,000,000 to start the bidding? Remember that these natural features are priceless."

Will the reader of these

ROBERT UNDERWOOD JOHNSON.

Mr. MANN. Now, Mr. Chairman, in order that Congress might be informed of the opinions of those that are opposed to this bill I have had this letter read. This matter has been pending in Congress for a number of years. Committees in some cases, I believe, have failed or refused to report the bill. At one time the bill was reported adversely from the Committee on Public Lands. It now comes before the House with a unanimous report from the Committee on Public Lands and with the unanimous indersement of the Members in the House representing the State of California. It is possible that I have been led astray by the personal opinions of the gentlemen from California-Mr. Kahn and Mr. J. R. Knowland and Mr. Kent-with whom I have frequently consulted in regard to this bill. I am not disposed to present any captious opposition to it. I may offer some amendments to it. Since the Committee on Public Lands is a very fair committee and stands very high in the House, and since they have reported that in their opinion this is the best solution of the problem confronting the city of San Francisco and the surrounding territory-a problem that must be met in some way and solved by some method; the problem of furnishing water to San Francisco-I am disposed to accept the judgment of the distinguished chairman and the members of the Committee on Public Lands and favor in general the bill that is presented.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. The gentleman has 40 minutes remaining. Mr. GRAHAM of Illinois. Mr. Chairman, as a member of the Committee on the Public Lands I was disposed, when this matter came before the committee, to look upon it with little favor; but as the evidence was produced before the committee, and as we all had an opportunity to see it from every side, to see the necessities of the great and growing city of San Francisco, and to see how fairly and in what a splendid spirit the people of San Francisco were meeting the needs of the various irrigation projects involved, I think I can truthfully say that all opposition in the committee was overcome and pushed aside.

San Francisco is in great need of a better water supply. is the only practicable means it has for getting it. It is true there are other places in the mountains where water could be had, but at a prohibitive cost.

The valleys where the irrigation projects are located were well represented before the committee, both by persons interested in them and by their Representatives in this House, and they were satisfied with the arrangements provided in this bill. Every interest was properly cared for, and I think it is the simple truth that now the only opposition remaining is the opposition of those who have an exceedingly fine artistic taste or temperament, who think that the floor of the valley ought not to be covered with water even for so high and so necessary a purpose as this.

I need hardly say that conservation and what it stands for appeal to me very strongly, and my sympathies would be in that direction; but I can not overlook the fact that the highest form

of conservation is the kind which conserves for human necessities and human rights. Good, pure, clear water could not be put to any higher use than domestic use, and the most earnest advocates of the highest conservation admit that to be true.

Mr. Underwood Johnson attacks the bill for artistic reasons. But even from the purely artistic point of view I deny that this bill would have the effect which Mr. Johnson's circular claims it would have. In passing, let me say that I have information, which I believe to be accurate, that Mr. Underwood Johnson never saw the Hetch Hetchy himself; that he is writing only on

information which he has received from others. Will flooding the floor of the valley decrease the artistic beauty of the locality? I asked a number of persons who gave information to the committee on that point, and they one and all agreed that it would not. For my own part, while my artistic sense is not very highly developed, I have never in my life seen a piece of natural scenery that I thought complete if there were not water mingled with it as a part of it. Flooding the floor of this valley to a depth of 100 or more feet will still leave the great precipitous sides, and will add to the interest by the reflected beauty in the water which will be held there by this

So, Mr. Chairman, there is not a single industrial interest involved here that has not been cared for, and in addition the natural beauty will be enhanced rather than diminished, and San Francisco will have her much-needed water supply, although at a tremendous cost. But the people of that city are willing to pay the bill, the people of the valley below are willing, and therefore I say that the objections or scruples which I had in the beginning have been entirely overcome, and I am now heartily for this bill and I believe it ought to pass. [Applause.]
[By unanimous consent, Mr. Britten was given leave to extend his remarks in the Record.]

Mr. RAKER. Mr. Chairman and gentlemen, I trust the commitee will be patient with me in my effort to present this matter in as short and concrete a form as I am capable of presenting it, as well as to present the natural conditions of the Hetch Hetchy Valley and the general surroundings.

The theory on which this bill is drawn is that the United States, having sole jurisdiction over the national park, has the right to refuse the grant and also has the right in making the

grant to impose certain conditions upon the grantee.

The bill is not drafted nor designed nor intended to usurp the powers of the State of California in the matter of control of the distribution of water. The conditions imposed—which are acquiesced in by the grantee—relate only to the protection of certain rights of the Turlock-Modesto irrigation district by recognizing, without affecting one way or the other prior rights of the said districts to certain waters in the Tuolumne River, the source of this river being the Hetch Hetchy Valley

That is a general statement of the theory of the bill and of the conditions between the irrigationists and the city and

county of San Francisco.

In passing I call the attention of the committee to the fact that this bill (H. R. 7207) has been reported by the committee without amendment. I think it is due to the committee that I should explain this, so that we may thoroughly understand it.

Mr. Chairman, originally H. R. 112 was introduced this Congress, and also H. R. 4319. Another bill, H. R. 6281, was introduced, and a full hearing had by the committee of the House upon that bill. The committee then thoroughly went through that bill, suggesting amendments and appointing a subcommittee to go into the language, so as to cover every phase. Then a subsequent bill, H. R. 6914, was introduced and was gone over by the committee, and after it had been thrashed out in a work of six weeks the committee agreed upon amendments to the original bill. So as to avoid confusion in the House, I introduced the present bill, H. R. 7207. It is the combined work of this committee after full hearings and after six weeks of work.

In the first place, I want to call the attention of the House to the fact that the city and county of San Francisco owns under the laws of the State of California a water right. She has taken all necessary acts to acquire it, appropriate it, and use the water of the Tuolumne River, which has been done in strict compliance with the laws regulating the appropriation and use of waters in the State of California, and now has and holds a valid water right by virtue of its acts performed under the laws

of said State.

The committee heard all the parties who desired to be heard on the bill, and granted full and free opportunity for such hearing, and after hearing all parties the committee were of the unanimous opinion that the legislation provided for in H. R. 7207 is of an urgent character and floud be acted upon at this session of Congress, and by the unanimous consent of said committee said bill is approved, and Congress is asked to pass it.

Now, in addition to the statement made by the chairman of the committee that the Secretary of the Interior was heard before the committee, as well as writing in favor of the bill, the Secretary of Agriculture was present, as well as writing in favor of the bill, and the committee's report is in favor of

In addition to that, Dr. Smith, the Director of the Geological Survey, was before the committee and approved of the bill. F. H. Newell, the Director of the Reclamation Service, was before the committee, and in a full statement by him is in

favor of the bill.

As stated by the chairman, Mr. Graves, Chief Forester, was before the committee, as well as all members of the Board of Engineers who were sent to California to make a special investigation in relation to this project and report to the Sec-

retary of the Interior.

Mr. Gifford Pinchot, chief forester at one time, now head of the National Conservation Association, appeared before the committee favoring the bill, and stated that upon the investigation and reports of the various engineers and officers upon this point, the general principle of conservation, no bill had been presented in Congress which carried out in detail better the question of actual conservation than does this bill. entire population surrounding San Francisco, the large cities of Berkley, Oakland, and Alameda, and others, have favored this bill and request that it be passed. The State of California by its legislature has recommended and unanimously passed a resolution urging this legislation. The governor of the State of California, the conservation commission of the State of California, and, in fact, it is practically the unanimous sentiment of the State of California that this bill ought to be passed; that it is good legislation; that it is a question of conservation in addition to permitting the utilization of the waters of the Hetch Hetchy Valley. San Francisco urgently needs an additional supply of water. The city is confronted by an emergency. Practically one-third of the municipality is without an adequate water supply. The condition is so grave that the water company now supplying the city has advertised in all the papers warning the people not to wash down their steps, sprinkle their lawns, or otherwise waste water.

The reason for this is that there have been two years of light rainfall and the storage reservoirs have not been refilled. San Francisco is situated on a narrow, arid peninsula, where there are no summer rains, and it is necessary to store a water supply during the rainy seasons. On its eastern side it has a coast range of mountains, California running north and south, and along on the western slope is what is called the

coast range

Mr. BALTZ. Mr. Chairman, will the gentleman yield? Mr. RAKER. I do.

Mr. BALTZ. Under whose supervision will these improvements be made?

Mr. RAKER. Why, they will be made under the supervision

of the Secretary of the Interior.

Mr. BALTZ. As I understand it the United States Government will have no expense whatever in connection with these improvements?

Mr. RAKER. Absolutely none. Mr. COOPER. What revenue will the United States Government get out of this?

Mr. RAKER. The revenue the United States Government will get out is, as stated by the gentleman from Oklahoma, first, after 5 years, will be \$15,000 for 10 years-

Mr. COOPER. A year?

Mr. RAKER. A year. The next 10 years \$20,000 a year, and from that on indefinitely \$30,000 a year. In addition to that the city and county of San Francisco maintains at its own expense the question of sanitation. In addition to that the city and county of San Francisco pays and maintains for all of the roads that are to be built in and about this park, and I will come to those features a little later. In addition to that it means a large increase of revenue to the Government by virtue of the roads that will be opened, so that people will be able to go into the Yosemite National Park, thereby paying each year an additional amount for concessions that to-day are absolutely nil.

Mr. ELDER. Is there any danger that San Francisco will come back at some time in the future and ask for an appropriation from the Government, as they did on a celebrated occasion

in relation to an exposition?

Mr. RAKER.

No; for many reasons. Well, I would like to hear them. Mr. ELDER.

Mr. RAKER. The question is, they are getting this right, practically a purchase, upon conditions provided for by this bill—not to be fixed by any Cabinet officer or executive officer,

but fixed in this bill by the Congress itself-so there is every reason, it seems to me, why the city and county of San Francisco can not come back, because this grant, when made, compels the city and county of San Francisco to file with the Secretary of the Interior its regular acceptance of this grant, and therefore it is bound on that account just the same as any other grant by the Government-

Mr. KAHN. I want to call the attention of the gentleman from California to the fact that Congress, under this bill, still retains complete control of the fixing of charges for the privi-

leges granted.

Mr. RAKER. Yes.

Under the terms of this bill Congress does not Mr. KAHN. relinquish its right to fix the charges that will be paid by the city. It is not left to any executive officer, but it is always in the hands of the Congress of the United States.

Mr. RAKER. In the first place, it is fixed definitely by this bill. Some think that it might be worth more in the future, and to avoid any possibility an amendment was put in the bill that Congress in the future, if it desired, might raise or lower this annual rent to be paid, so that San Francisco would be

compelled to pay it to the Government.

Mr. WINGO. If the gentleman will permit a few questions for information?

Mr. RAKER. Certainly. Mr. WINGO. How many acres of the public domain will be

taken under the provisions of this bill?

Mr. RAKER. If my friend will just let me precede that with a little formal matter, I will then come to it, and I would be delighted then to yield to anyone who desires to ask questions on that subject, but now I desire to take it up in consecutive

Mr. HARRISON of Mississippi. I desire to ask the gentleman one question in connection with the reply of his colleague from

California.

Mr. RAKER.

Mr. RAKER. Very well. Mr. HARRISON of Mississippi. I understood the gentleman from California to say that Congress did not relinquish its right to control with respect to electric powers or other matters. Is that true or not?

Mr. RAKER. It is a grant under conditions, and when it is accepted by the city and county of San Francisco it becomes effective for all purposes except that they retain the right to

control the question of charge per year.

Mr. HARRISON of Mississippi. The reason why I ask is that I was under the impression that this bill gave the State of California the absolute right to fix charges and control the matter with respect to who should have or might have that surplus power after the city of San Francisco utilized what they wanted to utilize under the terms of the bill. And in the event there was not any law in the State of California to fix the rate or regulate the matter of rates and say who should have this power, then the Congress of the United States could step in and exert its control?

Mr. RAKER. That covers the situation.

Mr. HARRISON of Mississippi. There seems to be a difference of opinion between the two gentlemen on that point.

Mr. RAKER. I will get to that feature and explain it as I

understand it.

Over the divide on the north is the Sacramento Valley a couple of hundred miles long and which has approximately 3,500,000 acres of arable land. On the south side of the city of San Francisco is what is known as the San Joaquin Valley having approximately about 7,500,000 acres of arable land. And then on the east are what is known as the Sierra Nevada Mountains running practically from the north to the south of the State of California. In these Sierra Nevada Mountains is where the Hetch Hetchy Valley is located, all in the State of California.

The city has a population of about 500,000 people, and its water supply is approximately 40,000,000 gallons per day. Half of the present water supply of San Francisco is brought from the gravel head at the control of the present water supply of San Francisco is brought from the gravel beds beneath agricultural lands in Alameda County. The other half is stored water in peninsular reservoirs. Proof of this emergency is given by William Bourn, president of the Spring Valley Water Co., who testified under oath before the water rates committee of the board of supervisors on May 19, 1913, as follows:

The situation to-day in this city—there is nothing as deplorable—there is nothing in my life that I regret as much as the water situation in San Francisco to-day. It is doing this city more harm than the earthquake ever did it.

And, in passing, the Spring Valley Water Co., which made opposition always heretofore, both before the Secretary of the Interior and the Secretary of Agriculture, and before Congress,

has practically withdrawn its opposition because the matter has been adjusted between the Spring Valley Water Co., the company now supplying water to San Francisco, and the authorities of San Francisco. The matter is now in court and up to the judges to determine the value of the Spring Valley Water Co.'s property, and after it has been determined the city and the county of San Francisco will take it over.

Mr. WINGO. Will the gentleman yield there, right in con-

nection with the water supply of the city?

Mr. RAKER. Let me finish this statement and then I will yield on that. Mr. Bourn states:

The situation to-day in this city—there is nothing as depiorable—there is nothing in my life that I regret as much as the water situation in San Francisco to-day. It is doing this city more harm than the earthquake ever did it.

Now, that is the president of the Spring Valley Water Co., that furnishes the water supply for the city and county of San Francisco to-day. At that same hearing, referring to the Hetch Hetchy project, Mr. Bourn said:

If I had it in my power to give you Hetch Hetchy to-morrow, I would give it to you. If you think the Spring Valley Water Co. is going to make any objection to your application to Congress, you are greatly mistaken.

Now I yield to the gentleman.

Mr. WINGO. Is it the contention that San Francisco's only available water supply is this Hetch Hetchy Valley project?

Mr. RAKER. Not the only available water supply, but the only reasonable available water supply.

Mr. WINGO. What other available supplies have they, and what would be the estimated cost of those supplies?

Mr. RAKER. It is in the report. I have it here. There are a number of them.

Mr. KAHN. If my colleague will permit me, I think it is resolved to four principal sources that could be utilized, including the Hetch Hetchy.

Mr. RAKER. That is about the condition. I have it here very handy. If the gentleman will let me go and finish this, I will get back to that in just a moment.

For 12 years San Francisco has been endeavoring to procure

a water supply from the Hetch Hetchy Valley.

The city's object was opposed until this year by the Spring Water Co., the irrigationists of the Turlock-Modesto irrigation district, the promoter of several water schemes which the city did not want, and by a small group of men who based their objections upon the love of nature and opposed the creation of a lake where a canyon now exists. All this opposition, except that of the nature lovers, is withdrawn.

The city has arranged for amicable condemnation proceedings to acquire the property of the Spring Valley Water Co. The city will spend from \$500,000 to \$1,000,000 more than is required at this time to increase the storage to guarantee water

for irrigation.

The city owns two-thirds of the floor of the Hetch Hetchy

Valley, and also owns a portion of the dam site.

The city has spent \$1,750,000 in the purchase of privately owned rights in the Hetch Hetchy Valley and the Yosemite Park, and now asks Congress for permission to build a dam and for rights of way for conduits, pole lines, and so forth, over the public lands.

In creating this water system, the city agrees to supply water at cost to irrigationists, and will also supply electric energy at

cost to landowners in the Turlock-Modesto district.

The power potentiality of the stream is estimated at 115,000 horsepower in its ultimate development. It is proposed to develop this energy in 10,000 horsepower units, and use the power for public purposes in San Francisco and adjoining cities.

Now, going back to the fact of the city and county of San Francisco owning the Hetch Hetchy Valley, the elevation above the level of the sea is 3,500 feet. The maximum height of the dam will be 325 feet. The acres in the reservoir to be covered when the water is raised to 325 feet will be 1,330 acres, holding 352,000 acre-feet of water.

Lake Eleanor, which is right across the divide, and a little farther north and east, is 5,000 feet in elevation. A dam 245 feet high will cover an area of 1,443 acres, or hold 288,000 acrefeet of water.

The Cherry Valley, just north, is of 5,000 feet elevation, and with a dam of 150 feet it will cover 960 acres, or hold 56,800

acre-feet of water.

The Stanislaus Forest, in which part of this is located—the Cherry Creek and part of the ditches—coyers 1,135,500 acres of land. The Yosemite National Park covers an area of 1,124 square miles, or 719,622 acres.

I want to call the particular attention of the committee to this fact, that the city and county of San Francisco own in the park 1,960.33 acres of the land that is to be covered by the reservoir. They have a patent to the neighborhood of 780 acres in the flower of the Hetch Hetchy Valley. They own land in the reserve to the extent of 1,446.13 acres, together making 3,406.46 acres; and the total area to be covered in the three reservoirs is 3,373 acres—less than the area of the land that is now actually owned by the city and county of San Francisco.

I want particularly to call the attention of gentlemen to the fact that the world-wide famed Yosemite Valley, which is in the Yosemite National Park, lies south in the neighborhood of 20 to 25 miles, on a different divide and in a different watershed from that in which the Hetch Hetchy Valley is located. The Merced River heads in the Yosemite Valley, and the Tuolumne River heads in the Hetch Hetchy. There is not an attempt, there is not an effort, to in any way interfere with or to come within less than 20 miles of the Yosemite Valley.

Take now the Hetch Hetchy, which is owned practically, half of it, by the city and county of San Francisco, the other half being owned by the Government. The city and county of San Francisco, without the consent of the Government to use it as a dam, can not use it unless the Government condemns the city's property, upon which it has expended \$1,750,000 in various ways; about \$700,000 for land alone. The city and county can not use this land that they now have for a reservoir site unless the Government gives its consent, and there we see this natural reservoir site unused, with the waters of the Tuolumne River, that from the beginning of time have been running to waste as flood waters in the Pacific Ocean, causing devastation in the spring, flooding part of the San Joaquin Valley, around Stockton, up to the steps of the depot, as I have seen myself, and from then on to Sacramento, flooded, and even from there on up to Red Bluff, or Tehama Junction in conjunction with the Sacramento River, and now this permission is asked to build this dam in order that these flood waters may be restrained in flood times, and in order that the city and county of San Francisco may use the flood water, not the natural flow of the stream, because in the bill they concede the prior right to the irrigationists below, but for the purpose of supplying the natural wants of the city.

I want, Mr. Chairman, to call the attention of the committee further to this fact that this bill provides for roads to be built by the city and county of San Francisco, from the public built by the city and county of San Flanchy Valley. They say highway into the valley, the Hetch Hetchy Valley. The city and there is a trail around the Hetch Hetchy Valley. The city and county of San Francisco under this grant are to build the road up to the dam, around the lake, and from there north to the Tioga Road, which is a public road leading across the mountains to the State of Nevada. It will also build a trail up to the Tiltill Valley, where the city and county of San Francisco now own 160 acres of land, an ideal place for hotels and camp sites. They will build a road from there through the valley to Smiths Peak, and a trail from the main road around the Hetch Hetchy on to Lake Eleanor and then to Cherry Creek. The city and county of San Francisco will keep up these roads from now until the crack of doom. To-day about 25 to 75 people per year visit the Hetch Hetchy Valley. You must go in on the trail and on burro back to get there. Instead of that, you will have one of the scenic roads of the world built to this valley, and instead of having barren cliffs on either side you will have boulevards around this lake, so that the people may see the wonders of the Hetch Hetchy Valley and also the remainder of this territory that is in the watershed of this valley. They will make it accessible, and make accessible the Tuolumne meadows, which are about 40 miles beyond, where there are about 1,500 acres which will be accessible to campers. That part of the floor of the valley which is now owned by the city and county of San Francisco, about 780 acres in extent, could now be fenced, and the Government could be prevented from using any of that part of the floor of the valley. But instead of that, they say they will build roads where people can go and see this beautiful lake, as well as the rest of the park.

They will turn over the 160 acres of land which they now own at the Tiltill Valley for camping purposes. They will make accessible Lake Eleanor, which is to-day inaccessible, except to a few who go there by trail. They will turn over the Cherry Creek Valley in the same way, all that they do not use for reservoir purposes, and there is a good deal of it. So that instead of destroying the scenery and preventing the people going in there, this valley will be made more beautiful with a road in, through, and about it, with the camping ground made accessible and turned over to the use of the public instead of being, as now, controlled by a municipal corporation. Those who have seen lakes in the mountains can not but believe that Lake Hetch Hetchy will be more beautiful than anything there to-day. Lake Louise, in Canada, which is but a pond of water with a snow-capped mountain in front of it, a rugged mountain on one side

and a rugged mountain covered with trees on the other, is one of the most famous bits of scenery in the world. The very colors of the rainbow are reflected in that lake, and people go from all over the world to behold its beauty. It will be the same with this lake in the Hetch Hetchy Valley, which is to-day inaccessible. As for the rocks, there are grander and larger rocks to be seen in the Yosemite Valley. You can see them almost anywhere; but this bill proposes to make accessible that which to-day is inaccessible. Prof. Grant said in relation to Lake Louise, "I would like to go to heaven. I do not want to go to hell; but if I can not go to heaven, send me to Lake Louise." And it will be the same with Lake Hetch Hetchy when it is

Mr. WILLIS. I have not had an opportunity to read the report or to hear the gentleman's speech, and I am asking this question for information.

Mr. RAKER. Yes.

Mr. WILLIS. Can the gentleman state what are the approximate requirements of the San Francisco water supply in millions of gallons per day at the present time?

Mr. RAKER. They figure it at 40,000,000 gallons per day at

the present time.

Mr. WILLIS. I have before me a statement which alleges that aside from the Hetch Hetchy there is an available water supply of between 600,000,000 and 700,000,000 gallons outside this proposed reservoir. What does the gentleman say about Let me read this statement.

Mr. RAKER. It is an article that was published this morn-

Mr. WILLIS. This is an extract from an article printed in the New York Times.

Mr. RAKER. Yes, I have it in my pocket. Mr. WILLIS. I will read it to the gentleman:

The suppressed report, showing that the Mokelumne River is a better and cheaper source than the Hetch Hetchy, says that between 600,000,000 and 700,000,000 gallons of water outside the park may be delivered daily into San Francisco and the adjacent bay region, supplying their growing needs for perhaps a century to come.

What can the gentleman state about that?

Mr. RAKER. I can answer that by stating this: The committee went into that matter fully. The Army board appointed by the Secretary of the Interior went into it fully, and the Secretary of the Interior went into it fully, and Mr. Pinchot went into it fully, and they claim that these people did not have the water supply that they claimed they did; that it would not be enough to furnish the city and county of San Francisco with the required amount of water. Next, that there is 200,000,000 gallons daily that belongs to the irrigationists already appropriated, but that the main objection is by the president of the company, who appeared before the committee and admitted that his only opposition to this bill was, practically speaking, that he wanted to sell his system to the city and county of San Francisco and if he could beat this bill he would have some hope of doing it.

Mr. WILLIS. The article referred to alleges the suppression

of the report.

Mr. RAKER. Yes. He said he had an engineer by the name of Aston, and it developed that Mr. Aston was to get 10 per cent if he sold the property on a contingent fee. The Bartel report that is supposed to be suppressed lies on the committee table in the House now. That report was in the public files of the proper office of the city and county of San Francisco, open to the public at all times; was used by Mr. Wadsworth, the engineer who made the report; was known of and all its facts and history familiar to the board of engineers, as the record of the testimony appeared before the committee as well as the written letters attached to this report from Col. Biddle show.

The entire report, all of the facts stated in it, all of the conditions, all of the maps were a public record, open to be seen by everybody, were used by Mr. Wadsworth, were used by the Board of Engineers, and, lastly, the testimony of Mr. Sullivan, the president of the Blue Lakes Water Co., admitted before the committee that if Aston was given time the only thing he could do would be to elaborate upon the Bartel report, and that he would be unable to put in the report any single one item of

materiality that was not already in the report. Mr. WILLIS. Now, it is stated in another document here and no doubt the gentleman has seen a copy of it-that this report stated that the resources of this Mokelumne River was

600,000,000 gallons instead of 430,000,000 gallons.

Mr. RAKER. Well, that is a misstatement. I have read it

carefully.

Mr. WILLIS. It says 600,000,000.

Mr. RAKER. • That was written by an sloquent gentleman, a man who understands the English language and knows how to present his statement, but he did not have the facts. You know

you can write a good thing, and it reads well, but if you want to use it to convince men you must have the facts.

Mr. WILLIS. Now, one more question. Is it a fact that this project has been taken up by governmental authority on four

different occasions and unfavorably passed upon?

Mr. RAKER. No. I will answer "no" and then explain.

The Secretary of the Interior, Mr. Hitchcock, refused it. It came back and a rehearing was granted. Then it came back to Mr. Garfield, and he granted a revocable permit under conditions stated in it, which were that the city and county of San Francisco should do certain things, and should recognize certain irrigationists' rights. Now, that report stands for us to-day. Mr. Ballinger when he took office made an order citing the city and county of San Francisco to show cause why the permit should not be vacated. Under that this Army board was appointed, extended hearings of 10 days were had; they took five volumes of testimony before Secretary Fisher, and he said he did not have time to go through it all, but with the doubt he had about granting the right, it being a national park, the city and county of San Francisco should obtain these rights through an act of Congress. Now, that being the case, Secretary Lane, having been attorney for the city and county of San Francisco, put it up to Congress that they should take it up, and he appeared before the committee, making a full and clean statement that he had been counsel for the city and county of San Francisco, and from his knowledge and information he believed that this was one of the important pieces of legislation that ought to be granted. Therefore I say that, as a matter of fact, the city and county of San Francisco rights have never been denied.

Mr. WILLIS. Will the gentleman yield for another question? He has been very patient.

Mr. RAKER. I do.
Mr. WILLIS. It is stated in various communications that have come to me that this is simply a question of money; that there are other available sources for this water supply which the city of San Francisco can get if it is willing to pay for it; but this is simply a proposition of having the Government of the United States give one of its parks for the use of the city of San Francisco simply in order to save money for the people of San Francisco. I have seen that statement. What does the

gentleman say as to that?

Mr. RAKER. Now, in the first place, take up the Hetch Hetchy. The city and county of San Francisco commenced in 1901 under the laws of the State of California, and before this land became part of a public park it literally complied with the statutes of California in filing its water rights, posting its notices and filing them under the law, and it had a reasonable time within which to complete the ditches and other appliances to make it available. It then proceeded with the Government, and after this hearing they suggested they must eliminate any private interests or holdings. They did proceed and bought the ground in the Hetch Hetchy, costing them six hundred and odd thousand dollars, and they bought the land around the Tiltill Valley, to be turned over for camping grounds; they bought the land around Lake Eleanor and Cherry Creek; they expended in getting title to land and procuring water rights, always urged on by the Secretary of the Interior with the idea that it would become their property, approximately \$1,700,000 to get those Now, there is another system, known as the McCloud, in the northern part of the State, that will cost something over \$20,000,000 more than this, without any resulting benefit from the electrical power, and the water rights purchased will be as great as those that are connected with this system. There is another scheme of pumping water from the Sacramento River up about 30 miles at its mouth, and its pipes are to be brought down on each side of the bay down to Dumbarton Point, or even farther, and thus bringing them into San Francisco, but that is objectionable. That will cost something over \$20,000,000 more than this, and it is not giving any returns for any money invested. There is another system, known as the Cisumins.

Mr. WILLIS. How much does the gentleman estimate the

enactment of this law will save the city of San Francisco in

providing her water supply?

Mr. RAKER. Well, I believe it will save them up into \$20,000,000 to \$50,000,000. The report is \$20,000,000. There are many reasons, it appears to me, which will run it more, because the people living in the city and county of San Francisco and around the bay know that they are getting a purer water supply, and it enhances values and conditions there. They would know that they are going to get a good supply that will not be contaminated by the surroundings. The Hetch Hetchy and the country tributary, which is about 1,200 square miles of territory that will be drained, is now uninhabited, only in the summer time, when campers go in there. Now, regula-

tions are provided for in this bill to protect campers, which ought to be, notwithstanding the city and county of San Francisco did not have the right to make the dam; but after these regulations are complied with no further regulation shall ever be imposed upon the Government, and all of those who appeared before the committee-Mr. Pinchot, Secretary Lane, Mr. Houston, Mr. Smith, Mr. Graves, and others-say that the regulations now imposed will not prevent the park from being used to its very utmost, or as much as it ought to be used if the reservoir were not there. Now, in conclusion, if any further sanitation is required the city and county of San Francisco shall filter their water. Now I yield to my colleague from California.

Mr. KAHN. Mr. Chairman, the matter of saving \$20,000,000

by the city of San Francisco is an important matter. I desire to say, replying to the gentleman from Ohio-

Mr. RAKER. I just wanted to yield to a question at this

point.

Mr. KAHN. I just wanted to call the attention of the gentleman from Ohio [Mr. WILLIS] to the fact that that saving is important to the city-

Mr. RAKER. Personally a matter of \$20,000,000 does not amount to much, but, of course, it is a big item to the city in

its completing a water system.

Mr. KAHN. But it amounts to a great deal to the taxpayers of the city and county of San Francisco, a city destroyed by fire in 1906.

.Mr. RAKER. It is a question of conservation and of utilizing every water supply in the State of California to its highest purpose. It is a turning of what is now a barren canyon into a beautiful and exquisite lake. It is opening up the roads of that park to the people of the world, so that after they go to the Yosemite they may go to see the Hetch Hetchy Valley, and in addition to that it provides and supplies the most exquisite taste of the people who live in San Francisco and the surrounding communities in that they may know they are receiving a supply of water that is pure and healthful. And, in addition to that, the expense in the use of water for household purposes to the city and county of San Francisco and neighboring cities will amount to hundreds of thousands of dollars in saving because of the softness of this water as compared with that from other

Mr. KAHN. Will the gentleman yield to a question?

Mr. RAKER. I will.

Mr. KAHN. Does not the gentleman from California think that the saving of \$20,000,000 to the taxpayers of the city who had their streets destroyed, their sewers destroyed, their schoolhouses burned down, their fire houses burned down, their city hall burned down, their hospitals burned down-does not the gentleman think-

Mr. RAKER. I want to say to my colleague that that fire was hell. There is no question about it. It amounts to a great deal, and there are many other reasons why Hetch Hetchy

Valley should be used for this purpose.

Mr. KAHN. Does not the gentleman think the people who have had to tax themselves to reestablish all those utilities ought to be considered in the question of cost?

Mr. RAKER. Certainly. Still, I would go on a higher and broader basis, that out of every other consideration-for health, improvement, and conservation, for building up the rest of the State—this is the proper place for San Francisco to go for water rather than to pump it out of the river.

Mr. WILLIS. Will the gentleman yield further?

Mr. RAKER. I yield.
Mr. WILLIS. I understand the gentleman to state that this will save San Francisco somewhere from between twenty and fifty millions of dollars?

Mr. RAKER. I think so. Mr. WILLIS. And his colleague thinks that is proper on account of the great loss that San Francisco suffered. What I want to know is, if this is going to save the city and county of San Francisco twenty, thirty, forty, or fifty millions of dollars, how much the people of the United States are going to get out of this grant? Is it proposed to give it away?

Mr. RAKER. No, sir. There never has been a bill passed or offered to this Congress that is more fair, more equitable to the American people, not only in California, but every other part of this Government than this one, for the reason that this is a grant under conditions that the city and county of San Francisco do certain things. What are they? They are San Francisco do certain things. What are they? to maintain roads as specified, which would cost this Government in the neighborhood of \$1,000,000.

Mr. WILLIS. For whose benefit are those roads being made? Mr. RAKER. For the benefit of the great, loyal, God-fearing, liberty-loving people of the United States-all of them.

Second, after the first five years it provides a fund of \$15,000 a year for 10 years; the next 10 years it provides a fund of \$20,000 a year to go into the Treasury and build up and maintain the rest of the park. After the period of 25 years the city and county of San Francisco pays the Treasury, into the special fund, the sum of \$30,000 a year from then on, ad infinitum, unless Congress desires to make it \$50,000 a year. That is a provision of the bill. In addition to that, they pay for all the sanitation, which means that all you good people from Ohio and other parts of the United States who go into that section may know you are going to be provided with and drink good water without having any contagious disease fol-

The city and county of San Francisco are to do that. They are to maintain the roads that will be built from there as soon as they use this dam. In addition to that it makes a beauty spot out of what is a barren canyon to-day. That ought to be

worth something.
WILLIS. Will the gentleman yield?

Mr. RAKER. For another question. Mr. WILLIS. I am very much ente Mr. WILLIS. I am very much entertained with the gentle-man's eloquent description. I wish he would put it in figures. He says he will admit this will save San Francisco \$20,000,000.

Mr. RAKER. Among friends a few million dollars do not

make any difference.

Mr. WILLIS. Yes; I know. But I wish the gentleman would reduce the things he has enumerated to their present worth. What I want to know is how the Government is going to get out of this the value of the property which it is proposed to

Mr. RAKER. Let me call the attention of my friend to this fact, which possibly he did not know: Does the gentleman know that 780 acres of this glorious valley belong to the city and county of San Francisco to-day? Does the gentleman know that under a decision of the Supreme Court, which I have here, the city and county of San Francisco could fence it up and prevent anybody from going on it and getting any use out of it? Does not the gentleman know that the Government itself could not go in there and build a dam to-day unless it paid millions of dollars for it? And does not the gentleman know that the city and county of San Francisco, on the other hand, could not go in there and build without the consent of the Government?

Now, are we going to stand as a dog in the manger and prohibit and prevent this natural reservoir from being used, and refuse to hold back these flood waters which, as I have stated, from time immemorial have run to waste on their way to the sea and caused the destruction of hundreds of thousands of dollars worth of property in the San Joaquin and Sacramento Valleys? In addition to that this bill proposes to give the irrigationists in the San Joaquin and Medisto and Turiock districts a solemn guaranty that they will always have water for their 300,000 acres of land. To-day they have to depend upon the stream flow. That will be utilized and put into operation instead of being allowed to go to waste. Under those circumstances what is the Government losing?

Mr. WILLIS. I will ask the gentleman how much is all that worth? I want to know how much the Government is going to

realize out of this.

Mr. RAKER. Of course I can not look into the future and say how long San Francisco is going to last, but I think that city will last at least 500 years and then some.

Mr. WILLIS. Oh, a thousand years. [Applause.]

Mr. RAKER. Yes. The city and county of San Francisco are paying for this. What more do you want? I do not understand what the gentleman wants to effect. I have given the figures in detail.

Mr. WILLIS. I am trying to ascertain the facts. I am not

trying to use up the gentleman's time.

Mr. RAKER. Oh, I know the gentleman would not do that. Mr. WILLIS. The gentleman's colleague, the gentleman

to my left, has explained about the great desirability of helping the city of San Francisco. I agree to that. The gentleman states that this saves San Francisco somewhere between \$20,000,000 and \$50,000,000.

Mr. RAKER. I did say that.

Mr. WILLIS. What I am trying to get at is, so far as it may be estimated, what is the actual cash value of this property which it is proposed to turn over, and how much is the Government going to realize from it?

Mr. RAKER. Why, my dear sir, the actual cash value to-day consists only of cliffs, barren cliffs, from the public land right of way up to the Hetch Hetchy Valley, and the actual money value of the dam site and the property of the Government. There is no man under the sun who can accurately figure the

over \$250,000 or \$300,000, or something like that, to the Government. That land until lately was all open to public settlement, and everybody could have used it.

This is not the only beautiful valley, the only garden spot, in the State of California. It runs for 500 miles to the north. We have the great Calaveras Trees, the greatest and the largest in the world, for the protection of which we have been appealing in vain to this Congress. They are now in private ownership, and we have appealed to Congress in order that they shall not be destroyed. But can we get a peep in? No. We also have the great extinct volcano—the latest in the United States—on Mount Lassen, where we have been trying to establish a public park, so that it may not be looted and destroyed. But can we get action and have our proposition adopted? No. The great snow-topped peak of Mount Shasta we have been trying to have put in a national park. Can we get that done? No. The great redwoods of Humboldt County, that have been there according to the best estimation for over 800 or 900 years, measuring 35 feet in diameter and 380 feet high, are now in private ownership, and when once destroyed can never be replaced. Do you find anyone trying to save them? No. We have old barren rocks there, such as this country is full of, and simply because we desire to put water on that barren area, 200 feet deep, you say we are attempting to deprive this Government of something valuable that belongs to it.

If you will look to the lakes now in the mountains, and particularly in the Yosemite Valley, you will find that when this lake is created there, instead of having cliffs 2,000 feet high on the floor of the valley, looking into the lake you will see the appearance of a cliff 4,000 feet high. That is the dif-

ference that we will have there.

This improvement, like any other, will add to the value of the surrounding property. I believe this will be an absolute benefit to the Government. From the dam down to the first power-plant site there will be no overhead wires, and from there there will be a beautiful road to the Hetch Hetchy Valley.

Mr. SIMS. The Government does not have to pay out any-

thing for the doing of this work does it? Mr. RAKER. Absolutely not one dollar.

Mr. SIMS. It will receive a return without making any investment?

Mr. RAKER. Absolutely. Mr. SIMS. Yet we are building a \$400,000,000 canal and letting privately owned coastwise vessels go through it free. Mr. RAKER. Yes.

Mr. SIMS. And then depriving the people of San Francisco of the water that the Government does not pay a cent to

Mr. RAKER. Yes.

Mr. J. R. KNOWLAND. If the gentleman objects to that, will he have that paragraph stricken from the last Democratic national platform?

Mr. SIMS. It ought to be stricken from it. It is the only

blot on the pages of that platform that I know of.

Mr. HARRISON of Mississippi. I understand that by this bill the city of San Francisco can get 60,000 horsepower within a certain time?

Mr. RAKER. Yes.

Mr. HARRISON of Mississippi. And that in the event they do not use that much power it can be utilized by other persons or corporations?

Mr. RAKER.

Mr. RAKER. Not by corporations. Mr. HARRISON of Mississippi. Other persons?

Mr. RAKER. Yes.

Mr. HARRISON of Mississippi. Under the bill, who has the right to say what persons shall utilize that surplus power, the

Secretary of the Interior or the State of California? Mr. RAKER. The bill is intended to give to the city and

county of San Francisco the right to build a dam. The right to build that dam will cover certain land owned by the Government as well as the right of way to bring out the power and to build roads to transport the material. For the granting of that land the Government will receive the pay stated in the bill. Now, so that there can be no monopoly in regard to the water power that may be generated, the city and county of San Francisco must, as a unit, develop electric power up to 60,000 horsepower of the If they do not do so, the Secretary of the 115,000 horsepower. Interior may offer this right to the highest bidder who will develop it and use it, so that there will be no waste of the property thus created.

Mr. HARRISON of Mississippi. One other question.

Mr. RAKER. Yes.

Mr. HARRISON of Mississippi. Does not the gentleman think actual cash value of it at the present time, but it can not be the State ought to have the primary right to say what persons shall get this water power, subject to the approval of the Secre-

tary of the Interior?

Mr. RAKER. No; I do not believe that is involved. In the first place, there is no attempt by Congress to control the waters which belong to the State or to private individuals. You will notice that a further provision of this bill is that the laws of the State of California shall control absolutely the question of water rights and the interests of those that it may affect, and this bill does not attempt to supersede the laws of the State of California or the rights of those who desire to exercise and perfect their rights to have them adjudicated under the laws of the State of California.

Mr. SUMNERS. Does San Francisco own its own lighting

plant now?

Mr. KAHN. No; it does not.
Mr. RAKER. I understand it does not.
Mr. KAHN. It does not own its own water supply. Its present water supply is furnished by a private company.

Mr. RAKER. The Spring Valley Water System.

Mr. SUMNERS. Is it the purpose of this bill to have San Francisco supply electric power and water to its own people? Mr. RAKER. Yes.

Mr. SUMNERS. Or to supply these corporations, which will

in turn supply the people?

Mr. RAKER. Under this bill it is to supply its own inhabitants first. It is to supply the public utilities, the courthouse, the schoolhouses, the street lights, and such things as that for its own citizens. Next, it is to supply those around the baysome 10 cities that may come under the State law and become beneficiaries of this system and pay their proportion.

BAY CITIES UNITE IN PETITION.

The cities around San Francisco Bay join in asking that San Francisco be given the Hetch Hetchy grant. These cities propose-and the State law permits-to organize a metropolitan water district, and the Hetch Hetchy system, together with the local water, will insure an adequate supply for the future.

No injury can possibly be done to anyone or to any interest by the construction of this system. One the contrary, it will be a development of resources for the beneficial use of millions

The ultimate cost of the project is estimated at \$77,000,000. The initial cost for the first installation necessary to bring 200,000,000 gallons of water to the city is \$37,500,000.

BONDS VOTED IN 1910.

In 1910 the city voted overwhelmingly \$45,000,000 in bonds for the construction of this water system. There were 30,000

votes cast for and 1,200 against this bond issue.

A water famine is impending, and the city desires to get to work at once on its Hetch Hetchy supply. Pending the construction emergency development of water has to be made, and this work ought to begin at once. It is impossible for the city to do the emergency work until the larger question—the source of the mountain supply-is settled, as no part of the bond money available can be used unless it is expended for an integral part of the Hetch Hetchy system.

With the Hetch Hetchy grant assured, additional pipes, which ultimately can be used in the Hetch Hetchy scheme, will be laid, and the stored waters now available can be drawn lower and

wells sunk for neighborhood supplies.

COSTLY WATER.

To-day San Francisco pays higher rates for water than any city of its size in the world. The rates are 15 to 21 cents per 1,000 gallons.

When these water rates are added to a burdensome tax rate caused by a \$500,000,000 loss from earthquake and fire in 1906, no reasonable person should object to the city obtaining an ade-

quate supply at the cheapest cost.

Any alternative supply would cost the city \$20,000,000 more, with no credit for power development. This \$20,000,000 difference in cost does not represent the full amount of difference, as any other source in the State of California which the city might use is now owned by power companies and other corporations.

TO CONVERT CANYON INTO LAKE.

Hetch Hetchy Valley is a gorge in the Yosemite National Park. It is 30 miles from Yosemite Valley proper. The watershed is composed wholly of granite mountains, on which there is a heavy snowfall every winter. It is proposed to convert the valley into a magnificent lake and store the water from the melting snows which now runs off in torrential floods each year, doing good to no one and at times causing great damage.

HISTORY OF SAN FRANCISCO WATER PROBLEM.

In 1900 engineers and thoughtful citizens realized that the existing local supply from the peninsula and across the bay was not sufficient for the progressive growth of the city. In 1901 lor, and Col. Spencer Cosby. The investigation was completed

the city engineer of San Francisco was directed to examine available sources of water supply from the mountains. Mr. C. E. Grunsky, the engineer afterwards selected as commissioner on the Panama Canal and still later engineer of the Reclamation Service, made a comprehensive survey of Sierra sources. In his work he spent \$50,000 and something over a year in time. He and his assistants examined, first, the Spring Valley waterworks, with 12 separate sources as auxiliaries; second, Lake Tahoe; third, the Yuba River; fourth, the Feather River; fifth, the American River; sixth, the Sacramento River; seventh, the Eel River; eighth, Clear Lake; ninth, the San Joaquin River; tenth, the Stanislaus River; eleventh, the Mokelumne River; twelfth, the Tuolumne River; thirteenth, the bay shore gravels in and around San Francisco and Alameda County; and fourteenth. the Bay City Water Co.'s reserve.

As a result of this investigation, the Tuolumne River, its source in the Hetch Hetchy Valley, draining 1,501 square miles of the Sierra Mountains, with an annual rainfall of from 20 to 50 inches and a mean annual run-off of 24 inches, or nearly

2,000,000 acre-feet, was selected.

SCIENCE AND SENSE APPROVE PROJECT.

Every engineering, sanitary, and economic factor favored the Hetch Hetchy as the source. Added to these factors were freedom from complicating water rights and additional power possibilities outside the national reservation.

The distance which the water is to be brought is 142 miles. It is proposed to install 10-foot pressure tunnels, lined with concrete, through the mountains, and 10-foot steel pipes across the valley. 'This system will bring water to San Francisco under sufficient pressure to boost it to the highest levels without pump-The plans originally made by city engineers C. E. Grunsky and Marsden Manson were revised by Mr. John R. Freeman. probably the most noted hydraulic engineer in the world. Mr. Freeman brought to his assistance a group of noted experts, and now the work is in charge of M. M. O'Shaughnessy, city engineer, who has had extended experience in the construction of water systems in California, the Southwest, and Hawaii. Mr. Freeman remains as consulting engineer.

Immediately following Mr. Grunsky's report selecting the Hetch Hetchy Valley, the then mayor of the city, Hon. James D. Phelan set about to perfect water rights. At that time, 1901, the Hetch Hetchy Valley was not in a national park. The city could not as a municipality make filings for water under the laws of California at that time. Therefore Mr. Phelan in his individual capacity made filings, perfected them, and transferred them to the city of San Francisco. By this procedure San Francisco obtained priorities and has, in spite of all obstacles,

kept the city's rights alive.

Subsequently the Hetch Hetchy Valley was included in the national parks at the time the State of California receded the

Yosemite Valley to the United States.

Application was made to Secretary of the Interior Hitchcock for a permit to construct the dam and for rights of way. Mr. Hitchcock refused the permit and directed the city to buy out the Spring Valley Water Co. This was the beginning of trouble. Bitter contention arose over the water rates charged by the company and over a purchase price. No agreement could be reached, and for several years the problem remained unsettled.

GARFIELD GAVE LIMITED PERMIT.

When James R. Garfield became Secretary of the Interior San Francisco renewed her application for a permit. There was bitter opposition. After investigation, Secretary Garfield, on May 11, 1908, authorized the city to use Lake Eleanor and Cherry Creek, sources contiguous to the Hetch Hetchy Valley, and part of the Tuolumne watershed. About this time a group of men adverse to the city's interest secured an option on 720 acres of land which the city had to have and immediately ran up the price. This scheme caused delay. In 1909 the city voted \$600,000 bonds for the purpose of acquiring privately owned lands and water rights, and part of the expenditure of this sum was \$174,311.20 for the 720 acres of land in the Hetch Hetchy Valley. This land was of value to the city, and a number of private interests were trying to acquire it for the purpose of developing power, and as the Government had made the condition that private ownership be bought out, the city had to pay the price asked.

ARMY BOARD INVESTIGATES.

In 1910, at the request of the President of the United States, a board of three Army engineers was appointed to investigate and analyze the data and report on all available sources for a water supply for San Francisco.

This board was composed of Col. John Biddle, Col. Harry Tay-

in December, 1912, and the Army board report was filed in Feb-

ruary, 1913. (H. Doc. 54, 63d Cong., 1st sess.)

Secretary of the Interior Fisher, with the Army board, the engineers of the Geological Survey, the Directors of the Reclamation Service and the Geological Survey, and other Government experts, conducted a 10-day oral hearing on all the reports submitted in November and December, 1912.

UNITED STATES ENGINEERS APPROVE.

As a result of all this, the Army board reported in favor of San Francisco, stating that the Hetch Hetchy was the most economical and available source of water supply for the bay cities

Secretary Fisher did not issue the permit. He received the Army board report a few days before his retirement from office, and passed the question on to his successor and to Congress.

Secretary Lane, having been the city attorney of San Francisco and an attorney of record in the Hetch Hetchy proceedings, while he urges the grant, felt that it were better procedure for the city to obtain its authorization from Congress.

These facts and additional data are more clearly set forth in the transcript of proceedings by Hon. Percy V. Long, city attorney of San Francisco. (See Vol. I of hearings, beginning at p. 94; see also engineering history by M. M. O'Shaughnessy, p. 130, Vol. I.) Mr. O'Shaughnessy says in part:

p. 130, Vol. I.) Mr. O'Shaughnessy says in part:

In California we are often subject to a succession of two and sometimes three dry years. For a municipal supply this involves having a reservoir and storage capacity able to tide over such a dry period. In San Francisco for the past two years there has been a shortage of over 50 per cent of rainfall, and this has resulted in leaving our reservoirs in a very depleted condition, so that the public is very much alarmed as to what the outcome is going to be. Personally, as the city official most directly responsible for improving conditions, it is a subject of very grave alarm, and for the past three or four months I have been making explorations all over the city in our narrow peninsula trying to develop what strata there is that will be capable, in this emergency, of relieving our situation. There is no other city in the United States at the present time of the size of San Francisco confronted with such a situation.

Mr. O'Shaughnessy says further that the Spring Valley Water

Mr. O'Shaughnessy says further that the Spring Valley Water Co. is supplying about 41,500,000 gallons per day. In addition there are drawn from private wells about 8,000,000 gallons per day, so that the daily consumption is about 50,000,000 gallons. He adds that if the present demands were supplied, the consumption would be 75,000,000 gallons per day.

When it is considered that San Francisco is growing very rapidly, and that whole districts can not be improved, homes built, and sanitary requirements fulfilled because of lack of water, it is apparent that San Francisco must have more water than is available from any near-by source.

ALL WATER NEEDED FOR USE.

Supplementing Mr. O'Shaughnessy's judgment is the following from the report of the Board of Army Engineers:

from the report of the Board of Army Engineers:

In one important respect the situation in California requires special consideration. In California all water has great value; due to the large extent of arid and semiarid land that can be made fertile by the use of water, irrigation is assuming great importance; due to lack of coal and the opportunity for economical water-power development, the use for the latter purpose will surely be greatly extended. In a relatively few years practically all available water will doubtless be appropriated for one or the other purposes, and it will then be possible to obtain it for municipal use only at great cost and damage to existing communities and industries. It is therefore necessary to-day for the cities of California to look further ahead than in most other parts of the country and to take such steps that in the future when they may need the water they shall have the right to take it. For this reason, it is believed that in making provision for the future supply of San Francisco and other bay cities, a source should be selected, if possible, that is capable of supplying the needs of the communities for the balance of this century. Such a course would seem both wise and reasonable, provided it involves no sacrifice of economy.

With a full knowledge of this entire subject, Gifford Pinchot,

With a full knowledge of this entire subject, Gifford Pinchot leading conservationist of the country, declares to the Land Committee that San Francisco's proposition is the highest form of conservation he has seen, and he urges the passage of the bill.

CITY READY TO HELP STATE.

Encouraged by the friendly aid of neighboring cities, San Francisco stands ready-money in hand-to make a great investment which will bring incalculable benefit to the State of California. This willingness to pack the burden is not wholly self-interest. The people of the city realize that economic devel opment of the great San Joaquin Valley will help to produce cheaper foodstuffs, attract home builders, and enhance the progress of the State. Imbued with this sentiment and characteristic generosity, the city is willing that an additional million dollars shall be spent for storage of water to be used solely by

And, further, proud of the glories of the State, the beauties of the Yosemite, the delights of the Sierra, the city proposes to expend another million dollars in making the sublime scenery of the Hetch Hetchy and Yosemite accessible to people of small means and limited leisure. The historical associations and the

league for the preservation of California landmarks are more jealous of the preservation of California's natural beauties than can be the residents of remote cities-men who never have seen California and probably would never go to the Hetch Hetchy if they had time and opportunity.

A people who undauntedly met the greatest disaster in all the world's history and who rebuilt a devastated city ought to be given sufficient consideration to enable them to select their own water supply and to ease the tax burden which falls most heavily upon those who work for a living. The Hetch Hetchy question is not "a raid upon the Yosemite"; it is a question solely of providing pure water in ample supply to human beings.

ARMY BOARD FINDINGS.

[Extracts from conclusions of Board of U. S. Army Engineers. (H. Doc. No. 54, 63d Cong., 1st sess.)]

The project proposed by the city of San Francisco, known as the Hetch Hetchy project, is about \$20,000,000 cheaper than any other feasible project for furnishing an adequate supply.

The Hetch Hetchy project has the additional advantage of permitting the development of a greater amount of water power than any other.

The board is of the opinion that the use of the Hetch Hetchy Valley as a reservoir site is necessary if the full flow of the upper Tuolumne is to be conserved.

The board further believes that there will be sufficient water, if adequately stored and economically used, to supply both the reasonable demand of the bay communities and the reasonable needs of the Turlock-Modesto irrigation districts for the remainder of this century.

The board believes that on account of the fertillity of the lands under irrigation and their aridness without water the necessity of preserving all available water in the valley of California will sooner or later make the demand for the use of Hetch Hetchy as a reservoir practically irresistible. The board does not think that a delay of a few years in transforming the Hetch Hetchy Valley into a reservoir is of importance, and therefore does not think it necessary to require delaying construction of this reservoir until the Lake Eleanor and Cherry sources have been fully developed.

The board believes that the regulations proposed by the city will be The board believes that the regulations proposed by the city will be found sufficient to protect the waters from pollution, and that these regulations will tend toward the protection of campers and others using the park and will not be onerous upon them. It recommends, however, that the permit to the city require the city to take other means, such as filtration, to purify its water supply if these regulations are ever deemed insufficient.

The construction of reservoirs, especially the Hetch Hetchy, will destroy a few camping grounds in the park. The construction of the proposed trails will, however, render accessible other parts of the park not now readily reached, and the number of camping places within the park is large.

Construction of Tuolumne system as proposed by city of San Francisco, to be extended over about 50 years, \$77,000,000.

Against the above expenditures there will be developed 115,000 horsepower, having an estimated capitalized net value of \$45,000,000.

THE SECRETARY OF THE INTERIOR, Washington, May 29, 1913.

My Dear Mr. Underwood: I have been in receipt for some time of communications from San Francisco respecting their water situation. The newspapers and others are keeping it as quiet as possible, but the situation is one of emergency and of actual distress. As you doubtless know there has been pending here for some 10 years or more an application before this department for rights of way which will permit the use of the Hetch Hetchy Valley as a reservoir for San Francisco's water supply.

of the Hetch Hetchy Valley as a reservoir for San Francisco's water supply.

When I was city attorney of San Francisco I made an argument before Secretary Hitchcock in this matter and have been interested in it ever since. Secretary Fisher just before he went out of office said that the matter was one that should be dealt with by Congress. I was appealed to to revoke this decision, but said that owing to the fact that I had been a constant advocate of such a permit and was one of the attorneys of record in the matter. I felt it would be improper for me to act further than to express to Congress my opinion that this was a matter almost vital to San Francisco's growth as well as her present needs.

needs.

I am advised to-day that the matter of securing the necessary legislation under which the Tuolumne waters may be used for a municipal water supply can be taken up by Congress as an emergency matter if you will say the word. San Francisco's need is so great that I think such action would be entirely justifiable. There is absolutely no politics in the matter. The president of the Spring Valley Water Co., which now supplies the city, in describing the water supply in that city recently said, "It is doing the city more harm than the earthquake ever did."

I quite realize the pressure that is brought to bear upon you with respect to legislation that Members desire to push at this session. This fact, however, is not to be lost sight of, that a delay as to the Hetch Hetchy water supply now means the postponement for at least a year of securing the relief for San Francisco. There is sufficient data already had for the Land Committee to act upon, and there is no question of policy involved affecting anything other than this one proposition.

I hope from these considerations that you will find it practicable to make the exception and permit this proposition to be considered during this session of Congress.

Respectfully, yours,

Franklin K. Lane.

Hon. OSCAR W. UNDERWOOD, House of Representatives.

LANE TESTIFIES AT HEARING.

San Francisco needs a new and adequate water supply. The water supply that she has now has been developed from time to time during the last 50 years, and the city has outgrown it. The situation in San Francisco now is that there are many homes where sufficient water can

not be had for a bath; where it is necessary in the new and growing portions of the city to leave a spigot turned on at night in order to get sufficient water for the morning breakfast. More than that, you know the situation that developed immediately after the earthquake. San Francisco attempted to supplement her fresh-water supply with a saltwater supply drawn from the ocean—an emergency supply in case of

water supply drawn from the fire.

There is every kind of reason why San Francisco should have a larger supply of water than she has. At the present time they are advertising in the papers that people must stop washing down their steps, washing off the sidewalks, and watering their lawns, because the materials not to be had.

advertising in the papers that people must stop washing down their steps, washing off the sidewalks, and watering their lawns, because the water is not to be had.

The Hetch Hetchy Valley is distant from the Yosemite Valley and in no way touches that beautiful scenic valley. The Hetch Hetchy Valley I have never seen, but it is a valley in a canyon which is partly submerged during a part of the year, which, as I learned 10 years or more ago, was for the greater part even of the summer season an impossibility for camping purposes because of the mosquitoes there, there being so much swamp. Great cliffs arise around it.

* I think that I have as much appreciation of natural beauty as anyone, and as much of a desire to conserve the natural beauties of my own home State as anyone, and my conclusion, after thinking of this thing a long while, has been that to turn that valley into a lake would add to the beauty of the whole thing rather than to detract from it in any way.

* * * Both the private engineers and the War engineers have reached the conclusion that this dam site must eventually be used. California needs water for other than municipal purposes, for irrigation purposes, and she needs this water that comes down from these high mountains for power, because she has no coal, so that it is probably a matter of but a few years, even if this application were denied, and if this bill should fail to pass it would be only a very few years before you would find yourselves pressed by the State of California or by private parties with large public influence behind them to set aside this identical site as a dam site for the holding back of the flood waters which run to waste, so that those waters might be used for irrigation purposes, and for power purposes, if not for municipal purposes; and it has seemed to me, in looking over the whole situation, that San Francisco's demand or request made to the Secretary of the Interior has been to see that the interests of the Government were protected. I have looked over this bill,

In building this dam San Francisco will necessarily build roads which will make the high sierra accessible—will make that whole portion of the park accessible to hundreds of thousands of people who never will have any chance to go in there if it remains as at present. Therefore it seems to me that as a park proposition alone this thing is worth while.

I think, as one having charge of the park, that it will be beneficial, and that anyone who really knows the country and appreciates the advantages that will come by the opening up of it and making it accessible and putting it to use must indorse this proposition as against some rather doubtful esthetic consideration.

San Francisco has absolutely needed an additional water supply for

I am advised by the irrigation people themselves that they are satisfied that this (bill) protects their rights, and I think it becomes quite evident when you consider that the city puts up a great dam which will hold back flood waters that run idly by their land, that it must work out for their benefit if they have any right whatever to the use of the waters.

The general principle of the bill is that these lands belong to the Federal Government and that we have control of them. The water originates in them, the water flows through them, and we have control over the dam site, and if we are to allow these lands to be submerged we have got the right to make certain conditions. Certainly no one can come in and use lands in a national park without our consent, and if you give consent you have got the right to make conditions.

I think the rights of the irrigation districts are very well protected here, and that they have the right to call upon the city for additional water.

I think that it is very proper that the Federal Government should use whatever power it has over the public lands, over the parks, and over the forests, to coppel the fullest use of these waters, and indirectly to require through its power to make conditions the lowest possible rate for consumers.

In my judgment, the permission desired by San Francisco to secure water from the Yosemite National Park for municipal purposes, etc., should be accorded. The communities on San Francisco Bay constitute the largest center of population on the Pacific coast and are urgently in need of an adequate supply of pure, wholesome water for domestic consumption and for fire protection.

This project would insure the development of a dependable supply of water for the use of the adjacent irrigation district, and it would also provide for the development of power now going to waste. The city of San Francisco has evidenced its good faith in this matter by providing a large bond issue looking to securing money to effectuate the grant if accorded. The bill under consideration fully protects the interests of the United States in the park and elsewhere. Under the project as proposed by the city, the floor of the Hetch Hetchy Valley, now difficult of access and frequently unhealthy, will be converted into a lake of great beauty and be provided with suitable approaches. Under the provisions of this bill the revenues derived by the Government, which in time will grow into a very considerable sum, are to be used for the maintenance and improvement of the Yosemite National Park, and the city of San Francisco has undertaken to construct and maintain roads, trails, and bridges which will practically result in a great enlargement of the park areas of the high Sierra by making them more safely and easily accessible.

HOUSTON APPROVES.

[Extracts from statement of Hon. David F. Houston, Secretary of Agriculture, before the Public Lands Committee, House of Representatives, June 25, 1913.]

I have examined this proposed bill, and I am in hearty accord with what the Secretary of the Interior says as to the general features. So far as the Department of Agriculture is concerned, I think that all of the interests of the Government are safeguarded in the bill.

the interests of the Government are safeguarded in the bill.

It is unnecessary for me to repeat anything that has been said about the need of the city of San Francisco for water. There is no doubt, from the representations made, that they have a great and growing need for this water supply. It is a prerequisite to the development of a great city. Now, I am also informed that this has been determined as the best way to secure the additional water required. It seems to me that we can not afford to stand in the way of that.

The Chairman. In your opinion the development of roads and trails might mean an additional protection to the forest, might it not?

Secretary Houston. Yes, sir.

The Chairman. Have you considered the matter from the point of view of the people who may think it is a great wrong to put this water to beneficial use because of the possible injury to the natural heauties of the valley or because of the destruction of scenic values?

Secretary Houston. In the first place, if I am correctly informed, it will add to the beauty rather than injure the appearance of the forest and the park. So that answers the question from that point of view. But I think there is a great deal of beauty in San Francisco to be conserved, and I think that the thousands of people there have some claims upon the Government.

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PINCHOT INDORSES BILL.

PINCHOT INDORSES BILL

[Extracts from statement of Hon. Gifford Pinchot, former Chief Forester, before Public Lands Committee, House of Representatives, June 25, 1913.]

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We come now face to face with the perfectly clean question of what is the best use to which this water that flows out of the Sierras can be put. As we all know, there is no use of water that is higher than the domestic use. Then, if there is, as the engineers tell us, no other source of supply that is anything like so reasonably available as this one, if this is the best and within reasonable limits of cost, the only means of supplying San Francisco with water, we come straight to the question of whether the advantage of leaving this valley in a state of nature is greater than the advantage of using it for the benefit of the city of San Francisco.

Now, the fundamental principle of the whole conservation policy is that of use—to take every part of the land and its resources and put it to that use in which it will best serve the most people—and I think there can be no question at all but that in this case we have an instance in which all weighty considerations demand the passage of the bill.

* * The construction of roads, trails, and telephone systems which will follow the passage of this bill will be a very important help in the park and forest reserves. The national forest telephone system and the roads and trails to which this bill will lead =will form an important additional help in fighting fire in the forest reserves. As has already been set forth by the two Secretaries, the presence of these additional means of communication will mean that the national forest and the national park will be visited by very large numbers of people who can not visit them now. I think that the men who assert that it is better to leave a plece of natural scenery in its natural condition have rather the better of the argument, and I believe that if we had nothing else to consider than the delight of the few men and women who would yearly go into the Hetch Hetchy Valley, then it should be left in its natural condition. But the considerations on the

In a colloquy with Hon. John E. Rakes, member of the Public Lands Committee, Mr. Pinchot discussed the effect of the construction of roads and dam site in the Hetch Hetchy Valley. He agreed with Mr. RAKER that this work would make the valley more accessible and that the use of the park would be enormously increased. Mr. Pinchot, in reply to a question by Mr. RAKER, said he had never been able to agree with John Muir in the latter's attitude toward the Sierras.

Mr. Pinchot unequivocally indorsed the bill, and said there was no reason to delay its passage, as every possible phase of the subject had been investigated and discussed for 10 or 12 years. He said:

I am thoroughly and heartily in favor of it. I am in favor of reporting the bill now before the committee and passing it at this session.

GEOLOGICAL SURVEY CHIEF FAVORS BILL.

GEOLOGICAL SURVEY CHIEF FAVORS BILL.

[Extracts from statement of Dr. George Otis Smith, Director of United States Geological Survey, before Committee on the Public Lands, House of Representatives, June 25, 1913.]

The Hetch Hetchy Valley must eventually be made into a reservoir. Now, I believe that the sooner that dam site is actually used, the sooner that reservoir is utilized, the better. * * There are three parties, it seems to me, to this proposition. San Francisco, by reason of its claim for the highest use of the water; the Turlock-Modesto irrigation districts, by reason of their prior use and their actual dependence upon the Tuolumne watershed for their water; and, thirdly, the general public, which is interested in the full utilization of our water resources here, as elsewhere, and also interested by reason of special rights which they have in the national parks. I believe that the citizens of San Francisco and the other bay cities will receive pure water from the cheapest source, and they will also receive municipal power at a lower price. The irrigation interests, with their prior rights, are assured under the terms of this bill of a larger supply than they at present have upon what seems to me to be absolutely equitable terms. The fhird party to this contract, in the form of legislation, is the general public. The visitors to the park, if this plan is carried out, will have the northern part of the Yosemite National Park made more accessible, if not

indeed also more attractive. And right there I would say that in my opinion natural beauty has little value unless there is the human eye to

opinion hattar years, see it.

The sanitary restrictions in the bill are not a bit more than should be placed upon any users of a national park, this and other national parks, whether San Francisco is to get the water from the park or not. In addition, this is necessary in order to protect the campers from themselves.

accessible.

I base my opinions on actual observation of the Hetch Hetchy Valley

I do not think that anyone else (than San Francisco) is liable to develop the Hetch Hetchy dam site, unless there is a reasonable hope that the irrigation use can be connected with the municipal and power

No extensive argument is needed to show that the full utilization of the Tuolumne River is not only desirable but absolutely essential. CHIEF FORESTER O. K'S PLAN.

[Substance of statement of Hon. Henry S. Graves, Chief Forester, before Public Lands Committee, House of Representatives, June 25, 1913.]

Mr. Graves analyzed the bill before the Land Committee, so far as it relates to the jurisdiction of the Forest Service. He approved the provisions and said that the telephones, trails, roads, etc., would materially assist in the proper conduct of the Stanislaus National Forest, and would result in good for all concerned. As to the bill itself, Mr. Graves said he had assisted in the preparation of Secretary Lane's report, which represented the agreed policy of the department, including the Forest Service.

[Extracts from statement of Hon. F. H. Newell, chairman United States Reclamation Commission, before Public Lands Committee, House of Representatives, June 25, 1913.]

Representatives, June 25, 1913.]

I agree fully with what has been stated by the representatives of the Repartments in this particular case. I made a study of the water supply of the higher Sierras 18 years ago. I made this study in the Hetch Hetchy Valley as well as in the surrounding area. It was found then that the irrigation development of the valley (San Joaquin) would require the building of a reservoir in that place. At that time we did not anticipate the needs of the city of San Francisco, and in fact gave that no consideration; but we are now fully aware that the ultimate development of the city of San Francisco will require the use of this reservoir site. Now, touching the question of the destruction of the natural beauty of the valley, I will say that, having been concerned with the building of many large reservoirs, I have naturally come to believe that there is nothing more beautiful than a well-built dam with a reservoir behind it. * *

Those of us who have been handling this water-supply question feel that the municipal or domestic use is so far superior to any other use that it does not enter my mind that there can be any competition.

* * You can supply, perhaps, one hundred times as many people with water for domestic use in a city as could be supplied for irrigation purposes.

Mr. Newell discussed at great length with the members of the committee the cost of water for irrigation and the reasonable investment that should be made by landowners. He stated that in his opinion no encouragement could be held out to irrigationists that the Government would build a reservoir at Hetch Hetchy, the water to be used for irrigation purposes. In his opinion the construction by San Francisco of the Hetch Hetchy Dam would materially benefit the irrigationists and materially benefit the irrigationists and materially benefit the irrigationists. Dam would materially benefit the irrigationists and promote conservation. He approved the passage of the bill.

ARMY BOARD TELLS COMMITTEE BILL SHOULD PASS.

[Extracts from statement of Col. John Biddle, chairman of the Board of Army Engineers which investigated and reported upon the San Francisco water problem, before the Public Lands Committee, House of Representatives, June 26, 1913.]

Responding to Chairman Ferris, Col. Biddle stated that he was stationed in San Francisco from 1907 to 1911 and was in general charge of the rivers of California, and in that way became familiar, to a certain extent, with them, and also with the water situation in California. He further stated that the Army board was appointed in 1910, while he was stationed in California, and that the other members of the board went out there. In 1911 the board went over several of the important sources of supply, and in 1912 the board again went out there and went over a number of these sources. In addition, Col. Biddle said that he had personally seen most of the sources in question.

Following are quotations from testimony of Col. Biddle:

The city of San Francisco obtains its water supply at present from sources all within about 50 miles of the city. It has been recognized for some years past that these sources were insufficient, and therefore San Francisco has been investigating supplies from other points. Early investigation convinced the engineers employed by the city that the most economical supply was from the upper Tuolumne River, making use of two main reservoir sites, Lake Eleanor and Hetch Hetchy Valley, lying within the Yosemite National Park. * *

Col. Biddle recited the appointment of the Board of Army Engineers, and stated that two inspections of the reservoirs in the Yosemite Valley and other proposed sites were made, and also l

that very comprehensive inspections of the available sites were made. In addition, Mr. H. H. Wadsworth, assistant engineer. United States Engineer Service, was secured by the board to make further investigations and examinations. Mr. Wadsworth had been in the employ of the engineer department in California and is familiar with the rivers and reservoir sites in central California. Mr. Wadsworth spent about a year and a half on duty in connection with the work of the Army board.

Resuming, Col. Biddle says:

While the city of San Francisco makes the application, the other cities on the bay are also vitally interested, as in most cases the water supply in those communities is nearing its limit of development, and the more important ones have already taken such steps as seem desirable to join San Francisco in obtaining a new water supply.

The board took into consideration all possible scarces of water supply.

The Hetch Hetchy supply is estimated to cost \$77,000,000, spread over a number of years. The second and third sources are estimated to cost from \$97,000,000 to \$99,000,000.

The data and analysis of these projects appear in the Army board report (H. Doc. No. 54) and also in the hearings before the Public Lands Committee, beginning at page 50. Reference to these reports and hearings is hereby made.

Resuming extracts from the hearings:

Mr. TAYLOR of Colorado. If you know any reason why we should pass this bill, tell us that reason.

Col. Biddle. The reason why you should is that San Francisco has to have the water; that it is a perfectly practicable way, and by far the most economical way.

* * The power development in the Hetch Hetchy is greater than it is at any other source of supply.

Col. Biddle then analyzed the possible alternative sources, which analysis is to be found in the printed hearings, page 56 et seq. He said that all these alternative sources were much more expensive and presented greater engineering difficulties than the Hetch Hetchy. He stated further that, in his judgment, San Francisco would meet opposition from the irrigationists and others if other sources were selected. Further, Col. Biddle stated that it would take San Francisco longer to obtain water rights in other systems, whereas the city now owns the water rights in the Hetch Hetchy. He also stated that the city owns the greater part of the floor of the Hetch Hetchy Valley and a small part of the dam site.

Resuming extracts:

The CHAIRMAN. Are you acquainted with the sentiment of the people of San Francisco touching the supply they desire?

Col. Biddle. Yes, sir; the sentiment is overwhelmingly in favor of the Hetch Hetchy supply.

The CHAIRMAN. There can be no question about that?

Col. Biddle. None whatever.

Col. Biddle. None whatever.

Col. Biddle. There is no question in my mind that the Hetch Hetchy is the best water supply for San Francisco, and that it is the most economical that can be obtained; it can be obtained more promptly, and is better in every way * *.

The Chairman. With the information before you, coupled with the results of these two investigations, if you were a member of this committee, having due regard for the rights of the irrigation people, and having due regard for the rights of the nature lovers, who believe that you should not interfere with the Yosemite National Park, and having due regard for the needs of San Francisco, which system would you vote for?

Col. Biddle. I would vote for the Hetch Hetchy system.

The Chairman. You would vote for the Hetch Hetchy system?

Col. Biddle. Yes, sir.

The Chairman. Would you feel, in casting a vote of that kind, that you had inflicted a greater wrong upon the irrigation people and the nature lovers than if you voted for one of the other systems?

Col. Biddle. No, sir; so far as the nature lovers are concerned, my own preference is for a valley, for the reason that the Sierras are full of beautiful lakes. While there are, of course, a number of valleys, there are very few like the Hetch Hetchy. There are very few in the whole Sierras; still it would be very beautiful as a lake. The difference between the Yosemite Valley and the Hetch Hetchy, in my opinion, is that the Yosemite is far grander than the Hetch Hetchy, but the floor of the Hetch Hetchy is more attractive. The cliffs and waterfalls of that valley are wonderful, and would not be injured by the creation of a lake. So, with this lake you would still have a wonderful piece of scenery. Then, of course, the facilities that the city would give would afford more people an opportunity to visit the valley.

I think the city of San Francisco is agreeing to do a very reasonable

I think the city of San Francisco is agreeing to do a very reasonable thing and that the roads and trails required will satisfy the demand.

The CHAIRMAN. As matters now stand, it would be pretty extravagant for poor people to undertake to go there?

Col. BIDDLE. It is impossible for them to go in there, unless they go in with knapsacks on their backs. In the early summer the mosquitoes are very bad, and in the late summer it is too hot in the Hetch Hetchy Valley.

Col. Biddle stated that the Hetch Hetchy Lake would be 6 or 7 miles long by  $1\frac{1}{2}$  miles wide and would flood an area of approximately 1,100 acres.

Col. Biddle also stated that the proposed sanitary regulations "are such as should be made anyhow, if the park is to be used by any large number of people." Answering a question on this subject, Col. Biddle added:

I think that as soon as the park begins to be used to any extent it will be necessary to have the same rules for the protection of campers as for the protection of the people of San Francisco.

Discussing necessity for a long look ahead in California, on account of the general lack of water, Col. Biddle said:

Cities situated as San Francisco have to look a long time forward. Here at Washington, for instance, you have the Potomac River, and the chances are that the water situation, so far as Washington is concerned, 50 years hence will be the same as it is to-day. In the case of San Francisco, however, there will be danger of so many water rights and water use developments that it might be almost impossible 50 years from now to obtain water rights without great expense and even hardship to agricultural communities. That is the reason we take that advanced

Responding to the chairman, the other members of the Army board expressed their views:

Col. Cosby. I concur fully in the statement of Col. Biddle. There is only one small point of difference, and that is as to whether the Hetch Hetchy Valley would be more attractive with this reservoir in it than in its present condition. I believe that with the lake it would be even more beautiful than it is in its natural condition.

TAYLOR AND COSBY INDORSEMENTS

Col. Taylor. There is not the slightest question in my mind but that this should be used as the source of water supply, and not only that, but that it will be used as a water supply in a very short time independently of whether this project is adopted or not. I think that the pressure will be so great to conserve the water up there that it will be used as a storage reservoir. It is by far the best storage reservoir in that section of the country, and water is so valuable up there that they can not afford to let it run to waste. If you deny the use of it to San Francisco, sooner or later the water will be put to other uses. Somebody will be asking for permission to utilize the Hetch Hetchy Valley as a storage reservoir for irrigation purposes. This water will certainly be used for the city of San Francisco or for irrigation purposes.

Col. Cosby. I presume the members of the committee fully understand how inaccessible the Hetch Hetchy Valley is. I think the roads will make it accessible to a greater number of people. At the present time I think that there are practically only two classes of people who use it, people who are unusually wealthy, or people who are unusually strong and healthy and are able to make the trip.

CITY'S POINT OF VIEW.

CITY'S POINT OF VIEW.

[Extract from statement of Hon. James D. Phelan, former mayor of San Francisco, and representative of Mayor James Rolph, jr., and the city of San Francisco.]

San Francisco, and representative of Mayor James Rolph, jr., and the city of San Francisco.]

I will emphasize the fact that the needs of San Francisco are pressing and urgent. A large number of our population has been lost to Oakland, Alameda, and Berkeley by reason of the fact that we have never had adequate facilities, either of transportation or of water supply. So San Francisco, the chief Federal city on the Pacific coast, asks the Federal Government for assistance in this matter by grant and not by money. It has obligated itself to pay \$70,000,000 for a water supply. We have endeavored to satisfy the needs of the irrigationists in good falth, as well as the local water monopoly, and we come this year to Washington, I think, with the good will of those heretofore opposed to us, possibly with the exception of the gentlemen who are devoted to the preservation of the beauties of nature.

As Californians, we rather resent gentlemen from different parts of the country outside of California telling us that we are invading the beautiful natural resources of the State or in any way marring or detracting from them. We have a greater pride than they in the beauties of California, Mount Whitney, 15,000 feet below the sea, as we have the lowest land, in Death Valley, 300 feet below the sea. We have the lowest land, in Death Valley, 300 feet below the sea. We have the highest tree known in the world, and the oldest tree. It is history goes back 2,000 years, I believe, judged by the internal evidences: as we have the youngest tree in the world, Luther Burbank's plumcot.

All of this is of tremendous pride, and even for a water supply we would not injure the great resources which have made our State the playground of the world. By constructing a dam at this very narrow gorge in the Hetch Hetchy Valley we create not a reservoir but a lake, because Mr. Freeman has shown that by planting trees or vines over the dam the idea of a dam, the appearance of a dam is entirely lost; so coming upon it it will look like an emerald ge

To restore the life of a little child And bring him back to his own, Is a darned sight better business Than loading 'round the throne.

To provide for the little children, men, and women of the 800,000 population who swarm the shores of San Francisco Bay is a matter of much greater importance than encouraging the few who, in solitary lone-liness, will sit on the peak of the Sierra loafing around the throne of the God of Nature and singing his praise. A benign father loves his children above all things. There is no comparison between the highest use of water—the domestic supply—and the mere scenic value of the mountains. When you decide that affirmatively, as you must, and then on top of that, that we are not detracting from the scenic value of the mountains, but enhancing it, I think there is nothing left to be said.

All the Members of Congress from California are favorable to the grant to San Francisco under the provisions of the bill.

A written statement for the Turlock and Modesto Irrigation Districts was presented by the authorized representatives of said water district, which approved the bill as drafted and reserved the right to object should the conditions relating to those irrigation districts be eliminated or materially modified. These districts have telegraphed their approval of this bill.

For the purpose of presenting bill H. R. 7207 with its provisions fully before the House, an analysis is made thereof, as follows.

Section 1 provides a grant of all necessary rights of way not exceeding 250 feet, as in the judgment of the Secretary of the Interior and the Secretary of Agriculture are required for the construction and operation of a water-supply system for the city of San Francisco and other cities which may hereafter join in the Metropolitan Water District about San Francisco Bay. The grantee is required to file maps showing proposed location of rights of way, power houses, pole lines, roads, trails, bridges. and so forth, and procure the approval of the Secretary of the Interior as to these locations. Within the jurisdiction of the Stanislaus National Forest, the approval of the Secretary of Agriculture must be procured. This section is analogous to and practically identical with the grant made to the city of Los Angeles for a water-supply system from the Owens River.

Section 2. This section requires the grantee to file with the registers of the United States land offices within three years all maps showing boundaries or locations, and prohibits permanent construction work until maps shall have been filed and approved. Proviso 1 permits changes in location by approval when engineering problems are met and such changes are advisable. Proviso 2 provides that the rights of the grantee already pro-cured shall be given due consideration and relate back to the filing of maps as provided in this section. Proviso 3 is to the effect that copies of maps already filed and approved under previous permits may be approved by the Secretary of the Interior.

Section 3 provides that the rights of way granted shall not be effective over homestead, mining, or other valid claims which in law constitute prior rights unless the grantee shall procure relinquishment by due process and just compensation; and, further, the section provides that any such entryman or claimant shall have the right to sell and the grantee shall have the right to purchase rights of way over homesteads or other claims. A proviso prescribes that the act shall not apply to lands embraced in rights of way heretofore approved for the benefit of any party other than the said grantee or its predecessors in interest.

(The language of section 3 and preceding sections is designed to protect the vested rights heretofore procured by the grantee or others.)

Section 4 provides that the grantee shall conform to all regulations prescribed to govern the Yosemite National Park and the Stanislaus National Forest, and further provides that no timber shall be cut in the national park or in the forest reserve except such timber as may be actually necessary to construct, repair, and operate its water and electric power system. repair, and operate its water and electric power system. An timber cut shall be designated by the Secretary of the Interior or the Secretary of Agriculture where such timber is outside the right of way. Proviso 1 prohibits the cutting of any timber in the Yosemite National Park, except from land to be submerged or which constitutes an actual obstruction to the rights of way or to any road or trail provided in the act, and to preserve artistic harmony the grantee is compelled to submit designs and structures to the Secretary of the Interior for approval. It is intended that all permanent dams, buildings, etc.,

shall conform to the landscape surroundings.

(The grantee acquiesces in this proviso, which is designed to prevent the cutting of a stick of timber in the Yosemite National Park, and thus prevent any possible destruction of trees within the reservation, and also to make the park as

artistic as possible.)

Proviso 2 of section 4 requires the grantee to construct and maintain bridges and crossings over its rights of way of such character and construction as may be prescribed by the Secre-tary of the Interior or the Secretary of Agriculture, and, further, the grantee shall, upon order of the United States officials, construct and maintain fences along the rights of way. It is still further provided that the grantee shall clear its rights of way of débris and inflammable material, thus preventing forest fires, and also shall permit the free use by Government officials of all trails, telephone and telegraph lines, railroad and other utilities which may be constructed as adjuncts to the watersupply system. (The requirements of this section cause the grantee to expend a considerable sum in the improvement of the park and the forest reserve and make access to these public places easy and comfortable. The expenditure of this money for this purpose is a consideration, in part, for the grant.)

Section 5 provides that the grant by the Federal Government is an easement and that the lands shall be disposed of only subject to such easement. Proviso 1 compels the grantees to diligently prosecute its construction work without cessation, and in the event that such construction work ceases for a period of three years and the Secretary of the Interior determines the grantee has not been duly diligent, all rights under the grant may be declared forfeited by suit in the United States District Court for the Northern District of California. The Attorney General is required to prosecute such suit to final judgment when requested to do so by the Secretary of the Interior. Proviso 2 provides that the Secretary of the Interior shall not attempt to make a forfeiture if the work of the grantee has been delayed or prevented by the act of God or the public enemy, or by engineering or other special or peculiar difficulties which could not have been reasonably foreseen and overcome and were beyond the control of the grantee. Proviso 3 compels the grantee to at all times comply with the regulations authorized by the act, and in the event of material departure from said regulations the United States officials may take such action as may be necessary, in the courts or otherwise, to enforce such regulations.

Section 6 provides that the grantee is prohibited from selling or letting to any corporation or individual, except a municipality, a water district, or an irrigation district, the right to sell or sublet the water or electric energy sold or given to it by the grantee; it is provided also that the rights under the grant shall not be subject to sale, assignment, or transfer to any private person, corporation, or association.

(This provision, acquiesced in by the grantee, was designed to prevent any monopoly or private corporation from hereafter obtaining control of the water supply of San Francisco.)

Section 7 provides that for and in consideration of the grant the grantee shall make certain payments, the proceeds of which are to be used exclusively for the construction of roads and other improvements in the Yosemite National Park and other national parks in the State of California. The theory of this section is that San Francisco is receiving certain privileges and benefits from the national park, and that the consideration is for the use of public lands now owned by the United States. The payments proposed will, it is estimated, amount to more money annually than is at present charged to private corporations under similar Federal conditions. It is proposed that the grantee shall pay, beginning five years after the passage of the bill, the sum of \$15,000 annually for a period of 10 years; \$20,000 for a period of 10 years thereafter; and, unless otherwise provided by Congress, \$30,000 annually for the remainder of the term of the grant. The moneys so paid are to be kept in a separate fund by the United States and applied to park improvements as designated by the Secretary of the Interior. Congress retains the power to revise the schedule.

(The amounts specified in this section are approved by the Secretary of the Interior and his subordinates. The method of providing for improvement of the park is also approved.)

Section 8 defines the grantee as the city of San Francisco and such other municipalities or water districts which may, with the consent of the city or in accordance with the laws of the State of California, hereafter participate in or succeed to the heneficial rights and privileges of the act.

beneficial rights and privileges of the act.

(The cities about the Bay of San Francisco have always approved the granting of the Hetch Hetchy reservoir site to San Francisco, with the understanding that these cities may in the future join with the city of San Francisco in a metropolitan water district. The State law of California provides for the creation of a metropolitan water district, and because of this law the bay cities have not requested at this time to be made cograntees. They know they will have the privilege to share in the benefits after San Francisco has made the necessary investment and brought the needed water to the bay cities for domes-

Section 9 requires the grantee to observe sanitary regulations within the Hetch Hetchy watershed and around reservoir sites. These regulations provide that no human excrement, garbage, or other refuse shall be placed in the waters of any reservoir or stream, or within 300 feet thereof; and, further, that all sewage from permanent camps or hotels within the watershed shall be filtered by natural percolation through porous earth or otherwise adequately purified; and, further, no person shall bathe, wash clothes or cooking utensils, water stock, or in any way pollute the water of the reservoirs constructed under this grant or the streams leading thereto within 1 mile of said reservoir. The cost of inspection necessary to enforce sanitary regulations is to be paid by the grantee, and such inspection shall be under the direction of the Secretary of the Interior. Should these regulations prove insufficient to the grantee, then the grantee shall install a filtration plant, and no other sanitary rules or restrictions shall be granted.

(These sanitary regulations were prepared by experts of the United States Government, and Mr. Allen Hazen, and Prof. Whipple, and are approved by the Board of Army Engineers, the Secretary of the Interior, the Director of the Geological Survey, and others. It is intended that the use of the watershed shall be free to campers and visitors, and that no onerous or prohibitive sanitary regulations shall ever be imposed. The sanitary experts assert that the storage of water in the Hetch Hetchy reservoir will insure adequate purity, and the Govern-

ment officials assert that the regulations herein are only those required by common decency and for the protection of campers themselves; and, further, these regulations are practically identical with the rules now in force in the Yosemite National Park.)

Paragraph (b), section 9, provides that the grantee shall recognize the prior rights of the Modesto and Turlock irrigation districts to 2,350 second-feet of water. This provision permits of the enlargement of the districts as now constituted by an additional area of 43,000 acres, but does not affect the distribution of water.

(The irrigation districts having prior rights desire that those rights be recognized on the theory that the Government, having the right to refuse the grant to San Francisco, has therefore the right to place lawful conditions therein. The recognition of these priorities does not impinge upon California State law or modify existing rights.)

Paragraph (c), section 9, is a condition that the grantee shall be required to release the necessary amount of stored water to assure the flow of 2,350 second-feet included in the priorities of the irrigation districts; and, further, condition (c) recognizes the rights of the said irrigation districts to take 4,000 second-feet of water out of the natural flow of the Tuolumne River during a period of 60 days following and including April 15 of each year.

(Condition (c) is a limitation upon the grant, according to the theory of the bill, and is protective of rights already acquired and which can not be disturbed so far as they relate to the irrigation districts. The provision relating to the 4,000 second-feet of water is to provide for the beneficial use by the irrigationists of water which otherwise goes to waste. In the period mentioned, April 15 to June 15, the Tuolumne River is a torrential flood. Fifty miles of watershed intervene between the Hetch Hetchy Dam and the dam of the irrigationists at La Grange. It is proposed that the irrigationists may take up waste waters, store them, and thus lessen the possible draft upon the stored waters of the city. It should be borne in mind that San Francisco does not contemplate interfering with the natural flow of the Tuolumne. The intent is to store flood waters which come from melting snows and leave the normal flow of the river uninterrupted. The benefit to the irrigation districts in this provision is that the landowners will receive the benefit of an investment of approximately \$50,000,000 without being compelled to put up any part of the cost, and the construction of the system will insure the priorities of the irrigationists and they will receive water in the dry period, when it is most needed. Without the construction of the Hetch Hetchy Dam there can be no flow in the river during the summer and fall.)

Paragraph (d), section 9, provides that the grantee shall sell unused stored water needed for beneficial use on irrigable lands at cost, to be computed by the Secretary of the Interior. The minimum and maximum of such stored waters to be so delivered to the irrigation districts is to be regulated each calendar year, and if the irrigation districts develop sufficient water in the foothill reservoirs for their own needs then the said grantee shall not be required to sell or deliver any stored waters. It is also provided that water used for the generation of electric power be released in the Tuolumne River free.

(The theory of condition (d) is that after the domestic needs of the city are satisfied and a surplus remains then the irrigation districts shall have the right to purchase so much of this surplus as may be beneficially used. In the event of any dispute the Secretary of the Interior may be called in to adjust the differences.)

Paragraph (e), section 9, provides that the Secretary of the Interior shall fix the minimum and maximum of stored waters to be released, and he shall also fix the price to be paid therefor, in accordance with the provisions of paragraph (b).

Paragraph (f), section 9, provides that the Secretary of the Interior shall revise the maximum and minimum amounts of stored water to be released whenever the irrigation districts shall have properly developed certain reservoir and storage dams in the foothills. In the purview of this condition the irrigationists may not be required to expend more than \$15 per acre-foot storage capacity for the development of local storage, and it is further provided that the grantee may require the stoppage of excessive water losses and waste because of defective ditches.

(This and preceding conditions are acquiesced in by the grantee and by the irrigation districts. The provision is the result of an amicable settlement between the two parties.)

Paragraph (g), section 9, provides that the grantee shall not be required to supply stored water to the irrigation districts until the latter shall have first drawn upon their own stored water to the fullest practicable extent.

(This is also agreeable to all parties.)

Paragraph (h), section 9, provides that the grantee shall not divert beyond the limits of the San Joaquin Valley any waters of the Tuolumne watershed in excess of the amount to be used

for domestic and municipal purposes.

(The purpose of this provision is to make possible the use of surplus waters of the San Joaquin Valley and prevent the use of possible surplus for irrigation of lands remote from the Tuolumne River. John R. Freeman, consulting engineer for San Francisco, suggested that surplus water might be economically used for intensive farming in lands contiguous to San Francisco Bay. Inasmuch as San Francisco expects to purchase the local water supply, and thus acquire sufficient water for local irrigation purposes, it was deemed advisable and economical to provide that surplus from the Tuolumne should be used in the San Joaquin Valley. This is an economic use of water for the highest purpose of all concerned.)

Paragraph (1), section 9, provides that the grantee shall at its own expense provide water-measuring apparatus and keep hydrographic records, which apparatus and records shall be open to inspection by any interested party at any time.

Paragraph (j), section 9, is the engineers' definition of the

flow of the Tuolumne River.

Paragraph (k), section 9, requires San Francisco to build a dam at least 200 feet high.

(This means that the city will expend from \$500,000 to \$1,000,000 in excess of initial expenditures necessary for its immediate needs. The intent is to build the dam high enough to provide adequate storage to meet the conditions of the grant,

and is primarily a benefit for the irrigationists.)

Paragraph (1), section 9, provides that the grantee shall sell excess of electrical energy to the irrigation districts and municipalities within the irrigation districts for the beneficial use of landowners, whenever such excess is not required for the actual municipal purposes of the grantee. It is also provided that no power plant shall be interposed on the conduit of the grantee, except by the grantee itself. The proviso of the paragraph is that the grantee shall first satisfy the needs of landowners for pumping water for drainage or irrigation and the needs of the municipalities within the irrigation districts for municipal purposes before excess of electrical power may be sold for commercial purposes.

(This is a direct benefit to the irrigationists, and places no

burden or hardship upon the grantee.)
Paragraph (m), section 9, provides for the development of The grantee is required to develop 10,000 horseelectric power. power within three years after the completion of that portion of the system which is usable for power development. Within of the system which is usable for power development. Within 10 years thereafter the grantee shall develop 20,000 horse power; and within 15 years 30,000 horsepower; and within 20 years 60,000 horsepower; unless, in the judgment of the Secretary of the Interior, the public interests will be satisfied with a lesser development.

The prices of electricity are to be fixed under the laws of California, or if there be no such laws, at prices approved by the Secretary of the Interior, such prices to return to the grantee

actual cost of construction.

Paragraph (n), section 9, provides that if the grantee fails to develop horsepower as directed herein, then the Secretary of the Interior may lease to such person or persons as he may designate those portions of the rights of way, structures, dams, etc., as may be necessary for development, use, and sale of power which the grantee has failed or neglected to develop.

(This is a forfeiture penalty to prevent cold storage of power

possibilities.)

Paragraph (o), section 9, provides that rates to be charged for power for commercial purposes (in the event that lease is

camp purposes at the Meadow camping place, a third of a mile from Hetch Hetchy. It is also provided that all trail and road building shall be done subject to the approval and direction of the Secretary of the Interior or the Secretary of Agriculture, according to their respective jurisdictions.)

Paragraph (q), section 9, provides that the grantee shall furnish water at cost to any authorized occupant within 1 mile of the reservoir, and shall repair and maintain roads and trails

constructed under the provisions of the grant.

Paragraph (r) provides that the grantee shall pay all the cost of inspection and investigations which may be required of the Department of the Interior where such investigations and inspection involve expense to the department.

Paragraph (s) provides that the grantee shall file an acceptance of the conditions of this act within six months after its

assage.

Paragraph (t) requires the grantee to convey to the United States any and all tracts of land now owned by the city within Yosemite National Park or the national forest, which lands are

not actually required for use under the provisions of this act.

(The city of San Francisco purchased private lands for the purpose of exchanging the same with the Government in lieu of that portion of the floor of the Hetch Hetchy Valley which is not owned by the city. The purpose of this plan is to provide suitable and desirable camping places for visitors who may wish to visit the Sierra and who would otherwise have camped in the Hetch Hetchy, and at the same time compensate the United States for lands to be submerged.)

Paragraph (u) provides that the grantee shall sell the water at cost to the military reservations at San Francisco. This was requested by the Secretary of War and is acquiesced in

by the city.

Section 10 provides that the conditions of this grant shall be a binding obligation upon the grantee so far as the conditions

relate to the irrigation districts.

Section 11 provides that this act shall not be construed as affecting or intending to affect or in any way to interfere with the laws of the State of California relating to the control, appropriation, use, or distribution of water or any vested right acquired thereunder, and the Secretary of the Interior is directed to proceed in conformity with the laws of the State of California in carrying out the provisions of this act. The CHAIRMAN. The time of the gentleman from Califor-

nia has expired.

Mr. RAKER. Mr. Chairman, I ask unanimous consent to ex-

tend my remarks in the RECORD.

The CHAIRMAN. The gentleman from California asks unanimous consent to extend his remarks in the Record. Is there objection?

There was no objection.

Mr. MANN. Mr. Chairman, I yield to the gentleman from Ohio [Mr. WILLIS].

Mr. WILLIS. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD by printing the whole of the article from the New York Times to which I referred in my question to the gentleman from California.

Mr. FERRIS. Reserving the right to object, Mr. Chairman, I

would like to ask what the article is.

Mr. WILLIS. The article is from the New York Times, concerning which I interrogated the gentleman from California [Mr.

RAKEB]. It is an article on this subject. Mr. FERRIS. I have no objection. The CHAIRMAN. Is there objection?

There was no objection.

The article is as follows:

A NATIONAL PARK THREATENED.

for power for commercial purposes (in the event that lease is made to another party under paragraph (n)) shall conform to the laws of the State of California, or in the absence of any such law shall be subject to approval by the Secretary of the Interior; and it is also provided that all records, books, etc., shall be open to inspection by the Secretary of the Interior. Paragraph (p), section 9, provides for the building of roads and trails in the Yosemite National Park as designated by the Secretary of the Interior. (The routing of these roads and trails was made by Mr. Marshall, of the Geological Survey, who surveyed the Hetch Hetchy Valley and is familiar with all the scenic and topographical conditions there. These roads will cost the city of San Francisco \$500,000 to \$1,000,000, and are to be turned over, free of charge, to the United States. This is one of the important considerations, and carries compensation to the Government for the rights of way granted. The construction of these roads will make the Hetch Hetchy Valley accessible and will provide a convenient and easy way for mountaineers to reach the higher parts of the Sierra. The paragraph also contains a requirement that the grantee shall provide a water supply for

are disposed of. Even on their insufficient data, the Army engineers report that San Francisco's present water supply can be more than doubled by adding to present near-by sources and more economically than by going to the Slerras.

The suppressed report, showing that the Mokelumne River is a better and cheaper source than the Hetch Hetchy, says that between 600,000,000 and 700,000,000 gallons of water outside the park may be delivered daily into San Francisco and the adjacent bay region, supplying their growing needs for perhaps a century to come. Representative Scott Ferris, chairman of the park lands committee, has been apprised of the existence of this report. A receipt of the copy is worth waiting for. If the water-power grabbers are put off this session or two or three or many more sessions, before gaining an entrance to the Hetch Hetchy Valley, the dwellers of San Francisco will not go thirsty.

Mr. MONDELLI. Mr. Chairman before I begin any extended

Mr. MONDELL. Mr. Chairman, before I begin any extended statement on the bill under consideration I wish to call attention to the fact that quite a number of very good people in the country have misunderstood my attitude in regard to the I was chairman of the Committee on Public Lands legislation. in 1909, at the time when a bill proposing to grant San Francisco the right to utilize the Hetch Hetchy Valley for storage purposes was before the committee. The committee unanimously reported against that bill. Mr. Robert Underwood Johnson, John Muir, and many other good people in the country, lovers of nature, desirous of maintaining our national parks as pleasure grounds for all the people, were opposed to the legislation at that time, as they are at this time. The adverse report of the committee at that time was not, however, based to any considerable extent on the arguments made by those gentlemen: nor was it altogether predicated on the proposition that San Francisco ought never to be allowed to use the Hetch Hetchy Valley for storage purposes. It was based largely on the fact that at that time San Francisco had not, we thought, sufficiently examined other possible sources of water supply, and more particularly because the legislation itself contained a number of provisions that were held to be highly objectionable, to quote the language of the report:

The legislation is objectionable for reasons which take it out of the category of legislation of doubtful propriety and expediency and place it in that of doubtful constitutionality, and of unquestionably mischlevous and dangerous character.

So that report was not intended to voice the conviction of the committee against San Francisco using the Hetch Hetchy Valley, and certainly it was not based on the proposition that the utilization of the Hetch Hetchy Valley by San Francisco would necessarily be a misfortune from a public standpoint. But the nature lovers, the gentlemen to whom I have referred, high-minded, disinterested men, knew that the committee did take into consideration their views and that it was one of the matters that persuaded us to order an adverse report; and so the same gentlemen have assumed that, as I wrote the report of 1909, I would take an adverse position at this time.

Mr. Johnson, in a circular letter which he sent out, which was placed in the Record at the instance of the gentleman from Illinois [Mr. Mann] this morning, asked those opposed to the use of the valley by San Francisco to write me or the Senator from Utah, the Hon. Reed Smoot. I have received, I think, about 60 letters, all of them, or most of them, from people w.l. known in the country-men whose motives are of the best, men to whose opinion I am much inclined to defer-all of them opposing the grant on the ground that the Hetch Hetchy Valley should be retained in its present condition. As much as I appreciate the motives which actuate these gentlemen, as much as from a senti-mental standpoint I am inclined to agree with them, I feel that the situation is such that we can not afford to deny the use of the Hetch Hetchy Valley as a storage reservoir for the reasons they suggest. Eventually and in the running of time, every available storage possibility west of the Sierras must be utilized, and the Hetch Hetchy Valley will eventually be a storage reservoir either for the supply of San Francisco and surrounding cities for domestic and allied purposes or for the purposes of irrigation in the San Joaquin Valley. If I were a Californian living outside of the influence of San Francisco, I am rather inclined to think that I should insist that the Hetch Hetchy should be held for the uses of irrigation.

Mr. KAHN rose.

Mr. MONDELL. I trust that the gentleman will not interrupt me at present. I will endeavor to make a fair statement, and the gentleman knows that I have given a good deal of study to this matter. As I say, I have been rather inclined to think that the Hetch Hetchy Valley should be held for the uses of irrigation rather than utilize it for the use of San Francisco and the surrounding cities, for a number of reasons. There are a number of other possible sources of water supply for San Francisco. Everyone acquainted with the situation must admit that, al-

certain portions of San Joaquin Vailey, and without any desire to influence anyone with regard to his vote on this bill, but to state the matter absolutely fairly as I see it after careful consideration, I think I am justified in saying that we must admit that the granting of the use of the Hetch Hetchy to San Francisco will have the effect of dooming certain areas of the San Joaquin Valley that might otherwise be irrigated to perpetual aridity. Now, of course, that is an expression of opinion. People may not agree with me-the gentleman from California may not agree with me, but that is my personal

Mr. FERRIS. If the gentleman will permit, I know the gentleman is familiar with the bill and I am sure he will admit that the annual flow of the Tuolumne River is in no wise interfered with, and in addition to that some of the flood waters

Mr. MONDELL. It is true that the right of the valley to the use of the normal flow during the irrigation season is recognized. San Francisco is proposing to conserve the entire flood and winter flow of the Tuolumne River, providing the Hetch Hetchy Valley will hold it, and that means a complete utilization primarily for the bay cities and for the irrigated districts to a certain extent as well. I do not say that fact should be controlling in deciding as between the two uses, but I do say that candor compels us to admit that as a feature of the situation that can not be overlooked. If I were a Californian, to repeat my former statement, living outside of the influences of San Francisco, I am inclined to think I should hold to the view that San Francisco should go elsewhere for her water supply and that the Hetch Hetchy storage should be eventually utilized for the irrigation of the San Joaquin

Mr. RAKER. Will the gentleman yield?
Mr. MONDELL. In a moment. Whichever way you view it that disposes of the proposition that you can not or must not use the valley for a reservoir.

Mr. RAKER. Will the gentleman yield?

Mr. MONDELL. Now, Mr. Chairman, I expect to use the full hour. I have quite a number of things to say and prefer not to be interrupted unless I may have an extension of time.

Mr. RAKER. The gentleman has been very accommodating

to me and I will not interrupt.

Mr. MONDELL. I will be delighted to be interrupted, it will please me very much to be interrupted and yield for an interruption, particularly to the gentleman who is so well informed, but I would like to say to the House that if I am to be interrupted I shall ask for a slight extension of time and if there is no objection to that I will be delighted to yield to the gentleman now.

Mr. RAKER. Personally, I have no objection, because I always like to hear the gentleman talk. While I may differ from him I always like to hear him discuss questions which he knows so well.

Mr. MONDELL. No better than the gentleman from Cali-

fornia who has just spoken.

Mr. MANN. The gentleman ought not to assume there is going to be an extension of time. Could not we reach an agreement now as to time?

Mr. FERRIS. I think we could. Mr. MANN. I understand it is the intention of the gentleman in charge of the bill to move that the committee rise at half past 4 o'clock to accommodate a Democratic caucus?

Mr. FERRIS. That is true.

Mr. MANN. And ask that the House meet to-morrow at 11 o'clock?

Mr. FERRIS. That is true.

Mr. MONDELL. I hope this does not come out of my time, Mr. Chairman.

Mr. MANN. It is an hour and three-quarters more now. How much more time do you want on that side of the House?

The CHAIRMAN. The Chair will state that several gentlemen have spoken to the Chair asking to be recognized, probably consuming an hour and a half to two hours.

Mr. FERRIS. We can not conclude to-day. Mr. MANN. But I think we can close general debate tomorrow morning by unanimous consent.

Mr. FERRIS. If it is agreeable to the gentleman, I will ask unanimous consent that we run to-day until 4.30-

Mr. MANN. You can not do that. Mr. FERRIS. In the committee, after which it is tacitly though they may not be as satisfactory to San Francisco as Hetch Hetchy for a number of reasons.

On the other hand, the Hetch Hetchy Valley is the only source of water supply for the full and complete irrigation of finish the bill to-morrow, as a good many want to get away for

Mr. MANN. What you mean is to have general debate to-

Mr. FERRIS. For one hour, and one hour and three-quarters

Mr. MANN. If that were done, would there still probably be liberal debate under the five-minute rule for gentlemen who

want to get in? Undoubtedly. I think there is no disposition ig. We have been waiting quite a while— Mr. FERRIS. to hurry anything.

Mr. MANN. I think we can finish to-morrow.

The CHAIRMAN. The gentleman from Oklahoma [Mr. Fer-RIS] asks unanimous consent that general debate shall continue until 4.30 o'clock this evening, when the committee shall rise, and that to-morrow there shall be one hour of general de-

Mr. FERRIS. Beginning at 11 o'clock a. m. and closing at 12. Mr. FRENCH. Mr. Chairman, reserving the right to object, I have requested that I be given a half hour, and I presume that will be taken into consideration in this arrangement of

Mr. FERRIS. Undoubtedly.

Mr. FRENCH. I think I can give that much time to the question.

Mr. FERRIS. The gentleman is the ranking member of the

committee and ought to have that much time.

Mr. MANN. There are several members of the committee who want to be heard. My colleague from Illinois [Mr. Thomson] might desire time, and the gentleman from California [Mr. KAHN] and the other gentleman [Mr. J. R. KNOWLAND] wants

Mr. STEENERSON. Mr. Chairman. I desire to say that I may want some time. I am not on the committee—
The CHAIRMAN. The Chair will say to the gentleman

from Oklahoma [Mr. Ferris] that, judging from the time the gentlemen have asked the Chair for, he would suggest that at least two hours' time will be required to fill these requests.

Mr. FERRIS. For the present, Mr. Chairman, I withdraw the request. I think we will have no trouble in getting along.

There is no disposition to shut off anybody.

The CHAIRMAN. The gentleman from Oklahoma withdraws

the request.

Mr. MONDELL. Mr. Chairman, as a matter of fact I would prefer to be able to yield to interruptions, because I think perhaps I could illuminate the subject better by answering inter-rogatories than otherwise. I simply suggested I did not feel inclined to yield, because being, so far as I know, about the only one who proposes to speak at length in opposition to the legislation, there is a considerable field to cover, and, therefore, if I had any considerable amount of interruption I should feel constrained to ask for at least a few moments of extension equal to the amount of the interruptions.

Before I begin a discussion of the bill, I want to say, Mr. Chairman, in a way I feel somewhat embarrassed in opposing this legislation. I was long a member of the Committee on Public Lands. I have a very high regard for the men who constitute that committee, the chairman and all the members on both sides. I am inclined to take their view in regard to this legislation. I am taking their view with regard to the legislation so far as the matter of granting this right to San

Francisco is concerned.

I have taken that view a little against my judgment, because I felt that the members of the committee, after hearing the matter so patiently as they had, were probably better informed as to the advisability of doing what is proposed to do, so far as the general proposition is concerned, than I would be. Furthermore, I know, Mr. Chairman, that the members of the committee made a very earnest effort to secure a good bill, and it is with some regret that I shall call attention to the features of the bill that I consider objectionable. I shall not be as frank in regard to what I believe to be the opinions of many members of the committee as I might be. I shall not say that I am certain that a very considerable number of the members of the committee do not like many features of the bill, that a majority of them are much opposed to some of its provisions, and that a majority of them would be delighted to see some of the provisions amended or stricken from the bill. If I were to say that, however, I think, Mr. Chairman, I should be well within the truth.

Argument is made that San Francisco must have Hetch Hetchy because there is no other available source of supply. Well, that is true only in a way. Hetch Hetchy, as some one suggested some time ago, is with San Francisco a state of mind.

Ever since Los Angeles went to the far Sierras and secured a spectacular and magnificent water supply it has been useless for anybody to talk to San Francisco about going anywhere for a water supply except to this majestic valley, only slightly inferior in size, beauty, and grandeur to the Yosemite itself. In other words, San Francisco must needs have not only an adequate water supply, but a more expensive and spectacular one than her sister city farther down the coast.

In my opinion there are other available supplies that would be cheaper than the Hetch Hetchy. They talk about the Hetch Hetchy being cheap, as though that were an argument in favor of it. In my opinion that would be an argument if it were actually true, but in my opinion it is not true. I think that San Francisco could edge over a little and leave the Hetch Hetchy to the San Joaquin irrigators and get her supply from the adjacent lakes and streams at a less cost than that at which she can utilize Hetch Hetchy. But then it would not be the striking and majestic thing that the securing of the water supply from the gem of the Sierras is, and therefore it does not appeal to San Francisco.

In a good many ways San Francisco has been entirely frank and open and fair about this matter; and that being true, it is very much to be regretted that there was a report suppressed unquestionably suppressed.
Mr. FERRIS. Mr. Chairman, will the gentleman yield?

Mr. MONDELL. People say it would have thrown no new light on the subject. Well, in a way that is true, because much contained in that report was contained in a report made by the engineer of a company having some rights in the Mokelumne. But a report officially made by the assistant engineer of the city of San Francisco would be very much more appealing to the average citizen than a report to the same tenor and effect made by some one who wanted to sell a water right; and San Francisco, or her attorneys, have been entirely lacking in frankness

in the suppression of this report on the Mokelumne source. Mr. FERRIS. Mr. Chairman, I did not want to interrupt the gentleman, because I knew he wanted to hasten through his argument, and I dislike to do it now. However, the gentleman from Illinois [Mr. Mann] asked one question on this proposition that ought to be answered. It is an important question. here a letter from Col. Biddle, under date of July 31, 1913, in which he says in substance two things. It will be found on pages 33 and 34 of the committee's report. In the first place, there never was any suppression of a report. They had absolute They had absolute access to everything in the clerk's office. And, furthermore, he says that the report dealt in its entirety only with the 25,000,000gallon supply, which would be only about one-tenth of what the city now needs. It could have been considered by the board if they desired to do so. Again, the limited supply discloses that it would have been valueless if presented or considered, and it is here on the desk and is accessible, and can be taken up if it should be deemed desirable.

Mr. MONDELL. I regret that the gentleman from Oklahoma takes up my time with a point that I said myself would not be material except for the fact that if you are coming to Congress with a case you ought to come with a clean case and with It is not true that that report was available, and if the gentleman from Oklahoma will read in the report of the Army board the list of papers presented to them he will find the Bartel report is not among them, and he will find, further, that the Army engineers never saw that report and never heard of

it until after they had made their report.

Now, I am not putting any particular stress on that. not insisting that it would have affected their decision if they had had it before them. But I do say that some one was lacking, and I can say it very much more strongly if I was disposed to—I could say that some one was much lacking in candor and fairness in suppressing a fresh report, just off the typewriter, a report made by an assistant engineer of the city in regard to what is perhaps the most available water supply pos-There is no doubt about that. sible to secure.

Mr. FERRIS. The report was not suppressed. It was made in 1897.

Mr. MONDELL. No: the report I refer to was made within the last year and a half; completed within a year. I think it was made in April, 1912. There was a report made away back yonder, it is true. I do not say it would have affected the report of the Army board, because, to tell the truth, and departing a little from my line of argument, I do not place a high value on the report of the Army board.

The gentleman from Illinois [Mr. Mann] stated a little while ago in apt language what he thought about that report. The

lean hour and a half one sultry afternoon in the examination of a very small portion of the watershed of the Mokelumne,

and then sought the shade of the orange groves.

While that does not necessarily alter the situation, it casts an illuminating light upon it. There is an opportunity to secure a supply from the McCloud River, water that no one else can use. That is, perhaps, a little expensive, but not nearly as expensive as the engineers of the city of San Francisco have made it appear, and a careful examination of the last report made on the McCloud River convinces me that he who wrote it intended to estimate the cost so high as to make it appear prohibitive, so that no one would think of utilizing it.

Mr. RAKER. Will the gentleman yield right there?

Mr. MONDELL. I will be glad to.
Mr. RAKER. In addition to the report of the Army engineers, is the gentleman familiar with the facts that down along that river there are many people using and diverting the water

by large pumps, pumping out many acre-feet of water per day?

Mr. MONDELL. All the reports state, as the gentleman from California knows better than anyone else, that, taking into consideration every possible use of the water of the McCloud, there is a larger supply there than is to be obtained by the damming of the Hetch Hetchy. Of all the sources that have been sought that is the largest, and the water is as pure as the mountain dew.

There is an unfailing supply in the Sacramento River, better

than most cities have.

But I do not insist that San Francisco be compelled to go away yonder to the McCloud or that she be compelled to take the water from near her doors out of the river or that she take the waters from the Mokelumne, the Stanislaus, and Lake Elinor. So far as I am concerned, if the people of California are satisfied, I am content that San Francisco shall use the Hetch Hetchy to impound the waters of the Tuolumne, but I think in coming to that conclusion we should be entirely fair as to all the features of the situation.

Some gentlemen may wonder why this matter is pressed here at this time. I do not know as to that. Out yonder by the Golden Gate they have an impetuous way, and any business of theirs is business that must be disposed of forthwith, instanter, and without delay. The fact that it comes from the Pacific coast makes it, without any further inquiry, an emergency question, a matter that must be taken up, no matter what the Democratic Party in the House may say with regard to other Democratic Party in the House may say with regard to other and pressing legislation. Why, they do not expect to begin the construction of this system for 2 or 3 years, and if they complete it in 10 years after they begin they will be doing mighty well, even with all of the energy and push that these splendid communities out there on San Francisco Bay have.

So it is not an urgency proposition, by any manner of means, but it is here, so why discuss a small matter of that kind. The Democratic majority have been convinced that it is urgent,

and so we have it before us.

Mr. FERRIS. The political faith of San Francisco would hardly be an inducement to the Democratic Party to act for any partisan reason, would it?

Mr. MONDELL. Oh, I absolve the Democratic Party from any partisan view of the matter at all.

Mr. FERRIS. I thought so.

Mr. MONDELL. And I absolve the gentlemen who urge the matter from anything but the desire to promote the legislation they believe to be useful. I have entire confidence in the good

faith of everyone connected with the whole matter.

Mr. FERRIS. I say that in the height of good humor.

Mr. MONDELL. I realize that. Now, those of us who have been here for some time have noted the divers and curious ways in which legislation is sometimes presented to Congress. come down here with the idea that we represent the people, and that it is our duty to care for the interests of the people and to legislate in their behalf. We therefore expect that when a matter is ripe for consideration the Members from the district or locality, or a community directly interested, or the men charged by reason of committee assignment with responsibility for general legislation shall take the initiative, prepare the legislation, and present it to the committee.

But the city officials of San Francisco evidently for the moment forgot the forcible and energetic representation which they and California, as a whole, has on the floor of this House-a delegation second to none from any State in the Union, either in intelligence, energy, or forcefulness. We would have expected that in an important matter of this kind they would have come to their Members in the very first instance and suggested that they draft a bill. The bill was introduced by my good friend the gentleman from California [Mr. RAKER], and I trust he will not be embarrassed by what I will say in this line, because I say it in the best of humor, realizing his entire ability to draft a very much better bill than has ever been drafted in connection with this matter, not excluding the one which I drafted and which I shall offer as a substitute.

He did not have the opportunity to write this bill either in the first instance or as now presented to the House, and he does not claim it. The city officials of San Francisco went browsing about through the Government departments, inviting the Secretary of the Interior, the Secretary of Agriculture, the Director of the Geological Survey, the Chief Forester, and

Mr. RAKER. Will the gentleman yield?

Mr. MONDELL. Yes.
Mr. RAKER. Let me say that the bill which the gentleman from California introduced was H. R. 112, introduced two years Then, one covering the city and county of San Francisco, introduced by the gentleman from California to-day, contains the ideas and theories of the bill introduced two years ago, with modifications and material changes by the committee, so that practically you might say that the main features of the bill introduced two years ago have been the basis of this bill, and that it was evolved by 21 members of the Committee on Public Lands.

Mr. MONDELL. I think the gentlemen all understood me. The question whether we shall grant San Francisco the right to utilize the Hetch Hetchy Valley for storage purposes is one long before the House, and a bill of 10 lines would carry the grant that would allow that to be done. All of the bills introduced on the subject are similar in that they in one form or another grant a right of way. But what I am referring to is the innumerable pages and multitudinous propositions, some of them difficult of understanding, which encumber the legislation as it appears before us. The first people interviewed seem to have been a certain class of self-styled conservationists well known in the Nation. Next, all of the Secretaries that could by any possibility be persuaded to believe that their departments had an interest, direct or indirect, in legislation of this charac-I do not think the Commissioner of Labor or the Secretary of State contributed to the draft of the bill. With that exception I think we may embrace the majority of the departments of the Government. And they stopped not at Secretaries, but advised with Assistant Secretaries and commissioners, directors, and other gentlemen in Government service intent on extending Federal authority. I doubt if any charwoman in any of the departments has made a suggestion which is written into the bill, but if that be true it must be an oversight.

Of course, I mean no reflection on the ability or patriotism of any of these gentlemen. When the representatives of San Francisco come to them, inviting them to fix conditions and place limitations extending the control of their respective de-partments or bureaus they would be more than human if they

did not respond.

Each had a few suggestions, a few limitations, a few conditions, and as each was made separately it is not to be wondered at that the net result was of great length and somewhat conflicting. As thus put together, the gentlemen representing California we expected to take responsibility for the measure. So that it came into the House, 2 pages in length, containing propositions with which the Federal Government has nothing to do, carrying in one place one of the most curious suggestions of legislation that was ever written in a bill. In attempting to decide the waters San Francisco is to impound it was provided that this was to be accepted, "notwithstanding any general laws of the United States or of the State of California, or any general rule of property established by the courts."

I hasten to say on behalf of the committee that that levely proposition has been stricken from the bill, leaving in it, however, divers and sundry other provisions of practically the same tenor and effect, but in language a little less clear and explicit. I am not certain which of the officials consulted by the officials of San Francisco proposed and insisted upon this particular gem of statute. That the gentleman who introduced the bill

was not responsible for it goes without saying.

Before I go further I am going to read just a few objections to the bill that I have jotted down. Remember, I do this as one who has introduced a bill, H. R. 7297, which is before the House, which grants to the city of San Francisco all the rights which this bill does, in 7 pages as against 27; which does not lay impossible burdens, does not attempt to overturn the Constitution of the United States, filch the sovereignty of California, or set aside beforehand the decisions of the courts during all the running of the years to come.

Mr. FERRIS. Will the gentleman yield?

Mr. MONDELL, Yes,

Mr. FERRIS. Does the gentleman think that his 7-page bill thoroughly safeguards the interests of the Government and the

irrigationists?

Mr. MONDELL. I do not attempt to do what the gentleman knows, as well as I do and better because he is a good lawyer and I am no lawyer at all, that this Congress has no power to divide the waters in the sovereign State of California. words that may be written into the bill would be utterly valueless and futile in the direct accomplishment of any such purpose. So far as any provision in the bill can have any such effect it can only be through San Francisco making a contract with the Government, which contract the courts might or might not hold to have been made under duress, a contract in no event binding upon the Turlock or Modesto irrigation districts, and much less on any other irrigationists in the San Joaquin Valley

Mr. FERRIS. It is fair to say to the gentleman that he goes right at the troublesome feature of the bill when he gets to that question. Let me put to him the proposition. If I own 160 acres of land and it becomes necessary for you to utilize part of that land and have a right of way across that land do you assert I do not have the right to connect with my portion of land such conditions as I may impose? And, again, if the Federal Government owns the Yosemite National Park, which is conceded by everybody, and if they grant certain rightstain storage rights-to impound water, then have not they the right to say how you will put up that dam, how you will construct that dam and impound that water, because it is simply a condition that goes as a condition precedent to the grant, and I do not agree with the gentleman on the proposition laid down

Mr. MONDELL. As I said a moment ago, I am not a lawyer, and therefore perhaps should not argue this legal question with the gentleman from Oklahoma, who is a good lawyer

Mr. FERRIS. I did not bid for that.

Mr. MONDELL (continuing). But no landowner can affix any condition to the use of landed property, he will admit, that shortens the sovereignty of a sovereign State. As a landowner you can affix any condition within the power of the landowner to affix, but neither the gentleman from Oklahoma [Mr. Ferras] as a landowner or the Government of the United States as a landowner can affix any condition to the use of landed property that interferes with the exercise of sovereignty.

Mr. FERRIS. We do not do that in this bill. gentleman does not quite state the proposition correctly.

Mr. MONDELL. If you do not do that, then you do not do anything. I do not think you do it as a matter of fact, but that is what is attempted. But to return to objections to the bill, to which I have referred:

The bill is verbose, prolix, diffuse, and conflicting.

Grant absolute and enforcement of conditions or requirements scattered through the bill doubtful.

Attempt to divide waters without force or effect as a matter of statute law, questionable of enforcement if intended to be made binding on the city as a contract, and in no event binding on Turlock and Modesto or other irrigation claimants.

Attempt to regulate use by a municipality of electric power of doubtful propriety if, indeed, it is within the power of

Congress.

If the terms of water distribution are enforceable, they are

not understandable.

Conditions are onerous and burdensome on San Francisco: First. If the provisions as to water distribution and division of electrical energy are what they appear to be and can be enforced, they are exceeedingly onerous and burdensome on San Francisco and liable to very greatly restrict and hamper the city in the use for its own people of the water and power they propose to ultimately invest nearly a hundred million to

Second. The charges against the city are arbitrary and excessive; are based on no tangible or logical theory as to the

ground for such payment or its reasonableness

The sanitary provisions are ridiculous, inadequate, and unchanging as the laws of the Medes and Persians.

TURLOCK AND MODESTO.

As for the irrigation districts, they may feel that they have fully and liberally protected themselves in this bill, but if it should develop that the terms of the contract, which it is contemplated the Secretary of the Interior shall compel San Francisco to sign, are not enforceable, or if enforceable the benefits are held to apply to all applicants, the irrigation districts may wake up to learn that they have been handed a gilded brick.

A perfectly sane bill with reasonable and understandable rovisions can be passed, therefore there is no excuse for the

bill in its present form.

I started in to remark how the departments of Government were consulted and how each of the Secretaries and the commissioners and directors added his own little suggestion until the bill was enlarged and extended to 26 pages. Not only that, but there was a gentleman who called himself a sanitary engineer, who wrote a few pages of suggestions in regard to sanitation, and they were put into the bill verbatim, and are one of the unique curiosities of the measure. Well, of course, after Mr. Secretary This and Mr. Secretary That and the Secretaries and commissioners, one after another, had all contributed to the legislation, each was compelled, by reason of the fact that he had been consulted, to give his assent and lend his influence to the passage of the bill. Now, I have just this to say in regard to that sort of thing: I hope the time will come when constituencies as well represented as California is will trust their Representatives to draft legislation, as they can draft it, along sane and reasonable lines, and that the time will come when it will not be deemed necessary, as I hope it is not necessary now, to secure the support of administrative officers and of every socalled conservationist throughout the length and breadth of the country by putting into legislation propositions that Members who support it do not and can not possibly fully approve.

Will the gentleman yield? Mr. RAKER. Mr. MONDELL. I will be glad to do so.

Mr. RAKER. Is it not a mighty nice piece of legislation when you get all sides to agree that the provisions of a bill pro-

tect everybody?

Mr. MONDELL. Well, I can understand you might satisfy all of the cooks-not only the cooks proper and the cooks adiacent, but the cooks invited and called in on a proposition-but the kind of soup you would have when you got through, in my opinion, would be very like the bill we now have before us. Of course, the cook that had suggested a pinch of this and the cook that had insisted upon a dash of that and the cook who had hoped there would be a few ounces of something else, his wishes having been acceded to, while feeling no responsibility for the outcome and final result, would no doubt feel bound, by the fact that his wishes were heeded, to say that it was probably a good

In the case of this particular brew, I doubt if any one of the gentlemen outside of Congress who have given it such hearty approval have ever read the bill in its entirety, and I will guarantee there are few, if any, who could explain all of its provisions. Now, there is another thing, and I want to discuss this because I think it is a matter in which we are all interested.

Mr. RAKER. Will the gentleman yield right there? I want

to get the matter straight, and I hope he does

Mr. MONDELL. I do. I hope San Francisco will get Hetch Hetchy, but I hope she will get it under different legislation.

Mr. RAKER. After you have worked and assisted in preparing a bill affecting the Government domain, can you conceive of any better protection to the Government and to the people of the Government than to go to the Secretary of the Interior, the Secretary of Agriculture, the Reclamation Service, and the Geological Survey, and to the War Department-

Mr. MONDELL. To Mr. Pinchot and Mr. Garfield-

Mr. RAKER. That will cover the whole subject, and get their

approval of it-the guardians of the public property?

Mr. MONDELL. I am willing to let the gentleman's statement stand just as he has made it. The plan has been successful in this case. There is no doubt about that. these gentlemen has had his little dip into this legislation. Each bureau has a little something to do with its enforcement. department of the Government has extended a little further the doctrine of federalism. Each has curtailed a little of the sovereign rights of the good people over yonder by the Golden Gate, and each is, in consequence, content. But I am not, because, frankly, I do not take the view of these things that some of these gentlemen do.

Now, another thing. I am something of a "State's righter," but I hope not in an offensive sense, but in the sense that I do not believe this mighty Government can stand unless we shall recognize on the one hand all of the powers and all the dignity of the Federal Government, and, on the other hand, shall recognize and guard jealously the reserved rights of all the people of the Commonwealths of the Union. Of all the States that have been in late years most effective as well as most insistent in that view there is none that stands out in the public eye like

the State of California.

This administration and the last administration have appeared to be sorely tried by reason of the powerful insistence

on the part of the people of that State that they control and manage their own affairs. The last administration pleaded with them that if they must be so insistent they should not, at least, be so precipitate, and this administration has now under consideration some knotty and difficult questions involving our relations with an entirely friendly power, raised by the people of California. During all the time these questions have been under consideration, and to-day, I stand by the view taken by the people of California in those matters. I believe that legally they were right, constitutionally they were right, and unquestionably from the standpoint of the perpetuation and the perpetuity of free institutions and civilization of our form and character they were eternally right. [Applause.] But what shall we say when immediately thereafter there is brought before this Congress as a matter of emergency a proposition that shortens, or attempts to shorten—aye, in express language as introduced, attempted to shorten—the sovereign powers of the people of the Commonwealth out by the Golden Gate?

Will the gentleman yield there? Will the Mr. RAKER. gentleman, just in a concrete statement, point out here where there is one single thing provided in this bill that affects the sovereign power of the great State of California?

Mr. MONDELL. There is an attempt in this bill to divide the waters of the State of California. Does the gentleman from California believe the Federal Government has any authority to do that?

Mr. RAKER. There is no attempt in this bill to divide any waters.

Mr. MONDELL. The gentleman has certainly read his own bill, and knows that five or six pages of it are taken up with the detail of division of waters.

Mr. RAKER. Not a division.

Mr. MONDELL. If not a division, then nothing is accomplished by whole pages of the bill. The gentlemen have tried to get away from the force and effect of what was in the original draft by providing that San Francisco shall be coerced and dragooned into making contracts with the Secretary of the Interior, which, if enforceable, would shorten the sovereignty of the State of California.

Now does that change the matter any? Does that make it any different because it required all of that circumlocution to arrive at the point originally sought? This bill, if it passes, will provide that as long as time shall run, as long as the golden sun shall be seen of men sinking in the peaceful waters of the Pacific, the agents of the Federal Government will be traveling 3,000 miles from Washington to divide the waters of the sovereign State of California between the people of the San Joaquin Valley and the people who dwell on the shores of San Francisco Bay. And the gentleman knows it. The gen-tleman regrets it just as much as I do, but fortunately I am free

to say what I think about it.

My good friend from California [Mr. RAKER], whom I love and honor and who has worked faithfully for this bill and has tried to get a bill that would accomplish what was sought to be accomplished without setting an unfortunate example, is to be congratulated, and I congratulate him and the members of his committee in as far as they have been able to get away from a dangerous precedent. But they have not actually escaped it. They still leave in this bill the seed of the proposition which we have been fighting for years, and against which we shall expect to fight until it shall be admitted by all men that California is as sovereign as Maine-

Mr. FERGUSSON. Mr. Chairman, will the gentleman yield? The CHAIRMAN. Does the gentleman from Wyoming yield

to the gentleman from New Mexico?

Mr. MONDELL. And as sovereign as Minnesota, and that her star is as undimmed in sovereignty as is the star of Louisiana

Mr. FERGUSSON. Will the gentleman yield? The CHAIRMAN. Does the gentleman yield? Mr. MONDELL. I do.

Mr. FERGUSSON. With reference to the illustration of California curtailing her sovereignty, an individual is sovereign of his own real estate, is he not? Assuming that that is true, and assuming that California enters into a contract for a consideration to be given by another which it very much desires for its prosperity, is it curtailing her sovereignty any more than it is curtailing the sovereignty of a private owner of real estate when for a consideration he binds himself to obtain something that he desires? Is entering into a contract the surrender of important sovereignty—in real estate, for instance?

Mr. MONDELL. Oh, the gentleman probably was not in the

Chamber when I answered the question of the gentleman from Oklahoma. I am not a lawyer, and perhaps it is not fair for gentlemen who are lawyers to propound to me these legal

propositions.

Mr. FERGUSSON. But the gentlerian assumes the rôle of lawyer

Mr. MONDELL. Oh, I have never assumed the rôle of a lawyer at any time. I have never assumed any rôle whatever. I have said, and I repeat it, that no one can fix any condition upon a sale, lease, or grant of property which will deny a sovereign or constitutional right. I trust no man from the West will claim that the Federal Government can, by fixing a condition on the use of property, deprive a State of her author-If that can be done, there is not a guaranty in the Bill of Rights, not a provision of the enabling act of his young State, that can not be made of no force or effect as regards a large portion of the State which is still public domain.

Mr. KAHN. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman yield? Mr. MONDELL. I do.

Mr. KAHN. The gentleman refers to a division of the water between the irrigationists and the city of San Francisco?

Mr. MONDELL. Yes.

Mr. KAHN. Does not the gentleman know that the irrigationists, under the laws of the State of California, are entitled to 2,350 feet of water before San Francisco can get a drop,

and that this bill simply recognizes that right?

Mr. MONDELL. I have no opinion as to whether that is true or not. I do not know whether it is true or not. It is true that people in the southern part of California, John Jones and Bill Smith, let us say, are entitled to divide certain waters, under the law, between them. But I do not find anything in this bill setting out what that division should be; and it would be just as germane to the proposition and just as legal to try to divide the waters in this bill between people in southern California as to try to divide the waters between the people in middle California.

And further, there is not any necessity for it. When this matter was before the committee four years ago we asked these people, "Do you expect that every time anyone comes here asking for a right of way we shall have to go into all the court decisions in regard to the distribution of water from the

stream which it is proposed to impound and divert?'

Do you expect we are going to do that? Is there any way in which we can do it, any way in which we can secure that information? And if we did it, we would take up all our time in attempting to settle by legislation that which is a judicial question, and we should never get anywhere. What should have been said to these people is: "Gentlemen, this is not so urgent but that you can go back to California, take this matter up with the people of Turlock and Modesto, and the other irrigationists in the valley of the San Joaquin, and have an adjustment, an adjudication, or agreement that is binding, so that you can come to us as others come, simply asking the right to build a dam." It would be well to have a provision in the bill that the grant would not be effective until such an agreement or adjudication was had.

While I have no doubt San Francisco has high-minded and energetic engineers and other public officials, it would rather seem that they very much prefer moving on the large stage of national affairs, before the National Congress and before the national bureaus, and talking about \$45,000,000 bond issues, rather than to do the common, hard, drab work of coming to an agreement with their neighbors in their own State touching their own matters. That would require some effort and labor, an appearance before a court, and some really hard work and mental effort that would not be featured in all the news-It would be effective, but it would not appear on the front page of all the newspapers. On the contrary, city officials appear here pledging San Francisco to all kinds of hard conditions, even inviting these conditions, and asking that we pass legislation under which the trail from here to the Golden Gate shall be kept hot so long as time runs as Federal officials pass back and forth dividing the last bucket full of the waters of the Tuolumne between the irrigationists of the San Joaquin and the dwellers along San Francisco Bay.

We are dealing with a great community, now 700,000, to be two and a half million people some day. One would judge from some of the provisions of this bill that we were making a grant to Archbold or Rockefeller or other Standard Oil magnates, and had to surround it with every possible safeguard to prevent a hard-headed and grasping individual from fliching away the rights and taking advantage of the defenselessness of the people in some way. These great communities ought to be dealt with in the generous spirit with which all of the people should deal with a considerable portion of the people in their official collec-

tive governmental capacity.

I am rather inclined to think that if the contract contemplated is enforceable San Francisco could be made drier and

shorter of water after this reservoir is built than she has been in the past. A particular section to which I shall refer later seems to give the Secretary of the Interior the authority and the power to give the San Joaquin Valley at times the major portion of the water that will be impounded at a cost of \$70,000,-

000 by the city of San Francisco.

There is a charge of \$15,000 for five years, \$20,000 for a period of years, and \$30,000 for all time—for what? On what basis does San Francisco pay \$30,000, and what does she pay it for? Land? Scenic beauty? Is that the price she must pay for taking from all the people the enjoyment of the floor of this valley? If so, it is either too much or too little. I do not know which. But there is no logical basis for it, and as a precedent for future legislation it is bound to make no end of trouble for the committee which reported it.

Mr. COOPER. Will the gentleman permit an interruption?

Mr. MONDELL. Yes. Mr. COOPER. The gentleman has made a plea here for the preservation of the rights of California respecting its water power. May I just read this short clause from the bill and get the gentleman's interpretation of it:

SEC. 11. That this act is a grant upon certain express conditions specifically set forth herein, and nothing herein contained shall be construed as affecting or intending to affect or in any way to interfere with the laws of the State of California relating to the control, appropriation, use, or distribution of water used in irrigation or for municipal or other uses, or any vested right acquired thereunder, and the Secretary of the Interior, in carrying out the provisions of this act, shall proceed in conformity with the laws of said State.

Mr. MONDELL. It is a question whether the courts will ultimately hold that the provision the gentleman has read is the controlling provision of legislation or whether the pages that precede it and are in direct contradiction of it prevail and control. The two of them can not stand together. One may say "I do" and "I do not" in the same breath, but I either do or I do not. The provision in regard to the distribution of the water is in direct conflict with the provision the gentleman just read. I think the provision the gentleman just read will eventually be held to control, in which event the gilt on the brick Turlock and Modesto is being handed is so thin that a breath of air will brush it off.

Mr. TAYLOR of Colorado. Will the gentleman yield?

Mr. MONDELL. Certainly.

Mr. TAYLOR of Colorado. The gentleman is aware that section 11 is a copy of the section 8 of the Reclamation Service

Mr. MONDELL. I am aware of that, and it is in the bill largely through the insistence of my friend from Colorado and others who agree with him.

Mr. TAYLOR of Colorado. That is my portion of the soup. Mr. MONDELL. It has a goodly flavor, and is intended to

take a little of the poison out of the mess.

Mr. TAYLOR of Colorado. When it is put in as the last section in the bill and winds it up by saying that the act is granted on certain conditions, does not the gentleman think that that will be held by the courts to modify and control the entire bill, and if it does, does it not preserve the constitutional rights of the Western States?

Mr. MONDELL. After having read the bill and its conflicting provisions my head was in a perfect whirl of uncertainty as to what the courts would finally hold this legislation to mean.

Mr. COOPER. Will the gentleman permit a question?

Mr. MONDELL. Yes. Mr. COOPER. The gentleman asserts that there is a conflict between some previous sections of the bill and the laws of the State of California, but this last section of the bill, which the gentleman from Colorado claims he is proud of, provides that if there be a conflict with the laws of the State of California the laws of the State will control. Now, what opportunity is there for discussion?

Mr. MONDELL. As a matter of fact, the provision that the gentleman has read is the law of the land. It is constitutional; there is no necessity of writing it there, and it is not any more the law because it is in the bill. That is the law. It is taken from the national reclamation law, and that same provision in the national reclamation law is not a new proposition, it is simply a statement of a legal fact.

Mr. COOPER. In making that statement the gentleman from Wyoming begs the question in assuming, as he does, that Congress will comply with the conditions in the statute as to the distribution of waters over which it has control.

Mr. MONDELL. Congress has no control over any waters for

any purpose except for the purpose of navigation.

Mr. COOPER. Has the gentleman read the decision of the Supreme Court promulgated about six weeks ago?

Mr. MONDELL. Oh, in connection with the question of navigation there are a great variety of provisions and requirements that may be made.

Mr. COOPER. The Supreme Court goes a great deal further than that and says that the power of the Government is not limited as far as that matter is concerned to the purposes of

Mr. KENT. Will the gentleman yield?

Mr. MONDELL, Yes.

Mr. KENT. The gentleman said that the clause at the end of the bill was useless. I agree with him fully that it is the law of the land. I do not see how in legislating Congress can change the law of the sovereign State of California. I think it is making a lot of trouble by having that provision in there by leading people to believe that we are seeking to change the laws of the State of California, which we could not do. If the waters are to be distributed under the laws of California, the bill simply means as a condition precedent to this grant the Federal Government wants to see that the laws of California are obeyed and that there is a proper division. We have the right to make that condition precedent, although we could not legislate for California.

Mr. MONDELL. I can not agree with the gentleman. If I agree with one part of his statement, I could not agree with the other. The gentleman's statements seem to conflict with them selves. You say you are not attempting to infringe upon the sovereignty of the State of California; then why do you attempt to divide the waters of the State by Federal statute?

Mr. KENT. I did not say that.

Mr. MONDELL. Well, but what you do is this: You say we make a grant. The grant is absolute—I doubt if there is any condition here that will affect that grant at all—I doubt if there is a condition in that bill that you can enforce so as to in any way lessen San Francisco's hold on Hetch Hetchy after the bill passes. I do not think any of these conditions—I will not put it as strong as that—I doubt whether—

Mr. KENT. Does the gentleman deny the right— Mr. MONDELL (continuing). This is what the bill attempts

The CHAIRMAN. The time of the gentleman from Wyoming has expired.

Mr. MONDELL. I ask that I may have 10 minutes more. The CHAIRMAN. The gentleman from Wyoming asks unanimous consent to proceed for 10 minutes. Is there objection?

Mr. HELVERING. Mr. Chairman, I object. Mr. FERRIS. Mr. Chairman, I rather hope the gentleman from Kansas will allow the gentleman from Wyoming to proceed, because the gentleman from Wyoming has been submitting to interruptions all through his speech, and he stated that if he submitted to those interruptions he would have to ask for more time. I rather hope that in view of this phase of the question

Mr. HELVERING. I only objected on account of the time

Mr. FERRIS. I am satisfied the gentleman from Kansas did not know that.

Mr. HELVERING. Mr. Chairman, I withdraw the objection.
Mr. MONDELL. Mr. Chairman, I regret to take up so much
of the time, but I feel I must answer this proposition. What you attempt to do is this: You say that San Francisco shall not have the right to build a dam at the mouth of the Hetch Hetchy Canyon-and that is the only important right you grant here—that they shall not have the right to do that unless they make a contract relative to a division of the water between the cities on the bay and the irrigationists in the valley. Now, if that contract is enforceable in all of its provisions, then

you have shortened the sovereignty of California.

Mr. KENT. What contract? These are conditions to the grant; we are not making a contract, but we are exacting con-

ditions precedent to a grant.

Mr. MONDELL. As printed letters on a page signed by the Speaker and the Vice President and the President, those provisions would have no more force and effect than if they had been written on the sands of the river. If they ever have any force or effect, it will be because they are written into a contract signed by the city of San Francisco. Nobody claims, there are not any of the gentleman's colleagues here who will claim for a moment, that any of these provisions are enforceable as a matter of statute law. Certainly not.

Mr. DECKER. Which provisions?

Mr. MONDELL. If they have any force or ever have any effect whatever it is because San Francisco has entered into a contract.

Mr. DECKER. Will the gentleman yield?

Mr. MONDELL. I will.

Mr. DECKER. Just generally, what provisions does the gentleman refer to?

Mr. MONDELL. Well, provisions running through four or five pages of the bill, providing for a division of the water which is to be impounded by San Francisco between San Francisco and the irrigationists in the San Joaquin Valley.

Mr. DECKER. Turlock and Modesto?

Mr. MONDELL. Yes. Mr. DECKER. Will the gentleman allow me to suggest my understanding of that is—and if I am wrong, I desire to be corrected—that all the bill provides is this: That Modesto claims certain rights under the laws of California. San Francisco claims certain rights under the laws of California.

San Francisco comes to the Federal Government asking for certain rights of way. Now, does not the gentleman think that it is just as equitable as well as legal for the Federal Govern-ment to say to San Francisco, "If the Federal Government gives you these rights of way, we have the right to require of you that you acknowledge the rights of a third party." Now, we do not say that anybody has a right to the water; we just say that San Francisco, so far as San Francisco is concerned, acknowledges the right of Modesto. If anybody else has a right to the water under the laws of the State of California they can enforce them.

Mr. MONDELL. But the actual fact is, I will say to my friend, Turlock and Modesto have certain rights in the Tuolumne Those rights may or may not amount to the ordinary flow of the river in the irrigation season. I do not know; no one here does; I doubt if anyone anywhere does. Turlock and Modesto feel this is a very good opportunity to come forward and attempt to fix rights which it may or may not have under

the laws of California.

Now, that is really the fact in the case. This legislation unquestionably, beyond any controversy, not only compels San Francisco to recognize what is alleged in the bill to be the rights of the irrigation district, but compels it in addition to, under certain circumstances, furnish a supply of water that I am very confident Turlock-Modesto feels it could not enforce under the laws of California. So, as a matter of fact, you have attempted to divide these waters. You have attempted to divide them by shortening the amount that San Francisco is entitled to and giving a larger supply to Turlock-Modesto, providing the contract which you propose to enforce upon San Francisco is not set aside by the courts.

Mr. DECKER. Will the gentleman yield?

Mr. MONDELL. I have only a moment, unless my time can be extended. Unless the court sets aside this contract you are attempting here to establish a new precedent relative to the distribution of water, as you are attempting to establish a new

precedent with regard to other matters.

It is altogether unnecessary, because if the officials of the city of San Francisco were willing to go to work and meet on a friendly footing the people in the valley there would be no difficulty under the law of the State of California in reaching an agreement to fix and adjust and settle the rights of each, and then they could come here just as other people come here, asking us to grant a right of way under proper conditions, and not asking us by some hocus-pocus of legislation to attempt to set up an entirely new rule with regard to the use and distribution of waters throughout the irrigation States of the Union. It is not fair to San Francisco. It is not fair to the men who represent that State. It is not fair to the Congress to have a proposition of that kind placed before it.

I have introduced a bill. I do not claim it is perfect, though I gave it considerable thought, because I wanted to be fair to San Francisco and fair to all others; but I did not go into the domain of the regulation of the waters of California, as I would not want the legislation, if it was in my State, to invade that In my bill I did provide for a grant under express and easily understood and, I think, clearly stated provisions and conditions, enforceable by the United States or by any party in interest. I should like to see San Francisco secure this grant of right of way, not because it is absolutely essential that she should, because there are other sources of water supply available, and perhaps ultimately it would be better to have Hetch Hetchy used to irrigate the San Joaquin Valley. But I should like to see San Francisco secure this grant because the people of California seem to be of the opinion that this is the better way to provide for this construction, which will be useful both to the people present and to come on San Francisco Bay, and very largely, if they can live amicably under the provisions of the bill, to the people in the irrigation districts as well. it is exceedingly unfortunate that in passing legislation of this kind we are called upon to give our assent to propositions that will rise to plague us in the future, and it is unfortunate that

because this beautiful valley is in a national park that we must lay on San Francisco certain onerous conditions which, in my opinion, she will find it exceedingly difficult to comply with.

The charge itself is not based upon any theory of which I know as to the value of the right conferred or as to the shortening of the privileges of the balance of the people by reason of this grant to San Francisco. My bill provided that they should pay for the timber on the right of way; that they should pay for the maintenance of sanitary conditions there; that they should pay for the upkeep of the roads around and approaching their reservoir and works; and, in addition to that, that they should pay their proportion of the cost, whatever it may be, of the supervision and control of the watershed in the national

park and forest reserve.

San Francisco could secure the right to construct these works, without any additional legislation, under the general laws if it were not for the fact that the Hetch Hetchy Valley lies just within the borders of a national park. That fact necessitates special legislation, as the ordinary right-of-way acts do not grant That fact necessitates permanent easements in national parks. The fact that Hetch Hetchy is in a national park, and that it is a region of great scenic beauty, gives all the people of the country a lively interest in the matter. But these facts do not justify an attempt altogether unnecessary to indirectly supersede the laws of California with regard to water rights, or the imposition of onerous or burdensome conditions, conditions particularly objectionable because they contemplate that, as to certain waters and certain power development utilized by a great community, the agents of the Federal Government, in nowise directly responsible to the people directly interested, shall be the final arbiters for all time. For the purpose of clearly expressing my views as to what should be done and how, I shall, at the proper time, move a substitute, which I now ask to have printed at the close of my remarks. [Applause.]

as to what should be done and how, I shall, at the proper time, move a substitute, which I now ask to have printed at the close of my remarks. [Applause.]

A bill (H. R. 7297) granting a right of way over certain public lands and reservations to the city and county of San Francisco for the purposes of a water supply and power development.

Be it enacted, etc., That a right of way through the public lands of the United States, the Yosemite National Park, and the Stanislaus National Forest is hereby granted to the city and county of San Francisco, a municipal corporation in the State of California, for the purpose of enabling the said city and county to construct and maintaining recevorirs, canals, works, and structures of every kind and character necessary or desirable in securing, establishing, and maintaining from the Tuolumne River and its tributaries in said State a water supply for the said grantee, the city and county of San Francisco, and such the said grantee, or in accordance with the said that the said grantee of the extent of the ground occupied by the reservoirs, canals, and all other works or structures of every kind and character necessary or desirable for the purposes specified in this act, together with such additional lands on the marginal limits of all reservoirs and canals or surrounding or bordering on other works or structures or structures. Together with the right to take from the public lands and reservations herein referred to adjacent to its right of way earth, stone, and other like material necessary or desirable for the construction of the reservoirs, canals, works, or structures, together with the right to take from the public lands and reservations herein referred to adjacent to its right of way earth, stone, and other like material necessary or desirable for the construction of the reservoirs, canals, works, or structures her

cent to its proposed aqueduct from Groveland to Portulaca or Hog Ranch and to the Hetch Hetchy dam site, and a road along the southerly slope of Smiths Peak from Hog Ranch past Harden Lake to a junction with the old Tloga Road, in section 4, township 1 south, range 21 east, Mount Diablo base and meridian, together with such other roads and trails as the Secretary of the Interior shall determine are made necessary by reason of this grant. That the said grantee shall lay and maintain a water pipe, or otherwise provide a good and sufficient supply of water for camp purposes at the Meadow, one-third of a mile, more or less, southeasterly from the Hetch Hetchy dam site. That the said grantee shall furnish water at cost to any authorized occupant within 1 mile of its reservoirs.

(d) That the grantee shall, for the benefit of the Yosemite National Park and the Stanislaus National Forest, pay for all timber taken from its right of way and shall pay annually such sums, to be fixed from time to time by the heads of the departments having charge of the said reservations, as shall be amply sufficient for the repair and maintenance of the roads and trails herein provided to be built by the grantee, and for the enforcement of the sanitary regulations provided for in section 1 of this act, together with such further reasonable sums as shall, in the opinion of said heads of departments, fairly measure its proportionate share of the cost of maintaining and protecting that portion of the said national park and national forest as constitutes the watershed of the water supply of said grantee.

(e) That the grantee shall at all times, in the construction and maintenance of its work, conform to all the requirements, rules, and regulations adopted by the head of the department of the Government having jurisdiction of the reservations over which its right of way may extend and shall be responsible for any loss or damage to such reservations or the timber thereon caused by the grantee or its agents. That the grantee shall at all times

ceases to use such lands for the purposes of construction under the provisions of this act.

(g) That the conditions of the grant made herein shall be enforceable and the rights and privileges of the said grant may be canceled or annulled, in whole or in part, upon the failure on the part of the grantee to comply with the terms and conditions thereof, on notice by the Secretary of the Interior, in accordance with the judgment of any court of competent jurisdicton in a suit brought by the United States or any parts in interest.

of competent jurisdicton in a suit brought by the United States or any party in interest.

SEC. 3. That the rights of way hereby granted shall not be effective over any lands upon which homestead, mining, or other existing valid claim or claims shall have been filed or made and which now in law constitute prior rights to any claim of the grantee until said grantee shall have purchased or procured proper relinquishment of or acquired title to, by due process of law and just compensation paid to said entrymen or claimants, such portion or portions of such homestead, mining, or other existing valid claims as it may require for the purposes herein above set forth and caused proper evidence of such fact to be filed with the Commissioner of the General Land Office; and the right of such entrymen or claimants to sell and of said grantee to purchase such portion or portions of such claims are hereby granted: Provided, That this aet shall not apply to any lands embraced in rights of way heretofore approved under any act of Congress for the benefit of any parties other than said grantee or its predecessors in interest.

The CHAIRMAN. The time of the gentleman has expired.

Mr. FERRIS. Mr. Chairman, I want to ask unanimous consent that the gentleman from California [Mr. J. I. Nolan], who is confined to his bed, have permission to extend his remarks in the Record on this subject when he comes back. He is very much interested in this legislation, and very much in favor of it.

The CHAIRMAN. The gentleman from Oklahoma [Mr. Ferris] asks unanimous consent that the gentleman from California [Mr. J. I. Nolan] be granted leave to extend his remarks in the RECORD on this bill. Is there objection?

There was no objection.

Mr. FERRIS. Mr. Chairman, I want to yield three minutes to the gentleman from New Jersey [Mr. Kinkead] to insert something in the RECORD.

Mr. KINKEAD of New Jersey. Mr. Chairman, I ask that the letter which I send to the Clerk's desk be read. Then I would like to add a word in explanation.

The Clerk read as follows:

NEW YORK, August 28, 1913.

Hon. E. F. Kinkead, Congressman for Eighth District, New Jersey, Washington, D. C.

Washington, D. C.

Dear Sir: We take notice of an article on the 26th instant in the Journal of Commerce, New York City, and your interest in the matter of imported beef. In the past eight weeks we have sold 650 hind quarters of imported beef, about 100,000 pounds, at 2 cents a pound less than native beef. We have sold it in New York City, Washington, Boston, Albany. Troy, Ithica, and other places, and find that the goods give good satisfaction.

Of course, if the law will discriminate against foreign inspection, the present importers will become d'sheartened and will withdraw from the field. It is pioneer work in the interest of the public, and the benefit is more for the consumer than anyone else. However, we thank you for your interest in the matter and hope you are successful in your effort to reduce the high cost of living.

Yours, very truly,

Geo. C. Engel Co.,

GEO. C. ENGEL CO., GEO. C. ENGEL, Treasurer.

Mr. KINKEAD of New Jersey. Mr. Chairman and gentlemen, statement after statement was made by myself and other Members on this side of the Chamber that if we were able to open up the markets here to Australian and Mexican and Argentine beef the people of our country would be able to buy their meats at a lower figure than they have been paying for them during the past two or three years. This is but one evidence of many that I have received, principally from New York merchants.

But here in Washington, the week before last, the statement was made by one of our commission merchants here, similar to that which Mr. Engel made. And it must be borne in mind that these independent packers, independent merchants, are now paying 11 cents a pound tariff duty on the meats that they This means that the retail merchant may buy from the import. commission merchant, after the Underwood bill is passed, at at least 3½ cents a pound less than he is paying for it now.

The reports which I have on hand from the Bureau of Foreign and Domestic Commerce, together with the statements that appear from time to time in the trade journals of the packers, indicate that a difference of 31 cents per pound in the price of meats to the retail dealer means a reduction of from 7 to 10 cents per pound to the consumer. It will therefore be seen, Mr. Chairman, that the statements that have been made by the agents of the Beef Trust and by some Republican Members of this House, that the removal of the duty from cattle and meats would in no way tend to reduce the cost of meat products to the consumer are erroneous.

At a later date I propose to submit to the House additional evidence along this line, which will prove to any fair-minded man that the position which I have assumed during my service in the House in endeavoring to secure the removal of all duties from cattle, as well as meat products, will bring about a reduction in the price of meats to the consumer of at least 20 per cent.

As further evidence, I bring to the support of my argument the testimony of at least two of the leading commission mer-chants here in the District of Columbia. They have stated in the public press that they have purchased a supply of Argentine beef and were able to sell it to the people of Washington at about 2½ cents per pound less than the representatives of the Chicago packers were charging the retail dealers here.

In my judgment, the full relief coming from the admission of foreign meats into this country free of duty will not come to the American people until the Underwood bill shall have been in effect about six months. Trade conditions and the delay incident to securing representation here among the independent packers by the foreign houses are responsible. But the relief promised by the Democratic Party will come-statements of the packers and their representatives notwithstanding.

The CHAIRMAN. The time of the gentleman from New

Jersey has expired.

Mr. MANN. Mr. Chairman, I should like to make some observations on the subject introduced by the gentleman from New Jersey [Mr. Kinkead], but I shall refrain. I yield 15 minutes to the gentleman from California [Mr. J. R. Know-LAND].

Mr. J. R. KNOWLAND. Mr. Chairman, San Francisco having taken the initiative in requesting the legislation now before the House granting certain rights on the part of the Government to enable that city to obtain an abundant and pure water supply is generally regarded as the principal if not the sole beneficiary under the proposed act. But there are other Cali-fornia cities as vitally interested, chief among these being the municipalities of Oakland, Berkeley, Alameda, Hayward, and San Leandro, situated directly across the bay from San Fran-cisco and within the congressional district I have the honor to represent

That these are all growing communities is attested by a reference to census statistics. Oakland in 1900 had a population of but 66,960. The census of 1910 increased this to 150,174, and today a conservative estimate is 206,000. Berkeley jumped in 1910 from a population, under the census of 1900, of 27,220 to 40,434, and at the present moment can boast of 45,000. Alameda city in 10 years increased from 16,464 to 23,383, and can now safely claim a population of 27,000. The growth of Hayward and San Leandro has been in like proportion. The combined population of these cities in 1910 was 220,208 and of the entire county 246,131. To-day Alameda County has a population of fully 360,000, which is almost equal to that of the city and county of San Francisco.

It is generally conceded by those who have investigated conditions that these east bay cities will be compelled to eventually seek an additional water supply. At the instance of the cities of Oakland and Berkeley, Mr. J. H. Dockweiler, consulting engineer, was appointed in 1911 to investigate and report on the sources of water supply of the east bay region of San Francisco.

The resolution passed by the city of Oakland on March 20, 1911, providing for the appointment of engineers read as fol-

Whereas on the 21st of November, 1910, the council of the city of Oakland adopted its resolution No. 37418, reading as follows:

"Resolved, That the city of Oakland, in conjunction with the cities of Berkeley and Alameds, appoint some engineer to assist the board of engineers of the city and county of San Francisco in the preparation of the report to the Department of the Interior at Washington to be used at the hearing of the order to show cause now pending in that department for the revocation of the permit heretofore granted by that department for the use of Hetch Hetchy Valley as a reservoir site"; and

site"; and
Whereas on or about the same date a resolution similar in form was
passed by the city council of the city of Berkeley and by the city
council of the city of Alameda: Now, therefore, be it

Resolved, That J. H. Dockweiler, of Oakland, and J. D. Galloway, of
Berkeley, Cal., be, and are hereby, appointed engineers in accordance
with said resolution; the said J. H. Dockweiler to prepare data upon
existing and future needs of water supply for the cities of Oakland,
Berkeley, and Alameda, and upon the possibilities of reenforcing such
local supply from the Sierra Mountains and other outside sources.

Received a similar resolution on Moute 7, 1911. Engi-

Berkelev passed a similar resolution on March 7, 1911. Engineer Galloway resigned shortly after his appointment and the

report was prepared by Mr. Dockweiler.

This comprehensive report shows that all available local sources will fall short of supplying the needs of the growing population of the east bay communities by 1926. Engineer Dockweiler was most careful in his estimates and conservative in his deductions. There are many who contend that there will be a shortage long before that date, particularly if there are successive dry seasons. The present water supply of the cities of Oakland, Berkeley, and Alameda is furnished from what is known as the Lake Chabot Reservoir, located in Alameda County, and also from artesian wells. It should be borne in mind also that part of the San Francisco supply comes from Alameda County, the Spring Valley Co. taking water from what is known as the Alameda Creek system; and it is not at all unlikely that this will eventually affect the Alameda County supply, lowering the water plane on the east side of the bay.

In the report of the advisory board of Army engineers to the Secretary of the Interior the scarcity of the Alameda County supply available for the east bay cities is discussed. In the hearing before the Public Lands Committee on June 26 Col. John Biddle, chairman of the advisory board, stated that the cities of Oakland, Berkeley, and Alameda were in very poor situation and that they had about reached the limit of their

immediate supply.

What I desire to impress upon this House particularly is the fact that this grant is not for a single city, but for the entire bay region. Bordering upon San Francisco Bay are six counties, containing a total population in 1910 of 829,955, or 35 per cent of the entire State. This population of the bay cities is rapidly increasing, for in California during the past decade the urban population increased two and a half times as rapidly as What will contribute to the growth of this particular locality is the fact that practically 80 per cent of the arable land of California is tributary to this San Francisco Bay region.

As these localities grow the development of all the near-by sources, including the supply of the Spring Valley system, the People's Water Co., and other small companies and private plants will fall far short of meeting the needs. This fact being generally recognized, the only question is as to the best and most available future supply. I am convinced after going over the various and most exhaustive reports, including that of the advisory board of Government engineers, that the Hetch Hetchy is the most feasible and, in the long run, will be the most economical of the various projects proposed. Surely the valley could not be put to any higher beneficial use than to furnish the people of the bay cities with a bountiful supply of pure, fresh water. It has been suggested that the language of the pending bill providing for the participation of the east bay cities is not satisfactory to these localities. When the bill was introduced and the hearings began I sent the following wire to Mayor Frank K. Mott, of Oakland:

WASHINGTON, D. C., June 25, 1913.

Washington, D. C., June 25, 1913.

In bill introduced Monday granting San Francisco certain rights in matter of Hetch Hetchy water supply, it is provided that "other municipalities or districts may, with the consent of the city and county of San Francisco, or in accordance with the laws of the State of California, hereafter participate in the beneficial use of the rights and privileges granted." As this bill grants rights for the largest available water supply in the State of California, the only question entering my mind is whether the words "may, with the consent of the city and county of San Francisco, or in accordance with the laws of the State of California," would be satisfactory to Oakland and adjacent cities. San Francisco representatives declare that under the State laws providing for formation of municipal water districts Oakland and adjacent cities could not be barred from this supply by San Francisco. Appreciating tremendous importance of this matter to future of east side of bay cities, I would like to hear from these localities. Am mailing

bills to-day to you and mayors of Alameda and Berkeley, and would suggest when bills arrive you call a meeting and wire me fully position. Hearings are now being held. Furnish copies this wire to Mayor Wilson, Berkeley, and Otis, Alameda.

J. R. KNOWLAND.

To my telegram I received the following reply:

OAKLAND, CAL., July 6, 1913.

Hon. J. B. Knowland, House of Representatives, Washington, D. C.:

Absence from city cause of delay in answering relative to water bill. Have had conference with San Francisco officials, and they agree with our suggestion to insert word "water" before "districts," line 7. page 2. While language of bill relating to other manicipalities is not altogether satisfactory, we feel that under circumstances it is probably the best that can be done. Amended as herein suggested bill ought to be passed. Frank K. Morr.

The amendment to the bill suggested by the mayors of the east bay cities was adopted, the language referring to other municipalities, found on page 2, line 9, now reading as follows:

For conveying water for domestic purposes and uses to the city and county of San Francisco and such other municipalities and water districts as, with the consent of the city and county of San Francisco, or in accordance with the laws of the State of California in force at the time application is made, may hereafter participate in the beneficial use of the rights and privileges granted by this act.

Fear has been expressed in certain quarters that San Francisco might not consent to the participation of the east bay I think such a fear is groundless. In the first place, the compelling reason would be a financial one, for without the assistance of these other localities the burden upon San Francisco would be tremendous. San Francisco will be only too willing to cooperate. Let us consider the remote contingency of a refusal, or an attempt to hold up the bay cities. The constitution of California provides, article 14, section 1:

The use of water now appropriated or that hereafter may be appropriated for sale, rental, or distribution is bereby declared to be of public use and subject to regulation and control of the State in the manner to be prescribed by law.

The Railroad Commission of California, which exercises control over the public utilities of that State, its powers having been broadened by the adoption of a constitutional amendment within the past two years, would unquestionably exercise control over the municipality of San Francisco, having recently de-clared that it would not allow the city of Los Angeles, whose Owens River water grant is not dissimilar to the one now asked of the Government for San Francisco, to fix arbitrary rates for the sale of water for irrigation purposes along the line of its 150-mile aqueduct. In effect the commission held that it was within its power to prevent the city of Los Angeles from fixing such rates for the use of this water as might enable that city to quickly reimburse itself for the vast sums expended in the instal-lation of its system. I am also of the opinion that under the remote possibility of a refusal on the part of San Francisco an appeal to the Secretaries of the Interior and Agriculture could be taken for an adjustment of any differences between the two localities.

On the other hand, should the Alameda County cities be made joint grantees with San Francisco at this time, they would necessarily be immediately asked to assume certain responsibilities and carry their proportion of the financial obligations so far incurred. As it now stands it is optional. If they conclude that the Hetch Hetchy project offers the best and cheapest water supply they can unquestionably participate as separate municipalities or by organizing themselves into a municipal water district under the State act of December 24, 1911. This act provides that the people of any city or county or of one or more municipal corporations in any county with or without unincorporated territory in such county may organize a municipal water district. When the district is organized it has power among other things to acquire or contract to acquire waterworks or a waterworks system, water rights, and so forth. It may also lease waterworks systems, exercise the right of eminent domain, and condemn property for public use. It may borrow money, issue bonds, and cause taxes to be levied to pay any obligation of the district.

While the preliminary steps have been taken to form such a district in Alameda County, considerable opposition has devel-oped. This opposition is not against participation in the Hetch Hetchy project, but is due to certain provisions of the

There is another State law, approved March 24, 1903, which provides that any two or more incorporated cities may jointly acquire and develop a water supply for municipal and domestic

purposes.

If present State laws are not adequate to protect the interests of the east bay cities, a satisfactory legislative act could be passed between now and the time when the water supply will be available, the pending bill providing that municipalities or water districts may participate with the consent of San Francisco or in accordance with the laws of the State of California

in force at time application is made.

To sum up, the supply is urgently needed to-day by San Francisco and will be required by the near-by cities shortly. Every possible source of water supply has been examined, with the result that the Hetch Hetchy project has been determined to be the most practicable and by far the most desirable. The interests of the Government and the people are amply protected. By section 6 of the bill the grantee is prohibited from selling, assigning, or transferring the rights to any private person, corporation, or association. The Secretary of Agriculture, the Secretary of the Interior, the Director of the United States Geological Survey, the chairman of the United States Reclamation Commission, and the Chief Forester of the United States Forest Service have all indersed the bill. It is also harded by Forest Service have all indorsed the bill. It is also backed by the united congressional delegation of California.

I do not hesitate to frankly state that I am not particularly enamored of section 7, providing that the grantee shall pay to the Government after five years from the passage of the act \$15,000 annually for a period of 10 years, and for the next 10 years \$20,000 annually, and the remainder of the term of the grant, unless otherwise provided by Congress, the sum of \$30,000 annually. This simply means that this amount will come out of the pockets of the water consumers of San Francisco and the east bay cities, if they participate. The water is for a public use, and the rights are not granted to a private The committee, however, insisted upon the incorporation.

sertion of this provision.

Notwithstanding this objectional provision, I shall support the bill. Nine years' experience in this body has taught me that no important measure of this character can be framed to meet fully the views of every individual Member. I appreciate that San Francisco has fought long to obtain this grant. Opposed by private water corporations, besieged and hampered by those seeking to unload other water projects, held up by landowners, seeking to unload other water projects, held up by landowners, the city is at last to be given the opportunity of realizing its fondest hopes in obtaining a water supply that will equal, if not excel, that enjoyed by any city in the world. The bill should receive the unanimous support of the membership of

I will insert as part of my remarks two editorials from leading Alameda County papers supporting the Hetch Hetchy bill:

[Editorial from the Oakland (Cal.) Tribune, July 23, 1913.]

LET US STAND WITH SAN FRANCISCO FOR HETCH HETCHY.

[Editorial from the Oakland (Cal.) Tribune, July 23, 1913.]

LET US STAND WITH SAN FRANCISCO FOR HETCH HETCHY.

Oakland and her sister cities have an interest in the Hetch Hetchy water scheme that should make them allies of San Francisco and give their support to the bill now before Congress. This interest is contingent as yet, but it is none the less vital, and the sense of remoteness should not lead us to ignore a proposition which should enlist both our sympathies and self-interest.

Steps are now being taken by the cities on the Alameda shore to inaugurate the policy of public ownership of water supply and the facilities for supplying water. One of the chief objects in view is acquiring a more abundant and dependable supply, for the increasing droughts will in a few years reach the limit of the supply that it is possible to obtain from local sources. We must look to the high Sierras for a future supply that will be at once pure, abundant, and permanent. This can only be obtained by cooperating with San Francisco to bring in a supply that can never be interfered with and which will be a guaranty against all vicissitudes in future and forever remove the menace of water famine from the cities around the bay.

The Hetch Hetchy scheme promises all we could ask in this direction. An adjustment of the differences between the irrigators of the San Joaquin Valley and the authorities of San Francisco which permits of a division of the water of the Tuolumne River has been reached on a basis that will supply the wants of each without interference with the agricultural development of the valley. The only obstacle now to be overcome is the objection made in Congress to granting San Francisco the use of Hetch Hetchy Valley as a storage basin, an objection that Senator Works has unexpectedly and, as we believe, mistakenly volced. Regard for their own interests and their future security against water shortage should prompt the people on this side of the bay to assist in removing this objection. Senator Works should be urged

[Editorial from the Oakland (Cal.) Enquirer, July 23, 1913.]

[Editorial from the Oakland (Cal.) Enquirer, July 23, 1913.]

SAN FRANCISCO'S WATER SUPPLY.

No good purpose can be served by the prevention of a vote of Congress upon the bill whereby the city of San Francisco is seeking to gain rights to carry forward her desired Hetch Hetchy water-supply project. Nothing is asked by her that is designed to work prejudice to the rights of any individual, corporation, irrigation district, or municipality, Nothing is sought in contravention of any law, contract, or public policy. Upon its part, under the terms of the bill, the city of San Francisco stands to make good upon all conditions imposed as a condition of the continued enjoyment of the privilege sought.

The right to immediate consideration of this matter before Congress—and this is all that is now insisted upon—is supported by a condition of dire significance to 500,000 people. Already that city's water supply is less than that of Seattle, with only half San Francisco's present population. Moreover, the water supply now furnished, though inadequate, is of a quality to preclude its use, in part, and to constitute a menace to the health of the users to a considerable extent. Without the district reached by the high-pressure salt-water fire service, there is not sufficient water in San Francisco's present service to afford reasonable protection against fire. Indeed, she has suffered within the past week a very considerable property loss by fire for the lack of an adequate water supply. And, worst of all, the possible capacity of the present system has been reached.

We understand that this matter of granting to San Francisco the rights she desires is already sanctioned by Government engineers who have made the project subject of rigid investigation. It is understood that in making up its findings and recommendations the Board of Engineers set forth an unqualified indorsement of the scheme, emphasizing the fact that the Hetch Hetchy system could be built at a saving of \$20,000,000 over any other possible.

This imperative

I will also print a brief analysis of the Hetch Hetchy bill.

ANALYSIS OF H. R. 7207.

[A bill granting to the city of San Francisco rights of way for water-supply system and incidental hydroelectric power plant in the Yo-semite National Park, the Stanislaus National Forest, and public lands in the State of California.]

IA bill granting to the city of San Francisco rights of way for watersupply system and incidental hydroelectric power plant in the Yosemite National Park, the Stanislaus National Forest, and public lands in the State of California.]

The theory on which this bill is drawn is that the United States, having sole jurisdiction over the national park, has the right to refuse the grant and also has the right in making the grant to impose certain conditions upon the grantee.

The bill is not drafted nor designed nor intended to usurp the powers of the State of California in the matter of control of the distribution of water. The conditions imposed—which are acquiesced in by the grantee—relate only to the protection of certain rights of the Turlock-Modesto irrigation district by recognizing, without affecting one way or the other prior rights of the said districts to certain waters in the Tuolumne River, the source of this river being the Hetch Hetchy Valley.

Section 1 provides a grant of all necessary rights of way not exceeding 250 feet, as in the judgment of the Secretary of the Interior and the Secretary of Agriculture are required for the construction and other cittes which may hereafter join in the stropoloral with the provided of the stanishment of the Secretary of Agriculture are required for the construction and other cittes which may hereafter join in the stropoloral with the provides and other cittes which may hereafter join in the provides and other cittes which may hereafter join in the stropoloral with the provided of the Secretary of the Stanishment of the Secretary of the Stanishment of the Secretary of the Stanishment of the Secretary of Agriculture must be procured. This section is analogous to and practically identical with the grant made to the city of Los Angeles for a water-supply system from the Owens River.

Section 2: This section requires the grantee to file with the registers of the United States land offices within three years all maps showing boundaries or locations, and prohibits permanen

(The grantee acquiesces in this proviso, which is designed to prevent the cutting of a stick of timber in the Yosemite National Park, and thus prevent any possible destruction of trees within the reservation, and also to make the park as artistic as possible.)

Proviso 2 of section 4 requires the grantee to construct and maintain bridges and crossings over its rights of way of such character and construction as may be prescribed by the Secretary of the Interior or the Secretary of Agriculture, and, further, the grantee shall, upon order of the United States officials, construct and maintain fences along the rights of way. It is still further provided that the grantee shall clear its rights of way of débris and inflammable material, thus preventing forest fires, and also shall permit the free use by Government officials of all trails, telephone and telegraph lines, railroad and other utilities which may be constructed as adjuncts to the water-supply system.

(The requirements of this section cause the grantee to expend a considerable sum in the improvement of the park and the forest reserve and make access to these public places easy and comfortable. The expenditure of this money for this purpose is a consideration, in part, for the grant.)

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Section 5 provides that the grant by the Federal Government is an easement and that the lands shall be disposed of only subject to such easement. Proviso 1 compels the grantees to diligently prosecute its construction work without cessation, and in the event that such construction work eases for a period of three years and the Secretary of the Interior determines the grantee has not been duly diligent, all rights under the grant may be declared forfeited by suit in the United States District Court for the Northern District of California. The Attorney General is required to prosecute such suit to final judgment when requested to do so by the Secretary of the Interior. Proviso 2 provides that the Secretary of the Interior shall not attempt to make a forfeiture if the work of the grantee has been delayed or prevented by the act of God or the public enemy, or by engineering or other special or peculiar difficulties which could not have been reasonably foreseen and overcome and were beyond the control of the grantee. Proviso 3 compels the grantee to at all times comply with the regulations authorized by the act, and in the event of material departure from said regulations the United States officials may take such action as may be necessary, in the courts or otherwise, to enforce such regulations.

Section 6 provides that the grantee is prohibited from selling or letting to any corporation or individual, except a municipality, a water district, or an irrigation district, the right to sell or sublet the water or electric energy sold or given to it by the grantee; it is provided also that the rights under the grant shall not be subject to sale, assignment, or transfer to any private person, corporation of the material payments, the pro

other municipalities or water districts which may, with the consent of the city or in accordance with the laws of the State of California, hereafter participate in or succeed to the beneficial rights and privileges of the act.

(The cities about the Bay of San Francisco have always approved the granting of the Hetch Hetchy Reservoir site to San Francisco, with the understanding that these cities may in the future join with the city of San Francisco in a metropolitan water district. The State law of California provides for the creation of a metropolitan water district, and because of this law the bay cities have not requested at this time to be made cograntees. They know they will have the privilege to share in the benefits after San Francisco has made the necessary investment and brought the needed water to the bay cities for domestic use.)

Section 9 requires the grantee to observe sanitary regulations within the Hetch Hetchy watershed and around reservoir sites. These regulations provide that no human excrement, garbage, or other refuse shall be placed in the waters of any reservoir or stream, or within 300 feet thereof; and, further, that all sewage from permanent camps or hotels within the watershed shall be filtered by natural percolation through porous earth or otherwise adequately purified; and, further, no person shall bathe, wash clothes or cooking utensils, water stock, or in any way pollute the water of the reservoirs constructed under this grant or the streams leading thereto within 1 mile of said reservoir. The cost of inspection necessary to enforce sanitary regulations is to be paid by the grantee, and such inspection shall be under the direction of the Secretary of the Interior. Should these regulations prove insufficient to the grantee, then the grantee shall install a filtration plant, and no other sanitary rules or restrictions shall be under the direction of the States Government and Mr. Allen Hazen and Prof. Whipple, and are approved by the Board of Army Engineers, the Secretary of the Unit

refuse the grant to San Francisco, has therefore the right to place lawful conditions therein. The recognition of these priorities does not implinge upon California State law or modify existing rights.)

Paragraph (c), section 9, is a condition that the grantee shall be required to release the necessary amount of stored water to assure the flow of 2,350 second-feet included in the priorities of the irrigation districts; and, further, condition (c) recognizes the rights of the said flow of the Tuolumne River during a period of 60 days following and including April 15 of each year.

(Condition (c) is a limitation upon the grant, according to the theory of the bill, and is protective of rights already acquired and which can not be disturbed so far as they relate to the irrigation districts. The provision relating to the 4,000 second-feet of water is to provide for the beneficial use by the irrigationists of water which is to provide for the beneficial use by the irrigationists of water which is to provide for the beneficial use by the irrigationists of water which is to provide for the beneficial use by the irrigationists of water which is to provide for the beneficial use by the irrigationists of water which is to provide for the beneficial use by the irrigationists and the stored waters of the city. It should be borne in mind that San Francisco does not contemplate interfering with the natural flow of the Tuolumne. The intent is to store flood waters which come from the stored waters of the city. It should be borne in mind that San Francisco does not contemplate interfering with the natural flow of the Tuolumne. The intent is to store flood waters which come from the stored waters will receive the benefit of an investment of approximately \$55,000,000,000 without being compelled to put up any part of the cost, and the construction of the system will insure the priorities of the irrigationists and they will receive water in the dry period, when it is most needed. Without the construction of the summer and fall.)

lumne watershed in excess of the amount to be used for domestic and municipal purposes.

(The purpose of this provision is to make possible the use of surplus waters in the San Joaquin Valley and prevent the use of possible surplus for irrigation of lands remote from the Tuolumme River. John R. Freeman, consulting engineer for San Francisco, suggested that surplus water might be economically used for intensive farming in lands contiguous to San Francisco Bay. Inasmuch as San Francisco expects to purchase the local water supply, and thus acquire sufficient water for local irrigation purposes, it was deemed advisable and economical to provide that surplus from the Tuolumne should be used in the San Joaquin Valley. This is an economic use of water for the highest purpose of all concerned.)

Paragraph (1), section 9, provides that the grantee shall at its own expense provide water-measuring apparatus and keep hydrographic records, which apparatus and records shall be open to inspection by any interested party at any time.

Paragraph (1), section 9, is the engineers' definition of the flow of the Tuolumne River.

Paragraph (k), section 9, requires San Francisco to build a dam at least 200 feet high.

(This means that the city will expend from \$500,000 to \$1,000,000 in excess of initial expenditures necessary for its immediate needs. The

least 200 feet high.

(This means that the city will expend from \$500,000 to \$1,000,000 in excess of initial expenditures necessary for its immediate needs. The intent is to build the dam high enough to provide adequate storage to meet the conditions of the grant, and is primarily a benefit for the irrigationists.)

gationists.)

Paragraph (1), section 9, provides that the grantee shall sell excess of electrical energy to the irrigation districts and municipalities within the irrigation districts for the beneficial use of landowners, whenever such excess is not required for the actual municipal purposes of the grantee. It is also provided that no power plant shall be interposed on the conduit of the grantee except by the grantee itself. The proviso of the paragraph is that the grantee shall first satisfy the needs of landowners for pumping water for drainage or irrigation and the needs of the municipalities within the irrigation districts for municipal purposes, before excess of electrical power may be sold for commercial purposes.

poses, before excess of electrical power may be sold for commercial purposes.

(This is a direct benefit to the irrigationists, and places no burden or hardship upon the grantee.)

Paragraph (m), section 9, provides for the development of electric power. The grantee is required to develop 10.000 horsepower within 3 years after the completion of that portion of the system which is usable for power development. Within 10 years thereafter the grantee shall develop 20,000 horsepower, and within 15 years 30,000 horsepower, and within 20 years 60,000 horsepower, unless in the judgment of the Secretary of the Interior the public interests will be satisfied with a lesser development.

The prices of electricity are to be fixed under the laws of California, or, if there be no such laws, at prices approved by the Secretary of the Interior, such prices to return to the grantee actual cost of construc-

Interior, such prices to return to the grantee fails to develop tion.

Paragraph (n), section 9, provides that if the grantee fails to develop horsepower as directed herein, then the Secretary of the Interior may lease to such person or persons as he may designate those portions of the rights of way, structures, dams, etc., as may be necessary for development, use, and sale of power which the grantee has failed or neglected to develop.

(This is a forfeiture penalty to prevent cold storage of power possibilities.)

Paragraph (o), section 9, provides that rates to be charged for power

bilities.)

Paragraph (0), section 9, provides that rates to be charged for power for commercial purposes (in the event that lease is made to another party under paragraph (n)) shall conform to the laws of the State of California, or in the absence of any such law shall be subject to approval by the Secretary of the Interior; and it is also provided that all records, books, etc., shall be open to inspection by the Secretary of the Interior.

Paragraph (p), section 9, provides for the first of the secretary of the reals in the secretary of the s

Paragraph (p), section 9, provides for the building of roads and trails in the Yosemite National Park as designated by the Secretary of

Paragraph (p), section 9, provides for the building of roads and trails in the Yosemite National Park as designated by the Secretary of the Interior.

(The routing of these roads and trails was made by Mr. Marshall, of the Geological Survey, who surveyed the Hetch Hetchy Valley and is familiar with all the scenic and topographical conditions there. These roads will cost the city of San Francisco \$500,000 to \$1,000,000, and are to be turned over, free of charge, to the United States. This is one of the important considerations, and carries compensation to the Government for the rights of way granted. The construction of these roads will make the Hetch Hetchy Valley accessible and will provide a convenient and easy way for mountaineers to reach the higher parts of the Sierra. The paragraph also contains a requirement that the grantee shall provide a water supply for camp purposes at the Meadow camping place, a third of a mile from Hetch Hetchy. It is also provided that all trail and road building shall be done subject to the approval and direction of the Secretary of the Interior or the Secretary of Agriculture, according to their respective jurisdictions.)

Paragraph (q), section 9, provides that the grantee shall furnish water at cost to any authorized occupant within 1 mile of the reservoir, and shall repair and maintain roads and trails constructed under the provisions of the grant.

Paragraph (r) provides that the grantee shall pay all the cost of inspection and investigations which may be required of the Department of the Interior where such investigations and inspection involve expense to the department.

Paragraph (a) provides that the grantee shall file an acceptance of the conditions of this act within six months after its passage.

of the Interior where such investigations and inspection involve expense to the department.

Paragraph (s) provides that the grantee shall file an acceptance of the conditions of this act within six months after its passage.

Paragraph (t) requires the grantee to convey to the United States any and all tracts of land now owned by the city within Yosemite National Park or the national forest, which lands are not actually required for use under the provisions of this act.

(The city of San Francisco purchased private lands for the purpose of exchanging the same with the Government in lieu of that portion of the floor of the Hetch Hetchy Valley which is not owned by the city. The purpose of this plan is to provide suitable and desirable camping places for visitors who may wish to visit the Sierra and who would otherwise have camped in the Hetch Hetchy, and at the same time compensate the United States for lands to be submerged.)

Paragraph (u) provides that the grantee shall sell the water at cost to the military reservations at San Francisco. This was requested by the Secretary of War and is acquiesced in by the city.

Section 10 provides that the conditions of this grant shall be a binding obligation upon the grantee so far as the conditions relate to the irrigation districts.

Section 11 provides that this act shall not be construed as affecting or intending to affect or in any way to interfere with the laws of the State of California relating to the control, appropriation, use, or distribution of water or any vested right acquired thereunder, and the Secretary of the Interior is directed to proceed in conformity with the laws of the State of California in carrying out the provisions of this act.

Mr. CHURCH. Mr. Chairman, there have never been but two

Mr. CHURCH. Mr. Chairman, there have never been but two real objections urged, as far as I am advised, to the passage of this bill-the one by nature lovers, splendid people, who claim the beauties of the mountains will be marred by the making of this grant; the other by the farmers, thousands of feet below on the great San Joaquin plains, whose farms depend for life upon the waters of the mountains originating in the region of the Hetch Hetchy.

I do not share in the conclusion of the nature lovers that a lake covering a part of this valley will detract from its beauty; on the contrary I am persuaded a lake will add new charms to the scenery. One must understand the geography of our mountains out there in order to be able to properly decide. As you know, the Sierra Nevada Mountains constitute the eastern boundary of the State of California and rise to an average height of 9,000 feet, while now and then a sentinel lifts its snowy head above 14,000 feet.

On the western slope of this mountain range, about midway from the summit to the plains, an ancient forest stands. Its width from east to west has an average of 40 miles, while it extends from north to south 600 miles within the State. And you, my colleagues, who love Allegheny's heights or the Adiron-dack's woods, would stand in rapture anywhere among that California woods; and I invite you some time, when worn with the busy cares of life, to go out there and spend a few summer or autumn days wandering amid those heights, and when you do I want you to climb those mountains and stand at close of day, like the pioneers of old, upon their rugged, ragged tops, and while leaning on your walking stick lift your eyes westward above and beyond the San Joaquin Valley and past San Francisco and her Golden Gate to the sun sinking as behind a mountain range on fire into the Pacific far away, a picture grand, picturesque, sub-

lime, painted by the hand of God, and in the morning you will see the twin sister picture of the night before, the sunrise above the Wasatch, this side of the Great Salt Lake, a thousand miles away. From where you stand take any course and you will be repaid. Go to the Yosemite and look down into its blue abyss.

Stand where the storm king reigns upon his granite throne, Up where the lightnings flash around the thunder's home, Up where the eagle builds her nest, and the lofty peaks defy; Where rivers fall from towering heights, and rainbows paint the sky.

In this sublime place you should stop for a few days and

absorb wonders no tongue has ever yet described.

From there go to the Tehippitti, back in the mountains from Fresno, on the plains, with its domes 5,000 feet hanging overhead, monarchs of the sky, chiseled smooth and polished through the ages by winter's storm and nature's hand, and oh, the mossy glades, the tossing fountains, the drifting spray, the fishes in the stream eager to grasp the hook, the wild deer bounding around the cliffs, and the sighing pine trees overhead will charm your heart.

Go from this to Boyden Cave, but a few miles away, and with lantern travel underground and view chambers more gorgeous than palaces of kings, and see stalactites and stalagmites of rare size and strange hue, pictures crocheted upon the walls which limewaters have silently wrought in the dense darkness through countless ages, palaces and mansions beneath 2,000 feet of rock,

whose architect is God.

Go to our redwood groves, choice as they are, but 8 miles away, and wander about these monstrous trees, for as Mount Whitney, less than a hundred miles from them, lifts its snowy, ancient head above all other mountains of this land so these great trees stand without kith or kin, survivors of another age from which all but they are gone. Oh, if they could speak, what strange stories would they tell of mountain peaks, of canyons, of wilderness, and possibly of men-history not written on tablets or in books, but on circles, strata, petrification, and mountain banks of shells. They would tell of a day about which no others speak, when mad winds swept the land, when strange clouds and smoke filled the sky and when ashes fell, when cliffs went down and mountains rose and canyons deep were made, and the great inland waters burst through the Golden Gate and mingled with the seas and the western plains were born. They would tell how when the storm was past they stood alone, their companions gone, a new world everywhere. Oh, if they could only speak, what history would they tell; but they will not speak. What did I say? They will not speak? Why, in days gone by they have spoken in silvery tones to me. When, a shoeless child, I tried to climb their rough and rugged trunks, they spoke to me; when, in after years at night I camped alone amid their groves and heard the forest winds and saw the shadows change and the great moon drifting overhead, they spoke to me; and in winter, far back in Sierra's heights, when the snow was deep and fond memories constrained me to visit my ancient friends, I found them standing as they had stood through the ages, and there in solitude, clad in overcoats of snow, these sullen, sulky giants spoke to me. I never asked them a question they did not answer; and, oh, the choice lessons they imparted! They taught me to love the lesser trees, the vines, the mountain trail, the snow-clad heights, and all the wonders of the woods. They taught me to love my fellow man. They made me wonder, and as I wondered I thought of God, the destiny of my country, and of the human race.

Mr. Chairman, many lessons during my lifetime I have learned, some that lighten my pathway and make it sure and others that darken and hover as angry clouds; but from the lessons that these California mammoth trees have taught I have gathered dewdrops and honey dew, which has sparkled and

sweetened the hours of life.

I might go on and describe the wonders and beauties of this picturesque mountain range, for we surely have scenery there; but, in my judgment, God, when He commanded the wonders and beauties of all of the earth to appear on the western slope of the Sierra Nevada Mountains, overlooked nothing save a few extra lakes, which He might have placed here and there. The eastern slope of these mountains is not the same, for Donner, Lake Tahoz, and other lakes, beautiful beyond description, make the hearts of the wayfarer glad, but on the Hetch Hetchy side lakes are few and very small; and so I say to you, as I said before, I believe a lake covering part of the Hetch Hetchy Valley will add new charm to this already beautiful place, for around about this lake campers and nature lovers will pitch their tents, and instead of a valley, in which the mountains are already rich, will appear a beautiful mountain lake, blue, deep, and clear, in which fishes swim and on the surface of which rowboats and sailboats glide; and nature lovers and natural lovers and rheumatic members of the Sierra Club will

sit on the rocks along the shore in the morning time, and just before sunrise will look upward at the great cliffs, rising perpendicular, thousands of feet on every side, and then down into the clear waters where the great shadows fall and into the waters as if into a looking-glass all the outlines and beauties of the mountains will again appear; and as the sun sinks in the evening behind the mountains to the west the same picture will greet the eye, and at bedtime, just as the nature lover spreads his blankets upon the pine boughs, the real lovers, hand in hand and arm in arm, will wander among the rocks along the shore, and there will be a sky above and a sky below, for the moon and the stars will shine in the waters even as they do overhead, and the moonlight wanderers, looney and mooney as they are, will see beauty everywhere.

As I said at the outstart, the second real objection to the making of this grant has been urged by the irrigationists of the San Joaquin Valley, who have been fighting the proposition for years; but I am pleased to say most of them are now satisfied with the provisions of this bill and have asked me to support it and urged its passage at this time. They have sent me certain telegrams, which I now read and trust will appear in

the RECORD:

HUGHSON, CAL., August 14, 1913.

Hon. DENVER S. CHURCH. M. C., Washington, D. C.:

At a mass meeting of taxpayers and irrigators of Hughson section of the Turlock irrigation district the secretary of the meeting was instructed by resolution to wire you to vote for and use your influence for the immediate passage of the Raker bill as approved by our committee. E. F. Sawdey, Secretary.

TURLOCK, CAL., August 14, 1913.

DENVER S. CHURCH,
House of Representatives, Washington, D. C.:

We, the committee appointed by a citizens' mass meeting of the Turlock irrigation district, working in conjunction with the directors of said district, do hereby indorse the work of the representatives of the Turlock and Modesto irrigation districts sent to Washington for the purpose of protecting our rights as against the proposed claims of San Francisco, as set forth in a certain bill known as the Raker bill. We further ask our Representatives in Congress to support and vote for the said Raker bill, H. R. 7207, as reported out of the Public Lands Committee and now before Congress.

Unanimously carried.

H. C. Hoskins, Chairman.

Modesto, Cal., August 13, 1913.

DENVER S. CHURCH, M. C., Washington, D. C.:

Washington, D. C.:

At a joint meeting of the board of directors of the Modesto and Turlock irrigation districts held in Modesto this day the action of the committee sent to Washington to represent the districts was fully indorsed and the Raker bill, as recommended by the House committee, was approved. The boards also passed resolutions requesting our Representatives in Congress to use their best efforts to pass such bill and oppose the passage of any bill granting San Francisco the Hetch Hetchy which does not contain provisions recognizing and protecting the rights of the districts in the Tuolumne watershed, as provided in the bill.

Stanislaus County Board of Trade passed resolutions on Monday night in effect that no further opposition would be made to the Raker bill. Some little opposition to the bill has been engendered by persons having special interests outside of the districts and by a few others who feel that the waters of the river should never be taken from the valley. People generally of the irrigation districts believe that under all the circumstances the Raker bill should be adopted without material amendments and that the strongest opposition should be made to any change in the bill which would eliminate any of the conditions in favor of the districts.

C. S. Abbott.

C. S. Abbott,

Secretary Joint Meeting Members of Directors

Modesto and Turlock Irrigation Districts.
P. H. Griffin,

Attorney Turlock Irrigation District.
E. R. Jones,

Attorney Modesto Irrigation District.
L. W. FULKERTH.

Mr. Chairman, the authors of these telegrams, as well as myself, were originally opposed to this grant, and I at first opposed it in no uncertain terms; but the people representing the irrigation districts and the irrigationists in general sent to Washington certain distinguished gentlemen from the San Joaquin Valley to represent the interests of the irrigationists before the Public Lands Committee, of which committee I have the honor of being a member. Among those who thus represented the irrigationists were Hon. J. C. Needham, former Representative in Congress from the San Joaquin Valley; Judge Fulkerth, superior judge of Stanislaus County; Messrs, Griffin and Jones, attorneys who represented the two irrigation districts; also James W. Corson, chairman of the Chamber of Commerce of Modesto. These chosen representatives of the irriga-tionists presented their cause to the Public Lands Committee, and this committee, in order to safeguard in every way the rights of the water users of the San Joaquin, embodied in this bill certain conditions favorable to their interests; and I wish to say, gentlemen, that had these conditions not been thus embodied, instead of the telegrams which I have just read, requesting me

to urge the immediate passage of this measure, 10,000 people, if necessary, from this far-away valley would have been here at this time, protesting against the making of this grant; and I want further to say to you so you will understand the true conditions, should by any means this bill, either here or in the Senate, be shorn of the conditions favorable to the irrigationists, it will cause broken prospects and broken hearts, and a blighting panic in the great San Joaquin Valley; but I feel such a contingency will never arise.

Mr. Chairman, I am a zealous advocate of irrigation. My people were the founders of the greatest system of irrigation that has been established in the West, and it has been with the greatest reluctancy that I have become an advocate of the measure now before this committee; but my constituency, formerly opposed to the grant, are now favorable to it, as shown by the telegrams which I have just read, and my own judgment being convinced I feel that I should follow the dictates of my judg-

ment and the requests of my people.

That you may know the real history of irrigation in the San Joaquin Valley and my natural interest in the same, I desire to

intrude a few moments more upon your time.

The San Joaquin Valley 50 years ago was a desert, bleak and bare, where nothing was seen to stop the desert winds save now and then a cottonwood tree that stood along the river's bank. On the border of this great plain, 200 miles in length and a hundred miles in width, in springtime the shepherd watched and fed his flock. During the remainder of the year nothing lived upon it except coyotes, horned toads, billy owls, and galloping lizards.

It was late in the sixtles my uncle, M. J. Church, drove a span of mules down the eastern border of this valley, traveling from the north toward the south. One night he camped on the highlands near the beautiful Kings River at a point where, after making a descent of 10,000 feet, the river started on its meandering way across the plains. That night as he lay there upon the desert beneath the starlit sky, where no sound was heard save the coyote's cry and the river's swish as it beat against the rocks, he had a dream, and God was in that dream. He dreamed of a desert changed, where sagebrush no longer grew, where galloping lizards no longer beat the sand, where the coyote's howl had ceased and wailing winds no longer sighed. He dreamed of happy homes where orchards and alfalfa grew, where grapevines twined and vineyards made the landscape He dreamed of cities flourishing upon those plains-a civilization of sturdy, rugged men. At daybreak his mules were headed toward the north, to the land from whence he came, not to remain, however, but to bring reenforcements that he might carry out his dream.

A few years ago he died, but his dream had long been fulfilled. A great cement dam he had thrown across that river, and 600 miles of ditches he had dug upon those sandy plains, and hundreds of thousands of people lived, and small cities and towns were there, a hundred million pounds of raisins were annually produced, and tens of thousands of acres of fruit trees and alfalfa everywhere. It was indeed a land transformed, a desert blossoming as the rose; and when the dear old man was gone they erected a monument there on which the sculptor drew with his chisel pictures in the granite stone. On this side a desert bleak, bad lands everywhere. On the other a goodly land with orchards and vineyards, where agriculture reigns, and above it all, impressed upon the rock, I trust for all time, the words "M. J. Church, Father of Irrigation."

Gentlemen, in conclusion let me say I have recited the narrative of my uncle's work so you may know my heart is with the water users of the San Joaquin; to impress upon you the fact that no conditions favorable to them should be stricken from this bill; that they have rights that all are bound to recognize; that their waters are their all. Rob them of these and you loosen pestilence in their land that will cause their vines to cast their fruit before the vintage time; their fruit trees to wither in the sun; their alfalfa, now so green, to turn to straw. So I ask all you who are farmers' friends; all who like to see his spring crops grow and his granaries full; all who believe that he who plows and toils and sows should also reap; I ask all such to guard with zealous care the farmers' interests in this bill.

The CHAIRMAN. Does the gentleman from California [Mr.

CHURCH] reserve the balance of his time?

Mr. CHURCH. Mr. Chairman, I reserved the balance of my time, but I remember that I had a previous arrangement to give to my colleague from California, Mr. Kent, 10 minutes. making that grant I reserve the balance of my time.

Mr. FERRIS. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker pro tempore [Mr. Hax] having resumed the chair, Mr. Foster, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 7207) granting to the city and county of San Francisco certain rights of way in, over, and through certain public lands, the Yosemite National Park, and Stanislaus National Forest, and certain lands in the Yosemite National Park, the Stanislaus National Forest, and the public lands in the State of California, and for other purposes, and had come to no resolution thereon.

# ADJOURNMENT UNTIL SATURDAY AT 11 O'CLOCK A. M.

Mr. UNDERWOOD. Mr. Speaker, I ask unanimous consent that when the House adjourns to-day it adjourn to meet at 11 o'clock to-morrow morning. I do this at the request of the gentlemen who have in charge the bill that has been under consideration to-day, in the hope that we can complete the bill tomorrow in time to let the Members of the House take the afternoon trains out of town.

The SPEAKER pro tempore. The gentleman from Alabama [Mr. Underwood] asks unanimous consent that when the House adjourns to-day it adjourn to meet to-morrow morning at 11 o'clock. Is there objection? [After a pause.] The Chair hears none, and it is so ordered.

#### LEAVE TO PRINT.

Mr. CRISP. Mr. Speaker, at the request of the gentleman from Ohio [Mr. Post], chairman of the Committee on Elections No. 1, I ask unanimous consent that those Members who spoke on the contested-election case of MacDonald against Young be permitted to extend their remarks in the RECORD.

The SPEAKER pro tempore. The gentleman from Georgia [Mr. Crisp] asks unanimous consent that all those who spoke on the contested-election case of MacDonald against Young be permitted to extend their remarks in the RECORD. Is there objection?

Mr. RAKER. Mr. Chairman, reserving the right to object, in that connection I would like to have permission to extend a few remarks on that same subject. They will not take up more

that 5 or 6 inches of the Record.

The SPEAKER pro tempore. The gentleman from California [Mr. RAKER] asks that the request of the gentleman from Georgia [Mr. CRISP] be modified so that he, too, may extend his remarks in the RECORD on the contested-election case of Mac-Donald against Young. Is there objection?

There was no objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia as modified? [After a pause.] The Chair hears none, and it is so ordered.

#### THE CURRENCY BILL.

Mr. UNDERWOOD. Mr. Speaker, I overlooked a request of the gentleman from Virginia [Mr. Glass]. At the request of that gentleman, chairman of the Committee on Banking and Currency, I ask unanimous consent that there may be printed 5,000 copies of the bill that he introduced to-day, H. R. 7837, and placed in the folding room for the use of the Members.

The SPEAKER pro tempore. The gentleman from Alabama [Mr. Underwood] asks unanimous consent that 5,000 copies of the currency bill, introduced to-day by the gentleman from Virginia [Mr. Glass], be printed and placed in the folding room for the use of the Members of the House. Is there objection?

Mr. MANN. Reserving the right to object, the gentleman from Alabama says "the folding room." Of course a very large share of the membership of the House is not here, and the copies of this bill will be only for current use. If they are not used in the next few days, they will be valueless. For the benefit of those Members who are here, why not let the printed copies of the bill go to the document room, so that they may all be available?

Mr. UNDERWOOD. Mr. Speaker, I will modify my request, and ask that the copies be sent to the document room.

The SPEAKER pro tempore. The gentleman from Alabama [Mr. Underwood] modifies his request so that the 5,000 copies of the bill will be sent to the document room. Is there objec-[After a pause.] The Chair hears none, and it is so ordered.

### ADJOURNMENT.

Mr. UNDERWOOD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 36 minutes p. m.) the House adjourned until to-morrow, Saturday, August 30, 1913, at 11 o'clock a. m.

## EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1. A letter from the Secretary of the Treasury, transmitting an estimate of appropriation for furnishing permanent quarters to the auditors of the Treasury Department (H. Doc. No. 210); to the Committee on Appropriations and ordered to be printed.

2. A letter from the Acting Secretary of War, transmitting, with a letter from the Chief of Engineers, report on examination of Belvedere Harbor, Cal. (H. Doc. No. 211); to the Committee on Rivers and Harbors and ordered to be printed, with illus-

3. A letter from the Acting Secretary of War, transmitting, with a letter from the Chief of Engineers, report on examination of Salem Harbor, Mass., with a view to providing a channel 12 feet deep at mean low water from the outer harbor to the mouth of the South River (H. Doc. No. 212); to the Committee on Rivers and Harbors and ordered to be printed.

### CHANGE OF REFERENCE.

Under clause 2 of Rule XXII, the Committee on Pensions was discharged from the consideration of the bill (H. R. 6608) granting a pension to Dorothea Christmann, and the same was referred to the Committee on Invalid Pensions.

# PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials

were introduced and severally referred as follows:

By Mr. SMITH of New York (by request): A bill (H. R. 7834) to authorize the construction and maintenance of a tunnel under Buffalo River; to the Committee on Interstate and Foreign Commerce.

By Mr. BORLAND: A bill (H. R. 7835) to provide a commission of Army engineers to investigate the impounding of flood waters on the Missouri River and its tributaries; to the Committee on Rivers and Harbors.

By Mr. LOBECK: A bill (H. R. 7836) for the recognition of the military services of officers and enlisted men of certain States and Territorial military organizations; to the Committee

on Military Affairs,
By Mr. GLASS: A bill (H. R. 7837) to provide for the establishment of Federal reserve banks, for furnishing an elastic currency, affording means of rediscounting commercial paper, and to establish a more effective supervision of banking in the United States, and for other purposes; to the Committee on Banking and Currency.

By Mr. LONERGAN: A bill (H. R. 7838) authorizing the Secretary of the Interior to set aside certain lands to be used as a sanitarium by the Order of Owls; to the Committee on the Public Lands.

By Mr. EDWARDS: A bill (H. R. 7839) to establish a fishhatching and fish-cultural station for the hatching and propagation of shad in Georgia; to the Committee on the Merchant Marine and Fisheries.

By Mr. CARAWAY: A bill (H. R. 7840) to amend an act entitled "An act providing a permanent form of government for the District of Columbia," approved June 11, 1878; to the Com-

mittee on the District of Columbia,

By Mr. BRITTEN: A bill (H. R. 7841) to provide for the erection of a Government armor-plate factory; to the Committee on Naval Affairs.

By Mr. PATTON of Pennsylvania: A bill (H. R. 7842) to establish a fish-cultural station in Center County, in the State of Pennsylvania; to the Committee on the Merchant Marine and Fisheries.

By Mr. GREGG: Resolution (H. Res. 237) providing for a committee to investigate cost of armor plate and gun forgings and the economy of their production by the Government; to the Committee on Rules.

By Mr. FOWLER: Resolution (H. Res. 238) to investigate the dissolution of the American Tobacco Co., and for other pur-

poses; to the Committee on Rules.

By Mr. ESCH: Memorial of the Legislature of Wisconsin, favoring the setting aside of certain islands in the Great Lakes for the purpose of establishing thereon bird reserves; to the Committee on the Public Lands.

Also, memorial of the Legislature of Wisconsin, relating to the use of the postal savings deposits to provide funds for systems of State loans to farmers; to the Committee on the Post Office and Post Roads.

By Mr. GARNER: Memorial of the Legislature of Texas, favoring legislation establishing the Mescalero National Park; to the Committee on Indian Affairs.

### PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DOREMUS: A bill (H. R. 7843) to place Michael James McCormack upon the active list of the Navy; to the Committee on Naval Affairs.

By Mr. DRISCOLL: A bill (H. R. 7844) granting a pension to Edward Lichtenstein; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7845) granting a pension to Frederick Rattke; to the Committee on Pensions.

Also, a bill (H. R. 7846) granting a pension to George W.

Neily; to the Committee on Pensions.

Also, a bill (H. R. 7847) to remove the charge of desertion against C. S. Lockwood; to the Committee on Military Affairs. By Mr. GREGG: A bill (H. R. 7848) for the relief of Ten Eyck De Witt Veeder, commodore on the retired list of the United States Navy; to the Committee on Naval Affairs.

By Mr. KEY of Ohio: A bill (H. R. 7849) granting a pension to Henrietta A. Silver-Grim; to the Committee on Invalid Pen-

Also, a bill (H. R. 7850) granting an increase of pension to

D. H. Clifton; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7851) granting an increase of pension to John Beckley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7852) granting an increase of pension to

Henry Friar; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7853) granting an increase of pension to Joseph A. Beach; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7854) granting an increase of pension to William Goodin; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7855) granting an increase of pension to William E. Gault; to the Committee on Pensions.

Also, a bill (H. R. 7856) for the relief of Samuel Cole; to the Committee on Military Affairs.

Also, a bill (H. R. 7857) to correct the military record of

Charles Beach; to the Committee on Military Affairs.

By Mr. LAFFERTY: A bill (H. R. 7858) granting a pension to Alice G. Hudson; to the Committee on Pensions.

Also, a bill (H. R. 7859) for the relief of Joseph Glessner; to the Committee on Invalid Pensions.

By Mr. LANGLEY: A bill (H. R. 7860) granting a pension to Martha Tincher; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7861) granting a pension to Levi Salier; to the Committee on Invalid Pensions.

By Mr. LOBECK: A bill (H. R. 7862) granting an increase of pension to William Dunn; to the Committee on Invalid Pensions. Also, a bill (H. R. 7863) granting an increase of pension to

Lucinda Hyde; to the Committee on Invalid Pensions. By Mr. MOSS of West Virginia: A bill (H. R. 7864) granting an increase of pension to John E. Iman; to the Committee

on Invalid Pensions. Also, a bill (H. R. 7865) granting an increase of pension to Louisa Wildman; to the Committee on Invalid Pensions.

By Mr. PLATT: A bill (H. R. 7866) granting an increase of pension to Joseph Lambert; to the Committee on Invalid Pen-

By Mr. STEENERSON: A bill (H. R. 7867) granting an increase of pension to Susan I. Keene; to the Committee on Pen-

By Mr. J. M. C. SMITH: A bill (H. R. 7868) granting a pension to Rose Gregory Houchen; to the Committee on Invalid

Pensions. Also, a bill (H. R. 7869) granting an increase of pension to William Birmingham; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7870) granting an increase of pension to

Frank W. Dickey; to the Committee on Invalid Pensions.

By Mr. STEPHENS of California: A bill (H. R. 7871) granting a pension to Moses S. Pittman; to the Committee on Invalid Pensions.

By Mr. STONE: A bill (H. R. 7872) granting an increase of pension to T. C. Murphy; to the Committee on Invalid Pensions,

#### PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid

on the Clerk's desk and referred as follows:

By the SPEAKER (by request): Petition of citizens of Milwaukee, Wis., favoring the passage of legislation tending to bring about a final and just settlement on all pending questions concerning the serious Balkan, Prussian, and Austro-Hungarian Slavic controversy; to the Committee on Foreign Affairs.

By Mr. DAVIS of West Virginia: Petition of Local Union No. 3, United Brotherhood of Carpenters and Joiners of America, Wheeling W. Va. favoring the passage of legislation for a re-

Wheeling, W. Va., favoring the passage of legislation for a republican form of government and representation for the city of

Washington and District of Columbia; to the Committee on the District of Columbia.

By Mr. DYER: Papers to accompany House bill 7144, granting an increase of pension to Pleasant F. Clutts; to the Committee on Invalid Pensions.

Also, papers to accompany House bill 6608, granting a pension to Dorothea Christmann; to the Committee on Invalid

Also, papers to accompany House bill 6609, for the relief of Arthur E. Rump; to the Committee on Claims.

By Mr. FITZGERALD: Petition of Association of German Authors of America, protesting against the passage of legislation placing a tax on books printed in a language other than English; to the Committee on Ways and Means.

Also, petition of Local Union No. 169, United Brotherhood of Carpenters and Joiners of America, of Brooklyn, N. Y., favoring the passage of legislation for a republican form of government and representation for the city of Washington and the District of Columbia; to the Committee on the District of Columbia.

By Mr. GARNER: Petition of Southwest Texas Progressive League, Corpus Christi, Tex., favoring the passage of legisla-tion to extend the intercoastal canal to Baffins Bay and the mouth of the Arroyo Colorado; to the Committee on Railways and Canals.

By Mr. HAYES: Petition of citizens of Mountain View, Cal., protesting against the passage of Senate bill 752, providing for the proper observance of Sunday as a day of rest in the District of Columbia; to the Committee on the District of Columbia,

Also, petition of the Chamber of Commerce of Watsonville and the Pajaro Valley, Cal., favoring the passage of the 1-cent letter postage rate; to the Committee on the Post Office and Post Roads.

Also, petition of the San Jose Grange, No. 10, Patrons of Husbandry, San Jose; J. D. Dunovant, Greenfield; T. J. Henderson, Campbell; J. W. Tennant, Watsonville; C. W. Dayton, Owensmouth; all of the State of California, and all favoring an extension of the parcel-post system; to the Committee on the Post Office and Post Roads.

By Mr. KIESS of Pennsylvania: Papers to accompany House bill 5915, granting an increase of pension to C. R. Taylor; to the

Committee on Invalid Pensions,

By Mr. TAYLOR of Colorado: Petition of the local union, No. 244, of the United Brotherhood of Carpenters and Joiners of America, Grand Junction, Colo., favoring the passage of legislation for a republican form of government and representation for the city of Washington and the District of Columbia; to the Committee on the District of Columbia.

# SENATE.

# Saturday, August 30, 1913.

The Senate met at 11 o'clock a. m.

Prayer by the Chaplain, Rev. Forrest J. Prettyman, D. D. The Secretary proceeded to read the Journal of yesterday's proceedings, when, on request of Mr. Overman and by unanimous consent, the further reading was dispensed with and the Journal was approved.

#### PETITIONS AND MEMORIALS.

Mr. PERKINS presented a petition of Hall of South San Francisco Parlor No. 157, Native Sons of the Golden West, of California, praying for the construction of a naval station at Hunters Point, on San Francisco Bay, in that State, which was referred to the Committee on Naval Affairs.

Mr. WARREN presented a petition of sundry citizens of Cheyenne and Laramie, Wyo., praying for the enactment of legislation for the prevention of fraud in the manufacture of American watch improvements, which was referred to the Committee on Interstate Commerce.

Mr. ROOT presented a memorial of a special committee of the New York Produce Exchange, remonstrating against the proposed duty on bananas, which was ordered to lie on the table.

### MARSHFIELD (OREG.) TIDAL BASIN.

Mr. CHAMBERLAIN. From the Committee on Commerce I report back favorably without amendment the bill (S. 767) granting permission to the city of Marshfield, Oreg., to close Mill Slough, in said city. As this is a local measure, I ask unanimous consent that the bill may be considered now.

Mr. SMOOT. Let it be read for information. The VICE PRESIDENT. The bill will be read.

The Secretary read the bill, as follows:

Be it enacted, etc., That Mill Slough, a tidal tributary of Coos Bay, lying within the limits of the city of Marshfield, State of Oregon, is hereby declared to be not a navigable waterway of the United States,

within the meaning of the laws enacted by Congress for the preserva-tion and protection of such waterways, and the consent of Congress is hereby given to the filling in of said slough by the said city of Marshfield.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. SMOOT. I should like to ask the Senator from Oregon if there is a favorable report on the bill from the department?
Mr. CHAMBERLAIN. Yes; the Chief of Engineers recommends it.

I may state in this connection that the Government, in connection tion with the local authorities, is dredging Coos Bay. Slough is just a little tidal stream that goes out from the bay about half or three-fourths of a mile. At low tide there is no water in it. At high tide canoes, skiffs, and launches can go up, but at other seasons it is not navigable. It is desired to empty the silt which results from dredging Coos Bay into this tidal stream and so fill it up entirely, resulting in improved sanitary conditions in the city.

Mr. BRANDEGEE. It is not liable to be of any use to general navigation?

Mr. CHAMBERLAIN. No, sir.
Mr. SIMMONS. The Senator from Oregon does not understand that the bill will lead to any debate?

Mr. CHAMBERLAIN. Oh, no.

There being no objection, the bill was considered as in Committee of the Whole.

The bill was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CHAMBERLAIN:

A bill (S. 3063) to authorize the Secretary of the Treasury to employ consulting architects in connection with the work of the Supervising Architect's Office, and for other purposes; to the Committee on Public Buildings and Grounds.

A bill (S. 3064) granting an increase of pension to James W. Lemison (with accompanying paper); to the Committee on

Pensions.

By Mr. McLEAN:

A bill (S. 3065) granting an increase of pension to Rachael J. Baldwin (with accompanying papers); to the Committee on Pensions.

By Mr. BRADLEY:

A bill (S. 3066) granting an increase of pension to Larkin J. Vanhook; to the Committee on Pensions.

### AMENDMENT TO THE TARIFF BILL.

Mr. JONES submitted an amendment intended to be proposed by him to the bill (H. R. 3321) to reduce tariff duties and to provide revenue for the Government, and for other purposes, which was ordered to lie on the table and be printed.

# PERMANENT PANAMA EXHIBIT.

Mr. OVERMAN. Mr. President, I present to the Senate a short resolution from the manufacturers and jobbers of the United States, together with a short editorial from the Piedmont Industries, on the matter of the Panama exhibit plan and a ship railroad line in South America. I ask that it be printed in the RECORD without reading.

There being no objection, the matter referred to was ordered

to be printed in the RECORD, as follows:

Resolution favoring a permanent Panama exhibit.

Resolution favoring a permanent Panama exhibit.

Whereas the manufacturers of the United States and jobbers as well desire to take advantage of all possible means to extend their trade in South America; and
Whereas a number of the largest manufacturers of the United States have expressed a desire that a common point be selected from which goods and wares may be exploited; and
Whereas a large number of national conventions, among these being the Associated Advertising Clubs of America, the National Brick Manufacturers' Association, and other associations and chambers of commerce and boards of trade passed resolutions favoring a point of exploitation; and
Whereas the matter having been brought to the attention of Col. George W. Goethals, and he having passed favorably on same, provided the manufacturers of the United States become interested: Therefore

Resolved, That we favor an exhibit hall and permanent exhibit with adjoining warerooms and showrooms to be opened at the opening of the canal to the world, or as soon thereafter as practical and as near after as possible after the world exposition at San Francisco.

Resolved, That this exhibit and exhibit hall shall have for its object the exploitation of the merchandise and manufactures of the United States to South America and the world, and to serve as a common ground on which to meet the trade from South America and the world, and a place where language and customs and manners of trade can be learned in the Latin-American countries.

Resolution passed by the Associated Advertising Clubs of America, National Brick Manufacturing Association, National Building Brick Association, Charlotte Chamber of Commerce.

The possibilities of establishing a permanent exhibit and permanent exhibition hall with adoluting warehouses from which to distribute possibilities to the North American trade.

The Panama Canal is the best advertising "copy" Uncle Sam has ever gotten out.

Exports to South America have shown a phenomenal gain in the fiscal year which ends with the present month. Prior to 1911 the total value of exports to South America has never reached \$100,000,000. In 1911 the total \$100,000,000 and in the current fiscal year which ends which the present month. Prior to 1911 the total value of exports to South America has never reached \$100,000,000, having more than death month sons likely to be about \$135,000,000, having warmed the properties of the peartment of Commerce indicate that the total exports to South America. The figures now available in the Bureau of Statistics of the Department of Commerce indicate that the total exports to Argentina for the complete fiscal year will amount to about \$855,000,000, against twenty-three and one-half in 1905, having thus considerably more than doubled in the period in question. To Brazil the total exports for the fiscal year will exceed \$30,000,000 in 1905.

Brazil the total exports for the fiscal year will exceed \$30,000,000 in 1905.

This increase in exports for the fiscal year will exceed \$30,000,000 in 1905.

This increase in exports to South America, while occurring in a large number of articles, is especially notable in lumber, leather, mineral olis, and railway material. For example, the exports of tuber to Argentina in the 10 months ending with last April amounted to five and three-sponding months of last year, and these control of the preeding year. Illuminating oll exported to Argentina in the 10 months in question amounted to over \$1,000,000 gallons, against substitution of last year, and the cor

way, which Magellan.

way, which would some day extend from Bering Sea to the Strait of Magellan.

The idea fascinated the mind of James G. Blaine, who openly championed it and did much to bring it into notice.

When the rails of Mexico's railway system reached the northern border of Guatemala, at Mariscal, July 1. 1908, the Pan American enthusiasts saw it as a great link in the gigantic railway dreamed of by Helper long years before a north-and-south trunk-line road was projected for that country.

The construction of less than 100 miles southward from Santa Maria will join the railway system of Salvador and connect the capital of that Republic with New York City by rail.

There are short lines in Salvador, Nicaragua, and Costa Rica which will eventually join terminals. Already a railroad extending through a large section of Panama, from David to Panama City, has been surveyed and construction begun. In Colombia there has not been much new construction that would be part of the Pan American system, but new lines are being contemplated and financed. In Ecuador railroad connections already exist between Guayaquil, a port, and Quito, the capital. A good part of this line would be the trunk system of the Pan American railway. In Peru the road from Cuzco south to Lake Titicaca and the road in Bolivia from Lake Titicaca south to the capital, La Paz, and then farther south to Chile would form important links in the Pan Americans system. A new longitudinal line is already under construction in Chile, and a road which reaches from the heart of Bolivia south through Argentina to Buenos Aires lacks only about 175 miles of completion. The construction of less than 500 miles of track will bring the South American section of the Pan American railway as far northward as Lima, connecting the capitals of Argentina, Bolivia, Chile, and Peru by bonds of steel.

Thus at the completion of the canal in a few years we shall see a great concourse of trade passing not only "across" the Isthmus but "through" the Isthmus, making it a great "crossroads" point

We have thus gone into the railroad construction in South America in detail because when a railroad extends from Panama into all South American Republics it will greatly facilitate shipping. The shipping by rail is much safer, because there are no harbors on the South American coast and the ships' cargoes must be unloaded on lighters in an open sea while waves are running high, with great danger both to men and cargo.

The plan of establishing a warehouse and exhibit hall on the Panama Canal has been pronounced feasible and practical by the South American commissioner in Washington, who is associated with Mr. John Barrett, of the Panama American Commission.

The management might be vested in two companies—one a holding company, to operate the building and warehouse, the other an exhibition company, to carry on the exhibition.

I have just received the following letter from Mr. Barrett, director general Pan American Union:

WASHINGTON, D. C., March 5, 1912.

WASHINGTON, D. C., March 5, 1912.

I have to acknowledge receipt of your esteemed note of March 2, with press clipping from the Chicago Evening Post in regard to a showroom in the Canal Zone for displays.

The greatest opportunity before the United States for its future foreign commerce is in the 20 Republics lying south of us, and as a result of the efforts of the Pan American Union the trade of the United States to-day with that part of the world is growing more rapidly than it is with any other foreign group or nations, We are, however, only at the beginning of what we can accomplish in the future if we will simply make the proper effort.

Under separate cover I am sending you a copy of my last annual report, which may be of possible interest to you.

Yours, very cordially,

JOHN BARRETT.

THE TARIFF.

The VICE PRESIDENT. The morning business is closed. Mr. SIMMONS. I ask unanimous consent that the Senate

proceed to the consideration of House bill 3321.

There being no objection, the Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 3321) to reduce tariff duties and to provide revenue for the Government, and for other purposes.

Mr. SIMMONS. I think it was agreed on yesterday that section 3, relating to contracts for the sale of cotton for future delivery, should be passed over until Monday. I will ask that the Secretary begin reading at page 214, section 4.

Mr. CLAPP. Before the reading begins, I desire to call the

attention of the chairman of the committee to paragraphs 281 and 282.

Mr. BRANDEGEE. On what page? Mr. CLAPP. On pages 84 and 85. Under the old law mats and rugs were included entirely in the paragraph equivalent of 282. The committee, following the House, has placed them in paragraph 281. I desire to call the attention of the Senator from North Carolina to it, so that when the matter comes before the committee, as I have no doubt many of these matters will that were passed over, the committee may consider the inconsistencies which will arise from using the words "including mats and rugs" in paragraph 281.

Mr. SIMMONS. I understand the Senator is speaking to the point that mats and rugs in paragraph 281 and mats and

rugs in paragraph 282 ought to be in the same classification.

Mr. CLAPP. No; "floor mattings, plain, fancy, or figured,
manufactured from straw," is the language of the present law.

In paragraph 282 we have "carpets, carpeting, mats, and
rugs made of flax, hemp, or jute."

Mr. SIMMONS. Paragraph 281 applies to "floor mattings,

plain, fancy, or figured, including mats and rugs, manufactured from straw." Paragraph 282 applies to "mats and rugs made

from straw." Paragraph 282 applies to "mats and rugs made of flax, hemp, jute, or other vegetable fiber (except cotton)."

Mr. CLAPP. Yes. If you stopped at straw there would be no difficulty, but you say, in paragraph 281, "manufactured from straw, round or split, or other vegetable substances."

Mr. SIMMONS. "Not otherwise provided for."

Mr. CLAPP. Under the existing law the words "including mats and rugs" are not in the equivalent of paragraph 281.

Mr. SIMMONS. We will consider the matter.

Mr. SIMMONS. We will consider the matter.

The Secretary resumed the reading of the bill at page 214, section 4.

The next amendment of the committee was to change the section number by striking out "III" and inserting "IV."

The amendment was agreed to.

The next amendment was, on page 214, line 12, beginning with the word "That," to strike out the remainder of the paragraph in the following words:

That for the purposes of this act bringing or causing merchandise to be brought within the territorial limits of the United States shall be construed to be an attempt to enter or introduce the same into the commerce of the United States.

The amendment was agreed to.

The next amendment was, on page 215, line 12, after the word "owner" and the period, to insert:

That such invoices shall have appended for the purpose of making statistical entry, an enumeration of articles contained therein, in form to be prescribed by the Secretary of the Treasury, with the total of each article, and it shall be the duty of the consular officer, to whom the invoice shall be produced, to require such information to be given.

The amendment was agreed to.

The next amendment was, on page 216, line 6, after the word "purchase," to strike out the words "or agreement for purchase," so as to read:

D. That all such invoices shall, at or before the shipment of the merchandise, be produced to the consular officer of the United States of the consular district in which the merchandise was manufactured, or purchased, or contracted to be delivered from, or when purchases or agreements for purchase are made in several places, in the consular

district where the merchandise is assembled for shipment, as the case may be, for export to the United States, and shall have indorsed thereon, when so produced, a declaration signed by the purchaser, seller, manufacturer, owner, or agent, setting forth that the invoice is in all respects correct and true and was made at the place from which the merchandise is to be exported to the United States; that it contains, if the merchandise was obtained by purchase, a true and full statement of the time when, the place where, the person from whom the same was purchased, etc.

Mr. SMOOT. Mr. President, this is the subdivision which requires the legalization of invoices by American consuls. It has been amended so as to require that the invoice shall be consulated in the consular district where the merchandise is as-sembled for shipment in cases where the purchases or agreements for purchase were made in several places. Other amend-ments in this paragraph D are apparently for the purpose of securing a true and exact account of the transactions so that their precise nature will be disclosed to the United States appraising officer. In connection with the declaration of the shipper before the American consul required by the statute, it might be proper to call attention to a suggestion which has been made which, if adopted, would probably secure truthful declarations. The suggestion is that shippers be required to make oath to the truth of these declarations before a judge or other functionary who is empowered to administer oaths. This would make false swearing before such a functionary punishable as perjury under the laws of the particular country.

I wanted to call the Senator's attention to that condition of

affairs, because I expect hereafter to call attention to other paragraphs in connection with the words used on page 216, line 7, where the bill says "a true and full statement of the time when," and no oath whatever is required. I believe it should be required, and as we proceed with the other sections of the bill I think the Senator having the bill in charge will fully see the

reason why it should be required.

Mr. WILLIAMS. I have been thinking that perhaps the bill as at present worded may dispense with a part of the present requirements as to oaths to be taken before our consuls. I have in contemplation an examination into that question to see whether there is any danger of that, and if so what remedy will cure it. As we go along with the bill and reach the proper place I will call attention to it.

Mr. SMOOT. What I wanted the Senator to pay particular attention to was that paragraph D, which we have under discussion now, requires simply a true and full statement of the time when, the place where, the person from whom the same was purchased, and then the words "or agreed to be purchased" are stricken out, to which, of course, I have no objection; but this simply requires a statement to be made.

Mr. WILLIAMS. This is merely a repetition of the language

of the present law.

Mr. SMOOT. Under the present law that statement is to be made out in a form approved by the Secretary of the Treasury, and under this provision that is left out entirely, so what kind of a form are you going to have? Is the form to be made by the importer or the exporter from a foreign country, or is it to be made out or approved by the Secretary of the Treasury?

Mr. WILLIAMS. The language of the bill is-

A true and full statement of the time when, the place where, the person from whom the same was purchased, and the actual cost thereof, or price agreed upon, fixed, or determined, and of all charges thereon, as provided by this act.

We did not see why there should be any particular form or that the returns should be definitely prescribed, provided those things were contained in it. It is like the statute of a State when there is a declaration setting forth certain things, especially in common-law form.

Mr. SMOOT. As soon as we reach paragraph F, I think it will be emphasized more strongly, and then I will bring it to the Senator's attention again.

Mr. WILLIAMS. Very well; the same matter will present itself later on. The principle runs through the bill.

Mr. SIMMONS. I wish to suggest to the Senator that it seems to be clear that these statements here are part of the general declaration of the statements he refers to.

Mr. WILLIAMS. It is a mere repetition of existing law. It has been on the statute books for years.

Mr. SIMMONS. Yes; and a concluding clause of the section says "if the merchandise was actually purchased," and also "the declaration," referring to the other statements of fact to which the Senator has called attention, "the declaration shall also contain a statement that the currency," and so forth. It is a part of the general declaration. There can not be any question about the bill requiring the declaration to be under oath.

Mr. SMOOT. We will wait until we get to paragraph F

and see.

Mr. WILLIAMS. If the Senator will examine the clause at some time fully, he will find the only thing the committee did was to strike out a provision the House made and to restore the

Now, Mr. President, in this connection I want to make a statement for the benefit of Senators generally. We found ourselves in a situation where it looked to us as if we were about to substitute for a protective tariff a prohibitive administration in the manner in which this came from the other House. We therefore concluded that it would be well to revise, codify, and harmonize the administrative laws of the United States with regard to tax collections and import duties especially. These laws run back for years and years in a most heterogeneous sort of way; some of them are amendments upon appropriation bills, and heaven knows what. So we provided here for a joint committee composed of members of the Finance Committee of the Senate and members of the Ways and Means Committee of the House, whose duty it shall be to revise, codify, and harmonize the tax administration laws of the United States and to report to the Ways and Means Committee of the House not later than February 1, 1914.

For that reason we did not go very far into the new provisions with regard to administration, and we left out most of the amendments which the other House had made, with a view of enabling us to have this report by the time stated, so that both Houses could act upon it and have an harmonious tax administration law. Where we struck little phrases which the other House had put into the old law like the one to which the Senator refers, we struck them out, with the idea that it would go back to this joint committee, who would make a complete report in connection with the subject matter and with all other

subjects matter pertaining to the same question.

The VICE PRESIDENT. The question is on agreeing to the

committee amendment.

The amendment was agreed to. . The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 216, line 8, after the word "purchased," to strike out "or agreed to be purchased"; and on page 217, line 4, after the word "purchased," to strike out "or agreed to be purchased," so as to read:

So as to rend:

The person from whom the same was purchased, and the actual cost thereof, or price agreed upon, fixed, or determined, and of all charges thereon, as provided by this act; and that no discounts, rebates, or commissions are contained in the invoice but such as have been actually allowed thereon, and that all drawbacks or bounties received or to be received are shown therein; and when obtained in any other manner than by purchase, or agreement of purchase, the actual market value or wholesale price thereof, at the time of exportation to the United States, in the principal markets of the country from whence exported; that such actual market value is the price at which the merchandise described in the invoice is freely offered for sale to all purchasers in said markets, and that it is the price which the manufacturer or owner making the declaration would have received, and was willing to receive, for such merchandises sold in the ordinary course of trade in the usual wholesale quantities, and that it includes all charges thereon as provided by this act, and the actual quantity thereof; and that no different invoice of the merchandise mentioned in the invoice so produced has been or will be furnished to anyone. If the merchandise was actually purchased, the declaration shall also contain a statement that the currency in which such invoice is made out is that which was actually paid for the merchandise by the purchaser, or agreed to be paid, fixed, or determined.

The amendment was agreed to.

The amendment was agreed to.

Mr. BRANDEGEE. Mr. President, referring to page 217, lines 4 to 8, inclusive, I have not looked to see whether or not any change has been made in existing law.

Mr. WILLIAMS. No change has been made. Mr. BRANDEGEE. The language is:

If the merchandise was actually purchased the declaration shall also contain a statement that the currency in which such invoice is made out is that which was actually paid for the merchandise by the purchaser, or agreed to be paid, fixed, or determined.

I do not understand exactly what that language means. may have been interpreted by decisions in practice, but if the merchandise was actually purchased what does it mean when it says: "That the currency in which such invoice is made out is that which was actually paid for the merchandise by the purchaser, or agreed to be paid, fixed, or determined"?

Mr. WILLIAMS. All the goods might have been bought and

agreed to be paid for-

Yes; but what does it mean? Mr. BRANDEGEE.

Mr. WILLIAMS. And paid for in francs, in marks, in pounds sterling, or in dollars.

Mr. BRANDEGEE. That would cover the phrase "or agreed

to be paid"?

Mr. WILLIAMS. And the remainder of the phrase means simply the currency fixed or determined upon in the bargain. At any rate, that is the language of the present law, and the matter has been administered all right under it. So we left it.

Mr. BRANDEGEE. And it produces no friction in adminis-

tration?

Mr. WILLIAMS. None.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in paragraph F, page 219, line 5, after the word "declaration," to strike out "upon a form to be prescribed by the Secretary of the Treasury, according to the nature of the case," so as to

F. That whenever merchandise imported into the United States is entered by invoice, a declaration shall be filed with the collector of the port at the time of entry by the owner, importer, consignee, or agent, which declaration so filed shall be duly signed by the owner, importer, consignee, or agent before the collector, or before a notary public or other officer duly authorized by law to administer oaths and take acknowledgments, under regulations to be prescribed by the Secretary of the Treasury.

Mr. SMOOT. Mr. President, this will bring to the attention of the Senate the point I made in connection with paragraph C. This portion of the proposed statute provides for the declarations being filed with the collector at the time of entry by the owner, importer, consignee, or agent who makes entry of the goods, whereas under the present law the forms of these declarations, as suited to the circumstances of the importation, are set forth in the statute. The House adopted an amendment conferring upon the Secretary of the Treasury the power to prescribe the forms of these declarations. This seems proper, because they are purely a matter of administrative detail, and in consequence of the variance in the circumstances of commercial transactions their embodiment in the statute deprives them of necessary flexibility

As reported to the Senate, the words "upon a form to be prescribed by the Secretary of the Treasury, and according to the nature of the case," have been stricken out and nothing has been inserted to take their place. The result is that the provision has been so thoroughly emasculated as to make it as it stands of no avail whatever.

Mr. WILLIAMS. From what is the Senator from Utah

reading?

Mr. SMOOT. I have run through this hurriedly, and I put into writing what I had to say.

Mr. WILLIAMS. The Senator is reading from his own

manuscript?

Mr. SMOOT. Yes. Mr. ROOT. Mr. President-

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from New York?

Mr. SMOOT. I yield.
Mr. ROOT. I rise for the purpose of inquiring whether this bill does away with the forms of declaration which are prescribed in the existing law? The existing law contains full forms-one form of declaration of the consignee, the importer or the agent where merchandise has been actually purchased; then, another form of declaration of the consignee, importer, or agent where merchandise has not been actually purchased; then, a declaration of the owner and a declaration of the manufacturer. That is all set out in full in the present statute. My

inquiry is, whether that is proposed to be done away with now?

Mr. SMOOT. That is what I am objecting to, Mr. President. The way the provision is now it requires a simple declaration to be filed with the collector of the port at the time of entry, but it does not prescribe what shall be in the declaration. As it stands, an importer could comply with the law by making some

noncommittal observation of any kind.

Mr. ROOT. Mr. President, may I suggest to the Senator from Mississippi, out of some experience in the enforcement of our customs laws, that that language will lead to a great deal of uncertainty and litigation. If the importers are left by law at liberty to make up their declarations in their own way, clever, adroit, skiliful fellows will make up declarations that come pretty near answering the purpose, but which omit things or are equivocal upon the very matters as to which they want to avoid committing themselves. The result will be that our officers will have to deal with a great variety of different forms of papers, and there will be no end of litigation.

Mr. WILLIAMS. The Senator from New York is taking for granted that the reply given to him by the Senator from Utah is correct, and that this provision will repeal some present regulations of the Treasury Department. So far as I can see,

however, it will not.

Mr. SMOOT. Mr. President, the reason I made that statement was because of the fact that the committee have stricken out the words:

Upon a form to be prescribed by the Secretary of the Treasury, according to the nature of the case.

In subdivision C of this section a statement is required to be

made, and that is all that is required.

Mr. WILLIAMS. And that subdivision is the language of the existing law; and the regulations of the department require certain things to be in the statement, and they will continue to require them.

Mr. SMOOT. But the present law provides specifically what those declarations shall be, and they are set out in detail

Mr. ROOT. Section 5 of the existing tariff law provides Mr. SMOOT. And that corresponds to this paragraph.

Mr. ROOT. And section 5 is a continuance of what appears in tariff law after tariff law, going back for many years.

Mr. SMOOT. As far back as the act of March 1, 1823.

Mr. ROOT. Section 5 of the existing law provides:

That whenever merchandise imported into the United States is entered by invoice one of the following declarations, according to the nature of the case, shall be filed with the collector of the port at the time of entry.

And so forth. Then follow the series of declarations. It is by force of that statute that this kind and form of declaration has to be filed, and not by the force of any Treasury regula-I think it would be an unfortunate thing for administration to do away with that without giving express authority to the

Secretary of the Treasury to substitute something in its place.

Mr. SMOOT. I do not want the Senator from Mississippi to think that I am criticizing from any unfriendly point of view. I am simply calling attention to what seems to me a very serious omission. If those words were left in as the House provided, I believe, then there would perhaps be some little conflict, but very little, indeed, because then the Secretary of the Treasury would have the power to regulate the matter.

Mr. President, these declarations are of great importance, for they inform the customs authorities as to the precise interest

of the party making the declaration.

Mr. ROOT. May I make another suggestion before we pass from this matter? I should like the attention of the Senator from Mississippi. Our customs officers have to deal with an enormous number of papers, and in order that they may do so expeditiously, it is of the highest importance that the papers which perform the same service in all the vast number of cases shall be identical in form. Then the eye becomes accustomed to find figures and the really important and vital matters in such a place on such a page on each paper, and the officers can go over hundreds of thousands of them; but if the papers are dif-ferent in form it will enormously multiply the cost and labor of ordinary administration. I am very much afraid that if these statutory requirements as to form are eliminated and no authority is given to the Secretary of the Treasury, all the fellows who want to defraud the customs will choose their own

Mr. SMOOT. Mr. President, these forms were required by the act of March 1, 1823, which was reenacted in section 2841 of the Revised Statutes. The provision was amended and reenacted by section 8 of the tariff act of 1883, which, in turn, was superseded by section 5 of the act of June 10, 1890.

Mr. WILLIAMS. I want to save the time of the Senate and of the country so far as possible, and I am convinced by what has just been said that we have made an error. The subcommittee, of which I was chairman, struck out this new language

put in the bill by the House:

Upon a form to be prescribed by the Secretary of the Treasury, according to the nature of the case.

First, because we thought we had better leave the administration of the law, so far as possible, just as it already is. The House language was new, and we thought it was technical. tion 5 of the act of 1909 was overlooked by me. I neglected to notice the fact that the House in inserting this provision had put it in as a substitute for that section of the present law, and my object was to restore the administration feature just as it was, subject to the report of the joint committee which is to investigate the whole subject. I will take up that matter with the subcommittee and the committee, and I have no doubt, so far as my own opinion goes, that we will simply restore the language of the present law. The intention was not to change the present law. It is really a fault of my own, because it is a matter that was left to me to examine, and I failed to examine it as thoroughly as I ought to have done.

Mr. SMOOT. If the Senator will look at subsection 5 of the present law, he will notice that not only are those words used,

but the forms are given.

Mr. WILLIAMS. I understand that, and I want to restore the language of the existing law. I am speaking for myself now; I do not know what the committee or the caucus may do,

and I will have to submit it, of course, to them; but my own idea is to restore subsection 5 of the present law.

Mr. SIMMONS. Mr. President, if the Senator will permit me, I have no doubt the House struck out the forms prescribed in the old law and gave the Secretary of the Treasury the power to formulate and promulgate regulations, because the House had made certain very important changes in connection with purchases or agreements to purchase. We have stricken out

those provisions put in by the House, and therefore we can return to the language of the old law.

Mr. SMOOT. That will be satisfactory.

Mr. WILLIAMS. The House provision says "upon a form." That would have been one form for everything according to the nature of the case. The Secretary of the Treasury has been given very large discretion. For how many different cases he may find it necessary to prescribe, nobody can tell; so that the administration of the law would have been largely dependent upon whether there was a Secretary of the Treasury who was favorable to these provisions or who was unfavorable to them. I think there can be no doubt about the fact that we will restore the words of the present law. That is true so far as I am concerned, at any rate.

The VICE PRESIDENT. What is to become of the amend-

ment?

Mr. WILLIAMS. There is no amendment offered.
The VICE PRESIDENT. Yes; there is a committee amendment here.

Mr. WILLIAMS. Oh, the Chair refers to the committee amendment. I insist upon the adoption of the committee amendment, but I ask that the paragraph may go back to the committee to be remodeled.

Mr. SMOOT. Would it not satisfy the Senator to recommit

the paragraph to the subcommittee?

Mr. WILLIAMS. I think it would be better first to act upon this new language, and then we will be left to remodel it.

Mr. SMOOT. Would it not be better to remodel the whole

thing?

Mr. WILLIAMS. I do not see anything else in it that needs remodeling. I request that the Senate committee amendment be acted upon, and then that the paragraph go back to the com-

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The VICE PRESIDENT. The paragraph will be referred

back to the committee.

Mr. SMOOT. Mr. President, before that is done, will the Senator from Mississippi allow me to call his attention to one other thing that I believe the committee ought to take into con-The Senator will notice that the wording on line sideration? 11, page 219, is that this declaration shall be made "before a notary public or other officer duly authorized by law to administer oaths and take acknowledgments." The present law limits this authority to such notaries public and other officers as are

designated by the Secretary of the Treasury.

Mr. WILLIAMS. This does substantially the same thing, because it says "under regulations to be prescribed by the Secretary of the Treasury."

Mr. SMOOT. That refers to regulations as to the oath or affirmation; but the present law specifically requires that the notary public shall be designated by the Secretary of the Treas-I only wish to call it to the attention of the Senator

Mr. WILLIAMS. I really do not think there is any substantial difference there. It goes on to say "or before a notary public or other officer duly authorized by law to administer oaths and take acknowledgments, under regulations to be pre-scribed by the Secretary of the Treasury." The Secretary of the Treasury is authorized to make such regulations in regard to the matter as he thinks necessary.

Mr. SIMMONS. That is the language of the present law.

Mr. WILLIAMS. Yes; I thought it was the language of the esent law

Mr. SIMMONS. The present law is, "before a notary public or other officer duly authorized by law to administer eaths and take acknowledgments, who may be designated by the Secretary of the Treasury."

Mr. SMOOT. That is the difference. The present law requires that before a notary public can take a declaration he must be designated, and there is a good reason why that should be the case

Mr. SIMMONS. Docs not the Senator think that the Secretary, in his regulations, could designate the kind of notary before whom the acknowledgment should be taken."

Mr. SMOOT. No; because the bill says it is "before a notary

public or other officer duly authorized by law to administer

The reason for the language of the present law is that an importer might have a particular friend who was a notary public, and a declaration made before him might be worded in such a way that there would be a loophole of escape in case a question should arise. That is why the present law says that the Secretary of the Treasury shall designate the notary public.

I ask the Senator to take this into consideration with the

other matter.

Mr. WILLIAMS. I will take it into consideration, but I do not see any occasion for making any change. I think the two things are substantially the same.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in paragraph F, page 219, line 21, after the word "subsequently," to insert:

That the Secretary of the Treasury and the Secretary of Commerce are hereby authorized and directed to establish from time to time for statistical purposes a list or enumeration of articles in such detail as in their judgment may be necessary comprehending all goods, wares, and merchandise imported into the United States, and that as a part of the declaration herein provided there shall be either attached thereto or included therein an accurate statement specifying, in the terms of the said detailed list or enumeration, the kinds and quantities of all merchandise imported, and the value of the total quantity of each kind of article.

Mr. WILLIAMS. In that connection it might be well for me to state to the Senete the purpose of the supendment

to state to the Senate the purpose of the amendment.

We have a whole lot of paragraphs in the tariff laws which include a whole lot of different articles, and we are reduced to the necessity of finding an average from the report; and we want a report on each one as nearly as possible. This is a provision purely for statistical purposes, so that we may know better hereafter what the unit of value is in connection with each thing contained in the paragraph.

Mr. SMOOT. Mr. President, I approve most heartily of the provision; but I desire to call the Senator's attention to the fact that in paragraph C there is a provision practically identical

with this one. It reads:

That such invoices shall have appended, for the purpose of making statistical entry, an enumeration of articles contained therein, in form to be prescribed by the Secretary of the Treasury, with the total of each article, and it shall be the duty of the consular officer.

And so forth.

Why make a duplication, and, in this provision, add "the

Secretary of Commerce"?

Mr. WILLIAMS. The first provision refers to the invoice. Perhaps the words "the invoice shall contain" should be inserted there for the purpose of helping to get the information sought. Then the later amendment says:

That the Secretary of the Treasury and the Secretary of Commerce are hereby authorized and directed to establish from time to time * ° a list or enumeration of articles.

That would be a guide to the man who makes the invoice.

Mr. SMOOT. It seems to me the proper place is just where the committee placed it, in paragraph C. If it is on the invoice, every requirement is complied with, and all possible statistics are obtained.

Mr. WILLIAMS. If the Senator's view is correct, and his objection is that the two things are identical, it will not hurt to repeat the provision.

Mr. SMOOT. No; the objects are identical, but in one case it is the Secretary of the Treasury and in the other case it is the Secretary of the Treasury and the Secretary of Commerce.

Mr. WILLIAMS. We put in "the Secretary of Commerce" later on, because he is more of a statistical officer than the

Secretary of the Treasury, and we thought it would be well for him to have something to do with establishing this list or enumeration of articles.

Mr. SMOOT. The Senator does not want this information collected twice, does he?

Mr. WILLIAMS. No; I do not.

Mr. SMOOT. Under this language I think that would be the result.

Mr. WILLIAMS. One part of it refers to the invoice which the importer makes up and the other refers to the list or enumeration which the Secretary of the Treasury makes up.

Mr. SMOOT. That is collecting it twice. The VICE PRESIDENT. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The reading of the bill was resumed, and the Secretary read paragraph G, on pages 220 and 221, as follows:

paragraph G, on pages 220 and 221, as follows:

G. That if any consignor, seller, owner, importer, consignee, agent, or other person or persons, shall enter or introduce, or attempt to enter or introduce, into the commerce of the United States any imported merchandise by means of any fraudulent or false invoice, declaration, affidavit, letter, paper, or by means of any false statement, written or verbal, or by means of any false or fraudulent practice or appliance whatsoever, or shall make any false statement in the declarations provided for in paragraph F without reasonable cause to believe the truth of such statement, or shall aid or procure the making of any such false statement as to any matter material thereto without reasonable cause to believe the truth of such statement, or shall be guilty of any willful act or omission by means whereof the United States shall or may be deprived of the lawful duties, or any portion thereof, accruing upon the merchandise, or any portion thereof, embraced or referred to in such invoice, declaration, affidavit, letter, paper, or statement, or affected by such act or omission, such person or persons shall upon conviction be fined for each offense a sum not exceeding \$5,000, or be imprisoned for a time not exceeding two years, or both, in the discretion of the court: Provided, That nothing in this section shall be construed to relieve imported merchandise from forfeiture by reason of such false statement or for any cause elsewhere provided by law.

Mr. SMOOT. I' simply wish to say that as paragraph F stands at present this statutory definition of a crime means nothing, for, as already pointed out, paragraph F does not require any statements to be made in the declaration. As I say, this statutory definition of a crime, under those conditions, will amount to nothing unless a change is made in paragraph F.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in paragraph H, page 222, line 5, after the word "relates," to insert:

That the arrival within the territorial limits of the United States of any merchandise consigned for sale and remaining the property of the shipper or consignor, and the receipt of a false or fraudulent invoice thereof, or the existence of any other facts constituting an attempted fraud, shall be deemed to be an attempt to enter such merchandise, for the purposes of this paragraph, notwithstanding no actual entry has been made or offered.

The amendment was agreed to.

Mr. BRANDEGEE. Mr. President, on page 221, in line 9, I notice this language:

That if any consignor * * * rhall * * * attempt to enter or introduce into the commerce of the United States any imported merchandise by means of any * * * invoice * * * or by means of any false statement—

And so forth.

Why should he not be prohibited from entering it or punished for entering it into the United States at all, whether he puts it into commerce or not?

Mr. WILLIAMS. To what line is the Senator referring?

Mr. BRANDEGEE. I happened to notice this language, in passing, on page 221, line 9. It seems to me, without any knowledge of the subject except what is suggested by reading the paragraph, that the offense ought to consist in the fraudulent importation of the article into this country and not necessarily the fraudulent entry accompanied by an introduction into the commerce of the country. The mere evasion by fraud of the revenue law ought to be enough, it seems to me, without introducing the article into commerce.

I merely suggest that to the chairman of the committee.

Mr. WILLIAMS. That is the existing law, and it has been successfully administered. The House undertook, in a different part of the bill, to change the existing law along the line indicated by the Senator and to provide that the arrival of goods at a port, if I understand correctly, should be considered an introduction into the commerce of the country. We got to looking into the matter, and we found this situation: Here are men who receive goods as agents, let us say. Here are other men who receive goods as purchasers. Sometimes a man may receive an invoice of goods shipped to him that he does not want to accept at all. He finds out that those goods are sent to him under a fraudulent invoice, and he wants to amend the invoice. He wants an opportunity voluntarily to correct any injustice that has been done by the exporter abroad.

Mr. BRANDEGEE. The point I make, Mr. President, is that the bill provides, on page 221, at line 7:

That if any consignor, seller, owner, importer, consignee, agent, or other person or persons shall enter or introduce, or attempt to enter or introduce, into the commerce of the United States any imported merchandise by means of any fraudulent or false invoice—

And so forth.

If an importer or a consignor fraudulently enters a large cargo of goods and puts it in a bonded warehouse, for instance, I desire to know whether or not he has introduced it into the commerce of the United States.

Mr. WILLIAMS. Oh, undoubtedly.
Mr. BRANDEGEE. I am not so sure about it.
Mr. WILLIAMS. This is the language of the existing law, and under the existing law that has been construed to be the

Mr. BRANDEGEE. If the Senator is positive that the mere entering of the cargo through the customhouse is entering it into the commerce of the United States, I have nothing further to say.

Mr. WILLIAMS. That raises another point. The Senator a moment ago said, "if it went into a bonded warehouse."

Mr. BRANDEGEE. I said that for one instance. That is

not the entire case, however.

Mr. WILLIAMS. This sort of a case might happen, and it would not be entering it into commerce: The Senator might be in New York, for example, and I might be a German merchant who had been dealing with him, and I might undertake to ship him certain goods on trial, or trusting to him to take them, or otherwise, and he might refuse to take them. He might refuse to have anything to do with them. He might leave them there to be sent back or to be sold; or he might discover that the goods had been undervalued in a fraudulent manner, and he might not want to be connected with the transaction.

Mr. BRANDEGEE. Why, yes; but this paragraph provides that if the consignor shall fraudulently enter the goods into the commerce of the United States, a certain penalty shall apply. Suppose the consignor fraudulently enters the goods through the customhouse?

Mr. WILLIAMS. And suppose the consignee refuses to take them?

Mr. BRANDEGEE. Yes.

Mr. WILLIAMS. Then they are not entered into the commerce of the United States.

Mr. BRANDEGEE. Very well.

Mr. WILLIAMS. They are subject to forfeiture and sale, however.

Mr. BRANDEGEE. Ought not somebody to be punished for

the fraudulent entry?

Mr. WILLIAMS. You can not punish the consignor, because he is a foreigner, and you have no jurisdiction over him. You ought not to punish the consignee for a thing of which he is guiltless; but you do punish the consignor indirectly, because you forfeit and sell the goods.

Mr. BRANDEGEE. If the consigned agoods, it seems to me he ought to be punished. This refers to the Mr. BRANDEGEE. If the consignee fraudulently enters the

consignor, not to the consignee, however.

Mr. BRANDEGEE. This refers to both of them, Mr. Presi-It refers to either the consignor or the seller or the owner or the importer or the consignee or the agent-or either of them, I suppose-or other person or persons. It refers to

everybody who has anything to do with the fraud.

Mr. WILLIAMS. Yes; I understand that, if the Senator pleases; but it refers to them at different times. The consignor has committed a fraud with the shipment of the goods and their landing at the port. The consignee has not become particeps criminis until he accepts the goods-until he makes himself a party to the transaction by putting them into the commerce of the country—that is, by accepting them and paying the duty. Why should he be left free not to pay it and let

Mr. BRANDEGEE. Suppose the importer imports a large amount of goods for a large structure in this country for his own use and enters them without putting them into the commerce of the country at all; he ought to be punished for the fraud he commits whether he introduces them into the com-

merce of the country or not.

Mr. WILLIAMS. Oh, well, if a man imports a thing for his own use, it enters into the commerce of the country just as

much as if he sold it to somebody else who used it.

Mr. BRANDEGEE. I am not at all satisfied as to that.

Mr. WILLIAMS. 'That is the language of the existing law; it has been administered very successfully, and the importer has not had much more chance than a one-legged man at a kicking match.

Mr. BRANDEGEE. The importer is getting his chance pretty

well under this bill, I think.

Mr. WILLIAMS. He has not hitherto had it, and this is the

Mr. SUTHERLAND. Mr. President, I suggest to the Senator from Mississippi that for the sake of the grammatical integrity of the provision it would be better to transpose the phrase "for the purpose of this paragraph" to follow the word "deemed" in line 10 on page 222. It reads:

shall be deemed to be an attempt to enter such merchandise, for the purposes of this paragraph.

Of course the Senator does not mean that.

Mr. WILLIAMS. What is the suggestion of the Senator?

Mr. SUTHERLAND. My suggestion is that the phrase ought to follow the word "deemed," so as to read, "shall be deemed, for the purposes of this paragraph, to be an attempt to enter such merchandise."

Mr. WILLIAMS. I think that would do no harm, and it

would do some good.

The VICE PRESIDENT. The amendment to the amendment

The Secretary. In the committee amendment, line 9, transpose the words "for the purposes of this paragraph" so that they shall follow the word "deemed," in line 10.

The amendment to the amendment was agreed to

Mr. ROOT. Mr. President, I would like to inquire of the Senator from Mississippi somewhat as to the meaning of this proposed amendment. The provision which is here marked "H," I will say to the Senator from Connecticut [Mr. Brandegee], is a very old provision. It is in the terms of the existing law, and what has been the law for a great many years. It has been very frequently construed by the courts, and it covers not merely the entry of merchandise by means of fraudulent devices, but attempts to enter. Unquestionably, taking goods and put-

ting them into a bonded warehouse, having the entries liquidated, as they would have to be, would be an attempt at entry quite irrespective of whether they were ever taken out of the warehouse or not. It covers also the introduction of goods by any fraudulent device whatever. So I should think it would be wise to leave this language exactly as it is, because it has been so long the basis of judicial enforcement.

Mr. WILLIAMS. Of course, when an importer goes up and

settles and lets his goods go into the bonded warehouse, he has rendered himself a party to the transaction. If he accepts the goods in any way he is guilty either of fraud or an attempt to

Mr. ROOT. Now, as to the amendment, I doubt whether that has the precision which a new criminal provision ought to have.

That the arrival within the territorial limits of the United States of any merchandise consigned for sale and remaining the property of the shipper or consignor, and the receipt of a false or fraudulent invoice thereof, or the existence of any other facts—

And so forth, shall be deemed an attempt. The receipt by An attempt by whom?

Mr. WILLIAMS (reading)-

That the arrival within the territorial limits of the United States of any merchandise consigned for sale and remaining the property of the shipper or consignor, and the receipt of a false or fraudulent invoice

Mr. ROOT. A receipt by whom? Mr. WILLIAMS. That is a receipt by the agent, of course, who gets the goods.

Mr. ROOT. Necessarily. Mr. WILLIAMS (reading)-

or the existence of any other facts constituting an attempted fraud, shall be deemed to be an attempt to enter such merchandisc-

Mr. ROOT. Attempted fraud by whom?

Mr. WILLIAMS (reading)

notwithstanding no actual entry has been made or offered.

Mr. ROOT. Does the receipt by me of a paper sent from Europe constitute a fraud on my part, though I make no use of it, though I may not have known of it? I may repudiate it the moment I see the paper. I may see that it is a fraudulent paper and I may not make any use of it. Nevertheless, under this provision I suppose I would be guilty of a fraud. I think that ought to be revised.

Mr. SIMMONS. If the Senator from New York will pardon me, that means a receipt by the consignee or by an agent of the

consignor.

Mr. BRANDEGEE. Why not say so, then?

Mr. SIMMONS. I believe it would be better to make it more specific. I am inclined to think, although I am not quite sure of it, that the mere entrance of these goods into the territorial limits of the United States has been considered and held to be an attempt to introduce the goods into the commerce of the United States.

Mr. ROOT. I do not doubt that, Mr. President.

Mr. SIMMONS. It was to avoid that that we adopted this change of language.

Mr. WILLIAMS. I will state to the Senator from New York that this amendment was drawn up at the department. It seems to me that his criticism is just as to the mere bare receipt, without a voluntary acceptance of it. I think we ought to say there "the acceptance" instead of "the receipt," so as to read "the acceptance of a false or fraudulent invoice."

Mr. ROOT. Now, let me make a suggestion about that, The Treasury Department takes cognizance of the property, ownership, and values of things, and thus in their suggestions which led to this amendment they had in mind circumstances leading to forfeiture. It is all right to denounce certain acts as cause for forfeiture of the goods without any regard to who is responsible for the acts, but when you come to put a provision of that kind into a section which imposes personal liability for crime, then you have got to deal with the person who is responsible for the acts. You can not impute criminal responsibility because of an act unless you have some known participation in it. The trouble with this, I should say, is that it intended to do the two things in the same breath.

Mr. SMOOT. Mr. President, I asked for information in relation to this particular provision from one of the appraisers at New York, and I was informed that the amendment was undoubtedly prompted by the case of the United States v. Twenty-five Packages of Panama Hats (195 Fed. Rep., 438), in which the Government undertook to forfeit the hats. Notwithstanding the Government proved the arrival of the goods in the country and proved the existence of a false and fraudulent consular invoice, the libel of forfeiture was dismissed, because no actual entry or attempt at entry had been made, the court holding that under the terms of subsections 6 and 9 there was no criminal act, and there could be no forfeiture of the goods. That of course was a case under the present law. It is found at One hundred and ninety-fifth Federal Reporter, No. 438, Treasury Decisions 33737. This amendment was prompted no doubt to meet just such a case.

Mr. President, I believe it is proper that a provision of this kind should be in the law, and I have no doubt but that it was

placed there for that purpose.

Mr SIMMONS. I will say to the Senator that the amendment

was drawn by the department.

Mr. SMOOT. I am aware of that.

Mr. SIMMONS. I really think the Senator from New York is right in the suggestion that we ought to define more specifically the term "receipt," so as to show what is meant by that word.

Mr. WILLIAMS. Mr. President, I agree with the Senator from New York that this language is somewhat too indefinite for this sort of a statute. I move to strike out the word "receipt." in line 8, and substitute for it the word "acceptance," and then after the word "thereof" to insert the words "by the consignee or the agent of the consignor."
Mr. SIMMONS. That is right.

The VICE PRESIDENT. The amendment to the amendment will be stated.

The Secretary. In the committee amendment, page 222, line 8, it is proposed to strike out the word "receipt" and to insert in lieu the word "acceptance," and at the end of the same line, after the word "thereof," to insert "by the consignee or the agent of the consignor."

The amendment to the amendment was agreed to.

Mr. BRISTOW. Mr. President, I have here collected the tables which the junior Senator from North Dakota [Mr. GEONNA] presented during the discussion of the agricultural schedule, which I thought would be very valuable. The series, which he devoted a great deal of time to, I have here collected, and I ask that it may be made a public document.

Mr. SIMMONS. I can not hear the Senator.
Mr. WILLIAMS. What is it?
Mr. BRISTOW. The tables which the junior Senator from North Dakota [Mr. Gronna] prepared during the consideration of the agricultural schedule. I regard them as very valuable. He spent a great deal of time on them. I have had them collected from the RECORD as they appeared, and I ask that they be made a public document.

Mr. SMOOT. It is no part of the Senator's speech, but just

the tables?

Mr. BRISTOW. Just the tables, the statistical information. The VICE PRESIDENT. Is there objection?

Mr. WILLIAMS. I shall not object, but if we make public documents out of all the tables constructed there will be no

Mr. SIMMONS. Does the Senator from Kansas mean the tables the Senator from North Dakota gave in connection with the various and sundry speeches he made upon the agricultural schedule?

Mr. BRISTOW. Yes. Mr. SIMMONS. That would look very much like publishing

portions of the speech of the Senator as a public document.

Mr. BRISTOW. It is not the speech; it is simply the tables.

Mr. SIMMONS. I should have no objection if the Senator from Kansas desired to make a speech himself and present those tables; but it does not seem to me it is quite right to be collecting from the various and sundry speeches of a Senator ex-

tracts and publishing those extracts as a public document.

Mr. BRISTOW. This is not a speech, I will say, and it contains none of the comments of the Senator at all. It is simply statistical information which he collected and submitted at

various times.

Mr. WILLIAMS. Where were the tables collected from?

Mr. BRISTOW. It is stated here. I have written a statement here which I will read to the Senator.

Mr. WILLIAMS. They were collected from public documents already printed?

Mr. BRISTOW. Yes, of course they were; but it required a great deal of labor to collect them.

Mr. SIMMONS. But, Mr. President, I ask the Senator from Kansas, did not the Senator from North Dakota sometimes present a table from the Agricultural Yearbook; and did he not sometimes present tables that had been gotten up for him probably by some expert, and in presenting these various and sundry tables he each time explained to the Senate the source and

authority for his statements?
Mr. BRISTOW. Yes.
Mr. SIMMONS. Now, does the Senator do that in this proposed document?

Mr. BRISTOW. I will read exactly the preliminary comment I made on the tables:

The figures in the following tables, as to imports and exports, are taken from Commerce and Navigation of the United States, 1912. Those as to production in the United States are taken from the 1912 Agricultural Yearbook, except in the following cases:
Where the production figures are for 1909 they are taken from the Abstract of the Tenth Census. The production figures for cotton are from the 1912 Statistical Abstract. The figures as to production in other countries and as to international trade are from the 1912 Agricultural Yearbook.

That is the preliminary statement that is made, and then the tables follow. I think it will be a very valuable document.

Mr. SIMMONS. I should like, at least, to make a temporary objection and examine them. I may withdraw the objection later. Mr. BRISTOW. I am perfectly willing to send them to the

Senator's desk and let him examine them.

Mr. BORAH. Mr. President, just a moment of the Senate's time. Day before yesterday I made some statements with reference to personal property taxation, and those statements were challenged as to accuracy. I do not like to make statements which leave the impression upon my colleagues that I speak without authority or without regard to the accuracy of my statements.

While I am not going to take up the time of the Senate to

read, I want to ask permission to insert in the Record a very brief excerpt from the Massachusetts Commission on Taxation

report in 1897.

Also the New York Special Tax Commission report of 1907. Also a brief excerpt from the speech of ex-President Harrison upon this subject and an excerpt from an article in the Forum of 1897 upon the subject of the inheritance tax.

These are the sources from which I derived my information, and I desire to insert them in the Record, as they bear out

fully the statements which I made.

The VICE PRESIDENT. That may be done without objection. The matter referred to is as follows:

The total valuation of personal property assessed for taxation by the local assessors in 1896 was \$582,319,634. The amount of taxes assessed upon personal property was \$8,398,980.

The total property, real and personal, assessed by the local assessors in 1896 was \$2,622,520,278, of which \$2,040,200,644 was real estate and \$582,319,634 was personal estate. (Massachusetts Commission on Taxation report, 1897, pp. 13, 44.)

First. That the assessed value of all real estate in the State is approximately \$7,000,000,000.

Second. That the assessed value of all personal property is approximately \$800,000,000.

Third. That the market value of all real estate is but slightly in excess of its assessed valuation.

Fourth. That the value of all personal property owned by the citizens of this State is not less than \$25,000,000,000.

Fifth. That the income from investments made in real estate is of much lower percentage than that derived from personal property.

Sixth. That the richer a person grows the less he pays in relation to his property or income.

Seventh. That the owners of personal property have advocated and voted for local improvements without any substantial contribution on their part until the taxes on real estate has become a great burden.

Eighth. Experience has shown that under the present system personal property practically escapes taxation for either local or State purposes. As proof of this the following table showing the amount assessed against well-known multimillionaires for personal property is as follows for the year 1907 in the city of New York:

August Belmont.

\$100,000

ı	August Belmont	S	100, 0	000
١	Oliver H. P. Belmont	1	200, 0	
1	Cornelius Bliss		100, 0	
١	Andrew Carnegie			
ı	Henry Clews		100.0	
ł	William E. Corey		100, 0	
1	Morris K. Jesup		100, 0	
ı	John W. Gates		250, 0	
١			50, 0	
ı	Frank J. Gould	0		
Ì	John D. Rockefeller		500, 0	
ì	John D. Rockefeller, jr		50, 0	
ı	William Rockefeller		300, 0	
١	H. H. Rogers		300, 0	
1	Russell Sage	2,	000, 0	000
1	Alfred G. Vanderbilt		250, 0	000
ı	Cornelius Vanderbilt		150, 0	000
	Elsie F. Vanderbilt		100. (	000
į	Fred W. Vanderbilt		250, 0	000
	George W. Vanderbilt		50, 6	
	William K. Vanderbilt		100, 6	
ij	John Jacob Astor		300, 0	
i	George Ehret		200.	
п	George Entet		400,	700

(From the report of the special tax commission of the State of New York, 1907, pp. 58, 59.)

In 1870, in the State of New York, the personal property assessed amounted to 22 per cent of the total property assessed. In 1806 the proportion of personal property assessed had fallen to 12.4 per cent.

Comptroller Roberts of that State declares that as a rule this class of property escapes taxation. The taxable value of real estate in the State of New York increased betwen 1870 and 1895, 155 per cent, while the value of taxable personal property, as shown by the assessment, within the same time increased less than 6 per cent.

He states that from two and one-half to three billion dollars of personal property taxable by law in New York escapes taxation every year.

The tax commission of Massachusetts, which reported to the governor a few months ago, shows that the total valuation of real estate in that State for taxation was in 1896, \$2,040,200,644, and the total valuation of personal property assessed in the same year was \$582,319,634, about one-fourth. (From Views of an Ex-President, Benjamin Harrison, pp.

1 think it will be readily conceded that in personal property New York is preportionately the richest of all the States. And yet, in the percentage of its assessed personalty to its assessed realty, it is the lowest among the wealther States. The assessed value of real estate in New York is \$3,952,451,417, and of personal property, \$39,863,305, or 12.% per cent that of the realty. The following table shows that the same difference exists elsewhere, though not in so marked a degree.

State.	Real property.	Personal.	Per cent.
New Jersey Ohio Illinois Indiana Massachusetts Pennsylvania	\$640,188,332	\$134, 210, 000	17-03
	1,215,540,454	528, 977, 260	30
	687,510,306	143, 800, 000	17
	813,820,000	286, 000, 000	26
	1,964,834,106	577, 614, 889	22-73
	2,471,000,000	647, 000, 000	20-76

Some interesting facts may be gathered from a comparison by counties of New York's table of valuations. The proportion which the personalty bears to the realty in the various counties ranges from six-tenths of I per cent in Richmond County to 22½ per cent in New York. The counties which show the largest percentage of personalty in the rural districts are Washington County, with nearly 20 per cent; Livingston, with nearly 14 per cent; and Jefferson and Genesee, with 18 per cent. Kings County, containing the city of Brooklyn, has but 4½ per cent; Monroe County, with the city of Rochester, has but 5½ per cent; Eric County, with the city of Buffalo, has but 6½ per cent; Onondaga County, with the city of Syracuse, has but 6½ per cent. The counties in the first group are largely devoted to farming. Does anyone for a moment suppose that these farming counties have a larger percentage of personal property than the counties in which are located the flourishing cities named?

moment suppose that these farming counties have a larger percentage of personal property than the counties in which are located the flourishing cities named?

The amount of equalized personalty paying taxes to the State of New York in 1896 was \$459,859,526; and, by the report of the superintendent of the banking department, it appears that the capital, surplus, and undivided profits of the banks, trust companies, and safe-deposit companies of the State was \$311,386,372. Under the law these institutions could not escape taxation. They are required to pay on the value of their capital stock; and that includes the surplus and undivided profits. There was then only \$148,473,154 of personal property over and above the banking and trust-company capital which paid taxes in 1806. In 1857 Sanford E. Church, then compireler, felt called upon in his annual report to direct the attention of the legislature to the way in which personal property was escaping taxasion. He reported the amount of personality then paying taxes to the State to be \$319,897,155, of which \$110,000,000 was banking capital, leaving \$209,897,155 of other personal property then paying taxes to the State to be \$319,897,155, of which \$110,000,000 was banking capital, leaving \$209,897,155 of other personal property then paying taxes to the State to be \$319,000,000 more of such personal property paying taxes in 1857 than in 1896. Yet everybody knows that personal property in the State of New York has increased enormously in the last 40 years.

One hundred and seven estates were selected at random in the comp-

years.

One hundred and seven estates were selected at random in the comptroller's office, with the amount of appraised personal property found after death; and the amount of personal property on which the decedent in each case was assessed the year before death was ascertained. The estates were selected from various portions of the State. Of the one hundred and seven estates, 34, ranging from \$54,559 to \$3,319,500, were assessed the year before decedent's death absolutely nothing whatever. The following table gives the figures in the remaining 73 cases:

Amount of ap-	Amount assessed	Amount of appraised personal property after death.	Amount assessed
praised personal	to decedent year		to decedent year
property after death.	before death.		before death.
\$3, 544, 343 2, 544, 008 1, 400, 000 2, 736, 333 10, 252, 857 1, 222, 116 1, 000, 000 1, 167, 015 1, 303, 057 3, 433, 408 1, 083, 928 1, 146, 101 1, 800, 000 4, 703, 424 3, 000, 238 1, 100, 000 1, 500, 000 1, 500, 000 1, 500, 000 1, 500, 000 1, 500, 000 1, 500, 000 1, 500, 000 1, 500, 000 800, 000 1, 296, 516 80, 000, 008 170, 658 220, 214 526, 585 220, 214 526, 585 312, 894 268, 585 312, 894	\$15,000 10,000 20,000 500,000 10,000 500,000 10,000 15,000 15,000 16,000 220,000 75,000 12,000 10,000 75,000 10,000 50,000 10,000 50,000 100,000 50,000 100,000 50,000 100,000 50,000 100,000 50,000 100,000 50,000 100,000 50,000 100,000 50,000 100,000 50,000 100,000 50,000 100,000 50,000 100,000 50,000 100,000 50,000 100,000 50,000 100,000 50,000 100,000 50,000 100,000 50,000 100,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000 50,000	\$247, 358 221, 363 3, 592, 846 2, 188, 710 319, 988 107, 233 2, 870, 387 645, 147 2, 227, 075 121, 858 102, 452 166, 290 160, 960 1, 916, 227 1, 649, 918 2, 125, 577 1, 374, 939 3, 284, 819 1, 056, 809 2, 770, 570 342, 672 411, 212 6, 685, 735 2, 125, 548 2, 125, 548 388, 429 410, 058 1, 435, 816 1, 117, 908 3, 979 947, 504 441, 543 2, 105, 852 677, 644 306, 133	\$10,000 5,000 10,000 110,000 15,000 15,000 15,000 15,000 15,000 15,000 15,000 15,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000 10,000

No names have been given in this table, because these cases are neither singular nor exceptional. The decedents were not sinners above all the men that dwelt in New York, but they simply did that which everybody in the community was doing. These 107 estates disclosed personalty to the appraiser aggregating \$215,132,366; and yet the decedents, the year before their respective deaths, had been assessed in the aggregate on personal property to the amount of \$3.813.412, or on You per cent of the actual value of the property. (From The Forum, 1894.)

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee as amended.

The amendment as amended was agreed to. The Secretary continued the reading of the bill.

The next amendment of the Committee on Finance was, in subsection I, page 222, line 15, after the word "merchandise," to strike out "but not after either the invoice or the merchandise has come under the observation of the appraiser," so as to read:

That the owner, consignee, or agent of any imported merchandise may, at the time when he shall make entry of such merchandise, make such addition in the entry to or such deduction from the cost or value given in the invoice or pro forma invoice or statement in form of an invoice, which he shall produce with his entry, as in his opinion may raise or lower the same to the actual market value or wholesale price of such merchandise at the time of expertation to the United States in the principal markets of the country from which the same has been imported.

Mr. SMOOT. Mr. President, under the present law the person who makes entry of merchandise has the privilege at the time of entry, but not afterwards, of either adding to the invoice or deducting therefrom in order to make his entry value conform to the prevailing market value. The present law prohibits a change afterwards, and the law to-day uses the words "but not afterwards." The House struck out the phrase "but not afterwards" and substituted for it "but not after either the invoice or the merchandise has come under the observation of the appraiser." The Senate committee struck out this latter phrase but did not restore the former phrase of the present law. The reason for the action of the House in this amendment is given in a report accompanying H. R. 3321-that is, this billas follows:

We recommend substituting for the word "afterwards" the words "after either the invoice or the merchandise has come under the observation of the appraiser."
This is in accord with the present practice of the Treasury Department. It will give the importers a proper length of time within which to correct errors, without extending the privilege to such an extent as to permit them to be "tipped off" by appraising officers as to the values about to be set upon their merchandise.

I believe that if the Senator will reconsider this paragraph and use the words of the law, "but not afterwards," which were stricken out, then there would be no objection whatever to the wording of the paragraph.

I think it happened, Mr. President, in this way: The House struck out the words "but not afterwards" and inserted "but not after either the invoice or the merchandise has come under the observation of the appraiser"; and in striking out that language of the House bill the Senate committee failed to put in the words of the present law, "but not afterwards." I think

that they ought to be inserted.

Mr. WILLIAMS. Mr. President, the present practice has grown up regardless of the phrase to which the Senator refers. The phrase was a phrase of restriction, not a phrase of extension. Notwithstanding the phrase of restriction people have been permitted a reasonable time within which to make corrections in invoices. The language is this:

That the owner, consignee, or agent of any imported merchandise may, at the time when he shall make entry of such merchandise—

Then there follows the totally unnecessary words, "but not afterwards."

When you say that a man may at the time when he shall make entry of such merchandise do certain things, it means that that is the time at which he must do them. Then there were added, as if to strengthen the restriction to that particular time, the words "but not afterwards." Notwithstanding that, there has been given a leeway for honest men to make corrections in invoices where they themselves thought that they had perhaps bought the goods at a lower price than the market value in the foreign countries, which frequently happens. A man may buy bankruptcy merchandise or something of that sort, and it is invoiced to him at the price at which he bought. Then he wants the opportunity to correct it, and that opportunity he has been given under the practice of the department. Certainly adding the words "but not afterwards" will not increase his leeway; it would rather restrict it; and adding the language of the House bill is not permissible at all, for the language of the House bill is-

But not after either the invoice or the merchandise has come under the observation of the appraiser.

The appraiser may see it before the consignee sees it.

Mr. SMOOT. I am not defending the House provision.

Mr. WILLIAMS. I understand that.
Mr. SMOOT. But I do believe that the language of the present law is preferable.

Mr. WILLIAMS. I understand precisely. The Senator wants to restore the words "but not afterwards."

Mr. SMOOT. That is it.

Mr. WILLIAMS. Well, I do not want them there, first, because I think they are unnecessary; secondly, because, if they mean anything, they are still further restrictive of the right of an honest man to correct his invoice. I think this language is all sufficient:

That the owner, consignee, or agent of any imported merchandise may, at the time when he shall make entry of such merchandise, make such addition in the entry to or such deduction from the cost or value given in the invoice—

As he may choose.

Mr. SMOOT. Mr. President, I am not worried about a restriction of the honest importer; it is the dishonest importer that I want restricted; and, if those words are placed in the

law, the dishonest importer will be restricted.

If there is any collusion between an appraiser and a dishonest importer, without those words, it seems to me as the House provision stands, the appraiser could tip off the dishonest importer before the case is to be tried or passed upon. He could then change his invoice, and he would always be sure, through this collusion, of not being caught in trying to import goods at an undervaluation.

Mr. WILLIAMS. Mr. President, when the law prescribes the time at which a thing may be done it is totally unnecessary and superfluous to add the words "but not afterwards," and I think the committee was right.

The PRESIDING OFFICER (Mr. Pomerene in the chair).

The question is on the committee amendment.

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 223, line 8, after the word "entry," to insert "by more than 5 per cent," so as to read:

And if the appraised value of any article of imported merchandise subject to an ad valorem duty or to a duty based upon or regulated in any manner by the value thereof shall exceed the value declared in the entry by more than 5 per cent, there shall be levied, collected, and paid, in addition to the duties imposed by law on such merchandise, an additional duty of 1 per cent of the total appraised value thereof for each 1 per cent that such appraised value exceeds the value declared in the entry.

Mr. OLIVER. Mr. President, I should like the Senator from Mississippi to explain the reason for this amendment.

Mr. WILLIAMS. Mr. President, the Senator from Pennsylvania will observe, if he will read the remainder of the paragraph, that it is substantially an antidumping clause. It fixes a heavy penalty upon undervaluations—a penalty of "an additional duty of 1 per cent of the total appraised value thereof for each 1 per cent that such appraised value exceeds the value declared in the entry." It could run up to 70 per cent of the value of the goods in addition to the duty.

We will say, here is a man who is engaged in importing goods and he buys certain goods in Germany, he has an agent over there representing his house for the purpose of purchasing certain goods, or he has an agent in France representing his house, buying wines in one place and something else in another. The natural course is that whatever he pays for those goods is the price that is stated in the invoice. We have established a principle that, regardless of what a man pays for the goods he imports, the duty must be levied upon them in proportion to the market value of the country of export. He may buy his goods cheaply for very many reasons; he may be a very large dealer, or it may be, as I said a moment ago, that somebody over there has made an assignment and is selling the goods very cheaply. To say that a man whose invoice undervalues his goods one half of 1 per cent or one-fourth of 1 per cent is to be regarded as a criminal and visited with this punishment we thought was too much. We found that this leeway of 5 per cent was allowed in import-tax laws of other countries, and we thought it but fair and reasonable not to visit a man with this punishment when he had not varied from the market value of the goods more than 5 per cent, especially as the Government will lose nothing anyway, for it collects its import duties. The invoice is corrected in order that it may correspond with the wholesale market value in the country whence the goods were exported. To go further than that and to punish him with this penal tax, when he has not varied by more than a very small percentage from the wholesale price, which he himself perhaps had no method of ascertaining, struck us was wrong.

Mr. OLIVER. Mr. President, the Senator's explanation fur-

nishes, to my mind at least, a very strong argument against the !

adoption of this provision allowing 5 per cent leeway. In this legislation we are departing very largely from specific duties and turning to ad valorem duties as a basis of taxation on imports. The very men who best know the market value abroad of the commodities in which they deal are the men who, through their agents in foreign countries, ship the goods to themselves in this country, and it seems to me that this amendment is simply equivalent to extending to them an invitation toward undervaluation to the extent of 5 per cent. In adopting the ad valorem principle every safeguard should be thrown around it, so as to provide against undervaluation.

Mr. SIMMONS. Why does the Senator say it is an invitation to undervalue to the extent of 5 per cent? If they undervalue 4 per cent, they would, upon the reassessment by the appraiser, have to pay upon the additional valuation. We simply do not impose the penalty of the additional 1 per cent unless the under-

valuation is 5 per cent-

Mr. OLIVER. I understand all that.

Mr. SIMMONS. But for any undervaluation the importer would not be able to protect himself against the actual valuation as ascertained by the appraiser if that valuation did not

conform to his valuation.

Mr. OLIVER. He will take the chances of a reappraisement, because he understands more about the market value abroad than do the appraisers themselves. I think that, in order to hold these people who understand what they are doing to a rigid compliance with the law, a penalty should be imposed to the extent of any undervaluation, so that if there is any undervaluation to the extent of 1 per cent the importer will have to stand an additional 1 per cent, and if 2 per cent there shall be 2 per cent added, and so on. In that way the importer will be careful to see that if any error is made it is made upon the side of the Government and not upon the side of himself. think, Mr. President, that the provision in the House bill is exactly right and that this leeway should not be allowed.

The PRESIDING OFFICER. The question is on agreeing to

the amendment reported by the committee.

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in paragraph "1," page 223, line 20, after the words "limited to," to strike out "75" and insert "70," so as to read:

to strike out "75" and insert "70," so as to read:

Provided, That the additional duties shall only apply to the particular article or articles in each invoice that are so undervalued and shall not be imposed upon any article upon which the amount of duty imposed by law on account of the appraised value does not exceed the amount of duty that would be imposed if the appraised value did not exceed the entered value, and shall be limited to 70 per cent of the appraised value of such article or articles. Such additional duties shall not be construed to be penal, and shall not be remitted nor payment thereof in any way avoided except in cases arising from a manifest clerical error, nor shall they be refunded in case of exportation of the merchandise, or on any other account, nor shall they be subject to the benefit of drawback.

The amendment was agreed to.

The next amendment was, on page 224, line 3, before the words "per cent," to strike out "75," and insert "70," so as to

Provided. That if the appraised value of any merchandise shall exceed the value declared in the entry by more than 70 per cent, except when arising from a manifest clerical error, such entry shall be held to be presumptively fraudulent, and the collector of customs shall seize such merchandise and proceed as in case of forfeiture for violation of the customs laws, and in any legal proceeding other than a criminal prosecution that may result from such seizure, the undervaluation as shown by the appraisal shall be presumptive evidence of fraud, and the burden of proof shall be on the claimant to rebut the same, and forfeiture shall be adjudged unless he shall rebut such presumption of fraudulent intent by sufficient evidence.

The amendment was agreed to.

The next amendment was, on page 224, line 15, after the word "apply," to insert "only," and in the same line after the words "to the," to strike out "whole of the merchandise or the value thereof in the case or package containing the,"-so as to read:

The forfeiture provided for in this section shall apply only to the particular article or articles in each invoice which are undervalued.

Mr. SMOOT. Mr. President, I do not know that I care in detail to go into what that amendment really means. effect will be that if a case of merchandise is imported into this country and the invoice recites the fact that the case contains a dozen and there should happen to be 15, under this provision the importer could be penalized for the undervaluation on the dozen, but not on the three extra. Of course, I do not know that that is sufficiently important to require a change in the bill. The present law reads in that way, but it has developed in many cases that through an error-not a willful error, but through a mistake-an additional amount has been inclosed in a case over and above what the invoice called for.

Mr. ROOT. Mr. President, I think the House provision is

right.

Mr. SMOOT. So do I. Mr. ROOT. Under the provision reported by the Senate committee I do not think the penalty is severe enough to check attempts at fraud. A man may get caught once in 40 times, and if he loses nothing but the particular article which he is attempting to bring in fraudulently, he will make money out

The provisions in this section of the bill are pretty liberal. There is allowed 5 per cent for an honest difference of opinion between the importers and the appraisers, with no penalty. Then, presumption of fraud does not attach to an undervalua-

tion until it reaches 70 per cent.

Mr. WILLIAMS. That is a conclusive presumption.

Mr. ROOT. No; that is only presumptively fraudulent. Here is the provision:

Provided, That if the appraised value of any merchandise shall exceed the value declared in the entry by more than 70 per cent, except when arising from a manifest cierical error, such entry shall be held to be presumptively frudulent, and the collector of customs shall seize such merchandise and proceed as in case of forfeiture for violation of the metrors layer. the customs laws.

That undervaluation is only presumptive, and the presumption can be rebutted. That is certainly pretty liberal. Five per cent without any penalty and 65 per cent more with only proportional penalties, and no presumption until you get to 70 per cent; and then that can be rebutted. I think that is exceedingly liberal for a revenue statute. I think that the penalty forfeiting only the particular article, instead of forfeiting the package, is too light to secure respect for the law. It will be perceived that the present law and the bill as passed by the House is an intermediate between the heaviest and the by the House is an intermediate between the heaviest and the lightest penalties. The heaviest penalty would be to forfeit the invoice; the lightest possible penalty would be to forfeit one of the articles; and the intermediate penalty would be to forfeit the package in which the article is contained, leaving the rest of the invoice to come through without penalty. I think, if this proposed law is to be respected, the House provision should be retained.

Mr. WILLIAMS. Mr. President, frequently the importer imports an invoice of goods, and the various packages and the various articles are distributed after they are received here. The provision of the House would punish one man for the undervaluation of goods by another. I think we have acted wisely in leaving the law as it is.

The PRESIDING OFFICER. The question is on the adoption of the committee amendment on lines 15 and 16, page 224.

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 225, line 1, after the word "value," to insert "unless by direction of the Secretary of the Treasury, after consideration of the particular case, and the Secretary of the Treasury shall accompany his direction with a statement of his conclusion and the reasons for it," so as to read:

The duty shall not, however, be assessed in any case upon an amount less than the entered value, unless by direction of the Secretary of the Treasury, after consideration of the particular case, and the Secretary of the Treasury shall accompany his direction with a statement of his conclusion and the reasons for it.

Mr. SMOOT. Mr. President, that is a new provision, not only to the House bill but to the present law. It gives authority to the Secretary of the Treasury to permit duty to be assessed upon less than the entered value. No administrative provision in any tariff bill before has ever given the Secretary of the Treasury that power. The law heretofore has always directed that in no case shall the duty be assessed at less than the entered value. This statutory direction was based upon the very reasonable assumption that the importer of merchandise knew what he paid for it and what its value was, and that having ascertained its value he was estopped from claiming an assessment of duty on a lower amount than that which he had previously said his goods were worth.

It may be that the law worked an occasional hardship, for example, where a man with more money than brains paid a large sum of money for a curious antique, or something of that kind, but such a case is the only class in which the question

would arise. If, however, this amendment is to be adopted, it should be amended so as to require that the statement of the conclusion and reasons of the Secretary of the Treasury, required by the amendment, shall be published weekly in connection with the other rulings of the Treasury Department and the Board of General Appraisers, provided for in paragraph Q, I believe, of the bill.

Mr. LODGE. Mr. President, may I ask the Senator a ques-

The PRESIDING OFFICER. Does the Senator from Utah yield to the Senator from Massachusetts?

Mr. SMOOT. I yield.

Mr. LODGE. Assuming, of course, that you have a Secretary of the Treasury who takes proper views of the revenue laws, this provision would encourage importation, would it not?
Mr. SMOOT. Why, certainly. I think that is the object of

the amendment.

Mr. LODGE. Precisely; and the amendment the Senator suggests would hamper the Secretary. I think the Senator must see that the amendment he suggests would hamper the Secretary of the Treasury in enlarging the importations.

Mr. SMOOT. That is why I suggest it.

Mr. WILLIAMS. I have no objection, nor has anybody over here, to amending that language by adding that these statements of the Secretary's conclusions and the reasons for them shall be published. Of course nobody ought ever, in an official capacity, to make a decision and give a statement of his conclusions and reasons for it without being willing to have that statement published.

If the Senator will draw up an amendment to be inserted right after that language, we shall very willingly accept it. We

do not want anything done in the dark.

I should like to ask the Senator while he is on his feet, if he has no objection, why is this amendment offered? Why should the Secretary of the Treasury be allowed to assess a duty lower than the entered value?

Mr. WILLIAMS. Because it is perfectly possible, now and then, that the entered value may be too high. The man who receives the goods does not make the entered value, as the Senator seems to think. The value is made in the invoice by the shipper, the man in the other country.

Mr. SMOOT. That is true.

Mr. WILLIAMS. Frequently goods are sent to agents, and sometimes to people who receive them and afterwards try to

Mr. SMOOT. Has the Senator ever heard of a case in the history of the United States of a foreign manufacturer or a foreign exporter fixing an invoice on which was stated a price greater than the real value of the article?

Mr. WILLIAMS. I never have had any experience at the

customhouse, neither has the Senator.

Mr. SMOOT. My experience has been universally that the invoice price is under the value of the goods, if any difference at all is shown.

Mr. WILLIAMS. If such a case will never arise, then the clause will not operate. That is the answer to that objection. Mr. SMOOT. This is an invitation for it to arise.

Mr. CLARK of Wyoming. Mr. President, I desire to ask a

question for information.

I understand that when these invoices are to come here they are sworn to before the consul of the United States in the particular port from which they are sent. It occurs to me that a sworn invoice should at least bind the man who makes the invoice and sells the goods and the other party to the transaction, who purchases the goods.

I was going to ask the same question that has been asked by the Senator from Utah—why our Treasury should set a price for imports, particularly under an ad valorem system, that is less than the purchaser agreed to pay and the seller agreed to take, as shown by the particular invoice? I ask for

information.

Mr. WILLIAMS. The price never would be less than that, but it might be less than the entered value. It is possible to suppose even a clerical mistake in the entered value. possible to suppose a great many cases where the goods might be entered at a greater price or a different price from that at which they were bought and sold.

The Senator seems to think goods are entered at the prices at which they are bought and sold. They are not. They are entered on the theory which we built up about the market value in the country of export. If the man got the market value in the country of export too high, as he possibly might have done, why not allow the Government itself to correct the error? It is not allowing him to do it, but it is allowing the

Government to do it through the Secretary of the Treasury.

Mr. CLARK of Wyoming. But the Senator, of course, understands that it never would be done except on the application of the owner of the goods.

Mr. WILLIAMS. Oh, of course, I understand that. Mr. CLARK of Wyoming. It occurs to me that it would be an invitation to lower duties.

Mr. WILLIAMS. A man is never pardoned, either, except upon his own application; but that is no reason why he should not be pardoned.

Mr. ROOT. I think the radical vice in this amendment is that it authorizes the Secretary of the Treasury to admit goods upon the payment of a duty on a basis other than that fixed by

In the statute we prescribe with great care and particularity the basis upon which all imports shall be taxed. We say that the duties shall be assessed upon the foreign market value; we provide various ways for ascertaining the foreign market value; we require that the importer shall enter the goods at that foreign market value; and we require the collector to assess the duties upon that value.

This amendment would permit the Secretary of the Treasury to let in goods upon another value, so that instead of exacting duties from all importers on the same basis fixed by law you exact them from importers generally on the basis fixed by law, but you permit the Secretary of the Treasury to impose duties

upon a different basis, fixed by himself.

That opens the door to favoritism. It opens the door to partiality. It opens the door to importunity, to influence, to scan-dal. I do not think we ought to introduce any such element into our revenue laws.

Mr. WILLIAMS. Mr. President, this provision reads:

Provided further, That all additional duties, penalties, or forfeitures applicable to merchandise entered by a duly certified invoice shall be allke applicable to merchandise entered by a pro forma invoice or statement in the form of an invoice, and no forfeiture or disability of any kind incurred under the provisions of this section shall be remitted or mitigated by the Secretary of the Treasury.

The next clause is to be taken in connection with that:

The duty shall not, however, be assessed in any case upon an amount less than the entered value, unless by direction of the Secretary of the Treasury, after consideration of the particular case, and the Secretary of the Treasury shall accompany his direction with a statement of his conclusion and the reasons for it.

The Senator from New York talks about our changing the basis fixed by law. We are not changing it at all. There rests the power, wherever the entered value is less than the foreign wholesale market value, to raise it; and hitherto, wherever it was more, whether by mistake or otherwise, it could not be corrected.

If it shall be corrected in one direction, why shall it not be corrected in the other? The Secretary in correcting it in either event, or the appraiser in correcting it in the first event, corrects it back to the basis fixed by law, to wit, the market value in the country of export.

Senators say this will never happen. If it will never happen, the clause will never operate, so it can not hurt anything.

Mr. ROOT. I do not say it will never happen. I say it will

happen if you have this provision.

Mr. WILLIAMS. I was just challenged by the Senator from

Utah to cite a case.

Mr. SMOOT. I say we never have had—

Mr. WILLIAMS. The Senator—

The PRESIDING OFFICER. Does the Senator from New York yield, and to whom?

Mr. ROOT. I yield to everybody.
Mr. SMOOT. Mr. President, I did not say it would not happen. I said it had not happened, and of course it would happen under the present law.

WILLIAMS. If it shall happen that any goods imported into the United States by clerical error or mistake about the market quotations or otherwise have been entered at a price higher than the wholesale market price in the country of export, the error ought to be corrected, and the power ought to rest with the Government to correct it upon the application of the injured party if the Government chooses to do it. If it will never happen, then this provision will be inoperative. That is the answer to both alternatives,

Mr. ROOT. Mr. President, this provision is not one correlative to the power to raise an entry to make market value. It is not merely a provision to lower an entry to make market value. It is a provision under which the Secretary of the Treasury can depart altogether from the standards fixed by law

for the imposition of duties.

Mr. WILLIAMS. No, Mr. President; there the Senator is losing sight of the other provisions of the bill which fix the

manner in which valuations shall be made.

The other provisions of the bill, which must be taken with this in construing the bill, fix the basis, which is the market value in the country of export. So the Secretary of the Treasury will have no authority under this bill to raise or to lower a duty—that is, no rightful authority; of course if you presume that he is going to act fraudulently, that is a different proposition—except by direction of the bill itself with regard to the manner in which valuations shall be fixed.

Mr. ROOT. But there is no such limitation imposed upon him. The entry has to be the entry of foreign market value. the present statute.

This language authorizes the Secretary of the Treasury to impose the duty upon a lower value than the entered value; that is to say, the foreign market value.

Mr. WILLIAMS. That assertion assumes that the entered value is the foreign market value. That is precisely what we

are trying to cover.

Mr. ROOT. It has to be.

Mr. WILLIAMS. Why, frequently it is not. Sometimes it is below the foreign market value and sometimes it is above it. Suppose I import a pipe of wine from Burgundy or from the Loire country. I am perfectly ignorant of the foreign mar-ket value. All I know about it is what I paid for it. Then I get to the customhouse with it, and the customhouse, advised by the consular agent abroad, says that the foreign market value of this wine is so much, and it is fixed at that. Suppose, being perfectly ignorant, I should pay \$5 a gallon for wine that was worth \$3, and should ascertain the fact, am I to be cut off

from having the Government itself reduce the rate to the foreign market value? The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 225, lines 1 to 5, inclusive.

The amendment was agreed to.

The reading of the bill was continued.

The next amendment was, on page 228, line 10, after the word "or," to insert "profits not to exceed 8 per cent and," so as to

The actual market value or wholesale price, as defined by law, of any imported merchandise which is consigned for sale in the United States, or which is sold for exportation to the United States, and which is not actually sold or freely offered for sale in usual wholesale quantities in the open market of the country of exportation to all purchasers, shall not in any case be appraised at less than the wholesale price at which such or similar imported merchandise is actually sold or freely offered for sale in usual wholesale quantities in the United States in the open market, due allowance by deduction being made for estimated duties thereon, cost of transportation, insurance and other necessary expenses from the place of shipment to the place of delivery, and a commission not exceeding 6 per cent, if any has been paid or contracted to be paid on consigned goods, or profits not to exceed 8 per cent and a reasonable allowance for general expenses and profits (not to exceed 8 per cent) on purchased goods.

The amendment was agreed to.

The amendment was agreed to.

The next amendment was, on page 228, line 11, after the word expenses," to strike out "and profits," so as to read:

A reasonable allowance for general expenses (not to exceed 8 per cent) on purchased goods.

The amendment was agreed to.

The next amendment was, on page 228, line 12, after the word "goods," to strike out "and with reference to the appraisement of all imported merchandise, whether purchased or consigned, the Secretary of the Treasury is authorized and empowered to determine the existence or nonexistence of a foreign market, and such determination shall be binding and conclusive upon all persons and interests."

The amendment was agreed to.

The next amendment was, on page 229, line 15, after the words "a fee of \$1," to strike out the words "with respect to each appraisement objected to," so as to read:

each appraisement objected to," so as to read:

If the collector shall deem the appraisement of any imported merchandise too low, he may, within 60 days thereafter, appeal to reappraisement, which shall be made by one of the general appraisers, or if the importer, owner, agent, or consignee of such merchandise shall deem the appraisement thereof too high, and shall have compiled with the requirements of law with respect to the entry and appraisement of merchandise, he may within 10 days thereafter appeal for reappraisement by giving notice thereof to the collector in writing. Such appeal shall be deemed to be finally abandoned and waived unless within two days from the date of filing thereof the person who filed such notice shall deposit with the collector of customs a fee of \$1.

Mr. ROOT. Mr. President, I wanted to call the attention of the Senator from Mississippi to a provision on this page. The Senator from Indiana [Mr. SHIVELY] is now in charge of the bill. I will ask him to look at the provision in line 7, on page 229.

That is a case, and there is one other very similar, in which the House undertook to change the language of the law and the Senate committee omitted to put it back in accordance with the general policy that was described to us by the Senator from Mississippi yesterday. I think, at all events until after the joint committee provided for has had an opportunity to make its revision and consider the subject, it would be unfortunate to change the law. I will state what the change is and the reason why I think it should not be made without further consideration.

The present law provides that when a general appraiser has fixed the value of goods his finding shall be conclusive against all parties interested unless the importer, owner, consignee, or agent of the merchandise shall be dissatisfied with such decision and shall within five days thereafter give notice, and so on, and seek to review it on appeal. That is contained in section 13 of

Then there is another provision in section 14 of the present statute which relates to the classification of goods by the collector; that is, that his decision is conclusive in fixing what class of goods comes under the statute, unless within 15 days persons interested, if dissatisfied with such decision, file a protest and seek a review.

That is the law as it is now. Anybody having an interest in the importation who is dissatisfied with the decison of the appraiser as to value or with the decision of the collector as to classification can have a review by following the formalities

The House changed the provision about the appraiser, on page 229, by making it read that the decision shall be conclusive unless the owner, agent, or consignee, and so forth, "shall deem the appraisement thereof too high," and, on page 232, there is a similar change in regard to the collector. Instead of giving a right of review from the collector's decision as to classification to anyone who is dissatisfied, the House limits the right of review to the person upon whom the decision imposes "a higher rate of duty or a greater charge, fee, or exaction than he shall claim to be legally payable."

I hope I make clear the precise change to which my remarks are directed. Under the existing law anyone interested in the importation who is dissatisfied with the decision of the appraiser as to value or with the decision of the collector as to classification can secure a review of that decision by the Board of General Appraisers or in proper cases by the courts upon filing his protest and taking the proper proceeding. The House has changed that provision so as to limit the right of review to the person from whom more money is exacted by reason of the decision, and it cuts off the right that now exists of any person interested in the importation to secure a review of an erroneous decision, even though it may not exact more money

from him on that particular importation.

There are two things which can be guarded against under the present law which could not be guarded against if this change were made which the House proposes. They are, first, the effect upon a class of importers of having some appraiser through whimsy or through prejudice or through favoritism or through corruption fix too low a value upon some one man's importations to the detriment of the remainder of the class. There is no way to review that under the present bill as the House has changed it. The Secretary of the Treasury can not control it; the law vests in him no power to control it; and very great injury may result from the uncontrolled exercise of discretion of a subordinate officer acting under prejudice or favoritism or worse. Very great prejudice may result without any power to control it unless it goes so far that you can make it the foundation of criminal proceedings or establish a basis on which to go to the President and ask him to remove an officer. Those are not very practical remedies for men who are

engaged in business and losing money.

The other thing which can be guarded against under the present law and could not be under the law as proposed is the equalization as between imports into different ports. I ask the committee to consider now what effect it would have upon importations if an appraiser and a collector at the port of Philadelphia, we will say, wishing to increase the trade of Philadelphia as against New York and Baltimore, were to put excessively low valuations or low classifications upon a certain kind of goods, while the appraisers and collectors in New York and Baltimore acted upon a different idea of their duty and put high values on or high classifications. Would not all the

trade go to Philadelphia immediately?

Mr. LODGE. Of course it would.

Of course it would. And how are you going to control it? There is no power to control it under the proposed law. It can not be brought before the general appraisers; it can not be brought before the courts; the Secretary of the Treasury can not do anything about it; and by the time a great hubbub is raised and the President is taken away from his proper duties to discipline an officer, that particular kind of business is past and something else has come into the field.

So I say until this joint committee, which I think is very wisely provided for, has had an opportunity to see whether there may be some way to meet this difficulty which is more suitable, the only existing way to meet it ought not to be cut off by a change. I think that the policy of the Senate committee In restoring the administrative provisions of the existing law pending that revision ought to be applied in this particular case, and that would call for an amendment in line 7, on page 229, striking out the word "deem" and inserting the words "be dissatisfied with."

Mr. WILLIAMS. Where is that line and page?
Mr. ROOT. On page 229, line 7, to strike out "deem" and finsert "be dissatisfied with"; and then at the last of that line

and the first of the next strike out the words "too high"; and a similar insertion of the words "of such dissatisfaction" after the word "writing," in line 11. Then a similar change should be made on page 230, line 1, by striking out the words "deem the reappraisement of the merchandise too high" and inserting the words "be dissatisfied with such decision"; and on page 232 strike out, in lines 11 and 12, the words "imposing a higher rate of duty, or a greater charge, fee, or exaction than he shall claim to be legally payable." That is simply restoring the words of the existing statute. I think there is nothing more.

The PRESIDING OFFICER. Does the Chair understand the

Senator from New York to be offering an amendment or simply

as making a suggestion to the committee?

Mr. ROOT. It is a suggestion which I hope the committee

will consider.

Mr. WILLIAMS. Mr. President, a part of the suggestions of the Senator from New York are purely clerical—the suggestion on page 229 to insert "be dissatisfied with" instead of "shall deem," and after the word "writing" the words "of such dissatisfaction." There is, however, a point of cardinal difference between us or between his viewpoint and mine. It has been the habit in this country for very many years of special interests which are protected by the tariff laws to come in and raise questions in connection with importations where they have no personal interest of any description, and with a view of prevailing upon the appraisers and Customs Court to fix a higher rate, not for the purpose of protecting the Treasury but for the purpose of protecting them.

Legislation by hypothesis is about the most dangerous thing that I know of, and the Senator this morning has made several hypotheses that he wants us to legislate upon. He has figured us that the Philadelphia appraiser who would want to make trade for Philadelphia by lowering the entered value, thereby lowering the import duties and thereby increasing the imports into Philadelphia, and somebody in New York, who was more patriotic and did not want to do that, and he has drawn a horrible picture of New York suffering in that way. The plain answer to that is that if that sort of thing ever happened the remedy is in the discharge of the employee who was dishonestly

engaged in doing something else besides his duty.

Mr. LODGE. Mr. President-

The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from Massachusetts?

Mr. WILLIAMS. Yes.

Mr. LODGE. The Senator, with his large experience in cus-

toms matters, must certainly be aware—
Mr. WILLIAMS. I have the largest of any man in the country except the Senator from Utah [Mr. Smoot]

Mr. LODGE. The Senator must be aware that difference of

appraisal is constantly happening at different ports. Mr. WILLIAMS. Absolutely; all the time.

Mr. LODGE. It can not be helped, even if done perfectly honestly; and if there is no means by which you can check too low appraisements and check too high appraisements, you will have all the goods going to the low port.

Mr. WILLIAMS. In that the Senator is mistaken. Mr. LODGE. That has happened in many cases

Mr. WILLIAMS. In that the Senator is mistaken, when I take his observation parallel with the observation made by the Senator from New York in arguing a hypothesis.

Mr. LODGE. It is not a hypothesis; it is a thing that hap-

pens every day.

Mr. WILLIAMS. I understand the thing which the Senator from Massachusetts says happens does happen every day, but the thing which the Senator from New York says might happen has never happened yet, and that is that some appraiser at some particular port would become interested in the business of reducing the charge on imports so as to help the commerce of that port. Thus far that has never happened, and there is no par-ticular reason to assume that it will happen; and if it should happen, the proper remedy is the discharge of the scoundrel who is engaged in that sort of performance of public duty.

Mr. LODGE. That is rather a remote remedy.

Mr. MILLIAMS. Of course it is perfectly palpable that an entry of pineapples may be made at San Francisco to-day, another at New Orleans, and another in New York, and all of them at different entry values. That does happen, and it happens in a different entry values. spite of the fact that we have our consular officers whose business it is to tell us what the wholesale-market price is.

In pursuing this investigation I discovered That is not all. that five ships landed with pineapples in one port of the United States one day, and that the entry values of every one of them were different. It grew out of the fact that some of the pineapples were bought prior to the time of the ripening of the pineapples at a contract price; some of them were bought later at another price; and some still later at still another price.

All of them, as it happened, were delivered in the city of New York upon the same day. Now, it just happened that the appraiser went to work and fixed all those pineapples at a certain price.

Mr. LODGE. I thought pineapples have a specific rate.

Mr. SMOOT. Why should the appraiser do so?

Mr. WILLIAMS. I may be mistaken in saying it was pine-

Mr. LODGE. He may have to make allowance for injured or destroyed fruit, but the rate is specific; he could not have changed the valuation.

Mr. WILLIAMS. It may be I am wrong in saying they were pineapples, but I do remember that that fact occurred in con-

nection with some sort of tropical fruit.

Now, the answer to most of what the Senator from New York has said is that when the Senator from Massachusetts imports goods and they are fixed in their entered value by the appraiser, that does not have anything to do with an importation the Senator from New York makes the next day or that I make the week after. His argument seems to travel upon the ground that after an appraiser has fixed the value somewhere, that controls the question of entered values. It does not. Each case stands upon its own merit.

Now, Mr. President, to come to the point of difference, it is plainly this: The Senator from New York contends that somebody not interested in the lawsuit at all, either upon the side of the revenue or upon the side of the importer, ought to have a right to intervene in order to protect his domestic industry.

Mr. ROOT. No. Mr. President; I do not suggest anything of the kind. I do not want to have it extended to anyone who

is not interested in the importation.

Mr. WILLIAMS. What does the Senator mean by "interested in the importation"? A direct party to the importa-

Mr. ROOT. I meant to substitute a brief expression for the words of the statute. The statute provides that if the importer, owner, consignee, or agent of the merchandise shall be dissatisfied with such decision he shall have this right. No one else has any right, and I do not claim that anyone else should have any right.

Mr. WILLIAMS. But under the existing law, whether they had any right or not, they have been permitted to appear before the appraiser and before the Customs Court and to set up the fact that a different rate ought to prevail. In one case that the Senator, I think, will recall some of our domestic appraisers became alarmed about the sale of bullfrogs. The tariff law had not taken care of bullfrogs' legs and things of that sort. So they made a case and had them declared to be dressed

poultry, subject to a certain duty.

If the existing law is not amended, the existing practice will continue, and the existing practice under the existing law is that a man representing some special interest, who is not financially interested in the slightest degree in the transaction between the Government of the United States and John Smith upon importation No. 1 or 2 or 3 or 5, will appear before the appraisers and will appear in the department and will appear before the Customs Court to make claims that the goods were imported at too small a duty or at too small a value.

Mr. ROOT. Mr. President—
The PRESIDING OFFICER. Does the Senator from Mississippi yield to the Senator from New York?

Mr. WILLIAMS. I do.

Mr. ROOT. I do not know that an American appraiser, assuming the case stated by the Senator from Mississippi, has any more special interest than a foreign importer or that there is anything wrong in the court allowing an American who bears a part of the burdens of American taxation to be heard as to the equalization of burdens of taxation, just as under all civilized taxing systems the owners of property can be heard for the purpose of remedying inequalities in the taxation upon their property and upon their neighbors' properties. If my house is taxed more highly than all the other houses in the block, the law provides an opportunity for me to complain of the inequality.

What the Senator from Mississippi is complaining of is that

a practice has grown up under which the American producers who have to sell their goods in competition with imported arti-cles have an opportunity to complain of the inequalities of

taxation by which they are injured.

But that, Mr. President, is not what this provision of law authorizes, for the law as it stands now permits no one except a person with a legal interest in the importation to complain and have a review. The amendment which I suggest, putting back the language of the law, would give no right to anyone except the importer, the consignee, the owner, or an agent of theirs to call for a review.

But, Mr. President, I will waste no more time arguing this question. Nothing that can be said is in the nature of anything but an appeal to the judgment of the committee. If the judgment of the committee is against me there can be no other review but that which is left to the American producer under the amended law.

Mr. WILLIAMS. Mr. President, the phrase "an interest in

the importation" is a pretty broad one.

Mr. ROOT. I said "a legal interest i

a legal interest in the importation." Mr. WILLIAMS. Ah, hitherto it has been construed to mean that any man whose business might be interfered with by an importation at a rate which he thought was too low had a right to come in and question the rate, and they have been coming in and questioning it. This bill fixes it so that nobody shall have anything to do with the lawsuit between the importer and the Government except the importer or his agent or consignee or consignor or somebody directly interested in the particular lawsuit. There is nothing peculiar about it. That is the general law which applies to all lawsuits in the world, and which has always applied to all lawsuits except a lawsuit between the

importer and the Government of the United States.

The PRESIDING OFFICER. The question is on the adoption of the committee amendment on page 229, in lines 15 and 16.

Mr. BRANDEGEE. Mr. President, before the vote is taken I should like to ask the Senator from Mississippi what he under-

should like to ask the Senator from Mississippi what he understands the amendment proposed by the Senator from New York [Mr. Root], on page 229, at line 7, to be.

Mr. WILLIAMS. The amendment was to strike out the word "deem" and to insert the words "be dissatisfied with," and also to strike out the word "too," in line 7, and the word "high," at the beginning of line 8. The first part of the amendment, to insert the words "be dissatisfied with" instead of "deem," is clerical.

Mr. ROOT. It is clerical only by striking out a word which

Mr. ROOT. It is clerical only by striking out a word which means one thing and putting in words which mean an entirely

different thing.

Mr. WILLIAMS. It will, provided the Senator's next amendment is agreed to, but if it is not, it is purely clerical. The second amendment, to strike out the words "too high," goes to

with" were inserted in place of the words "too high," goes to the very gist of the discussion that we have just had.

Mr. BRANDEGEE. Of course, if the words "be dissatisfied with" were inserted in place of the word "deem," and the words "too high" were left in, there would be no sense to the language of the provision, because it would then read:

Or consignee of such merchandise shall be dissatisfied with the appraisement thereof too high.

That would not make sense. Mr. WILLIAMS. We would have to make it read "as too high" in order to make it make sense, so that it would read:

Be dissatisfied with appraisement thereof as too high.

Mr. BRANDEGEE. Assuming that the amendment proposed by the Senator from New York were adopted and that the importer, owner, agent, or consignee of such merchandise could appeal for a reappraisement if he were dissatisfied with the appraisement thereof, how does somebody else get into that appeal of the importer?

Mr. WILLIAMS. I will tell the Senator, and it will be such a simple explanation that it may perhaps astonish him. Every now and then a protected manufacturer in this country himself imports some goods in order to get a test case to fix a rate, or he has some agent of his do it. Then he quarrels with the rate as between him and the Government, not because the Government has charged him too much, but because the Government has charged him too little upon his importation. Several cases of that sort have been tried out. By the way, the Steel Trust imported at one time-I have forgotten what it was they imported-but they did import something, and they made a point upon the rate of duty.

Mr. BRANDEGEE. Well, Mr. President, if an importation is being made at a rate which a review would show was in fact too low, it seems to me that the Government, at least, risks nothing by having a reappraisement of the goods made to see whether they are being brought into the country at too low a rate. I do not myself see how the public or the Government

would stand to lose anything.

Mr. WILLIAMS. The Treasury would stand to lose some-

Mr. BRANDEGEE. The appraisal at an alleged too low rate

could be at least tested or inquired into.

Mr. WILLIAMS. Now, let us suppose the Senator from Connecticut makes an importation. Of course his direct interest in the payment of the duty is to pay as little duty as is just and right; but suppose he makes an importation for the purpose of trying to get a higher rate. Then there comes about a fictitious suit between him and the Government, both of them on the same

side, the Government, of course, anxious to put all the money in the Treasury from the importations that it can, and the Senator, although nominally on the other side of the lawsuit, really is on the side of the Government. He represents a wealthy protected interest, he has good lawyers, and his lawyers and the Government lawyers try that alleged law case. There is no difference between them except that the Senator wants the duty a little bit higher even than that at which the Government is willing to put it if the Government is actuated by proper motives. In other words, this provision as we have worded it here just simply kills such fictitious lawsuits.

No man is allowed to complain in an ordinary court of justice unless he is hurt, unless he is injured, unless he is damaged. Under the practice now the man complains because he is not damaged, because he is not fined, because he is not tollgated, because he is not taxed; and this fictitious suit arises with all the lawyers on both sides really on the same side. We want to abolish that practice.

Mr. BRANDEGEE. Of course, I am perfectly aware that fic-titious suits can be made up and are made up continually, and until they are discovered to be such the influence of a decision

rendered therein may have some effect, but how—
Mr. WILLIAMS. The Senator will admit, if he will pardon
me just one moment, that in an ordinary law case a man is never permitted to come in and complain that he has been bene-

fited by the decision of the court below.

Mr. BRANDEGEE. Well, Mr. President, this seems to be a somewhat peculiar situation. There are two sides to this question. Fictitious suits may be brought by either party to a controversy, and while it might not be a commendable thing for an importer to claim that he had been assessed too low, still, supposing somebody induced some importer to import something which is in fact assessed too low, and that is used as a precedent for the assessment of large quantities of other goods, thereby facilitating large imports of goods at rates too low there is a situation where I think there would be very little remedy; and if the bill as it stands should prevail-

Mr. WILLIAMS. Oh, no; the Senator is mistaken about that. Mr. BRANDEGEE. I can see no objection whatever to the language of the law as it stands and as it is proposed to be restored by the Senator from New York. I should like the yeas and nays on this amendment, Mr. President, when the vote

Mr. WILLIAMS. If the valuation is too low, of course the ordinary law pertaining to undervaluations applies. I shall not make the point of there being no quorum, but let us have a yea and nay vote on this question, so as to get the Senate present.

Mr. SIMMONS. I want to ask the Senator from Connecticut [Mr. Brandegee] a question. Suppose an importer is dissatisfied with the valuation and insists that it is too high, it being to his interest to get the goods in as low as possible, and there is some protected industry which has a contrary interest in it, whose interest is that the merchandise should be valued higher, would the Senator contend that the representative of the protected industry should be permitted to intervene in that suit and set up his controversy as against the controversy of

Mr. BRANDEGEE. Not at all. I do not claim that anybody

should be allowed to intervene.

Mr. SIMMONS. Would the Senator insist that anyone should be permitted in any way whatever to come in and raise a different issue from that which the actual importer raises?

Mr. BRANDEGEE. Not at all.

Mr. SIMMONS. The importer is interested in the lowest possible rate, and his objection is based upon the ground that the rate is too high, but there is somebody else interested in a higher rate. Does the Senator insist that that somebody else, whoever he may be, should come in and set up the claim that the rate is too low, and thereby have a double issue in the same proceeding, one made by a party who was actually in interest and the other made by a party who has an indirect, collateral, and incidental interest?

Mr. BRANDEGEE. Mr. President, I have no objection to the Senator from North Carolina stating a case and then himself demolishing it; but the case he demolishes is not my case.

Mr. SIMMONS. I was simply making an inquiry

Mr. ROOT. That is not my case either. I proposed nothing of the sort.

Mr. SIMMONS. I did not say the Senator from New York

did, but I said the Senator from Connecticut did.

Mr. BRANDEGEE. The Senator from North Carolina entirely misunderstood me. What I say is that the amendment proposed by the Senator from New York [Mr. Root] does not open the door to any intervention by anybody else, except, under

the language of the bill as it stands, to the importer, the owner, the agent, or the consignee of the merchandise. The Senator from New York proposes to fix it so that the importer shall be allowed to have a reappraisement if he is dissatisfied with the appraisement, and I see no objection to having a legal trial about the merits of his dissatisfaction as to whether or not the rate is proper. I ask for the yeas and nays on the amendment if the amendment is to be now offered.

Mr. ROOT. Mr. President, then I will offer the amendment, so that we may have a vote on it. On page 229, line 7, I move to strike out the word "deem" and to insert in lieu thereof the words "be dissatisfied with"; and in lines 7 and 8 to strike out the words "too high." That is all one amendment.

Before the vote is taken let me say—the Senator from Mississippi [Mr. Williams] has spoken about a fictitious suit—that I think it would be fairer to contemplate the possibility of the bringing of a test suit in order to determine the fact, which may be of vital interest to a great number of business concerns, as to the true, market value of a particular line of goods.

Mr. WILLIAMS. Does not the Senator from New York

admit that the test suit brought by a party not really a party

in interest is a fictitious suit?

Mr. ROOT. No; the test suit would be by a party in interest, because it would be by the party who actually imports the

Mr. WILLIAMS. Ah! In that case, then, does not the Senator concede that a lawsuit brought for the purpose of making the Government make a man pay more money than he otherwise would have to pay is a fictitious suit?

Mr. ROOT. No; I do not.
Mr. WILLIAMS. Well, I do.
Mr. ROOT. I think a test suit, properly brought for the purpose of having the value of a particular line of goods in which the complainant proposed to trade properly established-

Mr. BRANDEGEE. Or their classification. Mr. ROOT. Or their classification-

Mr. WILLIAMS. I know of no court in Christendom where a man was ever permitted to come in and contend that he had been fined too little and ought to be fined more.

The PRESIDING OFFICER. The Chair is of the opinion that the question on the committee amendment should first be

put, it having been stated.

Mr. BRANDEGEE. Which is the committee amendment? The PRESIDING OFFICER. The committee amendment is to strike out a part of lines 15 and 16. The question is on agreeing to that amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The question now is on the adoption of the amendment proposed by the Senator from New York [Mr. Root], which the Secretary will state.

The Secretary. On page 229, line 7, after the word "shall," it is proposed to strike out "deem" and insert the words "be dissatisfied with"; and in the same line, after the word "thereof," to strike out the words "too high."

Mr. BRANDEGEE. I have already asked for the yeas and

nays on that amendment.

Mr. ROOT. The yeas and nays have been demanded.

The PRESIDING OFFICER. The year and nays have been demanded. Is there a second?

The yeas and nays were ordered, and the Secretary pro-

ceeded to call the roll.

Mr. BANKHEAD (when his name was called). I have a general pair with the Senator from West Virginia [Mr. Goff]. I transfer that pair to the Senator from Louisiana [Mr. Thornton] and will vote. I vote "nay." I ask that this announcement of the transfer of my pair stand for the day.

Mr. CHILTON (when his name was called). I have a pair

with the junior Senator from Maryland [Mr. Jackson]. In

his absence, I withhold my vote.

Mr. McCUMBER (when Mr. Gronna's name was called). I desire to announce that my colleague [Mr. Gronna] is necessarily absent. He is paired with the junior Senator from Illinois [Mr. Lewis]. I will allow this statement to stand for all votes that may be taken to-day.

Mr. LEWIS (when his name was called). I am paired with

the junior Senator from North Dakota [Mr. GRONNA].

Mr. LODGE (when his name was called). I am paired with the Senator from Georgia [Mr. SMITH]. I transfer that pair to the junior Senator from Illinois [Mr. SHERMAN] and will vote. I vote "vea."

Mr. THOMAS (when his name was called). I have a general pair with the senior Senator from Ohio [Mr. Burton], which I transfer to the Senator from Oklahoma [Mr. Gore],

and vote "nay."

Mr. TILLMAN (when his name was called). I announce my pair with the junior Senator from Wisconsin [Mr. Stephenson] and withhold my vote. I will let this announcement stand for

Mr. JONES (when the name of Mr. Townsend was called) I desire to state that the junior Senator from Michigan [Mr. Townsend] is necessarily absent. He is paired with the Senator from Florida [Mr. BRYAN]. I ask that this announcement stand for the day

Mr. WILLIAMS (when his name was called). 'I wish to inquire if the Senator from Pennsylvania [Mr. Penrose] has

The PRESIDING OFFICER. The Chair is informed that he has not voted.

Mr. WILLIAMS. Then I withhold my vote, as I have a pair with that Senator.

The roll call was concluded.

Mr. GALLINGER.. I have a general pair with the junior Senator from New York [Mr. O'Gorman], which I transfer to the junior Senator from Maine [Mr. Burleigh], and vote "yea."

Mr. SUTHERLAND (after having voted in the affirmative). am informed that the Senator from Arkansas [Mr. Clarke] has not voted. As I have a pair with that Senator, I withdraw

Mr. SMOOT. I desire to announce that the junior Senator from Wisconsin [Mr. Stephenson] and the senior Senator from Delaware [Mr. DU PONT] are detained from the Senate on account of illness

Mr. TILLMAN. I transfer my pair with the Senator from Wisconsin [Mr. Stephenson] to the junior Senator from Mississippi [Mr. VARDAMAN] and vote "nay."

Mr. REED. I will transfer my pair with the Senator from Michigan [Mr. Smith] to the Senator from Nevada [Mr. Pitt-

MAN] and vote "nay."

Mr. BRYAN. I have a pair with the junior Senator from Michigan [Mr. Townsend], which I transfer to the senior Senator from Maryland [Mr. SMITH] and vote "nay."

Mr. REED (after having voted in the negative) ago I transferred my pair with the Senator from Michigan [Mr. SMITH] to the Senator from Nevada [Mr. PITTMAN] under the impression that the Senator from Nevada was not here. I see he has entered the Chamber and voted, and therefore I withdraw my vote.

Mr. CHILTON. I transfer my pair, announced a moment ago with the Senator from Maryland [Mr. Jackson] to the senior Senator from Nebraska [Mr. HITCHCOCK] and will vote. I vote nay."

Mr. GALLINGER. I am requested to announce the following pairs: The Senator from Delaware [Mr. DU PONT] with the Senator from Texas [Mr. CULBERSON]; the Senator from West Virginia [Mr. Goff] with the Senator from Alabama [Mr. BANKHEAD]; and the Senator from Rhode Island [Mr. LIPPITT] with the Senator from Tennessee [Mr. Lea].

The result was announced—yeas 28, nays 36, as follows:

YEAS-28. Kenyon Lodge McLean Nelson Norris Oliver Borah Bradley Brady Brandegee Clark, Wyo. Perkins Poindexter Root Smoot Colt Crawford Cummins Dillingham Warren Weeks Works Bristow Catron Gallinger Jones Page NAYS-36. Pittman Pomerene Ransdell James Johnson Ashurst Simmons Smith, Ariz. Smith, S. C. Bacon Bankhead Kern Bryan Chamberlain Chilton Lane Martin, Va. Martine, N. J. Myers Robinson Saulsbury Shafroth Stone Swanson Thomas Cletcher Sheppard Shields Thompson Hollis Overman Tillman Hughes Shively Walsh NOT VOTING-31. Newlands O'Gorman Penrose Reed Sherman Smith, Ga. Smith, Md. Smith, Mich. Stephenson Sterling Sutherland Thornton Townsend Gronna Hitchcock Jackson La Follette Burleigh Burton Clarke, Ark. Culberson du Pont Fall Goff Lewis Lippitt McCumber Vardaman Williams

So Mr. Root's amendment was rejected. The reading of the bill was resumed.

The next amendment of the Committee on Finance was, in section 4, subdivision M, page 230, line 13, after the word "merchandise," to strike out "and in so doing may exercise both judicial and inquisitorial functions. In such cases hearings may, in the discretion of the general appraiser or Board of General Appraisers before whom the case is pending, be open and in the

presence of the importer or his attorney and any duly authorized representative of the Government, who may in like discretion examine and cross-examine all witnesses produced" and insert "In such cases the general appraisers and the Board of General Appraisers shall give reasonable notice to the importer and the proper representative of the Government of the time and place of each and every hearing, at which the parties or their attorneys shall have opportunity to introduce evidence and to hear and cross-examine the witnesses for the other party, and to inspect all samples and all documentary evidence or other papers offered. Hearsay evidence and unsworn statements shall not be admitted, but affidavits of persons whose attendance can not be procured may be admitted in the discretion of the general appraiser or Board of General Appraisers"; and on page 231, line 20, after the word "same," to insert "where no party in interest had demanded the inspection of such merchandise or samples," so as to read:

In such case the general appraiser and Board of General Appraisers shall proceed by all reasonable ways and means in their power to ascertain, estimate, and determine the dutiable value of the imported merchandise. In such cases the general appraisers and the Board of General Appraisers shall give reasonable notice to the importer and the proper representative of the Government of the time and place of each and every hearing, at which the parties or their attorneys shall have opportunity to introduce evidence and to hear and cross-examine the witnesses for the other party, and to inspect all samples and all documentary evidence or other papers offered. Hearsay evidence and unsworn statements shall not be admitted, but affidavits of persons whose attendance can not be procured may be admitted in the discretion of the general appraiser or Board of General Appraisers. The decision of the appraiser, or the person acting as such (in case where no objection is made thereto, either by the collector or by the importer, owner, consignee, or agents), or the single general appraiser in case of no appeal, or of the board of three general appraisers, in all reappraisement cases, shall be final and conclusive against all parties and shall not be subject to review in any manner for any cause in any tribunal or court, and the collector or the person acting as such shall ascertain, fix, and liquidate the rate and amount of the duties to be paid on such merchandise, and the dutlable costs and charges thereon, according to law; and no reappraisement or re-reappraisement shall be considered invalid because of the absence of the merchandise or samples thereof before the officer or officers making the same where no party in interest had demanded the inspection of such merchandise or samples.

The amendment was agreed to.

The next amendment was, in subdivision N, page 232, line 18, after the word "thereon," to strike out "Each protest shall be limited to a single article or class of articles, and to a single entry or payment; and issues of classification shall not be joined with other issues in the same protest"; so as to read:

joined with other issues in the same protest"; so as to read:

N. That the decision of the collector as to the rate and amount of duties chargeable upon imported merchandise, or upon merchandise on which duty shall have been assessed, including all dutiable costs and charges, and as to all fees and exactions of whatever character (except duties on tonnage), shall be final and conclusive against all persons interested therein, unless the owner, importer, consignee, or agent of such merchandise, or the person paying such fees, charges, and exactions other than duties, shall, within 30 days after but not before such ascertainment and liquidation of duties, as well in cases of merchandise entered in bond as for consumption, or within 15 days after the payment of such fees, charges, and exactions, if dissatisfied with such decision imposing a higher rate of duty, or a greater charge, fee, or exaction, than he shall claim to be legally payable, file a protest or protests in writing with the collector, setting forth therein distinctly and specifically, and in respect to each entry or payment, the reasons for his objections thereto, and if the merchandise is entered for consumption shall pay the full amount of the duties and charges ascertained to be due thereon. Such protest shall be deemed to be finally abandoned and waived unless within 30 days from the date of filing thereof the person who filed such notice or protest shall have deposited with the collector of customs a fee of \$1 with respect to each protest. Such fee shall be deposited and accounted for as miscellaneous receipts, and in case the protest in connection with which such fee was deposited shall be finally sustained in whole or in part, such fee shall be refunded to the importer, with the duties found to be collected in excess, from the appropriation for the refund to importers of excess of deposits.

The amendment was agreed to.

The amendment was agreed to.

The next amendment was, on page 233, line 7, after the word "deposits," to insert: "No agreement for a contingent fee in respect to recovery or refund under protest shall be lawful. Compliance with this provision shall be a condition precedent to the validity of the protest and to any refund thereunder, and a violation of this provision shall be punishable by a fine not exceeding \$500, or imprisonment for not more than 1 year or both."

Mr. BRANDEGEE. Mr, President, does that mean that if anybody makes an agreement for a contingent fee, in the event of a successful protest he is liable to be sent to State's prison for it?

Mr. WILLIAMS.

Mr. WILLIAMS. Yes. Mr. BRANDEGEE. I should think that was a pretty serious

penalty for a mere agreement for a contingent fee.

Mr. WILLIAMS. We want to do away with all this contingent-fee business. It causes endless litigation and has become a sort of petty trade.

Mr. ROOT. I think the amendment is right.

The PRESIDING OFFICER. The question is upon agreeing to the committee amendment.

The amendment was agreed to.

The next amendment was, on page 233, line 24, after the word "Appeals," to insert "or in a United States Circuit Court of Appeals," so as to make the paragraph read:

Appeals," so as to make the paragraph read:

Upon such payment of duties, protest, and deposit of protest fee, the collector shall transmit the invoice and all the papers and exhibits connected therewith to the board of nine general appraisers, for due assignment and determination as provided by law; such determination shall be final and conclusive upon all persons interested therein, and the record shall be transmitted to the proper collector or person acting as such, who shall liquidate the entry accordingly, except in cases where an appeal shall be filed in the United States Court of Customs Appeals or in a United States circuit court of appeals within the time and in the manner provided for by law.

WILLIAMS. Mr. President, this is a case where the committee has come to the conclusion that it has made a mistake. I desire to strike out "or in a United States circuit court of appeals"; and I should like to have the Secretary read some letters submitted to the committee on this subject. When we get to page 273 I wish to have a similar change made. I might as well attend to both matters now.

Mr. LODGE. As I understand, the Senator asks that this

amendment shall be disagreed to.

Mr. WILLIAMS. Yes.

The PRESIDING OFFICER. The Chair so understood it.

Mr. WILLIAMS. On page 273, lines 11 to 17, this language

That the circuit courts of appeal of the United States shall have concurrent jurisdiction with the Court of Customs Appeals in all matters within the jurisdiction of the last-named court, but no appeal to the circuit courts of appeal shall be allowed unless the amount in controversy, either in the case appealed or in pending cases involving the same issue, shall exceed \$100.

We put in this provision for concurrent jurisdiction on the part of the circuit court of appeals because the Customs Court, which has the right to meet anywhere, has persisted in meeting here in Washington all the time, and that has resulted in a good deal of discomfort to litigants; that is to say, we thought it had. We had that idea in our minds at the time. About 70 per cent of these cases arise in the port of New York. I never have seen any reason why this court should not hold its sessions in the port of New York, and in fact I thought it ought to do so. The law permits it to do so if it will; but it never has held but one session outside of the city of Washington. My own opinion is that the members of the court have been led to adopt that course by considerations of their own personal comfort, rather than by any consideration for the public interest.

In attempting to correct that condition we thought we would give concurrent jurisdiction to the circuit court of appeals. But after we got to looking into the matter we realized, of course, that this court is altogether an appellate court; and the litigants themselves are not dragged here, although their attorneys are. It is a badge of our tribe—the attorneys' tribe—that, of course, we charge the litigants every time we get a chance to do so for traveling expenses, and so the lawyers do charge

these people for their trips to Washington.

Now, as a matter of fact, very frequently these customs lawyers have to be here anyhow in connection with business before the Treasury Department, and I find upon investigation that the Customs Court has set its cases to suit the convenience of the attorneys. The main idea in our minds at first was that there would be matters over in San Francisco or down in New Orleans that had to come here, but there are very few cases of

In connection with the reconsideration of what we have done, I should like to have read by the Secretary the matter I send up to the desk, except the part I have struck out, which seemed to me to be a little personal toward another party. I should like to have the rest of it read.

I move to strike out-

Mr. GALLINGER. The question will be upon agreeing to the amendment.

Mr. WILLIAMS. I move, first, to strike out the language in lines 24 at d 25, reading "or in a United States circuit court of appeals." Then I move to strike out the language on page 273 which I read a moment ago.

The Senator means to move to disagree to the Mr. ROOT amendment, not to strike out. He can not strike out this part, because the Senate has not yet agreed to insert it.

Mr. GALLINGER. The motion would be upon agreeing to the amendment.

Mr. WILLIAMS. Yes; disagreeing to the Senate amendment. Mr. GALLINGER. If the Senator wishes to have it disagreed to, we will disagree to it on a vote.

Mr. WILLIAMS. The language I wish to disagree to on page

273 is all the language contained in lines 11 to 17, inclusive.

Rather than have the Secretary read the matter I have referred to, I ask that it may be inserted in the RECORD. It is

The PRESIDING OFFICER. In the absence of objection, it will be so ordered.

The matter referred to is as follows:

NOTES ON PROPOSED PROVISIONS OF THE CUSTOMS ADMINISTRATIVE LAW AFFECTING APPELLATE JURISDICTION IN CUSTOMS CASES.

These provisions are two in number; first, on page 233, lines 24 and 25, of the pending Senate act, the words, "or in a United States circuit court of appeals"; and, second, on page 273, the paragraph as follows:

These provisions are two in number; first, on page 233, lines 24 and 25, of the pending Senate act, the words, "or in a United States circuit court of appeals"; and, second, on page 273, the paragraph as follows:

"That the circuit courts of appeal of the United States shall have concurrent jurisdiction with the Court of Customs Appeals in all matters within the jurisdiction of the last-named court, but no appeal to the circuit courts of appeal shall be allowed unless the amount in controversy either in the case appealed or in pending cases involving the same issue shall exceed \$100."

It is further intinated that the court was created to decide questions according to prejudged partisan ideas. The falsity of that statement is demonstrated by an examination of the Congressional Record.

The idea of the Court of Customs Appeals first took form in 1904, when a bill for the same, drafted by Marion De Vries, a Democrat, then a member of the Board of General Appraisers at New York, was introduced in the House of Representatives by Representative Needham, of California, at the request of its author, a legal resident of Mr. Needham's district. It was subsequently introduced in the several Congresses until its final adoption in 1909. When the customs adminstrative features of the Payne-Aldrich tariff act were considered by the Finance Committee, and particularly the provisions creating the Court of Customs Appeals, the whole committee, including the Democrats, participated in the deliberations. These provisions were neither deemed nor treated as partisan legislation. Senator Simmons and Senator Bailey were both members of that committee active in the consideration of the provisions creating the Customs Court. The matter was the referred to a committee consisting of representatives from the Attorney General's office, a representative from the Treasury Department, and representatives from the Board of General Appraisers, whose printer ferred to a committee consisting of representatives from the thoractic and Republican su

precise detail and the necessities for a single tribunal of final authority and prompt decision in such cases. This report will be found printed in the volume of the Congressional Record above stated, pages 4202 to 4225, inclusive.

In brief, the controlling purposes were twofold:

1. The expedition of customs decisions. Under the old practice it was found that the average life of a customs appeal was four and one-half years. That ofttimes it required more than 10 or 12 years to secure ultimate decision in a customs case. For a long list of such eases by title see Congressional Record, page 4205, et seq. Of all classes of litigation in which early final decision is both desirable and necessary, customs cases are the most urgent. The decision not alone affects the particular importation, but definitely determines a disputed question as to the rate or amount of the particular duty on like importations for the entire remaining life of the tariff act. A doubtful provision of the tariff law is not complete nor the rate of duty settled until finally adjudicated by the court of last resort. The law is finally enacted when finally adjudicated. Since the creation of the Court of Customs Appeals the average life of a customs appeal has been reduced from four and one-half to less than one year.

2. Uniformity of decision. Under the old system, as set forth in the report stated, cases coming up from different ports of the country and being decided by different circuit courts and circuit courts of appeal resulted in numerous conflicting decisions between different circuit courts and circuit courts of appeal will be the same was enforced differently in different parts of the country. For a long list of such decisions by title see Congressional Record, page 4214, et seq. The report stated sets forth the title of the cases and numerous instances of this kind. This was and ever will be the result of coordinate final appellate authority in customs cases with judges of conscientious convictions for the districtions are more often

the country.

It is urged, however, and, I am informed, that it is a controlling argument, that litigants at different ports have a right to a hearing at their respective ports. This is true as to the trial of cases but not as to requirements in appellate courts such as is the Court of Customs

as to requirements in appellate courts such as is the Court of Customs Appeals.

Appended hereto, marked "Exhibit A," is a statement of the cases docketed to June, 1913, in the Court of Customs Appeals. It will be found that 80 per cent of these cases arose at the port of New York, and 50 per cent of the remainder at eastern ports. If there is any cogency in this argument it would result in the removal of the Court of Customs Appeals from Washington to New York, but there is no virtue in the argument. It excludes by quiescence the true facts of the situation. Of course every man is entitled to a trial of his case in his vicinage;

but that does not and has never been held to apply to the argument of cases upon appeal in State or Federal courts. The Court of Customs Appeals hears cases solely upon printed records and briefs sent up from the trial tribunal. Oral arguments are afforded by the court when desired. It makes no difference to the party whether he be in Boston or New York or Washington or San Francisco or New Orleans, he submits his evidence before a board of general appraisers at the port whereather resides, if he chooses. He can under the law be present at the trial with his counsel and witnesses. The case on appeal is made up on a printed record on appeal. He does not appear in court on appeal and his presence in court can not have any effect upon his case. I venture the suggestion that under the old system, as would be true under the proposed amendments, not one litigant in a hundred would be present at the argument of his case on appeal to a circuit court of appeals.

It is preposterous, for example, to suppose that an importer at Seattle would go to San Francisco to be present at the argument of his case on appeal. If it is vicinage trial that is desired he has it now, for the Board of General Appraisers affords it: if it is vicinage argument, as the proposed amendments provide, it would be all the proposed amendments provide, it would be all other supreme appellate courts.

The appeals to the Court of Customs Appeals are largely handled by New York City customs attorneys. The important cases throughout the country are usually handled by some of these attorneys. They are more particularly skilled in that line of work and introduce the testimony, prepare briefs, and argue the case before the court. These attorneys always have similar protests and it is to the advantage of the distant attorney that his case be decided upon a record made up in one of the larger cities. In proof of this the records show that from February, 1912, to June, 1913, there were actually argued in the Customs Court 188 appeals. The attorneys appearing

cases.

The requirement is the same as that of the Supreme Court of the United States in exactly the same class of cases, and there is absolutely no hardship worked upon the litigants by having their cases submitted on briefs or by having their cases argued orally in Washington. The reason that the court has not sat outside of the city of Washington is, first, because there is no demand for it; second, there is no reason for it; and thirdly, it means a needless public expense. If it were a nisl prius court taking testimony it would be different, but it is an appellate court and arguments before it might as well be submitted by brief or by attorneys without the presence of the litigant. It is a court of final Federal jurisdiction, and for this reason anything prompting a change in its procedure would for the same reason prompt a change in the proceedings of the Supreme Court of the United States.

States.

But does not the procedure proposed by these amendments lead to the same result? It is proposed to go to the circuit court of appeals and thence to the Supreme Court for final decision. Will the Supreme Court travel about the country when it takes up customs cases? If the argument is sound it should, or the moving purpose of the amend-

the argument is sound it should, or the moving purpose of the amendments be lost.

It is said that this amendment follows a provision relating to the Court of Claims. In part this is true, in part it is not. The provision relating to the Court of Claims affected cases of comparatively small moment. They were confined to cases under \$1,000 in district courts and cases under \$10,000 in circuit courts. (See sec. 2, act of Mar. 3, 1887.) The idea of that act was for the convenience of the litigants in introducing testimony. It affected a nist prius situation wherein parties having a claim must go before the court with their witnesses and prove their cases. It was expressly confined to mainmum cases, whereas this provision relates to cases above a maximum. It was essential to subserve the party litigant in presenting this testimony, but in this case no such purpose is subserved. There are no witnesses here, there is but an oral argument which may well be submitted by brief as orally or through many eminent customs attorneys near at hand.

mitted by brief as orally or through many eminent customs attorneys near at hand.

Indeed, the proposition ignores the essential character of customs cases. In most customs cases of any moment protests arise on the issue at all ports of the country. Whenever a point is made by an attorney at New York or some other port, immediately it is taken up by the attorneys and brokers at all other ports. Sometimes it is urged at one port and sometimes at another, but if the theory is to be carried out in this case the court would have to sit at every port for the hearing in the single issue. Otherwise, but one of several parties to the issue would be benefited. As a matter of fact, most of the evidence is had at New York or one of the larger eastern ports, and the more experienced customs attorneys are at New York; and while the issue arises at all ports the same issue is usually carried to completion at and from the port of New York.

It should be particularly noted that these provisions, while conferring jurisdiction in circuit courts of appeal in custom cases, provide no procedure whereby those appeals are to be taken into those courts and provide no procedure; nor is such otherwise provided by law, whereby they may be reviewed in the Supreme Court of the United States. The language proposed confers jurisdiction upon courts without providing any procedure whatever for the mode of exercise of that jurisdiction or a review of the decisions of the court in such cases. This condition would, therefore, result in constant litigation. When coordinate jurisdiction in claims cases was conferred upon district and circuit courts that act provided (sec. 4) for the procedure controlling in such appeals.

And so in the creation of the United States circuit courts of appeal. When such courts were created and their jurisdiction prescribed and vested in them the act vesting that jurisdiction also prescribed the procedure for the exercise thereof. (See act of Mar. 3, 1891.) So when the customs administrative law previously provided appeals to the circuit courts that act, prior to the creation of this court, prescribed how such appeals were to be taken and how they might be reviewed by circuit courts of appeal and the Supreme Court of the United States. Likewise does the organic act creating this court so provided for or how it should be exercised. If this jurisdiction is to be granted there should be further provision made as to its exercise; otherwise we simply provide a statute of confusion.

The inevitable effect, however, of these provisions would not be that there would be hearings at the different ports of the country, but that the United States Circuit Court of Appeals at New York will be constituted the customs court of appeals of the country. As stated, 80 percent of these appeals arise at that port. The procedure would be more desirable by customs attorneys and brokers for the reason that it would extend such litigation from an average of one year to an average of four and one-half years in each case, as was the case under the old system. The result would further be that more judges would of necessity have to be added to that court, and there would be great delay in final decision in these cases.

When the act of May 27, 1908, passed the House of Representatives it provided that all appeals from the Board of General Appraisers should be taken directly to the United States circuit courts. When it went before the Finance Committee of the Senate for consideration, the judges of that court, learning of this provision, wrote a protest to the Finance Committee against its passage, upon the ground that it would throw the vast bulk of customs cases into that court and would seriously retard if not render impossibl

Hon. Nelson W. Aldeich.

United States Senate, Washington, D. C.

Dear Sir: We have just learned that a bill has been passed by the House of Representatives and is now before the committee of which you are chairman, making certain changes in the procedure touching the review of assessments for duty on imported merchandise.

With one provision of the bill only is this court concerned. Had we known sooner that such legislation was in contemplation we should have furnished your committee and the Committee on Ways and Means of the House with the following information, which would seem to be entitled to consideration before making the particular change in the procedure which is referred to. The bill abolishes appeals from the Board of General Appraisers to the circuit court and from the circuit court to the circuit court of appeals, and substitutes therefor fit appeal direct from the Board of General Appraisers to the circuit court of appeals.

direct from the Board of General Appraisers to the circuit court of appeals.

It would seem that the immediate result of the passage of the bill as now framed would be very greatly to increase the amount of business to be disposed of by the circuit court of appeals. The consequence might very well be that this court would become so congested as to be unable to dispose of its calendar each year. This we consider a most serious matter, because circuit courts of appeal were originally constituted for the express purpose of disposing in each year of all the appeals which might be taken to them.

We offer for your consideration the following figures:

Appeals heard and disposed of.

OCTOBER

1898-1899	157
1899-1900	163
1900-1901	156
1901-1902 1902-1903	143 185
1902-1903	199
1904–1905	234
1905-1906	273
1906-1907	285

When the calendar did not present more than 160 cases to be disposed of the circuit judges were able to hold sessions of three weeks for the hearing thereof with recesses of two weeks each between for the disposition of the same. Since the great increase of the past three years the recesses between sessions, during which the opinions have to be written, have necessarily been reduced to one week each. What the result might be if the present calendar of 285 cases were suddenly increased by adding 200 additional appeals it would be difficult to forecast. we remain, Very respectfully, yours.

E. HENRY LACOMBE, ALFRED C. COXE, H. G. WARD. WALTER C. NOYES.

WALTER C. NOYES.

If the work, then, of that court was too much for additional labor, what would it now be with customs appeals added?

I therefore conclude that there is no sound reason in fact supporting the amendments. If it was desirable or necessary or at all practicable that local hearings be given the arguments, the court stands ready to afford them, but there has been no demand for such, and in the interests of the public revenue and justice to all litigants there is no necessity for them. That this was the view of the Appropriations Committee of the House appears from a letter addressed them on the subject, no sufficient appropriation having been made in the premises. I think their position was correct. See copy of letter, Exhibit B, hereto attached. attached

attached.

The adoption of these amendments will result in 10 courts of final jurisdiction in customs cases or in 2 courts of final jurisdiction in customs cases, to wit, the United States Supreme Court and the Court of Customs Appeals. The United States Supreme Court, of course, will not go to the ports to afford a hearing in customs cases and therefore there would be no betterment by these amendments.

Since the creation of the Court of Customs Appeals the accumulation of customs appeals has been disposed of in the three years of its existence. The court is up to date, and every case ready to be argued, has been argued and submitted and, with the exception of three, been decided. The calendars of all other Federal courts have been cleaned of

these cases. There is no court, either State or Federal, better up in its

these cases. There is no court, either State or Federal, better up in its work.

I am reliably informed that these amendments do not meet the approval of, but are opposed by the Treasury Department, the Attorney General, and the Assistant Attorney General in charge of customs cases. In view of the provision following that is in the Senate act creating a commission to consider and report a complete code of customs administrative laws it is respectfully urged that this most important and far-reaching amendment which will undoubtedly divert all customs appeals from the Court of Customs Appeals be eliminated.

#### EXHIBIT A.

Origin of cases before the United States Court of Customs Appeals.

VOLUME 1 OF DOCKET, CASES NOS. 1-500.	
From New York	367
Philadelphia	18
Boston	30
Baltimore	10
Providence	4
Chicago	31
St. Louis	6 8 7 15
New Orleans	6
Seattle	8
San Francisco	15
14 other places	10
Total	500
Of these, 347 were eld cases transferred from other courts.	
VOLUME 2 OF DOCKET, CASES NOS. 501-1000.	
	101
From New York Boston	424
Philadelphia	25
Baltimore	4
Chicago	21
ChicagoSan Francisco (7 were on one issue)	ĩ
10 other places	13
	31.23
Total	500
Of these, 47 were old cases, transferred from other courts.	
YOLUME 3 OF DOCKET, CASES NOS. 1001-1200;	
From New York	100
	165
Burlington, Vt.	1
Philadelphia	3
Newark, N. J	
Chicago	12
Milwaukee	
Cleveland	
Ningara Falis	
St. Louis	
Sandusky, Ohio	
San Francisco	
Port Townsend	15 A 15
Los Angeles	
	-
Total	200
RECAPITULATION.	
From New York	956
Other eastern ports	107
Middle West	103
Pacific coast	34
Total	1 00/
Total	1, 200

# EXHIBIT B.

WASHINGTON, D. C., May 4, 1912.

Hon, John J. Fitzgerald,
Chairman Committee on Appropriations,
House of Representatives.

House of Representatives.

Dear Sir: In examining the bill making appropriations for legislative, executive, and judicial expenses, Union Calendar No. 216, H. R. 24023. I find on page 136 appropriations for the expenses for this court include the following item:

"For necessary traveling expenses of members of the court and clerk, \$330."

This provision is made in view of the provision of law authorizing the court to hold terms of court at places other than the city of Washington. In submitting the estimate for these provisions, I separated the traveling expenses from the expense for subsistence of members of the court and clerk, which are of course also provided for by law, and the expenses for subsistence appear to have been omitted in the bill as reported.

If we hold one or more terms of court, for instance, in New York, the amount for traveling expenses would clearly be inadequate for the subsistence of the members of the court during a term of any reasonable length.

subsistence of the members of the court during a term of any reasonable length.

I direct your attention to it, thinking perhaps that the omission may have been an oversight or have resulted from misunderstanding. As stated in my estimate furnished the committee, it is by no means certain that we shall have occasion to hold any terms outside of Washington, but as provision is made for it in the organic act, and as conditions might arise which would make it seem necessary, or at least proper, to do so, it was thought that provision for the expenses should be embodied in the appropriation bill.

This letter is not written with a view to any criticism of any decision the committee may have made under that question, but to direct attention to the fact that the item for traveling expenses would be inadequate to enable the court to hold such term or terms of court if in the view of the court it should be deemed wise.

Yours, very truly,

R. M. Montgomery,

Presiding Judge.

R. M. MONTGOMERY, Presiding Judge.

As to the Court of Customs Appeals, I wish to say that at the time the court was constituted there was a pretty full discussion in the Senate as to the place where its principal place of session should be. I think the impression was,

and I know my feeling was very strong, that it was better that the court should sit here than that it should sit in the city of New York. I would rather have the court in the free atmosphere of Washington, where there is no importation to speak of, than to have its members sitting as a subordinate tribunal in the city of New York, surrounded by the attorneys who are piling up these enormous masses of protests, and living and breathing in that atmosphere.

Mr. WILLIAMS. Oh, undoubtedly their sitting here is a sort of discouragement of litigation, because often a man does not care to pay his lawyer's traveling expenses when he may be willing to pay the lawyer himself. But the fatal defect in the amendment which we adopted in committee—and I do not say this in criticism of the committee, but in criticism of myself-consists in the fact that if the Customs Court made decisions and the circuit court of appeals at New York made some, and the circuit court of appeals at New Orleans made some, and the circuit court of appeals at San Francisco made some we would not have a homogeneous line of decisions in connection with customs appeals.

The PRESIDING OFFICER. The question is on disagree-

ing to the committee amendment

Mr. GALLINGER. The question is on agreeing to the committee amendment, Mr. President.

The PRESIDING OFFICER. The question is on agreeing

to the committee amendment on page 233, lines 24 and 25.

The amendment was rejected.

The PRESIDING OFFICER. Does the Chair understand it is desired to have the amendment put which is stated on page 273?

Mr. WILLIAMS. Yes. It is precisely the same subject matter, and I should like to have it considered now.

Mr. SMOOT. Let it come in its regular order.

Mr. ROOT. No; let us dispese of it now

The Secretary. On page 273, the committee proposes to in-

That the circuit courts of appeals of the United States shall have concurrent jurisdiction with the Court of Customs Appeals in all matters within the jurisdiction of the last-named court, but no appeal to the circuit courts of appeals shall be allowed unless the amount in controversy either in the case appealed or in pending cases involving the same issue shall exceed \$100.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

Mr. SIMMONS. I understood that the Senator from Mississippi moved to disagree to the amendment.

The amendment was rejected.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 234, line 7, after the word "thing," to strike out "which they, or either of them, may deem," so as to read:

O. That the general appraisers, or any-of them, are hereby authorized to administer oaths, and said general appraisers, the boards of general appraisers, the local appraisers, or the collectors, as the case may be, may cite to appear before them, and examine upon oath any owner, importer, agent, consignee, or other person touching any matter or thing material respecting any imported merchandise then under consideration, etc.

Mr. SMOOT. Mr. President, the striking out of the words "which they, or either of them, may deem," refers to the materiality of questions asked by the examining officers. amendment would seem to weaken very much the authority of these officers. Under the present law and the wording of the House bill, a question was material if the general appraiser or the collector or the local appraiser deemed it so. But apparently, under this amendment, the person being examined would have an equal voice with the examining officer in determining whether or not a given question was material.

I believe if you strike out those words, the question will arise hereafter as to what authority the appraiser or the collector or even the local appraiser had in deciding as to what may be a material question. In the event of a disagreement, who is to pass upon this point? I ask that question of the Senator from

Mississippi.

Mr. WILLIAMS. Of course in the first instance, where the appraiser is sitting as a judge, he must be and is the judge of the materiality of any questions presented to him. Therefore it was utterly absurd to say "which they, or either of them, may deem material," in so far as a trial before him was concerned. When the trial goes up from him to the three appraisers, or to the Customs Court, we want the question as to whether or not a thing is material determined as it is in all law cases-not by the lower court merely arbitrarily saying that it is material; but if it is appealed from there, of course whether or not a question that they considered material was really material becomes a question in the court above.

Mr. SMOOT. I should like to ask the Senator another question. Suppose there was an obstinate witness, who declined to answer a question upon the ground that it was immaterial?

Mr. WILLIAMS. And who took an appeal upon that point? Mr. SMOOT. No; he would not necessarily have to take an appeal.

Mr. WILLIAMS. Then he would be subject to be dealt with

summarily, unless he answered.

Mr. SMOOT. Not under this bill.

Mr. WILLIAMS. Oh, yes; there is not in any statute book in the world any language which says that that shall be material which the court in which the proceeding is initiated deems material. It is material before that court, of course, because that court makes all the decisions upon points of evidence.

Mr. SMOOT. That would be the case if it were specifically

stated.

Mr. WILLIAMS. But with this language there, when the case went up there would be no power to review the decision of the lower court as to what was or was not material. That would be material which the lower court had said was material, whether it was really material or not, even in the court above.

Mr. ROOT. Mr. President, this is not a court proceeding.

Mr. SMOOT. It is simply a hearing.

Mr. ROOT. This is not a proceeding inter partes. It is an inquisitorial proceeding. The provision authorizes these appraisers, whose duty it is to ascertain certain facts, to send for the people interested and get information from them. It is not a proceeding in court.

Mr. WILLIAMS. Oh, but still the Senator must admit that the appraiser does act in a judicial capacity when he makes a decision, and unless that decision is appealed from and carried

higher it is final.

Mr. SMOOT. Mr. President, from what the Senator has already said I can see now why the last words of this paragraph were inserted—that is, lines 19 and 20:

And such evidence shall be given consideration in all subsequent proceedings relating to such merchandise.

In other words, the Senator from Mississippi has taken the proceeding before the local appraiser as a court proceeding, whereas it is only a hearing. I quite agree with the Senator from New York that if it is only a hearing the law must specifically state whether or not they shall have the power to determine as to the materiality of a question.

Mr. WILLIAMS. Any hearing which results in mulcting me or any other citizen of a certain amount of money is nec-

essarily judicial as far as the victim is concerned.

SMOOT. The present law specifically gives them that authority, in these words:
Which they, or either of them, may deem.

Meaning the general appraiser or the collector or the local praiser. The House provision had those words in it, but the Senate committee have stricken them out.

Mr. BRISTOW. Mr. President, I should like to make an inquiry of the Senator from Mississippi. As the provision stood before those words were stricken out it gave the appraisers authority to examine into anything which they thought material, did it not?

Mr. WILLIAMS. In the first place, the language which we have stricken out was not in the old law.

Mr. SMOOT. Oh, yes, Mr. President, those very words are in the present law.

WILLIAMS. I do not think so. I may be mistaken about that.

Mr. SMOOT. They are in subsection 15 of the present law. The Senator will find those words in that subsection.

Mr. BRISTOW. Could not the question of materiality here be made a subject of litigation?

Mr. WILLIAMS. Yes; of course.

Mr. BRISTOW. Under the language as it came from the House it could not be?

Mr. WILLIAMS. It could not be,

Mr. BRISTOW. And now it can be? Mr. WILLIAMS. Now it can be, if our amendment striking out the House language is embodied in the bill.

Mr. BRISTOW. Does the Senator think the question as to whether the board of appraisers should inquire into a thing ought to be opened up and made a matter of litigation?

Mr. WILLIAMS. Why, absolutely. I do not know of any provision in any law in the world, on any statute book, that does not make the question of materiality the subject of litigation in the court above when it is appealed from. Of course, practi-cally, it is not a subject of litigation before the appraiser him-self, because, sitting as he does, he determines in the first instance that the thing about which he wants the information is material.

Mr. BRISTOW. Could he not be enjoined from making this inquiry on the ground that it was not material?

Mr. WILLIAMS. I think so. Mr. BRISTOW. Does not the Senator think that would be, or might be, a handicap upon the administration of the law?

Mr. WILLIAMS. Not to any unjust extent. If an appraiser wanted to go too far in the espionage business or the inquisitorial business, there ought to be some power to stop him.

Mr. SMOOT. Here is the present law, subsection 15.

Mr. WILLIAMS. It is not this language by any manner of means

Mr. SMOOT. It says:

Mr. SMOOT. It says:

That the general appraisers, or any of them, are hereby authorized to administer oaths, and said general appraisers, the boards of general appraisers, the local appraisers, or the collectors, as the case may be, may cite to appear before them, and examine upon oath any owner, importer, agent, consignee, or other person touching any matter or thing which they, or either of them, may deem material respecting any imported merchandise, in ascertaining the dutiable value or classification thereof; and they, or either of them, may require the production of any letters, accounts, or invoices relating to said merchandise, and may require such testimony to be reduced to writing, and when so taken it shall be filed in the office of the collector, and preserved for use or reference until the final decision of the collector or said board of appraisers shall be made respecting the valuation or classification of said merchandise, as the case may be.

That is, the language of the law to day.

That is the language of the law to-day.

Mr. WILLIAMS. I was mistaken about that. The Senator is right. I thought the language of the Payne-Aldrich bill differed somewhat from the language of the House. The intent of the two was the same, but I did not think the language was It seems, however, that the language is identical.

Mr. SMOOT. Referring again to what the Senator from Kansas says, I think he is perfectly right. Under the present law it is impossible to take even the testimony before the local appraiser before the board of appraisers; but they have tried under this provision to require that that testimony shall be taken before the board of appraisers by inserting these words:

And such evidence shall be given consideration in all subsequent proceedings relating to such merchandise.

In hearing a classification case, where the question at issue is the rate of duty, the board of appraisers is conducting a regular judicial proceeding, and it follows the rule of evidence; but the rule of evidence is never followed before the local appraisers. Here they are trying to change the law and change the procedure, and are requiring that whatever evidence a local appraiser may have found out in any way shall be taken before the Board of General Appraisers as evidence, and considered as such. The Senator knows that in the very preceding paragraph they have excluded hearsay evidence, which, before the local appraisers, has always been taken under consideration at least, if not received as evidence.

Mr. WILLIAMS. This language is, "such evidence shall be given consideration." That does not mean that it shall be ac-

Mr. BRISTOW. I think to make it possible for an investigating officer to be served with an injunction preventing him from undertaking to get evidence to satisfy himself in an inquiring way is a very serious handicap to put upon his official I think it is a very unfortunate thing to do.

Mr. WILLIAMS. It may be; but it ought to be done, Mr. SIMMONS. Mr. President—

The PRESIDING OFFICER (Mr. SAULSBURY in the chair). Does the Senator from Kansas yield to the Senator from North Carolina?

Mr. BRISTOW. I do.

Mr. SIMMONS. I think this change simply makes this provision conform to every known and settled principle of evidence of any court of judicature in this country.

Mr. BRISTOW. But this is not a court.

Mr. SIMMONS. There is no prohibition here upon the appraiser investigating and interrogating the witness as to any matter which is material to the controversy or the issue, whatever it may be. That is the case with every court in this country.

Mr. SMOOT. This is not a court, though.
Mr. SIMMONS. They are permitted to receive in evidence testimony which is material to the issue; but if the court shall receive testimony which it thinks is material, but which afterwards, in a court of appeal, is determined not to be material, it was in error in admitting that testimony.

Under this change the appraiser would have a right to ask any question which he thought material; but when this testimony was taken up for use by the collector, or the appraiser, or the board of appraisers, as the section provides it shall be, if that tribunal should hold that the interrogatory of the lower court was not material to the issue it would not be considered, as we have written it. But if we permit the words that are stricken out to remain in the statute, then the collector, the appraisers, or the board of appraisers for whom the testimony would be taken and who in a subsequent proceeding on appeal would have to consider it, would not be permitted freely to decide whether it was material testimony or not. The question before them would be simply the question of whether or not the appraiser considered it to be material.

We have not interfered here with any question which is material, but we have simply provided that a thing shall not become material when it is not material simply because the appraiser thinks it is material. That is all we have done.

Mr. BRISTOW. But if the Senator will just permit me a moment, I should like to invite the attention of the Senator from North Carolina to the paragraph in the bill we are considering. Let me read it:

That the general appraisers, or any of them, are hereby authorized to administer oaths, and said general appraisers, the boards of general appraisers, the local appraisers, or the collectors, as the case may be, may cite to appear before them, and examine upon oath any owner, importer, agent, consignee, or other person touching any matter or thing material respecting any imported merchandise then under consideration in ascertaining the classification or dutiable value thereof or the rate or amount of duty.

The purpose of the appraisers or collectors is to find out what is the value of these goods that are being imported if they question that a proper value has been placed upon them by the parties in interest. In order to ascertain what is the value, if they have cause to believe that the value is not a proper one, they are given authority under the present law to summon people before them on any point they think is material. Now you change the law by saying that they may summon them upon any material point. The question of materiality, therefore, is a question to be determined. Suppose the witness is called, and the question is asked him by the court, and he says, "That is not material; I decline to answer it," then it becomes a question of litigation at once, does it not?

Mr. SIMMONS. No; if the collector shall decide, notwithstanding the objection of the witness, that it is material, he would have to answer the question.

Mr. BRISTOW. But you take from him the very authority

which the present law gives him.

Mr. SIMMONS. No; we do not take from him that authority, but we provide that if this matter shall become the subject of litigation before any other tribunal, upon appeal or otherwise, if he has forced from the witness an answer on a matter which is not material, then it shall be eliminated.

Mr. WILLIAMS. I suppose the Senator from Kansas has pretty much the same system of courts in his State that we have in ours. There is a lower court and then an intermediate court and then a higher court, by whatever names they are known. Does the Senator know of any statute anywhere which ever said that any court could examine into anything which the court deemed to be material? Is it not always "any matter material to the controversy"?

As a matter of fact, the way it practically works, of course, in the lower courts whatever the court deems material is material until the case gets out of that court, because the court says so, and that determines it. Now, what the Senator wants to do is to keep the question of materiality itself from being litigated.

Mr. BRISTOW. Mr. SIMMONS. That is not so.

If the Senator will pardon me-

Mr. BRISTOW. Yes.

Let me take for an illustration a contro-Mr. SIMMONS. versy in the superior court of any State in the Union. question of the materiality of any testimony that may be offered is a question which the judge must in the first instance decide. If he decides the question of materiality erroneously and upon an appeal he is overruled, the case is considered when it comes back as if that immaterial testimony had not been admitted at That is what we seek to do in this case. Of course the appraiser before whom the witness is subpænaed must necessarily decide, in the first instance, whether a particular matter he wishes to inquire into is material or immaterial. If he decides that it is material, the witness must answer. But that does not conclude the matter, as the Senator will see if he will read further down in the section.

Mr. BRISTOW. If the Senator will pardon me a minute just there, it seems to me, as the Senator says, that the collector in this inquiry which he makes must necessarily decide whether the information he wants is material.

Mr. SIMMONS. Yes, but he must decide it according to legal

He must decide it correctly.

Mr. BRISTOW. But he decides under the present law— Mr. SIMMONS. If he decides it incorrectly, then he does it at his hazard. But if you leave in the words "which he or

either of them may deem material" it will not make any difference whether the question he asks is a material question or not.

Mr. WORKS. Mr. President-

The VICE PRESIDENT. Does the Senator from Kansas yield to the Senator from California?

Mr. BRISTOW. I do.

Mr. WORKS. It seems to me we are splitting hairs here.

Mr. SIMMONS. I think we are myself.

Mr. WORKS. And we are taking up the time on nonessentials. What difference does it make whether this language is here or not? What right would the examining officer have to ask for or to receive immaterial evidence, if there was no such limitation in the bill? It seems to me it is utterly immaterial whether it is in it or out of it.

Mr. SMOOT. It may be immaterial. Under the bill if this amendment prevails the witness need not answer the question

Mr. WORKS. He would have the same right if this limitation were not in the bill. He would not have to submit to an immaterial examination in any case.

Mr. SMOOT. That would be the case if it were a court, but

this is not a court.

Mr. WORKS. It does not make any difference whether it is court or not.

Mr. SMOOT. In order that the local appraiser may have that power, it must be conferred upon him by statute. The present law confers it on him by the words "which they, or either of them, may deem material." You strike out those words. This is what the law is to-day touching any matter; not whether it is a material question, but the thing itself must

Mr. WORKS. Mr. President, the language in the bill is simply equivalent to saying that they may receive material evidence. I take it that using the language "which seems to them material" does not alter the situation in the least.

Mr. SMOOT. It would not in the case of court.

no question about that.

Mr. WORKS. I do not think it makes any difference, I will say to the Senator from Utah, whether it is a court or some examining officer; the rule is precisely the same.

The PRESIDING OFFICER. The question is on agreeing

to the amendment of the committee.

The amendment was agreed to. The amendment was agreed to.

The next amendment was, on page 234, line 9, after the word "consideration," to strike out "or previously imported"; in line 10, before the word "classification," to strike out "dutiable value or"; in the same line, before the word "thereof," to insert "or dutiable value"; and in line 10, after the word "thereof," to insert "or the rate or amount of duty," so as to read:

O. That the general appraisers, or any of them, are hereby authorized to administer oaths, and said general appraisers, the hoards of general appraisers, the local appraisers, or the collectors, as the case may be, may cite to appear before them and examine upon oath any owner, importer, agent, consignee, or other person touching any matter or thing material respecting any imported merchandise then under consideration in ascertaining the classification or dutiable value thereof or the rate or amount of duty. or the rate or amount of duty.

The amendment was agreed to.

The next amendment was, on page 235, after line 2, to strike out the following:

To be summarily imposed by the collector or chief officer of customs in the customs collection district where the citation issued; and upon the report of such officer to the district court in the judicial district where such citation issued, the amount of such penalty shall be forthwith entered upon the docket of such court against the person so fined, and such entry shall have the full force and effect of a judgment of said court.

The amendment was agreed to.

The next amendment was, on page 236, paragraph Q, line 7, after the word "important," to strike out the words "and of the decisions of each of the general appraisers, and boards of general appraisers, which abstract shall contain" and to insert "to be published either in full, or if full publication shall not be requested by the Secretary or by the board, then by an abstract containing," so as to make the paragraph read:

stract containing," so as to make the paragraph read:

Q. That all decisions of the general appraisers and of the boards of general appraisers respecting values and rates of duty shall be preserved and filed, and shall be open to inspection under proper regulations to be prescribed by the Secretary of the Treasury. All decisions of the general appraisers shall be reported forthwith to the Secretary of the Treasury and to the Board of General Appraisers on duty at the port of New York, and the report to the board shall be accompanied, whenever practicable, by samples of the merchandise in question, and it shall be the duty of the said board, under the direction of the Secretary of the Treasury, to cause an abstract to be made and published of such decisions of the appraisers as they or he may deem important, to be published either in full, or if full publication shall not be requested by the Secretary or by the board, then by an abstract containing a general description of the merchandise in question, a state-

ment of the facts upon which the decision is based, and of the value and rate of duty fixed in each case, with reference, whenever practicable, by number or other designation, to samples deposited in the place of samples at New York, and such abstracts shall be issued from time to time, at least once in each week, for the information of customs officers and the public.

The amendment was agreed to.

The next amendment was, in paragraph T, page 238, line 13, after the word "claimant," to strike out the words "and in all actions or proceedings for the recovery of the value of merchandise imported contrary to any act providing for or regulating the collection of duties on imports or tonnage, the burden of proof shall be upon the defendant," so as to make the paragraph read:

T. That in all suits or informations brought, where any seizure has been made pursuant to any act providing for or regulating the collection of duties on imports or tonnage, if the property is claimed by any person, the burden of proof shall lie upon such claimant: Provided, That probable cause is shown for such prosecution, to be judged of by the court.

The amendment was agreed to.

The next amendment was, on page 238, after line 18, to strike out paragraph U in the following words:

U. That if any person, persons, corporations, or other bodies, selling, shipping, consigning, or manufacturing merchandise exported to the United States shall fail or refuse to submit to the inspection of a duly accredited investigating officer of the United States, when so requested to do, any or all of his books, records, or accounts pertaining to the value or classification of such merchandise, then the Secretary of the Treasury, in his discretion, is authorized while such failure or refusal continues to exclude from entry any and all merchandise sold, shipped, consigned, or manufactured by such person, persons, corporations, or other bodies and imported into the United States.

The amendment was agreed to.

The next amendment was, on page 239, to strike out paragraph V, in the following words:

V. That if any person, persons, corporations or other bodies, engaged in the importation of merchandise into the United States or engaged in dealing with such imported merchandise, shall fall or refuse to submit to the inspection of a duly accredited investigating officer of the United States, upon request so to do from the chief officer of customs at the port where such merchandise is entered, any or all of his books, records, or accounts pertaining to the value or classification of any such imported merchandise, then the Secretary of the Treasury, in his discretion, is authorized, while such failure or refusal continues, to exclude from entry any and all merchandise consigned or shipped, or intended for delivery, to such person, persons, corporations, or other bodies so failing or refusing.

The amendment was agreed to.

The next amendment was, on page 239, to strike out paragrap W, in the following words:

grap W, in the following words:

W. That there shall be established in each of the consulates of the United States a registry of commissionaires or purchasing agents; that no persons shall be permitted to register as such except upon some affirmative showing of his agency by affidavit indicating the scope of such agency, the parties thereto, the duration, the merchandise to which it relates, the terms and conditions of its exercise, and the commissions involved, the truth of each of which affidavits shall be verified by investigation of the consul before registration is permitted; no such registration shall be permitted unless the agency is operative in the open market exclusively and the commissions provided for are the usual and ordinary commissions prevalent in the trade. Each invoice in which an item of commission appears covering merchandise shipped from any consular district where such registry has been established shall have included in the certificate of the consul a statement that the party claiming in the invoice to be the agent of the purchaser appears on the registry of the consulate as such, and in the absence of such certificate no officer shall allow as nonduitable any item of commission appearing on such invoice or claimed on behalf of any importer.

No consular officer shall certify any invoice unless he is satisfied that the person making oath thereto is the person he represents himself to be and that he is a credible person and that the statements made under such oath are true, and he shall thereupon, by his certificate, state that the person is the person he represents himself to be, is a credible person, and he believes the statements made in his oath to be true. No consular officer shall certify to the truth of the values stated in any invoice.

The amendment was agreed to.

The next amendment was, in paragraph X, page 241, line 8, after the word "this," to strike out "Act" and insert "section."

The amendment was agreed to.

The next amendment was, in paragraph Y, page 242, line 3, after the words "per cent," to insert "of the value of the contents of any box, package, or other container, or if in bulk to 10 per cent," so as to read:

Nor shall any allowance be made for damage, but the importers may within 10 days after entry abandon to the United States all or any portion of goods, wares, or merchandise of every description included in any invoice and be relieved from the payment of duties on the portion so abandoned: Provided, That the portion so abandoned shall amount to 10 per cent of the value of the contents of any box, package, or other container, or if in bulk to 10 per cent or more of the total value or quantity of the invoice.

The amendment was agreed to.
The reading of the bill was continued.
The next amendment was, on page 247, after the subhead "Section," to strike out "IV" and insert "V."

The amendment was agreed to.

The next amendment was, in Section V, on page 247, line 10, after the word "rejection," to insert the following additional

The next amendment was, in Section V, on page 247, line 10, after the word "rejection," to insert the following additional proviso:

And provided further, That whenever the President shall ascertain as a fact that any county, dependency, colony, province, or other political subdivision of government imposes any restrictions, either in the way of tariff rates or provisions, trade or other regulations, charges or exactions, or in any other manner, directly or indirectly, upon the importations into or sale in such foreign country of any agricultural, manufactured, or other product of the United States which unduly or unfairly discriminates against the United States or the products thereor, or whenever he shall ascertain as a fact that any such country, or the product of the United States or the products thereor, or whenever he shall ascertain as a fact that any such country, dependency, colony, province, or other political subdivision of government does not accord to the products of the United States reciprocal and equivalent treatment, he shall have the power and it shall be his duty to suspend by proclamation the operation of the provisions of this act relative to the rates of duty to be assessed upon the importation of the following specified articles, or such of them as he may deem just, and to substitute therefor the rates of duty hereinafter prescribed upon such articles when imported directly or indirectly from such country, dependency, colony, province, or other political subdivision of government:

Fish, fresh, smoked, and dried, picled, or otherwise prepared; coffee; indices and articles made wholly or in part of the same; toys; jewelry, precious and semiprecious and imitation precious stones, suitable for use in the manufacture of jewelry; sugars, tank bottoms, sirup of cane julce and concentrated molasses, testing by the polariscope not above 75°; molasses; wool; vegetable oils.

On the issuance of such proclamation and until its revocation there shall be levied, collected, and paid upon all articles c

So as to read:

A. That for the purpose of readjusting the present duties on importations into the United States and at the same time to encourage the export trade of this country, the President of the United States is authorized and empowered to negotiate trade agreements with foreign nations wherein mutual concessions are made looking toward freer trade relations and further reciprocal expansion of trade and commerce: Provided, however, That said trade agreements before becoming operative shall be submitted to the Congress of the United States for ratification or rejection: And provided further, That whenever the President shall ascertain as a fact that any country, dependency, colony, province, or other political subdivision of government imposes any restrictions, etc. restrictions, etc.

Mr. OLIVER. I move to amend the amendment by inserting, on page 248, at the beginning of the line 18, the words "me-

chanically ground wood pulp and paper produced therefrom."

The VICE PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from Pennsylvania to the amendment of the committee.

The amendment to the amendment was rejected.

Mr. McCUMBER. I offer an amendment to the amendment, to be inserted after line 4, on page 250.

The VICE PRESIDENT. The amendment to the amendment will be stated.

The Secretary. On page 250, after line 4, insert the following proviso:

Provided further, That when such Government, dependency, or sub-division thereof imposes such undue and unfair restrictions against any particular product of the United States, the President may impose a duty upon the same kind of product when imported from such coun-try, dependency, or subdivision equivalent to the duty imposed by such country, dependency, or subdivision upon the product of the United

Mr. McCUMBER. Mr. President, that will need a little explanation. Reducing the provision on pages 247, 248, and 249 to the simplest form of expression, you will find this:

And provided further, That whenever the President shall ascertain as a fact that any country, dependency, colony, province, or other political

subdivision of government imposes any restrictions, either in the way of tariff rates or provisions * * * upon the importations into or sale in such foreign country of any agricultural—

I call especial attention to that word-

Agricultural, manufactured, or other product of the United States which unduly or unfairly discriminates against the United States or the products thereof; or whenever he shall ascertain as a fact that any such country, dependency, colony, province, or other political subdivision of government imposes any restriction or prohibition upon the exportation of any article to the United States which unduly or unfairly discriminates against the United States; or whenever he shall ascertain as a fact that any such country, dependency, colony, province, or other political subdivision of government does not accord to the products of the United States reciprocal and equivalent treatment, he shall have the power and it shall be his duty to suspend by proclamation the operation of the provisions of this act relative to the rates of duty to be assessed upon the importation of the following specified articles, or such of them as he may deem just, and to substitute therefor the rates of duty hereinafter prescribed upon such articles when imported directly or indirectly from such country, dependency, colony, province, or other political subdivision of government.

The provision then proceeds to set out a few articles upon

The provision then proceeds to set out a few articles upon which the President may exercise his judgment in a discriminatory manner upon "fish, pickled or otherwise prepared; coffee; tea; earthen, stone, and china ware; lemons; cheese; wines of all kinds; malt liquors; knitted goods; silk dresses and silk goods; leather gloves; laces and embroideries, of whatever material composed, and articles made wholly or in part of the same; toys; jewelry, precious and semiprecious and imitation precious stones, suitable for use in the manufacture of jewelry; sugars, tank bottoms, sirup," and so forth.

Then the President is to issue a proclamation carrying into effect such provisions as he may make. It then proceeds to determine what the rates of duty shall be upon any one of these

particular articles which it has mentioned.

Mr. President, again I find that everywhere there is this eternal discrimination against agricultural products. specially provided in this bill, and I call the attention of the Senator from North Carolina [Mr. Simmons] to the provision, that if a discrimination is made in any country, either against our agricultural products or our manufactured products, you allow a retaliation in the shape of an increased duty on a few manufactured products. Why should not that include some of the agricultural products? For instance, if Canada discriminates against our meat, the only provision you have here is that we may turn around and discriminate against Canadian molasses.

Has the Senator made a computation of the amount of molasses that would probably be imported from Canada? And, again, if Canada discriminates against our grains, we will punish her by imposing an extra duty upon Canadian lemons, but nothing upon Canadian grain. And, again, if Canada discriminates against the importation of American cattle, we shall punish her by increasing the duties on Canadian coffee.

I should like to have the Senator point out one thing that Canada, for instance, produces and exports that we could levy a duty upon to compensate for any discrimination against any one of our agricultural products. The proposition seems to be everywhere in the bill that no matter how any country treats our agricultural products we shall make no objection, but we will allow their agricultural products in every instance to come

in absolutely free.

The provision which I have asked to be inserted in the bill provides that if Canada discriminates against our meats the President shall have authority to levy a tariff upon Canadian meats equivalent to the Canadian tariff upon our meats. there be any reasonable objection to a provision of that kind? If Canada passes some discriminatory law against the importation of American cattle and horses, this amendment to the amendment would allow the President of the United States to provide that the tariff on the product paid by the Canadian importer should be equivalent to the tariff charged by Canada

against the like import to the United States.

I think that that should apply to manufactures as well as to products of the farm. It is fair, it is equitable in all respects, and I can conceive of no reason why the Democratic Party should object to at least an equal trade between this country and Canada upon our agricultural products. It certainly will not be maintained that it costs more in Canada to produce any of these articles than it costs in the United States, and it must be admitted that, as a rule, it costs more in the United States. We would labor under a disadvantage, even though we had absolute reciprocal relations with Canada upon the products of the two countries; but certainly there can be no reason on earth for discriminating against the American agricultural product and in favor of the Canadian product. I should hope that the Senator would readily agree with this amendment, whereby we can place the American farmer nearer on an equality with the Canadian farmer.

Mr. WILLIAMS. Mr. President, one of the curious things developed by the discussion of this tariff bill is that, whenever the name "Canada" is mentioned it puts my friend, the Senator from North Dakota, into "a fine frenzy." As a matter of fact, this bill carries a countervailing duty upon wheat, flour, semolina, and the other products of wheat. The Senator has challenged somebody to mention anything that Canada produces that we have provided for. Among the provisions in the bill are some in relation to wool, sheep, and all that. Canada undoubtedly produces wool.

Then, the Senator has said that we have not given any of the agricultural implements a place in this bill. In a separate place, where a countervailing duty upon wheat appears, we have given wheat this punitive treatment, we have given sugar in this very clause the same treatment, and we have given wool

in the same clause the same treatment.

I do not suppose over here we care much about how many different things we put on this list. Some few of us, of whom I am one, are of the opinion that there is nothing more absurd than saying that just exactly in proportion as some foreign country is afraid of a so-called invasion of our products we ought to be afraid of an invasion of theirs, and that we ought to regulate our import duties by their import duties, upon the general principle, I suppose, that if they think we can undersell them we ought to think they can undersell us.

If the Senator has an amendment to offer to put some agricultural product upon this list, and will take his choice, I do not suppose there will be any very material objection over here to leaving the President to deal with that product in

this way.

What is the underlying gravamen of the Senator's complaint? It is that Canada can send to the United States cattle and wheat cheaper than we can furnish them, because, if they are to invade us at all they must invade us in that way. They do not come as an armed enemy, bringing these things and giving them to us to eat out of philanthropy; they do not come with arms in one hand and food in the other. We would have nothing to do with such a transaction. If they come with food which we purchase, it would be because we think the food is worth more to us than the money we pay for it. After alarming himself to death about that condition of affairs, that they may invade us with valuable products at a cheap price, the Senator then wants to make the measure of our protection against that invasion the standard that they have fixed against our products. Just in proportion as Canada gets scared to death for fear we can undersell her with our products in her market, the Senator wants us to get scared to death for fear Canada may undersell us with her products in our market.

So far as I am individually concerned, I have never seen much sense in a countervailing duty, unless in general language there was enacted a minimum tariff to be given as a reward to countries which gave our producers minimum taxes upon our exportations to their citizens but the general idea that, because Canada punishes her consumers by taxing valuable things that may come in cheaply to them, we are to turn around and say, "If you do not quit punishing your consumers by taxation, we are going to injure you by punishing our consumers by taxation" never peculiarly appealed to me.

Mr. McCUMBER. Mr. President, I think certainly the Senatory.

tor misunderstands the scope of the amendment when he clings to that argument. This is not a question of equalizing the tariff on each side; it does not apply to cases where Canada may have a higher or a lower tariff than ours; it is directed toward that particular amendment which deals with undue discrimination against any of our products. That is all the amendment is aimed at. If Canada's rate, which may be amendment is aimed at. If Canada's rate, which may be higher than ours, is not an undue discrimination or an improper discrimination against our articles, this would not apply at all. We have got, however, to have some measurement of countervailing duty on this side. Therefore, I thought it was better to take their own duty as the measurement of a countervailing duty rather than to take an ad valorem duty or some such other duty as has been given in the paragraph preceding the amendment.

Mr. WILLIAMS. Now, the Senator says that the object of

This is the way the his amendment is not to equalize duties.

amendment reads:

Provided further, That when such Government, dependency, or subdivision thereof imposes such undue and unfair restrictions against any particular product of the United States, the President may impose a duty upon the same kind of product when imported from such country, dependency, or subdivision equivalent to the duty imposed by such country, dependency, or subdivision upon the product of the United States.

The mere reading of the amendment answers the Senator's argument. Let us say that the United States and Canada are

engaged in raising wheat; that one of them can raise wheat cheaper than the other and sell it cheaper, which as a matter of fact it can. As a matter of fact, one part of the United States will raise wheat cheaper than any part of Canada, and a part of Canada will raise wheat cheaper than any part of the United States except that part. It depends upon the part of Canada and the part of the United States you are talking about. Let us say, however, for the sake of the argument, that Canada can raise wheat cheaper than the United States can raise it. If Canada puts a duty upon wheat, it is for the purpose of protecting, in accord with all the Republican precedents, our wheat producers: it is because she thinks that the United States can undersell her or overproduce her at the same cost. If the United States can undersell Canada as regards wheat, and Canada is right in the position she has taken, then what good would there be in imposing a duty on our side of the border against Canadian wheat? We can already undersell her, if she is right in framing her tariff law, or we can already overproduce her at the same cost of production-one or the other.

What sort of logical connection is there, even from a protectionist standpoint-a pretty hard standpoint for me to take, even for argument-but what sort of connection is there between the duty that Canada from a protective standpoint ought to levy on wheat coming from America and the duty which we ought to levy on wheat coming from Canada?

Mr. SMOOT. Canada may be levying her duty as against Argentina and not against the United States, the same as the United States may be levying a duty against Argentina and not against Canada.

Mr. WILLIAMS. That may be; but I am arguing that point now without regard to Argentina; I am arguing it as between Canada and the United States, for that is a favorite position of my friend, the Senator from North Dakota. Of course, these provisions placed here are intended to apply to the entire world. They do not apply alone to Canada and the United States.

The Senator's amendment is that we shall punish somebody, anybody, anywhere, who is afraid of our competition by levying a duty upon the thing that they are afraid that we will send to them at a lower price than they can sell it for in their own market. The Senator's amendment is that we shall fix an equivalent duty. If, for example, Germany to-morrow should fix a duty on cotton imported from the United States, if the Senator's amendment should be accepted, we would fix a duty on cotton, though we never get any cotton from Germany, because Germany does not raise any.

Mr. McCUMBER. That is wholly untrue. The Senator from Mississippi insists on misinterpreting this amendment.

Mr. WILLIAMS. I did not misinterpret it. I read it. Mr. McCUMBER. Well, Mr. President, let me explain, if the Senator will give me a little time. The amendment would not apply though Germany should levy ten times the duty upon her products that we would levy upon German products. It simply applies to the same cases to which the preceding portion of the section applies, where there is an undue discrimination—not undue in the shape of having a higher or a lower tariff. The other section will not apply to a case where one country has a higher tariff than the other.

Mr. WILLIAMS. That is not the question.
Mr. McCUMBER. Nor would this amendment apply. The only thing is that we shall have some measurement. If the Senator can conceive of a better standard of measurement than that which I have provided to meet a case where there is undue discrimination against our agricultural products, the same as in the case of our manufactured products. I would agree with him upon any specific duty, the same as is provided for in the case of sugar and molasses-that is, so much on sugar and so much on molasses-but I considered that the other standard was

Mr. WILLIAMS. Evidently the Senator must have drawn his amendment very hastily, because he has not considered what it means. So, of course, he must have done it hurriedly. The amendment reads:

Provided further, That when such Government, dependency, or sub-division thereof imposes such undue and unfair restrictions against any particular product of the United States the President may impose a duty upon the same kind of product when imported from such country, dependency, or subdivision equivalent to the duty imposed by such country, dependency, or subdivision upon the product of the United States.

The language speaks for itself. There can not be any dispute about what it means.

Mr. McCUMBER. Mr. President, I do not care to rediscuss the countervailing duty upon wheat and flour, mentioned by the Whenever the Canadian Government wishes to enter flour or wheat from that country into the United States all the Canadian Government has to do is to have a bill introduced in

Parliament fixing the duty at a lower rate. The bill when introduced by the Government takes effect until it is acted upon, so far as it relates to those duties-a method in the Canadian Parliament which certainly does not have any equivalent in any other legislative body, so far as I know. Whenever it would be to her advantage to drop her duty of 12 cents a bushel upon our wheat, as I understand, all she has to do is to have a bill intro-duced into Parliament for that purpose; and, without even passing it, the reductions will be made until that bill is finally acted upon in some way by the Parliament.

The Senator has taken perhaps the worst kind of a case he could have selected to show the trade relations between this Now, let us take a case that will be in country and Canada. point. Suppose that Canada should impose a 20 per cent duty upon cattle imported from any country outside of Great Britain. The fact that we only impose 10 per cent upon cattle would not make her tariff an undue discrimination, therefore my amendment would not apply in that event; but suppose Canada should impose against the importation of American cattle other restrictions that would be unreasonable and unjust, so that we could not export them at all. The Canadian duty might not be 5 per cent; but wholly irrespective of the duty, she might impose restrictions against this country-and that is what my amendment is aimed at-which would prevent the importation of cattle from this particular country. Then we would have the right to say that the duty upon Canadian cattle imported to this country should be equivalent to the duty imposed by Canada upon American cattle. That is all the amendment means.

If the Senator will notice where the amendment comes in, he will see that it relates only to impositions and restrictions outside of the tariff, although there might be a special rate against the United States which would be discriminatory in every

respect.

I mention Canada when I come to discuss the question of agricultural products probably because Canada is our chief competitor. Argentina might, under your free-trade bill, become a strong competitor in some products. She is already exporting an immense quantity of flax to the United States.

The State in which I live produces about one-half of the flax crop of the entire United States, so that every bushel that is imported from Argentina comes in competition with our product. Canada is also a heavy exporter of flaxseed to the United States. I do not suppose that, under any circumstances, the conditions would be such that it would be very profitable for us to export the same products to Canada which Canada sends to the United States. There might be conditions, if the Senator's contention is correct, that it costs just as much to produce in Canada as it does in the United States, under which we might desire to export cattle to some sections of Canada. Well, if we should do that, then we would have the Canadian tariff of, I think, 30 per cent ad valorem, or its equivalent at least, upon our meat products—I think 25 per cent upon cattle and 3 cents a pound upon meat products-and we would not be able to get into the Canadian market at all. If Canada should provide some other restrictions than those of tariff rates, we ought to be in such a position that we could treat the agricultural products the Canadians ship to us the same as we treat those countries which ship to us manufactured products.

It is provided in the amendment reported by the committee that in case any country discriminates against us as to any manufactured product, we may retaliate against her by adding to the tariff against certain articles from that country a given amount, which is specified; but that relates only to manufactured products. Why should it not relate to agricultural products as well? That is all that I am asking for in my amend-

I disagree with the Senator from Mississippi that cattle can be raised as cheaply in this country as in Canada. I know that it can not be done.

Mr. SIMMONS. Where does the Senator find authority in this bill for the statement that the amendment reported by the committee only relates to manufactured products?

How does the Senator arrive at the con-Mr. WILLIAMS. clusion that this provision is confined to manufactured products when the provision reads:

Upon the importations into or sale in such foreign country of any agricultural, manufactured, or other product of the United States.

Mr. McCUMBER. That is, if another country discriminates against our agricultural products we may add a duty to their manufactured products. You specify the things against which you can levy the additional duty.

Mr. WILLIAMS. Fish is not a manufactured product.

Mr. McCUMBER. There is not an agricultural product men-

tioned in the list, with the exception of something that would

not in all probability be exported to this country from any country likely to discriminate against us.

Mr. WILLIAMS. Wool is not a manufactured product; fish is not a manufactured product; the hair of the goat is not a manufactured product; cheese is not a manufactured product.

Mr. McCUMBER. I said there is not mentioned an agricultural product of any country that would be likely to discriminate against this country. You have included wool in the list, and I admit that you have included molasses, if you call that an agricultural product. I would call it a manufactured product after it is in the form of molasses.

Mr. WILLIAMS. We have included cheese.

Mr. McCUMBER. Why have you not included cattle in the Why have you not included poultry and all agricultural

Mr. WILLIAMS. I have just said to the Senator that he can offer to add anything he desires to this list of articles.

Mr. McCUMBER. I am going to do so if my amendment

shall be defeated.

Mr. WILLIAMS. We have no objection to that; but we have an objection to this kind of an amendment, because it goes upon the foolish theory that whatever duty we fix upon the product must be fixed regardless of the condition of the market and must be simply equivalent to the duty the other country levies against us.

Mr. McCUMBER. I think that is as reasonable as saying that if we are punished by any country by reason of a discrimination against our agricultural products we will charge them 2 cents a gallon on molasses, whether they produce molasses or not.

Mr. WILLIAMS. But the rate on molasses is fixed with

some regard to the condition of molasses in the market.

Mr. President-Mr. CLAPP.

The VICE PRESIDENT. Does the Senator from North Dakota yield to the Senator from Minnesota?

Mr. CLAPP. I understood the Senator from North Dakota

Mr. McCUMBER. I yield the floor to the Senator.

Mr. CLAPP. That is what I understood. I want to say to the Senator from Mississippi [Mr. WILLIAMS] that I appreciate his generosity in offering the Senator from North Dakota [Mr. McCumber] the option of adding some particular item to the list of articles covered by the committee amendment. Will he extend that privilege to all other Senators, so that each one of us can pick out some item that he would like to have covered?

Mr. WILLIAMS. I do not think there would be the slightest objection to putting anything upon this list of things that you choose, provided you accompany it with a sensible instruction to the President as to the rate of duty to be fixed upon it. That rate of duty should be fixed in accordance with the market conditions of importation and exportation concerning the product itself, as well as the conditions of domestic consumption and production.

Mr. CLAPP. I was so much impressed with the generosity of the Senator from Mississippi in offering to allow the Senator from North Dakota the option of picking out one item to be inserted that I wondered if the same privilege would be

extended to other Senators.

The VICE PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from North Dakota [Mr. McCumber] to the amendment of the committee.

The amendment to the amendment was rejected.

Mr. SMOOT. Mr. President, there is one thing I should like to ask the Senator from Mississippi in connection with the committee amendment on page 248. I read the portion of the amendment to which I refer:

Or whenever he shall ascertain as a fact that any such country, dependency, colony, province, or other political subdivision of government does not accord to the products of the United States reciprocal and equivalent treatment, he shall have the power and it shall be his duty to suspend by proclamation the operation of the provisions of this act relative to the rates of duty to be assessed upon the importation of the following specified articles, or such of them as he may deem just.

Why are the words "or such of them as he may deem just" included? It seems to me that the President should not be given the right to decide as to whether or not a thing is just. If a discrimination against the United States exists, it is his duty to enforce the provision. It reads:

He shall have the power and it shall be his duty to suspend by proclamation—

And so forth. I do not see why the President should say that fresh fish should be dutiable and that smoked fish should be free.

Mr. WILLIAMS. I think I can answer that, and I think I will answer it to the Senator's full satisfaction. We put in the language "or such of them as he may deem just" merely wool coming in from Australia shall pay a duty, but wool

as a matter of comon sense. Suppose, for example, that Newfoundland, as a Province of Canada, was treating us unjustly. It would not do any good for the President to put a duty on sugar to punish Newfoundland. Suppose Cuba was treating us unjustly and discriminating against us. It would not do any good to put a duty on fish coming from Cuba. Suppose that Argentina was treating us unfairly. It would not do any good for us to punish her by putting a duty on fish or sugar. We would probably put it on wool. So, instead of having the President impose the additional duty on all the specified articles when a case of discrimination arises, we left him free to impose a duty on all or such of them as he might deem just.

Mr. SMOOT. What I want to learn is, why should not all of them be named by the President? Why should he be given the right to name one article specified in the amendment and not another? Let the whole list apply whether or not the particular Government exports such goods to this country.

Mr. WILLIAMS. Then, if you increase the list sufficiently,

you will restore the protective system.

Mr. SMOOT. Not at all; I am not asking to have the list increased; I am simply referring to the list that is already made. It seems to me if any country is unduly discriminating against this country that this provision ought to go into effect automatically as soon as the President ascertains that a discrimination exists. It does not apply to all articles, but only those enumerated here, but I believe that it ought to apply to all.

Mr. SIMMONS. I want to say to the Senator that the committee in adopting this provision had no such purpose in view as he seems to think we had. The committee had reference to a situation which often arises in relations between nations. One nation might discriminate unjustly against us in favor of other nations, and we wanted to provide a method by which the President of the United States, representing this Government, might make reprisals as to that nation in order to force it to do

justice to and to deal fairly with us.

We selected a great many articles and we tried to selectwe may not have succeeded-articles that were valuable exportations of various countries of the world; and we give the President authority, in case any one of these countries discriminates against us, to select any of the specified articles which that country might export to us, and, for the purpose of punishing her for her discrimination against us, raise the duty upon that specific article. Now, what good would it do to raise the duty on all of these articles where we were trying to meet the situation of discrimination on the part of a particular

Mr. SMOOT. Let us take a specific case, so that I may

bring it home to the Senator.

Suppose any country, we will say, that raises wool and hair from the Angora goat, such as Australia, should discriminate against us, and the President declared that it had unduly discriminated against the United States. Under this bill the President has the authority to say: "I will not impose the 15 per cent duty on Angora goat hair. That is used in some part of the United States which I do not think ought to be sub-

or the United States which I do not think ought to be subjected to that additional duty, but I will impose it upon the wool of the sheep." Under this bill he has that authority.

Why should he have it? Why should not those words be stricken out? When any country discriminates against the United States, why should it not be penalized by whatever rates are named in this part of the bill and upon all items so

named?

Mr. WILLIAMS. The Senator's illustration is peculiarly unfortunate, because, unless I am misinformed, in that particular case what the President would do if he was sensible would be to impose a duty so as to restrain the importation of the wool and not to impose a duty upon the hair of the Angora goat, because, if I am correctly informed, Australia does not send us any of the hair of the Angora goat, but she does send us wool.

Mr. SMOOT. Of course I used that only as an illustration. The Senator knows perfectly well that other items in this bill can be named-

Mr. SIMMONS. As a sensible thing, now, let us take wool from Australia, for instance.

Mr. SMOOT. There are goats in Australia.

Mr. SIMMONS. Suppose Australia is discriminating against us in an unjust way, and the President wants to bring her to terms, to force her to deal fairly with us. The President has authority to impose a duty on wool, not from all the world, but from Australia.

Mr. SMOOT. That is right.

Mr. SIMMONS. So by his proclamation he declares that

coming in from any other country in the world shall not pay a duty.
Mr. SMOOT. We all understand that.

Mr. SIMMONS. Suppose there is some other product that Australia exports to this country. The President might add that to wool if he wanted to; but, on the other hand, he might wait and see whether Australia would be brought to terms by the imposition of the duty on wool. If she was not brought to terms by that, he might add the duty upon the other exports from Australia to this country, leaving it in the discretion of the President.

Mr. SMOOT. It gives the President the power to pick out

any of the articles named that may in his judgment— Mr. SIMMONS. We are leaving the power in the hands of the President to impose these duties as in his discretion he may think will bring about fair treatment on the part of the discriminating countries. That is the purpose of it.

Mr. SMOOT. The present law and all other retaliatory measures in tariff laws have provided that wherever there has been a discrimination made by any country there was an addition to the rates imposed upon all of the items in the tariff bill.

Mr. SIMMONS. But the Senator loses sight of the fact that the President may impose these duties against the discriminating country-not against the world, but against the discriminating country.
Mr. SMOOT.

Everybody knows that.

Mr. SIMMONS. Let me ask the Senator, as a matter of common sense, what good it would do for him to impose these duties upon all of the things enumerated in this paragraph against Australia, for instance? What good would it do? What would it accomplish toward bringing about the result we have in view

Mr. SMOOT. It would bring about the result a great deal quicker if this duty were imposed upon all the articles named

in the bill.

Mr. SIMMONS. Suppose Australia produces and exports to this country only one of the things enumerated here. What good would it do to impose a retaliatory duty upon a product which Australia does not produce, and does not export, and does not sell to us, and has no interest at all in our duty upon, in bringing Australia to terms?

Mr. SMOOT. If Australia were prevented from exporting to this country all of the articles that are mentioned in the bill, she would very much more quickly yield and remove the dis-

crimination against this country.

Mr. WILLIAMS. Before the Senator takes his seat, I wish to ask him a question. Following up the instance of Australia, suppose Australia did discriminate. Suppose the President put the duty specified here upon the wool of Australia. Does the Senator imagine that putting the specified duty on sugar from Australia would help bring Australia to terms at all? In other words, if the imposition of the duty on wool had not done it, does he think the addition of the duty on sugar would do it?

Mr. SMOOT. No; but there may be other items named that

would.

Mr. WILLIAMS. It happens, however, that there are none in the case of Australia.

Mr. SMOOT. I think that in going through the bill it will be found that there are items that Australia could export to

this country

Mr. LODGE. Mr. President, as this power is to be given to the President under this amendment, I should like to ask the Senator from Mississippi if he does not think it would express the purpose of the amendment better to say "such as he may deem to be applicable "? This is not a question of justice; this is a question of selecting the article that is effective and ap-Mr. WILLIAMS. I should have no objection to putting in the word "applicable." plicable to the case.

Mr. SIMMONS. I think that is a better word.
Mr. WILLIAMS. I should have objection to taking out the word "just," because there are two things involved in it. The two ideas are, such duty as might be applicable to the situation, and also such duty as might be just to our own people. So I would rather have it "just and applicable." Mr. LODGE. "Just and applicable"—I think that would

improve it, if he is to be given the power of selection.

Mr. SIMMONS. I think that is a very valuable suggestion.
Mr. LODGE. I also want to ask the committee, Mr. President, to amend the words "reciprocal and equivalent," in

Mr. SIMMONS. If the Senator will permit me, before he goes on to the other matter, I should like to state that this amendment was drawn by the department.

Mr. SMOOT. That seems to be a universal excuse.

Mr. SIMMONS. Oh, no; I do not mean anything by that except to say that we are not absolutely responsible for the language. I do not think the word "just," by itself, is properly descriptive.

I think "applicable" improves it. Mr. LODGE.

Mr. SIMMONS. I think if our attention had been called to we would have used some other words.

Mr. LODGE. But these words, "reciprocal and equivalent,"

are very broad and somewhat indefinite.

Mr. ROOT. They are in the old law. Mr. LODGE. The Senator from New York suggests that they are taken from the old law, which may well be the case, but it struck me, in looking at them, that they might give rise to a good deal of question.

Mr. WILLIAMS. If the Senator will pardon me an interruption, I think the word "equivalent" there is pretty indefinite, and I do not see what "equivalent treatment" means. I supposed it meant "equal treatment."

Mr. LODGE. For example, take the first article here in the list, "fish": We are to admit fish free under this bill. Canada imposes a duty of 1 cent a pound upon fish and also gives a bounty to her fishermen. If we admit her fish free, and she puts a duty of a cent a pound on our fish, I should not think that was either reciprocal or equivalent. I should think clearly it would be neither reciprocal nor equivalent. I should think clearly it would be neither reciprocal nor equivalent. Yet I have a certain doubt about those words, as to their being rather broad and indefinite. I should think "equal" would be a better word than "equivalent,"

Mr. WILLIAMS. I am clearly of that opinion.

Mr. LODGE. I do not desire to delay the bill, and I merely

offer that as a suggestion. I offer no amendment.

Mr. WILLIAMS. I will offer an amendment in a minute. The word "equivalent," especially when used in connection with "reciprocal," might mean that they gave us a duty or an exemption equal to that which we gave them. What the bill is really seeking is that they shall treat us equally with other nations.

I therefore move, Mr. President, to strike out the word "equivalent," just before the word "treatment," and substitute the word "equal."

Mr. ROOT. Mr. President, I recall that the word "equivalent" was put into the law of 1909 because it was broader than "equal." The idea that was expressed in the discussion upon the framing of the section in the Finance Committee itself was that there might be some country which, though unable to give us equal treatment upon the particular article involved, because of some special relations that she had with some other country, might nevertheless make it up to us by treatment which was equivalent, by a benefit that was equivalent to the injury, so that there would be real reciprocity of treatment, and no reprisals justified. The word was used ex docet.

Mr. SIMMONS. I will ask the Senator why it would not

meet the situation, then, if we were to use the words "equal or

equivalent"?

Mr. ROOT. That would answer perfectly.

Mr. WILLIAMS. All right; let us do that.
Mr. CUMMINS. Mr. President, unlike my friend from Utah,
my objection to this provision is not because it gives the Presi-

dent too much power, but because it gives him too little power.

I think that in order to be effectual a retaliatory provision like this must be very considerably enlarged. You have said that if the President of the United States finds that any country unduly or unfairly discriminates against us, or if he finds that the treatment accorded to us by any country is not equivalent to our treatment of that country, the President may retaliate upon that country by increasing the duties upon certain commodities. The Senator from North Carolina very properly expressed the idea when he said that the President was given this power in order to compel fair treatment or even treatment. If that is true, you must give the President the power to increase the duty on something in which that country is interested.

Suppose the President should find that Canada does not treat our country fairly, or discriminates unfairly against our country: You ought to give him the power to increase the duty on something that Canada wants to export to the United States. That is true of every other country as well. You have so narrowly limited the articles upon which the additional duty may be imposed that many a country can discriminate against the United States and the President will have no power of retaliation. I think you ought to give him much more latitude than you have given here in the way of bringing about justice in our international dealings.

I hope the suggestions that have been made this afternoon will so impress the committee that you will clothe the Executive with the power to do what you really desire him to do, namely to increase the duties upon the commodities or the articles which the offending country desires to export to the United States.

Mr. SIMMONS. I wish to say to the Senator that it was the purpose of the committee to select articles which the various nations with which we have trade are interested in selling to our people. It may be that we have failed to enumerate certain articles that we ought to include in order to accomplish the main purpose that we have in view. As the Senator from Mississippi has indicated, we shall be glad to include additional articles if they are suggested and it appears that they are articles which are imported into this country and upon which we might with advantage place this discriminatory duty in car-

rying out our main purpose.

Mr. CUMMINS. But I do not think it would be necessary to name a specific duty for every article that could be brought into the scheme of retaliation. You can arrange it so that the duty will be increased upon a very large list of articles without

naming the specific duty upon each.

Mr. SIMMONS. The committee desired to avoid any possible constitutional question with regard to the delegation of legislative authority, and the committee felt that if they picked out the articles and specified the duties that might be imposed upon those articles by the President upon the finding of certain facts or the happening of certain contingencies, they would run no risk of complications from a constitutional standpoint.

Mr. CUMMINS. The point I make, however, does not in-

volve the constitutional question. That is already in the bill. It will not be rendered more doubtful by enlarging the list of articles which the President may use in a retaliatory course.

Mr. SIMMONS. I entirely agree with the Senator, if the bill also prescribes the rate of duty and authorizes the President to apply it upon the happening of certain contingencies.

Mr. CUMMINS. Precisely; and that could be very easily done by using a percentage. I agree with the Senator from North Carolina that the President ought not to be required to increase the duty upon every article in the tariff schedules or which might be imported from the offending country. You have already given him the discretion to select from a small class of articles. While there may be some doubt about that, I am not questioning it at this time. But the doubt certainly would not be made more serious if the list of articles were increased and the duties raised by a percentage rather than by

specifically naming them.

Mr. SIMMONS. The Senator will notice that we have prescribed specific rates as to only a few articles—for instance, fish, and so forth, 1 cent per pound; coffee, 3 cents per pound; tea, 10 cents per pound. Then we say:

On the following articles 1½ times the rate specified in section 1 of this act.

So under that we might add as many articles as we wish to

add, because that fixes a rate.

Mr. CUMMINS. That could be very easily increased by including every article in the tariff schedules, and then you would have clothed the President with the power to accomplish your purpose, whereas now he may find it utterly impossible to correct the injustice that may be inflicted upon us by other nations, because in the list of articles which you give there may be none in which the offending country is particularly concerned.

The VICE PRESIDENT. The Chair and the Secretary are in doubt as to whether the Senator from Mississippi offered an amendment or whether he did not offer it.

Mr. SIMMONS. As to what matter, Mr. President?
The VICE PRESIDENT. Page 248, line 9, with reference to the word "equivalent."

Mr. SIMMONS. Yes; his suggestion was that we add the words "equal or," so that it would read, "equal or equivalent." offer that amendment now.

The VICE PRESIDENT. The amendment to the amend-

ment will be stated.

The Secretary. On page 248, line 9, before the word "equiva-lent" it is proposed to insert the words "equal or," so that if amended it will read:

Reciprocal and equal or equivalent treatment.

The amendment to the amendment was agreed to.

The VICE PRESIDENT. The amendment on line 13 will be stated.

The Secretary. After the word "just," on line 13, page 248, it is proposed to insert the words "and applicable."

Mr. SIMMONS. The Senator from Mississippi also offered that amendment, as I understood. If he did not, I offer it now.

The amendment to the amendment was agreed to.

Mr. JONES. Mr. President, I offer an amendment to the amendment of the committee, which I send to the desk.

The VICE PRESIDENT. The amendment to the amendment will be stated.

The Secretary. In line 3, page 249, after the word "oils," it is proposed to insert the word "lime"; and in line 18, after the word "jewelry," it is proposed to insert the words "on lime, three and one-half times the rate provided in section 1 of this

Mr. JONES. Mr. President, the Senate will remember that when I offered an amendment to the preceding section of the bill I called attention to the fact that the tariff on lime in one of the countries adjoining the United States is  $17\frac{1}{2}$  per cent. The committee in this bill places the rate at 5 per cent. I called attention to the conditions in our section of the country especially, where the lime industry is developed slightly across the border, and they bring the lime into our markets and sell it cheaply and come to our people and say, "Here, now, unless you buy us out we are going to break down the market." In other words, they use the tariff wall that Canada has had against us to break down our own industry. This amendment is to make our rates equivalent to the rates that Canada imposes on lime coming from this country. I hope the chairman of the committee will accept it.

Mr. SIMMONS. Let me see if I understand the Senator. Where does the Senator propose to have his amendment

Mr. JONES. In line 3, page 249, I propose to put in the word "lime" after "oils," making that one of the articles named at the top of page 249.

Mr. SIMMONS. Then where does the Senator propose to in-

sert another amendment?

Mr. JONES. Down in line 18, after the word "jewelry," I propose to insert:

On lime, three and one-half times the rate provided in section 1 of this act.

That makes it 17½ per cent, the same as the Canadian rate. Mr. SIMMONS. Three and a half times what?

Mr. JONES. Three and a half times 5 per cent.

Mr. SIMMONS. Three and a half times the present rate?

Mr. JONES. Yes; three and a half times the rate provided in section 1.

Mr. SIMMONS. Mr. President, I do not feel like consenting to the rate. I have no objection to adding lime and fixing the rate; but I will ask the Senator if he will not offer the amendment and let it go to the committee.

Mr. JONES. That will be entirely satisfactory to me. Mr. SIMMONS. I do not object to including lime, but I do

not care to agree to a certain rate at this time.

Mr. JONES. Very well. I shall be very glad to have the amendment go to the committee.

The VICE PRESIDENT. The amendment offered by the Senator from Washington to the amendment of the committee will be referred to the committee.

The question is on agreeing to the amendment of the committee as amended.

The amendment as amended was agreed to.

Mr. NORRIS. Mr. President, I should like to say to the Senator from North Carolina that at this point in the bill I desire to offer an amendment that covers the Coffee Trust situation. It will take me some time to discuss it. I understand the Senator from North Carolina is anxious to finish this part of the bill this evening. I myself would a little rather not take up the matter to-night. If it is agreeable to the Senator-if he wants to finish these provisions to-night-I should like to pass over that amendment.

Mr. SIMMONS. That is entirely satisfactory to me, and I shall be very glad to have the Senator pursue that course with

reference to it.

The VICE PRESIDENT. The Chair is compelled to announce again that the bill is open to amendment either in Committee of the Whole or after it comes into the Senate.

Mr. NORRIS. Then, I will formally offer the amendment now, so that it may be read. I should like to call the attention of the chairman and the members of the committee to it, and perhaps they can give it some consideration, because I expect to convince them before we get through that they ought to adopt either this amendment or something similar to it.

The VICE PRESIDENT. The amendment will be stated. The Secretary. On page 250, after line 13, it is proposed to

That whenever the President shall ascertain as a fact that any country, dependency, state, colony, province, or other political subdivision of government is a party to any conspiracy or combination to monopolize and control the trade or commerce between the United States and such foreign country, dependency, state, colony, province, or other political subdivision of government of any of the products of such country, whereby the prices of such products are increased to the consumers of the United States, or has any law, rule, or regulation

legalizing any such combination or conspiracy, or has any law, rule, or regulation valorizing any of the products of such foreign country by purchasing any part of the same and holding the same out of the markets of the world, whereby the price of the same is increased to the consumers of the United States, he shall have the power, and it shall be his duty, to suspend, by proclamation, the operation of the provisions of this act relative to the rates of duty to be assessed upon the products of such country, dependency, state, colony, province, or other political subdivision of government when imported into the United States; and thereafter, in addition to whatever rate of duty is assessed against the products of such country by this act, all the products of such country, dependency, state, colony, province, or other political subdivision of government shall, when imported into the United States, pay a duty of 25 per cent ad valorem.

Mr. CUMMINS. I move to strike out paragraph B, on page 250.

The VICE PRESIDENT. The Secretary will read the para-

The Secretary read paragraph B, on page 250, as follows:

B. That nothing in this act contained shall be so construed as to abrogate or in any manner impair or affect the provisions of the treaty of commercial reciprocity concluded between the United States and the Republic of Cuba on the 11th day of December, 1902, or the provisions of the act of Congress heretofore passed for the execution of the same.

Mr. CUMMINS. Mr. President, I have already submitted to the Senate my argument upon this subject. I do not intend to

repeat it. I shall content myself with its restatement.

We have in the bill already impaired and affected the provisions of the treaty to which reference is made in the paragraph. The Senate in committee has decided that after March 1, 1916, all sugar from whatever part of the world it may come shall enter the ports of the United States free. In my opinion such a law will impair our treaty with Cuba.

The proposition I have just made was not controverted when the matter was under debate a few days ago. It is obvious that a provision for free sugar is in violation or at least impairs the provisions of a treaty by which we have undertaken to give Cuba a preference of 20 per cent upon sugar.

I am not now questioning the propriety of admitting sugar ee. The debate upon that subject has occurred. I take it it would be of no avail to repeat it. But let us not put ourselves in the position of saying that nothing in the act shall be construed to impair or affect any provision or any obligation in the treaty when we have already impaired or affected a provision in the trenty. It is a mockery. To me it would be and ought to be very offensive to Cuba for us to reassert the obligation to give her a preference upon sugar when we in the same act take away that preference.

Mr. BRANDEGEE. Mr. President—
The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from Connecticut?

Mr. CUMMINS. I yield to the Senator from Connecticut.
Mr. BRANDEGEE. It seems to me that this provision would
be an effective one if it stated in the bill that it would prevent the reduction of the duty upon sugar.

Mr. SIMMONS. I did not catch what the Senator said.

Mr. CUMMINS. I suggested that the other day, and it may

Mr. SIMMONS. I want to say that the committee has an amendment to meet that suggestion, and the Senator from Mississippi intends to offer it and probably will do so before we adjourn this afternoon.

Mr. CUMMINS. To meet what situation? Mr. SIMMONS. The one just referred to by the Senator from Connecticut, as I understood him. I understood the Senator from Connecticut to say that it seemed to him there would be no duty at all upon sugar between now and the time when this provision becomes operative, which is next March. Did I understand the Senator correctly?

Mr. BRANDEGEE. Of course this purports upon its face to

be the official interpretation of the act, and it says that nothing in the act shall interfere with the provisions of the treaty.

Mr. SIMMONS. It may be that I misunderstood the Senator. Mr. BRANDEGEE. It is understood that it does infringe the

provisions of the treaty.

Mr. SIMMONS. I misunderstood the Senator. I thought he was talking about the point made by the Senator from Iowa the that as the bill now stands under the amendment made by the Senate there would be no duty on sugar at all between now and the 1st day of next March,

Mr. CUMMINS. Oh, no.

Mr. SIMMONS. I misunderstood the Senator.

Mr. CUMMINS. I am saying that after the 1st of March, 1916, under the bill there will be no duty on sugar, and after that time Cuba will have no preference upon the imports of sugar, and our treaty with her will have been impaired or our obligation to her will have been recalled or canceled.

Now, I am not suggesting that we have not the power to recall the obligation; I am not even arguing now that it is not wise to recall the obligation; but I do hope that the Congress of the United States will not put itself in the position in one paragraph of taking away the preference we have granted to Cuba and in another paragraph of the same bill asserting that Cuba shall continue to have the preference that we granted to her in 1902, I believe. One or the other of these legislative declarations ought to be eliminated from the bill.

I have assumed that there is no hope of preserving any duty Therefore let us treat Cuba fairly, as though she were, as she is, a friendly and responsible nation, and frankly refrain from reasserting the continuing obligation to extend to

her a preference upon this subject.

Mr. CLARK of Wyoming. Mr. President, I should like to ask the Senator from North Carolina whether this particular provision, in view of the general provision of the bill, is not an impossibility?

Mr. SIMMONS. You mean section B?

Mr. CLARK of Wyoming. Section B, to which the amendment is directed. Is not that an impossibility?

Mr. SIMMONS. What does the Senator mean by saying that

it is an impossibility?

Mr. CLARK of Wyoming. I mean, summing up what the Senator from Iowa has said, that you provide that sugar from all countries shall be free at a definite time.

Mr. SIMMONS. In three years from now.

Mr. CLARK of Wyoming. In three years from now?
Mr. SIMMONS. Yes. We do not provide that sugar shall be
free immediately. If we did, undoubtedly we would abrogate by an act of legislation the treaty. It is competent, of course, to do it. Any general statute passed after a treaty would be the law of the land and paramount to the treaty. provided for free sugar at once, I think the Senator is right about it, and it would be an abrogation of the treaty. But I take it that what this is intended to mean is that during the next three years, while there is a duty upon sugar, and while Cuba can have her preferential rate of 20 per cent, the provision that at some future day sugar is to be on the free list shall not be assumed and taken to mean an abrogation by statute of that treaty during that period of time.

Mr. CLARK of Wyoming. Then paragraph B, as I understand the Senator, is only intended to preserve the preferential rate

which Cuba now has from the present time to 1916?

Mr. SIMMONS. I take it that the meaning of it is that, so far as we are concerned, as for three years we are going to retain a duty upon sugar, Cuba will have 20 per cent preferential during that time, and we do not mean this on our part as an abrogation of the treaty. Of course the right would be given to Cuba by reason of this action, if she wanted to do so, to abrogate it herself.

Mr. LODGE. The treaty with Cuba reserves to both parties the right to modify or change their tariffs in any way they please. If either party to the treaty thinks that it is injured or the changes made by the other party are not to its advantage, it can then terminate the treaty on six months' notice. But the right to make any tariff changes is explicitly reserved in

Mr. CLARK of Wyoming. What I was trying to get at was the incomprehensible absurdity, as it occurred to me, of saying that the treaty should remain in force and then taking away the very thing that does keep it in force.

Mr. LODGE. And destroy it.
Mr. SIMMONS. We have not destroyed it.
Mr. WILLIAMS. The Senator from Wyoming, I think, happened not to be here some days ago when this question was brought up, and the Senator from Iowa [Mr. CUMMINS], the Senator from Massachusetts [Mr. Longe], and I discussed it quite fully. I think on examining into it he will find there is absolutely nothing in the theory that there is any discrepancy between this clause as it appears in the bill and the treaty.

Mr. CLARK of Wyoming. Undoubtedly if I had heard the discussion between the Senators I would have been convinced, but I am not convinced by the paragraph that is under con-

sideration

Mr. WILLIAMS. I merely meant to furnish an excuse for not saying the same thing over again that I said before.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Iowa [Mr. CUMMINS].

The amendment was rejected.

The reading of the bill was continued.

The next amendment of the Committee on Finance was, on page 251, line 3, after the word "both," to strike out "or which do not contain foreign materials to the value of more than 50

per cent of their total value, or 20 per cent in case of manufactures of tobacco, upon which no drawback of customs duties has been allowed therein," so as to read:

C. That there shall be levied, collected, and paid upon all articles coming into the United States from the Philippine Islands the rates of duty which are required to be levied, collected, and paid upon like articles imported from foregin countries: Provided, That all articles, the growth or product of or manufactured in the Philippine Islands from materials the growth or product of the Philippine Islands or of the United States, or of both, coming into the United States from the Philippine Islands shall hereafter be admitted free of duty.

The amendment was agreed to.

Mr. LODGE. After the word "duty" I offer the following amendment.

The VICE PRESIDENT. The amendment will be stated. The Secretary. At the end of line 8, page 251, insert:

Except cigars in excess of 150,000,000 cigars, which quantity shall be ascertained by the Secretary of the Treasury under such rules and regulations as he shall prescribe.

Mr. LODGE. That, Mr. President, is a repetition of the present law, putting a limitation on the number of cigars to be imported from the Philippines free of duty. The cigar makers of the country believe that the competition from the Philippine Islands in cheap cigars, which are what they chiefly make, will be extremely severe and detrimental to them, and they desire to have the limitation of the present law preserved. I do not know how many cigars were brought in, because the customs report gives only pounds, but under the existing law there came in from the Philippine Islands last year \$1,330,000 worth of cigars and cheroots, and their capacity I suppose is unlimited.

I know that the amendment will not be agreed to, but I desire to read the statement I have received in regard to it. The

letter is addressed to me.

BOSTON CENTRAL LABOR UNION, Boston, July 16, 1913.

Hon. Henry Cabot Lodge, United States Senator for Massachusetts.

HONDRABLE AND RESPECTED SIR: At a regular meeting of the Boston Central Labor Union the inclosed resolutions were adopted. Hoping you will take such action as the subject matter warrants,

I have the honor to be.

Very respectfully, yours,

HENEY ABRAHAMS, Secretary.

BOSTON, July 16, 1913.

Whereas at a meeting of Cigar Makers' Union No. 97, of Boston, a resolution protesting against a measure now pending in the Congress of the United States, which measure puts the cigar makers and other organized workers against Mongolian, Asiatic, and oriental hand labor of the Philippine Islands, was unanimously adopted, because of the following reasons:

One-half of the cigar factories in Manila, P. I., are owned by Chinese, whose employees work from 10 to 12 hours per day, while organized eigar makers here work 8 hours per day.

The Third Annual Report of the Bureau of Labor of the Philippine Islands shows that in 53 factories the annual wages averaged \$93.50, which is less than \$2 per week, or about 30 cents per day. The cigar trade is practically a hand industry; practically no machinery is used in the production of cigars.

Owing to the difference in the standard of living there and here, in the cost of living, in the wages and the hours of labor the hand labor of the Mongolian, Asiatic, oriental coolle handworker of the Philippine Islands and should not in justice be asked to do so. If the product of this oriental cheap labor comes into this country the result will be ruinous to the industry here and would in a measure impair and partly nullify the Chinese-exclusion act.

Resolved by the Boston Central Labor Union in regular session assembled, That we, the delegates, fully indoorse and concur in the position and protest of the affiliated organized cigar makers and cigar packers' union of Boston for the reasons stated, and instruct our secretary to immediately forward a copy of this resolution to the secretary of the Cigar Makers and Packers' Union of Boston.

Resolved, That nothing in the foregoing resolutions commits the Boston Central Labor Union, its officers, or members, individually or collectively, to a protective tariff, a low tariff, a tariff for revenue only, or any kind of a tariff, and that the resolution and our action thereon is solely an indorsement of the Mongolian, Asiatic, oriental, and c

They state their case. I have heard nothing from any of the manufacturers of cigars, but simply from the handworkers.

Mr. WORKS. Mr. President, I have received numerous communications from organizations of cigar makers in my State to the same effect. They evidently are thoroughly impressed with the idea that the coming of free cigars into this country will cripple or destroy their business or affect them very seriously. Therefore I join in what has been said by the Senator from Massachusetts on that subject.

Mr. SHERMAN. Mr. President, I wish very briefly to join with the Senator from California [Mr. Works] and for the same reason. It is a very large industry in the State I have the honor to represent in part, and from all the manufacturing centers there have come the same protests. The International Cigar Makers' Union, together with all the local unions in the principal manufacturing cities of Illinois, have sent in such protests.

I therefore wish to allude here to those protests and the reasons they have given. They are all summarized very shortly

in the wages paid in the colonial dependencies, and the standard of living and the conditions under which the manufacture takes place, all of which are greatly inferior to the conditions in this country. If these cigars are brought in as provided in this bill, it will create a competition that the petitioners say they can not withstand.

Mr. LODGE. Mr. President, I have learned that of the number of cigars which have been brought in during the last year 123,000,000 were imported from the Philippines, which is increase of 59,000,000 over the number imported during 1912, showing how rapidly the exportations of cigars from those islands to this country goes on under the present restrictions. They have nearly reached the limit, and, if this duty were taken off, the increase in the importation would be much faster.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from Massachusetts [Mr. Lodge].

The amendment was rejected.

Mr. WILLIAMS. In behalf of the committee, I offer the amendment which I send to the desk. The amendment was drawn by the Senator from West Virginia [Mr. Chilton], and we have concluded that it ought to go into the bill.

The VICE PRESIDENT. The amendment proposed by the

Senator from Mississippi will be stated.

The SECRETARY. On page 248, line 20, before the word "cheese," it is proposed to insert the following:

Coal, bituminous, culm slack, and shale and compositions used for fuel in which coal and coal dust is the component material of chief value whether in briquets or other.

On page 250, line 4, after the words "ad valorem," to insert: On coal, bituminous, and shale, 45 cents per ton of 28 bushels, 80 pounds to the bushel; coal slack or culm, such as will pass through a half-inch screen, and briquets of which coal and coal dust is the component part of chief value, 15 cents per ton of 28 bushels, 80 pounds to the bushel.

And the President may provide for drawbacks for the refunding of the duty paid upon any such coal, culm or slack imported for the purpose of being used for fuel upon vessels propelled by steam and engaged in trade with foreign countries or between Atlantic and Pacific ports of the United States and which vessels are registered under the laws of the United States.

Mr. LODGE. May I inquire if that is an addition to the

articles on which retaliation is to be made?

Mr. WILLIAMS. Yes. I have looked into it and I think the duty is reasonable in comparison with the conditions of the trade.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from Mississippi on behalf, of the committee.

The amendment was agreed to.

The reading of the bill was resumed, and continued to the end of the following proviso beginning in line 14, on page 251:

And provided further. That the free admission, herein provided, of such articles, the growth, product, or manufacture of the United States, into the Philippine Islands, or of the growth, product, or manufacture, as hereinbefore defined, of the Philippine Islands into the United States, shall be conditioned upon the direct shipment thereof, under a through bill of lading, from the country of origin to the country of destination.

Mr. LODGE. On page 251, in line 20, near the bottom of the I wish to call the committee's attention to the words which are proposed to be inserted in the present law which really relate to the article of hemp. The words are "that shall be conditioned upon the direct shipment thereof." Those words were put into the bill regulating the Philippine tariff, which was one of the bills reported from the Philippines Committee when I was its chairman a good many years ago. By the words "shall be conditioned upon the direct shipment thereof, under a through bill of lading, from the country of origin to the country of destination," the great hemp business was really transferred from London to New York. Somebody, I do not transferred from London to New York. Somebody, I do not know who, has inserted in the House bill the words "under a through bill of lading." That would enable hemp to go through London, and I am afraid would undo all that has been done in that direction.

Mr. WILLIAMS. Mr. President, for the purpose of having that matter considered in conference, I think it would be very well to strike out the words "under a through bill of lading," and then we shall take the matter up.

Mr. LODGE. I am very glad to hear that, although I think the Senator will find that is a rather risky sentence to put in. The VICE PRESIDENT. The amendment proposed by the

Senator from Mississippi will be stated.

The Secretary. On page 251, line 20, after the word "thereof," it is proposed to strike out "under a through bill of lading."

The amendment was agreed to.

Mr. WILLIAMS. Mr. President, on page 259, line 2, paragraph H, subsection 2, the word "section" should be stricken out and the word "subsection" inserted. I refer to the word following the word "preceding."

The VICE PRESIDENT. The amendment will be stated.

The Secretary. In paragraph II, subsection 2, page 259, line 2, after the word "preceding," it is proposed to strike out "section" and to insert "subsection," so as to read:

H. Subsection 2. That any person convicted of a wiliful violation of any of the provisions of the preceding subsection shall be fined not exceeding \$500, or imprisoned not exceeding one year, or both, in the discretion of the court.

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 259, after line 4, to strike out:

I. That all goods, wares, articles, and merchandise manufactured wholly or in part in any foreign country by convict labor shall not be entitled to entry at any of the ports of the United States, and the importation thereof is hereby prohibited, and the Secretary of the Treasury is authorized and directed to prescribe such regulations as may be necessary for the enforcement of this provision.

And to insert:

And to insert:

I. That no goods, wares, articles, and merchandise—except immediate products of agriculture, forests, and fisheries—manufactured wholly or in part in any foreign country by convict labor, or principally by children under 14 years of age in countries where there are no laws regulating child labor, shall be entitled to entry at any of the ports of the United States, and the importation thereof is hereby prohibited. Any shipment consigned for entry at any of the ports of the United States, and the importation thereof is hereby prohibited. Any shipment consigned for entry at any of the ports of the United States of goods, wares, articles, and merchandise—except immediate products of agriculture, forests, and fisheries—manufactured in any foreign country, province or dependency, where the industrial employment of convicts is not prohibited by law, or of children not regulated by law, shall be accempanted by an affidavit of the shipper of such merchandise, or his legal agent, to the effect that the merchandise covered by the invoice has not been manufactured wholly or in part by convict labor or principally by children under 14 years of age, the form of the affidavit to be prescribed by the Secretary of the Treasury, who is also authorized and directed to issue such further regulations and to collect all information pertinent thereto through cooperation with the Consular Service of the United States, as may be necessary for the enforcement of the provision.

Mr. ROOT. Mr. President, I do not want to let this amend-

Mr. ROOT. Mr. President, I do not want to let this amendment go without saying that, while I fully sympathize with the policy of the amendment as an American policy, and while I should like to see it enforced everywhere in America, and should like to see all countries in the world adopt and enforce the same policy, I do not think we have any right to attempt to enforce our policy upon the domestic affairs of a foreign country by refusing to receive their goods in the ordinary methods of commerce unless they conform to our ideas rather than to their own.

Mr. BORAH. Mr. President—
The VICE PRESIDENT. Does the Senator from New York yield to the Senator from Idaho?

Mr. ROOT. I do.

Mr. BORAH. Have we not a right to say that we will not receive goods into our country except upon such conditions as suit us?

Mr. ROOT. Oh, yes; we have a right to stop all commercial

intercourse if we choose; there is no doubt about that.

Mr. BORAH. It seems to me if it is a wise policy not to have our goods manufactured in that way by reason of humane principles, we ought to be willing not to accept goods that are manufactured in that way.

The only regret that I have about the amendment, Mr.

President, is that it is not strong enough. I had submitted an amendment to the bill, and I presume the committee had it under consideration, or, at least, I understood it had, but that they preferred the amendment as they have emasculated it, and it would be useless, therefore, for me to urge the amend-ment. The amendment as it reads provides:

I. That no goods, wares, articles, and mcrchandise—except immediate products of agriculture, forests, and fisheries—manufactured wholly or in part in any foreign country by convict labor, or principally by children under 14 years of age.

Of course that would mean no exclusion at all, because it is scarcely ever a fact that goods are ever manufactured principally by child labor. Child labor may enter into an industry, but it is not the principal labor, and therefore the amendment really will have no effect at all in excluding that kind of goods. As I understand, the committee considered the amendment which was offered in lieu of it and thought that it was too drastic. Is that true?

Mr. WILLIAMS. What is that?
Mr. BORAH. The amendment which I submitted and which I intended to offer reads as follows:

Intellect to offer reads as follows:

That all goods, wares, articles, and merchandise manufactured wholly or in part in any foreign country by convict labor; or by children under 14 years of age; or by children under 16 years of age employed for more than 8 hours per day or 48 hours per week; or by boys under 18 years of age or women over 16 years of age employed for more than 9 hours per day or 54 hours per week, shall not be entitled to entry at any ports of the United States, and the importation thereof is hereby prohibited; and the Secretary of the Treasury is authorized and directed to provide such regulation as may be necessary for the enforcement of this provision.

Mr. WILLIAMS. I do not remember at whose instance we had it under consideration, but we had it under consideration.

Mr. BORAH. I understand the Senator to say that the committee had under consideration the amendment which I have read.

Mr. HUGHES. Mr. President, I will say to the Senator that I do not recollect the committee having that particular amendment under consideration, although I presume it had; but we had under consideration another amendment different in form from the amendment which now appears in the bill. I urged the amendment upon the committee in its original shape.

Mr. WILLIAMS. We had under consideration the amendment offered by the Senator from New Jersey [Mr. Hughes], and we had under consideration the amendment just read by the Senator from Idaho [Mr. Borah]. I do not remember whether we considered it as having been proposed by the Senator from Idaho or whether we had it in some different way; but substantially, and I think identically, the same amendment was under consideration.

Mr. BORAH. It is the substance of the amendment to which am referring rather than to the particular author of a par-

ticular amendment.

Mr. HUGHES. The question of the Senator, as I understand, was as to whether or not his amendment was abandoned because it was regarded as too drastic. I do not know that I have ever read the Senator's amendment. I prepared an amendment before I knew the Senator had submitted one, and in the shape in which it was prepared it was considered and, I think, was passed upon by the committee. There were some protests against it, which led me to make an investigation of the child-labor laws of foreign countries, and I was amazed to find that in nearly every foreign country whose goods it was expected would be affected by the amendment the laws restricting child labor were better than the laws on the subject prevailing in this country. I found that in countries from which it was predicted goods would be excluded there were regulations with reference to the age at which children should be allowed to work, the time when they should be permitted to go to school, and in very many other respects there were laws which were infinitely better than I had any idea of when I drew the amendment.

Mr. BORAH. Mr. President, I found it to be true, upon investigation, that foreign countries in many instances had better child-labor laws than we have; but as to those countries the

amendment would do no harm.

Mr. HUGHES. I will say to the Senator that even as affecting Calcutta protests were made against this amendment with considerable force and with considerable justice, I suppose, from the standpoint of those interested. A strong protest came from the men who import bagging from Calcutta. chinery and instrumentalities are not available in this country to supply the demand for bagging if the Calcutta supply were suddenly shut off, and we found that, even in Calcutta, child labor was regulated and restricted.

Mr. SMOOT. Then they do not enforce it in Calcutta; do

they?

Mr. HUGHES. Yes.

Mr. SMOOT. Mr. President, I have in my office photographs of employees in cotton-bagging mills and burlap mills showing children at work that I am positive are not over 10 years old.

Mr. HUGHES. Children under certain years of age are permitted to work for certain hours, provided they have done cer-tain other things—provided they have been to school a certain length of time, or there are special circumstances—showing that at any rate the Government is making an effort to meet this situation. It was a total surprise to me, I will say to the Senator, to find-

Mr. ROOT. That is to say, the Government of India has its own public policy.

Mr. HUGHES. Yes.

Mr. ROOT. And has framed and is applying certain regulations designed to preserve the health of its people; and we make the doing of business with us contingent or conditional upon their complying with our ideas of what the regulations ought to be.

Mr. HUGHES. Not so far as this amendment is concerned. This particular amendment is innocuous so far as that is con-

Mr. SMOOT. Yes; I think that is true, and so far as any other country is concerned, the way it is worded.

Mr. HUGHES. I do not claim there is much virility in the amendment.

Mr. ROOT. It is innocuous because there are no means by which we can sit in judgment on the processes by which merchandise can be produced in other countries; but it is a declaration of intention to compel other countries to comply with our public policies in the manufacture of their goods, by refusing to have commercial intercourse with them unless they do. Innocuous and impossible of application as it may be, I do not think we ought to put it in a statute.

Mr. BORAH. As I view the statute, it was not intended to enforce, and of course no one could enforce, upon a foreign country a policy that that country did not desire to adopt; but we have a right to say whether or not we shall avail ourselves of goods manufactured in establishments where children 5 and 6 years of age are worked from 10 to 12 hours a day.

If there is any humanity left in us on this question it should not be confined to State or national lines. I have never thought that such a thing as religion or humanity was subject to State or county or national lines. If we are not willing to see that sort of thing go on in our country, there is no reason why we should not say that we are not willing to avail ourselves of cheaper goods because they are made by children working under those conditions.

It is a perfectly humane policy; it is a perfectly just policy. We can not enforce it upon those countries, but we can say, so far as we are concerned, that we will not share in that kind

Mr. KENYON. Mr. President, this seems to be an effort to stop the shipment into this country of goods made by what is commonly called child labor. As long as we premit in this country the shipment in interstate commerce, from State to State, of goods that are made by child labor are we not rather in the position of giving better care to the children in foreign countries than we give to the children in our own country

Mr. BORAH. There is a constitutional inhibition with reference to the shipment of goods between State and State that does not embarrass us when we come to deal with the shipment of goods from another country into this country.

Mr. KENYON. As I understand, child-labor bills were introduced here some years ago; in fact, I introduced one myself at the beginning of this session which has slept in the committee ever since. It seems to me we are a little more concarned about the foreign children than about our own children. If we are going to permit in this country the shipment in interstate commerce of goods manufactured by children, I can not see very much reason why we should prevent it in the case of foreign children.

Mr. BORAH. I am sure I know the Senator from Iowa well enough to know that he is glad to do a humane thing in any part of the world.

Mr. KENYON. Yes; and I will vote for this amendment; and I hope it is an indication that Congress may adopt a national standard for this country prohibiting the shipment in interstate commerce of goods made by child labor in this

Mr. BORAH. If we can do that under the Constitution, I think it will shortly be done.

Mr. KENYON. Has the Senator any doubt about it? Mr. BORAH. Yes; I have very serious doubt about it, Mr. KENYON. I have not.

Mr. OLIVER. Mr. President, I wish to call the attention of the committee to the fact that this prohibition with regard to the products of child labor applies only to goods coming from countries where there are no laws regulating child labor. They may come from a country that has the weakest kind of laws relating to child labor or laws that are not enforced, and still they would not come under this prohibition at all. If we are going to prohibit them I think we should not prohibit them solely from countries having no laws relating to child labor.

This provision reads:

Or principally by children under 14 years of age in countries where there are no laws regulating child labor.

I would suggest that the words "in countries where there are no laws regulating child labor" be stricken out, or that something be done so that this language will apply as well to countries where the laws relating to child labor are either not

sufficiently severe or not sufficiently enforced.

Mr. WILLIAMS. Mr. President, the observations made by the Senator from Pennsylvania must go back of the tariff bill and establish themselves substantially upon the amendment offered by the Senator from Idaho, because if we undertake to say that the entry of these goods shall be prohibited when they come from countries where they have no regulations as to child labor we shall be compelled to go into the business of prescribing the sort of regulations they shall have for child

Mr. OLIVER. I know the Senator from Mississippi does not like to hear a hypothetical case; but let us suppose that some

country has a law that allows the labor of children down to 12 or even 10 years. There is a law relating to child labor, but still we admit those goods under this language.

Mr. WILLIAMS. I was coming right to that. times forget how big the earth is and how diverse are the conditions, climatic and otherwise, under which people live. A Hindu girl is a wife and a mother and a widow by the time she is 12 years of age. The consequence is that child-labor laws in India take into consideration much younger ages than they do in a temperate country. Even in our own great country a boy or a girl of 15 in Florida and a boy or a girl of 15 in Maine are totally different creatures.

Mr. OLIVER. I suppose that is the reason they work them

so young down in that part of the country.

Mr. WILLIAMS. Mr. President, it is true that man or woman, boy or girl reaches a certain stage of maturity much earlier in tropical countries than in temperate countries, and much earlier in temperate countries than in frozen countries. That has been the case since the world began. I did not originate that law at all. God originated it. The Senator must not think I am responsible for it.

For us to attempt, as the Senator from Idaho does in this amendment, to prescribe certain years as the years under which children shall not be permitted to work or else the products of those countries shall not come into the United States, is an illustration, just as I said in the beginning, of a total forget-fulness of the fact that a child in one country at 14 is more matured than a child in another country at 18, and a child of still another country is more matured at 12 than in either of the other countries.

Mr. BORAH. Strange as it may seem, I was familiar with

that piece of universal knowledge.

Mr. WILLIAMS. I am willing to admit that it is strange that the Senator should be familiar with the fact, because he has offered this amendment, which would tend to prove that the Senator was not familiar with the fact at all. His amendment reads:

That all goods, wares, articles, and merchandise manufactured * * * by children under 14 years of age; or by children under 16 years of age employed for more than eight hours per day * * * or women over 16 years of age employed for more than nine hours per day, and so forth.

In other words, the Senator is prescribing an age limit for child labor that shall apply to India and to Norway at the same

It may be true that it is strange, as the Senator said it was, that he was acquainted with that fact, but he evidently had lost sight of it temporarily when he drew up this amendment.

As I said a moment ago, if the Senator's amendment should be adopted it would absolutely cut off our entire commerce with Japan and nearly all of our commerce with Hindustan. We can not undertake to enter into the details of child-labor laws in other countries. The utmost we can do is what we have done here.

The adverb "principally," in line 15, has been criticized. We put it in on purpose. If you take our trade with Japan. for example, it would be difficult to find anything that is produced

in Japan that is not produced partially by child labor.

Mr. BORAH. Mr. President, the Senator criticizes the fact
that I put in the age at 14. I think I will show the Senator in a moment that this amendment of his, as it was drawn, was not designed to do anything, because you say, "children under 14 years of age.

Mr. WILLIAMS. Yes; but we use the word "principally."
Mr. BORAH. Exactly; and by its use you render the provision worthless

Mr. WILLIAMS. But if the Senator will notice, the difference between his amendment and ours is just this: We say, principally by children under 14 years of age in countries where there are no laws regulating child labor." Then we leave to the countries which have laws regulating child labor the business of fixing their own age limit.

Mr. BORAH. Exactly. Now, if you desired to have non-importation from countries where children are not permitted to labor under 14 years of age, you would not have said where it is regulated" by law, but you would have said where it is "proby law, because otherwise a country might pass a law saying that children should be permitted to labor under 14 years of age, and it would then come under this provision.

Mr. WILLIAMS. No. Mr. BORAH. Exactly.

Mr. WILLIAMS. The Senator misunderstands me.

Mr. BORAH. I do not misunderstand the proposed statute. Mr. WILLIAMS. The provision that the Senator has referred to applies to the countries which do not have any childlabor laws. Now, take a country like India, for example, which has a child-labor law. Unless my memory fails me, one of the ages for a certain sort of work is 9 years; another age is 12—and, in point of maturity, a 12-year-old girl in Calcutta is the equal of a 19-year-old girl in Idaho.

Mr. BORAH. She may be the equal in mere question of age. I desire to ask the Senator a question and to see if I am correct in regard to it. Suppose Japan or some other oriental country had a law providing that all children under 14 years of age should be permitted to labor, say, 8 or 10 hours a day down to the age of 6. Would this language have any effect at all? In such a case child labor would be regulated by law, but the law would not be prohibitory, but, rather, permissive.

Mr. WILLIAMS. If the Senator can really suppose that any country would be absurd enough to have that sort of regu-

Mr. BORAH. Mr. President, it is no absurdity at all, because it does exist.

Mr. WILLIAMS. That some countries have an age limit of 6 years

Mr. BORAH. No; not that; but much under 14. Mr. WILLIAMS. That is what the Senator stated. Mr. BORAH.

Mr. BORAH. But they have an age limit under 14 years

of age.

Mr. WILLIAMS. Oh, yes; and they ought to have. Mr. BORAH. Then, the Senator's amendment would have no effect whatever, because child labor is regulated by law; but it is not in any way prohibited.

Mr. WILLIAMS. The Senator is right in saying that wherever the country itself has a law regulating child labor, this provision does not apply.

Mr. BORAH. Mr. President, having been able to agree with

the Senator on one thing, I am willing to take the vote.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee.

The amendment was agreed to. The reading of the bill was resumed.

The next amendment was, in section 5, paragraph J, subsection 4, page 262, line 2, after the word "thereof," to insert 'models of women's wearing apparel imported by manufacturers for use as models in their own establishments," and to strike out, before the word "samples," in line 4, the words "commercial travelers'," so as to make the subsection read:

"commercial travelers," so as to make the subsection read:

J. Subsection 4. That machinery or other articles to be altered or repaired, molders' patterns for use in the manufacture of castings intended to be and actually exported within six months from the date of importation thereof, models of women's wearing apparel imported by manufacturers for use as models in their own establishments, samples solely for use in taking orders for merchandise, articles intended solely for experimental purposes, and automobiles, motor cycles, bicycles, aeroplanes, airships, balloons, motor boats, racing shells, teams, and saddle horses, and similar vehicles and craft brought temporarily into the United States by nonresidents for touring purposes or for the purpose of taking part in races or other specific contests, may be admitted without the payment of duty under bond for their exportation within six months from the date of importation and under such regulations and subject to such conditions as the Secretary of the Treasury may prescribe: Provided, That no article shall be entitled to entry under this section that is intended for sale or which is imported for sale on approval.

The amendment was agreed to.

The next amendment was, in paragraph J, subsection 5, page 262, line 19, after the words "construction of," to insert "naval vessels of the United States," so as to read:

J. Subsection 5. That all materials of foreign production which may be necessary for the construction of naval vessels of the United States, vessels built in the United States for foreign account and ownership, or for the purpose of being employed in the foreign or domestic trade, and all such materials necessary for the building of their machinery, and all articles necessary for their outfit and equipment, may be imported in bond under such regulations as the Secretary of the Treasury may prescribe; and upon proof that such materials have been used for such purposes no auties shall be paid thereon.

Mr. GALLINGER. I ask that subsection 5 and subsection 6 may go over for the day. I did not expect that we would reach this part of the bill to-day. I promise that there will be no

delay about it at all.

Mr. WILLIAMS. We are perfectly willing to agree to that.

Mr. JONES. And also subsection 7, relating to the same mat-

ter; I ask that it may go over.

Mr. WILLIAMS. We have not reached that yet.

Mr. SIMMONS. The committee propose to strike out subsection 7

Mr. JONES. I ask that it may go over, in connection with subsections 5 and 6.

Mr. STONE. Let subsections 5 and 6 and 7 go over without

Mr. JONES. I want to have the question of adopting the amendment of the committee, striking out subsection 7, to go

Mr. WILLIAMS. Very well.
The VICE PRESIDENT. The subsections will go over.

The reading of the bill was continued.

The next amendment of the committee was, in paragraph M, on page 266, line 4, after the word "manufacture," to insert "including waste derived from cleaning rice in bonded warehouses under act of March 24, 1874," so as to make the proviso read:

Provided, That the waste material or by-products incident to the processes of manufacture, including waste derived from cleaning rice in bonded warehouses under act of March 24, 1874, in said bonded warehouses may be withdrawn for domestic consumption on the payment of duty equal to the duty which would be assessed and collected, by law, if such waste or by-products were imported from a foreign country. All labor performed and services rendered under these provisions shall be under the supervision of a duly designated officer of the customs and at the expense of the manufacturer.

The amendment was agreed to.

The next amendment was, on page 267, line 5, after the word "therefrom," to insert the following proviso:

Provided, That cigars manufactured in whole of tobacco imported from any one country, made and manufactured in such bonded manufacturing warehouses, may be withdrawn for home consumption upon the payment of the duties under such regulations as the Secretary of the Treasury may prescribe, and the payment of the internal-revenue tax accruing thereon in their condition as withdrawn, and such cigars shall be stamped to indicate their character, origin of tobacco from which made, and place of manufacture.

Mr. BRANDEGEE. I suppose it means that the packages containing the cigars shall be stamped.

Mr. WILLIAMS. Yes.

Mr. BRANDEGEE. It says the cigars shall be stamped.

They could not put all that statement on the cigars, I presume.

Mr. WILLIAMS. It means the packages containing the cigars. I move, after the word "and," in line 12, page 267, to insert "the boxes or packages containing," so as to read, "and the boxes or packages containing such cigars shall be stamped,'

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The reading of the bill was continued to line 17, on page 267. Mr. WILLIAMS. I ask that paragraph N, beginning at line 18, on page 267, and ending on page 268 with line 16, be re-committed. We want to consider further the question about the metals, and all that, in bonded warehouses.

The VICE PRESIDENT. Without objection the paragraph

will be recommitted.

The reading of the bill was continued.

The next amendment was, on page 268, line 22, before the words "per centum," to strike out "1" and insert "3," so as to read:

O. That upon the exportation of articles manufactured or produced in the United States by the use of imported merchandise or materials upon which customs duties have been paid, the full amount of such duties paid upon the quantity of materials used in the manufacture or production of the exported product shall be refunded as drawback, less 3 per cent of such duties.

The amendment was agreed to.

The reading of the bill was continued to line 12, on page 269, Mr. WILLIAMS. On page 269, line 11, before the words "per cent," I move to strike out "1" and insert "3." By an omission the amendment made in line 22, of the previous page, was not inserted here.

The VICE PRESIDENT. The amendment will be stated. The Secretary. In line 11, page 269, before the words "per cent," strike out "1" and insert "3," so as to read:

Where no duty is accessible upon the importation of a corresponding by-product, no drawback shall be payable on such by-product produced from the imported material; if, however, the principal product is exported, then on the exportation thereof there shall be refunded as drawback the whole of the duty paid on the imported material used in the production of both the principal and the by-product, less 3 per cent, as hereinbefore provided.

The amendment was agreed to.

The reading of the bill was continued to line 23, on page 271, the last paragraph read being as follows:

Q. That on and after the day when this act shall go into effect all goods, wares, and merchandise previously imported, for which no entry has been made, and all goods, wares, and merchandise previously entered without payment of duty and under bond for warehousing, transportation, or any other purpose, for which no permit of delivery to the importer or his agent has been issued, shall be subjected to the duties imposed by this act and to no other duty, upon the entry or the withdrawal thereof: Provided, That when duties are based upon the weight of merchandise deposited in any public or private bonded warehouse, said duties shall be levied and collected upon the weight of such merchandise at the time of its entry.

Mr. WILLIAMS. The junior Senator from Utah [Mr. SUTH-ERLAND] has an amendment lying on the table to be offered at this stage of the bill. Would it be convenient for him to offer

Mr. SUTHERLAND. I offer the amendment which I send to the desk.

The VICE PRESIDENT. The amendment will be read. The Secretary. On page 271, strike out subdivision Q of section 5 and insert in lieu thereof the following:

Q. That all goods, wares, and merchandise imported prior to the day when this act shall go into effect for which no entry has been made, and all goods, wares, and merchandise previously entered without payment of duty and under bond for warehousing, transportation, or any other purpose, for which no permit of delivery to the importer or his agent has been issued shall be subjected, upon the entry or the withdrawal thereof, to the duties in force when such goods, wares, and merchandise were imported or previously entered, respectively.

Mr. SUTHERLAND. Mr. President, unless the committee is prepared to accept this amendment, of course, I realize that there is no hope of its being adopted. At the same time, I de-

sire to be heard very briefly with reference to it.

The first proposition to which I desire to direct the attention of the Senate is the effect which subdivision Q as now found in the proposed bill will have upon the revenues of the Government. The Secretary of the Treasury, in response to a resolution asking for the information, reports that the value of merchandise in the bonded warehouses of the United States on August 1, 1912, was seventy-one million and some odd thousand dollars, and that the value of merchandise in bonded warehouses for the corresponding period of 1913, one year later, was one hundred and four million and some odd thousand dollars, an increase of over \$30,000,000. The duties under the existing tariff law upon those goods would amount to over \$58,000.000. The estimated duties upon the same merchandise under the proposed bill would be something over \$48,000,000.

So if these goods are permitted to be withdrawn upon the payment of the duties proposed by the pending bill there will be a loss to the Government of the United States of approximately \$10,000,000. I think the estimate of the Treasury Department is under rather than over that amount, because I find from a report which is unofficial, but which I believe to be entirely accurate, that in the bonded warehouses of New York alone, which of course would carry the greater proportion of all these goods, there was during July, exactly what date I do not recall, \$80,000,000 worth of goods in bond, the duties upon which would have been between \$40,000,000 and \$50,000,000.

On the 30th day of April of the present year there were in the bonded warehouses of Boston over 40,000,000 pounds of wool alone. The duties upon that wool, being accurately computed appearance of 10,000,000 pounds of 10,000 p puted, amount to \$4,106,319.75. Under the proposed bill, of course, this wool will be admitted free, and that entire amount of revenue will be lost. On July 21 of the present year there was in New York in the bonded warehouses 21,000,000 pounds of wool, the duties upon which would have been over \$2,000,000. So upon that one item of wool in those two cities the loss of revenue under this bill would be over \$6,000,000.

It is perfectly apparent that the amount of wool on deposit has increased since those dates. There is certainly more in Boston to-day than there was April 30, and more in New York than there was July 1. So I think the estimate made by the Secretary of the Treasury respecting the loss is too little. At any rate, this was the estimate made for August 1. By the time this bill goes into operation it will be still more, probably reaching anywhere from \$12,000,000 to \$15,000,000.

Now, it seems to me to be worth while to save this amount

of revenue to the Government.

In the next place, if these goods are withdrawn and the duties paid under the proposed law, the Government will be compelled to reclassify, to reexamine, to a very large extent, these importations. The duties which have already been fixed and which could be paid automatically upon the withdrawal of these goods will all have to be reliquidated. It has been estimated that there are about 40,000 different entries in the New York warehouses alone. I undertake to say that in other ports of the country that would be swelled to 50,000. In other words, there are 50,000 separate entries of goods in these bonded warehouses. Each of these entries must be reex-

We have, for example, changed the method of estimating the duties upon cotton goods. Every one of the importations of cotton goods will have to be taken from the bonded warehouses, carried over to the appraiser's warehouses, and there reclassified, reexamined, and the duties reliquidated under the provisions of the new law. It means weeks, if not months, of additional labor upon the part of the customs officers of the United States, and that is to be done at Government expense. It means no one can estimate how much Government expense; it will undoubtedly run into the hundreds of thousands of dollars.

So by permitting these duties to be paid under the new law instead of under the old law there will not only be a direct loss to the Treasury of the United States of \$12,000,000 or \$15,000,000 but, in addition, a tremendous expense incurred in order to reliquidate the duties.

In addition to that, demands will be made for immediate delivery upon the part of many of the importers, which will result in hurry and confusion, in the clogging of the business of the customhouses, in great loss of revenue, and in great expense to the Government.

The third consideration that must be borne in mind is the effect which, upon the payment of these reduced duties, the dumping of an abnormal quantity of goods will have upon the American market. To the extent that we are producing in this country goods of like character, and to the extent that goods of a like character which have been imported are now held by merchants in this country, the disastrous effect upon their business can scarcely be overestimated. We dump within a few weeks upon the American market perhaps one-half or more of this great volume of \$104,000,000 worth of imported goods. It seems to me that the effect upon the American producer can not be other than demoralizing.

It is said that the importers have put their goods in bond upon the belief that they would be permitted to withdraw them upon paying the duties provided by the new law, and that the Government is under some sort of moral obligation to carry that understanding into operation. The effect of providing for the bonded-warehouse system was to extend credit to importers. Nobody knows precisely whether the bonded-warehouse system was adopted for that reason alone, but we do know that in the very early history of the Government there were no bonded warehouses and that the Government adopted a plan of extending credit directly; and it is probable, although it is not certain, that the Government, because of losses which it sustained in that way, devised the bonded-warehouse system.

One result of holding goods in bond is that they become security for the payment of the amount of the duty for which credit is extended. The Government is not benefited in any way whatever by the bonded-warehouse system. It would be far better, so far as the fiscal operations of the Government are concerned, if it required payment of these duties immediately upon the importation of the goods; but in order to allow the importing merchants credit, to enable them to defer the payment of duties pending the time when they may want to use their goods, the Government has generously extended this credit to them.

Mr. GALLINGER. Mr. President—
The VICE PRESIDENT. Does the Senator from Utah yield

The VICE PRESIDENT. Does the Senator from Utan yield to the Senator from New Hampshire?

Mr. SUTHERLAND. I yield.

Mr. GALLINGER. The Senator from Utah says that the Government gets no benefit from this extension of the time of payment to the importer. I ask the Senator if the Government does not sustain a very considerable loss on that account?

Mr. SUTHERLAND. Oh, yes; the Government not only gets no benefit, but it carries on the bonded-warehouse system at a very great expense. It must keep books of account and it must

very great expense. It must keep books of account, and it must maintain a certain sort of supervision over the operations, all of which costs money.

Mr. GALLINGER. And pay the employees.
Mr. SUTHERLAND. Yes; and all as a pure matter of generosity to the importers. Instead of the moral argument being on the side of the importers, it is upon the Government's side. The importers take advantage of the generosity of the Government in extending credit to them to pile up abnormal quantities of goods for the sole purpose of taking advantage of the greatly reduced duties. In doing so they not only rob the Treasury of the United States, but they do injury to our own American producers. There is no reason in good morals why they should not be compelled to pay the duties which were assessed against those goods at the time they were imported.

Mr. President, I think I have said all I care to say about the question, and I ask for the yeas and nays upon the pro-

posed amendment.

Mr. WILLIAMS. Mr. President, when the Government deprives a man of his natural right to buy wherever he can buy cheapest and to bring his goods home, and taxes him and puts obstacles in his way, I do not see that there is so much generosity in allowing him a little delay in the payment of duties.

As the Senator from Utah says, the Government will lose a certain amount of money, whatever it is, but the Senator forgets that the people will gain identically that same amount of money by not being required to pay these duties. As a partial reply to the Senator from Utah, I ask that the letter which I send to the desk, which was addressed to the Senator from New Jersey [Mr. Hughes] by one of his constituents, be read.

The provision in this bill is identical with the provision that

was in the law of 1900. It has been in every other tariff law which we have ever enacted; so there is nothing new about it. There is no reason why a different provision should be in a law reducing taxes from that which has been in all the laws raising taxes.

The VICE PRESIDENT. Is there objection to the reading of the letter asked for by the Senator from Mississippi? The Chair hears none, and the Secretary will read.

The Secretary read as follows:

DEMAREST, N. J., July 31, 1913.

Hon. William Hughes, United States Senate, Washington, D. C.

Chair heaves mone, and the Secretary will read.

The Secretary read as follows:

DEMAREST, N. J., July 31, 1913.

How, WILLIAM HIGGIES,

United States Senate, Washington, D. C.

Sil: We desire to address you with respect of unspecting the operation of the state of the state of your life. The state of the state of your life of your life of the state of the state of your life. State of the state of the state of your life of your life of the state of the state of your life of your lif

thus conferred upon many new concerns of no standing comparable

thus conterred upon many better to ours.

We therefore respectfully insist that the Sutherland amendment above mentioned should be rejected. We understand that this amendment will shortly come up for discussion in your committee, and we therefore pray that the points we have presented may have the benefit of your examination at this time.

Respectfully,

JACOB & JOSEF KOHN.

Per WALTER SCHMITS, Manager.

Mr. GALLINGER. I will ask if there is a business heading to that letter? In other words, in what line of business are the men who sign the letter engaged?

The VICE PRESIDENT. The Chair is informed by the Sec-

retary that there is no business heading on the letter.

Mr. WILLIAMS. I think they are importers; but they pre-

sent a very sound argument.

The VICE PRESIDENT. The question is on agreeing to the amendment proposed by the Senator from Utah [Mr. Suther-LAND], on which the yeas and nays have been demanded.

The yeas and nays were ordered, and the Secretary proceeded

to call the roll.

Mr. CHILTON (when his name was called). I again announce my pair, as on the previous vote, with the Senator from Maryland [Mr. Jackson], and transfer it to the Senator from Nebraska [Mr. HITCHCOCK] and will vote. I vote "nay.

Mr. GALLINGER (when his name was called). I transfer my pair with the junior Senator from New York [Mr. O'Gor-MAN] to the junior Senator from Maine [Mr. Burleigh] and vote "yea."

Mr. LEWIS (when his name was called). I am paired with

the Senator from North Dakota [Mr. GRONNA].

Mr. SUTHERLAND (when his name was called). I inquire whether the Senator from Arkansas [Mr. Clarke] has voted?

The VICE PRESIDENT. The Chair is informed that he

Mr. SUTHERLAND. I am paired with that Senator, and therefore withhold my vote.

Mr. WILLIAMS (when his name was called). I am paired with the senior Senator from Pennsylvania [Mr. Penrose]. If he were present, I should vote "nay."

The roll call was concluded.

Mr. THOMAS. I transfer my pair with the Senator from Ohio [Mr. Burron] to the junior Senator from Oklahoma [Mr.

Gore] and vote "nay."

Mr. BRYAN. I am paired with the junior Senator from Michigan [Mr. Townsend]. I transfer that pair to the senior

Senator from Oklahoma [Mr. Owen] and vote "nay."
Mr. SUTHERLAND. I transfer my pair with the Senator from Arkansas [Mr. Clarke] to the Senator from New Mexico [Mr. Fall] and will vote. I vote "yea."

Mr. JAMES. I have a general pair with the Senator from Massachusetts [Mr. Weeks]. I transfer that pair to the junior Senator from Tennessee [Mr. Shields] and vote "nay."

Mr. COLT (after having voted in the affirmative). I have a general pair with the junior Senator from Delaware [Mr. Saulsbury], who is absent, so I withdraw my vote.

Mr. REED. I transfer my pair with the Senator from Michigan [Mr. Smith] to the Senator from Nevada [Mr. Pittman] and vote "nay."

Mr. PERKINS (after having voted in the affirmative). I inquire if the junior Senator from North Carolina [Mr. OVERMAN] has voted?

The VICE PRESIDENT. The Chair is informed that he has

Mr. PERKINS. I have a general pair with that Senator, and therefore withdraw my vote.

Mr. WILLIAMS. I transfer my pair with the senior Senator

from Pennsylvania [Mr. Penbose] to the senior Senator from Virginia [Mr. Martin] and will vote. I vote "nay."

Mr. LEWIS. I transfer my pair with the Senator from North Dakota [Mr. Gronna] to the Senator from Arizona [Mr. ASHURST] and will vote. I vote "nay."

The result was announced-yeas 23, nays 35, as follows:

YEAS-23.

Bradley Brady Brandegee Bristow Catron Clark, Wyo.	Crawford Cummins Dillingham Gallinger Jones Kenyon	La Follette McLean Nelson Norris Oliver Page	Sherman Smoot Sterling Sutherland Warren		
NAYS—35.					
Bacon Bankhead Bryan Chamberlain Chilton Fletcher Hollis Hughes James	Johnson Kern Lane Lewis Martine, N. J. Myers Poindexter Pomerene Ransdell	Reed Robinson Shafroth Sheppard Shively Simmons Smith, Ariz. Smith, Ga. Smith, Md.	Smith, S. C. Stone Swanson Thomas Thompson Vardaman Walsh Williams		

du Pont Fall

NOT VOTING-37.

Ashurst Borah Burleigh Burton Goff Gore Gronna Hitchcock Jackson Lea Lippitt Lodge McCumber Martin, Va. Clapp Clarke, Ark, Colt Culberson

Newlands O'Gorman Overman Owen Penrose Perkins Pittman Root Saulsbury Shields Smith, Mich. Stephenson Thornton Tillman Townsend

So Mr. Sutherland's amendment was rejected.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 271, after line 23, to strike out:

page 271, after line 23. to strike out:

R. That whenever articles are exported to the United States of a class or kind made or produced in the United States, if the export or actual selling price to an importer in the United States, or the price at which such goods are consigned is less than the fair market value of the same article when sold for home consumption in the usual and ordinary course in the country whence exported to the United States at the time of its exportation to the United States, there shall, in addition to the duties otherwise established, be levied, collected, and paid on such article on its importation into the United States a special duty (or dumping duty) equal to the difference between the said export or actual selling price of the article for export or the price at which such goods are consigned, and the said fair market value thereof for home consumption, provided that the said special duty shall not exceed 15 per cent ad valorem in any case and that goods whereon the duties otherwise established are equal to 50 per cent ad valorem shall be exempt from such special duty.

"Export price" or "selling price" or "price at which such goods are consigned" in this section shall be held to mean and include the exporter's price for the goods, exclusive of all charges thereon after their shipment from the place whence exported directly to the United States.

The Secretary of the Treasury shall make such rules and regulations as are necessary for the carrying out of the provisions of this section and for the enforcement thereof.

The amendment was agreed to.

The amendment was agreed to.

The next amendment was, in paragraph S, page 273, line 9, after the word "message," to insert "if deemed important in the public interest," so as to read:

S. That the President shall cause to be ascertained each year the amount of imports and exports of the articles enumerated in the various paragraphs in section 1 of this act and cause an estimate to be made of the amount of the domestic production and consumption of said articles, and where it is ascertained that the imports under any paragraph amount to less than 5 per cent of the domestic consumption of the articles enumerated he shall advise the Congress as to the facts and his conclusions by special message, if deemed important in the public interest.

The amendment was agreed to.

The next amendment was, on page 273, after line 17, to insert:

The next amendment was, on page 273, after line 17, to insert:

A joint committee of the Senate and House of Representatives is hereby constituted, to consist of three members of the Finance Committee of the Senate, to be appointed by the President of the Senate, and of feur members of the Ways and Means Committee of the House, to be appointed by the Speaker of the House, whose duty it shall be to investigate and consider the revenue administration laws of the United States with the view of simplifying, harmonizing, revising, and codifying the same. The said committee is hereby given power to subprena and compel the attendance of witnesses, to administer oaths, to hear testimony, to record and print hearings, to employ an expert clerk at not exceeding \$250 per month, and a stenographer or stenegraphers, at a cest not to exceed the sum of \$1 per printed page, to make a final report, to print the same for the use of the Senate and House; and it is hereby made their duty to file said final report and their recommendations with the Committee on Ways and Means of the House of Representatives not later than February i, 1914. The sum of \$15,000, or so much thereof as is needed, is hereby appropriated, out of any money in the Treasury not otherwise appropriated, to carry out the provisions of this paragraph.

The amendment was agreed to.

The next amendment was in paragraph T, page 274, line 22, after the word "construed," to insert "to permit any oaths to be demanded or fees to be charged except as provided in this act nor," so as to read:

T. That, except as hereinafter provided, sections 1 to 42, both inclusive, of an act entitled "An act to provide revenue, equalize duties, and encourage the industries of the United States, and for other purposes," approved August 5, 1909, and all acts and parts of acts inconsistent with the provisions of this act, are hereby repealed: Provided, That nothing in this act shall be construed to permit any oaths to be demanded or fees to be charged except as provided in this act nor to repeal or in any manner affect the following numbered sections of the aforesaid act approved August 5, 1909, etc.

Mr. SMOOT I should like to ask the Secretor why those

Mr. SMOOT. I should like to ask the Senator why those words are included?

Mr. WILLIAMS. The Senator from Utah has anticipated me in connection with that very matter. I am afraid it might be claimed that this amendment, if enacted into law, would prohibit the Secretary of State from directing consuls to require oaths to consular certificates. I had therefore designed, and I now request, that this matter may go back to the committee to

be made clear. Mr. SMOOT. Mr. SMOOT. That was the reason I asked the question. I thought the Senator would give that as the reason.

Mr. WILLIAMS. I am a little afraid it might be subject to

that construction, although I am not convinced that it would be. I want to make it clear, anyway.

I ask that the proviso on page 21 be recommitted.

The VICE PRESIDENT. The proviso will be recommitted.

The reading of the bill was resumed.

The next amendment of the Committee on Finance was, on page 275, line 21, after the word "effect," to insert:

page 275, line 21, after the word "effect," to insert:

And provided further, That an excise tax upon the doing of business, equivalent to 1 per cent upon their entire net income, shall be levied, assessed, and collected upon corporations, joint-stock companies or associations, and insurance companies, of the character described in section 38 of the act of August 5, 1909, for the period from January 1 to February 28, 1913, both dates inclusive, which said tax shall be computed upon one-sixth of the entire net income of said corporations, joint-stock companies or associations, and insurance companies, for said year, said net income to be ascertained in accordance with the provisions of subsection G of section 2 of this act: Provided further, That the provisions of said section 38 of the act of August 5, 1909, relative to the collection of the tax therein imposed shall remain in force for the collection of the excise tax herein provided, but for the year 1913 it shall not be necessary to make more than one return and assessment for all the taxes imposed herein upon said corporations, joint-stock companies or associations, and insurance companies, either by way of income or excise, which return and assessment shall be made at the times and in the manner provided in this act.

Mr BRISTOW I should like an explanation as to instruct.

Mr. BRISTOW. I should like an explanation as to just what effect that has on the income-tax provision.

Mr. GALLINGER. It is a corporation tax.

Mr. BRISTOW. I know it is a corporation tax; but it con-

nects up with the income tax, does it not?

Mr. WILLIAMS. I will state the object. When we tax the income of a preceding year in the present law, there are two months in which we had no constitutional power to tax incomes at all. We have attempted to continue the old excise law in existence for those two months, and to make the income-tax law operative for the other 10 months.

Mr. BRISTOW. I understand now. I had forgotten just

the reference.

Mr. BRANDEGEE. Mr. President, I should like to ask the Senator a question with relation to this amendment which provides that an excise tax-

upon the doing of business * * * shall be levied, assessed, and collected upon corporations.

My recollection is that the language of the present corporation tax, which I think was sustained by the Supreme Court of the United States, was that "an excise tax with respect to the transaction of business" was imposed upon the corporation. This language imposes an excise tax "upon the doing of business" upon the corporation.

While I do not know that it is at all material, I simply wish to suggest, if the committee cares to do so, that it consider whether it would be wise to preserve the language of the exist-

ing law.

Mr. WILLIAMS. Will the Senator read that language to me again, please?

Mr. BRANDEGEE. It is found at the bottom of page 275.

Mr. WILLIAMS. But I say, will the Senator read to me again the language of the existing law?

Mr. BRANDEGEE. I have stated it simply from my recollection of the present corporation-tax law, which levies the tax upon the corporation "with respect to the transaction" of its

Mr. WILLIAMS. I think it will be safer and better to keep up the language of the existing law, and not to run the risk of any new construction.

Mr. BRANDEGEE. I simply suggest it for the consideration

of the committee.

Mr. WILLIAMS. I thought we had the same language here. I think this language is used in part of the existing law. However, I will look into the matter.

Mr. BRANDEGEE. The Senator may be correct. It is simply my recollection of a year or two ago.

Mr. WILLIAMS. I think both phrases are used.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The reading of the bill was resumed.

The next amendment was, on page 277, after line 13, to insert:

U. If any clause, sentence, paragraph, or part of this act shall for any reason be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder of said act, but shall be confined in its operation to the clause, sentence, paragraph, or part thereof directly involved in the controversy in which such judgment shall have been rendered.

The amendment was agreed to.

Mr. BRANDEGEE. Mr. President, this language on page
277 strikes me as somewhat peculiar. It is in the House bill. It provides:

All acts of limitation, whether applicable to civil causes and proceedings or to the prosecution of offenses, or for the recovery of penalties or forfeitures, embraced in, or modified, changed, or repealed by this act, shall not be affected thereby.

That seems to me to be a contradiction in terms. Of course if they are changed or repealed by this act, they certainly are affected by it.

Mr. WILLIAMS. What is the suggestion of the Senator

with regard to that?

Mr. BRANDEGEE. The suggestion is that I do not understand what it means when it says that these things that have been "modified, changed, or repealed by this act shall not be affected thereby.

Mr. WILLIAMS. No; it says all acts of limitation shall not be modified, changed, or repealed.

Mr. BRANDEGEE. Read the whole of it.

Mr. WILLIAMS. "All acts of limitation, whether applicable to civil causes and proceedings or to the prosecution of offenses, or for the recovery of penalties or forfeitures." Mr. BRANDEGEE. Yes.

Mr. WILLIAMS. That merely takes care of existing limita-

tions, so that they will not be barred by the statute.

Mr. BRANDEGEE. It says that acts of limitation that are affected by this act or repealed by it "shall not be affected thereby."

Mr. WILLIAMS. No; it says:

All acts of limitation, whether applicable to civil causes and proceedings or to the prosecution of offenses, or for the recovery of penalties or forfeitures, embraced in, or modified, changed, or repealed by this act, shall not be affected thereby.

Mr. BRANDEGEE. Is this the language of the existing law?

Mr. WILLIAMS. I do not remember.
Mr. BRANDEGEE. I think, at any rate, it could be improved
if it said "no act of limitation shall be affected thereby." All the acts may not be affected, but some of them may be.

Mr. WILLIAMS. I think the Senator is clearly right about

that, too.

Mr. BRANDEGEE. I have no suggestion to make about it. Mr. WILLIAMS. It ought to read "no act of limitation." Mr. BRANDEGEE. Let the committee look it over when it

meets.

Mr. WILLIAMS. Yes; we will do that. Mr. President, on page 275 there is a provision as to the sections and subsections of the previous law which are not in-tended to be repealed by this act. I ask that that go back to the committee, because I am afraid we have not taken sufficient pains with regard to tobacco or some of the internal-revenue schedules.

I therefore ask that the matter on page 275 may go back to

the committee.

The VICE PRESIDENT. Without objection, that order will be made.

The reading of the bill was resumed.

The next amendment was, on page 277, line 21, to strike out the letter "U" and insert "V."

The amendment was agreed to.

The reading of the bill was concluded.

Mr. POINDEXTER. I offer an amendment which I send to the desk, to be inserted at this point.

The VICE PRESIDENT. The amendment will be stated.

The Secretary. It is proposed to add at the end of the bill a new section, as follows:

The Secretarry. It is proposed to add at the end of the bill a new section, as follows:

Sec. 6. First. There is hereby constituted and established a commission to be known and officially designated as the Tariff Commission. The Tariff Commission shall consist of five members, to be appointed by the President by and with the advice and consent of the Senate. The term of office of each member of the commission shall be 15 years, subject to removal at any time by a majority vote of the Congress of the United States; and the salary of each member of the commission shall be \$12,500 per annum: Provided, however, That the terms of the first members of the commission shall be as follows: One for 3 years, one for 6 years, one for 12 years, one for 15 years; it being the intention of this act that the term of one member shall expire and his successor be appointed each three years, and the President shall designate the term, in accordance with the foregoing, of each of the first members of the commission. Thereafter the term of each shall be 15 years as specified above.

Second. It shall be the duty of the Tariff Commission to ascertain as nearly as possible such facts and information concerning the production and manufacture of articles of trade and commerce in this country and foreign countries as will enable said commission to determine the comparative cost of production and manufacture of the same in this country and abroad; and shall also ascertain as nearly as possible all other facts, circumstances, and conditions of production and manufacture, including the amount consumed, the amount produced, and the amount imported into this country of the several articles under investigation as will enable said commission to decide approximately what rate of duty upon the several articles would place the domestic and foreign producer and manufacturer upon an equal and fair competitive basis in our home market: Provided, That the cost of transporting the several articles from the foreign country to the United States shall not

such changes the commission shall avoid such sudden and extensive changes as will, in the opinion of the commission, unsettle the general business of the country, it being the intention of this act that such changes shall be made by degrees if necessary, but at the same time as speedily as possible, so as to adjust tariff rates to the principle of just protection and fair competition stated above, and to keep the same so adjusted from time to time according to changing conditions of trade and indus ry. Every rate so adjusted by the commission shall at all times be subject to change or modification by Congress.

Fourth. In the performance of its duties as aforesaid the commission shall at all times consider the amount of revenue received by the Government from the tariff rates in force and shall estimate as nearly as possible and report in its annual reports both the revenue of the current year and the estimated revenue of the ensuing year from tariff duties upon each item. In adjusting rates as provided herein the commission shall segregate all purely revenue rates upon items where the element of protection is not involved, and as to such purely revenue rates the commission shall make no changes but shall leave the same as fixed by Congress. In adjusting protective rates as herein provided the commission shall deal only with items upon which rates of duty shall have been levied by Congress. As to such rates the commission shall have power to raise or lower the same within the rule stated above, item by item, in such manner as will best accomplish the purpose stated above and also in such manner as will avoid any unnecessary violent disturbance of business. The commission shall make and print an annual report to Congress, properly indexed, fully setting forth in clear and succinct form all of its doings under this act, with a tabulated statement in logical sequence of its decisions, conclusions, and orders together with any recommendations which it may see fit to make to Congress on the levy or administration of

approved in writing by the chairman or by a majority of the commission.

Seventh. The commission shall organize by the election of one of its members as chairman and by the appointment of a secretary at a salary and for such term as shall be determined by the commission. The commission shall fix the term of office and functions of its chairman, and shall adopt such rules for its conduct and method of transacting business as in its judgment shall promote efficiency, economy, and expedition in the performance of its duties. The commission shall have power to hold hearings, to summon and compel the attendance of witnesses, to examine the books and operations of producers or manufacturers, and to compel the production of papers and documents. Any person willfully refusing to obey a summons of said commission, or to exhibit books or operations, or to produce papers or documents upon the order of the commission shall be guilty of a misdemeanor, and on conviction in any court of competent jurisdiction shall be punished by a fine not exceeding \$1,000 or by imprisonment in jail not exceeding one year or by both such fine and imprisonment, in the discretion of the court.

Mr. WHALLAMS: Mr. President if the Separter from Wash

Mr. WILLIAMS. Mr. President, if the Senator from Washington will permit me, in order to get rid of a routine matter

Mr. POINDEXTER. Certainly.
Mr. WILLIAMS. I ask to go back to line 4, on page 277, so as to clarify the matter to which the Senator from New Jersey [Mr. Hughes] called attention. Beginning with line 4, on page 277, before the word "acts," I move to strike out "all" and insert "no"; in line 5, after the word "limitation," to insert "now in force"; in line 8, after the word "shall," to strike out the word "not" and after the word "thereby" to strike out the semicolon and the words "and all" and insert "so far as they affect"; and in line 11, after the word "act," to insert the word "which."

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. On page 277, line 4, strike out the word "all" and insert the word "no" before the word "acts"; in line 5, after the word "limitation," insert "now in force"; ine o, after the word "limitation," insert "now in force"; in line 8, after the word "shall," strike out the word "not," and after the word "thereby," in the same line, strike out the semicolon and the words "and all" and insert "so far as they affect"; and in line 11, after the word "act," insert the word "which," so as to read:

No acts of limitation, now in force, whether applicable to civil causes and proceedings or to the prosecution of offenses or for the recovery of penalties or forfeitures embraced in or modified, changed, or repealed by this act, shall be affected thereby, so far as they affect suits, proceedings, or prosecutions, whether civil or criminal, for causes arising or acts done or committed prior to the passage of this act, which may be commenced and prosecuted within the same time and with the same effect as if this act had not been passed.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. POINDEXTER. Mr. President— Mr. GALLINGER. Will the Senator from Washington per-

Mr. POINDEXTER. Certainly.

Mr. GALLINGER. I presume the Senator proposes to discuss his amendment.

Mr. POINDEXTER. Yes; but I do not desire to discuss it this evening. My purpose in addressing the Chair was to ask that it might go over to some other time.

Mr. GALLINGER. It will go over if no action is taken. I was about to suggest that we have put in a long day and it is Saturday. I presume the Senator from North Carolina is ready to lay the bill aside.

Mr. SIMMONS. I suppose the Senator from Washington

simply offered his amendment this afternoon for future discus-

Mr. POINDEXTER. Yes.

Mr. SIMMONS. The hour of 6 o'clock having arrived, I will ask that the bill be laid aside.

ALEXANDER HAMILTON'S REPORT ON MANUFACTURES (S. DOC. NO. 172).

Mr. SMOOT. Mr. President, if the bill is laid aside, I wish

to make a request.

ask unanimous consent that a communication to the House of Representatives on December 5, 1791, by Alexander Hamilton, Secretary of the Treasury, on the subject of manufactures, and particularly the means of promoting such as will tend to render the United States independent of foreign nations, and

Mr. SMOOT. Robert J. Walker's report was printed by the Senate as a document in the last Congress.

Mr. WILLIAMS. Have Gallatin's reports under Jefferson

and Madison ever been printed?

Mr. SMOOT. If the Senator wants to have those printed he

himself can ask to have it done. Does the Senator object?
Mr. WILLIAMS. Yes; if you challenge me to object, I do. [After a pause.] Mr. President, being assured that the Senator from Utah smiled when he addressed me in that tone of voice

a moment ago, I will withdraw my objection to his request.

The VICE PRESIDENT. The objection is withdrawn, and if there be no further objection, it is so ordered.

EXECUTIVE SESSION.

Mr. BACON. I move that the Senate proceed to the con-

sideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After 5 minutes spent in executive session the doors were reopened, and (at 6 o'clock and 10 minutes p. m.) the Senate adjourned until Monday, September 1, 1913, at 11 o'clock a. m.

# CONFIRMATIONS.

Executive nominations confirmed by the Senate August 30, 1913.

POSTMASTERS.

MICHIGAN.

William J. Nagel, Detroit.

NORTH DAKOTA.

F. F. Burchard, University.

OKLAHOMA.

George E. Baker, Gage. L. E. Chase, Westville. C. N. Fluke, Boynton. J. P. Ford, Konawa. M. B. Hickman, Coalgate. J. N. Hopkins, Boswell. Blanche Larkin, Delaware.

W. S. Livingston, Seminole.

# HOUSE OF REPRESENTATIVES.

Saturday, August 30, 1913.

The House met at 11 o'clock a. m., and was called to order by Mr. Hav as Speaker pro tempore. The Chaplain, Rev. Henry N. Couden, D. D., offered the fol-

lowing prayer:

O Thou great Jehovah, King of Kings and Lord of Lords, our Father, whose wisdom is attested in an infinite variety of ways and means, whose power is revealed in the stupendous worlds around us swayed by Thy will, whose love pours out upon us in a thousand blessings day by day, awaken in our hearts a holier reverence, a profounder faith, a larger hope, a love supreme, that we may conform our thoughts to Thy thoughts, our ways to Thy ways, as they have been revealed to us in the sublime life and character of Thy Son, Jesus Christ.

The Journal of the proceedings of yesterday was read and approved.

RESIGNATION OF A MEMBER.

The SPEAKER pro tempore laid before the House the following communication:

House of Representatives, Washington, August 29, 1913.

Hon. Champ Clark, Speaker of the House of Representatives.

SIR: I beg leave to inform you that I have this day transmitted to the governor of West Virginia my resignation as a Representative in the Congress of the United States from the first district of West Vir-

Respectfully,

JNO. W. DAVIS.

#### HETCH HETCHY.

Mr. FERRIS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the Hetch Hetchy bill, H. R. 7207, and pending that I ask unanimous consent that the general debate be concluded at 1 o'clock. give us two hours, one hour to be controlled by gentlemen on the other side, either the gentleman from Illinois [Mr. MANN] or the gentleman from Wyoming [Mr. Mondell], as they prefer,

and one hour to be controlled by myself, in charge of the bill.

The SPEAKER pro tempore. The gentleman from Oklahoma asks unanimous consent that the general debate in Committee

of the Whole be concluded in two hours.

Mr. FERRIS. At 1 o'clock.

The SPEAKER pro tempore. One hour to be controlled by the gentleman from Oklahoma [Mr. Ferris] and one hour by the gentleman from Illinois [Mr. Mann]. Is there objection?

Mr. MANN. Reserving the right to object, the gentleman from Idaho. Mr. French, desires 30 minutes; my colleague from Illinois, Mr. Thomson, desires 30 minutes, both being in favor of the bill. The gentleman from Minnesota, Mr. Steenerson, desires 30 minutes in opposition to the bill. The gentleman from Minnesota, Mr. Steenerson, desires 30 minutes in opposition to the bill. The gentleman from Minnesota, Mr. Steenerson, desires 30 minutes in opposition to the bill. man from California, Mr. Kahn, desires 25 minutes, and the gentleman from California, Mr. Bell, yesterday desired not more than 10 minutes. The gentleman from California, Mr. Kent, desires some time.

Mr. FERRIS. I want all of these gentlemen to have time, just as the gentleman does.

Mr. MANN. And the gentleman from New Hampshire [Mr. Reed] desires some time.

Mr. FERRIS. As I understand, the gentleman from New Hampshire [Mr. Reed] does not desire a long time.

Mr. REED. Five or ten minutes.
Mr. MANN. Who else on that side desires time?

Mr. FERRIS. I do not know of anyone else. Mr. Kent is a member of the committee, Mr. Thomson is a member of the committee, Mr. French is a member of the committee.

Mr. MANN. I suggest to the gentleman from Oklahoma that he make his request, then, that in the general debate the gen-tleman from Illinois, Mr. Thomson, be given 30 minutes, the theman from 11111018, Mr. Thomson, be given 30 minutes, the gentleman from Idaho, Mr. French, 30 minutes, the gentleman from Minnesota, Mr. Steenerson, 30 minutes, the gentleman from California, Mr. Kahn, 25 minutes, the gentleman from California, Mr. Kent, 10 minutes, and the gentleman from New Hampshire, Mr. Reed, 10 minutes, and that the general debate be then closed.

Mr. FERRIS. How much time will that make?

Mr. MANN. Make the request in that way, and if anyone else wants to be heard, he can be heard under the five-minute

Mr. FERRIS. Perhaps we had better save 10 minutes for the committee. That will make 2 hours and 25 minutes in all. Mr. MANN. Do not limit it by fixing the time, but give the

time to the gentlemen named.

Mr. FERRIS. I think that is proper. Then, Mr. Speaker, I ask unanimous consent that at the end of the time which I will designate general debate be closed; that the gentleman from Idaho, Mr. FRENCH, have 30 minutes and the gentleman from Minnesota, Mr. Steenerson, 30 minutes, the gentleman from Illinois, Mr. Thomson, 30 minutes, the gentleman from California, Mr. Kahn, 25 minutes, the gentleman from California, Mr. Kent, 10 minutes, and the gentleman from New Hampshire, Mr. Reed, 10 minutes, and I will reserve 10 minutes for the committee in the event that some one may come in and want it.

The SPEAKER pro tempore. The gentleman from Oklahoma, Mr. Ferris, asks unanimous consent that the gentleman from Idaho, Mr. French, have 30 minutes, the gentleman from Illinois, Mr. Thomson, 30 minutes, the gentleman from Minnesota, Mr. Steenerson, 30 minutes, the gentleman from California, Mr. Kahn, 25 minutes, the gentleman from New Hampshire, Mr. Reed, 10 minutes, the gentleman from California, Mr. Kent, 10 minutes, and the gentleman from Oklahoma, Mr. Ferris, 10 minutes.

Mr. MANN. And the gentleman from California [Mr. Bell] was to have 10 minutes if he desired.

The SPEAKER pro tempore. After which the general debate

shall be closed. Is there objection?

Mr. STEENERSON. Reserving the right to object, I desire to inquire whether the order in which the speeches are to be delivered will necessarily be as indicated?

Mr. MANN. Oh, no.

Mr. STEENERSON. I should like to come in later. I want to hear all the arguments for the bill, or as many of them as I can.

Mr. FERRIS. The order of the speakers will not be fixed in that way.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. MANN. And then at the end of that time the general

debate is to be closed?

The SPEAKER pro tempore. At the end of that time the general debate is to be closed. The gentleman from Oklahoma [Mr. Ferris] moves that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of H. R. 7207.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 7207) granting to the city and county of San Francisco certain rights of way in, over, and through certain public lands, the Yosemite National Park, and Stanislaus National Forest, and certain lands in the Yosemite National Park, the Stanislaus National Forest, and the public lands in the State of California, and for other purposes, with Mr. Foster in the chair.

Mr. KENT. Mr. Chairman, I am not going to postpone action on this bill by length of talk. I do not believe in much talk, anyway. I merely wish to say that for my part, having spent two months in hard work upon this bill in the Public Lands Committee, having attended all the hearings, heard all the objections, that I believe this bill represents a higher ideal of conservation than any bill that has come into this House. The ideal conservation is public social use of resources of our country without waste. When we reach the proposition of the use of water we are perfectly certain that the waste occurs by its nonuse. There has been a great outcry made about spoliation of the national parks. Anyone who will take the trouble to read the report and the hearings will find that this so-called spoliation does not exist; that the claim of spoliation has come in a most exaggerated and untruthful form.

Now, I shall not take up the task of answering the untruths and exaggerations at length, because the gentleman from Illinois [Mr. Thomson], a member of the committee, has taken that duty upon himself. My ideal of conservation would teach that if Niagara Falls could be totally used up in alleviating the burdens of the overworked in sweatshops of New York City I should be glad to sacrifice that scenic wonder for the welfare of humankind. Or if Niagara Falls could be turned in to slush out the greed, corruption, and misery of New York and others of our great cities, that, too, would be worth the sacrifice.

I can lay claim to being a nature lover myself. I think that is a matter of record. I am recognized as a conservationist. As a nature lover and a conservationist I certainly believe what I stated in the beginning, that this bill is the highest and best type of conservation. All public interests are protected. The people reap an untold benefit. [Applause.] Gentlemen of the House, I will detain you no longer. I yield back the balance of the transfer of the state of the s

Mr. REED. Mr. Chairman, it is with some reluctance that I engage in the debate in relation to this stupendous proposition of furnishing the cities of California—San Francisco and the bay cities—the privilege of invading the national park for the purpose of securing an adequate water supply. I have listened to the debates very closely upon both sides, and I want to say that I consider the debate of the committee in relation to this bill to be eminently fair, and their side of the proposition to have been ably set forth.

The gentleman from Wyoming [Mr. Mondell] yesterday in his speech made a masterly effort and set forth the proposition as I see it, and as I hope it will finally be adjusted. I have no desire, however, to vote against any proposition that will alleviate the condition of any city that is without an adequate water supply, and shall do so with some reluctance. In his remarks yesterday he proved to my satisfaction that there is an abundance of available sites, conveniently adjacent, which can be developed in the way of an adequate water supply for San Francisco and the bay cities without invading the reservation of Yosemite National Park, which has been acquired and is

now maintained at an enormous expense by the United States Government.

In the State which I have the honor to represent we have forest reserves that have been acquired by purchase, and the people of New Hampshire look upon the White Mountain Forest Reserve, no less beautiful than your own beautiful California park, with a great deal of pride; and I am sure that they would rise up in just indignation should either a private individual or a municipality attempt in any way to invade the White Mountain Forest Reservation. I am inspired to speak a word on this subject because of the fact that I have received over the signature of Philip W. Ayres, the chief forester in New Hampshire, representing 2,300 foresters in my State, a protest against the Hetch Hetchy bill being enacted into law.

Many things have been said here in all fairness that tend to prove to me that there is a better way proposed in which San Francisco and the bay cities may have an adequate supply of water, a better way than taking it from the park that is a source of pride to every patriotic American citizen, and I believe that when the bill which will be presented as a substitute measure to the House by the distinguished gentleman from Wyoming [Mr. Mondell] it will be in such language and contain such features as will be perfectly satisfactory to the framers of this bill and the Committee on Public Lands.

It is with some temerity that I oppose any proposition which has the indorsement of such a body of men as have been reported to be in favor of this bill, and I refer to Secretary Lane, to Mr. Johnson, to Mr. Pinchot, and to Mr. Graves, the Chief Expression of Apportus. I have passengely

Forester of America. I have personally— Mr. MANN. Will the gentleman yield?

Mr. REED. I will.

Mr. MANN. The gentleman does not mean Mr. Johnson is

in favor of this bill?

Mr. REED. I have understood him to be, although adverse comment has been made upon the proposition and it has been contended, I believe, he is in favor of the bill, although Mr. Mondell in his speech on yesterday emphasized the fact that he was not.

Mr. MANN. I am quite sure no member of the committee has ever pretended Robert Underwood Johnson was in favor of this bill.

Mr. REED. I know that Robert U. Johnson has sent out a circular in which he condemns in no uncertain language this proposition, but, unless I am mistaken, I think I understood one of the gentlemen representing the committee to say that his opposition had been withdrawn and that he was now in favor of the bill. If I am in error in regard to that, I am glad to be corrected, and I am very glad to know that his opposition—

Mr. MANN. I think the gentleman is in error; and if not,

the gentleman who made the statement was in error.

Mr. REED. I now yield to the gentleman from Minnesota. Mr. STEENERSON. I simply want to confirm what the gentleman from Illinois [Mr. Mann] has said, that this gentleman is opposed to this bill, and I shall elaborate upon that when

my time comes to address the committee. Mr. REED. I am very glad to know that. In my State just recently there have been several cities in the eastern section endeavoring to procure an adequate water supply, and it was suggested they might possibly desire the privilege from Congress of going into the White Mountain Forest Reservation for the purpose of installing a water system. Indignation of men prominent in reservation organization was rife at the very suggestion of the proposition, and I am sure there will be an uprise of opposition should invasion for that or any other purpose be attempted. The committee have made an exhaustive and painstaking effort, I am sure, and are absolutely honest in their convictions that no great harm can grow out of this thing. I desire, however, to say in conclusion, Mr. Chairman, that once our public parks or domain are trespassed upon we have established a very bad precedent, and other requests of like character will follow in rapid succession, and for one I do not care to support a proposition which in effect lets down the bars and invites other propositions of like character to be made to this House for our consideration.

Mr. FRENCH. Mr. Chairman and members of the committee, there is one thing especially that makes it seem to me that a member of the committee outside of the State that is interested should say something upon this question, and that is the report that has appeared in numerous papers that this is a matter that was considered by the committee at a time when it could not be expected that the committee would give serious attention to matters before the Congress; that it was a sort of recess period for all committees aside from those having consideration of the tariff and the currency questions, and that possibly this bill may have been reported without the consideration that

it ought to have had. I want to say with respect to that idea that the Committee on Public Lands has been most faithful in the examination of all the evidence brought before it and, indeed, have been to a great deal of pains to hunt up evidence, either favorable or unfavorable, looking to the merits of the proposition, and I can not fail at this time to pronounce my approval upon the chairman of the committee [Mr. Ferris] for his zeal and faithfulness in working to attain a right and just solution of the problem that has been pending in Congress for a number of years,

The subject matter of the present bill is not at all new to me as it is brought before Congress at this time. I was a member of the Public Lands Committee during the Fifty-ninth and Sixtieth Congresses, and at that time a bill somewhat similar to the present one, although not so carefully prepared,

in my judgment, was considered.

During the Sixtieth Congress the committee held extensive hearings upon the whole subject and received the testimony of many persons who favored the proposition, and as well the testimony of those who were opposed to the legislation. During the last Congress the matter was again carefully considered by the Public Lands Committee, and while I was not a member of the committee I was able to gather further information through the hearings that were held.

In the present Congress the proposition again has been brought to our attention, and the Committee on Public Lands has held extensive hearings and has had the benefit of the comprehensive reports made upon the subject by engineers of the city of San Francisco, the Advisory Board of Army Engineers of the United States, and the evidence of numerous witnesses who have appeared before the committee in support of

the proposition or in opposition thereto.

This is a measure that is deserving of the full inquiry and consideration that has been given to it by the Committee on Public Lands. It is a proposition that involves the granting to certain municipalities certain rights within the public domain that when once granted can not be withdrawn and that will entail an expense upon the grantees of something like

Not only this, but the measure is important because it raises the question of the extent to which the Federal Government may go in the control of the use of natural resources encompassed within a State, and is of further importance because it proposes the modification in an important way of a great national park set apart by act of Congress as a park on account of its natural beauty and the wonders contained within its

THE PROPOSITION.

Briefly stated, the proposition embraced within the bill is to grant to the city and county of San Francisco and such other municipalities as may, under the terms of the bill, join with the city and county of San Francisco, the right to construct a dam in the Hetch Hetchy Valley and to overflow a portion of the valley by converting it into a reservoir; to maintain suitable works for the diversion of the waters collected within the park and for the handling and control of the same, and the right to use as supplemental to the main purpose of the grant any power that might be generated as a result of the works so constructed.

The bill provides that in consideration of this grant certain responsibilities shall be placed upon the grantees toward the Government, and as a condition precedent to the grants contained in the bill the grantees recognize the rights of certain

irrigation districts in the State of California.

Probably I should say that as part of the proposition it is specifically set forth that nothing in the act shall interfere with the rights enjoyed by the citizens of the State under the laws of California. Further, in connection with the proposition of enacting this legislation, the Congress has been called upon to consider the question of necessity of an additional water supply for the city and county of San Francisco, the question of whether or not the proposed water supply is the one that should be granted, taking into consideration the economic conditions that have to do with other water sources and with the water source with which the proposed Hetch Hetchy Dam is related.

The details of the proposition I shall consider later.

NECESSITY FOR THE PASSAGE OF THE BILL.

The idea that has impressed me most deeply as one that should control in the consideration of this measure is the necessity of the city of San Francisco to acquire an additional water supply. I believe that it is the universally accepted doctrine that the highest use of water is its use for domestic purposes.

In the section of country that lies below the Hetch Hetchy Valley there is not a sufficient rainfall to make the country abundantly productive in the absence of irrigation. In fact, California, as the other States of the West, must consider care-

fully and well the question of husbanding the water that falls within its area. Forever, so far as we can now know, the State will need to consider the relative uses of water and determine the question of right of use of water upon the basis of that which may be accepted as the highest use and the relative rights to use when the more important uses have been taken care of.

San Francisco, including the county of San Francisco, contains a population at this time of about 417,000 people. This population is supplied with water by the Spring Valley Water Co., which receives its water in part from the San Francisco peninsular system and in part from the Alameda Creek system. This company furnishes something like 40,000,000 gallons daily to the people of San Francisco.

In addition to this a large part of the city is required to obtain its water from private or public wells. Something like 5,500,000 gallons daily are obtained in this way. The total amount of water used per capita is about 103 gallons. comparison of the total amount used per capita with the total amount used per capita in other cities I find that the city of

San Francisco uses far less than is usually required.

As further evidence of this same general statement, the city of San Francisco is at present required to exercise the utmost care in the use of her water. In some places spigots are re-quired to be turned on during the night so that a small amount of water will be collected for ordinary household uses the next day. In all parts of the city the citizens are limited or denied the right to use water upon their lawns. In addition to this the city of San Francisco has built at large expense an auxiliary water system by which it uses salt water from the bay in fighting fire, in flushing sewers, and upon the streets. More than this, in my judgment, it was very clearly demonstrated to the committee that the Spring Valley Water Co. has practically reached the limit of its possibilities for the supplying of water to the city of San Francisco from the sources upon which it is now drawing.

Not only are the city and county of San Francisco face to face with the necessity of an adequate water system, but sur-rounding San Francisco Bay are other municipalities which are also in vital need of water supply and without the ready means at hand to inaugurate or establish an adequate system.

I shall not enumerate all the municipalities that are included I said that the population of the city and county of San Fran-I said that the population of the city and county of San Fran-

cisco is about 417,000. The people of the additional bay cities that are approaching the time when adequate water systems will need to be installed is about 358,000, making a total population in the bay cities and communities of 773,000 people. At this time there is used by these people 133,000,000 gallons daily, of which amount approximately 54,000,000 gallons daily is used for irrigation, leaving a balance of 85,000,000 daily, or 110 gallons per capita.

No definite figure can be given as representative of the per capita consumption of water in the different cities of the United States. Different standards have been adopted in various places, and in some instances it is shown that the use is as low as 60 gallons per capita, while in others the per capita use is as high as 300 gallons. I believe, however, that it is fairly well established that 130 gallons per capita is not an unreasonable amount of water to be furnished for the consumption of the people of the city, and upon this basis not only the city of San Francisco but all the other bay cities as well are using less than should

be provided for them.

We can not look, however, to the immediate population of the city of San Francisco and to the population of the other bay cities and counties and upon the basis of their present population determine the question of reasonable water supply. Any water system that may be constructed, whether it will be upon the basis of sinking wells, upon the basis of diverting the waters of the Sacramento River, or upon the basis of collecting the water in the Sierra Mountains, conveying it by enormous pipes to the several cities, must be constructed at an immense cost, and ought to be constructed in such a manner as will permit the ultimate development of a system in the most economical way, adequate to meet the requirements of a greater future population.

If it shall develop in the consideration of the various proposed systems that by an act of Congress the people of San Francisco and the other municipalities interested may be provided with a water supply that at once will be adequate and at the same time economical of development, it is the duty of Congress to so provide.

We can not know what the future population of San Francisco and the other bay cities will be in 25 or 100 years from

now. We do know something of the development that has been made during the last 50 years, and upon the basis of that development and upon the basis of that which is believed to be reasonable growth during the coming years I have no doubt that the population at the end of the present century will be not 773,000 people, but nearly 4,000,000 people, or, as has been estimated by those who have made careful examination of the question and as is indicated in the report by the Board of Army Engineers, 3,632,000 people.

It is my judgment that the city of San Francisco and the other bay cities ought to consider the question of establishing such an adequate water system as will supply not only the population of the present but also the population that will be in these cities in years to come. If the supplying of a population with water were a matter of small expense, these municipalities would need to anticipate the future by only 10 or 15 years, and as the population shall increase continue to add to the

In some places water systems of this character may be developed. The examinations that have been made, however, of the water sources from which San Francisco and the other bay cities may draw, indicate that such condition does not prevail there, but that whatever system may be established will entail the expense of many millions of dollars, and hence it is important that the right system be selected now and in the interest of economy it is important that the works that may be established now shall be of use in supplying still greater populations of the various cities during the years to come.

POSSIBLE SOURCES OF WATER SUPPLY.

As might be expected, cities situated as are San Francisco, Oakland, Alameda, and the other bay cities, surrounded as they are in part by mountains and valleys and at the mouth of the river that drains with its tributaries a large section of the State of California, are not limited to any one particular water source. There are numerous water sources. Some of them would supply water for 25 years for a population that in all probability will be in the bay cities by that time. Other water sources would supply water for a period of 50 years. Other water sources, or a combination of water sources, would supply the population that will in all probability be in these municipalities at the end of the present century.

The development of some of these water systems would mean a tremendous expense, and the one question that the city of San Francisco has spent hundreds of thousands of dollars to determine, and I think wisely, is the system that in the great long run will be the most economical, will furnish the most satisfactory water, and will be, generally speaking, most accept-

able.

It is needless to say that the present water source will be utilized in connection with whatever system may be developed. It is true that a private company owns the system that supplies most of the water to the city of San Francisco. Plans are now being carried through by which the city of San Francisco is to take over the water system of the Spring Valley Water Co., and I have no doubt that this will be consummated within the next six or eight months.

It is estimated that by the end of the present century to supply the population of the bay cities with 130 gallons daily per capita a system would be required that would furnish daily a total of 441,000,000 gallons. The present system of San Francisco, including the system of the Spring Valley Water Co. and the private and public wells, furnishes approximately

43,000,000 gallons daily.

I said a little while ago that this amount could be regarded as available under whatever system might be adopted, and hence it is necessary to figure upon the basis of an additional water system that will ultimately supply some 400,000,000

gallons per day.

San Francisco has expended a vast amount of money in exploring the various possible water systems and finally, on May 18, 1910, there was appointed a board of Army officers from the Corps of Engineers, consisting of three members, for the purpose of acting in an advisory capacity to the Secretary of the Interior on the question of the use of the Hetch Hetchy Valley

for a reservoir for water as a part of the water system.

I need not go deeply into the question of the reason why the board was appointed. The Members of the Congress are doubtless familiar with the fact that under the general laws the Secretary of the Interior has the power to issue a permit to the city of San Francisco for the purpose contemplated in the pending bill. It was for the purpose of assisting the Secretary in arriving at a right conclusion that he asked that such a board be appointed. He finally determined that although his office had the power to issue a permit, the amount involved was so stupendous that it would be altogether advisable to

have the matter acted upon by Congress. More than that, the city of San Francisco would undoubtedly hesitate to expend a large amount of money in the development of a water system if the basis for the right of construction of parts of its system should rest upon a permit of revocable character of an officer of the Government.

So much for the reason why the board was appointed. board was made up of three eminent men, namely, Col. John Biddle, Lieut. Col. Harry Taylor, and Maj. Spencer Cosby. This board was assisted by Mr. H. H. Wadsworth, assistant engineer, Engineer Department, United States Army, who had been employed on work in connection with the California Débris Commission and with river work in California for about seven years and who was familiar with the general watersupply conditions in California.

A careful examination was made by him of all the sources of water supply and he personally inspected all the more important sources and surveyed many of the proposed reservoir

Col. Biddle was stationed in San Francisco from 1907 to 1911, and was in general charge of the rivers in California and became quite familiar with them and with the water situation in the State.

During one month in 1911 and during another month in 1912 the board met in San Francisco. It examined the reservoirs within the Yosemite Valley and several other proposed sites and made a very comprehensive inspection of the same.

In addition to this the Board of Engineers had the assistance of the data collected from other sources, including the data collected by the engineers of the city of San Francisco.

I am not an engineer, and I do not know that any member of the Committee on Public Lands is an engineer. The members of the committee and the Members of the Congress in matters such as this must depend upon the technical advice and information of those who are most competent to advise, and the conclusion of myself and the conclusion, I believe, of the members of the committee are based upon the facts brought before the committee by these eminent men who have made an examination of the question. In passing upon what is meant by an available source of water supply, the board assumed the following conditions:

First. The water yield shall be sufficient under the most severe conditions of run-off to meet the requirements of the communities and of good potable quality.

Second. The water can be collected and delivered with reasonable

conomy.

Third. No injury shall be caused without proper compensation to any industries or lands that have a just claim upon the water.

Measured by this standard, which I think the Members of this House will agree is reasonable, the board found the following sources of water available for supplying the bay cities:

Eel River, Putah Creek, Clear Lake and Cache Creek, McCloud River, acramento River, Feather River, Yuba River, American River, Lake ahoe, Mokelumne River, Stanislaus River, San Joaquin River, Tuol-Tahoe, Moke umne River.

I desire at this time to insert in my remarks the description of these various sources given by the Army board in their report of February 19, 1913:

(a) Eel River rises in Mendocino County and flows northwest to the Pacific. Investigations show it could be developed to supply from 170,000,000 to 200,000,000 gallons daily of suitable water. As this amount is not sufficient and as it would be unduly costly to develop this in connection with other supplies, it is not considered available and no estimate of cost has been made.

(b) Putah Creek, a small branch of the Sacramento River, rises in the Coast Range. Its discharge is inadequate and there is no available storage.

(b) Futan Creek, a small branch of the Sacramento River, rises in the Coast Range. Its discharge is inadequate and there is no available storage.

(c) Clear Lake and Cache Creek: Cache Creek rises in the Coast Range and is tributary to the Sacramento River. Clear Lake empties into Cache Creek. Their use would interfere with irrigation development and the water is not of the excellent quality of other sources.

(d) McCloud River rises on the south side of Mount Shasta and, uniting with the Pitt River, forms the principal tributary of the upper Sacramento. Its least flow is about 1,200 cubic feet per second, or about 770,000,000 gallons daily, amply sufficient for all possible needs. The water appears to be good and pure. No reservoir would be necessary as far as quantity is concerned. If desired to hold in reservoirs for sanitary reasons, suitable sites could doubtless be found in Contra Costa County if not in the McCloud River Basin. This source is considered a feasible one and it will be discussed in greater detail later in this report.

(e) Sacramento River: The plan in this case would be to pump water from near Rio Vista, the point nearest to San Francisco at which it is always free from sea water, and filtered before delivery. The cost of delivery would be relatively great on account of the filtering and pumping. The water, though harder than Slerra water, would be good in quality and ample in quantity. As population and Irrigation increase in the valley, the quality is liable to deteriorate. This is considered a perfectly practicable source, if no better is available. In cost for 400,000,000 gallons daily, and in quality it is inferior to the Tuolumne supply.

(f) Feather River: This is the principal tributary of the Sacra-

(f) Feather River: This is the principal tributary of the Sacramento River. The supply for city purposes can be made ample by storage. On Indian Creek, a branch of this river, Indian Valley affords an excellent and economical reservoir site. The city has made no surveys nor estimates as to the cost of the use of this valley. The elevation is about 3,500 feet.

From such data as are on band, based on a survey made in connection with the work of the California Debris Commission, the cost of a reservoir in Indian Valley is estimated at \$2,384,000. This estimate proposes a dam 120 feet high above low water of the creek, and the reservoir would have a capacity of 600,000 acre-feet, or 196,000,000,000 gallons. Indian Valley comprises about 13,600 acres of good agricultural land largely devoted to dairying, and three small towns, of which two would be flooded by the construction of the reservoir. The existing water rights are not known. From the Geological Survey map it would appear that the wateraked would give the needed supply of water. To protect the water a continuous aqueduct would have to be built from Indian Valley, and this, on account of the ruggedness of the country, would necessitate, probably, a more or less continuous tunnel for about 50 miles, which would necessarily be very costly. On account of existing water-power developments it is questionable if the amount of water could be taken out of the river above the power installation. If allowed to flow in the river, the water would doubtless need to be filtered. If filtration is undertaken, the lower Sacramento River offers the advantage of shorter aqueduct and more ample supply without storage; in other words, will be more economical. As there are other possible available sources superior to the Feather River, it has not been further considered by the board.

(g) Yuba River: The Yuba River is a branch of the Feather River. By a system of natural and artificial reservoirs on the Middle and South Forks a supply of 164,000,000 gallons daily of suitable water can be secured at a reasonable cost. While the quantity is not sufficient, the Yuba might be combined with other sources so as to give a satisfactory supply.

By taking the full flow of the Yuba River a sufficient quantity of

South Forks a supply of 164.000,000 gallons dally of suitable water can be secured at a reasonable cost. While the quantity is not sufficient, the Yuba might be combined with other sources so as to give a satisfactory supply.

By taking the full flow of the Yuba River a sufficient quantity of water for city purposes might be obtained. The point of diversion, however, would be necessarily so near the mouth and at such a low elevation that pumping would be required. As the storage reservoirs would have to be much higher up in the mountains, the purifying effect of storage would be lost and filtration be advisable. As compared with several other sources, the use of the full flow does not appear advantageous. Much of the flow has been taken for power and irrigation, and the cost of extinguishing these rights has not been determined.

(h) American River: This is a tributary of the Sacramento River, entering it at the city of Sacramento. Immediately south of the watershed of the American River lies the watershed of the Cosumes, a tributary of the Mokelumne. Owing to the topographical situation of the two watersheds they have usually been combined when considered as a source of supply for the bay cities. This apparently gives the most satisfactory results and has been the method considered. It is estimated that about 220,000,000 gallons daily of entirely suitable water can be obtained from these sources. By combination with other sources these could be made an available source of supply. A thorough discussion of this source is made in report of Mr. J. H. Dockweller.

A further possible development of water from the North Fork of the American River has been suggested, and is known as the Glant Gap supply. This has not been reported on by the city, for the apparent reason that it can not be combined economically with the rest of the North Fork supply.

(i) Lake Tahoe: This lake lies in part in California and in part in Nevada. The water is extensively used for power and irrigation purposes, especially in the latter Stat

up to 200,000,000 gallons daily, and even more. Most of these estimates appear too large, and probably only about 128,000,000 gallons daily could be counted on. It could be used in connection with other supplies.

(k) Stanislaus River: This is one of the tributaries of the San Joaquin. Its waters are quite fully utilized by power companies and for irrigation, and only about 57,000,000 gallons daily could be counted on as available for water supply. It could be used in connection with other supplies.

(l) San Joaquin River: The development of this source would be similar to that of the lower Sacramento River by filtration and pumping. As the water of the San Joaquin is inferior in quality and quantity to the Sacramento, with no advantage as to cost, it need not be further considered except for possible temporary use during construction of the aqueduct.

(m) Tuolumne River: This is one of the main branches of the San Joaquin. It is claimed that from this river the full 400,000.000 gallons daily can be obtained after making allowances for all existing rights. The quality of the water is excellent and the cost of delivery relatively small. It is the source of supply desired by San Francisco and the other bay communities. Lake Eleanor and Cherry Creek are a part of the Tuolumne system.

There are other rivers to the south, such as the Merced and the upper San Joaquin, which might, if it were necessary, be used. Their distance from San Francisco and their present use for irrigation render them, however, inferior as compared with other available sources.

It will be seen from the foregoing that the available sources

It will be seen from the foregoing that the available sources that may be considered as practicable are as follows:

Mill	
gallons	daily.
McCloud River	400 +
Sacramento River	400 +
Tuolumne River	400 +
Yuba River	164
American-Cosumnes	220
Mokelumne River	128
Stanislaus River	57

The first three of these alone meet the requirements of the bay cities for any considerable length of time so far as quantity of water may be concerned. These sources are the St. Cloud, the Sacramento, and the Tuolumne Rivers.

Of the following four sources at least three of them would need to be combined in order to produce the amount of water equal to the anticipated needs of the municipalities in question: Yuba River, American-Cosumnes, Mokelumne River, and Stanislaus River.

The report of the Board of Army Engineers goes into detail in indicating the comparative worth of the various systems that are deemed practicable. All of these systems contemplate the construction of vast aqueducts and the conveying of the water a distance of between 50 and 200 miles to the city of San Francisco. I am not competent to pass upon such engineering problems as the construction of dams, reservoirs, aqueducts, and the other parts of a comprehensive water system, and hence I shall give in a general way the conclusions of the Board of Army Engineers. Probably I should say at this place that a system that would be established in connection with the Sacramento River would require the establishment of an immense filtration and pumping plant, and I have no doubt that in spite of this the water would be of an inferior quality to the water that would be taken from the St. Cloud, the Tuolumne River, or the other systems that have been proposed. More than that, it is estimated by Col. Biddle that the use of water from the Sacramento River would be at a disadvantage to navigation of the Sacramento River, as this river is navigable well above tidal action.

It is estimated that the cost of establishing a water system with the Sacramento River as the basis would be \$107,000,000; the St. Cloud system could be developed at a cost of from \$71,000,000 to \$\$4.000,000. A combination of the Yuba, American-Cosumnes, Stanislaus, Mokelumne, or a combination of Lake Eleanor, Cherry, Stanislaus, and Mokelumne, could be made and an adequate system provided at a cost of from ninety-seven to ninety-nine millions of dollars.

The Hetch Hetchy system, which would include Lake Eleanor and the Tuolumne River, and which is the system that San Francisco desires, the Board of Army Engineers estimates could be developed at a cost of about \$77,000,000.

From this it will be seen that of the systems that are prac-

ticable the Hetch Hetchy system could be developed at the least cost to the city of San Francisco. More than that, the question of electric power that might be developed incidentally is a matter that should receive consideration. It is important from the standpoint of economy, and it is important from the stand-point of conservation, for it is desirable that the water that may be used may be made of the greatest use whether it be for domestic purposes, for irrigation, or for the generating of electric power.

The net value of a water-power development of the Yuba-American-Cosumnes-Mokelumne-Stanislaus Rivers is estimated at \$21,300,000, and it is estimated that 64,300 horsepower could be developed. The Lake Eleanor-Cherry-Stanislaus-Mokelumne system, it is estimated, is capable of a water development of 95,000 horsepower, valued at \$33,000.000. The Yuba-American-Cosumnes-Stanislaus-Mokelumne system, it is estimated, has power development of 62,000 horsepower, valued at \$24,300,000. The Hetch Hetchy project, which includes the use of Lake Eleanor and Tuolumne River, has a development estimated at 115,000 horsepower, valued at \$45,000,00. Again, it will readfly be seen that from the standpoint of conservation, the Hetch Hetchy project is by far most to be desired. From an examination of the facts as brought before the committee, which sustain in my opinion the brief outline that I have made, it is my judgment that the Hetch Hetchy system is the most feasible system, and I do not wonder that it meets with the approval of the engineers of the city of San Francisco, and that from an engineering standpoint it meets with the approval of the Board of Army Engineers.

## OTHER CONSIDERATIONS.

One of the other considerations that enter into the question is the use of the water of the various systems for other pur-There can be no higher use of water than its domestic At the same time I have no doubt that the question of feasibility of obtaining water from other sources beside the Hetch Hetchy deserves consideration, even though the city of San Francisco desires its water for domestic purposes. this idea in mind I made inquiry into the question of ultimate use of all the water from the various sources that might be considered as available for the water supply of San Francisco. Engineers did not hesitate to say, and it seems to be the universal testimony of those who have studied the question carefully, that the water of all the proposed systems will ultimately need to be used for domestic or other purposes. That being the case the committee can not say to San Francisco, "You shall take your water from the St. Cloud River because the waters of the Tuolumne and Lake Eleanor can be used for irrigation." We can not say that, because the waters of the St. Cloud River will ultimately be used for irrigation or for domestic purposes. We can not select any one of the systems proposed and say to San Francisco, "This is the system that will not need to be used for irrigation and consequently, although it will cost you more for the installation of your water system, it is required that you shall be to that expense in the interest of prime conservation which, in connection with water supply, is the best and complete use of all the water."

It may be that some years will pass before all the water in the various streams that have been considered as possible water sources for San Francisco will be utilized. A few years ago it did not pay to reclaim arid land unless the water could be diverted and turned upon the land at the cost of a few dollars per acre. To-day a higher standard is fixed and it is economical and profitable to reclaim land by irrigation at a cost of \$25, \$50, \$200, or more per acre, dependent upon the locality in which the land may be situated and whether or not the land shall be available for production of bulky commodities or for the production of commodities that require intensive cultivation and yield a vastly greater return per acre.

To-day, in the region that might be said to lie fairly under the Lake Eleanor and Tuolumne River Valleys, some 200,000 acres of land have been reclaimed. This land was naturally the land that could be reclaimed with the least amount of cost. Probably there is a vast amount of land in addition that could be reclaimed by the waters of the Tuolumne River, though it would not be economically wise at this time to use the waters

for that purpose.

### WHAT ARE THE TERMS OF THE BILL?

As has been stated in the report of the Committee on the Public Lands, the theory on which this bill is drawn is that the United States, having the sole jurisdiction over the Yosemite National Park, the Stanislaus National Forest, and the public lands that would be involved in the grant, has the right to refuse the grant and also has the right in making the grant to im-

pose certain conditions upon the grantees.

The bill grants to the city and county of San Francisco all necessary rights of way, not to exceed 250 feet in width, as in the judgment of the Secretary of the Interior may be required for the purposes of the act, through the public lands of the United States in the counties of Tuolumne, Stanislaus, San Joaquin, and Alameda, in the State of California, and in, over, and through the Yosemite National Park and the Stanislaus National Forest, or portions thereof lying within the said counties, for the purpose of constructing, operating, and maintaining aqueducts, canals, ditches, pipes, pipe lines, flumes, tunnels, and conduits for conveying water for domestic purposes and uses for the city and county of San Francisco and other municipalities; the right to construct, operate, and maintain proper equipment for the generation, sale, and distribution of electric energy; and, finally, such lands in the Hetch Hetchy Valley and Lake Eleanor Basin within the Yosemite National Park, and the Cherry Valley within the Stanislaus National Forest, as may be necessary for underground reservoirs, diverting and storage dams, and the uses incidental to the enjoyment of the grants.

In return for these grants the bill sets forth certain conditions. It is required that the grantees shall begin work under the grant within a certain definite time and that prior to beginning work shall file with the proper officers of the Government such maps and plats as may indicate the plan of work—rights of way desired—all of which must meet with the approval of the heads of the particular departments in charge of the Government property with which such documents have to do.

The grantee is required to build extensive roads and trails, and in its construction work shall cut only such timber as may be designated by the Secretary of the Interior or the Secretary of Agriculture where such timber is outside of the right of way; and, further, the grantee is required to construct and maintain bridges and crossings over right of way, construct and maintain fences, clear its right of way of débris and inflammable material, permit the free use by the Government of its trails, telegraph and telephone lines, railroad, and other utilities which may be constructed as adjuncts to the water-supply system. That the benefits of the grant shall attain to the highest use the grantee is prohibited in some respects and limited in others in its right to sell or let water or power that may be developed under the grants. The grantee is further required to compensate the Federal Government for the grant by paying \$15,000 annually for a period of 10 years, beginning 5 years after the passage of the act, \$20,000 annually for 10 years immediately thereafter and unless otherwise provided by Congress, \$30,000 annually for the remainder of the term of the grant. The moneys paid are to be kept in a separate fund by the United States and applied to park improvements, as designated by the

Secretary of the Interior. Congress retains the power to review the schedule referred to, and this the committee deemed wise because of the difficulty in arriving at a definite basis for making estimates.

While the city and county of San Francisco are the municipalities immediately interested in the passage of this bill, it is provided that such other municipalities or water districts may enjoy the benefits of the measure either through the consent of the city or in accordance with the laws. Finally, as an additional precedent, the bill recognizes existing water rights that have been acquired under the laws of California.

The maximum of 2,350 second-feet is recognized as embracing these priorities; and, further, the bill recognizes the rights of the irrigation districts to take 4,000 second-feet of water out of the natural flow of the Tuolumne River during the period of 60

days following and including April 15 of each year.

In connection with and in amplifying the grants that I have indicated, provision is made regarding sanitation, regarding the manner or use of water or of electric energy developed. In fact, the conditions precedent as they concern the city of San Francisco and the other cities that will be interested appear to meet with their approval. As they concern the Government they meet with the approval of the representative heads of the departments that chiefly have to do with the administration of the Government's properties. As they have to do with the rights of irrigators they meet with the very general approval of those most concerned. In addition to this, the city of San Francisco is required to deed to the Government all of its lands and properties in the Hetch Hetchy Valley or embraced in the region in question that it does not need for the purpose of developing the water system.

The city has already spent \$1,750,000 in the purchase of privately owned rights in the Hetch Hetchy Valley and the Yosemite Park. It owns two-thirds of the floor of the Hetch Hetchy Valley, and also owns a portion of the dam site. I do not hesitate to say that I would much prefer to have seen a grant made upon conditions somewhat differently indicated than they are in the pending measure. I would prefer to have seen the grantee and the irrigation districts interested enter into an agreement under the laws of California or adjust their differences through court decree, the same to be done precedent to the passage of this act. This seems to have been out of the question, however, and to require it to be done would mean to delay the pending measure for a length of time that probably is not warranted. I have been opposed to the principle of the Government attempting to adjudicate in any way water rights within the several States or to exercise control over water that, in my judgment, is under the control of the several States.

Upon a hasty reading of the pending bill there are some who

Upon a hasty reading of the pending bill there are some who may say that we are violating this very principle, and yet upon closer consideration and especially upon consideration of section 11 of the bill, which is the final section, I believe that one can not feel that such is the case. On the contrary, in the final section it is specifically set forth that nothing contained in the act shall be construed to affect or in any way to interfere with the laws of the State of California relating to the control, appropriation, use, or distribution of water used in irrigation or for municipal or other uses or any vested right acquired thereunder. And the Secretary of the Interior in carrying out the provisions of the act is required to proceed in conformity with

the laws of the said State.

It is my opinion that the bill as originally drawn did not recognize the rights of the State to the control of waters with which this bill has to do. As a result, however, of earnest debate within the committee and careful consideration of the principles involved, the committee finally agreed upon language that could not be said to have the appearance even of adjusting water rights, but that recognizes certain rights and methods of handling water as a condition precedent and finally requires that the administration of the act, so far as it has to do with the waters that may be used, shall proceed in conformity with the laws of the State of California.

Assuming, then, that this particular water system is the one that is most feasible and the one that from an economic stand-point should be approved, it is my judgment that the bill fairly protects the rights of the Government and the public, as well as rights that to some extent will be articulated with the system when it shall be developed upon the one side, and upon the other

does justice by the grantees under the act.

### THE BARTELL REPORT.

It has been urged that the consideration of this bill should be deferred on account of the alleged suppression of what is called the Bartell report.

As a member of the Committee on the Public Lands, I was interested in the question of the Bartell report, as soon as the charge was made that there was such a report and that it had been suppressed. In view of the fact that the charge was made that the report contained evidence that was material and that had it been submitted to the Board of Army Engineers would have caused that board to have reached a different conclusion, I deemed it worth while to make an examination into the facts in the case. Now, what are the facts? Mr. Bartell was in the employ of the engineering department of the city of San Francisco. He was not the chief engineer, and the results of his examination and his conclusions can in no sense be regarded as the conclusions of the engineering department of the city of San Francisco.

It was brought out before the committee that there are in the employ of the city of San Francisco under the engineering department not less than 100 engineers occupying subordinate positions. The work performed by such engineers is of highest importance to the engineering department, yet to handle the work devolving upon the engineering force of a city like San Francisco there must be a responsible head, and this head must have the authority to accept, to reject, to be aided by, the reports and advice of the employees who may be under his direction. Mr. Bartell did make certain examinations under the direction of the city engineer of problems that have to do with the Hetch

Hetchy system.

The final report of the city engineer's office would necessarily not be in the name of Bartell, but would be in the name of the city engineer himself. The city engineer did not accept all of the findings of Mr. Bartell, but there was no mystery about his report, nor was there any reason for publishing his report any more than there would be reason for publishing all the various and multitudinous suggestions and temporary findings and reasonable deductions that were made from time to time by the numerous subordinates of the chief of the engineering department in the examination of the question of water supply for the city of San Francisco.

It happens that the report of Mr. Bartell is a little more favorable to a competing company that has water to sell, or claims that it has, and hence it has been seized upon as a document which, by its being alleged to have been suppressed. will thus be surrounded by mystery and create distrust in the minds of the Members of Congress and in the public mind as

well.

The fact is Mr. Bartell was consulted by Engineer Wadsworth, who was assisting the board of officers of the Corps of Engineers of the United States Army. Mr. Wadsworth was in the employ of the board. He had several conversations with Mr. Bartell, as is brought out in the hearings. He was generally familiar with considerable at least of the data obtained by Bartell and Bartell's deductions therefrom. not have seen the technical report that Mr. Bartell had made, and in all probability it did not occur to Wadsworth that Bartell had made a written report that it was desirable that he should see, and in all probability it did not occur to Bartell that the report that he had made a year ago should have been personally inspected by the Army board.

In the abundance of caution touching this report, one of the members of the Public Lands Committee, Hon. WILLIAM KENT, in the absence of the chairman of the committee, sent to the members of the Army board the transcript of the testimony that

was taken touching the Bartell report.

The chairman of the Board of Army Engineers, Col. John Biddle, replied under date July 31, 1913, in a letter that is published on pages 33 to 35, inclusive, of the report of the committee on the pending bill. In that letter the following statements occur:

NO SUPPRESSION OF DATA.

As to the Mokelumne River, it is stated in the testimony of Mr. Sullivan that Gen. G. H. Mendell, Corps of Engineers, reported favorably on the Mokelumne River as a source of supply. This report was dated about 1877, and provided for only 25,000,000 gallons daily, so that, of course, it has no bearing on the present investigation. Mr. Sullivan makes as his principal point the fact that a report by Mr. Bartell, assistant city engineer, in April, 1912, was never submitted to the Board of Army Engineers, and that if this report had been submitted to the conclusion of the board would have been very different. This report was not seen by the board. The board, however, attaches no importance to this fact. The assistant engineer in the employ of the board, Mr. H. H. Wadsworth, has written that he had several conversations with Mr. Bartell on the subject and was generally familiar with considerable, at least, of the data obtained by him and his deductions therefrom. The main point, however, is that the board itself had such independent examinations and investigations made of the Mokelumne, as well as other streams, as seemed necessary in order for the board to form its opinion on this source of supply. Mr. Bartell's report could not have changed the facts thus ascertained. The report of the chief engineer of the company was in the hands of the board.

ARMY BOARD GOT ITS OWN DATA.

To sum up, there is nothing in the testimony of Mr. Sullivan, and it is believed that there can be nothing in the report of Mr. Bartell, which would affect the conclusions of the board, for the reason, as stated

above, that the board obtained, as far as was considered desirable, its own data, excepting that which was of a public nature and therefore available to the board. As to the relative cost of the projects, the report indicates that the Tuolumne supply is much the more economical. The distance over which Mokelumne River water would have to be transported is about the same as for the Tuolumne and difficulties in construction of aqueduct are about the same, while the cost of the reservoirs is relatively very much greater. For the amount of water that is needed by the bay communities there can be no question but that the Tuolumne supply is more economical than any other and that the Mokelumne can be used only in connection with supplies from other sources, as it is not in itself sufficient.

FULL HEARING GIVEN COMPANY.

It might be added that the board gave to the Sierra Blue Lakes Water & Power Co., on July 5, 1911, a hearing, which was stenographically reported. At this hearing were present Messers. F. J. Sullivan, president; C. M. Burleson, chief engineer; James N. Gillett and W. H. H. Hart, attorneys for the company. Each opportunity was given them to thoroughly present the project, and in addition, a report on this source of supply, prepared by the chief engineer, Mr. C. M. Burleson, was submitted to the board.

Surely the facts brought out by Col. Biddle abundantly set at naught the question of the "suppressed report"; and, after all, suppose it had been suppressed, it was merely the judgment of one assistant engineer upon certain phases of the water supply problem and could in no way modify the facts that exist touching the merit of the Hetch Hetchy system or the other possible systems of water supply.

OPPOSITION TO THE MEASURE.

As the provisions of this bill have been considered for a good many years, opposition has constantly been manifest, and there

is opposition to-day to the pending measure.

There are some individuals within the Turlock-Modesto irrigation districts who are opposed to the measure, because they are quite satisfied with their present rights and fear that in some way the grant to the city of San Francisco under this bill will modify or jeopardize the same. It is my judgment that such will not be the case. Vested rights can not be disturbed by act of Congress, and more than that it is clearly apparent in the bill that its proponents are endeavoring to protect abundantly every vested right. Most of the irrigators within both districts have withdrawn their opposition.

There are those opposed to the bill who are interested in the reclamation of additional tracts of land and who desire to be recognized for water sufficient to reclaim their lands before any grant for dam site, rights of way, and so forth, as provided in this bill shall be made under which the waters that will be collected will be used for the city of San Francisco and the

other bay cities.

The committee has considered the claims of this character. It is the opinion, I believe, of most, if not all, of the members of the committee that the Congress can not adjudicate water rights within the States. Consequently, if there are any valid claims or rights that are prior to or superior to the rights of the city of San Francisco, those rights must be recognized and the grantees under this act will undoubtedly be required, if they obtain those rights, to pay for them either upon the basis of an agreement that may be made or a court decree after condemnation proceedings.

While it is not the province of Congress to adjust or attempt to adjust water rights, yet in making a grant such as that proposed in this bill it is my judgment that Congress can not be insensible to the reasonable economic use of the waters with which the grant has to do. It may be that there are some lands that could be economically reclaimed that lie under the valleys of Lake Eleanor, Cherry Creek, and Hetch Hetchy, but I can not but believe that these lands must be inconsiderable and that as a condition precedent to the passage of this act the grantees recognize the diversion of water sufficient to reclaim all lands that can be economically irrigated within any reasonable period

of time.

There are those opposed to this bill who believe that other sources of water supply are available. Some of them believe that the present system can be still further developed. Some of them have water sources of their own that they would like to sell to the city. Again doubtless, there are some who feel that the judgment of the engineers of the city of San Francisco is wrong; that the judgment of the board of Army engineers is not to be relied upon; that the judgment of Secretary Lane; Secretary Houston; Director Newell, of the Reclamation Service; Mr. Graves, the Chief Forester; Gifford Pinchot, and other men who have made a careful study of this whole matter is altogether wrong and that one of the other proposed systems should be adopted.

There is no way to meet the objection of those who urge the adoption of other water-supply systems aside from meeting it upon the basis of a close analysis of the merits of the respective systems. The Committee on Public Lands has given its earnest consideration to the merits of the systems proposed, and I believe undoubtedly feels that from an economic standpoint, both for the present and for the future, the system that will involve the construction of the Hetch Hetchy Dam is most desirable.

Another objection that from time to time has cropped out against the proposition embodied in the present bill is based upon the idea that the Government is not receiving an adequate consideration for the grant that it is proposed to make

If, as a matter of fact, the bill contemplated a straight gift to the people of San Francisco of water for domestic purposes, the measure would have abundant precedent in the acts of Congress where grants of somewhat similar nature, though probably of less magnitude, have been made for the benefit of the people of a community.

More than this, the Government is annually expending millions upon millions of dollars upon one project or another for the benefit, presumably, of the people, but as a matter of fact in such a way that the people of an immediate section interested receive the greatest benefit.

The Government has expended millions of dollars upon the harbors along the various coast lines of the United States. It is said that the people generally receive the benefit of these improvements. So they do, but the cities located upon the harbors receive a benefit of vastly greater character than the benefit that is received by the people generally living at some distance from the improvement that is made.

A similar illustration may be drawn from the millions of dollars that are expended annually for the improvement of the rivers of the United States. True, river improvement means great benefit to the people at large, but it is also true that the river improvement means vastly more for the people along the river that receives the attention of the Government than the people receive living at remote points from the water that is made available for navigation.

I could continue and draw similar lessons from a multitude of vast expenditures made by the Federal Government ostensibly in the interest of the great public, but where the people located near at hand to the improvements receive the greatest advantages therefrom.

I am in perfect accord with and shall support the policy of making these improvements, but at the same time no one can say that the expenses for the improvement of harbors, either in Boston or New York or elsewhere, or expenses incurred upon our navigable rivers do not help the local communities more than they help the people generally throughout the country, notwithstanding the fact that they are incurred ostensibly and really for the purpose of benefiting the whole country

Mr. TALCOTT of New York. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Idaho yield to the gentleman from New York?

Mr. FRENCH. I do.

Mr. TALCOTT of New York. Was it considered by the committee whether or not the Government should construct this

Mr. FRENCH. Oh, no. That is not a part of the proposition. I shall reach that presently. It has never been suggested that the Government should construct the work.

I was saying that even though the Government did not entail a responsibility upon the city of San Francisco, it would not be an unusual thing. But I am going to show pretty soon that we have placed a heavy responsibility upon the city in consid-

eration of the grant,
Mr. TALCOTT of New York. I referred not only to the construction of this work, but also work in connection with the other sources of supply which might be connected in one system.

Mr. FRENCH. As applied to this system it has never been suggested that the Government itself should be to any expense. But I say if we should make the grant, even without imposing conditions upon the city, it would not then be an unusual thing, and we would find an abundant parallel in the development of our country elsewhere with respect to like grants and benefits extended in other ways.

Mr. RAKER. If the gentleman will permit, the gentleman did not get the question of the gentleman from New York [Mr. TALCOTT]. He asked if the committee had considered the question of the Government building this dam.

Mr. FRENCH. I endeavored to answer that question. was not even proposed by the city of San Francisco. The city of San Francisco is willing to bear all of the expenses connected with the matter.

Mr. TALCOTT of New York. I was trying to ascertain from the gentleman whether in his opinion if the Government undertook this construction as one system of the work and the work in connection with other sources of supply, this legislation would not result in the development of a great deal larger water supply and a great deal larger supply of power without

proportionate increase in cost.

Mr. FRENCH. Well, I would oppose that proposition because I think the benefits to be derived here are so local in character that you can separate this from the question of river and harbor improvements, which improvements undoubt-edly have a larger bearing and confer a wider benefit upon the people of the country. But I would oppose that proposition. It has never been even suggested for the consideration of the committee. On the contrary, the city of San Francisco is called upon to do certain very important things in consideration of the grant that shall be made. In the first place the city will be permitted to spend its own money to the extent of \$77.000,000 for the development of the system.

That which is granted and which will enable the city to incur this great expenditure is a something that to-day has no great money value unless a vast amount of money is expended in developing it. The right of a city to build a dam and impound water for her people, the right of the city to utilize to the best economic advantage such power as may be generated incidentally with the development of the particular water source, this is the grant that is contemplated, and as I said, it is for the use of something that without the expenditure of vast money can have little claim to money value.

But it is not proposed in the bill to make this grant to the city of San Francisco without consideration. It is required that the city shall undertake to build a system of roadways and trails that otherwise the Government would need to build if the great park is to be made the people's playground that its establishment contemplated. The city is required to build bridges, to construct fences, to permit the use of its telephone lines and other property of similar character by the Government in the

protection of the Government's property.

The city is required to convey to the United States title in fee simple to all its properties located within the Yosemite National Park or that part of the national forest adjacent thereto not actually required for use under the provisions of this act.

The city is required to furnish to the Government for the use of the War Department such water as it may desire and in numerous other ways is required to assume responsibilities of important character.

In the next place, and to repeat, the city of San Francisco will be required to pay to the Government annually, after five years, the amount of \$15,000 per year for 10 years; after that period of 10 years \$20,000 per year; and after that perpetually the amount of \$30,000 per year, unless a different amount may be fixed by Congress.

More than that, it is required that the city pay an amount equal to that expended by the Government for the maintenance of the roads and trails built by the grantee in the development of the system. In my judgment that amount will be not less than the \$30,000 required to be paid annually to the Government in consideration of the grant that is made.

Mr. PETERSON. I should like to ask the gentleman upon what theory the city is required to pay this immense amount.

Why should it be required to pay it?

Mr. FRENCH. Upon the theory that a very valuable grant is being made. This is a proposition that is differentiated from a good many others, in this respect, that we are entering a national park.

Mr. PETERSON. Does it take from the Government any-

thing in particular that is of value?

Mr. FRENCH. As a matter of fact, the Government is placed in such a position that if the lands within the grant were to be retained by the Government, and if the Government could not acquire property that it does not now own, it would be of little value to the Government from the standpoint of revenue. The city of San Francisco to-day owns two-thirds of the floor of the Hetch Hetchy Valley. The Government owns one-third. The city has paid about three-quarters of a million dollars for the two-thirds that it owns, and if the other land is valued at the same relative amount it would leave it worth approximately \$300,000 or \$400,000. Besides that the very dam site itself is in part owned by the city of San Francisco and is not being used for the purpose of raising revenue, and could not be used by the Government for the purpose of making any considerable money. Consequently it has little or no value for the purposes for which it is used at this time.

Mr. WINGO. Will the gentleman yield for a question?

Mr. FRENCH. I am glad to yield.

Mr. WINGO. The gentleman has stated that the city of San

Francisco has paid a certain sum for two-thirds of the surface of the valley, which it now owns?

Mr. FRENCH. Yes.

Mr. WINGO. And that the Government owns one-third?

Mr. FRENCH. Yes. Mr. WINGO. Has there been any estimate made of the

value of the water rights?

Mr. FRENCH. I am coming to that point. The water-right value is something that it is very hard to estimate. This value will depend upon the quantity of water that will be impounded after the dam shall have been constructed, and the power that may be developed. Now we do not know and we can not estimate the value of the power that will be developed. It is for that reason that the committee have provided in the bill in a rather elastic way that Congress may modify the amounts required to be paid to the Government in consideration of the grant.

Mr. WINGO. Is not the gentleman in error when he says that there is no practical method of estimating the value of water rights? Are not water rights valued frequently all over this country by engineers for private companies by simply taking the estimated amount of the water that will be obtained, the use to which it may be put, and the sale price for which the water will be sold to the consumers or the public? Have not water corporations and concerns of that kind a very practical method of estimating and finding out the commercial

value of water rights?

Mr. FRENCH. In part, yes; but I do not think the Government would want to charge the city of San Francisco upon the basis of water actually used for domestic purposes, or would consent to charge upon the basis of water actually used for irrigation, assuming that a charge might be made upon this basis in consideration of the grant. I do think that the Government might properly want to charge for the grant upon the basis of water used for power purposes and sold by the city of San Francisco. This is a secondary use and we do not know how much power could be sold.

Mr. HAYES. Will the gentleman from Idaho yield?

Mr. FRENCH. I am glad to.
Mr. HAYES. I should like to ask the gentleman, is it not true that under the statute of 1866 and amendments thereto, all the water used or consumed by San Francisco, either for power or domestic use, is the property of the State of California and not the property of the National Government at all?

Mr. FRENCH. Of course that is my understanding, but I do not care to inject that question into the subject, because the bill is so drafted that we do not need to discuss that question neces-

sarily in considering the bill.

Mr. ELDER. Will the gentleman yield?
Mr. FRENCH. Certainly.
Mr. ELDER. In relation to these amounts which the Government is to receive, I see on the last sum the city is to pay \$30,000 annually. Then they put in the clause "unless otherwise provided by Congress." What is the reason for that clause?

Mr. FRENCH. The reason was suggested in the answer to the question a few moments ago, that the committee at this time and Congress are not able to accurately measure the amount of power development, the amount of power that it may be possible to sell; it may be a small amount, and it may be a The amount of charges is something for Conlarge amount. gress to fix at the end of a certain period, if it shall be found to be unjust either to the city or to the Government.

Mr. ELDER. In other words, it is not put in so that eventually they will be coming back here to get a remittance?

Mr. FRENCH. I think not. I have no doubt Congress will

Mr. ELDER. One further question. I see that the money is to be spent in the national park for roads, trails, and so forth. What right have these people to pay us for this thing and then tell the Government how it shall spend it? Does not the gentleman think it would be better to let the Government spend the money in the park in its own way and not be confined to the particular way in which it shall spend it? In other words, it seems unfair to force us to improve the park unless we want to with the money that they are paying us for this privilege.

Mr. FRENCH. It is estimated that it will cost as much as is provided in the bill to maintain the roads and trails necessary throughout the park, and for this reason it has been provided that the money shall be diverted to this particular purpose. However, this is a subject that may be modified by Congress at

any time.

Mr. OLDFIELD. Will the gentleman yield?

Mr. FRENCH. ' I will.

Mr. OLDFIELD. I notice in the bill there are annual sums to be paid to the Government ranging from \$10,000 up to \$30,000 annually. What is the method of enforcing these payments? Is there any penalty attached if the claims are not l

paid, or do you propose to take the right of way from them if they do not comply with the law?

Mr. FRENCH. I think that latter suggestion is the one that runs throughout the entire bill; the Government reserves the right to compel the city of San Francisco to comply with all the conditions the city has assumed under the grant.

Mr. OLDFIELD. Does the gentleman think that this is a wise provision? In other words, does not the gentleman think that after the law has been placed on the statute book it would be rather difficult to have the law repealed providing they did not comply with the provisions?

Mr. FRENCH. I think automatically the Government will be able to compel the city of San Francisco and the other grantees to comply with the conditions of the bill without any

special act of Congress.

Mr. OLDFIELD. And the gentleman thinks that this is well taken care of?

Mr. FRENCH. Abundantly taken care of Mr. KAHN. Will the gentleman yield? Abundantly taken care of.

Mr. FRENCH. Yes; although I have only a few moments and I hope to conclude soon.

Mr. KAHN. In regard to the water rights spoken of by the gentleman from Louisiana, the city of San Francisco has purchased all the water rights on this river, and they are now owned by the city, except those that are owned by the Tuolumne & Modesto Irrigation Co.

Mr. WINGO. I do not wish to appear in any controversial spirit, but I am at a loss to understand how the city of San Francisco has acquired water rights on the Government domain. I would like to know what procedure was adopted. I do not see how it could be done without appropriate legislation by

Mr. KAHN. My recollection is that this did not become a Government domain until 1906, when it was transferred by an

act of Congress.

Mr. RAKER. It was public domain, and being a part of the public domain it was acquired by individuals.

Mr. KAHN. I meant to say that it did not become a national

Mr. HAYES. These water rights were owned up to a few years ago by private individuals who had acquired them from the Government some time ago, and the city of San Francisco, in its efforts to secure this water, purchased these rights of private parties who many years ago had acquired them from the Government.

Mr. FRENCH. In that same connection I will say that the city was so solicitous that through its mayor some years ago the mayor filed, in his individual capacity, upon water rights and then turned them over to the city, because at the time he made the filing the city of San Francisco was not authorized

Mr. WINGO. There are some other things I desire to question the gentleman about; I believe he is a member of the com-

Mr. FRENCH. I am a member of the committee.

Mr. WINGO. I want to know whether or not the committee made any estimate of the value of the public property that would be taken under the clause that permits the city to take free of cost from the public land stone, gravel, and other material for construction of these railroads, telegraph lines, and so forth? Did you make any estimate of what the value of that

property would be?

Mr. FRENCH. Now, I will just say, it is provided in the bill that the roads, trails, telegraph and telephone lines, and all these improvements may be used by the Government, and if this grant were not made, in order that the park might be utilized fully, the Government would need to make similar improvements itself. For that reason it seems to me that the Government is making a good bargain when in addition to making this grant it can require the city of San Francisco to do that which it in itself would need to do in order to make the park accessible. Consequently I do not think we need to make inquiry into just what the cost or value of the gravel will be, or the stone or timber that will be used in building bridges, culverts, and roads.

Mr. RAKER. Permit me to say the bill provides that they shall pay for all the timber used.

Mr. FRENCH. I should not have said the timber; the bill

itself provides that with regard to timber.

WINGO. That language worried me. You have one provision that provides for the taking of construction materials free of cost under which, testing it by every rule of construction, they could get timber, and then you require them to pay for timber taken from the right of way.

Mr. RAKER. Where is that?

Mr. WINGO. That is the provision in line 14, page 3, "and other materials of like character," and under any rule of construction that would include timber for ties, and so forth.

Mr. FRENCH. I think, however, the language of the specific provision with respect to timber would control, and I think it would not be held to be included under that general statement.

Mr. WINGO. But you have a provision which permits them to take gravel and other material of like character necessary for construction from public lands adjacent to the right of way and this other provision permits timber to be taken from the right of way

Mr. FRENCH. If there is a weakness there we can correct it when we get to it under the five-minute rule. Just in conclusion on this subject I will say that under the present provisions of the bill the income that will be received by the Federal Government from this grant places a capitalization of some two millions of dollars at 3 per cent upon the dam site and the lands that will be required for the lake, not to speak of values to the extent of possibly another million of dollars that will be conveyed by San Francisco to the Government of the United States. Hence, I say, the objection that is made to the grant upon this basis is not well founded, while, on the other hand, the Government is doing the unusual thing in accepting the returns that San Francisco is ready to give for the grant that the bill proposes to make.

Finally, there are those opposed to this measure who believe that the construction of the dam at Hetch Hetchy will be ruinous to the national park, that it will destroy a great valley that might be available otherwise for hotels and camps for pleasure seekers, and that in short the bill is a serious assault upon the Yosemite Park, from the standpoint of its use as a park and the standpoint of its beauty.

I have profound respect for all who may oppose this bill for any honorable and honest reason, and I have profound respect for those who feel that from the standpoint of maintaining the beauty of the park and its usefulness the bill should not become a law

Among those who take this position are Dr. John Muir, with whose name we all are familiar; Dr. William Frederick Bade, president of the California Branch of the Society for the Preservation of National Parks; Mr. Robert Underwood Johnson, for many years the editor of the Century Magazine, and Hon. Edmund A. Whitman, of Cambridge, Mass., president of the Eastern Branch of the Society for the Preservation of National Parks. These and other men of equal candor and patriotism oppose the passage of this bill because they feel that the work proposed to be carried on under it will mean the desecration of one of the beauty spots of California.

think I need not say that just as I have profound respect for these men I also have deep sympathy with their idea as applied generally to the Yosemite National Park and to all other natural wonders and beauty spots either in California or This question alone would make me think earnestly and well before giving my approval to the proposition. However, there are numerous questions that must be considered from this standpoint. In the first place I can not think that the work that it is contemplated shall be done under this bill will mean the ruination of the park or the material modification of its scenic beauty. The park embraces something like 900 square The amount of land that will be subjugated by the construction of the Hetch Hetchy Dam is approximately 2 square miles, of which the city owns two-thirds. From the standpoint of area this amount is inconsiderable, but we are told that the canyon walls around Hetch Hetchy are in themselves wonderful and that much beauty will be destroyed by the construction of the dam. We are also told that this area that will be covered with water after the dam shall have been constructed should be left free for use for hotels and campers, that from this point they may visit other sections of interest within the park.

In this regard, however, the question is rather one of judgment than one that can be regarded as capable of only one point of view.

It was brought out in the committee hearings that one of the members of the Board of Army Engineers believed that the Hetch Hetchy Valley undisturbed would be more beautiful than a lake would be that would be maintained by the construction of the Hetch Hetchy Dam. Another member of the Board of Army Engineers, with the same facts at hand, came to exactly the opposite conclusion, and it was his judgment that a lake in the beautiful Hetch Hetchy Valley would be more beautiful than the canyon itself.

I have in mind some of the beautiful lakes in my home State of Idaho that are surrounded by mountain fastnesses and into

whose mirrored surfaces are reflected the pictures of almost changeless precipices and mountain peaks and hillsides covered with eternal green, and into which is still reflected the panorama of clouds and sun and moon and stars; and I think that such a lake, created though it might be by the construction of the great dam at Hetch Hetchy, would not be a mar upon the beauty of even the Yosemite National Park, but would rather in itself be something worth establishing and that would lend inspiration to those lovers of nature who are jealous lest the beauty of the parks may be forced to yield to some utilitarian purpose.

So I say, from the standpoint of whether or not the construction of the dam at Hetch Hetchy will injure or improve the park, it is my judgment that there is abundant opportunity for difference of opinion.

More than this, I understand that at no time has this section been visited by more than a few hundred people in a given year. I am not certain that my estimate may not be exaggerated, and it may be that such large numbers as I have indicated have in a single year visited this region at comparatively rare intervals. Under the terms of this bill, however, there will be constructed roads and trails at a cost of many hundreds of thousands of dollars. These roads will be bounded by fences of such type and character as will meet with the approval of the Government's executive officers. Bridges and culverts will be built that, too, will need to be of a character approved by the proper heads of departments, and altogether an avenue will be provided by which not a comparatively few but a large number of people may enjoy the beauties of the Yosemite Valley and the scenery surrounding the whole section of country with which the pending bill has to do.

The fact is, I believe that many times as many people will be accommodated through the construction of the works provided for in this bill as will be with the expense and care necessary to visit the Hetch Hetchy Valley, providing it shall remain in its natural state.

Let us assume for a moment, however, that the construction of the Hetch Hetchy Dam will mar the beauty of the park, a proposition to which I do not subscribe, are not the rights of three-fourths of a million people to-day and millions of people during the decades that will follow deserving of our profound consideration?

I have gone out of my way repeatedly to avoid injuring or to extend safety to some representative of nature's great animal kingdom and I have grieved at the loss of a beautiful tree. So now the question of protecting the beauty of the Hetch Hetchy Valley is one that appeals to me, but I recognize as paramount to whatever beauty there may be in the Hetch Hetchy Valley the welfare and indeed the life itself of the people who are asking that they may have water to use in their homes. More than this, I realize that in the construction of the works contemplated in this bill there is no unanimity of opinion that the beauty of the Hetch Hetchy Valley will be marred but rather that there are some who think that its beauty will be enhanced, and when I realize further that the park will be made available as a great national playground, not for a few hundred, but for thousands upon thousands of people, who with the facilities provided for in this bill will have the opportunity of visiting this pleasure ground, I can not feel that there is any other course left for me to pursue than to support the passage of the measure.

I can not believe that those who are opposed to the utilization of the waters that fall within the area of the Yosemite National Park and the Stanislaus Forest have a full realization of the facts that surround San Francisco and the other bay cities and the hardships with which the people of a country, whether within a municipality or in rural communities are required to undergo, who live in a region that is semiarid.

The papers of the last few days have told of the hardships that the drought in the Middle States has inflicted upon rural communities and upon cities themselves. One report speaks of numerous towns in Kansas, including Olathe, Lawrence, and Medicine Lodge, as having exhausted their water supply. Olathe was forced to purchase 60,000 gallons daily from Kansas City, and Lawrence was forced to turn the water of the Kansas River into the mains of the city as a protection against fire. Under such conditions can anyone doubt that much suffering will result? Can anyone doubt that typhoid and other diseases may be disseminated by the hasty improvising of water for a city's use without the opportunity of exercising the ordinary care of filtration?

The dispatches tell that in western Kansas the farmers were forced to sell one-third of their cattle, and that they were compelled to rush their poultry to market because of the water and feed situation. Yet the cities to which I have referred are in a region that in the ordinary years is capable of produc-

ing crops without irrigation.

California, on the other hand, is a State that contains large areas that will not produce profitable crops unless water be turned upon the lands by artificial means. I can not believe that those who are opposed to this measure have a full realization of the fact that all of the waters of the streams that are available as possible water sources for San Francisco will be utilized for the irrigation of lands, for the production of food for man, or for domestic purposes of people living in cities or in rural communities.

I can not believe that those who are opposed to this bill have thought of the responsibility that devolves upon the city of San Francisco and the other bay cities of protecting the health

and lives of their people.

It may be said that the city of San Francisco can not develop the Hetch Hetchy system within a period of five years. Granting that this is so, it is all the greater reason why action should be taken now. Already the city is in need of water; already the people are denied the use of water that the people of other cities enjoy. By passing this bill now, much of the pre-liminary work necessary to the development of the system can be accomplished during the present year, and maybe an entire year can be saved if action be taken at this time rather than next winter.

Looking at the question from that standpoint, I do not see how the most enthusiastic lovers of nature can oppose the measure. Even Mr. Whitman, to whom I have referred, in testifying before the committee, admitted that the use of water for domestic purposes is a superior use than to permit conditions to

prevail that would deny the use to mankind.

The question was raised by Mr. LA FOLLETTE, a member of the committee, as to whether or not the use of the valley for the storage of water for irrigation and municipal purposes is not higher than to use the valley for the accommodation of the people who might visit it and the accommodation of their horses for feeding purposes. Mr. Whitman said that he agreed with his questioner, and continued:

When the time comes that the use of this water is required by people outside for the raising of food products or for domestic purposes, that contention should prevail. It might be perfectly wise at some time to take steps which would flood that part of the valley.

So far, then, as Mr. Whitman is concerned—and I believe all lovers of nature must agree with him—the question is rather one of time and not one of principle. It is my judgment and it is the judgment, I believe, of the other members of the committee, that the time has come which Mr. Whitman Limself defines, and that the water that can be impounded within the Hetch Hetchy Valley is required by people outside for the raising of food products and for domestic purposes.

The CHAIRMAN. The gentleman from Minnesota [Mr. STEENERSON] is recognized for 30 minutes.

Mr. STEENERSON. Mr. Chairman, this is not a local question. If it were a local question, local to the State of California, I certainly would not for one moment put my judgment as against the judgment of the California delegation, a delegation that stands deservedly high—as high as any in this House, whether we refer to the Democratic or the Republican side. And is with a great deal of reluctance that I rise to oppose this bill, because of my personal regard for the members of that delegation, who have united in the advocacy of this measure.

But the conservation of the natural beauties of mountain scenery is in question, and is one of national importance. All the people of the United States have expressed themselves as in favor of the doctrine of conservation, and there seems here to be a dispute only about its application. Every political party, so far as I know, has pledged itself to the doctrine of conservation, and no one in this debate has declared himself as opposed

But it is argued that this measure is not a violation of that doctrine, for various reasons, and I shall allude to some of them. But whatever else I may say, I wish to say a word about what this bill is. It is a bill to grant the right of way to the city and county of San Francisco for the construction of waterworks, pipe lines, and reservoirs. The proposition as stated in the bill is to grant the city not to exceed 250 feet in width through the Yosemite National Park and the Stanislaus National Forest; also the right to construct a dam, to construct a lake in the Hetch Hetchy Valley for the purpose of constructing, operating, and maintaining aqueducts, canals, ditches, pipes, pipe lines, flumes, tunnels, and conduits for conveying water for domestic purposes and uses to the city and county of San Francisco, and for the purpose of constructing, operating, and maintaining power and electric plants, poles, and lines for generation and sale and dis-

tribution of electric energy; also for the purpose of constructing, operating, and maintaining telephone and telegraph lines, and for the purpose of constructing, operating, and maintaining roads, trails, bridges, tramways, railroads, and other means of locomotion, transportation, and communication such as may be necessary or proper in the construction, maintenance, and operation of the works constructed by the said city and county. It also provides for the construction of underground reservoirs, and so forth.

Now, it will not do to say that this is to simply supply San Francisco with a domestic water system. The argument has been made here in support of this bill that San Francisco is in need of a water supply so great that it creates an emergency, and that is an excuse for bringing up this bill at the extra session, when the general public was not aware that it was going to be considered. Emergency? What kind of emergency is it? It is an emergency that one of the gentlemen stated would occur in 1926. The estimate of nearly all the gentlemen who advocate this bill is that it will take 10 years to construct these waterworks, hence this is an emergency to occur in 1923 at the very earliest. Why, when the Democratic caucus convened and decided that nothing but tariff and currency legislation and emergency measures should be taken up at the extra session, I was unsophisticated enough to write to some of the poor settlers in my district who had settled on burned-over timberlands and cut-over timberlands, and who could not cultivate 20 acres on a quarter, as required by a recent act of Congress, and were in danger of losing their homes, and tell them it was not any use to bring that up at the extra session, because the emergency was not sufficiently pressing. But, lo and behold! San Francisco comes in here and says, "We are going to go dry in 1923, and hence we will get the matter up at the extra session, when nobody expects it." Emergency? Yes; no doubt there was an emergency. But, as pointed out in the communication of Dr. Johnson, the editor of the Century Magazine, a true friend of conservation, and Mr. John Muir, the great naturalist, the emergency was that they found out that there was a change of the party in power and they thought that perhaps they could get this measure through to destroy the beauties of Hetch Hetchy Valley, although it had been attempted four times in the last six years and defeated. That is the emergency.

Mr. RAKER. Does the gentleman yield right there?

The CHAIRMAN. Does the gentleman yield? Mr. STEENERSON. Yes.

Mr. RAKER. Does the gentleman know that in San Francisco within the last month nine buildings have been destroyed from a lack of water with which to extinguish fire, and that the city and county of San Francisco can not extend their water mains because the Spring Valley Water Co. owns them and will not do it, but that the moment that this bill is passed they can take part of the \$43,000,000 voted and extend the mains as part of the system, and thereby protect the city and protect life and the property of property owners there?

Mr. STEENERSON. I decline to yield further, Mr. Chair-

man. I know what the gentleman is talking about.

We can judge, I will say to the gentleman, by the hearings and by the undisputed evidence and by the arguments that he been brought forward here. Even the gentleman who spoke last, the gentleman from Idaho [Mr. FRENCH], said that it was not disputed, but that there were other sources of water supply for San Francisco than the Hetch Hetchy Valley. Why, Mr. Chairman, in the hearings before the Senate Committee on Public Lands, as quoted by Dr. Robert Underwood Johnson, it was said by the engineers of San Francisco themselves that there were other sources of water supply, but that it would cost money to get them. That was the only key to this situation. It would cost San Francisco more money to get the water supply from elsewhere. So that there is no emergency. There is no reason for bringing up this bill at the extra session.

I grant that the committee has given this bill careful con-deration. I grant that great skill and legal lore have been expended in trying to harmonize all the conflicting interests. I hold in my hand here a resolution or memorial from 2,000 settlers who live right in the San Joaquin Valley, and they, over the signature of their chairman, say that San Francisco has other sources of water supply than Hetch Hetchy. then opposed to this proposition, but since have been converted to it, as I understand, by some means known only to the representatives of San Francisco.

Mr. KAHN. Mr. Chairman, will the gentleman yield to me right there?

Mr. STEENERSON. Mr. John Muir, the naturalist-The CHAIRMAN. Does the gentleman yield?

Mr. STEENERSON. Not at present. I will yield after

Mr. KAHN. Well, the gentleman spoke of the representatives

Mr. STEENERSON. I did not mean the gentleman in Con-I meant lobbyists from San Francisco, representing the \$45,000,000 voted for waterworks, the men who have been here, as I understand, lobbying for this bill. They have succeeded in bringing all the conflicting interests together, so that there is no opposition to this bill any more from Representatives of

There are no lobbyists in favor of this bill.

Mr. STEENERSON. I do not know what else you would ll them. Nobody will admit that he is a lobbyist, you know. Mr. MONDELL. Mr. Chairman, will the gentleman yield for

The CHAIRMAN. Does the gentleman yield?

Mr. STEENERSON. Not now. Here is the letter from Dr.

Robert Underwood Johnson, which contains statements strong enough to convince me that instead of investigating the "insidious lobby" in regard to the sugar tariff, the President and the Congress ought to investigate the "insidious lobby" in regard to this bill.

Mr. KAHN. The only lobby that is operating is on the part of those who are fighting the bill, and I shall point that out to

Mr. STEENERSON. Mr. Chairman, I decline to yield.
The CHAIRMAN. The gentleman declines to yield.
Mr. STEENERSON. The only communications I have received in opposition to this bill are the letters of Mr. John Muir, the naturalist, from San Francisco; of E. E. Parsons, William F. Bade, and Mrs. R. V. Colby, who represent the Society for the Preservation of National Parks. I will print that letter in full in the Record, with the names of the members composing the association. If you want to call them "lobbyists," all right. They are lobbying by means of letters in opposition to this bill, and they give their reasons.

Dr. Robert Underwood Johnson, who one gentleman to-day said was in favor of the bill, writes this letter and dates it in ink, "August 22, 1913," at Mattapoisett, Mass., where he is

temporarily spending the summer.

Now, I think that the gentleman from Wyoming [Mr. Mox-DELL] in his argument settled, so far as argument can settle it, the question that this water supply is not the only water supply available for San Francisco. But that is the whole basis of the argument in favor of this bill. If it were not for that, nobody could say anything in favor of it. The gentleman from Illinois, a member of the Committee on Public Lands [Mr. Graham], said—and I agree with him—that the greatest object of conservation was human life, and that if it were absolutely necessary to destroy the Hetch Hetchy Valley for the purpose of giving pure water to the people of San Fran-cisco, he thought that the greater and more meritorious object should prevail over the scenic beauty argument. But since that necessity does not exist, his whole argument and all of the arguments based upon that theory fall away.

It is said by some that this improvement will not injure the park. Here is a national park, created by Congress, belonging

to the whole people.

It is, no doubt, a rare beauty spot. I have never had the good fortune to visit California and behold its beautiful scenery. I have stored up that pleasure for some future day, and I hope to be able to see the Hetch Hetchy Valley in its pristine glory and beauty before the destroying hand of greed and commerce shall have been laid upon it.

I can not speak from personal knowledge as to the scenic value of the land here in question, but I take it that no better authority on that subject could be found than Mr. John Muir, the naturalist. In a letter addressed to me, dated June 27, 1913,

he says:

The Yosemite National Park is not only the greatest and most wonderful national playground in California, but in many of its features it is without a rival in the whole world. It belongs to the American people, and in world-wide interest ranks with the Yellowstone and the Grand Canyon of Colorado. It embraces the headwaters of two rivers—the Merced and the Tuolumne. The Yosemite Valley is in the Merced Basin; the Hetch Hetchy Valley, the grand canyon of the Tuolumne, and the Tuolumne Meadows are in the Tuolumne Basin. Excepting only the Yosemite Valley, the Tuolumne Basin in its general features is the more wonderful and larger half of the park.

The Hetch Hetchy Valley is a wonderfully exact counterpart of the great Yosemite, not only in its cliffs and waterfalls and peaceful river, but in the gardens, groves, meadows, and camp grounds of its flowery, parklike floor.

Why, Dr. Johnson, the editor of the Century Magazine, says: The Hetch Hetchy is a veritable temple of the living God, and again the money changers are in the temple to desecrate it.

Mr. FERRIS. Will the gentleman yield?

Mr. STEENERSON. ! will yield to the gentleman.

Mr. FERRIS. These letters ought not to go unchallenged. Doubtless the gentleman knows that this park is 20 miles away from the main Yosemite National Park. There are 719,000 acres in the park. This will only flood 3,000 acres, and twothirds of the 3,000 acres are owned in fee simple by the city of San Francisco.

Mr. STEENERSON. That has been stated several times. Mr. FERRIS. Compared to the size of the whole park this

is no more than a pimple on your back.

Mr. STEENERSON. It has been stated several times that this is not the main part of the Yosemite Park, but it is a part of the park, and as Mr. Muir, the naturalist, who ought to be a good judge of such things, says, as I have read, that valley is the most wonderful part of the park. So I will put up Mr. Muir against the judgment of men who want to destroy the park.

As I have already remarked, this is not a local question. people of the whole United States are interested in it. If the entire New York delegation should come here unanimously demanding that Niagara Falls be destroyed for the purpose of creating power, would we from the other portions of the United States stand here indifferent? Could we recognize the claim that nobody except the State of New York is interested? This question is exactly analogous.

Although my State is a comparatively young member of this Union, the people of Minnesota believe in and practice the doctrine of conservation. They have conserved some of the most beautiful forest regions on this continent, and they are trying

to enlarge those reservations.

They have conserved the mineral and timber resources of the State, so that the school fund, which belongs to the children of future generations, has a probable value, running into the bundreds of millions of dollars. We are doing all we can to conserve our own resources, as we believe, and our own beautiful landscapes. I could not fairly represent the people of that State unless I raised at least one voice against this bill, and I understand I am the only one who has spoken or will speak in opposition to the bill.

Mr. FERRIS. How about the gentleman from Wyoming [Mr.

MONDELL 1?

Mr. MONDELL. Will the gentleman yield?
Mr. STEENERSON. No; I will not yield to the gentleman from Wyoming. I will qualify my statement by saying that the gentleman from Wyoming [Mr. Mondell] spoke against this bill; but at the same time he said he was willing to give the Hetch Hetchy Valley to the San Francisco waterworks, and that is the crux of the whole proposition. He is going to offer a substitute, and the substitute will provide for the destruction of the park just as much as this bill does.

Mr. REED. The gentleman will acknowledge that I have

spoken against this bill?

Mr. STEENERSON. I think the gentleman said Mr. Muir and Dr. Johnson were in favor of this bill. I think the gentleman favored the substitute of the gentleman from Wyoming?

I hope the gentleman will not misquote me.

Mr. STEENERSON. I will not.

Mr. REED. I said I hoped that the substitute to be presented by the distinguished gentleman from Wyoming would embody such features as would afford San Francisco or California the

privilege which they desired.

Mr. STEENERSON. I believe, as I have already stated, that my duty to my constituents and to the whole people of the United States requires me to oppose this bill. There is nothing in the argument that the flooding of this valley will improve One gentleman from California, who spoke in favor of the bill yesterday, had the temerity to make that argument, and he was indorsed by the gentleman from Idaho. might as well try to improve upon the lily of the field by hand painting it. The idea that a reservoir for water supply will make a beautiful lake is absurd. Of course, you understand that in a dry time when water is needed the reservoir will probably be empty, as all reservoirs are at those times, and you will have in place of the beautiful floor of the Hetch Hetchy Valley, as described by Mr. Muir, a dirty, muddy pond, with the water drained off to supply San Francisco, and probably some dead fish and frogs in it. [Laughter.] Will that be beautiful? And then there will be perhaps large generating works, with rolling wheels and buzzing machinery and transmission wires with a devilish, hissing noise echoing and reechoing sounds strange and cacophonous. [Laughter.] That is what you will offer us in place of the temple of the gods that has been made ready for our admiration.

The gentleman from California [Mr. Knowland] yesterday

pointed out the wonderful increase in population in the cities on San Francisco Bay, and he took great pride in it. He said

that the influx from the country to the city was very strong in that region, the same as it is elsewhere in the world. Instead of taking pride in that fact I deplore it. All the greatest statesmen of our time are deploring the fact of the influx to the city from the country. They are putting forth efforts for Government encouragement of rural life. We hear on every hand futile complaints against the rising cost of living. Some gentlemen have discovered that the way to cheapen the cost of living is to import beef and foodstuffs from abroad, but that is a vain remedy, because, when you discourage the farm and country life here in the United States, the foreign farmer will have you in his power and charge you even higher prices than you now pay.

I am opposed to the eternal drawing upon the Federal Government resources and of the people to make cities more attractive at the expense of the country. Rather would I encourage the people to go to the national parks, where they can admire nature in its pristine beauty and glory and become imbued with the love of nature-become second Burbanks in knowledge and practice and science of plant breeding and all the secrets of animal and vegetable life.

Do you think you can produce such men by building up large cities and raising your families in apartment houses, like the cliff dwellers? No. It is said this park is hard of access; that only a few hundred people reach it every year; that more will reach it when you have destroyed it. Then they can go in trolley cars and railroad cars; but I would rather have a few see it in its natural glory than in its desecrated form. Perhaps some lone, footsore, weary wanderer may find his way into the valley some day and by means of inspiration of these wonderful surroundings will produce something more valuable than money. Suppose he could write a poem like Burns's poem to a mountain daisy? Would you trade it for \$45,000.000 that the taxpayers of San Francisco have voted for this enterprise? Why, you could not estimate the value of such a contribution to human thought in its refining effects in dollars and cents. That poem I have read often, but it can never be read too often, and I will put part of it in the Record to remind you of it.

The fate of Hetch Hetchy Valley, this beautiful mountain gem, is touchingly like that of the mountain daisy, and when it is gone I do not believe I shall be the only mourner at its bier.

TO A MOUNTAIN DAISY.

Wee, modest, crimson-tipped flow'r,
Thou's met me in an evil hour;
For I maun crush amang the stoure
Thy slender stem;
To spare thee now is past my pow'r,
Thou bonie gem.

There, in thy scanty mantle clad,
Thy snawle bosom sun-ward spread,
Thou lifts thy unassuming head
In humble guise;
But now the share uptears thy bed,
And low thou lies!

Such is the fate of artless maid, Sweet flow'ret of the rural shade! By love's simplicity betray'd, And guileless trust: Till she, like thee, all soli'd, is laid, Low i' the dust.

Such is the fate of simple Bard, On Life's rough ocean luckless starr'd! Unskilful he to note the card Of prudent lore, Till billows rage, and gales blow hard, And whelm him o'er.

Now, you say that is all sentiment; that Mr. Muir and Dr. Johnson are sentimental. I grant it, and I am glad of it. You people in California, where woman suffrage prevails, will find out that you have got to pay some respect to sentiment hereafter. [Laughter.] One reason why I am opposing this bill is that the Woman's Club in Minnesota passed a resolution unanimously in favor of protecting this national park from vandalism and desecration. I have great respect for their sentiments. Such sentiments are the foundation of all noble and heroic deeds

Sentiment, if you please! It is a wise saying that the man who writes the songs of a people has more influence than he who I hope that upon reflection the House of Repwrites its laws. resentatives will not press this bill to final passage at this time, and I say to you now that if you try to do it you will have to muster a quorum when the time comes for action, because I will not stand here an idle spectator when this hand of greed is laid upon our national forests, and I want the Democratic Party to go on record, after this same proposition to destroy the Hetch Hetchy Valley has been defeated four times in the last six years-I want them to go on record as doing this as an

emergency measure; and I want to go home to Minnesota and tell the people on the stump that this is the kind of emergency. measures that the Democratic majority and the caucus are forcing through here at this time.

Mr. FERRIS. Will the gentleman yield?

Mr. STEENERSON. I speak for myself only as a member of the Republican Party and not the whole party.

Mr. FERRIS. Of course the gentleman is aware, he having mentioned some of the political phases of the question, that California is a Republican State; that San Francisco is a Republican city; that the Members who will be benefited by it locally, if any particular partisanship should be injected into it, are Republicans; and, furthermore, does the gentleman now set his own judgment up against the combined judgment of the California delegation, of 11 in number; and does he set his judgment up against the Secretary of the Interior, the Secretary of Agriculture; the Chief Forester, Gifford Pinchot; F. H. Newell, the head of the Reclamation Service; the head of the Geological Survey; the unanimous report of our Public Lands Every other arm of the Government that has anything to do with or knows anything about it has been con-They have appeared in person and by letter, and they are all earnestly for it.

Mr. STEENERSON. In answer to that, I will say I will set up my judgment with Secretary Hitchcock and Secretary Garfield and Secretary Fisher as against the present Secretary; and as to the judgment of the present Representatives from California, for whom I have great respect, you must admit they are interested parties, and they can not act as judges in a matter of this kind. As to the question of politics, I acquit the gentleman from Oklahoma from trying to work any political scheme in this bill. I acknowledge his generosity to the California delegation—and it is a very great generosity—but it is impossible for the majority of this House to escape the responsibility for this bill. You can not throw it on the Representatives from California, because, being in control, you are responsible. As to Gifford Pinchot, I will say that I go by his first stand, which I am advised was against taking Hetch Hetchy Valley.

Mr. FERRIS. He has always been for the bill.

Mr. STEENERSON. This bill? He was opposed to this idea

few years ago.

Mr. FERRIS. He has always been for the bill.

Mr. STEENERSON. Well, even if he now is for this bill, I do not take him as an authority. I can not follow blindly, but must know his reasons. Some four years ago he and other conservationists stated that they were in favor of free lumber, because by getting free lumber supplied from abroad we would save our own forests-a plain proposition, that could not be contradicted—yet only a few hours after conferring with a few lumber barons he changed about and wrote a letter to the Committee on Ways and Means and said that the way to con-serve the forests of the United States was to put on a duty and make lumber high priced to the farmers. A man who can make a somersault like that can not command my confidence either in economics or politics. [Laughter and applause.]

Mr. RAKER. The gentleman does not intend to state that

Secretary Garfield was not in favor of this grant, because Secretary Garfield gave a revocable permit to construct it.

Mr. STEENERSON. But it was revocable; to that extent I will stand corrected.

# EXHIBIT A.

SOCIETY FOR THE PRESERVATION OF NATIONAL PARKS, CALIFORNIA BRANCH, 302 MILLS BUILDING, San Francisco, June 27, 1913.

Hon. Halvor Steenerson,

House of Representatives, Washington, D. C.

Dear Sir: The Yosemite National Park is not only the greatest and most wonderful national playground in California, but in many of its features it is without a rival in the whole world. It belongs to the American people, and in world-wide interest ranks with the Yellowstone and the Grand Canyon of the Colorado. It embraces the headwaters of two rivers—the Merced and the Tuolumne. The Yosemite Valley is in the Merced Basin; the Hetch Hetchy Valley, the Grand Canyon of the Tuolumne, and the Tuolumne Basin in its general features is the more wonderful and larger half of the park.

The Hetch Hetchy Valley is a wonderfully exact counterpart of the great Yosemite, not only in its cliffs and waterfalls and peaceful river, but in the gardens, groves, meadows, and camp grounds of its flowery, park-like floor.

At a recent session of Congress a most determined attack was made by the city of San Francisco to get the right to use the Hetch Hetchy Valley as a reservoir site, thus depriving 90,000,000 people of one of their most priceless possessions for the sake of saving San Francisco dollars.

As soon as this scheme became manifest public-spirited citizens all

dollars.

As soon as this scheme became manifest public-spirited citizens all over the country entered their protests, and before the session was over the park invaders saw that they were defeated and permitted the bill to die without bringing it to a vote, so as to be able to try again.

Ever ready to take advantage of every political change, a bill having the same destructive purpose has been reintroduced at this session of Congress and is now pending before the Public Lands Committee, and

its supporters are speciously urging that it should be rushed through at this special session as an emergency measure, when in reality nothing like an emergency exists.

San Francisco may be in immediate need of an increased supply of water, but her own engineers admit that the present supply can be more than doubled by adding to present near-by sources, and that is the first and most economic plan of development before the city eventually goes to the Sierra for additional water.

The advisory board of Army engineers "Is of the opinion that there are several sources of water supply that could be obtained and used by the city of San Francisco and adjacent communities to supplement the near-by supplies as the necessity develops. From any one of these sources the water is sufficient in quantity and is or can be made suitable in quality."

We are preparing data based on the reports of the Army engineers which will demonstrate that San Francisco can obtain abundance of pure water from other sources than the Tuolumne Hetch Hetchy.

So important a bill should not be rushed through Congress without mature consideration and time allowed for its opponents to be heard. Anything less would be unjust to the American people; therefore, in behalf of all who appreciate our mountain parks and believe that they should be preserved we cail on you to aid us in postponing consideration of this destructive bill until the regular session of Congress, for we have not even seen a copy of the bill now being considered. Ever since the establishment of the Yosemite National Park by act of Congress—October 8, 1890—constant strife has been going on around its boundaries and is likely to go on as part of the universal battle between good and evil, however much its boundaries may be broken or wild beauty destroyed.

When this application was first made, over 10 years ago, the Secretary of the Interior then holding office emphatically denied the right, saying in part:

"Presumably the Yosemite National Park was created such by law

of the Interior then holding office emphatically denied the right, saying in part:

"Presumably the Yosemite National Park was created such by law because of the natural objects of varying degrees of scenic importance located within its boundaries, inclusive alike of its beautiful small lakes, like Eleanor, and its majestic wonders, like Hetch Hetchy and Yosemite Valleys. It is the aggregation of such natural scenic features that makes the Yosemite Park a wonderland which the Congress of the United States sought by law to preserve for all coming time as nearly as practicable in the condition fashioned by the hand of the Creator—a worthy object of national pride and a source of healthful pleasure and rest for the thousands of people who may annually sojourn there during the heated months."

In behalf of all of the people of the Nation we ask your aid in putting an end to these assaults on our great national parks and to prevent this measure from being rushed through before it can be brought to the attention of the 90,000,000 people who own this park.

Faithfully, yours,

JOHN MUIR.

JOHN MUIR. E. T. PARSONS. WM. F. BADE. R. V. COLBY.

### EXHIBIT B.

DEAR MR. STEENERSON: I hope you will insist on the objections here stated being met—they can not be refuted. Unless somebody stands up for the national interest in national parks they will go to the wolves by default through good-natured acquiescence and personal and political influence.

Sincerely, yours,

R. U. JOHNSON.

[For publication and comment in the press.]

THE HETCH SCHEME—WHY IT SHOULD NOT BE RUSHED THROUGH THE EXTRA SESSION—AN OPEN LETTER TO THE AMERICAN PEOPLE.

Fellow owners of the Yosemite National Park:

THE HETCH HETCHY SCHEME—WHY IT SHOULD NOT BE RUSHED THROUGH THE ENTRA SESSION—AN OPEN LETTER TO THE AMERICAN PEOPLE.

Follow concers of the Yosemite National Park:

For 12 years the city of San Francisco has been trying to obtain from the Government the gift of the wonderful Hetch Hetchy Valley, 18 miles from the Yosemite Valley and one of the chief attractions of the greatest of your national parks. The plea has been that the Hetch Hetchy is the only available source of water supply for the city, this being the only plausible reason for the scheme, which involves the destruction of the valley by flooding it as a reservoir and the exclusion of the public from two of the three chief camping places amid this phenomenally beautiful scenery and from access to 20 miles of the most remarkable cascades in the world. The language of hyperbole is the only appropriate medium to describe the features of your Yosemite National Park. Better that there had never been a Niagara than that the northern half of the park should thus be diverted from the use of the public. The Hetch Hetchy is a veritable temple of the living God, and again the money changers are in the temple!

For these 12 years a few public-spirited men in California and elsewhere, led by John Muir, "California's grand old man," and supported by 8 or 10 national organizations, have succeeded in thwarting this project. Their attitude is not quixotic. They say: "If San Francisco could nowhere else obtain an abundant supply of good water, supreme necessity would require that the valley should be placed at its disposal," But they claim that not until the city has demonstrated that the supply an not be obtained from any other source should any concession be made to its demands. And they further claim that the city is under obligations to prove this negative; that the Hetch Hetch Hotch is not merely desirable, but that it is absolutely necessary. The importance of the reasons for its creation. And they further claim that the city is under obligations to prove this neg

penses, are endeavoring to rush through a drastic measure that would turn over to the city 500 square miles—half your national park. The scandal consists in these facts: (1) That the appeal is made on ex parte evidence furnished by the city and not fully verified by the advisory board of Army engineers appointed by Secretary Fisher, and (2) that in presenting data to this board the city actually withheld a report showing that the Mokelumne River region will afford abundant resources

In presenting data to this board the city actually withheld a report showing that the Mokelumne River region will afford abundant resources at a smaller expense.

Before considering this other source of supply let me cite two damaging statements of a general nature. At the hearing before the Public Lands Committee of the Senate, Mr. NELSON, of Minnesota, in the chair, Mr. McCutcheon said to Mr. James D. Phelan, then and now the most conspicuous advocate of the scheme, substantially this:

"You know, Mr. Phelan, that you could go out overnight anywhere along the Sierra and get an abundant supply of pure water for the city."

"Yes, said Mr. Phelan, "by paying for it."

And Mr. Manson (another advocate) echeed, "Yes, by paying for it."

This is matter of record and has never been disputed. It shows that the object of the scheme is to get something for nothing—the simplest sort of a commercial "grab." The Nation is called upon to make sacrifice of its noblest pleasure ground, not to save the lives or the health of San Franciscans but their dollars; and, moreover, to supply water not merely for drinking but for power.

Again, the report of the Army board states the belief of its members that the city's reports on other sources besides the Sacramento and the Tuolumne (Hetchy Hetchy) are not thorough and complete, "due largely, it is thought, to the lack of importance and impracticability, from the point of view of the city authorities, of any source of supply other than the upper Tuolumne." This report was made on the order of the Interior Department that the city should investigate and report on all possible available sources. It has not done so in good faith. This report of the Army board, it is understood, was drawn up by H. H. Wadsworth, assistant engineer and secretary of the board, who on July 1, 1913, said he had not seen the elaborate report favorable to the Mokelumne River region, known as the Bartell report, and added: "I am very confident that no such report was submitted to the board." The source of suppl

to me.

The plain fact is that the Bartell report to the city of April, 1912, though it was made for the city, proved an obstacle to the theories and purposes of the supervisors, and therefore was withheld by them from the Army board, substitution being made of a report after a brief investigation by Engineer Grunsky (July, 1912) placing the resources of the Mokelumne at 60,000,000 instead of 432,000,000 gallons daily. This withholding constitutes an important suppression of the truth, and was a wrong to the board, to the city's expert (Mr. Freeman), to the Members of both Houses of Congress, and to every other American citizen.

citizen.

If the legislation is not railroaded through Congress, an even fuller report of the Mokelumne resources than that of the Engineer Bartell will be presented, along with an offer of rights and sites by the Sierra Blue Lakes & Water Power Co.

The advantages claimed for this source over that of Hetch Hetchy

(1) It would obviate the invasion of your national park.
(2) It would save 70 miles of tunneling, much of its through solid

rock.
(3) It would be a shorter route by 65 miles.
(4) It could be completed in 4 years, as against the 10 needed to make Hetch Hetchy available.
(5) Its owners will offer it to the city at a price to be arbitrated.
(6) Its watershed is virtually in a forest reserve, not a national park, and thus is more fully protected than a scenic resort like Hetch Hetchy.

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The fact is that with the \$45,000,000 at their command the city made a most elaborate investigation of the source desired and very inadequate investigation of all but one of the others. A congressional investigation may be necessary to reveal whether there was any sinister reason for this attitude.

The country ought to know that the grant to the city would do an immensurable wrong to the residents of California's greatest valley, the San Joaquin. Without water this valley is almost a desert; with water it is a paradise. This central valley of California should have prior claim on the water. I well know the purposes of Congress-in creating the Yosemite National Park, for I was the only person who advocated it before the Public Lands Committee of the House in 1890. These were primarily to preserve the great scenery for the use and recreation of the whole Nation, to defend the forests against destruction by herds of sheep—'hoofed locusts,' as Mr. Muir called them—and to conserve the waters of the region for purposes of irrigation in the San Joaquin Valley. The residents in that valley are overwhelmingly against this legislation, and although the city seems to have arranged with the Turlock and Modesto irrigation representatives the people are not satisfied. This is particularly true of the Waterford region and other large regions dependent for prosperity on the Yosemite Park sources. In order to silence the opposition of the irrigation interests the city's agents have agreed to divide with them the waters of the coveted valley. The spectacle of thus parceling out the resources of one of God's most beautiful creations has had no counterpart since the casting of lots for the raiment of Jesus.

In the face of these facts, where is the "emergency" requiring the passage of this piece of inexcusable folly

resources of the Hetch Hetchy 10 years from now would not incertain emergency.

I have said nothing here of the offer of the local company, the Spring Valley, to sell to the city all its vested interests and options, which it claims would solve the problem for a hundred years, nor of the desirability of establishing a great filtration scheme, such as London is about to do, abandoning the plan of piping from the Welch Mountains. These are pertinent considerations, and they are new to the present Congress, and time should be given to them. This piece of vandalism, so repugnant to the enlightened opinion of the country, can only be

rushed through by the deference of the judgment of Congress to the statements of interested parties. A complete investigation of other sources—which the Army board states that it has had neither time nor facilities to make—should be undertaken by an impartial commission.

Col. Hener, United States Engineer, said in 1898:

"Engineers who made surveys of Lake Eleanor and Hetch Hetchy inform me that there are other Sierra supplies which can be brought here at much less cost than the Hetch Hetchy. The latter by persistent advocates has been preached, almost forced, into acceptance by the people of San Francisco."

The simple issue is not "Shall San Francisco have a satisfactory water supply?" but "Shall the national park be dismembered and Hetch Hetchy destroyed unnecessarily?" The report of the Army board is quoted in favor of the scheme; but it includes the following significant, if not conclusive paragraph:

"The board is of the opinion that there are several sources of water supply that could be obtained and used by the city of San Francisco and adjacent communities to supplement the nearby supplies as the necessity develops. From any one of these sources the water is sufficient in quantity and is, or can be made, suitable in quality. While the engineering difficulties are not insurmountable, the determining factor is one of cost."

In other words, the American people are asked to subsidize the city's water supply to the extent of the money value of Hetch Hetchy and of 500 square miles of phenomenal scenery. Put up at auction what would this wonderland bring? "What am I bid." the auctioneer might say, "for one superb valley, 20 miles of unique cascades, half a dozen snow peaks, beautiful upland meadows, noble forests, etc., now owned by a gentleman named Uncle Sam, suspected of not being able to administer his own property? Do I hear \$20,000,000 to start the bidding? Remember that these natural features are priceless."

Will the reader of these lines also remember that fact?

Citizens, will you not belp prevent

Respectfully, yours,

Robert Underwood Johnson, 327 Lexington Avenue, New York.
Mattapoisett, Mass., August 23, 1913.

#### EXHIBIT C.

PROTEST AGAINST DIVERSION OF WATERS FROM LANDS REQUIRING IRRIGATION, ADOPTED AT LIVINGSTON, CAL., MAY 30, 1912.

Whereas a determined effort is being made by the city and county of San Francisco to secure the passage of a special act of Congress granting to said city and county of San Francisco certain rights and titles to certain waters of the Tuolumne River; and Whereas the said city and county of San Francisco has declared its intention of diverting such waters to points outside of the San Joaquin Valley for uses other than those of irrigation and reclamation, if such rights and titles are granted; and Whereas reports of United States Army engineers show decidedly that the entire run-off supply of the watershed to the San Joaquin Valley is necessary for the valley's proper agricultural and commercial development; and

velopment; and
Whereas it has been clearly shown and proven through the medium
of competent engineers that San Francisco can secure an adequate
supply of water for its own use from other sources, where such
water is not needed for the development of its contiguous Services.

water is not needed for the development of its contiguous ter-ritory; and hereas the question of conserving all of the waters of the San Josquin Valley watershed for use within said valley is one of paramount importance to the very life of every county and community within said valley: Therefore be it Whereas t

mount importance to the very life of every county and community within said valley: Therefore he it

Resolved, That the 2.000 citizens of Merced and Stanislaus Counties assembled at Livingston Bridge this 30th day of May. 1913, for the purpose of dedicating said bridge and the California State highway to the use of the public, hereby taken cognizance of this attempt on the part of San Francisco to divert certain waters of the Tuolumne River for other uses than those of trigation and reclamation, and that we herewith protest strongly against such proposed diversion, and cali upon the Senators and Representatives of the State of California in Congress, and all other Members of Congress having the interest of conservation and irrigation at heart, to unite to protect the agricultural and commercial interests of the San Josquin Valley, and thereby assure the proper development of the semiarid lands of said valley, as well as make permanent the development of the natural resources of the State:

Be it further

Resolved, That copies of these resolutions be sent to all Senators and Representatives of the State of California in Congress, and that they be urged to use every legitimate means to enlist support in a movement directed against the passage of the Raker Hetch Hetchy bill, or any other measure that may be introduced into Congress, having for its purpose the granting to San Francisco, or any other city located outside of the San Joaquin Valley, any rights or titles to any waters of the Tuolumne River, or the waters of any other stream which forms a part of the San Joaquin valley, any rights or titles to any waters of the Tuolumne River, or the waters of any other stream which forms a part of the San Joaquin valley where they would be lost to the trigation and commercial interests of said valley; be it further

Resolved, That this assemblage goes on record as favoring Federal add to the efforts of the citizens of the San Joaquin valley to reclaim their semiarid lands and make them fruitful, such add to be given th

E. S. ELLIS, President of the Day.

The CHAIRMAN. The time of the gentleman has expired. Mr. THOMSON of Illinois. Mr. Chairman, although I come from a great city, and I have always lived there-the city of

Chicago-I claim to be something of a lover of nature, and I have always believed in the principles of conservation. Feeling as I do generally on this question. I came to a consideration of this bill as a member of the Committee on Public Lands with quite a feeling of doubt as to its wisdom, as to the wisdom of the bill as a general proposition, and particularly as to the wisdom of certain of its provisions.

After having listened to the testimony which was submitted to the committee and the discussion of it in the committee I felt convinced that the request of San Francisco as embodied in this bill is a reasonable one and that the bill, in the form to which it has been worked by the committee, is a reasonable and proper bill. My friend from Minnesota [Mr. Sternerson] asks whether there are not other sources of supply, and that question has been asked frequently. There are "There is the Pacific Ocean, right at the door of San Francisco. Why not use that? That might be thought to be a rather extreme illustration or proposition, but it was not so extreme as to be disregarded by our friend, Robert Underwood Johnson, who has sent to all of us, I presume, this circular, which has been considerably discussed and a copy of which I hold in my hand. I have not the pleasure of Mr. Johnson's acquaintance, but I regret exceedingly that he has been led to circulate this statement about this bill and this proposition, which has so many allegations in it that are entirely contrary to fact and on which, for some reason or other, Mr. Johnson seems to have been grossly misinformed by somebody.

To go back to the Pacific Ocean for a moment. I hold in my hand a part of the testimony which was submitted to Secretary Fisher at the time this matter was before him. By the way, in passing may I say that this matter has not been up four times in the last six years and met defeat, as has been alleged here to-day. I suppose one of those four times referred to by the gentleman from Minnesota [Mr. Steenerson] was the time when it was up before Secretary Fisher. Mr. Fisher did not say that he was against this proposition. He did say that this matter had come up just before he was stepping out of office, and that for that reason he was unwilling to make a decision in the matter; and he said further that he felt the proposition was of sufficient importance to be laid before Congress, and that it contained some vital principles and propositions that in any event probably ought to have action by Congress, and it was for that reason that he declined to act in the matter.

Mr. Johnson, who circulates this letter, was before Mr. Fisher as a witness, and he stated, among other things, that he felt that if there was any possible source in existence which San Francisco could use as a basis for a water supply, without respect to the cost of using it, they ought to be compelled to use that source rather than resort to the Hetch Hetchy Valley. At that point Mr. Fisher said:

that point Mr. Fisher said:

Let us see if you mean just what you have stated. We could, of course, distill the water of the Pacific Ocean for a water supply. Now, that is obviously true. Would you say that that ought to settle this question?

Mr. JOHNSON. If, after you have exhausted the other sources of supply from the Sierras, you find that no one of those sources would be adequate, and you do know that by distilling water from the ocean you could supply that, I should say undoubtedly it was the duty of the authorities to do that.

Secretary Fisher. Rather than take the Hetch Hetchy water?

Mr. JOHNSON. Certainly.

Secretary Fisher. Even though it might cost—to make it sufficiently absurd—we will say \$190,000,000 a year?

Mr. Johnson. It would be well invested.

Mr. Johnson is sufficiently unreasonable about this proposi-

Mr. Johnson is sufficiently unreasonable about this proposition to go to the extent of saying that rather than take the Hetch Hetchy water supply, San Francisco ought to be compelled to distill the salt water of the ocean.

Now, it seems to me there is no question at all of the fact that San Francisco needs water. It has been at the mercy of a water monopoly for years, spending as high as 15 to 21 cents per thousand gallons for water. To my friend from Minnesota [Mr. Steenerson] I would say there is an emergency here, and it was demonstrated to the committee that there was reason for bringing this bill to the attention of Congress at this time. The people out there have voted unanimously for a bond issue, and, if this bill can pass, there will immediately be available certain proceeds from that bond issue which can be used by the people of the city for extending their piping system and doing certain things in the way of furnishing an emergency supply at once which will help them very materially.

I wish to call the attention of the committee to the fact that

this Hetch Hetchy site was selected by eminent engineers as the best source of supply for San Francisco as far back as 1891, and the decision of such engineers who gave that verdict at that time has been confirmed repeatedly by some of the most eminent engineers of this entire country.

Another fact has been referred to, and I think it should be emphasized, namely, that under this revocable permit that was issued by Secretary Hitchcock, and also to conform with certain requirements that Secretary Ballinger later laid down, the city of San Francisco, acting in good faith under that revocable permit and to conform to the conditions laid down by Secretary Ballinger, has expended about one and three-quarter million dollars in acquiring certain lands and water rights in connection with the Lake Eleanor proposition and with this Hetch Hetchy proposition; and, as has been pointed out, the city now owns some 780 acres on the floor of this very valley.

The testimony before the committee brought out the fact that

the city has 1,960½ acres in the national park. The further fact was brought out that the entire amount of Government land to be flooded and to be used under this proposition, as provided in this bill, is 2,173 acres. It will also use some portion of its own acreage of 1,960 acres, and the bill provides that such lands as are in the park and owned by the city now and are not used by the city are to be returned and conveyed by the city to the Government after the construction operations are completed.

Now, my friend from New Hampshire [Mr. Reed] and one other gentleman here this morning, just who I have forgotten, compared this plan of getting a water supply for this western city to conditions in their own States. That is an impossibility. You can not compare the conditions in California as to water with the conditions in New Hampshire or with the conditions in the State of New York. The facts as to annual rainfall and the possibilities of impounding water are so vitally and so vastly different that there is no basis of comparison between such Eastern States as those and the State of California,

It has been demonstrated many times by facts collected by engineers and otherwise that this Hetch Hetchy Valley must be used as a reservoir site in time, because conditions in California are such that all the water that it is possible to impound must be conserved. This dam is necessary because this Tuolumne River is a torrential stream. It comes down in certain seasons in great floods and in other seasons it is well-nigh dry, and it is therefore necessary to build this dam in a valley like this in order to get these flood waters and hold them for the dry seasons, when they can be used.

Now, let us look just a moment at the Hetch Hetchy Valley as it is at present. I confess not to have a great deal of patience with gentlemen who sit by their firesides in the East and discuss the plan of giving this valley to this use, without a bet-ter knowledge than they seem to have of the facts that surround that valley and of the physical conditions that are present there, which conditions were so clearly presented to the committee by the witnesses who appeared before it.

My friend from Minnesota [Mr. Steenerson], who addressed us last, said that he hoped to live to get into that valley. If he does, I would advise him to take a very generous amount of mosquito dope with him and any cooling apparatus he may have. I assume he is going in there in the summer time, which is

about the only time when one can get in there.

I would like to find out how many Members of this House have ever been in that valley. There are only two that I know of-one is Mr. Church and the other is Mr. Bell, both of Cali-I have heard them describe the conditions there, and if my friend from Minnesota [Mr. Steenerson] had carefully read the hearings showing all the evidence produced before the committee he would have found that in the early part of the summer this valley is almost impossible of occupancy because of the mosquitoes. They are so vicious that when my friend from California [Mr. Bell] went in there he was told that the mosquitoes were so bad that they had driven out the cattle and had even driven out the wild game. Yet in spite of that he went in there with some of his friends, and stayed there only just as long as it took them to turn around and run out again.

Those are the conditions in the first half of the summer, and, according to those who have been there and who appeared before the committee, the conditions in the latter part of the summer are that the heat is so great that it is impossible to stay in

that valley.

Now, a Mr. Denman appeared before the committeewho had been in this valley a number of times-and he told us of his experience there. I will not take the time to read his testimony to the committee. If any of you have any doubts of the physical conditions of that valley, you ought to read his testimony, found on pages 243, 244, and 245 of the hearings.

This man was a member of the Sierra Club, and he showed us how the sentiment of the members of that club was quite divided on the question of this bill and on the question of whether or not the things that would be done under the bill would impair or improve the scenery of that valley. He showed us, further, that the Hetch Hetchy Valley is not used as an objective point, as a point to which to go to spend a period of time in camping by people who go up into the Sierras. It is

merely used as a stepping-stone, as a temporary stopping place on the way from the lower levels up into some of the higher valleys of the Sierras.

Our friend from Minnesota [Mr. Steenerson] stated, further, that it was all nonsense to say that the flooding of this valley could possibly make this beautiful scenery even more beautiful, and I have no doubt it is beautiful to-day. I would prefer to take the testimony of such men as Mr. Lane, the Secretary of the Interior, who says that in his judgment it would be more beautiful with a lake. I would prefer to take the testimony of a number of men who were before the committee, who say that in their judgment it will be even more beautiful with a lake than it now is. For instance, there is a wonderful waterfall, which is very high, near the upper end of this valley. That waterfall would not be disturbed by the operations that would be undertaken by San Francisco. It has been pointed out to us that with this waterfall at the head and the cliffs on both sides that have been described by others better than I can describe them, the picture that would be presented would be similar to that at Mirror Lake, farther up in the mountains, which is said by lovers of nature to be one of the most beautiful sights in all the Sierras, one that is an objective point of travelers up there who go to see the wonderful sights pre-sented by Mirror Lake. A similar sight would be presented by this lake if the valley was flooded as contemplated in this bill.

The distinguished gentleman from Minnesota [Mr. Steen-ERSON] said he had not heard any reason given by Mr. Pinchot why this bill should pass. My distinguished friend from Wyoming [Mr. MONDELL] made considerable fun of the committee for calling before us and for the coming before us of a lot

of people, among whom he included the charwomen. Mr. MONDELL. Will the gentleman yield? Mr. THOMSON of Illinois. Yes,

Mr. MONDELL. The gentleman wants to quote me correctly?
Mr. THOMSON of Illinois. Certainly.

Mr. MONDELL. If the gentleman will recall, I made no reference whatever to anyone who was called before the committee.

Mr. THOMSON of Illinois. Gentlemen who appeared.

Mr. MONDELL. My reference was entirely to the genesis of the bill—long before the committee ever saw it or heard of it; when it was being incubated. My reference was to the gentlemen who had to do with the genesis and incubation of the measure; not those who were at the hearing after the measure had been drafted.

Mr. THOMSON of Illinois. The measure presented to the House is not the measure that was originally drafted. It has been changed a great many times. The committee studied it carefully with the help of these people and made a great many changes, and the remarks of the gentleman from Wyoming were in connection with the part which these people who came before the committee had to do with the accomplishment of those changes. One of them was Mr. Pinchot, another was Secretary Lane, another was the head of the Geological Survey, another was the head of the Reclamation Service, and so

on. It seems to me it was highly proper to have those people come before the committee, and I believe their ideas were good. Let me read just a few words from the testimony of Mr. Pinchot:

Mr. Pinchot:

We come now face to face with the perfectly clean question of what is the best use to which this water that flows out of the Sierras can be put. As we all know, there is no use of water that is higher than the domestic use. Then, if there is, as the engineers tell us, no other source of supply that is anything like so reasonably available as this one; if this is the best, and, within reasonable limits of cost, the only means of supplying San Francisco with water, we come straight to the question of whether the advantage of leaving this valley in a state of nature is greater than the advantage of using it for the benefit of the city of San Francisco.

reacter than the advantage of using it for the beneat of the city of can Francisco.

Now, the fundamental principle of the whole conservation policy is that of use, to take every part of the land and its resources and put it to that use in which it will best serve the most people, and I think there can be no question at all but that in this case we have an instance in which all weighty considerations demand the passage of the bill.

There are, of course, a very large number of incidental changes that will arise after the passage of the bill.

Mr. Pinchot's testimony was early in the hearings. Later he

I think that the men who assert that it is better to leave a piece of natural scenery in its natural condition have rather the better of the argument, and I believe if we had nothing else to consider than the delight of the few men and women who would yearly go into the Hetch Hetchy Valley, then it should be left in its natural condition. But the considerations on the other side of the question to my mind are simply overwhelming, and so much so that I have never been able to see that there was any reasonable argument against the use of this water sunply by the city of San Francisco, provided the bill was a reasonable bill.

My friend from Minnesota [Mr. Steenerson] stated that Mr. Pinchot's position was otherwise. Here we see Mr. Pinchot

San Francisco, provided the bill was a reasonable bill. Later on he states that, in his judgment, this bill, which he has examined carefully, is, with one exception, which he stated, and in connection with which the committee adopted an amendment, a reasonable bill, and should be passed, and in his judgment should be passed at this session, because he felt it was an

emergency proposition. A good deal has been said as to the effect of the passage of the bill on the inhabitants of the San Joaquin Valley. Gentlemen from the Eastern States have been very solicitous about the welfare of the people in that valley. I doubt not that they are ably represented here by the gentleman from California in whose district that valley lies, and who is a member of the committee, and who voted with the rest of us on the committee to report the bill favorably. He asserts and assured this House yesterday in the remarks he made that he was authorized to state that the people in that valley and his district are not opposed to this bill. There were times when they were opposed to it because of the fact that the bill then before Congress did not have the conditions which my friend from Wyoming finds fault with. His substitute bill is without these conditions, and such a bill would be strongly opposed by these very people he seeks to protect, the irrigationists in the San Joaquin Valley. They insist that if the bill is passed giving San Francisco the use of the valley as a water supply the Government shall impose such conditions as will properly and reasonably require the city to recognize the rights they have and which they claim.

It has been said that if this bill passes the valley will be forever arid. It may be in part, but only in part. It was called to the attention of the committee that there were other water sources which can be availed of for irrigation purposes in addition to the water which will come from this river. Under the rights which the Turlock and Modesto and other irrigation districts have in the State of California the waters can be impounded in dams farther down the valley and used for irrigation purposes. At any rate, if San Francisco should not have the use of this valley, the irrigationists could not avail themselves of the opportunity of using it, because the construction. tion that would be necessary to conserve the water for irrigation purposes, or for any purposes whatever, would entail such an expense that it would be prohibitive from the standpoint of irrigation. They could not finance the proposition.

Now, as to the comparison between Hetch Hetchy and certain other sources, like the McCloud and the Sacramento, I will read a word from the testimony of Col. Biddle:

There is no question in my mind that Hetch Hetchy is the best water supply for San Francisco, and the most economical that can be

And then, on another page, he enlarges on that. You will find it on page 65 of the hearings. Other speakers on this bill have shown the disadvantages of the McCloud River project and the Sacramento River project. May I call attention to another fact in connection with the McCloud River which has not been mentioned. It is a tributary to the Sacramento. Under the Federal lay there must be a certain water stage maintained in the Sacramento. If See Francisco took nearly maintained in the Sacramento. If San Francisco took nearly all the water out of the McCloud River, it would result in reducing the stage of the water in the lower Sacramento to a point below the stage beyond which the law says it must not go. This law provides that if the water gets down to that point it shall be unlawful to take any more water from the Sacramento or its tributaries, and this would interfere with the use of the McCloud River, because at the very time the water was most needed it would be the least available.

As to the Sacramento River, the proposition would involve filtration, and also pumping the entire supply; it would be taken out of the river below many cities the sewage from which flows into the river. It would necessitate filtration and would interfere with navigation, as has already been pointed out.

A great deal has been said about the Lake Mokelumne source

and about the suppression of the report on this source of supply. May I say this about that source of supply: It is claimed to be owned by what is known as the Sierra Blue Lakes Water Co., of which Mr. Sullivan is president. He appeared before the committee and testified.

I do not know whether they really own or have a title to that water or not. I do know this, that testimony was produced before the committee from two different sources which showed that bonds of that company out in the State of California are regarded by banks and financiers as worth nothing because of the prior rights on that river, and in fact it is believed by those who claim to know whether these people have title or not that they have not, and it was brought out on cross-examination of Mr. Sullivan by Mr. French that there were 476,425,000 gallons daily from the Mokelumne River on which filings had been

placed prior to the filings by this company. The report that is supposed to have been suppressed was a report by one of the assistant city engineers of San Francisco, as I remember it; a report in which the chief engineer under which this assistant worked could not agree as to the facts claimed and conclusions reached by this assistant engineer. Is it to be wondered at that the chief engineer, who did not agree with the conclusions of the gentleman who was working under him as an assistant, one of some 110 other assistants in the engineering force of San Francisco, is it to be wondered that the chief engineer did not advocate that report as being a sound one and one which he could approve when he felt that the facts which his subordinate reported as true were not true, and when he felt the conclusions which his subordinate reached were not sound? The report was never suppressed in the sense it was spirited away. It was always available if it was wanted. It was not presented to the Army board, true, nor was it requested by the Army board. Possibly they did not know about it, but it was available, and in the committee report on this bill you will find a letter from the chief of the Army board in which he states that report could not have changed their findings in any way, shape, or manner; that the board got their facts at their own instance at first hand and that their findings were based on those facts. And further it shows Mr. Wadsworth, who drafted the form of the report, had a number of conversations with the gentleman who made this report, Mr. Bartell, in which Mr. Bartell went into the theories of his report, so these theories were before this board even before they drafted their report.

Now, I want to take up in the few minutes which remain to me some of the statements included in this letter of Mr. Johnson. I have all respect for Mr. Johnson and I recognize that he has a right to his views and I do not quarrel with him because of his views nor do I wish to unduly criticize him, but I must take this opportunity to call attention to the fact that there are some statements in this letter that are absolutely conthere are some statements in this fetter that are some statements in this fetter that are the facts. All through this letter runs the idea that the passage of this bill will dismember the park. These words are used near the top of the first page: "Better that there had never been a Niagara than that the northern half of the park should thus be diverted from the use of the public." The northern half of the park diverted from the use of the public by this bill. The fact of the matter is that the northern half of the park, which is unavailable to the public now, will become available under this bill and the people can go in there if this bill passes who can not get in there now.

At another point Mr. Johnson intimates that the passage of this bill would amount to turning over 500 square miles—half of the National Park—to the city.

In one of his last paragraphs he intimates that the passage

of the bill will result in destroying 20 miles of unique cascades, half a dozen snow peaks, noble forests, etc. What is the truth about all this? It will turn a valley 1,100 acres in extent, 730 acres of which San Francisco now owns in fee and acquired at great cost at the direction of the former Secretaries of the Interior or to comply with conditions imposed by them, into a True the valley is beautiful, but so would the lake be beautiful, and whereas the beauty of the valley can be viewed and enjoyed by a very few because of the inaccessibility of this part of the park and because of the mosquitoes, it will, if this bill passes become available for many more people because of the roads and trails required to be built under the terms of this bill. It has been well said that there is no beauty unless there is an eye to view it.

The wonderful waterfall at the head of the valley will not be disturbed, and to say or intimate that snow peaks of the Sierras will be disturbed or lost to the people by the passage of this bill is too unreasonable and absurdly beyond the fact to call even for an attempt at a reply.

It seems to me that any doubt that may be entertained by anyone here as to the reasonableness of this bill should be dispelled by an examination of the long list of those who favor the bill. This list includes:

bill. This list includes:

Hon. Franklin K. Lane, Secretary of the Interior.

Hon. David F. Houston, Secretary of Agriculture.

Dr. George Otis Smith, Director United States Geological Survey.

Hon. F. H. Newell, chairman United States Reclamation Commission.

Hon. Henry S. Graves, Chief Forester. United States Forest Service.

The Board of Army Engineers: Col. John Biddle, Lieut, Col. Harry

Taylor, and Col. Spencer Cosby.

Hon. Glifford Pinchot, former Chief Forester.

Two Senators and 11 Representatives from the State of California.

The people of Oakland.

The people of Berkeley.

The people of Alameda.

The people of San Jose.

The people of Menio Park.

The people of Richmond.

The Legislature of the State of California.
The governor of the State of California.
The engineer of the State of California.
The conservation Commission of the State of California.
The people of San Francisco.
The Chamber of Commerce of San Francisco.
The labor unions of San Francisco.
The luprovement clubs of San Francisco.
The newspapers of San Francisco and cities about San Francisco Bay.
The landowners of the Turlock irrigation district.
The landowners of the Modesto irrigation district.
The Commonwealth Club of California district.
The Native Sons and Daughters of California.
The Native Sons and Daughters of California.
The Public Lands Committee of the House of Representatives.
On the other hand, who is opposing this bill? Mr. Sullivan.

On the other hand, who is opposing this bill? Mr. Sullivan, the president of a rival company, anxious to sell its source to the city of San Francisco; and Mr. Johnson, who, as I have pointed out, believes that if Hetch Hetchy was the only source available other than the Pacific Ocean, the city should be compelled to make use of the latter; and other well-meaning gentlemen of high character but similar extreme views, based, it would appear, on certain alleged facts as to this Hetch Hetchy Valley which are gressly incorrect.

It has been stated that this bill is for the benefit of San Francisco alone. That also is incorrect. It expressly is for the benefit of all the cities about San Francisco Bay and also for the very great benefit of the irrigationists, who by the terms of this bill are assured a greater and a more dependable water supply than they have at present or that they could afford by

themselves to procure.

Some have asked why this bill looks a century ahead in providing water for these coast cities. That question is ably and abundantly answered by Col. Biddle in his testimony before the committee. It appears on page 92 of the hearings. Col. Biddle said:

Biddle said:

Now, I would like to make this further statement: The reason we take the year 2000 in the case of San Francisco—and I do not think eastern cities need take such an advanced date—is on account of the general lack of water in California. Cities situated as San Francisco have to look a long time forward. Here at Washington, for instance, you have the Potomac River, and the chances are that the water situation, so far as Washington is concerned, 50 years hence will be the same as it is to-day. In the case of San Francisco, however, there would be the danger of so many water rights and water-use developments that it might be almost impossible 50 years from now to obtain water rights without great expense and even hardship to agricultural communities. That is the reason we take that advanced date.

I would also call your attention to a paragraph in the Army board report. I read from page 14:

board report. I read from page 14:

In one important respect the situation in California requires special consideration. In eastern cities, where there is little consumption of water except for municipal supply, it may be safely assumed that if at any future time additional water is needed the existing sources will usually be available as at present. In California all water has great value. Due to the large extent of arid and semiarid land that can be made fertile by the use of water, irrigation is assuming great importance; due to lack of coal and the opportunity for economical water-power development, the use for the latter purpose will surely be greatly extended. In a relatively few years practically all available water will doubtless be appropriated for one or the other purpose, and it will then be possible to obtain it for municipal use only at great cost and damage to existing communities and industries. It is, therefore, necessary to-day for the cities of California to look further ahead than in most other parts of the country, and to take such steps that in the future when they may need the water they shall have the right to it. For this reason it is believed that in making provision for the future supply of San Francisco and other bay cities a source should be selected if possible that is capable of supplying the needs of the communities for the balance of this century. Such a course would seem both wise and reasonable, provided it involves no sacrifice of economy.

One more word as to the conditions imposed by the Government in this bill. This is not so much a legislative act or grant as it is a contract between the Government and San Francisco and these other cities, in which we, representing the Government, not only may but should place proper and reasonable conditions. That Congress has the right to impose such conditions there can be no question.

Let me quote a few words from the testimony of Secretary

Lane before the committee:

The general principle of the bill is that these lands belong to the Federal Government and that we have control of them. The water originates in them, the water flows through them, and we have control over the dam site, and if we are to allow these lands to be submerged we have got the right to make certain conditions. Certainly no one can come in and use lands in a national park without our consent, and if you give consent, you have got the right to make conditions. Now, I have no doubt whatever but that is entirely within your power.

In Butte City Water Co. v. Baker (196 U. S., 119, 126) we find the following language:

The authority of Congress over the public lands is granted by section 3, Article IV, of the Constitution, which provides that "the Congress shall have power to dispose of and make all needful rules and regulations respecting the territory or other property belonging to the United States." In other words, Congress is the body to which is given the power to determine the conditions upon which the public lands shall be disposed of. The Nation is the owner and has made Congress the principal agent to dispose of its property.

In Gibson v. Chouteau (13 Wall., 92, 99) the Supreme Court said:

With respect to the public domain, the Constitution vests in Congress the power of disposition and of making all needful rules and regulations. That power is subject to no limitations. Congress has the absolute right to prescribe the times, the conditions, and the mode of transferring this property, or any part of it, and to designate the persons to whom the transfer shall be made. No State legislation can interfere with this right or embarrass its exercise.

And again, in United States v. Gratiot (14 Pet., 526, 527), we find the following language used by the court:

The Constitution of the United States (Art. IV, sec. 3) provides, "That Congress shall have the power to dispose of and make all needful rules and regulations respecting the territory or other property belonging to the United States." The term "territory" as here used is merely descriptive of one kind of property and is equivalent to the word "lands." And Congress has the same power over it as over any other property belonging to the United States; and this power is vested in Congress without limitation, and has been considered the foundation upon which the Territorial governments rest.

What does it mean to conserve our natural resources? it mean to build a wall about our forests and prohibit the use of our power sites and mineral deposits until some time in the distant future? Does it mean that we must deny the use of these natural resources to the generation of to-day and seal

them up for the benefit solely of posterity?

Most certainly it does not. In the words of the platform of the Progressive Party, of which I am proud to be a member, "the natural resources of the Nation must be promptly developed and generously used to supply the people's needs." Long, the city attorney of San Francisco, has well put it in his very able brief submitted to the Committee on Public Lands in connection with this bill, conservation means so regulating the development of our natural resources that they may be put to the greatest beneficial use, may yield the maximum economic return for all the people of all generations, the present one as well as those which are to come after us.

There are three classes of people to be considered:

The people of San Francisco and the other bay cities.

2. The people of San Joaquin Valley who have irrigation interests.

3. The people of the Nation who want to enjoy the Hetch Hetchy Valley.

How can this valley be used or developed so as to bring about the greatest good to the greatest number now and in the future?

(a) If left as it is—
1. No good to San Francisco or bay cities.
2. No good to San Joaquin Valley beyond its present use.

3. It supplies a poor camping place and beautiful scenery for comparatively very, very few

(b) If developed as contemplated by this bill-

1. It supplies the hundreds of thousands in bay cities with abundant pure water, the highest possible use to which water can be put.

2. It insures irrigationists greater amount and more depend-

able supply than they now have.

3. It supplies better camping places near by and many think

even more beautiful scenery than is now there.

True, if this development of this canyon is permitted to proceed, as contemplated in this bill, it will result in some parts of the valley being deprived of water that might be used to irrigate the land, and therefore they will have to remain arid and unproductive. But this fact should not be permitted to stand in the way of the passage of this bill for two reasons:

First. The same objection could be raised to every available source to which these cities might turn for a municipal supply.

Second. The highest use to which water can be put, from the standpoint of true conservation, is domestic use, and if a domestic use and an irrigation use depend upon the same supply. which is insufficient to satisfy both uses, then, under the law of conservation, as well as the law of the land, where the courts have had occasion to declare it, the irrigation use should and must yield to the domestic use.

As has been well asked, shall the ever-increasing thousands of inhabitants of these California cities be deprived of the supply of pure water, which engineers agree is the most available for them, in order that a comparatively small area, which is not reasonably near the river, may some day receive intensive cultivation? And it might well have been added, in order that a few enthusiasts may go into this valley and be eaten up by mosquitoes while they are admiring some cliffs, admittedly beautiful, and which will be just as beautiful after the valley has been turned into a lake. Certainly true conservation can not and does not dictate such a policy.

Let me call your attention to a few of the provisions of this bill that I feel should be emphasized. At the risk of repetition may I again call your attention to the advantages the irrigationists will gain from this bill:

tionists will gain from this bill:

The city of San Francisco in the proposed bill has conceded to the Modesto-Turlock irrigation district the full amount of flow of the Tuolumne to which they are legally entitled, viz, 2,350 second-feet; has allowed them to take for storage purposes during the two months of the year when the water is highest up to 4,000 second-feet of the daily flow; has agreed to sell them stored water from the city's reservoirs at cost whenever they need it; and has allowed them to increase their maximum irrigable area from 257,000 acres to 300,000 acres, so as to permit of their sharing their supply with the newly organized Waterford district. In addition to all this it has agreed to furnish both districts with hydroelectric power at absolute cost. Could anything be more equitable than this proposition? The Army board characterizes, on page 45 of its report, the proposition made by San Francisco to Secretary Fisher for protection of the irrigation districts as a "reasonable one." The present proposition goes further than that one. It is more than reasonable. It is distinctly generous, and has been so recognized by the representatives of the Irrigationists, with the sole exception of those who believe San Francisco should never be allowed to use the Tuolumne watershed at all.

Under the provisions of section 1 of the bill the participation

Under the provisions of section 1 of the bill the participation of other cities in the benefits of this bill does not depend on the will of San Francisco; but any one of them that chooses to avail itself of this source of water supply may do so "in accordance with the laws of the State of California in force at the time application is made."

Under the provisions of section 6 the grantee can not assign its rights acquired under this bill to any private corporation and can not sell water or electric energy to any private corpora-

tion or individual for the purpose of resale.

The sanitary regulations imposed in section 9 on campers and others who may go into this region are no more than any camper who has any sense of consideration for others should observe anyhow. Under the provisions of paragraph O of section 9, the prices to be charged by the grantee for water or electric energy are under the control of the public utilities com-mission created by the laws of the State of California.

In paragraph P of the same section we find a requirement that the grantee shall build various roads and trails, which will make this part of the Yosemite National Park much more ac-

cassible than it is at present.

In its last section the bill expressly disclaims any attempt to interfere with or override the State laws of California in the matter of the control, appropriation, use, or distribution of water used in irrigation or for municipal or other uses.

I have heard of no reason why the passage of this bill should be delayed to the regular session. In testifying before the committee Mr. Lane, the Secretary of the Interior, said:

I think that there is not any argument that can be advanced against this proposition that you will not find in your records. They have already, as I understand it, presented before Secretary Fisher, and perhaps before your committee, the full line of their objections.

In reply to a question Mr. Pinchot said while before the committee:

I am thoroughly and heartily in favor of it (this bill). I am in over of passing the bill, now before the committee, and passing it at

The fact that the entire delegation in Congress from California, counting among their number men of every political faith represented in this body, is unanimously in favor of this bill should mean much to the others of us here. It certainly can not be believed by anybody that every Member from California in both Senate and House would so far fail to reflect the sentiment of the people of his State as to unite, without exception, on a bill that the people do not want. Nor can it be believed that these men, sent here by the people of their State, would come here and unanimously ask for the wanton destruction of some of her natural beauties, as some people would have us believe is the case.

They all unite in saying that in their judgment, and in the judgment of their people, this request of San Francisco and the other bay cities of California is a reasonable request; and they

all ask the passage of this bill.

And in this delegation in the House from California, all in favor of this bill, is the greatest conservationist in Congress, WILLIAM KENT, a man who is such a lover of nature that he purchased a forest of great trees out there, named it after Mr. Muir, and presented it to the Government, that these great trees

might receive proper care and be preserved.

Such is not the act of a nature fakir, but of a true lover of nature. Mr. Kent is known all over this continent as a stickler for conservation. I am sure I have much to learn of conservation and of its application, and I am not as familiar with the physical conditions surrounding the valley and the park involved in this bill as those who are from that far-distant State in which they are located. However, I do not hesitate to take my stand in favor of this bill, along with the solid delegation from California and with those noted conservationists, Mr. Kent and Mr. Pinchot, to whose views on this bill I have already referred.

Mr. KAHN. Mr. Chairman, at the outset I desire to thank the gentlemen of the Committee on the Public Lands for the splendid manner in which they have presented the facts con-cerning this legislation to this House. They have covered the ground so fully there is little left for me to say. The city of San Francisco, since 1898, has grown very rapidly, and from that period its growth has been constant. Notwithstanding our terrible disaster of 1906, the census of 1910 disclosed the fact that we had added about 100,000 to our population in the decade between 1900 and 1910. The cities around the Bay of San Francisco had also grown very largely in population during that period, the city of Oakland alone having increased more than 100 per cent. It was believed by the men who had the future welfare of the city of San Francisco at heart that it would be necessary to go to the Sierra Nevada Mountains for an adequate water supply, because in California the Coast Range, which lies along the shores of the Pacific, does not enjoy the precipitation that takes place in the high Sierras. We have, approximately, 25 inches of rain at San Francisco when we have a full seasonal rainfall.

The rainfall has been somewhat less than that in the last three years, and, notwithstanding the statements of one or two of the gentlemen on this floor who have spoken in opposition to this bill, that there is no emergency for water at San Francisco, the fact remains that there are many sections of that city that to-day are not supplied and can not be supplied by the local company which furnishes the water to that municipality. We have had, as the gentleman from California [Mr. RAKER] stated, a number of severe fires, where the engines went to the seat of the conflagration and could do nothing toward staying the flames because there was no water in the vicinity.

When the question of taking a Sierra supply was called to the attention of the people, no less than 14 different sources of supply were investigated. Some of them did not constitute an entire supply, but it was believed that they could be utilized in conjunction with other sources for the purpose of furnishing pure water to the cities around the Bay of San Francisco.

These 14 sources were fully investigated.

The Hetch Hetchy Valley was the one that was deemed most desirable for many reasons. In the first place, the water running through that gorge rises high up in the Sierras; there are no habitations in the vicinity, and probably there never will Therefore, the danger of contamination is exceedingly remote, and that is an all-important factor when you are looking for a source of pure water. Pure water is one of the greatest assets that any city in the world can have.

The letter of Robert Underwood Johnson, which has been alluded to here many times, states that 500 square miles of the Yosemite Valley will be destroyed if this bill shall be enacted into law. The statement is absolutely ridiculous and absurd. It is not true. There are 719,622 acres, or thereabout, in the Yosemite National Park, and all of the land that will be affected by this bill will be 3,300 acres. Of these 3,300 acres, San Francisco now owns in fee simple nearly 2,000 acres in that park. And so Mr. Johnson's statement all the way through is filled with similar absurdities and misstate-

I will not attempt in the short time that I have to go into details, but I deplore the fact that that gentleman has seen fit to print at the very top of his misleading circular the words "For publication and comment in the press." He wants the press of the country to carry his erroneous data to the citizens of our great country. I deeply regret that the distinguished publicist has found it necessary to so distort the facts.

Now, it was stated on the floor this morning that there is a lobby here from San Francisco advocating this bill. The only evidence of a lobby, of an insidious lobby, if you please, that I have seen is a letter from Mr. Edmund A. Whitman, of Boston, Mass., who appeared before the Committee on the Public Lands, not only in this Congress, but in previous Congresses. Mr. Whitman sends out a statement regarding this legislation over his own signature. I have a high regard for him. He is a great lover of nature, and that is the impelling motive that causes him to send out this statement. He is one of that class of enthusiasts who would sooner save a rock than human life. Fortunately they are not numerous in the United States. He is afraid that we are going to destroy some wonderful scenery, and accompanying his statement he sends out this letter:

SOCIETY FOR THE PRESERVATION OF NATIONAL PARKS, EASTERN BRANCH, Boston, Mass., August 11, 1913.

TO THE EDITOR:

You are earnestly requested to write an editorial of protest against he proposed high-handed invasion of a national park, and urge your eaders to write letters of protest to their Congressmen and Senators.

EDMUND A. WHITMAN, President.

He is president of the Society for the Preservation of National Parks. Probably the letters that my friend from Minnesota [Mr. Steenerson] received from some of the women's clubs in his district were inspired by Mr. Whitman's lucubration.
Mr. COLLIER. Will the gentleman yield right there?

Mr. KAHN. Certainly.

Mr. COLLIER. I do not know how much time the gentleman has

Mr. KAHN. Not very much.

Mr. COLLIER. I do not wish to encroach on it at all, but 1 would like to know how it is going to destroy the looks of the park by putting in a reservoir? Just give us a minute or two

Mr. KAHN. We contend that it will beautify the park; we contend that we will construct a beautiful mountain lake 6 miles long and 11 miles wide out of an area that to-day is al-

most entirely a mosquito swamp.

Let me call to the attention of the gentleman from Mississippi a parallel case: If the gentleman has ever traveled over the Pennsylvania Railroad and has come around Horseshoe Curve, he has noticed a series of three little lakes that supply the water for the city of Altoona, Pa. Those lakes have materially enhanced the beauty of that locality. It was an open gorge in the years gone by, which did not begin to compare in beauty with the aspect of the surrounding country to-day. In the Yosemite Valley itself, that marvelous wonderland which is visited by anywhere from 30,000 to 50,000 people a year-because that part of the Yosemite National Park has been made accessiblethere is a little sheet of water known as Mirror Lake.

The visitors to the Yosemite Valley, by the hundreds, get

up in the morning before sunrise and go up to Mirror Lake to see the wonderful reflection of the towering granite cliffs that surround it. They watch the reflection of the sun on the bosom of the lake as it comes up over these cliffs. The Half Dome, of the lake as it comes up over these cliffs. The Hair Dome, Mount Watkins, and other granite walls gain added beauties in these reflections. Within the last two or three years, by reason of freshets, Mirror Lake has become filled with sand to some extent and its beauty has been greatly impaired. The reflections have been partly destroyed. I was in the Yosemite Valley in the early part of October of last year, and many of the people there told me that they hoped something might be done to dredge Mirror Lake so that its great natural beauty could be restored. could be restored.

This lake which we propose to create in this narrow gorge of the Tuolumne River will reflect upon its placid bosom every cliff and the beautiful waterfall that has been referred to by one of the previous speakers. It will glass the soft blue skies, the trees, the granite walls, and all the natural wonders of the valley. There is nothing more beautiful than a clear, mountain lake. We in California, who have many of them, treasure them highly. We know that the scenery of the Hetch Hetchy Valley will be improved materially by the construction of a dam so that this mosquito-breeding swamp shall become a beautiful mountain lake.

Mr. LAZARO. Mr. Chairman, will the gentleman yield? The CHAIRMAN. Does the gentleman from California yield to the gentleman from Louisiana?

Mr. KAHN. Yes.

Mr. LAZARO. Does the gentleman think it is reasonable for anyone to believe that an entire delegation would come here and stand as a unit back of a measure that would destroy the beauty of anything in their State?

I do not think so.

Mr. LAZARO. Is it not a fact that all the members of your delegation are united on that-Republicans and Democrats?

Mr. KAHN. Absolutely. There is absolutely no politics in the thing. As a matter of fact, Hetch Hetchy Valley lies in the district represented by my colleague, Mr. RAKER. The people of that district know the mountains of California. They are They love their mountains, that rear their mountaineers. lofty peaks into the very blue of heaven, and yet there is not a man that I have ever heard of in that whole district that objects to the conversion of this mosquito-breeding swamp into a beautiful mountain lake, destined to give pure water for drinking purposes to the citizens of many large municipalities near the Golden Gate, 140 miles to the westward.

The gentleman from Wyoming [Mr. MONDELL] yesterday undertook to say that San Francisco conceived the idea of getting its water from the Hetch Hetchy Valley after Los Angeles had secured her legislation for Owens Lake.

Mr. MONDELL. No-

Mr. KAHN. I understood him to say so.
Mr. MONDELL. Well, the gentleman misunderstood me.
What I did say was that after her sister city, somewhat her
rival, had gone for a source of supply to Owens Lake there was

no use in talking to anybody from San Francisco about anything but Hetch Hetchy. They would have a finer supply than the people of Los Angeles.

Mr. KAHN. The people of San Francisco, I will say to the gentleman, discussed the project of Hetch Hetchy for about seven years before the people of Los Angeles ever dreamed of the Owens Lake project. We had been working on the Hetch

Hetchy project, I say, for about seven years before Los Angeles thought of going to the Sierras for her water supply. Mr. MONDELL. It must have been a state of mind, then,

on the part of San Francisco.

Well, the gentleman can put it that way, if he Mr. KAHN. San Francisco is desirous of getting the best water desires. supply that is available, and we believe that Hetch Hetchy is

Mr. MONDELL. I am inclined to agree with that. Mr. KAHN. I was sure that was the state of mind of my friend from Wyoming.

There are other sources of supply. There is no doubt about lat. But there is not one of them that can compare with this,

and all of them are infinitely more expensive.

After all, the taxing capacity of any municipality is limited. San Francisco, up to the time that she was overwhelmed by disaster in 1906, was practically free from debt, and that fact was a godsend to that city, for when the earthquake and con-flagration of that year came along and destroyed her streets, destroyed her sewers, burned down her schoolhouses, her fireengine houses, her city hall, her hall of justice, her jails, her police stations, and numerous other utilities, it became necessary, in the rehabilitation and the reconstruction of the city, to supply the municipal utilities that had been destroyed in the overwe have whelming disaster. Consequently bonded debt now.

It is presumed that this project will cost, when it is completed, \$77,000,000. It is a great sum for any municipality to expend. But we are limited in our possibilities for bond issues under our laws, and the addition of twenty or thirty or forty million dollars would practically make it impossible, or would tend to make it impossible, for the city to go to the mountains

for a source of pure water for domestic uses.

We do not think that this is too early to secure this legisla-tion. Some people have said, "Wait; develop the water sup-plies in the Coast Range before you ask for this." The supply from the Coast Range that we now get is furnished by a local privately owned corporation. They have developed something like 40,000,000 gallons per day for the use of San Francisco. They probably can develop at least half as much again; possibly as much again. This city of Washington, with not so many inhabitants by 100,000, has a supply that yields 66,000,000 gallons of water a day. There is that city, out by the Golden Gate, that receives only about 40,000,000 gallons a day from the local company. The city of Denver, which has about half the local company. The city of Denver, which has about half the population of San Francisco, has a supply from the mounthe population of San Francisco, has a supply tains that furnishes her 200,000,000 gallons a day. Yet we in 40,000 gallons a day. Why, most every one of the large municipalities of our country have been expending many millions of dollars on their water supplies in recent years.

We believe that after this bill is passed we may have litigation. I do not doubt that the owners of riparian rights will take us into the courts, and we will have to fight for everything we get. That litigation may take years. Every year's delay means additional cost to our taxpayers. We are preparing for the future; we are looking ahead a hundred years, which is none too far, because, in my judgment, after the opening of the Panama Canal those cities around the Bay of San Francisco

will increase in population by leaps and bounds.

Much has been said about the matter of irrigation. - We all believe in irrigation in the West. Irrigation is one of the most important factors in the upbuilding of California and the West. Millions of acres of our broad domain would be practically valueless if we were not able to put life-giving water upon the soil. There are two irrigation districts that will be supplied from this Hetch Hetchy source—the Turlock district and the Modesto district. Those irrigation districts filed their claims under the laws of the State of California some years prior to the time that San Francisco filed her claims for drinking water. Under the law of the State those irrigation districts are entitled to the full amount of water for which they filed before San Francisco can get a single drop for drinking purposes. Those claims of the irrigation districts are for 2,350 second-feet of water. Under the terms of this bill we have been more liberal than that. We give the irrigationists 4,000 second-feet, so that their tract will be increased to 300,000 acres that will be irrigated by this water.

True, there are some landholders in the San Joaquin Valley who live beyond this 300.000-acre area, who have claimed that the construction of this dam and the use of the water by San Francisco may deprive them of some of their rights. Not one of those irrigationists ever filed under the law of California for a single foot of the water prior to the filing of San Francisco; and the highest use to which water can be put is domestic use. The owners of that area, who claim their land will not be irrigated if this bill goes through, could never afford to build such a dam. They could not finance the expense. It is practically impossible for them to do it. The city of San Francisco and her sister cities around the bay are able, by reason of their resources and their taxing power, to raise this vast sum of money. The irrigationists would go bankrupt if they attempted such a thing.

There is nothing more that I desire to say about the matter. I feel satisfied that the proposition which San Francisco has placed before the House is a fair one to the people of the United States. There are some provisions of the bill that I do not like. There are some burdens placed upon my city that I do not believe ought to be in the bill, but we are willing to compromise and to accept the conditions, because we need the water. The growth of our city demands the enlargement of our supply, and for that reason we are willing to accept the bill, and we

do accept it, with all its burdens,

Mr. ELDER. Do you expect after the bill is passed to try at a later time to get these burdens removed?

Mr. KAHN. Oh, no, indeed. We are anxious to get to work on this supply; so anxious that we will take it with all its burdens, and the city will have to agree to live up to every proposition set forth in the bill, under the terms of the bill itself, before it can even begin operations in constructing the dam.

Mr. TAYLOR of Colorado. Will the gentleman yield?

Mr. KAHN. Certainly.

Mr. TAYLOR of Colorado. You may possibly remember that during the hearings I had some doubt as to whether the clause providing for a forfeiture back to the Government in case of failure to construct, or for any other reason, was sufficiently

Mr. KAHN. I remember that.

Mr. TAYLOR of Colorado. Do you believe that the language of this bill is sufficient so that in the event that if any untoward or unforeseen reason should arise the property could not revert to any private ownership?

I am satisfied that under the terms of the bill Mr. KAHN.

it could not.

Mr. TAYLOR of Colorado. Is there anything in the bill to prevent the city from mortgaging this plant and permitting it

to be foreclosed?

Mr. KAHN. I believe all of those matters are thoroughly cared for in the bill. I think the committee that considered the matter gave it very earnest attention and safeguarded the rights of the Government in a manner which I for one believe could not be bettered.

Mr. TAYLOR of Colorado. The only thing that occurs to us is that we want the assurance that the city of San Francisco is going to live up to the spirit as well as the letter of this bill in

granting them this right.

Mr. KAHN. There is no question but that San Francisco will live up to the spirit and letter of the bill. To give my friend an idea of what the sentiment is in San Francisco I want to say that when the question of the first issue of bonds was placed before the voters, on a proposition for the city to issue \$45,000,000 of bonds so as to begin this work, the election that was held developed the fact that 30,000 of our citizens voted in favor of it as against 1,200 against it.

Mr. TAYLOR of Colorado. But the gentleman understands that there are some burdensome conditions placed in the bill. I feel personally that there are more than is necessary-more

than the Government ought to exact.

Mr. KAHN. I think the gentleman from Colorado and I are

in thorough accord on that proposition.

Mr. TAYLOR of Colorado. There is some lingering doubt in the minds of some people as to whether or not San Francisco is in a position and will live up literally to all these conditions and will build the roads and the water power that they are getting by this act which will inure to the benefit of the people of the bay cities.

Mr. KAHN. Not only to the people of the bay cities, but to all the people of the United States. The roads which she will build will make that place accessible. The gentleman from Minnesota [Mr. Steenerson] this morning said that he wanted to go to Hetch Hetchy Valley and see it in all its pristine

splendor.

I will warrant that the gentleman from Minnesota can not get into the Hetch Hetchy Valley. It requires a mountain climber; it requires an agile, energetic man. There are trails in there so narrow that if you were to make a single misstep you might fall 1,000 feet to the bottom of the valley. As a matter of fact, the construction of these roads will make this valley very accessible. It will create opportunities for those tourists who desire to see it to do so with little or no discomfort. At the present time a trip into the Hetch Hetchy is all discomfort.

Mr. SUMNERS. Will the gentleman yield?

Mr. KAHN. Yes.

Mr. SUMNERS. At the beginning of section 9 there are three lines which undertake to make these conditions run with the grant. Is that the only provision in the bill with reference to this feature?

The CHAIRMAN. The time of the gentleman from Cali-

fornia has expired.

Mr. KAHN. My time having expired, I will try to answer the gentleman when we reach that section under the fiveminute rule. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. The gentleman from California asks unanimous consent to extend his remarks in the RECORD. Is

there objection?

There was no objection.

Mr. FERRIS. Mr. Chairman, on yesterday I asked unanimous consent that the gentleman from California [Mr. J. I. NOLAN], who is sick in bed, might have the right to extend remarks in the RECORD. That was granted. I have a short manuscript of four or five pages which embraces what he would have said if he had been able to be here, and he desires that

the CHAIRMAN. The gentleman from Oklahoma asks unanimous consent that the remarks of the gentleman from California [Mr. J. I. Nolan] be inserted in the debate at this

point. Is there objection? There was no objection. The remarks are as follows:

Mr. J. I. NOLAN. Mr. Chairman, in speaking on the bill now before the House it is not my intention to enter into an exhaustive analysis of the bill as presented by the Public Lands Committee, as I deem the unanimous vote of that committee and the report on the measure submitted by the Public Lands Committee, along with the report of the Board of Army Engineers appointed by a former President of the United States, fully sustains the position of San Francisco in asking Congress to grant to the city the right to use the Hetch Hetchy Basin

as a storage reservoir.

The conclusions of the committee, its accompanying report, and the report of the Board of Army Engineers are based upon exhaustive hearings covering every phase of this situation.

I want to lay before the Members of the House some facts

in connection with San Francisco's long-continued effort to secure the Hetch Hetchy Basin as a storage reservoir incident to a pure supply of mountain water for the people of San Francisco.

San Francisco has been making an effort for 12 years to secure this grant, involving an expenditure of \$1,750.000 in the purchase of lands, water rights, and conducting investigations; several hundred thousands of dollars of this amount being actually spent in conducting investigations ordered by the Government, and which necessitated the employment of some of the most expert engineers in the United States, this owing to the opposition of the various interests that were desirous of preventing the city from securing this grant, even though the water to be used and the power to be developed would be of great benefit to at least 1,000,000 people in the bay county districts and along the right of way.

An actual and increasing emergency confronts the city of San Francisco and correspondingly affects the neighboring cities about San Francisco Bay. This emergency is a real shortage of water, which absolutely checks the growth of the city and is feared will result in a distressing condition, which will injure the commercial and social interests of that com-

The rainfall for the past three years has been far below the normal, and the city, which is situated in a semiarid location,

Is drawing on its reserve water for the third consecutive year.

The Spring Valley Water Co., a corporation which supplies water to San Francisco, has up to this year been able to meet demands. The company now declares that it can go no further, and it is unsafe to continue under the extreme high draft on its storage.

San Francisco needs this grant to get pure water immediately. The people of that city are suffering greatly in the outlying residential districts from a shortage of water. This applies to domestic use as well, as in a number of sections people are absolutely without fire protection from lack of water. instance of this lack of fire protection occurred within the last month, when nine houses were burned to the ground in what is known as the Poterero district. All of these houses were occupied by workmen and their families. The fire department was unable to make connections with water over half a mile away in time to save any of the property.

A short time ago the Mount St. Joseph Orphan Asylum, con-

taining several hundred children, was destroyed by fire, one child being burned to death. These buildings could have been saved-at least a part of them-if there had been an adequate

amount of water for fire-protection purposes

These are only a few of many instances of this character. Insurance rates in the outlying districts of San Francisco are prohibitive; in some cases the insurance companies decline to take the risk on account of complete lack of fire protection, and when a small home owner loses his property by fire he loses his all.

These people in the outlying districts are unable to get water for domestic use, water carts being used to distribute water for household use in this great metropolitan city, and each week large delegations of home owners are continually waiting upon the board of supervisors of our city asking them to grant some relief. Under present conditions it is impossible for our city government to do anything in their behalf.

In this connection the statement might be made that the acquiring of this grant will not instantly relieve the urgent needs of these people, inasmuch as it will take three to five years to make the first installation of the Hetch Hetchy system. This is true. But I call your attention to this important phase of the situation: The \$45,000,000 bond issue voted upon by the people of San Francisco for the building of this system specifically provided that the money realized from the sale of the bonds was to be used for the purpose of acquiring rights, developing, and completing the Hetch Hetchy source of supply. Therefore it is necessary for the people of San Francisco to secure this Therefore grant before any of the money can be spent for development purposes in San Francisco, such as laying mains in the outlying districts and negotiating with the Spring Valley Water Co., which company now supplies the city with water, the purpose of which negotiations would be to use a part of this bond money in developing certain portions of the Spring Valley properties so that water could be supplied to the people of our city immediately.

The negotiations with this company would be in line with the agreement entered into by the city of San Francisco and the Spring Valley Water Co., whereby four judges of the superior court of the State of California have been agreed upon to determine the value of such parts of the company's property as the city will need for the municipal water supply, suits to that end being filed in the several counties of California recently, both parties to the agreement to abide by the decision of the court, without appeal. This means that the long-standing controversy between the people of San Francisco and the Spring Valley Water Co. over the price to be paid for their property will be amicably adjusted to the satisfaction of all parties; and arrangements can be made, if San Francisco secures this. grant, for the immediate development of certain portions of the company's properties that in a very short time will mean relief to the people of San Francisco, providing plenty of water for domestic use and for fire-protection purposes.

Investigation by the city engineer developed the fact that, in the laying of pipes and mains to immediately relieve the pressing needs of the outlying districts of San Francisco, it will require 400,000 feet of pipe and will cost the sum of \$1,250,000. This is only a small portion of the money to be spent immediately on securing this grant from Congress.

If any portion of this money were to be used for development purposes in San Francisco, or other arrangements made with the company in developing their properties, without first acquiring title to the Hetch Hetchy Basin as a storage reservoir, any taxpayer in San Francisco could immediately go into court and enjoin the city from proceeding with this development work, thereby depriving the city of any immediate relief from this water shortage.

The people to be benefited believe we should acquire this grant immediately, because the storage reservoir at Hetch Hetchy will be used to retain water that will be conserved for the use of human beings, the highest purpose for which water

can be used.

The people of California are almost unanimous in favor of this project.

The California delegation in the House are unanimous in their request that this bill pass as reported to the House by the Public Lands Committee

San Francisco has exhibited a fair spirit in dealing with every interest that had a legitimate claim to any portion of the land or water. This is particularly instanced in the case of the Turlock-Modesto irrigation district, where the demands of the irrigationists have been met satisfactorily, so much so that they are now enthusiastic supporters of this measure.

The city has also met every demand made upon it by the

officials of the United States Government.

Therefore, we feel that we are perfectly justified in asking Congress at this special session to consider this bill as an emergency measure and bring relief to thousands of our citizens who are handicapped by this shortage of water.

Mr. STEENERSON. Mr. Chairman, I ask unanimous con-

sent to extend my remarks in the Record.

The CHAIRMAN. The gentleman from Minnesota asks unanthe CHAIRMAN. Is there imous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. FERRIS. Mr. Chairman, we all recognize the necessity of proceeding with the bill, and I ask now for the reading of the bill

The CHAIRMAN. The Clerk will read the bill for amendment.

The Clerk read as follows:

ment.

The Clerk read as follows:

Be it enacted, etc., That there is hereby granted to the city and county of San Francisco, a municipal corporation in the State of California, all necessary rights of way along such locations and of such width, not to exceed 250 feet, as in the judgment of the Secretary of the Interior may be required for the purposes of this act, in, over, and through the public lands of the United States in the counties of Tuolumne, Stanislaus, San Joaquin, and Alameda, in the State of California, and in, over, and through the Yosemite National Park and the Stanislaus National Forest, or portions thereof, lying within the said counties, for the purpose of constructing, operating, and maintaining aqueducts, canals, ditches, nipes, plpe lines, flumes, tunnels, and conduits for conveying water for domestic purposes and uses to the city and county of San Francisco, or in accordance with the laws of the State of California in force at the time application is made, may hereafter participate in the beneficial use of the rights and privileges granted by this act; for the purpose of constructing, operating, and maintaining power and electric plants, poles, and lines for generation and sale and distribution of electric energy; also for the purpose of constructing, operating, and maintaining roads, trails, bridges, tramways, railroads, and other means of locomotion, transportation, and communication, such as may be necessary or proper in the construction, maintenance, and operation of the works constructed by the grantee herein; together with such lands in the Hetch Hetchy Valley and Lake Eleanor Basin within the Yosemite National Park, and the Cherry Valley within the Stanislaus National Forest, irrespective of the width or extent of said ands, as may be determined by the Secretary of the Interior may determine to be actually necessary for power houses, and all other structures or buildings necessary for powerly incident to the construction, operation, and telegraph lines, and such means of locomotion

Mr. MANN. Mr. Chairman, I offer the following amendment. The Clerk read as follows:

Page 4, lines 6 and 7, in each case after the word "location;" insert the words "or change of location."

Mr. MANN. Mr. Chairman, the bill provides for the approval of the map of location by the Secretary of the Interior, and then says that he can not approve it so far as the national forests are concerned except it is approved by the Secretary of Agriculture. But at the bottom of page 4, section 2, gentlemen will see that the bill provides as to change of location that it shall be approved by the Secretary of the Interior or the Secretary of Agriculture as his jurisdiction may appear.

If the amendment I offer prevails I shall move to strike out the words "or Secretary of Agriculture as his jurisdiction 12ay appear," so as to require both as to the location and the change

of location an approval by the Secretary of the Interior, and that he shall not approve in the national forests except with the approval of the Secretary of Agriculture.

Mr. FERRIS. Let me understand the gentleman. If the amendment suggested by the gentleman prevails then is it his intention to strike out the whole of the proviso beginning with line 18?

Mr. MANN. Oh, no; only the language commencing with the words "or the," line 25, at the bottom of the page. "Or the Secretary of Agriculture as his jurisdiction may appear." the bill now is it provides that the original location shall be approved by the Secretary of the Interior, but that the change of location may be approved by the Secretary of the Interior or the Secretary of Agriculture.

Mr. FERRIS. I think there can be no objection to the sug-

Mr. MANN. It simply makes the bill conform. Mr. FERRIS. We had intended to reach that point in the proviso beginning line 18, but I think the amendment of the gentleman is even superior to ours.

Mr. MANN. It makes it uniform, that is all.

Mr. MONDELL. Mr. Chairman— Mr. STAFFORD. Mr. Chairman, I rise in opposition to the

amendment

Mr. MONDELL. Mr. Chairman, I rose for another purpose, but as the matter is before the committee I want to say that the amendment suggested by the gentleman from Illinois is clearly a proper one. Under all of our right-of-way statutes the Secretary of the Interior must approve all rights of way that grant a permanent easement, which this does. The statute also provides that where the permanent easement is within a forest reserve the matter shall be referred to the Secretary of Agriculture for his approval; but the Secretary of the Interior, having charge of the maps and the plats of all the public do-main, reserved and unreserved, the law places upon him the duty and responsibility of approving all patents, all claims to title that are permanent in character, and the amendment offered by the gentleman from Illinois is therefore in harmony with the general spirit of the statutes.

The question was taken, and the amendment was agreed to. Mr. STEENERSON. Mr. Chairman, I move to strike out the last word. I want to call attention to the lines on page 2, which authorize the city of San Francisco to maintain roads, trails, bridges, tramways, railroads and other means of locomotion, and so forth. It seems to me that under this grant the city of San Francisco would have the power to sublet the right to operate a railroad or telegraph line or a trolley line to a private corporation for the purpose of exploiting the public, and it does not come within the purview of the act to supply the city with necessary water for domestic uses. It is entirely beyond and extraneous to the purposes, and I would like to have the gentleman in charge of the bill explain why these

things are granted.

Mr. TAYLOR of Colorado. Mr. Chairman, I am not in charge of the bill; but, as I understand, the question was as to why the city is given the right to construct and maintain a telephone and telegraph, railroads, and so forth.

Mr. STEENERSON. Yes.

Mr. TAYLOR of Colorado.' If the gentleman will read further, it says:

Such as may be necessary or proper in the construction, maintenance, and operation of the works constructed by the grantee.

That was found absolutely necessary, and the engineers said it was absolutely necessary in order to make this construction.

Mr. STEENERSON. Could not the city of San Francisco

under this grant sublet the right to run a railroad from San

Francisco to the Hetch Hetchy to a private corporation?

Mr. TAYLOR of Colorado. They are prohibited from that further on. This all reverts to the Government as soon as the plant is built.

Mr. STAFFORD. Where is the clause which says it reverts? I do not recall any such provision in reading the bill.

Mr. TAYLOR of Colorado. I have forgotten the line, but it is over here all right. It all reverts to the Government of the United States. This is only to take care of it during

construction.

Mr. STAFFORD. Can the gentleman from Colorado designate the exact clause limiting this power?

Mr. RAKER. Page 10, line 20, provides for and in considera-

tion of the grant by the United States as provided for in this act the said grantee shall assign, free of cost to the United States,

all roads and trails built under provisions hereof, and so forth.

Mr. STAFFORD. Does the word "roads" cover in this general language the railroad that may be built? I got the idea in reading this bill some weeks ago that the city of San Fran-cisco would have the right to operate a railroad to the reservoirs.

Mr. TAYLOR of Colorado. Clearly not. It is not contemplated or intended. This is solely for the purpose of allowing them to build a temporary railroad to be used in the construction of this work. That is the purpose of it.

Mr. MANN. I would like to know what objection there would be to the city of San Francisco operating a passenger road up to the Hetch Hetchy Valley so that people might get up there?

Mr. OLDFIELD. Mr. Chairman—

Mr. MANN. I might want to visit there sometime, and I do not want to walk.

Mr. STAFFORD. I was curious to find out whether that was one of the grants made to the city of San Francisco or not.

Mr. OLDFIELD. Mr. Chairman, I move to strike out the last two words for the purpose of asking the chairman of the committee a question. I notice in line 14, page 3, the language reads as follows:

Together with the right to take, free of cost, from the public lands, the Yosemite National Park and the Stanislaus National Forest adjacent to its right of way, stone, earth, gravel, sand, tufa, and other materials of like character actually necessary to be used in the construction, operation, and repair of its sald water-power and electric plant, its said telephone and telegraph lines—

And so forth.

I take it that the language there would permit the telegraph and telephone lines and the railroad line to use earth, stone, gravel, and timber?

Mr. FERRIS. Not timber.

Mr. OLDFIELD. Now, as to this word "adjacent," the first word in line 17, I would call the chairman's attention to the fact that that word has been construed by the Federal courts to mean anywhere within 25 miles on either side of the right of way of any railroad. Is it the purpose of the committee to permit them to go 25 miles on either side of the right of way and use stone, gravel, and all those things?

Mr. FERRIS. It is not. I am glad the gentleman has raised that question, because it is important, and one or two Members have spoken about it. It provides under such conditions and regulations as may be fixed by the Secretary of the Interior and

the Secretary of Agriculture.

Mr. OLDFIELD. At the same time, the word "adjacent" having been construed by the courts, they undoubtedly could not limit the distance unless the court would limit it.

Mr. FERRIS. I think they could, because it expressly says, under such conditions and regulations as they may prescribe. I think the gentleman will recognize how difficult it is to say that at one point in the right of way they shall use a right of way 10 feet wide, in another 20 feet wide, and in another 30 feet wide, for the reason that in places they have to cross canyons. It is the roughest country God Almighty ever made, up in the Sierra Nevada Mountains. We have pictures in the committee showing it. It has mountains which are sky high and ravines and gorges which they have to cross. They will have to get material up there and build a \$77,000,000 plant and have a temporary railroad. They have no right to operate a railroad, no right to use stone or tufa or gravel, or anything else, except under the regulations of the department.

I think the gentleman will understand it is difficult in a proposition of this kind to delineate in detail in legislation just what amount they will take. It must be apparent to him and to all of us that they ought to have a right to take from those great mountain quarries there, that never will be used for anything else in a million years, enough stone to build what they want to build. I think that would satisfy the gentleman.

Mr. STAFFORD. Would the gentleman, in that regard, have any objection to an amendment after the words "right of way," in line 17, page 3, carrying out the suggestion of the gentleman from Arkansas [Mr. Oldfield], as follows:

For such distances as in the opinion of the Secretary of the Interior and the Secretary of Agriculture may be deemed necessary.

Mr. FERRIS. Not at all. I know the gentleman does not want to do otherwise than perfect the legislation. If he will notice, in line 22, beginning with the word "under," after the comma, it says:

Under such conditions and regulations as may be fixed by the Secretary of the Interior and the Secretary of Agriculture.

Now, the gentleman will readily understand that the head of each department, Agriculture and the Interior, is included. The Secretary of Agriculture operates and has jurisdiction over the forest reserves, and the Secretary of the Interior has to do with the national parks. That makes a combined board, and they would have to have the combined judgment of the two

before they could take anything.

Mr. STAFFORD. But both of those members of the Cabinet might take this position: There being a full grant of power, as was pointed out by the gentleman from Arkansas [Mr. Old-

FIELD], that the grantee has the right to the use of these materials at any distance adjacent to this right of way, all they can do would be to provide the manner and method in which they could utilize this material or any part of it adjacent to the right of way. I think there is much merit in the position taken by the gentleman from Arkansas [Mr. OLDFIELD]

Mr. FERRIS. We have no pride of opinion in the matter. Mr. STAFFORD. There is a full grant of power here in that language, and the proposed amendment would limit the use of these materials in any part adjacent to the right of way. gentleman from Arkansas [Mr. Oldfield] has pointed out that adjacent means 25 miles. The gentleman in charge refers to the limiting clause, "under such regulations and conditions as may be fixed."

Mr. FERRIS. I will say to the gentleman that they can not move a wheel or turn over a rock or dig a ditch or lay a brick-bat or a stone until they have filed maps and charts showing exactly what they are going to do and obtained the approval of the Secretaries.

Mr. STAFFORD. But these Secretaries might well say, "Here we are following the directions of Congress. They have given power and authority to this grantee to go to this adjacent territory and use this material. There is no limitation here except that these Secretaries may provide the conditions and regulations under which it may be obtained."

Now, if you would insert after the words "right of way" at some other appropriate place in language something like this, "for such distance as the Secretary of the Interior and the Secretary of Agriculture may determine," that would place full discretion in the Secretaries to limit the distance.

Mr. FERRIS. Let me call the attention of the gentleman to this fact, that words of limitation and too many words sometimes serve to broaden in fact the provisions of general terms.

Mr. STAFFORD. But the limitation does not limit the extent of the adjacent district.

Mr. FERRIS. It would not hurt anything if it were put in,

but I do not think it is necessary.

Mr. OLDFIELD. The word "adjacent" has a fixed definition, as defined by the court of appeals. They say they can go 25 miles. That applies to timber. It is true they define the meaning of the word "adjacent" in regard to timber, but it would also apply to stone, because the court of appeals held that it meant that.

Mr. FERRIS. We do not think that is wise, and we do not think it would have that effect. Further along in the bill the gentleman will find that they can not even make a start to begin work until they have filed plats and have the Secretaries' approval.

The CHAIRMAN. The time of the gentleman from Wisconsin

has expired.

Mr. STAFFORD. I did not know, Mr. Chairman, that I had the floor. But I would like to be recognized to offer an amendment if the gentleman from Arkansas [Mr. Oldfield] does not see fit to offer an amendment.

Mr. OLDFIELD. The gentleman suggested an amendment, and I shall not offer one at this time.

Mr. STAFFORD. I rise, Mr. Chairman, for recognition, to offer an amendment such as was suggested a moment ago. I offer the following amendment: After the word "way," in line 17, page 3, insert the following language: "For such distance as the Secretary of the Interior and the Secretary of Agriculture may determine."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 3, line 17, after the word "way," insert the words "for such distance as the Secretary of the Interior and the Secretary of Agriculture may determine."

Mr. STAFFORD. It should be "within such distance" instead of "for such distance."

Mr. MANN. Mr. Chairman, may I ask the gentleman whether he has in contemplation the language on page 7 in reference to timber, which provides that no timber shall be cut or removed from land outside of the right of way until designated by the Secretary of the Interior or the Secretary of Agriculture, respectively? That covers it, does it?

Mr. TAYLOR of Colorado. Let me suggest that it is not reasonably to be expected that they would haul granite rock or anything of that kind for a great distance when it is right in the canyon there, where they could not get it out except in a balloon. It is right near them, and they can not get the timber there without specific permission.

Mr. STAFFORD. My attention has been called to the limita-tion pointed out by the gentleman from Illinois [Mr. Mann],

there are restrictions that make it absolutely in the discretion of the Secretaries to limit the cutting of timber.

Mr. TAYLOR of Colorado. I may suggest that both Secretaries have gone over this measure exhaustively, and they have had people investigate on the ground the conditions, and have had exhaustive reports from the Army engineers and other kinds of engineers, and we have put hundreds of limitations and restrictions in this bill, so much so that I fear the city of San Francisco may be hampered in its work by the limitations that have been imposed.

Mr. MANN. There can be no possible objection to this amend-

ment.

Mr. TAYLOR of Golorado. We do not object to it. Mr. STAFFORD. I think it will do no harm to have such a limitation here, to show that the Secretaries have that power, to limit the distance to which the grantees may resort for the use of this material.

Mr. RAKER. It will not make any difference, because that is the real purpose of the committee, to cover these very things. If the gentleman could see that country, or even see a map of it, he would recognize the fact that in going in there you must go into a very deep, rough canyon, and when you get in there you have a natural limit to the use of this material.

Mr. STAFFORD. What objection has the gentleman to plac-

ing this limitation in the bill?

Mr. RAKER. None whatever; but it is in here already, just as strong as language can make it. Let me call the gentleman's attention to it:

Together with the right to take-

Mr. STAFFORD. Where is the gentleman reading?

Mr. RAKER. In line 14, page 3:

Together with the right to take, free of cost, from the public lands, the Yosemite National Park, and the Stanislaus National Forest adjacent to its right of way, stone, earth, gravel, sand, tufa, and other materials of like character actually necessary to be used in the construction, operation, and repair of its said water-power and electric plants, its said telephone and telegraph lines, and its said means of locomotion, transportation, or communication, under such conditions and regulations as may be fixed by the Secretary of the Interior and the Secretary of Agriculture, within their respective jurisdictions.

Mr. STAFFORD. I decline to yield further. The gentleman is not advancing anything new. That has been gone over half a dozen times here by the gentleman himself, or the chairman of the committee, or some other member of the committee.

There is some need for this amendment. The gentleman from Colorado tries to ridicule it by endeavoring to create some imaginary case of hauling granite from a distance. But, Mr. Chairman, there may be something else besides granite necessary in this construction. There may be earth, there may be gravel, sand, tufa, and other material at a distance, but of superior quality, that these Secretaries might not see fit to grant them, and therefore I ask for a vote on the amendment.

Mr. RAKER. If the gentleman understood that I had for any reason attempted to ridicule anything he has said, he is mistaken, because I never attempted to do such a thing.

Mr. STAFFORD. I referred to the distinguished gentleman from Colorado [Mr. TAYLOR].

Mr. TAYLOR of Colorado. I did not know I was being

Mr. STAFFORD. I did not mean to cast any reflections on the distinguished gentleman from California [Mr. RAKER], who is so deeply interested in this bill.

Mr. RAKER. It is not a question of keeping the bill in its present form. That is not the purpose of it at all. But the committee did try to go over the bill and strike out superfluous words wherever they occurred. I believe what the gentleman is contending for is here already; but if the gentleman thinks it will afford additional protection we have no objection.

Mr. MANN. The language of the bill provides that the taking of these things shall be under conditions and regulations fixed by one of the proper Secretaries. What objection is there also to letting him say from where they shall be taken?
Mr. RAKER. There is no objection at all.

Mr. MANN. Fixing conditions and regulations would not fix the location. I do not think it is important, but I am sure the gentleman has no objection to it.

Mr. RAKER. No.

Mr. MONDELL. I do not know whether the gentleman from California [Mr. Raker] has ever engaged in construction in a mountainous country or not.

Mr. RAKER. I have seen some of it.

Mr. MONDELL. If this amendment is adopted, it will place this construction work in this position, that they can not take tion pointed out by the gentleman from Illinois [Mr. Mann], a spadeful of earth, or a cubic foot of rock, or a bunch of which shows that, so far as the removal of timber is concerned, tufa from the land adjacent to this right of way for any purpose whatever without referring the matter to the Secretary of Agriculture or the Secretary of the Interior. It will be necessary for these officials to say just where all the material shall come from. An earth pocket near by, necessary to make an embankment, can not be utilized until the honorable Secretary has been called upon and asked as to whether in his opinion it may properly be used. A small amount of rock 50 feet from the right of way can not be utilized until the honorable Secretary has been consulted with regard to it. Any man who has ever had anything to do with construction in a mountain canyon knows that this amendment will make the city of San Francisco a great deal of trouble, a great deal of difficulty in the construction of this work, and it will do absolutely no good at all.

Mr. FERRIS. Mr. Chairman, I move to strike out the last word. I want to ask the gentleman from Wisconsin if he does not think section 2, page 4, offers sufficient safeguards. I have no objection to the gentleman's amendment, but I do not want to do the same thing over twice. The language I refer to is

SEC. 2. That within three years after the passage of this act said grantee shall file with the registers of the United States land offices, in the districts where said rights of way or lands are located, a map or maps showing the boundaries, locations, and extent of said proposed rights of way and lands required for the purposes stated in section 1 of this act; but no permanent construction work shall be commenced on said land until such map or maps shall have been filed as herein provided and approved by the Secretary of the Interior.

Now, the question I want to ask the gentleman is, Does not the gentleman think, when they come in with their maps showing what they want to do, the width they want to occupy, 50 feet here on account of the canyon and 100 feet there, that the Secretary of the Interior would scrutinize every line?

Mr. STAFFORD. I will be very frank with the gentleman. When I read the bill three or four weeks ago I scanned the phraseology pointed out by the gentleman, and I understood that the only interpretation to be given that just read was that the maps referred exclusively to the right of way; that the lan-guage does not cover and does not purpose to cover sand pits or places where they could get material which is covered in section 1 of this act. Responding, in the gentleman's time, to the highly fanciful conception of the gentleman who has had so much to do with construction work, the distinguished gentleman from Wyoming, so learned in all matters, I want to say that the an indment proposed can bear no such interpretation as he gives it, because it says such distance as the Secretary may determine. It is only in the fanciful conception of the gentleman from Wyoming that any such interpretation could be placed.

Mr. FERRIS. Mr. Chairman, I think, after conversation with members of the committee about me, that if the gentleman

from Wisconsin still thinks these words are important and ought to go in, we have no objection.

Mr. STAFFORD. I certainly think so.
The CHAIRMAN. The question is on the amendment offered by the gentleman from Wisconsin.

The question was taken, and the amendment was agreed to.

Mr. MONDELL. Mr. Chairman, I offer a substitute for the section and the remainder of the bill, and if the substitute is adopted I will move to strike out the remaining sections of the

Mr. FERRIS. Mr. Chairman, I do not think that is in order at this time. We have not finished the reading of the bill. Mr. MANN. It is proper always after the first section of a

bill is read to offer a substitute for the bill, giving notice that you will move to strike out the other sections. There is no other way of offering a substitute.

Mr. FERRIS. But the gentleman is offering a substitute for the entire bill, and we have not read the bill yet.

Mr. MANN. There is no other place he can offer it.
Mr. FERRIS. I withdraw the point of order.
The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

The Clerk read as follows:

A bill (H. R. 7297) granting a right of way over certain public lands and reservations to the city and county of San Francisco for the purposes of a water supply and power development.

Be it enacted, etc., That a right of way through the public lands of the United States, the Yosemite National Park, and the Stanislaus National Forest is hereby granted to the city and county of San Francisco, a municipal corporation in the State of California, for the purpose of enabling the said city and county to construct and maintain reservoirs, canals, works, and structures of every kind and character necessary or desirable in securing, establishing, and maintaining from the Tuolumne River and its tributaries in said State a water supply for the said grantee, the city and county of San Francisco, and such other municipalities and water districts as may, with the consent of the said grantee, or in accordance with the laws of the State of California, hereafter participate therein, and for the generation, transmission, and distribution of power which may be generated by the utilization of such water supply, to the extent of the ground occupied by the reservoirs, canals, and all other works or structures of every kind and character necessary or desirable for the purposes specified in this act, together with such

additional lands on the marginal limits of all reservoirs and canals or strongling or bordering on other works or structures as in the opinion of this act, but in no case exceeding 250 feet on the margin of or surrounding or bordering on such reservoirs, canals, works, or structures, the surrounding or bordering on such reservoirs, canals, works, or structures, the property of the control of the surrounding or bordering on such reservoirs, canals, works, or structures, but in the surrounding or bordering on such reservoirs, canals, works, or structures, but in the surrounding or bordering on such reservoirs, canals, works, or structures, the property of the control of the surrounding of t

mining, or other existing valid claims as it may require for the purposes herein above set forth, and caused proper evidence of such fact to be filed with the Commissioner of the General Land Office; and the right of such entrymen or claimants to sell, and of said grantee to purchase such portion or portions of such claims, are hereby granted: Provided, That this act shall not apply to any lands embraced in rights of way heretofore approved under any act of Congress for the benefit of any parties other than said grantee or its predecessors in interest.

Mr. MONDELL. Mr. Chairman, as this is a substitute for the entire bill. I should like to have more than the ordinary 5 minutes to discuss it. I would appreciate it very much if I can have 15 minutes for a discussion of this subject.

The CHAIRMAN. The gentleman from Wyoming asks unanimous consent to proceed for 15 minutes. Is there objection?

There was no objection.

Mr. MONDELL. Mr. Chairman, there is nothing in the substitute that is not in the original bill in some form. are a number of matters treated of in the original bill that are not referred to in the substitute. My thought in drawing the substitute was to make the grant clear and concise and readily understandable, and to follow it with certain terms and conditions clearly stated, and all of them beyond question or controversy enforceable. There has only been one objection offered to the substitute that has or should have, in my opinion, any force at all from the standpoint of the people of California-that is, that it made no provision as originally drawn and introduced for the settlement of the conflicting claims of the Turlock and Modesto irrigation district and other irrigationists in the San Joaquin Valley and of the city and county of San Francisco. I made no provision of that kind in the bill, because, while we have been granting rights of way under general laws and special bills for the last 50 years, it has never heretofore been considered necessary, wise, or proper to at-tempt, in providing for rights of way, to adjudicate the judicial question as to the respective rights of claimants in the waters that might be impounded or diverted.

Gentlemen all understand that as a matter of fact no words we can write into a statute can divide these waters, and that, so far as the provision intended to effect a division between the irrigationists and the city are concerned, if they shall have any binding force or effect, it can only be by reason of a con-tract which the bill contemplates shall be entered into between the city of San Francisco and the Secretary of the Interior whereby the city of San Francisco binds itself to recognize certain rights, or alleged rights, of the irrigation districts and to furnish the irrigation districts certain waters in excess of what is claimed to be the legal right of the irrigation districts, and to furnish the irrigation districts at cost power for the purpose of pumping water for irrigation. If the contract which the act contemplates was held by the courts to be binding and valid, then this legislation by that process and through that procedure will have effected a division of the waters of the Tuolumne between and among the various claimants. If it can be done at all by an act of Congress, it can only be done in I shall not further argue at this time the inadvisability of attempting to do that, but I say what I have said in order to explain why I did not make any provision with regard to a distribution of the water in the original bill. In order, however, that those who believe in having the grant and its conditions clear and explicit should have no excuse for voting against the substitute on the ground that it does not attempt to provide for an adjudication of the water rights, I have inserted an additional clause or condition to the effect that within three years, and in any event before any of the maps of rights of way are approved, there shall be filed with the Secretary of the Interior an agreement or adjudication binding on all parties in interest relative to their respective rights in these waters. That is what ought to have been done long ago. That is what the committee said to the officials of San Francisco when they were before us four years ago, and I have no question but what that could have been done if those gentlemen had been willing to get down to the plain hard work of securing such an agreement or adjudication rather than coming before Congress asking its committees to legislate in matters entirely beyond its jurisdiction.

Mr. KENT. Will the gentleman yield?

Mr. MONDELL. Certaily.

Mr. KENT. I would like to know whether this adjudication would bring in the possibility of claims of right not filed prior to the right obtained by the city of San Francisco and the Turlock-Modesto district? That is the thing we are afraid We do not want to let a lot of other claims come in here and stop this matter by a process of litigation. We want everybody recognized that is now recognized under the California law, but we do not want the whole business stopped by an in-

terminable litigation of people whose claims we do not now

Mr. MONDELL. No Californian should have asked me that question, because, of course, any adjudication would be made under the laws of the great and glorious State of California so ably represented in part by the gentleman who has just interrogated me, and therefore no one could secure any rights under that adjudication who was not entitled to those rights and confirmed in those rights under the laws of California, and it is

for the purpose of upholding California's sovereignty, for the purpose of giving California laws and California courts an opportunity to adjudicate that I propose that before this grant becomes effective there shall have been brought about in an orderly way, in a legal way under the laws of your State, an agreement, an adjudication as to the respective rights of your

citizens in these waters.

Mr. KENT. There seems to me to be a large difference between litigation and rights.

Mr. MONDELL. The gentleman knows my time is very brief, and that he will have time in which to discuss that difference later.

Now, Mr. Chairman, I explained yesterday that the bill before us is very verbose, consisting of 26 pages, conflicting and difficult to understand; that there are conditions running all through its many sections and that at best it is not a piece of legislation which clearly and concisely sets forth its purposes. In addition to that, it has those provisions running through a number of pages which I object to relative to respective rights of claimants to water. I do not think that the legislation before us is fair to San Francisco. It is not fair to San Francisco first with regard to the matter of sanitary regulation.

I said yesterday the sanitary regulations in the bill are ridiculous. I shall say nothing more now in regard to them, because the members of the committee will reach those regulations in a few moments and they will agree with me that they are not only ridiculous but inadequate and intended to be like the laws of the Medes and Persians, unamendable, for we solemnly provide that San Francisco shall not in the future ask, and we shall not in the future grant, any modification whatever of these lovely provisions with regard to sanitation. In that regard my bill simply provides that the officers having charge of these areas shall enforce such proper sanitary rules and regulations as will preserve to a reasonable extent the purity of the water; that those regulations shall not, however, be such as interfere with the reasonable use of this territory by the general public.

Both bills provide that the city shall pay for the enforcement of those regulations. The bill before us provides that the city of San Francisco shall pay a lump sum of \$15,000, \$20,000, and finally \$30,000 per annum for the grant. Now, that may be too much or it may be too little. It depends on how you look at it. But it has no logical basis. The committee has not enlightened us as to the process of reasoning whereby they arrive at the conclusion that this is exactly the sum San Francisco should pay, no more, no less. The committee has not enlightened us as to its estimate of the value of the grant or if the charge is based, not on the value to San Francisco, but on the loss to the general public, then as to the amount of that loss. In the opinion of the committee that must be great if it is measured by the sum of \$30,000 per annum.

My bill provides that the city shall pay for all the timber taken from its right of way; that it shall build certain roads, as the other bill provides, and that it shall forever maintain them; that it shall pay for the maintenance of reasonable sanitary regulations, and that in addition it shall pay such proportion of the cost of guarding and policing its watershed as shall measure its benefits from such policing and guardianship.

Now, in my opinion, that is a fair charge upon San Francisco. San Francisco could not reasonably ask to receive this grant unless she paid whatever expenses the grant might entail upon the Public Treasury. She ought not to be asked to pay in the years to come any sum whatever on the theory that in some way or other we are granting her something of value which she should pay for. If that be the theory of the committee, then we should fix the value, decide what it is, and have San Francisco pay us for it out of the \$46,000,000 that she has or is about to raise from the sale of bonds. Have the thing settled and the transaction complete. We are simply giving her the right to use as a storage reservoir that which is now quite an inaccessible though a quite beautiful valley. There is no loss to the Nation and no grant of value for which San Francisco should forever pay an arbitrary sum.

The CHAIRMAN. The time of the gentleman from Wyoming

[Mr. Mondell] has expired.

Mr. FERRIS. I want to be entirely fair with the gentleman. I know that he has more wisdom on land matters than all the rest of us put together. He may have a good bill, but it never has been presented here; it does not bear the approval of any departmental officers; no member of the committee has ever seen it unless he has seen it to-day as it is brought in here; and without speaking in disrespect of the gentleman or his bill, I hope no one but the author, who of course is bound to vote for it, will vote for the substitute.

Mr. Chairman, I ask for a vote. The CHAIRMAN. The question is on the substitute offered by the gentleman from Wyoming [Mr. MONDELL].

The question was taken, and the Chair announced that the noes seemed to have it.

Mr. MONDELL. Division, Mr. Chairman.

The committee divided; and there were—ayes 6, noes 45.

So the amendment was rejected.

Mr. KINKEAD of New Jersey. Mr. Chairman, I move to strike out the last two words.

The CHAIRMAN. The gentleman from New Jersey [Mr. Kinkead] moves to strike out the last two words.

Mr. KINKEAD of New Jersey. Mr. Chairman, I believe that the bill which has been presented by the committee is eminently fair, and it is my purpose to give to it my support.

Mr. MONDELL. Mr. Chairman, will the gentleman yield?
The CHAIRMAN. Does the gentleman yield?
Mr. KINKEAD of New Jersey. I regret I can not yield at
the present time. The gentleman knows that my time is brief. Mr. MONDELL. The gentleman has read the bill that he has

so highly commended, has he not? Mr. KINKEAD of New Jersey. The gentleman from Wyoming knows that I have read the bill, because I have gone over it with him so many times that I begin to know it by heart.

[Laughter.] Mr. Chairman, I hope now that the few minutes that are allotted to me will be left to me in peace, because I want to say something that is of great importance to me and to the people of my district, and to the country. A few weeks ago the great Committee on Naval Affairs, on a visit to the navy yards of the Atlantic coast, did me and the people of my district a signal honor. They came to view for the first time a proposed naval base on the Jersey side of New York Bay.

That the gentlemen were well received in my district I need not say. Some of them are here, and at a more appropriate time I expect that they will speak for themselves as to the hospitality of the eighth district of New Jersey. That they realize that this was an ideal position for a naval base I need say no more than that it is in the say no more than that it is in the say no more than that it is in the say no more than that it is in the say no more than that it is in the say no more than that it is in the say no more than that it is in the say no more than that it is in the say no more than that it is in the say no more than that it is in the say no more than the say no more than the say of the say no more than the say of t say no more than that it is in my judgment one of the most in-

telligent of the many committees in this House. [Applause.]
Mr. Chairman, I believe that any base that is chosen by the Committee on Naval Affairs should have these three distinctive marks: First, that it should be adequate; second, that it should be economical; and, third, that it should be accessible. I propose to show in the few moments that have been allotted to me that the Brooklyn Navy Yard, as it is at present constructed, is inadequate, that it is uneconomical, and that it is inaccessible; and after having proved these three points I shall then demonstrate to this committee that the proposed base that is located in the district that I have the honor to represent is adequate, economical, and accessible.

First. The commandants of the Brooklyn Navy Yard have repeatedly requested that additional land be purchased in order that the yard might be enlarged, so that it might be suitable for the requirements of our increased Navy.

Second. It is uneconomical, because the supplies coming to the yard from the West and South—the steel from Pittsburgh, the lumber from Mississippi or the Carolinas, the paints from Michigan-all must be shipped from the mainland across the Hudson River in boats, and the handling and rehandling adds greatly to the cost of these supplies. While on our trip through the Brooklyn yard one of the officers stated to me that, as a result of the location of the yard, the pine which was used in ship construction was as costly as mahogany on account of the number of times it must be handled.

Third. It is inaccessible. On a stormy night or in fog it is almost impossible for a warship to reach the Brooklyn yard, and when it is clear but two of our vessels can dock there in

I would like every Member of Congress to read Capt. Van Duzer's report regarding the availability of the site which by chance is situated in my district. I need hardly say to my colleagues in this House that were the proposed site located in Maine or in Florida, and I were as familiar with its advantages, I would as strongly urge its purchase. This is not a question of congressional districts; this supersedes State lines. It is really

of national importance, and I want to see the Government purchase that site, which will be of greatest strategic and com-mercial value to the Nation.

We have miles of water front along the Jersey shore which can be purchased for a reasonable figure; therefore the site in question can be made large enough to suit our present and future needs.

It is the most economical location along the Atlantic seaboard, since in our county we have the eastern terminal of We can, therefore, lay down the every trunk line save one. paint required in the paint shop, the steel and lumber in that section of the yard where they are required, and by spurs and trackage the handling of supplies can be made simple and economical.

The Jersey site is accessible, since we are within 300 feet of the 50-foot channel of the Hudson River, and with the plan proposed by Capt. Van Duzer in effect the yard could take care of our entire Navy, and every ship carrying the Stars and Stripes could dock there within 24 hours.

Mr. Chairman, may I now call attention to the report in question? And permit me to add that Capt. L. S. Van Duzer, its author, is regarded as one of the most progressive and brainy men in the service.

Here is what he says regarding the site that I favor:

GENERAL CONSIDERATION OF NAVY-YARD DESIGN, LOCATION, CAPACITY, AND MAINTENANCE, WITH PLAN AND DESCRIPTION OF A LARGE, EFFICIENT YARD PROPERLY LOCATED.

# (By Capt. L. S. Van Duzer, United States Navy.)

(By Capt. L. S. Van Duzer, United States Navy.)

1. During somewhat more than three years continuous service as commandant of Olongapo and captain of the yard at New York the features of an ideal navy yard have been a matter of much thought and careful consideration. The following remarks are presented at this time in view of the reported plans for the removal of the New York Yard to some other site, one suggestion being Narragansett Bay. The writer has suggested in a letter to the department a site below Cummunipaw, which he believes, considering all modern requirements, to be the best navy-yard site in the world.

2. The present site of the New York Yard is not only unsuitable as regards capacity, economy, and accessibility, but it is incapable of satisfactory improvement at any cost. The shape of the water front precludes the possibility of suitably berthing more than a dozen battleships at any time. Occasionally, when the weather is foggy, no large vessels can be brought to the yard for several days, because the range, which must be seen in order to clear Diamond Reef, is obscured by the fog. As this range is not lighted, and can not well be, large vessels can not be brought to the yard after dark. Even in clear weather not more than two deep-draft vessels can safely come to or leave the yard in 24 hours. Improved conditions would extend this to not more than four. This situation is partly due to the short time of slack water in East River, partly to the lack of depth of water abreast Governors Island and the difficulty of increasing it, but most of all to the strong tidal currents and the difficulty of berthing at the yard during the strength of the tide. The depth of water can be increased at great expense, but the other elements of the problem can not be much changed.

3. The present arrangements at the yard—the layout of the docks, plers, wharves, shops, storehouses, power plant, streets, and equipment—is wasteful of both time and money. The cars of all railway shipments must be brought to the yard on f

the vicinity, etc.

5. Even a moderate study of the demands of the fleet point to certain definite conclusions.

(a) That the greatest navy yard in the country should be located as close as practicable to the greatest center of supply and transportation, therefore at New York.

(b) That it should be so placed as to be as near as possible to all the great railroads on one side and to deep water on the other. One available location only fulfills these requirements, the Jersey shore below Cummunipaw.

(c) That this great yard should have great capacity, sufficient to berth and repair the whole battleship fleet with all its adjuncts and its auxiliaries.

auxillaries.

(d) Since there is likely to be 20 years of peace to 1 of war, if we may judge the future by the past, economy of peace operation should receive due consideration as well as capacity and efficiency in time of war; for in time of peace we prepare for war, and the less money we waste in inefficiency the more we shall have for effective use.

6. In order to test the correctness of the foregoing conclusions it is necessary to investigate the requirements and desirable features of a yard of the highest class. These may be divided into:

I. Suitability of location.

II. Capacity.

II. Capacity.
III. Cost of construction, maintenance, and operation.

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# SUITABILITY OF LOCATION.

- This comprehends:

  (1) Strategical position as regards the probable operations and requirements of the fleet.

  (2) Strategical position as regards defense.

  (3) Accessibility under all conditions of tide, wind, and temperatures. This involves:

  (a) Depth of water and safety of approach.

  (b) Proximity to main channels and ease of approach.

  (4) Accessibility and proximity to the great highways of transportation.

  (5) Proximity to a great center of supply of materials.

  (6) Proximity to a great center of supply of labor.

  (7) Proximity to a very large city where liberty can be given to a large number of men while the ships are under repair at the yard.

### II. CAPACITY.

8. This includes:
(8) Capacity to keep the fleet in repair in time of war.
(9) Capacity to keep the fleet in repair in time of peace.
(10) Capacity to keep the fleet supplied in time of war.
(11) Capacity to keep the fleet supplied in time of war.
(12) Capacity to build ships of the largest size.
(13) Capacity to quickly repair ships under all conditions of injury and draft.
(14) Capacity to berth, repair, and supply at one time a very large number of ships of the largest size.

### TIT. COST OF CONSTRUCTION, MAINTENANCE, AND OPERATION.

OST OF CONSTRUCTION, MAINTENANCE, AND OPERATION.

9. This includes:
(15) Cost of yard and plant.
(16) Cost of maintenance.
(17) Cost of operation, which involves:
(a) Efficiency of operation as regards speed of doing work under varying conditions of weather and volume of work.
(b) Efficiency of operation as regards cost of varying conditions of weather and volume of work.

### SUITABILITY OF LOCATION.

SUITABILITY OF LOCATION.

10. Taking the various requirements in succession, we find with respect to (1) that the position of New York is superior to all ports on the coast as regards depth of water and ordinary ease of exit and entrance with the single exception of Narragansett Bay. It is the only port on our whole coast which has two entrances separated by a hundred miles. It is nearly in the industrial center of the coast. It is somewhat farther from Europe than Narrangsett Bay, but the difference is so small as to be immaterial, while it is a little nearer to the Panama Canal.

11. As regards (2), it is easy of defense against see attack as com-

difference is so small as to be immaterial, while it is a little nearer to the Panama Canal.

11. As regards (2), it is easy of defense against sea attack as compared with Narragansett Bay, and, furthermore, New York is always likely to be incomparably the best defended port on the coast, its great interests and the character of its entrance both contributing to this end. A navy yard located at the place indicated in the accompanying drawing is a mile or two farther away from possible sea attack than the present yard. And it is far more secure against a landing force than any location on Long Island, or almost any other practicable location in New York Harbor or elsewhere. As against a naval raid, its security is practically absolute, while any conceivable location in Narragansett Bay is peculiarly open to this form of attack.

12. As regards (3), the accessibility under all conditions of tide, wind, and temperature, the low-water depth in the entrance channels of New York have for 50 years been maintained at 10 feet greater than the deep-load draft of the heaviest battleships. This condition, based upon the draft of heavy freight vessels, is practically certain to be maintained. This margin of depth—to which tidal rise adds 4 to 5 feet—is sufficient to take care of any probable draft of a battleship due to injury. The depth at all points from the entrance channels to far above the suggested location of the yard is considerably greater than in the channels. The only dredging necessary would be in and near the yard wharves and plers. The suggested location of the yard and the arrangement of piers is such as to render access particularly easy.

The currents in this locality are very much less than above or below,

than in the channels. The only dredging necessary would be in and near the yard wharves and piers. The suggested location of the yard and the arrangement of piers is such as to render access particularly casy.

The currents in this locality are very much less than above or below, owing to the width of the bay in this vinicity and to the configuration of the shore. This part of the harbor is also quite free of drifting tee which gives much trouble in both the East and North Rivers. In fogsy weather New York Harbor is much casier and safer to enter than Narragansett Bay. The slowly shouling water gives to a careful navigator definite and ample grounding on and and and striking rocks. Moreover, New York fogs are less frequent and generally less dense and of shorter duration than those and and and not striking rocks. Moreover, New York fogs are less frequent a generally less dense and of shorter duration than those and and and that the same and of shorter duration than those and in the same and of shorter duration than those and in the form of the same and of shorter duration than those a long and rather tortuous passage between rocky shoats and includes a long and rather tortuous passage between rocky shoats and includes a long and rather tortuous passage between rocky shoats and includes a long and rather tortuous passage between rocky shoats and includes a long and rather tortuous passage between rocky shoats and includes a long and rather tortuous passage between rocky shoats and includes a variety of the country. While the water through the same and the state of the country while the water front would be accessible to every form of vessel or barge and only shortly distant only one case of the same and that rathay's steamers. Such a condition of affairs would be well-nigh intolerable aside from the accessible to every form of vessel or barge and only shortly distant of the white state of supply of materials that exists on the west of the same and the same and the same and the provision of the same and the provi

ment is wasteful of the time of both officers and men, and cuts down the time available for drill and training, and extends the intervals of inefficiency. No other place compares with New York for the purpose of liberty-giving, and a navy yard should exist there large enough to berth the whole fleet. An attempt to keep battleships at anchor in the North River and similar places in winter invariably results in the drowning of members of crews and loss of steam launches and other books.

# CAPACITY.

17. It seems perfectly clear that one navy yard should, if possible, be large enough to repair the whole organized fleet in time of war. The separation of the fleet into three or four parts for any reason whatsoever is strategically wrong. No vessels should be separated from the main body of the fleet except such as are so badly injured that they will be out of service for many weeks or months. True strategy points to the establishment of the largest kind of yard in the best possible location with the best possible defenses. Small yards are only excusable as distant bases.

18. The great central yard should be large enough to keep the whole active fleet in repairs during peace as well as war. A large establishment is much more efficient and economical than several small ones. If the smaller yards serve no useful purpose in war, they are equally inefficient in times of peace and should no longer be maintained.

19. As regards (10) and (11), the capacity for supplies in times of peace and war, it is perfectly apparent that if we put a navy yard in a place like Narragansett Bay we must run the risk of failing to provide supplies at critical moments or have enormous storehouses in the navy yard. In the latter case the losses from deterioration of stores will be very considerable. A navy yard located in New York Harbor need have comparatively small storage capacity, for the warehouses and storehouses of the whole city are so close as to render them an annex to the yard.

20. The capacity to build ships of the largest size is a necessary feature of a great navy yard and is not a very expensive addition to a great repair plant, unless the considerable area of ground necessary is costly owing to high value of land.

21. The capacity to berth, repair, and supply the whole fleet at one time and to repair the largest ships rapidly under all conditions of injury and draft implies large and well-equipped shops, ample wharfage capacity, and numerous large dry docks. It also implies very deep water in the approach to the dry

### TIT.

reac depth over the silf; and the storage, transportation, and similar facilities should correspond to the other equipment.

COST OF CONSTRUCTION, MAINTENANCE, AND OPERATION.

22. The cost of the yard and plant should be as low as consistent with economy and the achievement of the end in view—the care and upkeep of the fleet.

23. The design of the yard should be such that its maintenance should cost as little as practicable. The power plant should be located in a favorable position as regards fuel and water supply and be fitted with equipment of the best types, so that the power charges should be as low as practicable, while the character of the buildings and transportation facilities should render upkeep and transportation charges equally low a well-designed, well-equipped, and well-located yard, the efficiency of operation, as regards both cost and speed, depends upon suirable organization and methods of carrying on work.

25. The accompanying sketch shows only the main features of the design. Some details can not be shown except on a larger scale, and they are so numerous that many of them would require additional study. The general characteristics shown are planned to meet the requirements enumerated in the foregoing pages and are independent of the exact design of details.

26, Location: If will be noted that the proposed yard is placed where its luner end abuts lands contiguous to all the great railways was the time to a buts lands contiguous to all the great railways was the time to a buts lands contiguous to all the great railways was the time to a buts lands contiguous to all the great railways was the time to a buts lands contiguous to all the great railways was the time to a buts lands contiguous to all the great railways was the time to a buts lands contiguous to all the great railways was the time to a buts lands contiguous to all the great railways was the time to a buts lands contiguous to all the great railways have the time to the great part of a but and the great part of the great part of the

buildings are connected by covered bridges and at the east and west ends a curved structure supports and covers a track connecting the north row of storehouses with the south row. This gives a continuous track. On this track it is intended to run trolley trains (always in one direction) for distributing stores and transportation of people, particularly of foremen and leading men who are inspecting stores desired for use, and of men sent to the storehouse for certain articles urgently needed. It will be noted that this continuous railway track (with two full-length sidings in each biulding) will reduce enormously the cost of handling, the time of delivery, and the convenience of examination. When desirable to do so, railway cars would be hoisted on the elevators in the receiving store of lumber store and run to the place where their contents would be stored. Stores for the inner rows of shops are low-ered through small elevators directly to the spot desired. Stores for the outer shops are lowered on cars which can be brought alongside or inside the outer shops.

32. The buildings of the central row are only 60 feet wide. On the ground floor there are miscellaneous storerooms, the electrical school, yard restaurant, etc. On the second floor are all the yard offices in the approximate center, and other offices grouped about these. The drafting rooms and certain office storerooms are on the third floor. The office buildings, as the central row may be styled, are the only ones which are three story, and so far as can be foreseen only part of them need be of that height.

33. Miscellaneous buildings: The provision and clothing storehouse is located outside of the shops area and is for the supply of shins and

that height.

33. Miscellaneous buildings: The provision and clothing storehouse is located outside of the shop area and is for the supply of ships and not of shops. The clothing factory is near it. The paint and oil storehouse is placed at some distance from the other stores on account of the inflammable character of the stores. The paint factory is equally isolated. The barracks and quarters for officers are not shown. They are easily arranged.

34. The power house is placed close to the water front, so that fuel can be delivered directly into the bunkers of the boller plant, while ashes can be ejected into the dump scows. It is planned to use oil, but the placing of the power house is such as to render the use of coal as economical as possible if such use should ever become necessary. The cost of power with oil fuel ought to be less than 0.4 cents per kilowath hour, this cost to include all expense except plant and to cover repairs and maintenance of plant and distributing systems.

35. The estimates of cost of the yard are as follows:

#### BUILDINGS.

Outer row of shops, 1 story, 4,400 by 120 feet=528,000 square feet, at \$3.50.  Inner row of shops, 2 story, 5,600 by 80 feet=448,000 square feet, at \$5.  Office buildings, etc., 2 and 3 stories, 2,000 by 60 feet=120.000 square feet, at \$6.  Miscellaneous buildings.  Total.	\$1, 848, 000 2, 240, 000 720, 000 890, 000 5, 698, 000
About 15,000 feet, at \$175 per foot	2, 625, 000
PIERS.  20 piers, 700 feet by 70 feet—980,000 square feet, at \$2 Miscellaneous piers, 75,000 square feet, at \$2	1, 960, 000 150, 000
Total	2, 110, 000
7,200 feet by 2 by 1,500 by 27 500 feet by 1,200 by 27	Cubic yards, 21, 600, 000 600, 000
Total	22, 200, 000 980, 000
Total	21, 220, 000
At 15 cents  Foreshore and approach  Dry docks, 2,400 feet, at \$3.000 per running foot  Installations and extra equipment  Railways, 16 miles, at \$15,000 per mile (exclusive of tracks on piers)	\$3, 183, 000 1, 250, 000 7, 200, 000 2, 500, 000 240, 000
Crane tracks, 4 miles, at \$60,000 per mile (exclusive of tracks on piers). Water, heating, sewers, electric mains, air mains, paving,	240, 000
telephones, etc. Miscellaneous, including some possible additional dredging and unforeseen contingencies.	1, 000, 000 475, 000
Total	26 521 000

Mr. Chairman, at another time I will ask the House to adopt this plan.

### MESSAGE FROM THE SENATE.

The committee informally rose; and Mr. Underwood having taken the chair as Speaker pro tempore, a message from the Senate, by Mr. Pratt, one of its clerks, announced that the Senate had passed bill of the following title, in which the concurrence of the House of Representatives was requested:

S. 767. An act granting permission to the city of Marshleld,

Oreg., to close Mill Slough, in said city.

The message also announced that the Senate had agreed to the amendments of the House of Representatives to the joint resolution (S. J. Res. 52) to authorize the appointment of Thomas Green Peyton as a cadet in the United States Military Academy.

### SENATE BILL REFERRED.

Under clause 2, Rule XXIV, Senate bill of the following title was taken from the Speaker's table and referred to its appropriate committee, as indicated below:

S. 767. An act granting permission to the city of Marshfield, Oreg., to close Mill Slough, in said city; to the Committee on Interstate and Foreign Commerce.

### HETCH HETCHY.

The committee resumed its session. The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Sec. 2. That within three years after the passage of this act said grantee shall file with the registers of the United States land offices, in the districts where said rights of way or lands are located, a map or maps showing the boundaries, locations, and extent of said proposed rights of way and lands required for the purposes stated in section 1 of this act; but no permanent construction work shall be commenced on said land until such map or maps shall have been filed as herein provided and approved by the Secretary of the Interior: Provided, however, That any changes of location of any of said rights of way or lands may be made by said grantee before the final completion of any of said work permitted in section 1 hereof, by filing such additional map or maps as may be necessary to show such changes of location, said additional map or maps to be filed in the same manner as the original map or maps but no change of location shall become valid until approved by the Secretary of the Interior or the Secretary of Agriculture, as his jurisdiction may appear; and the approval by the Secretary of the Interior or lands shall operate as an abandonment by the city and county of San Francisco to the extent of such change or changes of any of the rights of way or lands indicated on the original maps: And provided further, That any rights inuring to the grantee under this act shall, on the approval of the map or maps referred to herein by the Secretary of the Interior, relate back to the date of the filing of said map or maps with the register of the United States Land Office as provided herein, or to the date of the filing of such maps as they may be copies of as provided for herein: And provided further. That with reference to any map or maps heretofore filed by said city and county of San Francisco or its grantor with any officer of the Department of Agriculture, and approved by said department, the provisions hereof will be considered complied with by the

Mr. MANN. Mr. Chairman, I move to strike out, commencing on line 25, page 4, the words "or the," and in line 1, page 5, the words "Secretary of Agriculture, as his jurisdiction may appear." That is to conform with the amendment already agreed upon.

Mr. RAKER. That is all right. Let us have a vote, Mr. Chairman

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Illinois [Mr. MANN].

The Clerk read as follows:

Amend by striking out in line 25, page 4, the words "or the," and in line 1, page 5, the words "Secretary of Agriculture, as his jurisdiction may appear."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.
The Clerk read as follows:

The Clerk read as follows:

SEC. 4. That the said grantee shall conform to all regulations adopted and prescribed by the Secretary of the Interior governing the Yosemite National Park and by the Secretary of Agriculture governing the Stanislaus National Forest, and shall not take, cut, or destroy any timber within the Yosemite National Park or the Stanislaus National Forest, except such as may be actually necessary in order to construct, repair, and operate its said reservoirs, dams, power plants, water-power and electric works, and other structures above mentioned, or is actually necessary in the construction, repair, and operation thereof, but no timber shall be cut or removed from lands outside of the right of way until designated by the Secretary of the Interior or the Secretary of Agriculture, respectively; and it shall pay to the United States the full value of all timber and wood cut, injured, or destroyed on or adjacent to any of the rights of way and lands, as required by the Secretary of the Interior or the Secretary of the Interi

as may be prescribed in writing by the Secretary of Agriculture, and elsewhere on public lands along the line of said works, and within the Yosemite National Park, and such as may be prescribed in writing by the Secretary of the Interior; and said grantee shall, as said waterworks are completed, if directed in writing by the Secretary of the Interior or the Secretary of Agriculture, construct and maintain along each side of said right of way a lawful fence of such character as may be prescribed by the proper Secretary, with such suitable lanes or crossiags as the aforesaid officers shall prescribe: And provided further, That the said grantee shall clear its rights of way within the Yosemite National Park and the Stanislaus National Forest and over any public land of any débris or inflammable material as directed by the Secretary of the Interior and the Secretary of Agriculture, respectively; and said grantee shall permit any road or trail which it may construct over the public lands, the Yosemite National Park, or the Stanislaus National Forest to be freely used by the officers of the Government and by the public, and shall permit officers of the Government, for official business only, the free use of any telephone or telegraph lines, or equipment, or railroads that it may construct and maintain within the Yosemite National Park and the Stanislaus National Forest, or on the public lands, together with the right to connect with any such telephone or telegraph lines private telephone wires for the exclusive use of said Government officers: And provided further, That all reservoirs, dams, conduits, power plants, water-power and electric works, bridges, fences, and other structures not of a temporary character shall be sightly and of suitable exterior design and finish so as to harmonize with the surrounding landscape and its use as a park; and for this purpose all plans and designs shall be submitted for approval to the Secretary of the Interior.

Mr. MANN. Mr. Chairman, on page 7, line 23, after the word

Mr. MANN. Mr. Chairman, on page 7, line 23, after the word "park," I move to strike out the comma and the words "and such."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 7, line 23, amend by striking out the comma after "park" and the words "and such."

Mr. MANN. They are clearly in there by inadvertence. In that connection, Mr. Chairman, may I ask the gentleman this question? On the top of page 7 is the language, "except such as may be actually necessary in order to construct, repair, and operate its said reservoirs," and so forth, and "or is actually necessary in the construction, repair, and operation thereof." Is there any distinction between what "may be actually necessary in order to construct, repair, and operate" and "what is actually necessary in the construction, repair, or operation thereof"?

Mr. FERRIS. I think the gentleman is right about it. Has he his amendment prepared?

Mr. MANN. Let us have a vote on the first amendment.

Mr. RAKER. Yes.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. Mann].

The amendment was agreed to.

Mr. MANN. On page 7, in lines 4 and 5, I move to strike out the words "or is actually necessary in the construction, repair, and operation thereof."

The CHAIRMAN. The Clerk will report the amendment

offered by the gentleman from Illinois. The Clerk read as follows:

' Amend, page 7, lines 4 and 5, by striking out the words "or is actually necessary in the construction, repair, and operation thereof."

The amendment was agreed to.

Mr. MANN. I move to strike out the last word. On page 8 there are several provisions intended to give to employees of the Government the right of free use for official business of the telephone and telegraph lines, and so forth. The word as used in three places is "officers" of the Government. I think the word "officers" ought to be changed to "officials," or else after the word "officers" the words "and employees" should be inserted. The word "officers" has always been held to apply to certain classes.

Mr. FERRIS. In those three places there will be no objection to the substitution of the word "officials," in lines 14, 15, and 22

Mr. MANN. Then, I move to strike out, in lines 14, 15, and 22, the word "officers" and insert in lieu thereof the word "officials" in each case.

• The CHAIRMAN. The Clerk will report the amendment. The Clerk read as follows:

Amend, on page 8, in lines 14, 15, and 22, by striking out the word "officers" and inserting in lieu thereof the word "officials."

The amendment was agreed to.

The Clerk read as follows:

Sec. 5. That all lands over which the rights of way mentioned in this act shall pass shall be disposed of only subject to such easements: Provided, however, That the construction of the aforesaid works shall be diligently prosecuted without cessation of such construction for a period of three consecutive years, and in the event that the Secretary of the Interior shall find and determine that there has not been diligent prosecution of the work or of some integral and essential part thereof, or that there has been a cessation of such construction for a period of three consecutive years, then he may declare forfeited all rights of the grantee herein as to that part of the works not constructed, and request the Attorney General, on behalf of the United

States, to commence suit in the United States District Court for the Northern District of California for the purpose of procuring a judgment declaring all such rights forfeited to the United States, and upon such request it shall be the duty of the said Attorney General to commence and prosecute to a final judgment such suit: Provided further, That the Secretary of the Interior shall make no such finding and take no such action if he shall find that the construction or progress of the works has been delayed or prevented by the act of God or the public enemy, or by engineering or other difficulties that could not have been reasonably foreseen and overcome, or by other special or peculiar difficulties beyond the control of the said grantee: Provided further, That, in the exercise of the rights granted by this act the grantee shall at all times comply with the regulations herein authorized, and in the event of any material departure therefrom the Secretary of the Interior or the Secretary of Agriculture, respectively, may take such action as may be necessary in the courts or otherwise to enforce such regulations.

Mr. GRAY. Mr. Chairman, my attention has been called to this bill by the gentleman from Minnesota [Mr. STEENERSON].

As I understand the bill, it provides for the furnishing of water, and also for power for commercial use. There are two questions here of serious, vital concern. One is the conservation of natural scenery, the conservation of natural beauty, the conservation of natural grandeur—the face of nature as God carved it in that far-away day of creation, and compared to which the works of man are dull and diminutive.

They tell us here this morning that all this is sentiment. And what is not sentiment? To wear clothes to cover the naked body is sentiment. To live in houses instead of in caves is sentiment. To cook and prepare food instead of eating raw and bloody meat is sentiment. The desire to live is only sentiment, for every cradle calls for a grave, for as surely as we are born we shall die. No matter whether we live long or for only a brief time, all earthly things shall alike come to naught. The desire to live for the fleeting time of life is sentiment. All is sentiment.

The other question involved here is the conservation of human welfare, the conservation of human health, the conservation of human life, the only substantial physical good, the greatest of all wealth to man, the most benign of all blessings that the human mind can conceive or the human body can enjoy.

Mr. Chairman, much as I admire the beauties of nature and deplore the desecration of God's creation, yet when these two considerations come in conflict the conservation of nature should yield to the conservation of human welfare, health, and life.

[Applause.]

Mr. Chairman, if these works which are proposed to be constructed here are for the conservation of human life and health, there is no desecration of this great valley, but it will only be a work of transformation of natural beauty in one form into the natural beauty of the human body in health and life in the very image of the Creator. But if these works here are to be constructed to serve the baseness of commercialism, it is the vilest of all vandalism. My suggestion here to you is to strike out of this bill all the commercial profit which is sought here to secure under the plea of humanity. You can pass this bill upon the high plane of humanity and reverence for the works of God.

the high plane of humanity and reverence for the works of God.

Mr. KENT. Mr. Chairman, I should like to suggest to the gentleman from Indiana [Mr. Gray] that this bill is strictly drawn in the public interest, that there is no possibility of selfish gain, and that no corporation or individual can obtain any benefit whatsoever from this bill. It is for the benefit of the people of California.

Mr. GRAY. Mr. Chairman, the test of that proposition will come on striking out the commercial profit to the grantees and

reserving the same for the use of all the people.

Mr. MANN. Mr. Chairman, I move to amend, page 9, line 22, by inserting, after the word "to" where it first occurs, the words "cause to be," and to add the letter "d" after the word "commence" and the word "prosecute," so that it will read:

Duty of the Attorney General to cause to be commenced and prosecuted to a final judgment.

The Clerk read as follows:

Amend, page 9, in line 22, by inserting, after the first word "to," the words "cause to be commenced and prosecuted." So that when amended it shall read: "It shall be the duty of the said Attorney General to cause to be commenced and prosecuted to a final judgment."

Mr. SUMNERS. Mr. Chairman, I move to strike out the last word in order to ask a question of the chairman of the committee. In this section you provide that the work shall be commenced and prosecuted for three years, and after that you seem to provide that there may be a cessation of the work for three years. May I inquire the purpose of that provision?

Mr. FERRIS. I hardly think the committee had in mind

Mr. FERRIS. I hardly think the committee had in mind the fact that the language would import what the gentleman states. Our idea was that if they had gone ahead diligently for three years it would be safe to leave it in the hands of the department, they having an interest to progress further. We thought it could be safely left in that way; after they have

spent the time and money we thought they would have sufficient

interest to proceed.

Mr. SUMNERS. The penalty for failure to proceed seems to be the right of the Government to compel a reversion to it of that part of the property occupied by construction. That would leave it in the situation that neither the Government nor the city could proceed if they intended the whole plant for any purpose.

Mr. FERRIS. The city is going to construct a great plant there and they will have to have a lot of material; they are going to expend \$77,000,000. They necessarily would have temperarily, during the construction period, to use an excess of The committee wanted to be sure that as soon as the construction was over the land not needed would go back to

the park and back to the Government.

Mr. SUMNERS. The gentleman did not quite understand my question. The section provides upon failure of the city to comply with the obligations a suit may be instituted, and as a result of that judgment would extend to a reversion to the Federal Government of that part of this property which has been occupied by some construction on the part of the city.

I am not sure that I get the gentleman's point. Mr. FERRIS.

Mr. SUMNERS. I will read the provision:

Mr. SUMNERS. I will read the provision:

Provided, however, That the construction of the aforesaid works
shall be diligently prosecuted without cessation of such construction
for a period of three consecutive years, and in the event that the
Secretary of the Interior shall find and determine that there has not
been diligent prosecution of the work or of some integral and essential
part thereof, or that there has been a cessation of such construction
for a period of three consecutive years, then he may declare forfeited
all rights of the grantee herein as to that part of the works not constructed, and request the Attorney General, on behalf of the United
States, to commence suit in the United States District Court for the
Northern District of California for the purpose of procuring a judgment declaring all such rights forfeited to the United States, and
upon such request it shall be the duty of the said Attorney General
to commence and prosecute to a final judgment such suit.

Now, the question that occurs to me and what I want to ask is, if that suit should be instituted-and you contemplate the possibility of the institution or you would not put it in-at the end of the suit you would have one end of this property belonging to the city and the other end of it belonging to the Government by reason of the forfeiture resulting from the suit. Does not the gentleman think that would be rather a complicated situation?

Mr. FERRIS. I hardly think it would result in that. In the event that the city failed I think it would be up to the Attorney General not only to bring suit for that part that was

under construction, but for the whole thing.

Mr. SUMNERS. Then why do you put in this provision? Because later on you have a provision which says that upon a failure to comply with the obligations imposed in the bill the grant herein shall be annulled.

Mr. FERRIS. That was during the construction period. gentleman understands that in the construction of such a gigantic work they must have some latitude, and we gave the Secretary of the Interior latitude so that if he desired at any time to proceed on the ground that they were not going on with the work it should be the duty of the Attorney General's office to proceed with the cancellation.

Mr. SUMNERS. In section 9, as contemplated by the failure on the part of the municipality to comply with the conditions in this act, it shall result in forfeiture to the Government. In section 5 you make only a qualified and partial forfeiture. This seems to be in conflict with section 9 and leaves the situation confused in the event of the Government having a necessity

to proceed for forfeiture.

Mr. FERRIS. We intended to avoid confusion. Does the gentleman have any suggestion which he thinks would clear it up? As I read it, it seems to provide for what the committee had in mind. Now, will the gentleman wait until we get to

Mr. MONDELL. Mr. Chairman, I move to strike out the last

two words.

Mr. MANN. I have an amendment pending.

Mr. MONDELL. Well, I will speak to the amendment. have no doubt but what the amendment is a proper one. section can be amended to a very much greater extent and still be in very much better form. I simply rose to call attention to the illustration that this section gives of the diffuse and proix character of the legislation. In one single section of the bill are two entirely separate and distinct provisions in regard to the enforcement of its conditions, separate and apart from each other, and there are half a dozen others in other parts of the bill. It will require a Philadelphia lawyer and a man learned in legal procedure as a Government official to know which one of these various provisions he shall adopt or follow in attempting to enforce the various provisions of the

statute. This could have been all provided for in one very brief section, in which provision could have been made for the enforcement of the conditions of the act. The legislation would then have been clear, readily understandable, and there would not have been any confusion in regard to the enforcement of its

Mr. ROGERS. Mr. Chairman, if I may have the attention of the committee for a moment, I wish to call attention to the first words of the proviso, which begins in line 7, page 9, and especially to the clause "for a period of three consecutive years." seems to me that that clause may grammatically limit either the word "prosecuted," in line 8, or the word "cessation," in line 9. I assume the meaning is that it shall limit the word "cessation," but it might as it now stands with equal propriety be under-stood as limiting the word "prosecuted." That ambiguity, it seems to me, might result in very considerable inconvenience, because it might mean that the grantee under this bill would be obliged to continue the work without cessation of any period of time whatever. A mere change in the order would perhaps accomplish the desired result.

Mr. MANN. Will the gentleman yield?

Mr. ROGERS. Yes.

Mr. MANN. The latter provision, "or that there has been a cessation of such construction for a period of three consecutive years this forfeiture may occur," is not that itself a construction of the former language so that it means without cessation for a period of three consecutive years in the former part?

Mr. ROGERS. I looked in the back part of the book. so to speak, in order to be helped to an answer here; but it seems to me it would be desirable to have a change in the phraseology

so as to achieve clarity at the outset.

Mr. MANN. I certainly am not criticizing any proposed change, because personally I doubt whether anybody can read

this section and tell what it means,

Mr. ROGERS. My idea would be that this clause in lines 9 and 10, "without cessation of such construction for a period of three consecutive years" should be placed after the word 'shall," in line 8; that would be grammatically clear, and would be entirely devoid of ambiguity.

Mr. FERRIS. I will say to the gentleman the committee has no pride of words. The gentleman knows how this thing works out; it is a question of give and take, and we accept suggestions offered in order to arrive at a just conclusion. any member of the committee has a suggestion that will help I am sure the committee will accept it.

Mr. ROGERS. What does the gentleman say as to the sug-

gestion I have just made?

Mr. FERRIS. I am not sure that will be necessary, but if the gentleman will offer it it possibly may help some.

The CHAIRMAN. The question first is on the amendment offered by the gentleman from Illinois [Mr. Mann].

The question was taken, and the amendment was agreed to. Mr. ROGERS. My suggestion would be to change the order of the clause in lines 9 and 10, "without cessation of such construction for a period of three consecutive years," so that that may follow the word "shall," in line 8.

Mr. FERRIS. Mr. Chairman, that will undoubtedly help the grammatical construction; I do not know whether that will

relieve the gentleman from Texas or not.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amend, page 9, by inserting after the word "shall" in lines 8 and 9 and the first two words in line 10, so that it will read: "Shall without cessation of such construction for a period of three consecutive years."

Mr. MANN. Mr. Chairman, as the gentleman from Massachusetts [Mr. Rogers] said, there are two possible construc-tions of the provision. One is that the work shall be diligently prosecuted for a period of three consecutive years, and the other is that the work shall be diligently prosecuted until it is completed, without a cessation at any time of three consecutive

Now, the gentleman from Massachusetts [Mr. Rogers] offers an amendment taking the first construction, which would only require a diligent prosecution for the first three consecutive years, when this work will require to be constructed many more years than that. The language of the section provides that when there has been a cessation—that is, lines 13 and 14, on the same page-for a period of three and one-half years, there may be a forfeiture, and clearly indicates that the purpose of the bill above is to require diligent prosecution of the work for the entire time during which it is constructed, but allowing a cessation for three consecutive years. And I am sure no one can tell what the section means if the gentleman's amendment prevails. It is involved now. There is no question about that.

Mr. CRAMTON. Mr. Chairman, could I suggest that I think the meaning could be made clear if the language were like this: Shall be prosecuted diligently and without cessation of such construction for a period of three consecutive years.

It seems to me that would answer the purpose.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts [Mr. Rogers].

The question was taken, and the amendment was rejected. Mr. CRAMTON. Mr. Chairman, I offer to amend so that it will read:

Shall be presecuted diligently and without cessation.

The CHAIRMAN. The Clerk will report the amendment. The Clerk read as follows:

Amend, page 9, line 8, by inserting, after the word "diligently," the words "without cessation of such construction for a period of three consecutive years."

Mr. CRAMTON. Mr. Chairman, that does not quite get it. You will have to change the order and put the word "prosecuted" before "diligently."

The Clerk read as follows:

Shall be prosecuted diligently and-

Mr. McKENZIE and Mr. DAVIS rose.

The gentleman from Minnesota [Mr. The CHAIRMAN.

Davis] is recognized.

Mr. DAVIS. Mr. Chairman, I do not care to criticize the phraseology of the bill, and I am almost willing to say in the beginning that probably my comprehension is dull as to certain provisions. There appears in line 14, after the words "consecutive years," the following language:

Then he may declare forfeited all rights of the grantee herein as to that part of the work not constructed.

That seems to be limited to the forfeiture of that part of the work not constructed. There is nothing said about forfeiting any other rights. Then it provides:

And request the Attorney General, on behalf of the United States, to commence suit in the United States District Court for the Northern District of California for the purpose of procuring a judgment declaring "all such rights forfeited to the United States."

What is the meaning of "all such rights forfeited"? Does it mean all the rights that the grantee has under the provisions of this bill, or only such parts of this grant as they have neglected to construct?

Mr. FERRIS. I do not know that my construction is right about it. I am apt to be mistaken about it, but the idea was to keep San Francisco constantly constructing the work, otherwise to cause the suit to be brought to cancel. The committee recognized the necessity of throwing every safeguard they could around the Government. I do not know that I heard the amendment aright, but it appears to say and appears to mean that the Government would not bring a suit until the three years' cessation had occurred. I think that would be the construction of it.

Mr. DAVIS. That, I think, is plain. But in one provision here you make it plain that the Secretary of the Interior shall declare the rights of the grantee as far as that part of the work not constructed is concerned forfeited. Then you provide that the Attorney General shall commence an action to put into judgment a forfeiture of "all such rights." It is not clear what is meant by "all such rights."

Mr. FERRIS. I am inclined to think that language in line

16 undoubtedly ought to be stricken out. If the Attorney General is going to cause any of it to revert, he ought to cause all

of it to revert.

Mr. DAVIS. I wanted to ascertain what the understanding of the committee was, whether everything was to be declared forfeited, or only that part of it which the Secretary of the Interior had declared forfeited and which the grantee had failed to construct.

Mr. MANN. If the gentleman will permit, suppose the city of San Francisco goes ahead and constructs a part of this work and finishes the construction of it, and finds it is impossible to construct other parts under the provisions of this law unless it comes to Congress and has the law changed. There is no desire, I suppose, on the part of the General Government to take away from San Francisco the work that it has constructed. It is like building a railroad anywhere under any grant that we have made. They file plans for a right of way and they forfeit their rights unless they construct the railroad, but they do not forfeit their right to that part of the railroad that is constructed. They forfeit only their rights on the part where it is not constructed. No one could ever build a railroad otherwise. Probably the city of San Francisco would never be able to

small amount, and then you will have to forfeit the entire construction, involving all the expense you have been put to.

Mr. DAVIS. I agree with the gentleman from Illinois [Mr. MANN] that that would be the only equitable proposition to submit to any Congress or to any people. But I was criticizing or questioning, you might say, the language of the bill. The language of the bill says that the Secretary of the Interior may forfeit only such portions as they have not constructed. Then you ask the Attorney General, in substance, to put into judgment a forfeiture of "all such rights" without any limitation as to the extent of "such rights." This might include all rights given under this act.

Mr. MANN. . No; that which the Secretary has declared for-

feited.

Mr. DAVIS. What benefit would that be to the city of San Francisco to have part of it forfeited and be left in that position? That is what I want to know.

Mr. MANN. That would not benefit the city of San Francisco. That would protect the Government without helping the

city of San Francisco.

Mr. DAVIS. What benefit would San Francisco obtain if she finished part of the work and had another part forfeited? The entire act, so far as San Francisco is concerned, would be utterly useless.

Mr. MANN. Very true; it would be entirely useless. But in coming again to Congress the city of San Francisco would be compelled to come here and say they owned certain work which

they had constructed, whereas if that work were all forfeited the city would own nothing.

Mr. DAVIS. My only point is this language, "A judgment declaring all such rights forfeited." What is the meaning of "such rights" when read with respect to the foregoing language?

Mr. MANN. I think it would mean the rights where the

work was not constructed.

Mr. DAVIS. If that is the construction of the committee I would not war with it; but I wanted to know whether that was the intention of the committee, or whether they wanted the whole grant forfeited.

Mr. RAKER. That is the construction of the committee, and

think it is very clear.

Mr. DAVIS. Then it is limited simply to what the Secretary of the Interior forfeits?

Mr. RAKER. To that which has not been completed. Mr. DAVIS. That is the intention of the committee, is it?

Mr. RAKER. Yes. Mr. DAVIS. You think the forfeiture would be limited to that only, or would it take in the whole thing?

Mr. RAKER. Only those works that are not complete.
Mr. DAVIS. I wanted to have it understood.
Mr. RAKER. That is the purpose. If they had completed most of it and saw with respect to one branch of it that they did not need to finish it right away-

Mr. DAVIS. It might be a branch that they needed absolutely, and still it would be forfeited, and then the whole thing

would be useless to the city of San Francisco.

Mr. RAKER. If they ceased work for three years on the whole plan, then that part of it that was not completed would be forfeited. Otherwise they could continue this indefinitely. They should start in under this bill and keep busy right along all the time. That is the law of the State of California in regard to water rights.

Mr. DAVIS. I think the city of San Francisco is entitled to this legislation, and I am in favor of the bill. But I think they are entitled also to know what their rights are. But if the ipse dixit of the Secretary of the Interior will forfeit one part of it and the Attorney General, starting under this provision, might forfeit the whole thing, then this ought not to be left so ambiguous. I want it made plain that the court would not forfeit all where the Congress intended that only a part should be forfeited.

Mr. RAKER. I do not think there is any question about it. Mr. McKENZIE. Mr. Chairman, I would like to ask the chairman of the committee, or some one else familiar with this question, whether or not the words "fully completed," following the word "cessation," in line 9, then striking out all the remainder of the section, would not be sufficient?

Mr. Chairman, I wish to suggest to the chairman of the committee [Mr. Ferris] that if all of the section after the word "cessation," in line 9, were stricken out and the words "until fully completed" inserted it would be better and fully cover the ground.

Mr. FERRIS. This bill has had a great deal of attention, finance this proposition if at the outset Congress should say, both from the departments and from the committee, from the "You have all your work constructed with the exception of a representatives of San Francisco, and of the irrigation people by their attorneys, and I would be a little fearful that by striking out these words we might sacrifice something that would be more important than the ambiguity referred to. The heads of the departments have all had their fingers on this, and I know that those words meant something to the committee. I do not mean to say that the Committee of the Whole must swallow this bill as it is or anything of that kind, because it is perfectly right and proper that every Member should have the privilege of picking it to pieces or improving it in any possible way; but I am rather of the opinion that we had better not strike that out, although at first glance I think myself that it would read better; but there will be many chances to look at this in the Senate and in conference, and unless the gentleman feels too deeply about it, I hope he will let it go.

Mr. McKENZIE. If this were a grant to a private individual or some private corporation, I could see the force of the language following in this section; but this is not a speculative proposition on the part of the city of San Francisco.

Mr. FERRIS. That is true.

Mr. McKENZIE. They want this water right, and they expect to construct this project, and I for one believe they will act in good faith and proceed to build it as speedily as possible. If they do not, then the Government of the United States has its remedy and its way of forfeiting this grant. Why tie it up with all the ambiguous language that follows in this section? Simply require them to proceed with diligence to construct it.

Mr. FERRIS. I understand full well the force of what the gentleman says. It is true this bill does limit them against selling to any corporation or anybody else. It is a grant to that municipality to help all those people. There is no selfishness about it; but at the same time the gentleman from Illinois [Mr. McKenzie] will realize that there are a great many good and patriotic people in the country who do not believe we ought to dam up this gorge at all, because it is on the property of the United States; and while I do not agree with them about it, and believe they are mistaken about it, and I believe if they had the same information that the committee had and that the department had, they would favor it, yet I believe we had better hesitate about removing these conditions, because in attempting to befriend the city of San Francisco we might hurt her.

Mr. McKENZIE. I have no purpose to embarrass the city of San Francisco. I would like to help her out. I am in favor of the proposition. I have no patience with the argument that some worthless chasm should be forever preserved, or that the top of some barren mountain should not be blown off because one man in a million might like to look at it some time, while hundreds of thousands of people in San Francisco and in the surrounding cities may be benefited by making use of God's plans in putting snow on the top of those mountains, by diverting the water therefrom to the city. [Applause.]

Mr. FERRIS. The remarks of the gentleman hit the spot

exactly.

Mr. COX. I want to call the attention of the gentleman from Oklahoma [Mr. Ferris] to the word "material" in line 8, page 10. It seems to me that if that word is left in there it may form the basis for a serious contention between the Government on one side and the city of San Francisco on the other, in the event of a suit being filed for the purpose of ousting this corporation. It strikes me when we are giving such an important grant as this—and it must be important, otherwise the city of San Francisco would not undertake to bond itself to the amount of \$70,000,000—some benefit is coming to somebody.

Now, again, I want to call your attention to that language, to see whether you think the word "material" ought to be left in,

or whether you think it ought to be taken out:

Provided further, That, in the exercise of the rights granted by this act, the grantee shall at all times comply with the regulations herein authorized, and in the event of any material departure therefrom the Secretary of the Interior or the Secretary of Agriculture, respectively, may take such action as may be necessary in the courts or otherwise to enforce such regulations.

Mr. FERRIS. I think the gentleman understands that the money is to be raised by the municipality of San Francisco by bond issues from time to time, and the city has to act through its officials. It is not like an individual. They can not always control their own purses as an individual would; and by giving the Secretary of Agriculture and the Secretary of the Interior full power to hold them up and not let them even scar a tree or turn over a rock until the maps and plats were approved, and then later on giving the Secretary of Agriculture and the Secretary of the Interior full power to promulgate regulations, with every possible safeguard, we thought those regulations would be rigorous enough.

If we said "any departure," the slightest little misstep, the slightest cessation, or the slightest little delay in the placing of years.'

a bond issue or something of that kind—although they have already voted \$45,000,000 of bonds—we thought we had better put that in so there would have to be a material departure. No one should desire to torture San Francisco because she craves at here

at her own expense an ample water supply.

Mr. COX. Ordinarily we are safe in relying on the presumption that every man does his duty, especially the heads of great departments. Ordinarily we are justified in arriving at that conclusion that they will do their duty; but in view of the fact that here is the Government of the United States ceding a grant practically free, because the United States will not reap the benefits even of this little \$30,000 a year, when we give them a charter, which this practically is, are we justified in allowing any latitude or discretion whatever on the part of the Secretary of the Interior or the Secretary of Agriculture to say whether or not they have materially departed therefrom? Or would we not better be justified in prescribing rules and regulations, and then saying to the city of San Francisco, "If you want to take it on these conditions, you may do so. And if you depart from the plans and specifications and profiles you have filed there shall be a forfeiture." I do not like the word "material."

Mr. FERRIS. I believe the gentleman will agree that the very next section specifically limits the possibility of its getting into the hands of a corporation or private parties. It is a grant for the city of San Francisco and the bay cities about her. They own two-thirds of the floor of the valley themselves, and they will build \$1,000.000 worth of roads and pay \$30,000 annually. This contract is an onerous one, and anyone who studies carefully the facts must wonder how San Francisco can bear the load.

Mr. COX. Yes; but that is going back to that section of the

country.

Mr. FERRIS. Yes; but it is our property that we are improving; it belongs to the Federal Government. I hope the gentleman will not insist.

Mr. COX. I do not want to be captious or put myself in the attitude of being captious, but who is coming here to say whether there has been a material diversion one way or the other from the plans and specifications? Suppose somebody says they have diverted from the plans and specifications as originally agreed upon and as originally filed. Somebody makes the charge. How are you going to get the Secretary of Agriculture or the Secretary of the Interior to move in that particular? Suppose they say that they have not diverged or diverted? Mr. FERRIS. The section we have just passed over or is

Mr. FERRIS. The section we have just passed over or is pending specifically provides that they must proceed to bring suit to final judgment. Before they begin the work they must file the plans and specifications of what they expect to do, and they can not start in until both Secretaries approve. That is not all. The two Secretaries have the right to prescribe the rules and regulations and put up all safeguards to regulate it. There have been few bills with such good indorsement; few bills so well safeguarded.

Mr. COX. That is the point. They have got to come up to certain rules and regulations, and suppose somebody says that they have wavered from the rules and regulations?

Mr. FERRIS. Then the Interior Department would be put in motion; but hardly any court would cancel such a grant to a municipality for any little diversion.

Mr. COX. I agree with you on that.

Mr. FERRIS. While I do not think it is extremely important, San Francisco is paying every cent of this expense, and the Government is just and could not but be benefited thereby.

Mr. COX. She evidently wants it, or she would not ask it. Now, I am not going to make a motion to strike it out; but, as I say, I do not like the word "material."

Mr. CRAMTON. Mr. Chairman, I should like to add to my amendment that the letter "a," in line 9, should be changed to the word "any."

The CHAIRMAN (Mr. CRISP). The Clerk will report the amendment.

The Clerk read as follows:

Amend, in line 8, by transposing the words "diligently prosecuted," and inserting in the beginning of line 9 the word "and," and striking out the word "a" in line 9 and inserting the word "any," so that it will read:

will read:
"That the construction of the aforesaid works shall be prosecuted diligently and without cessation of such construction for any period of three consecutive years."

Mr. MANN. I do not see how it helps any to strike out the word "a" and insert the word "any." It says "without cessation of such construction for a period of three consecutive years."

Mr. CRAMTON. My idea was that it should have reference

to any period of three consecutive years.

Mr. ROGERS. That might go with the verb.

Mr. CRAMTON. It might refer, as it stands now, to the first

three years. Mr. MANN. But one three years is enough. Cessation for one period of three years produces forfeiture. Once is enough. If you kill a man he is dead and it is not necessary to kill him again.

Mr. CRAMTON. But this does not say that the man is dead. Mr. MANN. This says that when construction ceases for a

period of three years there shall be a forfeiture.

Mr. CRAMTON. I want it so that it will apply not only to the first three years of the work, but to any three years. As it reads now, if you say "a" period of three years it might be the first three years, but none thereafter.

Mr. MANN. But you have changed it so as to cut that out. You say "without cessation of such construction for any period

of three consecutive years."

The CHAIRMAN. Does the gentleman from Illinois withdraw his amendment to the amendment offered or request for

a modification of the amendment?

Mr. ROGERS. I wish to ask the gentleman from Michigan if he will accept as a substitute this amendment: Strike out the words "without cessation of such construction for a period of three consecutive years" in lines 9 and 10 and substitute therefor the following: "no cessation of such construction to continue for a period of as long as three years." It seems to me that absolutely cuts out ambiguity and makes the language mean just what the committee presumably wants it to mean. I offer that, if it is in order, as an amendment or as a substitute to the amendment offered by the gentleman from Michigan.

Mr. McKENZIE. I withdraw my suggested amendment. The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Strike out the words "without cessation of such construction for a period of three consecutive years" in lines 9 and 10 and substitute in place thereof the following: "no such cessation of such construction to continue for a period of as long as three consecutive years."

Mr. CRAMTON. I will accept that as far as I am concerned. The CHAIRMAN. The question is on the substitute offered by the gentleman from Massachusetts for the amendment offered by the gentleman from Michigan.

The question was taken, and the amendment to the substi-

tute was agreed to.

The CHAIRMAN. The question now is on agreeing to the substitute.

The question was taken, and the substitute was agreed to. Mr. TAYLOR of Colorado. Mr. Chairman, a parliamentary

The CHAIRMAN. The gentleman will state it.

Mr. TAYLOR of Colorado. Was the amendment of the gentleman from Illinois to line 22 finally adopted?

The CHAIRMAN. It was adopted.
Mr. DAVIS. Mr. Chairman, I desire to offer an amendment to make more plain the point I tried to make a moment ago. In line 20, after the word "rights," insert the following: "to that part of the said work not constructed to be," so that the paragraph will read then, "procuring a judgment declaring all such rights to that part of the said work not constructed to be forfeited to the United States," and so forth.

Mr. RAKER. We think the word "such" means that; but

as this is intended to clarify it, we have no objection.

Mr. DAVIS. That is all I want, to make it absolutely cer-

The CHAIRMAN. The Clerk will report the amendment. The Clerk read as follows:

Amend, line 20, page 9, by inserting after the word "rights" the following: "to that part of the said work not constructed to be."

The question was taken, and the amendment was agreed to. The Clerk read as follows:

The Clerk read as 1010ws:

SEC. 6. That the grantee is prohibited from ever selling or letting to any corporation or individual, except a municipality or a municipal water district or irrigation district, the right for such corporation or individual to sell or sublet the water or the electric energy sold or given to it or him by the said grantee: Provided, That the rights hereby granted shall not be subject to sale, assignment, or transfer to any private person, corporation, or association.

Mr. TAYLOR of Arkansas. Mr. Chairman, on page 10, line 17, I think the bill should be amended so as to make the proviso read as follows:

Provided, That the rights hereby granted shall not be sold, alienated, assigned, or transferred to any private person, corporation, or association, and in case of any attempt to so sell, assign, transfer, or convey this grant it shall revert to the Government of the United States.

The CHAIRMAN. Does the gentleman from Arkansas offer that as an amendment?

Mr. TAYLOR of Arkansas. I do, and I want to say this: I am a member of the committee and I favor this bill in every respect, but I do not think that this grant should be given without that proviso in it. I think that it is safe to the Government and safe to the rights of the people of San Francisco and San Francisco County and to those people who are entitled to this water for irrigation purposes.

Mr. MURRAY of Oklahoma. Mr. Chairman, if the gentleman will yield, I desire to say I have run through this bill and I find no condition of forfeiture, and it occurred to me, on page 25, line 24, it says "that this act is a grant upon certain express conditions specifically set forth herein." Now, it occurred to me, right after the word "herein," in line 25, ought to be inserted the condition of forfeiture for failure to perform any part of the conditions of the grant. In other words, as a lawyer, if you write a contract for a client and you put conditions to it, you certainly as a lawyer write conditions of forfeiture, and it occurs to me what you have there ought to be here so as to cover every part of it.

Mr. TAYLOR of Arkansas. The gentleman may be correct in that, but, Mr. Chairman, I think that provision should be in-

serted in this bill.

Will the gentleman from Arkansas send The CHAIRMAN. his amendment to the Clerk's desk?

Mr. MURRAY of Oklahoma. I would not object to the gentleman placing it in every place where it is necessary to make it clear

Mr. TAYLOR of Colorado. Mr. Chairman, I want to suggest to the gentleman from Oklahoma this ought to go in here because this is a forfeiture section, but I am very insistent that the language of section 11 remain as it is. It is the identical language of section 8 of the reclamation act regarding the protection of State rights, and I would not like to have that phraseology encumbered by any forfeiture act.

And I would just as soon you would put this in as a separate

section there, but not inject it into section 11.

Mr. MURRAY of Oklahoma. Well, do you object to— Mr. TAYLOR of Colorado. I do not object to this going in at any other place, except that I do not want that language modified.

Mr. MURRAY of Oklahoma. Then turn back to section 9. Mr. RAKER. You might put it at the end of section 10 on the same page.

Mr. MURRAY of Oklahoma. In section 9, on page 11, there

is another one, as follows:

This grant is made to the said grantee subject to the observance on the part of the grantee of all the conditions hereinbefore and hereinafter enumerated.

Mr. FERRIS. That would be a better place for it.

Mr. TAYLOR of Arkansas. Now, Mr. Chairman, I desire to state to the committee again that I am in favor of this bill. I think it ought to pass. But the amendment printed in the committee bill was originally written, as I understand, at my suggestion, but not broad enough. I think in order to absolutely safeguard this bill so that nothing improper of a grafting nature shall ever happen hereafter, my amendment should go into it.

The CHAIRMAN. The Clerk will report the amendment. The Clerk read as follows:

Page 10, line 18, after the word "be," strike out the remainder of the line and insert "sold, assigned, or transferred."

And at the end of line 19 insert the following:

And in case of any attempt to so sell, assign, transfer, or convey, this grant shall revert to the Government of the United States.

Mr. HELM. Mr. Chairman, I am in hearty accord with the position of the gentleman from Arkansas [Mr. Taylos], but I do not believe his amendment touches the spot or cures the defect that needs curing. If I grasp the meaning of this section of the bill, it is that this parent concern or franchise that is to be created or granted is prohibited from ever selling or subletting to any corporation or individual, except a municipality or a municipal water district or irrigation district, any of the rights, benefits, or powers granted the grantee. Now, the parent concern can sell to a municipality without limit, no matter how small that municipality may be. It may be a mere village, a spot on the map, so to speak. It may be a dummy that is created to come within the very scope of this exception. It could contract for a volume of power of any description. either of water or electric energy, far beyond its capacity to absorb. Being permitted under the terms of the bill to contract as a municipality with the parent concern, there is no limitation upon the volume of energy or power that it can contract for.

and having secured a valid contract as a municipality or as a municipal water district, or as an irrigation district, it can then sublet or peddle out that power that it has acquired under this contract from the parent concern; and it seems to me that the proper way to reach what the gentleman from Arkansas [Mr. TAYLOR] intends to reach by his amendment is to provide that the rights that may be granted to any municipality or any water district or irrigation district, solely for their respective use, shall not be subject to sale or assignment or transfer to any private person, corporation, or association, subject to the forfeitures provided for in this bill.

Mr. Chairman, this is a bill that carries with it enormous possibilities. There is no one who would not be fortunate by being in on this bill, and this Congress had better look well to it, if it wants to escape adverse criticism, that this power that it is proposed to grant by this bill to the city of San Francisco and to the county of San Francisco is properly safeguarded.

From what I have heard talked on the floor, you are going to create one of the biggest water-power propositions that was ever created in the United States. If my information is correct, this concern is one hundred and forty and some odd miles from the

city of San Francisco, up in the mountains. Is that correct?

Mr. RAKER. That is right.

Mr. HELM. You are going to create a river. It takes wellnigh a big-sized river to supply the city of San Francisco with water, outside of these irrigation projects and these other mu-nicipal water districts. You have a river 140 miles long, with an elevation of how much?

Mr. RAKER. Of about 4,000 feet.
Mr. HELM. You can put water-power plants along this river every few hundred yards.

Mr. KENT. Will the gentleman yield? Mr. HELM. Not just now. This water can be used over and over again and time and time again as a water-power proposition.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. Chairman. I ask unanimous consent to pro-Mr. HELM.

ceed for five minutes longer.

The CHAIRMAN. The gentleman from Kentucky [Mr. Helm] asks unanimous consent to proceed for five minutes. Is there

Mr. MANN. Reserving the right to object, Mr. Chairman, I would like to ask the gentleman from Oklahoma [Mr. Ferris] if we can not close debate on this section?

Mr. FERRIS. I would like to have five minutes.
Mr. BRYAN. I also would like to have five minutes. It is on this particular section.

Mr. HELM. Mr. Chairman, it strikes me that it is very strange that when we reach this particular subject gentlemen undertake to close debate in 5 or 10 minutes.

Mr. MANN. Yes; and it strikes me as very strange that the gentleman would make a remark of that kind when he is asking

unanimous consent to address the House.

Mr. HELM. I think the membership of this House and of this committee should have time in which to consider this proposition.

Mr. MANN. I was in favor of discussing it, so far as I am Discussion may kill it. However, I shall not object

to the gentleman talking.

The CHAIRMAN. Without objection, the gentleman from Kentucky [Mr. Helm] is recognized for five minutes.

There was no objection.

Mr. HELM. Mr. Chairman, there are two matters to be guarded in this section now under consideration and in the next section that follows. The first thing to do now is to fix this provision so that this parent concern can not, either by implication or by express terms, acquire a right to peddle out the proceeds that will arise from the utilization of this water power and the construction of this plant.

While I am no expert on this subject and never had any connection in the remotest degree with a proposition of this kind, I can see the greatest possible results arising from the methods here made possible of manipulating this enterprise so that a great deal of this money will get into pockets that you are not now thinking about. It is of prime importance to frame the language of this section of the bill so that these enormous powers and these enormous incomes that are going to result from the operation of this plant may go to the grantee.

And let me say, just in passing, that this paltry sum after 15 years of \$30,000 as a rental charge, if you please, is for what? For the grant of a right of way? No; for these water plants

derived from this proposition is going to be commensurate, when it is under full headway and under full operation, with the income of the Panama Canal.

Mr. TAYLOR of Arkansas. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman yield?

Mr. HELM. Yes.

Mr. TAYLOR of Arkansas. The amendment that I suggested would prevent the very thing that the gentleman is speaking about.

Mr. HELM. I am in thorough sympathy with the gentleman from Arkansas, but the only criticism I have to make of his amendment is that it does not cure the defect.

Mr. THOMSON of Illinois. Mr. Chairman, will the gentle-

man yield?

Mr. HELM. Certainly.

Mr. THOMSON of Illinois. Is it not correct that this section, as it reads now, provides substantially that the grantee under this act can not sell to any individual or corporation other than a municipality the right to take any of this water and this power and resell it to somebody else? That is provided here now

Mr. HELM. I am not at all familiar with the location of this proposition out there. I assume that the gentleman is from California

Mr. THOMSON of Illinois. No; I am from Chicago. Mr. TAYLOR of Colorado. He is a member of the committee. Mr. THOMSON of Illinois. Let me suggest that if this language is read carefully I think it will be seen that it covers the gentleman's contention. These municipalities are prohibited from ever selling or letting to any corporation or individual except a municipality the right to take any of this water and this

power and resell it.

Mr. HELM. Let me ask the gentleman a question. I have the floor, I believe. We will assume that this plant is in full operation, and that there are a number of little municipalities

along the line or no matter where they are.

Mr. THOMSON of Illinois. Yes.

Mr. HELM. San Francisco in the grantee, is it not? Mr. THOMSON of Illinois. Yes; and the other cities.

Mr. HELM. And the county in which San Francisco is lo-The city and county of San Francisco are the grantees. Now, they can sell without any limitation whatever as to volume or quantity, we will say, what electricity might be required by a little place along this right of way, a place of 25 inhabitants, provided it is incorporated, can they not?

Mr. THOMSON of Illinois. Yes.

Mr. HELM. And that little place can buy enough electricity to light the city of Chicago, could it not, and then turn around

Mr. THOMSON of Illinois. Only to consumers. The gentle-

man's proposition would prevent it.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. HELM. That little municipality could resell it to any

corporation or individual for any purpose.

Mr. FERRIS. I know my good friend from Kentucky does not want to leave any false impression. I always have the greatest respect for his judgment. I am sure, however, that if he had given the consideration to the facts in this case that has been given to them by the committee he would not labor under his present impression. Every drop of water in the Tuolumne River is appropriated by irrigation people in the San Joaquin Valley below this proposed dam site. The city of San Francisco does not take a drop of the natural flow of the Tuolumne, but, on the contrary, this bill forces the people of San Francisco to agree to deliver every drop of Tuolumne water back into the

Mr. HELM rose.

Mr. FERRIS. I hope the gentleman will not interrupt me until I finish this statement. The committee, of which I am a member, have given months of consideration to this, and the gentleman, I am sure, has not given that time to it. The city of San Francisco must deliver every drop of the water of the Tuolumne River back into the channel for the irrigation people What does San Francisco spend \$77,000,000 of her own money for, without one penny of expense to the Federal Gov-ernment? It is to collect the melting snow and flood waters that fall on the Sierra Nevada Mountains and to use this valley as a catch basin.

Mr. HELM. Mr. Chairman— Mr. FERRIS. I hope the gentleman will not interrupt me for and water powers that are going to be constructed along this right of way, which is going to be used for lighting purposes, for electric-railway propositions, and so on. The income to be It is easy enough for anyone who has not given this matter the study and consideration that the committee have given it to make insinuations and erect scarecrows and monuments of fear in the minds of people by saying that this has great power possibilities and that it is going to get into the hands of corporations and monopolies, and so forth.

I call attention to the fact that every department head who knows anything about this particular matter, or knows anything about water power or knows anything about irrigation, or anything about waterworks or national parks or national forests, has been before the committee and has been quizzed carefully, and every one of them has O. K.'d this proposition. Gifford Pinchot has been before the committee and he has been quizzed, and he says this bill has every safeguard to prevent monopoly and to help conservation, to conserve the water that now flows idly into the sea, lost to the irrigationists, lost to the people of San Francisco, lost to every living man. Would the gentleman from Kentucky erect scarecrows to defeat the opportunity of the people of San Francisco to construct for themselves a waterworks system and to use the snow that now melts and runs wasted into the sea?

Mr. HELM. Will the gentleman yield now? Mr. FERRIS. I want to answer the gentleman. What is in the mind of the gentleman?

Mr. HELM. The gentleman has completely misunderstood me if he thinks I want to prevent San Francisco from getting the use of this water power. I want the people of San Francisco to have all the water they can drink and use for every possible purpose, but I want this franchise or grant that you are now giving to them to be safeguarded so that it will not become in the hands of the people who operate it a tremendous money-making proposition—which will go to people whom you are not trying to benefit.

Mr. FERRIS. I know the gentleman is entirely patriotic in his motives, and I appreciate his suggestions; but the gentleman must recall that 22 men on the committee sat for six or seven weeks and carefully considered this bill, line by line, with Secretary Lane before them, who has been the city attorney of San Francisco.

We had Secretary Houston before us-the head of the Department of Agriculture. The committee had before them Mr. Graves, who knows all about the provisions for safeguarding the forests. They had before them Mr. Newell, who knows about safeguarding reclamation and irrigation. George Otis Smith before them, who knows about preserving the stone quarries and other natural deposits out there

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. FERRIS. I ask unanimous consent for five minutes

The CHAIRMAN. Is there objection?

There was no objection.

Mr. FERRIS. I am very much in earnest in my desire to accomplish a proper result in this matter, and so if I have appeared at all nettled, I hope the gentleman will excuse me. Our committee have given devoted attention to this matter. We have worked faithfully with wide-open doors, with an invitation to everybody to come in, and I hope the gentleman will not feel that there is any sinister motive in this.

Mr. HELM. Will the gentleman allow me?
Mr. FERRIS. I hope the gentleman will let me proceed for a moment longer. We are not granting a water system here. We are merely granting the right to build a dam between two The city of San Francisco owns the floor of this rugged hills. dam site. They have paid nearly three-quarters of a million dollars to get the title in fee simple. All they want to do is to spend \$77,000,000 of their own money to build a dam between two mountains. How preposterous it is, every time that anybody wants to construct an improvement in relation to water or water power or the use of water, that some one should discover in it some sinister purpose.

There is no sinister motive on the part of any one. Poor San Francisco is willing to do her part and submit to any reasonable amendment, but she should not be made a football of. I am heartily in favor of any amendment which the gentleman from Kentucky and the gentleman from Arkansas may offer that will improve the bill. I think I shall support the gentleman's amendment, but I want to call attention to the fact that you must no exclude the right to sell water to the irrigationists, otherwise we could not return to them the water they are entitled to under the law. You must not exclude the right to sell water to the cities around the coast, for they need water the same as San Francisco does.

Mr. HELM. While you say you must grant them the power, is there anything in this bill that prohibits them from dealing with a third party?

Mr. FERRIS. Oh, yes; they shall not assign, sublet, or dispose of. I think the amendment of the gentleman from Arkansas probably improves it, and if the gentleman can improve upon it I hope he will.

Mr. HELM. The gentleman understands the point I am trying to make is that these small municipalities lying on the right of way or elsewhere have the right to contract and may contract for a volume of power in excess of the necessities of the particular municipality. They may become sort of middle-men or factors in the peddling or dealing out excess power. Mr. FERRIS. Both this bill and the State law would prevent

They have in California a utilities commission which will

safeguard extortion or a misuse of water.

Mr. GRAY. Mr. Chairman, I move to strike out the last word for the purpose of returning to the amendment adopted on page 9, line 8. I do not know that I correctly understand the gentleman's amendment. It seems to me that it is not a good amendment, although it was adopted. I have no serious apprehension that there will be any cessation in this work or any liability to forfeiture, but there might be. From the earnest support given here, and from the long and persistent efforts covering a great period of time, during which the supporters of the bill have never tired-from one Congress repeatedly to another-it would appear there is no such danger. But the amendment provides that if the work shall fail to be diligently prosecuted for a period of three consecutive years, the cause for forfeiture would accrue to the United Under the amendment it seems to me that it might be that this property might be held only for the purpose of preventing other interests from coming in, and operation on the works might be stopped for 34 months and then proceed with the work for a month or a year to destroy the consecutive period, and then cease operations for another 34 months, and so continue until they had spread the work out over half a I do not know whether this provision is important or century. not, but if it is important, if it is worth while to safeguard the Government against a cessation of the work, then this word "consecutive" totally destroys such safeguard originally provided for in the bill. And yet the committee acquiesced in the amendment and was followed. If I understand the effect of the amendment, and if it is material that this work should be prosecuted diligently without cessation, then in that event the word "consecutive" should be stricken out, as this work could not only be made to cover a period of half a century but could spread out over a whole century to keep the others from this valley and to keep the Government itself from entering and making any improvements or prosecuting any undertaking there which might be necessary for the public good.

THOMSON of Illinois. Mr. Chairman, I did not quite get the point of the gentleman from Kentucky [Mr. Helm] feel that he has raised a point that is a good one, and I think it would be met by striking out the word "grantee" in the first line and inserting in lieu thereof the word "assign."

Mr. HELM. Would not that create an endless chain? assign to me and I assign to another and he assigns to another. The word "assign" provides that the person to whom it was assigned might reassign, and you would get an endless chain. What you want and what the purpose of the bill is is to let these municipalities contract with this parent concern for a sufficient power for its local consumption and no more. We do not want to create a sort of a dummy to make a contract with this system for the purpose of acquiring the rights, and after they are acquired then go on the market and peddle these rights out.

Mr. THOMSON of Illinois. I think if the grantee and assigns

were prohibited under this section from doing this thing, that that would preclude its being accomplished by any subsequent assignee. An assignee of the grantee could not sell a right that he did not have.

Mr. HELM. But the gentleman agrees with me that the lan-

guage of the section is vague and uncertain.

Mr. THOMSON of Illinois. I think it will be met by using the word "assigns." I would like to offer that amendment after

the pending amendment is disposed of.

Mr. BRYAN. Mr. Chairman, referring to the amendment pending, it seems to me that this amendment is not an amendment proposed by the committee; it has not been considered by the committee, but is proposed here on the floor of the House. I am thoroughly in accord with this bill to grant this right to

Mr. TAYLOR of Arkansas. Will the gentleman yield? am a member of the committee, and I offered the amendment.

Mr. BRYAN. I am aware of that.

Mr. TAYLOR of Arkansas. I suggested that amendment, and in writing it up it was not written exactly as I have it now.

Mr. BRYAN. I refer to the amendment of the gentleman from Arkansas which a little while ago he introduced on his own initiative as a Member of this House. As to the merits of that amendment, I am opposed to the last part, which provides a forfeiture of all of those rights in case of an attempt on the part, for instance, of the city council of the city of San Francisco to alienate those rights. I think it would be absurd for us to provide in this bill that if the city council of the city of San Francisco should pass an ordinance, some night when they desired to wreck the concern, selling the whole enterprise to some one else—and, perchance, even it be signed by the mayor—that then all of these rights belonging to the people of San Francisco would at once be forfeited; and I think if we make a provision of that kind in this bill it will unfavorably affect those securities that may be floated on the profits or on the revenues of the system; and I believe it would be injurious, and I certainly think that the gentleman who is a member of the committee should amend his amendment by eliminating this forfeiture of the bonds and let that come further on as involving the whole statute in a different way.

Will the gentleman yield? Mr. TAYLOR of Arkansas.

Mr. BRYAN. Certainly.

Mr. TAYLOR of Arkansas. When should it revert to the Government, after it had been sold or conveyed or when they

are attempting to do so?

Mr. BRYAN. The statute already provides that a sale is impossible. Then no such time will ever come as has been suggested by the gentleman from Arkansas. If we provide that a sale will be void, then we have accomplished everything; but if you provide that if the city council or any hostile force on the council should succeed in making an attempt to sell, it then be void, it provides the means for wrecking the whole thing and injecting into the statute a provision that makes the securities, it seems to me, uncertain and would make those who expect to put their money into the bonds very dubious.

Mr. RAKER. Mr. Chairman, so we may understand the amendment-I think there is some doubt in regard to it-I would like to ask the Clerk to read it for the benefit of the com-

The CHAIRMAN. Without objection, the Clerk will again report the amendment.

There was no objection. The Clerk read as follows:

Amend, page 10, line 18, after the word "the" strike out the remainder of the line and insert: "Provided, That the rights herein granted shall not be sold, assigned, or transferred, and in case of any attempt to so sell, assign, transfer, or convey this grant shall revert to the Government of the United States."

Mr. MANN. This is in lieu of the proviso in lines 17, 18, and 197

Mr. RAKER. Mr. Chairman, I am satisfied the gentleman from Arkansas does not intend to convey the idea that an attempt to sell forfeits the right. The point raised by the gentleman from Washington [Mr. Bryan] is clearly right. I understand an attempt to sell forfelts the right. Now, clearly, no one is going to invest any money in the bonds if at any time you can prove an attempt to sell thereby forfeits the right and de-

stroys the bonds. The gentleman clearly does not mean that.

Mr. TAYLOR of Arkansas. Mr. Chairman, I mean this, that it is too late after this franchise is sold, transferred, and alienated or conveyed to a private person or to a corpora-

tion

Mr. GRAY. Will the gentleman yield?

The CHAIRMAN. The gentleman from California has the

Mr. RAKER. In the first place, this proviso intends that there shall be no sale, no transfer, or assignment of this property. That is clear. A provision that any attempt to sell it proven in court would absolutely forfeit all the rights of the city and county of San Francisco, and in addition to that defeat the bonds that had been issued, and certainly this Congress would never put such a provision upon the act.

But beyond question-

Mr. GRAY. Will the gentleman yield?

Mr. RAKER. Not just at present. If you provided in the bill that they shall not sell, transfer, or assign, and then it is sold, transferred, or assigned, clearly it is then forfeited, if you so provide in the bill, and it is sold, and you have a right to do it.

Mr. TAYLOR of Arkansas. Is it not another question of vested rights in your proposition? Innocent persons have obtained a title to it, and where would the Government stand?

Mr. RAKER. No; it is on its face a part of the bill. Now, if I was going to offer an amendment to this, if you want to hedge it about so as to avoid any complications, I would offer an amendment that no sale, transfer, or assignment, either voluntary or involuntary, should be made, and that an assignment, transfer, or sale forfeits the rights.

Mr. HARDY. Will the gentleman yield for a suggestion as

to phraseology?

Mr. RAKER. I will in just a second. I want to complete the thought. If a man wants to violate the law in a sale of real estate, he can do it every day without any question by an involuntary sale in the way of giving a mortgage, permitting the mortgage to be foreclosed to-morrow, and the next day selling at public auction, and thereby defeating the very object in the bill.

Mr. MANN. Will the gentleman yield?

Mr. RAKER. Yes; I will yield to the gentleman from Illinois

Mr. MANN. This bill provides that property rights shall not

be sold. But suppose they are sold, what will happen?

Mr. RAKER. My conviction is that under the provision of the law they are forfeited.

Mr. MANN. Where is a provision in the bill that forfeits them?

Mr. RAKER. The law itself. The sale would be void.

Mr. MANN. I understand the sale would be void, but who could raise that question?

Mr. RAKER. The Government of the United States.

Mr. RAKER. The Government of the United States.
Mr. MANN. Where is the authority of the Government of the United States to raise it? The city of San Francisco sells the property

The CHAIRMAN. The time of the gentleman from Califor-

nia [Mr. Raker] has expired.

Mr. RAKER. Mr. Chairman, I ask unanimous consent to proceed for two minutes.

The CHAIRMAN. The gentleman from California [Mr. Ra-KER] asks unanimous consent to proceed for two minutes longer. Is there objection?

There was no objection.

Mr. RAKER. I want to say to the gentleman from Illinois [Mr. Mann] that I am in hearty accord with him in wanting to avoid all complications, and to put on an amendment so as to provide that there is a forfeiture if there is an actual sale.

Mr. MANN. This bill provides there can not be a valid sale. Now, the attempt to sell does not mean the passing of a resolution. An attempt to sell in this case would mean an actual conveyance, which this bill says is invalid. That is only an attempt to sell; it is not a sale. You provide you can not make a sale. I can not see any objection to the provision of the gentleman from Arkansas [Mr. TAYLOR], which is that if the city of San Francisco tries to make a sale of this property, which is invalid, then the rights will be forfeited. That is all it amounts to.

Mr. HARDY. Would it not be simply a proper provision to make it read: "Provided, That the right herein granted shall not be subject to assignment, sale, or transfer, and any such sale, assignment, or transfer, or attempted sale, assignment, or transfer, shall be void "?

Mr. BRYAN. I will support that amendment if the gentleman will offer it as an amendment to the amendment.

Mr. RAKER. So that there can be no misunderstanding let us have the Clerk again report the amendment as it was presented.

The CHAIRMAN. Without objection, the Clerk will report the amendment.

The Clerk read as follows:

After the word "be," in line 18, strike out the remainder of the line and insert the words:

"Sold, assigned, or transferred."

And at the end of line 19 add:

"And in case of any attempt to so sell, assign, transfer, or convey this grant shall revert to the Government of the United States."

Mr. MURRAY of Oklahoma. Put the word "to" on the other side of "so," in order to make it grammatical.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Arkansas [Mr. TAYLOR].

The question was taken, and the amendment was agreed to.
Mr. THOMSON of Illinois. Mr. Chairman, I move a further Mr. THOMSON of Illinois. Mr. Chairman, I move a further amendment to the one offered by the gentleman from Kentucky [Mr. Helm] to strike out the word "is" in the first line and insert in lieu thereof the words "and its assigns are."

Mr. MANN. The first line of what?

Mr. THOMSON of Illinois. The first line of section 6.

Mr. RAKER. On page 10, line 12.

Mr. MANN. In line 12, does the gentleman mean?

Mr. THOMSON of Illinois. Yes.

What was the gentleman's amendment? Mr. MANN.

Mr. THOMSON of Illinois. It was to strike out the word "is" in that line and insert in lieu thereof the words "and its assigns are."

Mr. MANN. It has not any assigns.

Mr. THOMSON of Illinois. It may have. It may have a municipal corporation as assignee.

Mr. ROGERS. Mr. Chairman, will the gentleman yield? The CHAIRMAN. Does the gentleman yield? Mr. THOMSON of Illinois. Yes.

The CHAIRMAN. The Clerk will first report the amendment offered by the gentleman from Illinois [Mr. Thomson].

The Clerk read as follows:

In line 12, page 10, strike out the word "is" and insert the words "and its assigns are."

Mr. THOMSON of Illinois. Now I yield, Mr. Chairman, to

the gentleman from Massachusetts [Mr. Rogers]

Mr. ROGERS. Mr. Chairman, if I understand correctly the definition of the word "grantee," it is found in section 8 of page 11. It takes care of that point fully, without necessitating any such amendment as that which is now proposed. I do not see any objection to the amendment, but I think it is needless.

Mr. THOMSON of Illinois. There may be a municipality to

which the city of San Francisco may assign certain rights under this section, a municipality not included in the definition to which the gentleman refers as the "grantee," and this amendment would prevent that assignee or municipality, other than those named further on in the bill, from making any transfers of its rights to a private corporation.

Mr. SUMNERS. Mr. Chairman, will the gentleman yield? The CHAIRMAN. Does the gentleman yield?

Mr. THOMSON of Illinois. Yes.
Mr. SUMNERS. Does not the word "assignee" in legal parlance bear the same relation to the grantee as the party to whom you convey as grantor bears to the Government? Now, the city of San Francisco can not have an assignee under this bill in that sense, as I understand it. San Francisco may be the grantee of certain rights that are given under the bill, but she can not transfer directly any rights arising from the Federal Government to another concern. Is not that so?

Mr. THOMSON of Illinois. Under the express provisions of

the bill the city of San Francisco can assign certain of its rights to other municipal corporations, and when it does that the contention of the gentleman from Kentucky [Mr. Helm] is that under this bill as it now stands there is nothing to prevent that corporation to which the city of San Francisco assigns its rights from turning around and reselling its power to Tom, Dick, and Harry, or to whomsoever might want to monopolize it. But if you cover the assigns, you would cure

Mr. TAYLOR of Colorado. Mr. Chairman, will the gentleman

The CHAIRMAN. Does the gentleman yield? Mr. THOMSON of Illinois. Yes.

Mr. TAYLOR of Colorado. It seems to me that under the amendment offered by the gentleman from Illinois [Mr. Thomson], making it read, "the grantee or its assigns are hereby prohibited forever from letting or reselling its rights," if San Francisco sold to the city of Alameda, for instance, so many kilowatts of electricity or such a quantity of power, the city of Alameda would not have any right to resell the same to its inhabitants

Mr. THOMSON of Illinois. It could sell to its inhabitants; the right to sell the water or the power; certainly.

Mr. TAYLOR of Colorado. We have got to let the municipality sell to individuals or consumers.

Mr. THOMSON of Illinois. Yes; but not the right to sell

some one else the power.

Mr. TAYLOR of Colorado. Supposing that San Francisco sells a certain block, you may say, of its power to Alameda. Has not Alameda got the right to resell that to its inhabitants?

Mr. THOMSON of Illinois. Mr. Chairman, in answering the question of the gentleman from Colorado, I would like to call his attention to the fact that the subject of sale as printed in this section is not the power or the water, but the right to sell the power or the water.

Mr. MANN. Mr. Chairman, I would like to inquire of the gentlemen over there if this is just a continuation of the discussions in the committee between the two gentlemen on the committee? [Laughter.] If so, go ahead with that and let us go ahead with the bill.

Mr. THOMSON of Illinois. Mr. Chairman, I ask for a vote

on my amendment.

The question being taken, the amendment was rejected.

Mr. MURRAY of Oklahoma, Mr. Chairman, I move to strike out the last word.

I want to call the attention of the committee to some language in this section that seems to leave its meaning in doubt:

SEC. 6. That the grantee is prohibited from ever selling or letting to any corporation or individual, except a municipality or a municipal water district or irrigation district, the right for such corporation or individual to sell or sublet the water or the electric energy sold or given to it or him by the said grantee.

To my notion that is ambiguous, and we ought to strike out the words "for such corporation or individual," in line 15, so that it will read:

That the grantee is prohibited from ever selling or letting to any corporation or individual, except a municipality or a municipal water district or irrigation district, the right to sell or sublet the water or the electric energy sold or given to it or him by the said grantee.

Mr. RAKER. That means exactly the same. Mr. MURRAY of Oklahoma. It makes it clearer to strike out those words. If you will analyze it, you will see the effect of it. Mr. RAKER. It is all right either way; but if you think it

clarifies it to leave out those words, we have no objection.

Mr. MURRAY of Oklahoma. I move to strike out, in line 15, after the word "right," the words "for such corporation or individual." individual.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Oklahoma.

The Clerk read as follows:

Page 10, line 15, strike out the words "for such corporation or individual."

Mr. MANN. Mr. Chairman, in that connection I would like to inquire what is the meaning of the word "individual" in this section?

Mr. RAKER. That really is intended to cover any person ho might attempt to buy this electric power or right. I think who might attempt to buy this electric power or right. it would cover everybody outside of a corporation, the intention being to prevent anybody getting in and getting a right and subletting it.

Mr. MANN. Then plainly the amendment offered by the gen-

tleman from Oklahoma ought to prevail.

Mr. RAKER. Yes; we are for it. The amendment was agreed to.

Mr. HELM. Mr. Chairman, I offer an amendment, on page 10, line 15, after the word "district," to insert the words "for their respective use solely."

That holds it down, so that the section will then read:

That the grantee is prohibited from ever selling or letting to any corporation or individual, except a municipality or a municipal water district or irrigation district for their respective use solely.

Mr. FERRIS. What is the effect of that?
Mr. HELM. That simply prohibits these municipalities, water districts, or irrigation districts from acting as a dummy or go-between between the parent concern and any third party, to prevent any third party from acquiring right under this franchise, so that the corporation or municipality shall acquire the right for its own use solely.

Mr. FERRIS. What does the gentleman mean by that? Does the gentleman mean that he does not want the city of Alameda or the city of Oakland to sell water to its own citizens? Mr. HELM. Oh, no; simply so that the city of Oakland can not sell it to the city of Perryville or the city of Darktown.

Mr. FERRIS. I have no objection to that, if that is what it is; but I do not want any amendment to go into this section that will keep the water from being returned to the irrigationists or from being sold by the city of Oakland or the city of Alameda to their citizens.

Mr. HELM. This will permit the people of Oakland and Alameda to buy all the water they want for their sole use and benefit.

Mr. RAKER. Then the word "citizens" should be inserted there.

Mr. FERRIS. If this will prevent the city of Oakland and the city of Alameda from selling water to their residents it ought not to be done.

Mr. HELM. Oh, no. The grantee is prohibited from selling or letting to any corporation or individual, except a municipality or municipal water district or irrigation district, for their

respective use solely. Mr. FERRIS. Mr. Chairman, I am sure that the gentle-

man from Kentucky and I are absolutely in agreement. He has it in his mind that the cities of Oakland and Alameda that have the water returned to them under the water rights want to peddle the water to parties outside. I do not want that. What other purpose do they have than to sell the water to their own people?

Mr. HELM. This does not prohibit their selling the water

to their own people.

Mr. TAYLOR of Colorado. Suppose they wanted to sell it outside the corporation limits?

Mr. HELM. Do you want these people to sell to people to whom the parent concern could not sell?

Mr. TAYLOR of Colorado. No.

Mr. HELM. Then this is the thing in a nutshell: You do not want the concerns to whom the parent concern does sell to

have the right to sell to a third party.

Mr. TAYLOR of Colorado. We do not want to limit San Francisco, or any of the bay cities, from being able to sell power, to make the use of it, for the benefit of the municipality. Suppose there are truck gardeners around the outside who want to buy some water from the city.

Mr. HELM. Well, that is just what I wanted the gentleman to come to. The municipality makes a contract with the parent concern for water for the supply and use of its citizens. is what they buy the water for. Now, do you want these concerns to turn around and make a profit by going into the business of selling it to other municipalities?

Mr. TAYLOR of Colorado. No.

Mr. HELM. Then this amendment of mine holds it down.

TAYLOR of Colorado. The Public Utilities Commission of California will regulate the price and the rates.

Mr. HELM. This is not a question of price at all.

Mr. TAYLOR of Colorado. Where can there be any monopoly or anything wrong in selling it for legitimate use?

Mr. FERRIS. Let us vote on the amendment.

The CHAIRMAN. The Clerk has not been able to get the amendment offered by the gentleman from Kentucky.

Mr. HELM. My amendment is, on page 10, line 15, after the word "district," insert these words: "solely for their respective use."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

After the word "district," in line 15, page 10, insert the words "solely for their respective use."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kentucky.

The question was taken, and the amendment was lost.

The Clerk, proceeding with the reading of the bill, read as follows:

SEC. 7. That for and in consideration of the grant by the United States as provided for in this act the said grantee shall assign, free of cost to the United States, all roads and trails built under the provisions hereof; and further, after the expiration of five years from the passage of this act the grantee shall pay to the United States the sum of \$15,000 annually for a period of 10 years, beginning with the expiration of the five-year period before mentioned, and for the next 10 years following \$20,000 annually, and for the remainder of the term of the grant shall, unless otherwise provided by Congress, pay the sum of \$30.000 annually, said sums to be paid on the 1st day of July of each year. Said sums shall be kept in a separate fund by the United States to be applied to the building and maintenance of roads and trails and other improvements in the Yosemite National Park and other national parks in the State of California. The Secretary of the Interior shall designate the uses to be made of sums paid under the provisions of this section under the conditions specified herein.

Mr. Chairman, I offer the following amendment.

Mr. HELM. Mr. Chairman, I offer the following amendment. The Clerk read as follows:

Page 11, line 1, strike out all after the word "states" and all of lines 2, 3, 4, 5, 6, and all of line 7, down to and including the word "year" and insert in lieu thereof the following:
Annually on the 1st day of July each year 6 per cent of the gross amount received from leases, sales, or grants of water for irrigation from electric and other power plants operated by the grantee herein, from telephone and telegraph lines, railroads and other means of locomotion, transportation, and communication authorized by this act.

Mr. HELM. Mr. Chairman, it occurs to me that these rentals of \$15,000 after 5 years, \$20,000 annually after 10 years, and \$30,000 annually thereafter, are a very slight toll upon the income and earnings of this franchise.

The amendment I have offered is a better business proposition both from the viewpoint of the grantee and of the Government. If the income derived from the franchise from all its branches, its water power, its telephone, its telegraph, electric railroads. power plants of every description, anywise approximates the sum of money that I believe will be realized, then these sums are wholly inadequate. From the standpoint of the grantee, if these incomes do reach into larger figures or smaller figures, it occurs to me that a percentage of the income, be it large or be it small, is a safer business proposition than the one defined by the bill. We have had experience and observation enough to know that if the people behind this concern think that \$30,000 after a period of 10 years is a reasonable sum, the income from the operation of this enterprise is going to be an enormous one.

It strikes me as a more equitable arrangement to base the proceeds that the United States Government is to receive upon a percentage. The other feature of this section of the bill, while it is not covered by this amendment, I want you to bear this in mind, that whatever the Government does receive from this

enterprise is to be spent in the Yosemite National Park. The Government does not get anything out of it except incidentally in the upkeep of the parks, but it is practically spent in the territory adjacent to and a part of this enterprise. I submit this amendment for your thoughtful consideration.

Mr. TAYLOR of Colorado. Mr. Chairman, I feel we ought to say to the gentleman from Kentucky that we went into a careful consideration of this matter before the committee, and we had the regulations of the Interior Department, and we had those gentlemen there, and we decided that a percentage matter of this kind would involve bookkeeping and considerable detail matter, and we felt it was safer and better to fix some definite sum and then leave it subject to the right of Congress all the time to change it and also subject to the Secretary of the Interior to modify that right at any time.

Mr. HELM. Does the gentleman say that this amendment

involves some bookkeeping on the part of this concern?

Mr. TAYLOR of Colorado. On the part of the Government

to figure out the 6 per cent and-

Mr. HELM. Does the gentleman believe an enterprise of this kind is going to be run without some bookkeeping?

Mr. TAYLOR of Colorado. Well, it does not require very much bookkeeping to send a check for \$30,000 a year to the Government of the United States. That certainly does not require any at all.

Mr. HELM. This concern is going to have to keep books, else how will its business be run and how will they know what

their receipts are?

Mr. TAYLOR of Colorado. What does the gentleman mean y "this concern"?

Mr. HELM. This enterprise.

Mr. TAYLOR of Colorado. Of course the city is going to keep books of its own as well as sales to its own individual inhabitants. It ought not to have to keep a set of books to-

Mr. HELM. Are not they going to sell power to these other

municipalities?

Mr. TAYLOR of Colorado. Wait a minute—the city of San Francisco is going to divide this up among the other cities

around the bay.

Mr. HELM. They are going to charge something for it?

Mr. TAYLOR of Colorado. Surely they are going to charge

for it.

Mr. HELM. Does not that mean bookkeeping?

Mr. TAYLOR of Colorado. But why should the Government of the United States have some agent in all of these little towns to find out how much money they are going to get when the Government can get one lump sum of \$30,000 a year? 'We felt it was much more simple and on a sufficiently safe basis. On the gentleman's basis they would have to sell something like half a million dollars a year in order to get 6 per cent. We felt it was an unnecessary obligation, and the Government of the United States is satisfied with this sum, although we provided it could be changed, but it was looked upon as fair. The city of San Francisco is undertaking a great big proposition here. It is an enormous proposition to expend \$77,000,000, and we felt we ought not to ask them anything further. Government of the United States is not giving up anything, but the Government is getting a million dollars' worth of roads and getting \$30,000 a year. The Government is getting a good proposition by having 1,100 acres of swamp covered by a lake. That is all it amounts to, and the city of San Francisco and these enterprising people are doing the work and spending their money, and after paying this enormous royalty we figured it was better to fix it at this lump sum. I think it is much

Mr. HELM. May I interrupt the gentleman?

Mr. TAYLOR of Colorado. Yes. Mr. HELM. The people of San Francisco are going into this matter as a business proposition, and-

Mr. TAYLOR of Colorado. Oh, no. Mr. HELM. Then why do they pay the \$30,000?

Mr. TAYLOR of Colorado. It is a matter of necessity; they have got to get the water there to drink.

Mr. HELM. Is not the business going to be a profitable con-cern? If they did not anticipate an enormous profit from it, they would not pay the \$30,000 as a business proposition.

Mr. TAYLOR of Colorado. It is because this Congress takes them by the throat and makes them. That is the only reason on earth. Congress, as a matter of fact, has not got any right to impose these charges on the city of San Francisco.

San Francisco is trying to get water for its inhabitants to drink. There is not enough water in that city to-day to wash down the streets or irrigate the grass or even perform the washing of the city, and because they are in desperate circumstances and have to get water, we find these conservationists

here taking them by the throat and taking \$30,000 out of them to build roads, whereas they have allowed Seattle and other cities, without one dollar's expense, to go on the public domain and construct reservoirs and secure water. The city of Colorado Springs, in my own State, and of Boulder, in my own State, every city in the West, has constructed reservoirs on the public domain in order to get water, and sometimes some little incidental power, for the benefit of the inhabitants. Is not San Francisco, with the two and one-half millions of people there and around the bay, a part of this Government, and is that public domain any more sacred to you or to me than it is to Why have they not the right to get water without being handicapped and throttled here in this manner by imposing hardships upon them? I feel that we are compelling them to pay a very great royalty here, and I do object to its being more onerous and complicated with more bookkeeping and more supervision and more control over them all the time and making it more of a hardship for them to float their bonds and carry on this enterprise. Let us permit them to get their water, and even if they did not pay one dollar for it, the whole United States would be benefited. [Applause.]

Mr. HELM. After this is in operation, do you not provide

in this bill for the sale by this concern to irrigation projects?

Mr. TAYLOR of Colorado. No; they do not sell to irrigation projects. The irrigation projects own the flow of the stream now, and they have got to furnish on a silver platter, without a dollar practically, to those irrigation districts the water they

Mr. HELM. Is this provision in the bond for sale to munici-

palities an obligation that is now outstanding?

Mr. TAYLOR of Colorado. No; but this bill makes them assume that joint obligation, so San Francisco can not take this water and monopolize it and prevent Richmond, Alameda, and Oakland and those other bay cities from getting water.

Mr. HELM. And the income from that goes to whom?

Mr. TAYLOR of Colorado. To the people. Mr. HELM. To what people?

Mr. TAYLOR of Colorado. The inhabitants of the cities themselves

Mr. HELM. Who sells this water?

Mr. TAYLOR of Colorado. The cities sell it to their inhabitants.

Mr. HELM. To whom is this franchise given?

Mr. TAYLOR of Colorado. To the city of San Francisco in trust for the municipality and the bay municipalities.

Mr. HELM. Who makes these contracts for these other cities?

Mr. TAYLOR of Colorado. The city of San Francisco makes them with these other cities, and they make them under this law

Mr. HELM. Do you not anticipate that would be a source of

income to the city of San Francisco?

Mr. TAYLOR of Colorado. No; not one dollar of income, but actual cost. The other cities come right in. As a matter of fact, it says right here the grantee shall be considered to be those other cities as well as San Francisco. San Francisco does not make a dollar out of these other cities at all; and the gentleman from California [Mr. J. R. KNOWLAND], who represents Alameda and Oakland over there, is satisfied with this provision.

Mr. GRAY. Mr. Chairman, I desire to offer an amendment to the amendment. I want to read the amendment before I send

it up, and explain it.

The CHAIRMAN. The gentleman will please send his amendment to the Clerk's desk, and the Clerk will report the same.

The Clerk read as follows:

Strike out all of the amendment; striking out lines 1 to 7, inclusive, and inserting after the word "year," in line 7 of the bill, the following: "or the United States shall have the option of collecting," and add thereto all of the amendment.

Mr. GRAY. Now, Mr. Chairman, what I wanted to get up here was that we are granting very valuable rights for a long time.

Mr. TAYLOR of Colorado. We are not granting anything.

Mr. GRAY. I think that the Government ought not to be restricted to one remedy or right to share in the profits under this bill. It ought to have the option of either collecting the amount provided for in the bill as originally specified or of collecting the amount provided for in the gentleman's amendment. It might become material in the course of time should an effort be made to evade this law, and if it did become material the Government would have lost none of its remedies or rights to collect a share of these profits, but could pursue either to collect the rent. My amendment does not impair the provision of the bill as originally written, nor does it impair the

gentleman's amendment. It only adds to the bill an option for the benefit of the Government, so that it could pursue either

Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman yield?

Mr. GRAY. Yes; I will yield to the gentleman as a special

favor; not to anybody else, [Laughter.]
Mr. RAKER. That is very kind of the gentleman. gentleman is familiar with the fact that practically all the grants that have been made to cities and municipalities for water rights have been without any imposition of terms, so far as the cost is concerned. Is not that right?

Mr. GRAY. It might have been so in the past. I admit that very valuable grants have beeen given away-sometimes with

a bouquet or a bonus.

Mr. RAKER. I am talking now about a municipality. is a municipality. This is not a corporation or an individual. It is a grant to about 700,000 people, and within the next few years it will possibly be 3,000,000 people. It is for the purpose of controlling and conducting their own affairs.

The gentleman, I know, does not believe that the people of San Francisco, to whom this is granted, are going to fritter it away and not use it. Does not the gentleman think they ought to have the opportunity to get pure water and better

milk, because pure water makes better milk?

Mr. GRAY. Yes; I think so.

Mr. RAKER. And more water for washing, which makes for better health conditions, so that more people can have the benefit of a bath. That is a health condition, is it not?

Mr. GRAY. Yes; and I think it also improves the moral con-

dition to have a good bath. [Applause.]

The gentleman seems to be very candid about this matter, and yet, with a full knowledge of the people of San Francisco. knowing all their good qualities, he opposes the proposition of allowing the word "attempt" to go in the bill as a ground for forfeiture. I do not want to impugn the motives of the people of the city of San Francisco or the council of San Francisco, but there are some things which have come from San Francisco and its city council that so savor of graft and so many rumors of great prosecutions from there have scaled the Rockies eastward that I am particularly anxious to so safeguard this bill that it will never become the subject matter of such rumors. I grant for the purpose of argument that good water makes good milk. [Laughter.] You have my unqualified approval of that.

Mr. BARNHART. And it makes more milk, too. Mr. GRAY. Sure. I grant that, too. It would be very diffi-

cult to get milk from a famished cow.

Gentlemen, you see my time is going, and as I have no further suggestions myself, I will be glad to answer questions and will await your interrogatories until time is called on me. [Laughter.]

What is before the House? Mr. DIES.

The CHAIRMAN. An amendment offered by the gentleman from Kentucky [Mr. Helm] and a substitute therefor offered by the gentleman from Indiana [Mr. Gray].
Mr. DIES. I rose only, Mr. Chairman, for the purpose of

ascertaining what the parliamentary situation is.

The CHAIRMAN. An amendment was offered by the gentleman from Kentucky [Mr. Helm], and what the Chair understands is an amendment by way of a substitute was offered by the gentleman from Indiana [Mr. Gray].

Mr. FERRIS. Mr. Chairman, can we have a vote? Can we

not have a vote now?

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Indiana [Mr. GRAY] by way of substitute for the amendment offered by the gentleman from Kentucky [Mr. Helm].

The question was taken, and the substitute was rejected.

The CHAIRMAN. The question now is on the amendment offered by the gentleman from Kentucky [Mr. HELM].

The question was taken, and the amendment was rejected. Mr. MURRAY of Oklahoma. Mr. Chairman, I offer an amend-

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Oklahoma [Mr. MURRAY].

The Clerk read as follows:

Amend, page 10, line 23, by inserting after the word "trails" the words "railroads, electric or interurban roads, and all telegraph and telephone lines."

Mr. MURRAY of Oklahoma. Then it will read;

The said grantees shall assign, free of cost to the United States, all roads and trails, railroads, electric or interurban roads, and all telegraph and telephone lines built under the provisions hereof.

Mr. FERRIS. Mr. Chairman, let us have a vote. The amendment was rejected.

Mr. MANN. I move to amend by striking out, on page 11, all after the word "year," in line 7, down to the end of the section, and I ask to have reported the language which I propose to have stricken out.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Illinois.

The Clerk read as follows:

Amend, page 11, by striking out after the word "year," in line 7, the words:

"Said sums shall be kept in a separate fund by the United States, to be applied to the building and maintenance of roads and trails and other improvements in the Yosemite National Park and other national parks in the State of California. The Secretary of the Interior shall designate the uses to be made of sums paid under the provisions of this section under the conditions specified herein."

Mr. MANN. Mr. Chairman, I do not intend to detain the committee long. I think this is the first time, except in the irrigation act, that I have ever heard of anyone proposing that uron the disposition of a part of the public domain at a special place the money received shall be reserved for other purposes within

the limits of the State.

The opposition to this bill is on the ground that it takes away from us a place of great natural beauty which ought to be pre-served for the benefit of the citizens of the United States. If we grant to the city of San Francisco and the adjoining municipalities the authority to destroy this place of scenic beauty and to utilize power which comes from the transportation of the water, why should we say that the money we exact shall all be spent in California? What rights has California in this matter over the rest of the country, so far as the grant that we make is concerned? We are granting a national right, a right owned by the people of the entire United States. If we exact some exchange for that right in the way of a yearly payment, why shall we say that this money shall all be spent in the State of California? Possibly the original provision was that this money should be spent in the Yosemite Park. I do not know. I would not be willing to agree to that fully. But what reason is there for expending any portion of this yearly receipt in other parks of California which reason does not apply to parks in Nevada, that are much nearer, or parks in other States that are probably nearer. It is an exceedingly bad precedent to make. If we grant the use of water power or the making of water power, as is proposed by this bill, any money that we exact for it ought to be paid into the National Treasury, subject to disposition by

Mr. DIES. I should like to know if my friend from Illinois

is in favor of or against this bill?

Mr. MANN. I am in favor of the bill. Does that help the

gentleman out any?

Mr. DIES. In view of the gentleman's suggestion, I make

the point of no quorum present.

Mr. FERRIS. I hope the gentleman will not do that. majority leader [Mr. UNDERWOOD] has explained to us that the deficiency bill will come in next week. think the gentlemen will recall that this bill has been a continuing order for a long time, and that we have deferred its consideration from day to day on account of the caucus and have yielded to the convenience of the caucus and of almost every one and have got out of the way for everything. I hope the gentleman will let us run a little longer.

Mr. STEENERSON. I think we ought not to work any

longer to-day. It is after 5 o'clock.

Mr. DIES. Let me ask the gentleman from Illinois about

how long does he expect to continue the debate?

Mr. MANN. Not very long, so far as I am concerned. I have finished what I have to say. I think we ought to finish the bill if we can.

Mr. FERRIS. I hope the gentleman from Texas will with-

Mr. DIES. I withdraw the point.

Mr. FERRIS. If I understood the amendment of the gentleman from Illinois [Mr. MANN], it was that the money received in this way shall be taken and put into the Federal Treasury rather than expended in the State of California. I think that is a fair statement of the case, is it not?

Mr. MANN. That would be the effect of it-to be spent

wherever Congress may direct.

Mr. FERRIS. The proposition is not a new one. The money from a State, gleaned as a royalty or a direct tax from the revenue produced there, ought to be expended for the Federal Government, but it ought to be expended out there. The Federal Government has not gone into the proposition of direct taxes yet, and it ought not to do it in this instance. We derive our national revenue at our ports of entry, from the collection of customs dues, and when the Federal Government goes out and begins to tax the State of California for the purposes of the

Treasury, for a nonnavigable stream, and for the collection of the snow and surplus waters that fall in the mountains, that is more than the gentleman from Illinois or anybody else ought to ask.

I do not think the money ought to be turned over to California, but I think it ought to be spent in the parks as provided in the bill. There is a great clamor for their improvement. It will help California, it will help the Nation to improve these playgrounds.

Mr. MANN. If we have no right to collect the money we ought not to collect it. If we have the right to collect it it

belongs to the people of the United States.

Mr. FERRIS. The gentleman knows that there is a close question connected with that that has been debated all over the country, and many good and strong lawyers and many good men are on both sides of the question. My idea is that if they improve the parks it improves the Nation and its resources.

Mr. COX. Will the gentleman yield?

Mr. FERRIS. Yes.

Mr. COX. If I remember correctly, under the forest reservation act, we take a certain per cent, I think originally 10 per cent but now 25 per cent, and pay it back into the State in which the reservation is situated to be used on highways and roads.

Mr. FERRIS. That is true, but we turn it over and appro-

priate out of the Treasury more than we ever collect.

Mr. COX. Why, then, does the gentleman propose to go so

much further in this case than what we do in the case of the forest reserves? Here you propose to pay it all back, not in this particular park but in other parks also.

Mr. FERRIS. I will say that the gentleman knows there are many people who want the parks improved; many nature lovers in the country want the parks built up. This would be a means to an end to satisfy them. It would help both State and Nation. It is a good solution of the question.

Mr. COX. The obligation is still on Congress to maintain

these parks.

Mr. FERRIS. But if they get revenue enough to do it it will lessen the burdens on Congress. There are many both within and without this House that deny the Federal Government has the right to collect direct taxes or royalties. I do not think it necessary to go into that question here in all its

ramifications. We have a solution of the question in this bill that suits all sides and all views.

Mr. KAHN. Mr. Chairman, I would like to call the attention of the committee to the fact that the Congress of the United States yearly appropriates for the maintenance of the Yosemite National Park, in California, not less than \$50,000. It appropriates annually for the maintenance of the General Grant National Park, in California, \$2,000 or \$3,000. It appropriates for the maintenance and care of Sequoia National Park, in the State of California, several thousand dollars a year. These parks are all playgrounds and pleasure resorts for the people of the United States. Now, under the terms of this bill the amount San Francisco will be called upon to pay per annum ranges from \$10,000 to \$30,000, that under the terms of this bill is to be expended in California on these parks. It will simply mean that the appropriations carried in the sundry civil bill will be lower to that extent. We have heard much to-day upon this floor about the desire of the people of the United States to visit these wonderful scenic resorts. It will take many years and large sums to build roads and trails through these mountain fastnesses. The amounts carried in the sundry civil bill for the maintenance and improvement of these parks is given grudgingly. The parks do not belong to the State of California. They belong to the United States and the people of the United States. The money San Francisco will have to pay will not be expended for the people of California, but for all the people of the United States. The Yosemite National Park alone covers an area of 1,124 square miles. Roads, trails, bridges, shelter, and safety stations ought to be built and improved, and all the money available under this bill ought to be used for that purpose.

Mr. COX. Mr. Chairman, I want to say a word in support of the amendment of the gentleman from Illinois. I regard it as a very important amendment. I can not subscribe to the doctrine that after voting this franchise to San Francisco, practically a million of people, for the mere nominal sum of \$30,000 a year, we should give them the whole of that amount. lieve as we are giving them a valuable franchise, giving away the franchise that belongs to all the people of this country, that whatever revenue is derived from that franchise the people ought to have back in return. The only way to get the money back is to have it put in the Treasury of the United States.

As the gentleman from Illinois has well said, let Congress I am not in favor of the provision in that bill. It did not strike me favorably when I first read it. I do believe it will give better satisfaction if the amendment obtains. I doubt whether the argument of the gentleman from California [Mr. KAHN] will ever come true. In other words, in my judgment, Congress will continue to go on year after year appropriating \$50,000 for the Yosemite Park, notwithstanding this measure proposes to give them \$30,000 a year revenue derived from this bill for the upkeep. There will be some reason presented to Congress to induce it to keep up the appropriation of \$50,000 a year, and we will never get credit for the \$30,000. It will always be an addition. Instead of being \$30,000 less, we will be asked, in effect, to appropriate \$80,000 to maintain it. The amendment of the gentleman from Illinois ought to carry, and I am going to vote for it.

Mr. MONDELL. Mr. Chairman, I rise to agree with the soundness and logic of the argument made by the gentleman from Illinois in support of his amendment, but to oppose the amend-

Mr. MANN. That is certainly logical.

Mr. MONDELL. The gentleman from Illinois is logical in his conclusion. There is no justification for the provision he seeks to strike out; none whatever. If the city of San Francisco is called upon to pay \$30,000 a year, that payment is on behalf of all the people of the United States by reason of the fact that all the people of the United States are granting to the city and county of San Francisco something said to be very valuable.

Why, putting it another way, reducing very largely the value of this property to the people of the United States. The trouble is that this entire charge is illogical and rests on no possible foundation. If it is proper to allow the city and county of San Francisco to impound the waters of the Tuolumne in the Hetch Hetchy Valley for the use of the people in the bay cities, there is no rhyme or reason in making any charge whatever for the beneficial use of that valley. It does not reduce its value to the balance of the people of the country at all, and if we were actually taking a thing of value we ought to call upon San Francisco to pay for it here and now and have the account settled. is a charge that San Francisco ought to be called upon to meet. and that is the cost of sanitation, the cost of superintendence, the cost of policing this watershed, and beyond that the people of this country have no claim whatever upon these good people because it so happens that the mountain tops on which their water supply falls happens to be within a forest reservation and within a national park. The rains of heaven will fall upon the high peaks and rugged cliffs just as plenteously after this grant is made as they do now and as they have in days past, and the valley of the Hetch Hetchy, instead of being a dry and barren and inaccessible chasm of the mountains, will be a beautiful lake accessible to all the world. And there is no logic in making the charge of \$30,000 a year for this useful purpose for this grant, not to an individual or a small aggregation of individuals, but to two and one-half millions of American people who are going to use these waters for the highest and best purposes for which water can be used. The trouble is that your charge does not rest on any logical or equitable basis. If it is to be made, then the payment should be to all of the people and it should go to the Treasury of the United States,

and not for the benefit of a part of the people.

Mr. RAKER. Mr. Chairman, I desire to say just a few words.

I know it is getting late, but I believe that the attention of members of the committee ought to be called to a feature of the bill with respect to this particular item. Now, you are well aware that there are many having different views as to what is beautiful and what is not, but you go down to the funda-mental basis upon which this bill is drafted and you find that it is a grant upon conditions. A grantee may fix the condition that he desires to that grant, just like a private individual. The books are full of conditions placed upon grants almost similar to this. In the Western States, where you grant a man the right of way across your land to bring a ditch or to divert water from a stream, which he could not do even under the right of eminent domain, you can say, "When you cross my land with your ditch I have no right to the water, but I have a right to the land, and when you cross my land I can put conditions upon you"--just like are placed upon the city and county of San Francisco in this grant. Now, that being the case, to go back to the question of a grant upon conditions by the Government, the United States has clearly and undoubtedly a right to place a condition as the absolute owner of the property and the right to dispose of it by its Congress, and Congress is the grantee here representing the National Government. Now, having invaded the park and taken from there in the neighborhood of

3,000 acres of land for the purpose of reservoirs and some right of way from the reservoir down through the foothills to the valley, it seems to me when you talk about giving the money that is to be paid by the city and county of San Francisco to all the people, that the very fact of placing this money, this \$15,000, \$20,000, and \$30,000, respectively, as provided in this bill, in a separate fund, you say that it must be appropriated and used. For what? For the remainder of the land that the Government owns. For the purpose of bettering its conditions; for the purpose of building more roads through that wonderland that the people may see. I desire to call to the attention of gentlemen that for years and years we have been struggling to get reasonable appropriations before the Congress for the purpose of going into the Yosemite Park. Do you know that after you allowed a railroad to come within 15 miles of the entrance of the park that there had to be built 41 miles of road at an expense of \$80,000?

And we are running over that road to-day. The Department of the Interior has been every year asking for two hundred thousand to three hundred thousand dollars of appropriation to build the road so that they could get into Yosemite Valley, and they have not been able to get it.

Mr. DIES. Did my friend from California vote for free lum-

ber in the interest of conservation?

Mr. RAKER. Surely, I did. It is all right. But this is con-servation of the highest character. There is a road that comes from the southern part into the Yosemite Valley that you can hardly get over with a wagon. On the road coming from Stock-ton you are not permitted to go in there with an automobile, because of the danger to life and property in going down over the hill. And therefore the people of this Government are prevented from going onto their own property, just as a man might be prevented from going into his own park because of a holdup. That is the position we are in. We say to the people of the United States, to the Members of Congress, if you desire to open this park so that everybody can get in, not the people of San Francisco

The CHAIRMAN. The time of the gentleman from California

[Mr. RAKER] has expired.

Mr. RAKER. Mr. Chairman, I ask unanimous consent for two minutes more, and then I will be through.

Mr. DIES. Mr. Chairman

Mr. RAKER. I will yield now, so we can vote on the ques-

Mr. Chairman, I do not want to interfere with my friend's desire, but there is this I do want to say: I am awfully glad my friends from California and elsewhere are getting tired of this conservation hobby, because, Mr. Chairman, I think it is one of the delusions of the age in which we My friend here voted for free lumber, some of my other conservation friends voted for free lumber, and yet lumber is the one staple commodity in this country that has not advanced in value in the last 10 years. Oats, wheat, corn, cattle, all of the things that make life in our country, have advanced in value, while lumber has not. And yet, in the interests of con-

servation, they voted for free lumber.

Mr. DAVENPORT. Mr. Chairman—

The CHAIRMAN. Will the gentleman from Texas yield to the gentleman from Oklahoma?

Mr. DIES. For a question only, and that a very brief one.
Mr. DAVENPORT. I want to ask the gentleman whether or
not I understood him clearly when he said that lumber had not
advanced in price in the last 10 years?

My friend did understand me clearly. Mr. DIES. is one of the staple products in this country that has not advanced in the last decade, and every other article of commerce in this country has advanced. Oh, the gentleman may titter. I only speak of the report of the Department of Commerce and Labor. The fact is that all of this howl has been made by gentlemen from the West that the resources of our Republic were being devoured, and the fact is that wheat has advanced more than lumber. Who doubts that? Corn has advanced more than lumber. Who gainsays that? advanced more than lumber. And who doubts that? Pork has

Will the gentleman yield for a question? Mr. DONOVAN.

Mr. DIES. Yes.

Mr. DONOVAN. This is the question: How does that affect the price that these Californians will pay for this grant?

Mr. DIES. Oh, my friend is always more or less at a tangent. Sometimes he is at a right-angled triangle and sometimes a direct triangle, but he is always wrong.

Mr. Chairman, what I want to say is this. The whole Pinchot doctrine is wrong. [Applause.] The forests of this country, the reservations of this country, are as safe as all the mines and the resources of this country. You know we will have a

better chance to reproduce our pine and oak and elm trees than we will have to preserve our soil and its fertility in this country.

I only rise, Mr. Chairman, to call the attention of those gentlemen who were so vociferous for free lumber in the Sixtyfirst and Sixty-second Congresses to the fact that they had better conserve the resources of the country in the matter of wheat, oats, and corn, and mules, than in the matter of trees in this country. But I sympathize with my friends in California who want to take a part of the public domain now, notwithstanding all their declamations for conservation of resources. I am willing to let them have it. I am willing to let them have it when they take it in California and San Francisco for the public good.

That is what the great resources of this country are for. They are for the American people. I want them to open the coal mines in Alaska. I want them to open the reservations in this country. I am not for reservations and parks. I would have the great timber and mineral and coal resources of this country opened to the people, and I only want to say, Mr. Chairman, that your Pinchots and your conservationists generally are theorists who are not, in my humble judgment, making a propaganda in the interest of the American people.

Let California have it, and let Alaska open her coal mines.

God Almighty has located the resources of this country in such a form as that His children will not use them in disproportion. and your Pinchots will not be able to controvert and circumvent the laws of God Almighty. [Applause and cries of "Vote!"

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Illinois [Mr. MANN].

The question was taken, and the Chairman announced that the "noes" have it. have it.

Mr. MANN. Mr. Chairman, I ask for a division.

The committee divided; and there were-ayes 5, noes 34.

So the amendment was rejected.

Mr. DIES. Mr. Chairman, I make the point of order that there is no quorum present.

The CHAIRMAN. The gentleman from Texas [Mr. Dies] makes the point of order that there is no quorum present. The Chair will count.

Mr. RAKER. Mr. Chairman-

The CHAIRMAN. For what purpose does the gentleman

Mr. RAKER. I believe that after we have disposed of this section we can agree to adjourn.

The CHAIRMAN (after counting). Sixty-eight gentlemen are present-not a quorum.

Mr. FERRIS. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker pro tempore [Mr. Hay] having resumed the chair, Mr. Foster, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 7207) granting to the city and county of San Francisco certain rights of way in, over, and through certain public lands, the Yosemite National Park, and Stanislaus National Forest, and certain lands in the Yosemite National Park, the Stanislaus National Forest, and the public lands in the State of California, and for other purposes, and had come to no resolution thereon.

# ADJOURNMENT UNTIL TUESDAY NEXT.

Mr. UNDERWOOD. Mr. Speaker, I ask unanimous consent that when the House adjourns to-day it adjourn to meet on

The SPEAKER pro tempore. The gentleman from Alabama [Mr. Underwood] asks unanimous consent that when the House adjourns to-day it adjourn to meet on Tuesday next. Is there objection? [After a pause.] The Chair hears none, and it is so

### LEAVE OF ABSENCE.

Mr. Merritt, by unanimous consent, at the request of Mr. PAYNE, was granted leave of absence indefinitely, on account of illness.

# EXTENSION OF REMARKS.

Mr. HINDS. Mr. Speaker, may I ask leave to extend my remarks in the RECORD?

The SPEAKER pro tempore. The gentleman from Maine [Mr. Hinds] asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection. Mr. JOHNSON of Washington: Mr. Speaker, I would like to make the same request.

The SPEAKER pro tempore. The gentleman from Washington [Mr. Johnson] asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. AUSTIN. Mr. Speaker, I desire unanimous consent to extend my remarks in the Record by publishing an interesting and able editorial which appeared in the New York Times of August 11, 1913, the subject being "Combinations in restraint of trade.'

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee [Mr. Austin]? There was no objection.

### ADJOURNMENT.

Mr. UNDERWOOD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 37 minutes p. m.) the House adjourned, pursuant to the order previously made, until Tuesday, September 2, 1913, at 12 o'clock

# PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and me-

morials were introduced and severally referred as follows:

By Mr. MORGAN of Louisiana: A bill (H. R. 7873) to establish an agricultural experiment station, etc., at Donaldsonville, Ascension Parish, La.; to the Committee on Agriculture. By Mr. SPARKMAN: A bill (H. R. 7874) to provide for a

site and public building at Tarpon Springs, Fla.; to the Committee on Public Buildings and Grounds.

By Mr. HARDWICK: A bill (H. R. 7875) to increase the limit of cost of the public building at Augusta, Ga.; to the Committee on Public Buildings and Grounds.

By Mr. HINDS: A bill (H. R. 7876) to define the standing of officers of the Coast Survey during the late Civil War; to the Committee on Naval Affairs.

By Mr. ESCH: Joint resolution (H. J. Res. 125) authorizing the President to appoint delegates to attend the Seventh International Congress of the World's Purity Federation to be held in the city of Minneapolis, State of Minnesota, November 7 to 12, 1913; to the Committee on Foreign Affairs. By Mr. LINTHICUM: Resolution (H. Res. 239) requesting

the President to direct the Attorney General to furnish information respecting the intercorporate relations of certain railroad and transportation companies, and to advise whether or not proceedings have been begun under the act of July 2, 1890, to dissolve the relations of said companies; to the Committee on the Judiciary.

# PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DAVENPORT: A bill (H. R. 7877) granting a pension to William J. Harding; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7878) granting a pension to Downey Milburne; to the Committee on Invalid Pensions.

By Mr. DOOLITTLE: A bill (H. R. 7879) granting a pension to Mille Gaines; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7880) granting an increase of pension to Reuben J. Harper; to the Committee on Invalid Pensions. Also, a bill (H. R. 7881) granting an increase of pension to

Jacob L. Detrich; to the Committee on Invalid Pensions. Also, a bill (H. R. 7882) granting an increase of pension to

Theresa L. Breese; to the Committee on Invalid Pensions. By Mr. HINDS: A bill (H. R. 7883) granting a pension to

Addison Buck; to the Committee on Invalid Pensions.

By Mr. J. R. KNOWLAND: A bill (H. R. 7884) for the relief of Edward R. Wilson, jr.; to the Committee on Claims. By Mr. LANGHAM: A bill (H. R. 7885) granting an increase

of pension to Isaac Beck; to the Committee on Invalid Pensions. Also, a bill (H. R. 7886) granting an increase of pension to W. P. Altman; to the Committee on Invalid Pensions

Also, a bill (H. R. 7887) granting an increase of pension to Harvey Haugh; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7888) granting an increase of pension to

John Travis Mathews; to the Committee on Invalid Pensions.

By Mr. PLATT: A bill (H. R. 7889) granting an increase of pension to Rosalia Spohr; to the Committee on Pensions.
By Mr. RUBEY: A bill (H. R. 7890) granting a pension to

Frances W. Whitaker; to the Committee on Invalid Pensions.
Also, a bill (H. R. 7891) for the relief of Michael Feeler; to the Committee on Military Affairs.

By Mr. SPARKMAN: A bill (H. R. 7892) granting an increase of pension to James Robins; to the Committee on Invalid Pensions.

By Mr. TAVENNER: A bill (H. R. 7893) for the relief of Francis H. Connelly; to the Committee on Military Affairs.

# PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. ESCH: Petition of the Wisconsin State Federation of Labor, Milwaukee, Wis., protesting against the passage of the workmen's compensation bill (S. 959); to the Committee on

the Judiciary. Also, petition of Chamber of Commerce of the city of Milwaukee, Wis., favoring the passage of legislation for an immediate reform in the national banking system of the United States; to the Committee on Banking and Currency.

Also, petition of the Traffic Club of New York, New York, Y., favoring the passage of legislation making an appropriation for the maintenance of the Commerce Court; to the Committee on Interstate and Foreign Commerce.

By Mr. LINDQUIST: Petition of citizens of the eleventh congressional district of Michigan favoring the passage of House bill 5308, compelling concerns selling goods direct to the consumer by mail to contribute their portion of the funds for the development of the local community, county, and State; to the Committee on Interstate and Foreign Commerce.

By Mr. LOBECK: Petition of Overland Lodge, No. 5, Switchmen's Union of North America, Omaha, Nebr., protesting against the passage of the employees' compensation act (S. 959); to the Committee on the Judiciary.

Also, petition of the Democratic central committee of Cuming County, Nebr., protesting against the passage of the proposed legislation known as the Glass-Owen bill; to the Committee on Banking and Currency.

# SENATE.

# Monday, September 1, 1913.

The Senate met at 11 o'clock a. m.

The Chaplain, Rev. Forrest J. Prettyman, D. D., offered the

following prayer:

Almighty God, we begin the labor of another day with the ancient and blessed custom of lifting our hearts to Thee for Thy blessing. Especially remember this day, recognized by our Government, the great army of workers in this country. We pray that Thy blessing may rest upon those men in field and mine and shop who by their skill and labor create the values of our great national wealth. We pray that they may feel the dignity of labor, not only because of the value that it brings to us in this life, but because it allies them with God and being country. this life, but because it allies them with God, and being coworkers together with God, may they work out the destiny for them-selves and for our great Nation. Grant that with a sympathetic regard for those who work in the discharge of the duties of this day in this honorable Senate they may receive the thanks of the people and the blessing of God. For Christ's sake. Amen.

The Secretary proceeded to read the Journal of the proceedings of Saturday last, when, on request of Mr. Smoot and by unanimous consent, the further reading was dispensed with, and the Journal was approved.

### BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BRISTOW:

A bill (S. 3067) granting an increase of pension to Tillman H. Snyder; to the Committee on Pensions.

By Mr. CHAMBERLAIN:

A bill (S. 3068) to cause certain lands to revert to the State of Oregon; to the Committee on Public Lands.

# AFFAIRS IN MEXICO.

Mr. SHEPPARD. I present a communication addressed to me from Elizabeth Chandler Hendrix, being a report of her personal experiences and observations in Mexico. I ask that the communication may be printed in the RECORD and referred to the Committee on Foreign Relations.

Mr. SMOOT. I did not hear the request of the Senator from

Mr. SHEPPARD. I asked that a communication addressed to me may be printed in the RECORD.

Mr. SMOOT. Very well.

There being no objection, the paper was referred to the Committee on Foreign Relations and ordered to be printed in the RECORD, as follows:

Hon. Morris Sheppard, United States Senator from Texas.

the Record, as follows:

Hon, Morris Sheppard,

United States Senator from Texas.

Sir: According to your request, I, have the bonor to submit this report of my personal experiences and observations in Mexico. The only claim which can be advanced for its special consideration is the fact that it comes from one who does not own an acre of land or any other property in the Republic, and who is not now and never has been in the pay of any individual or organization remotely interested in the outcome. For that reason it may be expected to be fairly free from personal bias. For the same reason no one is responsible for any of these utterances except the person whose name is affixed hereto. Also by request, I offer the following personal introduction and explanation of my knowledge of Mexican affairs:

I am a native of Wytheville, Va., daughter of William J. Davis, deceased, and up to recent years my home was in that State. I have one brother, who is a practicing attorney at Bristol, Tenn, James L. Davis, of the firm of Davis & Warren, and another brother, Capt. W. R. Davis, of the firm of Davis & Warren, and another brother, Capt. W. R. Davis, of the firm of Davis & Warren, and another brother, I family connections. As further reference I mention the name of Mr., John D. Campbell, vice president of the Commercial National Bank of El Paso, Tex., whom I have known continuously since my residence in the West.

About seven years ago I went to El Paso and was employed on a local newspaper, doing some work at intervals for eastern magazines. In the meantime I invested the remannts of a small estate in Texns lands so advantageously that within a short time I was able to dispense with a salary and devote myself to whatever form of activity best suited me. Mexico having been to me always the most interesting country on earth, I have spent the past few years almost exclusively studying the history and resources of the nation and the character and life of the people.

Shortly after the publication of the sensational "Barbarous

novia, while the lower class is typified by a blanketed beggar who toils not, neither does he spin, but spends his entire lifetime crouched in the shadow of an adobe wall, with an unwashed hand outstretched for alms.

Now, the truth is there are a number of people in Mexico who habitually manicure their nails and wear dress clothes to dinner and who can converse intelligently in several languages. There are cultured homes, exclusive clubs, and the nucleus of a national life quite apart from that which is visible on the market place and in the streets. It is composed of people of as much ability, courage, pride, and patriotism as is to be found in any nation, and when the true story of their struggle for freedom shall be written it will be found that they are capable of as high acts of heroism as has ever been inscribed on the pages of any history.

The United States appears to have two means of securing information about Mexico, one is from consular representatives, and the other is from fleeing refugees. The consulates are located in cities or large towns, widely separated and covering large areas of country. There being practically no mail or telegraphic communication between the consular headquariers and the outlying portions of the district, and the Government maintaining no independent scout system whereby reliable information can be secured, the consular reports must of necessity consist of statements made by Mexican residents in that immediate vicinity, who are either indifferent to the accuracy of the information furnished or directly interested in making it misleading.

As to the information turnished by refugees, a man fleeing from real or imaginary danger is rarely in condition to give a clear and reliable report of what has happened to him, and owing to the absence of uniform, it is impossible to say with certainty whether the depredations reported were committed by soldiers or bandits.

In the beginning of the Diaz régime there were but two classes in Mexico a new generation of fairly intelligent m

constitutionalist forces, extending from the period of Mr. Madero's occupation of the city of Juarez down to date, I have never heard one man utter a disparaging remark about another, and have never seen or heard the slightest signs cf insubordination.

On the 3d day of June, this year, the constitutionalist army under Gen. Lucio Bianco defeated the Federals at Matamoros, in the State of Tamaulipas, and took possession of that city. Within a few days thereafter I returned and took up my residence at the mission house of the Presbyterian Church, located on the main plaza, where I remained until August 17. There were in the city at that time about 2,000 troops, undisciplined as we count military discipline; there were also numerous unguarded cantinas well stocked with tequila, and according to accepted ideas most any kind of outlawry might have been expected. I saw only one drunken man during my stay there, and never witnessed or heard reports of the slightest disorder. There was no evidence of the wanton destruction of property or the confiscation of anything except such supplies as were necessary for the maintenance of the army.

Shortly after the capture of Matamoros Gen. Blanco summoned the troops before him and delivered an impressive address. After congratulating them on their victory and commending them for bravery he concluded somewhat on this wise: "While we have accomplished this great victory we do not know what defeats may be before us. Undoubtedly there will be many hard-fought battles before we shall have won our freedom. There remains yet much hardship for all and death for some. Sometimes I shall have mone, If there is a man here who does not want to face it, he can take his horse and his side arms and cnough money to provide him with food for the journey and go back to his own people." It is needless to say that not a man left, and those men would go forth to death cheerfully for their idolized leader.

Birg, Gen. Lucio Blanco, Jefe de las Armas of Nuevo Leon and

go back to his own people. It is needless to say that not a man left, and those men would go forth to death cheerfully for their idolized leader.

Brig. Gen. Lucio Blanco, Jefe de las Armas of Nuevo Leon and Tamaulipas, is a fair type of the constitutionalist leader. He is young, not over 35 years old, dignified, yet withal affable, with the appearance and address of a soldier and a gentleman. Associated with him as staff officers is a coterie of the most remarkable young men I have ever met. They are all of wealthy families, for the most part educated in the United States, with a few years of foreign travel. They could betake themselves and their possessions, after the accepted method of many wealthy Mexicans, to some foreign country and live in ease and luxury. Instead of that they are spending their lives and their property in the service of their ignorant and oppressed countrymen, whom they are popularly supposed to despise. In mingling with them one hears no stories of hardship, no boasting of what they have done or expect to do, but one gets the impression that they consider the privilege of sacrifice a badge of honor, and like all badges of honor, to be borne modestly and silently.

A short time ago I endeavored to get some information from a young colonel fu Gen. Blanco's command about his experiences in an American prison from which he had been recently liberated after serving a 40-day sentence on charge of violation of the neutrality laws. He was wrethedly emaciated and had evidently suffered great hardship. This young man said to me with an apologetic smile: "The cause of the whole trouble is that your people do not know us. If they did, everything would be different. We have had a better chance to know the people of the United States than they have to know us. We have learned much from them, we owe much to them, and we believe them to be our best friends. In time they will understand us better and will respect us for wanting to achieve our liberty for ourselves. We are men. We have pride as other me

price."

These are the men who during the annual festival in honor of their patriot, Juarez, marched in a body to the American consulate and in the presence of this representative of the American Government, gave public expression to their gratitude for the example which the United States has set for the world, and for the inspiration which it furnishes in their own struggle for free government. They then marched—thousands strong—to the banks of the Rio Grande and with faces uplifted to the sky, so fair over free America, so pitless over enslaved Mexico, they sang the national hymns of the two Republics.

ELIZABETH CHANDLER HENDRIX.

## PROPOSED CURRENCY LEGISLATION.

Mr. OWEN. I ask unanimous consent to have printed in the RECORD a letter answering the suggestion printed in one of the New York papers to the effect that the Committee on Banking and Currency have not afforded any opportunity to the bankers of the country to be heard. I do not think it is worth while to have the letter read, but I should like to have it appear in the RECORD, if there is no objection.

The VICE PRESIDENT. In the absence of objection, it will

be so ordered.

The matter referred to is as follows:

UNITED STATES SENATE, COMMITTEE ON BANKING AND CURRENCY, September 1, 1913.

MARSHALL FIELD & CO., Mr. James Simpson, Vice President, Chicago, III.

DEAR SIR: My attention has been called to your telegram of August to a leading New York paper, in which you express the following

29 to a leading New York paper, in which you express the following opinion:

"We think fullest exchange of opinion between framers of currency bill and bankers absolutely necessary in order to avoid mistakes."

Your telegram was an answer to a telegram sent broadcast Sunday, Angust 24, by this New York paper, to the following effect:

"Cooperation appears to be lacking between the framers of the administration currency bill and the bankers of the country. Do you feel that the best interests of the business men of the country would be served by a free exchange of opinions between the framers of the bill and representative bankers? The New York —— would appreciate a short statement from you by telegraph upon a matter which is of vital interest to all."

[Four days previously to this publication the Committee on Banking and Currency had invited these bankers to be heard before the committee, and they had had four previous hearings by the framers of the bill.]

The replies to this dispatch are published from many prominent people from one end of the country to the other—Minnesota, Texas, Tennessee, Ohlo, Wisconsin, Colorado, Indiana, Utah, lowa, Nebraska, etc.—showing that this misleading inquiry was sent broadcast throughout the United States, and, whether intended to do so or not, conveyed the impression that the framers of the currency bill had denied a free exchange of opinions with the bankers of the country. This suggestion is utterly untrue, because, as stated, they had been heard four times and their views were printed for committee use. Such a suggestion, moreover, would excite hostility against the pending measure, on the ground that it was drawn without consultation and without knowledge. Those drawing this measure have had the most abundant means of knowledge. Congress discussed the question of currency reform very deliberately and at great length immediately after the disastrous panic of 1907 in passing the so-called Vreeland-Aldrich bill. The present chairman of the Senate Committee on Banking and Currency, who had previously to that time given the matter great attention, delivered a speech of three hours on the floor of the Senate discussing this question. This speech received the widespread approval of the press of the United States.

Congress, in passing the Vreeland-Aldrich bill, provided for the National Monetary Committee of the press of the press of the congress, in passing the Vreeland-Aldrich bill, provided for the National Monetary Committee of the press of th

previously to that time given the matter great attention, delivered a previously to that time given the matter great attention, delivered a low. This specifies, and the floor of the Senate discussing this question. This specifies have been decided to the press of the United States.

Congress, in passing the Vreeland-Aldrich bill, provided for the National Monetary Commission and appropriated a large amount of money to enable an exhaustive study to be made of this great problem, and hundreds of thousands of dollars were expended for the employment of experts and over 30 volumes of reports were printed, beginning in 1910 and extending up to 1912, giving an elaborate description of the banking system in the British Empire, in France, in Germany, in Belgium, in Sweden in Switzerland, in Scotland, in Canada, in Iraly, an Russia. It is a support of the control of the state of the st

After the preliminary draft was actually prepared for submission to Congress and before being submitted, the present chairman of the Committee on Banking and Currency of the United States Senate spent seven hours with Mr. Paul Warburg, regarded as one of the ablest representatives of those banking interests and their greatest expert on the question of bank currency. The present chairman also spent over 10 hours consecutively in conference with the representatives of the American Bankers' Association, discussing the details of this bill, and has been in constant communication with bankers from all over the country as well as with leading experts on banking.

After the bill was introduced in both Houses a further and third.

as well as with leading experts on banking.

After the bill was introduced in both Houses a further and third hearing was accorded to the representatives of the American Bankers' Association by the chairmen of the Committees on Banking and Currency of the House and Senate, also by the Secretary of the Treasury, and also by the President of the United States. In addition, the chairman of the Committee on Banking and Currency of the Senate called for the opinions of over 500 bankers on the pending bill and on the principles involved in it, and 50,000 copies of the bill were sent out for inspection and report. The Committee on Banking and Currency of the Senate has published for its use a volume of such opinions. They have at their disposal a special library on this question of over 2,000 volumes.

The propaganda now being carried on, led by the National City Bank of New York, which has circularized the country against the bill, is obviously intended to discredit the administration and to make it

appear that the bankers have not been consulted and that the committee is not well informed. This misrepresentation has the effect of poisoning the public mind and misleading public opinion. Such misrepresentation will thus promote a private interest against the public interest. It is an open secret that these great concerns, like Morgan & Co., have publicity agents, to whom they pay very large salaries and who are able to create fictitious and false public opinion unduly favorable to the contentions of these great financial companies.

The business men of the country need have no fear that their Representatives and Senators in Congress will act unadvisedly. The representatives and Senators in Congress will act unadvisedly. The representatives of the big banks of the country have been given the most abundant opportunity to be heard; and after they had their Chicago meeting and presented anew their old contentions and requested further hearings, this opportunity was immediately afforded them by telegraph, and the hearings set for 2 o'clock Tuesday, September 2.

I deem it my duty to advise you that you are being misled by an artificial propaganda conducted in behalf of private interests, which does not hesitate to convey to the country the false suggestion that the administration is proceeding without adequate knowledge or without giving a hearing to the bankers of the country.

The rank and file of the bankers of the country constitute one of the greatest, most important, and most valuable parts of our national commercial machinery. They have been of great value in promoting every kind of enterprise, and one of the most useful features of the proposed public-utility banks—the so-called Federal reserve banks—will be to give stability, peace of mind, and greater opportunity to the bankers of the country to render patriotic service.

It is not surprising that a few men, having an enormous control of credits of the country to render patriotic service.

It is not surprising that a few men, having an enormous control

# IMPORTATIONS IN AMERICAN VESSELS.

Mr. JONES. Mr. President, something over a week ago the Senate passed a resolution calling on the State Department for copies of protests or correspondence which may have been received from foreign countries with reference to the provision in the tariff bill proposing a discount of 5 per cent in duties on goods imported in American ships. I have endeavored to keep track of the matter so as to know whether any report has come in, but I have not learned of any report. I desire to inquire whether such a report has been made?

The VICE PRESIDENT. No report has come to the hands of

the Vice President.

The morning business is closed.

### THE TARIFF.

Mr. SIMMONS. I ask unanimous consent that the Senate

proceed to the consideration of House bill 3321.

There being no objection, the Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 3321) to reduce tariff duties and to provide revenue for the Government, and for other purposes.

Mr. CLARKE of Arkansas rose.

Mr. SMOOT. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The roll will be called.

The Secretary called the roll, and the following Senators answered to their names:

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Ashurst	Hollis	Overman	Smith, Ga.
Bankhead	Hughes	Owen	Smith, S. C.
Borah	James	Page	Smoot
Brady	Johnson	Perkins	Stephenson
Brandegee	Jones	Poindexter	Sterling
Bristow	Kenyon	Pomerene	Stone
Bryan	Kern	Ransdell	Sutherland
Catron	La Follette	Reed	Swanson
Chamberlain	Lane	Robinson	Thomas
Chilton	Lippitt	Root	Thompson
Clapp	Lodge	Shafroth	Thornton
Clarke, Ark.	McCumber	Sheppard	Tillman
Colt	Martin, Va.	Sherman	Vardaman
Crawford	Martine, N. J.	Shields	Warren
Cummins	Norris	Shively	Weeks
Dillingham	O'Gorman	Simmons	Williams
Gallinger	Oliver	Smith, Ariz.	Works

Mr. SHEPPARD. My colleague, the senior Senator from Texas [Mr. Culberson], is unavoidably absent. He is paired with the Senator from Delaware [Mr. Du Pont]. This an-

nouncement will stand for the day.

Mr. SHAFROTH. The senior Senator from Georgia [Mr. Bacon] asked me to state that he could not be here at the opening of the session, having been detained at the State Department on business

The VICE PRESIDENT. Sixty-eight Senators have an

swered to the roll call. There is a quorum present.

Mr. CLARKE of Arkansas. Mr. President, the amendment heretofore offered by me to be incorporated in the pending bill was deferred until to-day for the purpose of permitting me to submit certain observations in support of the propositions contained in it. The terms of the amendment are very well known in the Senate. It proposes to insert as an additional section the following:

CLARKE AMENDMENT.

SEC. —. That upon each sale, agreement of sale, or agreement to sell any cotton for future delivery at or on any cotton exchange, or board of trade, or other similar place, or by any person acting in substantial conformity to the rules and regulations or market quotations of any

such cotton exchange, board of trade, or other similar place, there is hereby levied a tax equal to one-tenth of 1 per cent per pound on the quantity of cotton mentioned and described in any such contract: Provided, That in all cases where the quantity and kind of cotton mentioned and described in such contract is actually delivered, in compliance in good faith therewith, by the seller to the buyer therein respectively named, the tax levied by this section shall be refunded to the party paying the same in such manner and under such regulations as the Secretary of the Treasury shall prescribe. Any sale, agreement of early paying the same in such manner and under such regulations as the Secretary of the Treasury shall prescribe. Any sale, agreement of contract of the transmitted promiting the contract of the rules and regulations. On any son acting in conformity to the rules and regulations, in any foreign country, where the order for such sale has been transmitted from the United States to such foreign country and either the buyer or the seller described in such contract of sale is at the time of the execution there of a resident of the United States, shall be deemed and considered in all respects a sale, agreement of sale, or agreement to sell, for future delivery, of the cotton described therein within the meaning of this section. A corporation organized under the laws of any State or country shall be deemed for all purposes a person within the meaning of the in within the parties thereto and signed by the party to be charged, principle of the sale as aforesaid of cotton for his agent. The said tax shall be paid by means of stamps affixed to such written contract and shall be paid by means of stamps affixed to such written contract and shall be paid by means of stamps affixed to such written contract and shall be paid by the party named as buyer therein.

That the Secretary of the Treasury is hereby authorized and empowers of the said tax shall be paid by means of stamps affixed to reliable to the said tax is

That the payment of the tax levied under authority of this section shall not exempt any person from any penalty or punishment now or hereafter provided by the laws of any State for entering into contracts for the future delivery of cotton; nor shall the payment of taxes imposed by this section be held to prohibit any State or municipality from imposing a tax on the same transaction.

## IMPORTANCE OF COTTON INDUSTRY.

The purpose of this amendment is to relieve one of the great primary industries of this country from an incubus that has rested upon it for the past 20 years. The inherent commercial potentialities of the industry involved are such that it has partially withstood a system of brigandage that would have destroyed any other in our country. The production of cotton constitutes the backbone industry of the United States. It is the foundation of the industrial existence and prosperity of 11 of our States. It constitutes the principal source of employment for their people, and contributes annually to the commerce of the country more than \$1,000,000,000 in value as a raw material. When manufactured, the possibilities and value of the industry are infinitely increased. It is now, and has been for years—more largely in the past than at the present time—the item export which has maintained the balance in our favor in our trade with foreign countries. For 1912 the following is a summary of our foreign trade:

Imports

Balance in our favor ____. In the amount of our exports there is included raw cotton, \$565,849,271; cotton manufactures, \$50,769,511; aggregating, \$616,618,782. The exports of raw cotton are 26.07 per cent and cotton manufactures 2.34 per cent, aggregating 28.41 per cent of our entire exports. This showing indicates that our cotton exports constitute nearly \$200,000,000 more than the entire belonger of trade in our force. tire balance of trade in our favor. What is contributed to our domestic commerce is a sum so fabulous that the necessities

of the present occasion do not require that it shall be estimated. It will be sufficient on this occasion to say that its value as a raw material is the basis, in a large degree, of the prosperity of nearly every manufacturing center in New England. Raw cotton is the product exclusively of what is known as the southern section of our country, and the census of 1900 shows that 65 per cent of the crop of that year was grown and marketed by white people, and 35 per cent by the colored popu-It is evident that the industry is one of the very first importance among the vital elements that go to make up the fabric of our commercial greatness. It ought to be treated fairly. In fact, if there is in the science of government room for extending benefits and conferring favors it ought to be favored. Those who engage in the production of cotton as a business have never enjoyed any of the benefits of the customary policies of favoritism, the existence of which is sought be justified by a purpose to stimulate the full development of the fundamental industries of the Republic. On the contrary, in the negative way of nonaction, the lawmaking powers of the land have inflicted upon that great industry an injury I refer to of the most grievous and demoralizing character. the business of gambling in the market prices of cotton, nominally contracts for the future delivery of cotton. This pernicious business has attained to proportions wholly beyond the knowledge of the average citizen outside the cotton-producing industry, and is understood very vaguely by many directly interested therein. This business is conducted by two organizations known as cotton exchanges, one of which is located in New York and known as the New York Cotton Exchange, and the other in New Orleans and known as the New Orleans Cotton Exchange. The chief offender is the New York Cotton Exchange. The exchange at New Orleans is a minor affair in its power to bring about the demoralizing results of which the cotton-growing industry complains to-day. In a report made by Senator George to the Fifty-third Congress for the Senate Committee on Agriculture, he said of the New Orleans Cotton Exchange:

The New Orleans Cotton Exchange, though located in the largest spotcotton market this side of the Atlantic, is a mere annex to and a subordinate of the New York Cotton Exchange, and so need not be described further than by saying if it had the will to do good it has not the power.

In a speech subsequently delivered in the United States Senate he justified this observation in his report by presenting the following communication from Latham, Alexander & Co., at that time one of the chief cotton-exchange operators in the United States:

There is always some controlling power or market for every commodity. London is the financial market of the world. New York is the financial market of the United States There is virtually one stock exchange in the United States—that is the New York Stock Exchange—and the price of every bond and stock that is sold here regulates the price everywhere else. The price of cotton in New York oftentimes controls the price of cotton in the whole world, because this city is presumed to know more about the supply and value of it than anywhere else, and our operators and dealers are oftentimes followed. No small market doing business in contracts—

That is, futures; they call that dealing in "contracts"—
could survive 24 hours unless their business was conducted on the basis
of the prices at controlling centers. If any market for contracts
smaller than ours should attempt to sell down prices, cotton dealers in
New York could—

They do not say they would; they could do it—
within a few hours buy all they had to sell. If they attempted to advance prices against quotations in New York, dealers here could within
24 hours offer to sell them more cotton than they could buy.

The conditions thus described probably represent conditions as they exist to-day. In the aspect in which I deal with the question now, I think I am justified in treating the New Orleans Cotton Exchange as a minor affair. It has some very able men connected with it, and its membership and officers have been exceedingly active in opposing pending legislation. Being situated in the cotton-growing section of the country, it should naturally have more or less interest in the man who produces the cotton. But the fact remains that, notwithstanding the frequent attempts to liberalize their plans and policies, they have been wholly unable to do anything in the way of effective correction of the evils that have borne down so heavily upon the cotton producers of the country.

### NEW YORK COTTON EXCHANGE THE REAL OFFENDER.

The New York Cotton Exchange is an organization created under the authority of the Legislature of New York. It is a close corporation, consisting of a membership limited to 450. It is located in New York City. The express object of its creation, among other things, is—

to adopt standards, classify, acquire, preserve, and assimilate useful information connected with the cotton interest throughout all markets, to decrease the local risks aftendant upon the business, and tend to promote the cotton trade of the city of New York.

As New York City is not a spot-cotton market, and never can become one, the significance of this enumeration of powers must be evident. The proposition to promote the cotton trade of the city of New York by so formidable an array of talent and power of initiative as there assembled can only mean the creation there by abnormal, arbitrary, and illegal methods of a place where phantom cotton is to be the normal business carried on. The business is a close corporation in the sense that no one save a member can either buy or sell upon its floor. Its rules provide for a liberal system of supplying to its members information relating to the acreage, state of growth, pests, drought, and weather in the cotton region. These trade secrets have been protected as the private and confidential property of its members by the two decisions of the Supreme Court of the United States, one of which is Hunt against New York Cotton Exchange (205 U. S., 115), and the other, Board of Trade against Christy (198 U. S., 251). The latter case is one in which an injunction was secured to restrain an outsider from making use of the market reports of the exchange. In deciding the case the court said:

The plaintiff's collection of quotations is entitled to the protection of the law. It stands like a trade secret. The plaintiff has the right to keep the work which it has done or paid for doing to itself. The fact that others might do similar work, if they might, does not authorize them to steal the plaintiff's.

The objection being made that the exchange was engaged in an illegal business, and therefore not in court with clean hands, the court added:

If, then, the plaintif's collection of information is otherwise entitled to protection, it does not cease to be so, even if it is information concerning illegal acts. The statistics of crime are property to the same extent as any other statistics, even if collected by a criminal who furnishes some of the data.

The reference to the statistics of crime in connection with this particular class of business is significant. It can not, therefore, be said that the exchanges serve a public purpose and are designed to promote the public interest. In the narrowest and most offensive sense it is an institution created to carry on in secret a wholly selfish and purely illegal business. For a long time this cotton exchange was the sole collector of statistical information concerning the extent and condition of the growing crop of cotton. This information, or perversions of it, is communicated to the outside world from time to time in such form as will best suit the purpose of the dominant clique in that institution, and it was habitually so used, and it is so used now, for all that it is worth. The participation of the Government in the matter of collecting and disseminating information along the same lines has somewhat curtailed the value of this private information of the exchanges, but it has not appreciably influenced the full effects that can be produced by the exchanges in the use of their information between the dates on which the Government makes its publications, which is the 10th of each month, I believe. But I shall refer to this again.

Then, the exchange has provided a system of dealing on its boards by which the seller who contracts for the future delivery of cotton is given the sole option to deliver during the month for which he makes the sale. All contracts purport to be made upon the basis of the middling grade of cotton, which is a first-class, merchantable cotton, capable of being devoted to the uses for which cotton is usually employed. There are several grades, the standard one being the medium, or middling, grade. The contracts are all made upon the basis of the middling grade, but with the right on the part of the seller to deliver any one of the 28 grades, varying from the very highest quality of cotton to the very lowest grade than can be rationally called cotton, allowance being made in favor of the higher grades above middling, with a reduction in those delivered below that grade. These differences are not the differences in price prevailing in the market as between the different grades on the date of delivery, but is a fictitious difference established by the cotton exchange itself. It is said by those who are familiar with the business that these are invariably fixed upon an erroneous and unfair basis.

The organization also has committees whose business it is to determine the quotation for futures, covering the months for which there were no transactions during the day, and also one to fix the price relation of the several grades of spot cotton to each other for purposes of delivery on contracts. Very little spot cotton is actually delivered in New York in performance of these future contracts, probably not one-half of 1 per cent of the amount represented by the so-called future sales.

Every contract executed by members of the exchange is required to stipulate that it is the intention of the parties thereto, the one to make the delivery and the other to accept the delivery of the actual cotton described therein. This is done to escape the condemnation of the common law, which would

otherwise attach if the real intention of the parties were to be expressed in the written instrument. At common law the purchase or sale for future delivery of a given product, with no intention to deliver or receive at the time the contract was made but to close the contract on the basis of the difference in price on the date of delivery, is gambling, and has been so invariably treated by the courts. To escape the condemnation of this rule and to give the business the appearance of regularity and legality, this fiction of a declared purpose to make delivery always a conspicuous feature in the transaction, although in ninety-seven cases out of a hundred both parties understand perfectly well that no such delivery is ever to take place. In fact, the cotton exchange could not do business if it were compelled to make delivery on every contract that was sold thereon. The institution does not purport to be a cotton-dealing proposition. In this connection, I call attention to the extract taken from the report of the Commissioner of Corporations, Mr. Herbert Knex Smith, on cetton exchanges, part 1, page 56, as follows:

It should be clearly understood that while most of these cotton exchanges are corporations, they are not engaged as such in the cotton business in any way. Instead, they are mere associations of individuals who in their financial operations are free to act as they like, subject to the general regulations of the exchange, Exchanges, as such, do not buy or sell cotton, and, except that occasionally some exchanges derive a small income from fees for the inspection or grading of cotton, they have no direct financial interest in the product itself. Their income is derived from membership dues, rents of buildings, investments, or similar sources. This characteristic of cotton exchanges should be clearly appreciated. The impression which appears to exist in some quarters that exchanges in their corporate capacity act as a unit in the cotton market is altogether erroneous. Market operations in cotton are wholly matters of individual concern.

### THE COTTON EXCHANGE A GAMBLING INSTITUTION.

In its final elements, and when its operations most nearly approximate the perfection of the scheme that lies at its foundation, it is a gambling institution, and so understood by everybody who goes there to trade. What its victims consider abuses and desire corrected the exchange regards as the most artistic features of the system and desires perpetuated. Its operation has evolved two distinct branches of the business. One is known as pure speculation, or more properly gambling, and the other is known as hedging, which is a qualified form of gambling. The first class is capable of subdivision into two sub-classes. The first is composed of members of cliques, organized from time to time among the leaders of the cotton exchange, to arbitrarily fix the price in accordance with the requirements of the particular corner or scheme at the time in hand. This may be either up or down, but is usually in the direction of lower quotations. The second class is what is known as "suckers" or "lambs," or, as Mr. Thompson, ex-president of the New Orleans Cotton Exchange, characterizes them, the "insane or cracked-brain operators" who will take all sorts of chances. This latter class is found most numerously in the South and in the larger cities. The feature of pure speculation, or gambling, in the future business constitutes 95 per cent of it, according to the best estimates that can be made. In the Christie case, above cited, the proof showed that the operations on the grain exchange were about 95 per cent gambling to about 5 per cent where deliveries were made or accepted. The so-called hedging business is in itself nothing but a process of gambling, it is said, forced upon a large class of persons engaged in the business of manufacturing cotton. There is no reason why cotton should be differentiated from any other product of the country in the matter of hedging. Persons who engage therein ought to be willing to run the risk of loss or gain as legitimately incident to the business.

The other group of the gambling class is composed of members of the exchange and their clients, whose object is to arbitrarily create a price quotation that they want to rule for a time. They exert the combined powers of the organization, including the edited reports of information about crop conditions, which they control and doubtless color to suit the demands of They are thus formidable beyond the hope of the occasion. being matched by the mere exercise of judgment of any dealer or manufacturer. This cotton exchange thus stands there with a perpetual declaration of war against this industry and all who are engaged in it, and the dealers and spinners assume that they must pay a ransom to protect themselves from its ravages. Buyers and spinners therefore go upon this exchange to hedge their transactions in actual cotton, not because they are not willing to take the natural risks that are involved in the business, but because they are afraid that while they are employed about other branches of their business this diligent and unscrupulous commercial enemy may fictitiously create such conditions as will adversely affect the product upon which their whole business is based. They therefore resort to the exchange for the purpose of hedging; that is to say, making a countersale

or purchase of what they have already sold or purchased in fact. For instance, a spinner who buys cotton will go upon the exchange and sell an equal amount, namely, he will agree to deliver to some unknown purchaser an amount of cotton equal to the amount that he has bought and is at that moment putting through process of manufacture. The last thing in the world he desires to do is to deliver cotton to anybody. He is engaged in the purchase of raw cotton and the manufacture of goods therefrom and not in selling cotton, although he is compelled to sign a contract in which he agrees to deliver a commodity which everyone else knows that he never will deliver. You have only to read the statement of Mr. Lewis W. Parker, of South Carolina, which is quite extensively quoted from in these remarks, to find out what he thinks about that. Bearing on the class of operators who resort to the exchange for the alleged purpose of hedging with reference to their intention to carry out that part of the contract which requires them to receive or deliver the cotton. I here append the following statement from the report of Herbert Knox Smith on cotton exchanges, page 155, and from several reputable cotton merchants and spinners:

155, and from several reputable cotton merchants and spinners:

Buyers ordinarily run from notices in this [New York] market and in any other market unless they want the cotton. Speculative buyers do not have money to take up the cotton, as a rule. They run from their contracts in New Orleans; not so much in Liverpool, because Liverpool is primarily more a spinner's market.

The absolute inability of the buyer at the time he enters into the contract to stipulate what grades he will take or to know what grades he will be compelled to take injects into the transaction under the periodic difference system an enormous element of uncertainty. This uncertainty may properly be said to give the contract much of a gambling character. So far as the buyer is concerned, the transaction comes very near being a lottery. The seller has not only the extremely valuable privilege of selecting but also the inducement to select from the wide range of grades which he can tender to best advantage to himself or, conversely, to the greatest disadvantage to the receiver. A contract which permits any such advantage to one party is obviously an inequitable contract; and the inequity is not overcome by merely stating that it is not concealed, but is known to both parties. (P. 271.)

### BEAL DELIVERY NEVER CONTEMPLATED

I quote an extract from the testimony of Mr. Lewis W. Parker, of Greenville, S. C., given on May 14, 1910, before the Select Committee to Investigate Wages and Cost of Commodities, Senate Document No. 847, Sixty-first Congress, third session, volume 2, page 938:

Mr. Parker. The seller has no option but that of delivering, if delivery is called for. I may, for certain reasons, as I will explain to you later—I may run away from delivery, and as a general proposition I do run away. I do not want to take it, and I run away from it; but if I stand pat and say, "Here, I want my cotton," I think I will get it.

Senator Crawword. You want to run away from the delivery, and he doesn't want you to run away from it, and in that case can he make you take it?

you take it?

Mr. Parker I can run so fast he can not catch me. I can sell the cetton so cheap to get away from the delivery that I simply play into his hands and give him an extra profit over what he counted upon.

Now, I am president, as I stated, of the American Cotton Manufacturers' Association, which has approximately 1,000 members, of which 500 are southern spinners, approximately, and 500 are northern; we are just about evenly divided. The American Cotton Manufacturers' Association, as far back as five years ago, began urging changes in the New York Cotton Exchange rules, because the rules of the New York Cotton Exchange rules, because the rules of the New York Cotton Exchange in fine or of the seller—give every option to the seller, give him every advantage than can possibly be given to him, and make it so that a man rather than take up cotton on the exchange runs away from it, and it is that fact that he does run away from it—that is why there is this constant disparity between cotten contracts on the exchange and absolute spot cotton.

That is to say, the prices quoted by the board for future cotton are very much lower than the price of actual cotton. That testimony is repeated by a number of cotton buyers and represents a standard method of treatment. The actual deliveries on the exchange hardly amount to one-half of 1 per cent of the

The following is an extract from the testimony of Mr. Julius Lesser, of St. Louis, then the principal cotton dealer west of the Mississippi River, taken by Senator George for the committee, at page 41 of the report:

mittee, at page 41 of the report:

Q. About how many contracts of that sort have you made in your business?—A. Several thousand baies of contracts.

Q. Were you ever required to deliver when you sold?—A. Never; because I did not allow the time of delivery to get near enough before I would close the trade.

Q. Did you close out before the time of delivery because you feared that delivery would be made?—A. I always closed trades of that kind as soon as we were fully protected in buying our spet cottons wanted to fill our orders. I can not say I feared the delivery of contract cotton in New York, but do say I did not want their delivery.

Q. Has delivery in these trades of yours ever been tendered?—A. As stated before, I never allowed the time to come near.

Q. Has delivery ever been demanded?—A. I never waited near enough to have it demanded.

Q. (p. 42). Are you willing to say that the general, if not the universal, expectation of those who deal in futures as indemnity is that no delivery of cotton will either be tendered or demanded under such contracts?—A. I have stated that before, that while we indemnify against loss and are able to move the crop from the South, buying daily without any restrictions, we do not intend to receive or tender any actual cotton on contracts in New York.

The following extracts are from the report of Herbert Knox Smith, Part IV, page 9:

The future market, aside from its major movements, is almost always in a state of oscillation. * * *

Under these circumstances the prices paid producers obviously will fluctuate—except to the small extent that limits might be departed from—directly with fluctuations in the future price thus used as a basis. While this means that some individual producers sell their crops on these minor depressions of the future price, this would not result in injustice to producers as a class, since others would sell at a corresponding advance.

Thus this comparison of actual prices confirms the conclusion reached from the study of limits. It is therefore clearly established that the influence of abnormal discounts of future prices is not fully offset by changes in limits, but that they exert a depressing effect upon the prices paid the producer; and that this effect, while less pronounced than the producers often assert, is nevertheless appreciable.

able. To a certain limited extent such abnormal discounts of future prices tend to depress the prices paid producers, not only intermittently, but constantly. The Anything which has a tendency to increase the risks of hedging merchants, as such abnormal discounts of future prices unquestionably do, has a tendency at least to force these merchants to demand a wider margin to cover their expenses and profit than they would require if they were properly protected. This means, of course, that the price which merchants are willing to pay the producer is thereby depressed. Furthermore, this influence, as just stated, operates almost constantly so long as the cause of such additional risk is not removed and not merely from time to time.

It is conceded that the deliveries of actual cotton on the New York Cotton Exchange in performance of future contracts are merely negligible, rarely amounting to 1 per cent of the amount of transactions there. The gamblers habitually employ the facilities of the exchange to manipulate the price for the purpose of making money in this improper and reprehensible way. The chaos that they are thus able to create in the calculations of any legitimate dealer or manufacturer is such as to make it to his interest to minimize its effect by hedging with the authors of this commercial disorder. It is said that they involuntarily resort to the exchange for this protection or insurance—but insurance against what? Insurance against the machinations of the very fellows whom they are paying to protect them. And the manner in which they protect them is quite well detailed in the extended quotation from the testimony of Mr. Lewis W. Parker, contained elsewhere in these remarks. I have drawn largely upon the statement of that gentleman, because his observations are very recent and represent an extensive and personal experience by an intelligent man, who is possessed of the capacity and independence to accurately relate the treatment accorded to him. He testifies in the main that he has no prejudice against cotton exchanges further than the actual facts in the case warrant him in entertaining.

It will serve my present purpose very well to read here somewhat at length the testimony given by Mr. Parker before the Committee on Agriculture in the House of Representatives on the 9th of February, 1910:

TESTIMONY OF MR. LEWIS W. PARKER, OF GREENVILLE, S. C.

Mr. PARKER. My name is Lewis W. Parker. My address is Greenville, S. C. My business is cotton manufacturing. I am the managing officer—president and treasurer, one or both—of eight mills, viz: The Olympia Cotton Mills, Columbia, S. C.; the Granby Cotton Mills, Columbia, S. C.; the Granby Cotton Mills, Columbia, S. C.; the Granby Cotton Mills, Columbia, S. C.; the Wononghan Mills, Greenville, S. C.; the Victor Manufacturing Co., Greers, S. C.; the Apalachee Mills, Arlington, S. C.; and the Beaver Dam Mills, Edgefield, S. C. Those are eight mills of which, as I say, I am either president or treasurer, or both, and I am director in quite a number of others. I am at this time president of the American Cotton Manufacturers' Association. Personally I represent and control about 350,000 spindles. * * *

I think I control more spindles in the South than any other person. I wish to have it understood, though, that I do not appear in my capacity as president of the American Cotton Manufacturers' Association. * * *

One of the Senators asked him how he protected himself. Mr.

One of the Schators asset him how he protected himself. Air. Parker replied:

I use 75,000 bales of cotton a year, and I have never yet been able to find a way. I study the subject every year, and think I have got something, and I have never yet been able to find a way. If I do it by buying futures on the exchange, before I get through I will find that the futures are away below a parity with spots; I have lost on my futures and have to pay a high price for the spots. If I do it the other way, by buying the spots and selling the futures against them, I am buying the spots before I have sold my goods. Then the futures are put up on me; I have a loss on my futures, and I have my spots at the high price. So I have never yet found a way of hedging the cotton.

Mr. Baooks. Could Congress regulate the rules of an exchange?

Mr. Parker. No, sir; I do not suppose Congress could regulate the rules of an exchange. And if the rules of the exchange are not regulated so as to be just to the producer and just to the manufacturer, and if their power of speculation is so reserved to them as to be an unreasonable and unfair speculation, to say the least of it, then I contend that Congress in its power must come to the relief of the producer and the consumer, and say to the exchange: "Under your present conditions you are doing an illegitimate and a gambling business, and therefore we must exclude you * * *"

To illustrate that, Mr. Chairman, in January, 1908, I bought 5,000 bales of cotton from a certain intermediate man—a thousand bales a month—for delivery in January and May, inclusive. At that time New York contracts were selling at 9.90 for May. I bought those 5,000 bales of cotton at 110 points on May. To begin with, that was an absurdity,

that I should be buying cotton in South Carolina and having to pay, where the cotton is raised, 110 points more than it was theoretically worth in New York. That was possible than it was theoretically worth in New York. The was possible than it was theoretically worth in New York. The was possible than the New York Exchange quotations then were way bed its dace. But the New York Exchange quotations then were way bed its dace. But the New York Exchange quotations then were way bed its dace. But the New York Exchange quotations then were way bed its dace. But the New York for those 5,000 bales. Futures were 9.90. That made the spot cotton cost me il cents.

What happened? Spot cotton advanced; and when my friend went to deliver the spot cotton to me he had to pay 123 cents for it in place of 11 cents. What became of futures? Although spot cotton advanced a cent and a half, futures went down a quarter of a cent. What was the result? The man broke. He could not stand the strain. He has a perfectly legitimate eale.

The CHAIRMAN. Do you know whether he had attempted to protect himself?

Mr. PARKER. Oh, yes; he bought futures. He had the futures. He bought futures at 9.90.

The CHAIRMAN. And he "went broke" because futures went down? Mr. PARKER. He lost on both sides?

Mr. PARKER. He lost on both sides?

Mr. PARKER. He lost on both sides?

Mr. PARKER. He lost on both sides of the market; and that is constantly happening. I say to you as a spinner to-day that I do not care how strong an intermediate man may be; I do not care whether it is entermediate man may be; I do not care whether it is away a serious guiden or not; I do not care how strong he is; it is always a serious guiden or not; I do not care how strong he is; it is always a serious guiden or not; I do not care how strong he is; it is always a serious guiden or not; I do not care how strong he is; it is always a serious guiden or not; I do not care how strong he is; it is always a serious guiden or not; I do not care how strong he is; it is always a serious

amount of speculation would be infinitesimal compared with what it is now.

Mr. Burleson. Right on that point, is it not a fact that the farmers' organizations throughout the South are now adopting means to warehouse their own cotton? Are they not building up a system of warehouses all through the cotton section?

Mr. Parker. I consider that the farmers' organizations in the South have been of the greatest assistance in the maintenance of prices; and I think the method you suggest is one of the means that they have adopted and have properly adopted.

Mr. Lever. What would be the ultimate effect on producer and spinner of the abolition of the exchanges in this country?

Mr. Parker It would revolutionize, of course, the character of the present business. I would not sell ahead, as I now do, covering on the exchange, without having made absolute purchases of my cotton—spot cotton. But it would not effect me in my sales ahead. I would have to readjust my business, and I would readjust it and buy the spot cotton, put it in my warehouse, and carry it.

Mr. Lever. There would be no difficulty, then, in readjusting your business so as to meet it?

Mr. Parker. I do not think so; no sir. I do not think so. I have regretted exceedingly to have a condition arise where I felt that the exchanges had to be abolished. But I do say that if the exchanges do not respond to this just demand, then there is nothing to do except to regulate them. I do say that they have not responded, and, judging from the past, I can not hope that they have not responded, and, judging from the past, I can not hope that they have not responded, and, judging from the past, I can not hope that they have not responded, and, judging from the past, I can not hope that they have not responded, and, judging from the past, I can not hope that they have not responded, and, judging from the past, I can not hope that they have not responded, and, judging from the past, I can not hope that they have not responded.

I think that if the effect of doing away with the exchanges would be to have warehouses to take cure of all the cotton, it would be worth many, many times any possible harm that would come from the abolition of the exchanges. Unfortunately too many of our planters now let their cotton stay out in the weather right through the winter and do not warebouse it. If, by the abolition of the exchanges, we could force them to a condition where they would warehouse their cotton, it would be the best thing in the world for all of those interested in cotton.

Mr. Sims. But it is a fact that there are warehouses to take care of cotton now.

Mr. Sins. But it is a fact that there are warehouses to take care of cotton now.

Mr. Parker. There are; and the most intelligent farmers are now learning to avail themselves of them.

Q. Is it not a fact that during the last three years there have been about 2.000 of them built?

Mr. Parker. Yes; there are a great many small warehouses being built all around.

Mr. Parker. 16s; there are a great many small warehouses cempanies to receive the cotton and charge so much a month for warehousing it?

Mr. Parker. That is right.

The Chairman. Or do they advance a certain portion of its value?

Mr. Parker. There are different methods pursued. They all charge for the storage. Some make an advance upon it directly. The general method, though, is that they give a warehouse receipt to the farmer. Once we get capital assured of the safety of the warehouse receipt. and that the cotton will be kept there until it is needed, and the receipt can be hypothecated in the banks at a reasonable rate of interest, the effect has been (and I think Mr. Burleson will bear me out) that in the last three years the rates of interest on cotton collaterals have declined very greatly in the South. I have been able, myself, to help in placing loans for farmer friends this past season as low as 5 and 5½ per cent, and last season as low as 4½ per cent, whereas in the South, previously, our rates have been 7 and 8 per cent.

Mr. Parker, knows exactly what he is talking about. His

Mr. Parker knows exactly what he is talking about. His statements represent his actual experience, not only as the most extensive cotton spinner in the South but as president of a national organization that embraces in its membership a thousand spinners who are actively engaged in the business of manufacturing cotton. His statements are entirely in harmony with the information that anyone can derive from other perfectly authentic sources. In fact, what he says is common knowledge among those who are informed about the business. In addition to the testimony given by Mr. Parker before the House Committee on Agriculture, he testified before the Senate Committee to Investigate Wages and Cost of Commodities on the 14th of May, 1910, and I make further extract from his testimony then given, volume 2, page 947. The vice of the whole future-gam-bling system, as it exerts itself on the legitimate manufacturer of cotton, was uncovered by a single question propounded by the senior Senator from Utah [Mr. Smoot], noted everywhere for the hard, practical sense which characterizes his consideration of every commercial question. The following is the statement made by Mr. Parker in answer to the questions propounded by Senator Smoot and Senator CRAWFORD:

SYSTEM FORCES EVERYONE TO BECOME A SPECULATOR.

Senator Smoot. Then it resolves itself right down to this, that if you yourself are going to deal in futures in goods, you have got to deal in futures in cotton?

Mr. Parker. I agree with you on that.

Senator Crawford. You make the best money on your keenness in judgment in making contracts for the future sale and delivery of your goods; isn't that true?

Mr. Parker. I will tell you that I think speculating in cotton is doing more trouble than anything else. If the present conditions are to be continued, then I tell you I am not a legitimate business man or a manufacturer, but I am a speculator.

It is not a possibility for any cotton dealer nor for any manufacturer to maintain his distinct attitude as such in his business as long as the New York Cotton Exchange is permitted to carry on the business in which it is now engaged. Mr. Parker distinctly admits as much, and what he has admitted can be established by every other person engaged as he is in an effort to confine himself exclusively to the legitimate business of manu-The process by which this commercial outlaw facturing cotton. is practicing its impositions upon the great cotton industry is the result of growth and evolution. The wit of no one man was ever sufficiently perverted to invent any such scheme in a day. Every time something new in the line of vitiated ingenuity has been brought to the surface by an actual transaction it has been concreted to the laws of the New York Cotton Exchange. In addition to giving the seller the option, the laws of the exchange do not require him to deliver merchantable grades of cotton, but, to the contrary, encourages him to a course of virtual fraud upon his contract by giving to him the privilege of delivering cotton wholly unsuited to purposes and use by any spinner. The buyer is still further handicapped and penalized by being required to accept only certificated cotton; that is to say, cotton which has been arranged to serve the ultimate purpose of the exchange of deterring any deliveries at all. In support of my assertion that cotton intended to be delivered to those who subscribe to the rules of the gambling game sufficiently to manifest a willingness to accept deliveries are deliberately circumvented by what is permitted by the rules of the exchange, I submit the

following extracts from Herbert Knox Smith's report on cotton exchanges, on the pages indicated:

Herbert Knox Smith's report, parts 2 and 3, page 156:

Herbert Knox Smith's report, parts 2 and 3, page 156:

From various statements made to representatives of the bureau, however, it appears reasonably certain that the privilege of tendering a miscellaneous assortment of grades in the New York market has at times been abused by individual deliverers. Such abuses are not confined to the New York market, although they appear to have occurred with special frequency there. For instance, in the Liverpool market, where the deliverer is allowed to tender 4 marks on a single contract delivery, it is said to be a general practice of sellers to mix deliveries to this extent, even though they may be put to some trouble in doing so. In the same way, in the New Orleans market, where tenders are admittedly much more satisfactory than at New York, certain sellers who found that a mill was able to use the deliveries are said to have made a special point of tendering a grade of cotton not adapted to the requirements of the mill in question. * * *

As a matter of fact, no large amount of time was spent in investigating this charge as to the mere point of intent or motive, for the simple reason that, as a matter of fact, tenders are ordinarily so mixed as to be objectionable. The fact of this condition was considered of more importance than the personal motives which might have been responsible for it. The opportunity is clearly open for abuse of this privilege in either the New York or the New Orleans market.

The long and the short of the whole business is that the New York Cotton Exchange and its New Orleans parasite as well are engaged in a systematically organized raid upon the prosperity of those engaged in the cotton-producing business. The members of the New York Exchange exact a charge in the way of brokerage fees from its victims and its involuntary coconspirators, the spinners, of at least \$10,000,000 a year for transactions on its floors. Up to 1907 it was possible to get authentic information concerning the amount of phantom cotton bought and sold on that exchange. Since that time no reliable information can possibly be obtained. Instances have occurred where prominent members of the exchange were interrogated on oath as to the extent of these operations there, and they have invariably answered that they knew nothing about the matter, no record thereof being kept. By a process of comparison it has been indicated as a fairly justifiable estimate that the transactions there exceed the amount of the actual cotton crop produced from ten to twenty times. A conservative estimate would be that the transactions on that exchange amount to 100,000,000 bales of future cotton, where the crop of actual cotton will not exceed 15,000,000 bales, and that the fees paid to the brokers for these transactions will amount nominally to \$15,000,000 annually, but when we make deductions therefrom for that part of the business known as "wash sales," which are collusively made between the members of the exchange for the purpose of creating market quotations to serve some prearranged corner or raid, it can reasonably be assumed that the amount of money taken as brokerage fees from nonmembers who deal on that exchange easily amounts to \$10,000,000 annually. A "wash sale" is one made by one member to another who, either directly or indirectly, during the day sells back to the member from whom he bought an equal amount of cotton. It implies collusion, and many times is resorted to to circumvent some speculator or investor not a party to the deal. The amount taken from pure speculators or gamblers amounts to \$75,000,000 a year according to estimates. In connection with this matter of the extent to which future deals are made on the New York Cotton Exchange. I submit the following extract from Herbert Knox Smith's report in a table given at page 273, parts 4 and 5:

Year.	Cotton crop.	Sale of futures.
1893 1894 1895 1896 1897	Bales. 6,700,365 7,493,000 9,901,257 7,161,094 8,532,705	Bales. 53, 245, 400 37, 888, 460 39, 308, 500 56, 469, 000 36, 113, 600

As a possible explanation for this, and a justification for it, as nearly as it can be justified or explained, I submit the following extract from Mr. Smith's report, at the pages indicated:

extract from Mr. Smith's report, at the pages indicated:

The extent of hedging can only be estimated; opinions as to its volume vary widely. Estimates obtained by the bureau of the annual total of hedging transactions in the New York, New Orleans, and Liverpool markets combined range all the way from 20,000,000 kales or less to more than 125,000,000 bales. An exporter at New Orleans estimated that a 13,000,000-bale crop would easily furnish 26,000,000 bales of hedging transactions in the three markets combined. A New Orleans factor estimated that the combined hedging operations in these markets in the season of 1906-7, when the crop was about 13,500,000 bales, might easily have amounted to 50,000,000 bales. In his opinion the proportion of hedging transactions in the total of future dealing was largest in Liverpool and smallest in New York. Other merchants interviewed estimated that an ordinary crop of cotton is hedged all the way from one to five times. As each hedge eventually means both a sale and a purchase, every hedge counts twice in the total of future transac-

tions; that is, if 13,000,000 bales of cotton were hedged once this would ultimately contribute 26,000,000 bales to the total of future transac-

ultimately contribute 26,000,000 bales to the total of future transactions.

Whatever the volume of hedging transactions proper may be, there can be no doubt that future trading is largely made up of what are commonly regarded as purely speculative—though not necessarily gambling—transactions, and that without such operations on an extensive scale the future market would be impracticable. The best evidence of this is the repeated failure of attempts to establish organized future trading in cotton in markets where speculation was practically absent. Thus, in the season of 1906-7 an attempt was made to establish future trading in cotton at Memphis, but the movement fell flat from the start, chiefly owing to the fact that there was no speculative business. Similar attempts have been made on the Mobile, Savannah, and Galveston Cotton Exchanges, but in every case without success. In all of these markets there are merchants who employ buying and selling hedges extensively, so that this feature of the business was not lacking.

It is true that transactions in future contracts on either the New York or the New Orleans Cotton Exchange in any year ordinarily represent a volume of cotton vastly greater than the total crop. It is not unlikely that the combined transactions in futures on the two exchanges in some years represent 10 times the volume of the crop. The greater volume of transactions is due, in part of course, to the fact that contracts repeatedly change hands during the period from the time that they are entered into until the date of maturity (p. 268).

The cotton-exchange interests insist that if the pending amendment shall become law the business of dealing in cotton for future delivery on the exchanges of the country will cease. The logic of that statement is that, unless the so-called speculative, or gambling, element is allowed to make money illegiti-mately, the so-called hedging branch of the business will be discontinued. In Mr. Smith's report on cotton exchanges, at page 161, this observation occurs:

The chief reason for a future system is that it renders some service to the trade. If the future system consisted merely in the exchanging of contracts between speculators, without conferring some benefit upon trade as a whole, an exchange would have no right to exist. No matter how correctly such speculators might judge crop conditions and forecast prices, if their operations did not confer some advantage upon the trade and the community at large, an exchange under such conditions would be little more than a gambling place.

### GAMBLING NOT TO BE DEFENDED.

The indefensible doctrine is thus declared that a wholly vicious business must be permitted to continue if, by indirection, some good or profit shall result to a small number in the community. The rule is, you must so use your own that no harm to others do. It is not true that when the character of the work done on the cotton exchanges is wrong and oppressive to a class of persons, that this wrong should be allowed to continue because, in some remote way, some one has been at le to make such terms with those in control as will minimize his losses due to the commercial disorder produced by them. The fact of the business is, from the very first page to the very last of this very able and exhaustive report made by the Commissioner of Cor-porations, there is an arraignment of the cotton exchanges and their present methods of doing business. The admonition has been repeatedly given that they must change their methods or else they must expect to be dealt with as others are who habitually violate the laws by which society is maintained.

The report has now been before the public for more than five years and no changes have been made in their methods, and the New York exchange solemnly insists that no changes can be made and its essential purpose preserved. They contend that the exchanges are not places where cotton is bought and sold. They simply deal in the element of price, naturally or artificially The institution has nothing whatever to do with the handing of actual cotton or its manufacture. It is an interference with its plans to even talk about the actual delivery of cotton. They deal with it in its theoretical and not in its prac-They fix the price to suit themselves when they tical aspect. can create conditions by invoking the combined powers of the organization. Sometimes they operate in the interest of the spinners, and sometimes they will buy or sell for a well-organized and gigantic clique of cotton-exchange members and their allies in opposition to the spinners. The producers are never consulted. They never appear there. They have no voice in what is taking place and no notice that it will take place. The fluctuations are so rapid there that the local buyers with whom the actual producers deal, especially the small producers, are constantly perplexed by this artificial activity, and in order to be on the safe side the first-hand buyers from the small producers must give themselves the benefit of this uncertainty by a reduced offer. The larger dealers may keep themselves closely in touch with what is going on in the New York Cotton Exchange, but it is not true with the scattered and disorganized producers and small buyers at interior points, where probably the greater part of the cotton is marketed. The vice of the whole system is directed against the small producer and the small dealer, who have no cotton-exchange connections or means by which they can protect themselves even if they did. The whole trend of modern progressive action is to help the fellow at the bottom and to make it easier for the man who is willing

to work to do so in such a way as will bring to him a fair part of the value he produces. All of our modern legislation is characterized by this enlightened purpose and policy. The cotton growers of the South should not be the only victims whose wrongs shall pass unnoticed.

The representatives of the cotton exchanges in the discussion of this subject imply that they are the guardians of the cotton raisers of the South; that, in fact, if it were not for them there would be no market for cotton and that the whole business would fall into disuse and demoralization. Such a contention is grotesque and would excite mirth if it did not relate to a subject so serious. The South is about as independent in its commercial relations as any part of this country, and if it shall only have fair play in the framing of the laws of this country it will excel in commercial and industrial progress country it will excel in commercial and industrial progress. and power any other section of the land. Its industries and its activities are not dependent upon any measure of bounty doled out to it by 450 cotton gamblers in New York. There is a growing independence manifest in all linds of commercial employment all over the South. There is not a State in which cotton is grown that does not possess sufficient banking facilities to take care of every bale of cotton produced in that State. It is the foundation industry of them all, and its beneficent effect runs into every channel of trade and affects every calling. Everybody's business depends upon it, and everybody locally concerned is interested in seeing that the great staple is permitted to sell on its own merits and to bring into the section where it was produced its real value. The spot-cotton business is now carried on upon a perfectly satisfactory and independent basis, and this wholesome condition is increasing in strength and usefulness all the time. The last 10 years have been years of prosperity in the southern cotton-growing section. Even now there is a very large number of farmers who are sufficiently financially independent to be consulted in the negotiation before they part with their cotton. This is not only due to the bettered financial condition of the farmers, but because they understand better than they ever did before the conditions that surround them. They, therefore, are but slightly alarmed about the threat of the exchanges that they will permit the business to drop into hopeless demoralization if they are not permitted to rob the industry annually out of \$100,000,000. Many of these cotton-exchange impositions are such as to increase the price that the consumer pays without giving to the producer his proper share of what the consumer pays, produced by abnormal market arrangements. conditions show their evil effects in a course of dealing that requires that the price must be higher after the cotton has passed out of the hands of the producer into the hands of some middleman. I submit a table here which presents as strikingly as anything can the necessity for a more rational system of marketing:

Comparison of autumnal low price for cotton and subsequent high price for 12 seasons. (Cotton season commences Sept. 1.)

[As shown by quoted value middling cotton, New York.]

Season.	Price.	Date.	Variation.
		PER STATE	Cents.
1901-2	Autumnal low price, 7.80 cents    Subsequent high price, 9.80 cents	November, 1901 April, 1902	2,00
1902-3	Autumnal low price, 8.30 cents	November, 1902 July, 1903	5, 20
1903-4	Autumnal low price, 9.50 cents	October, 1903 February, 1904	} 7.78
1904–5	Autumnal low price, 6.85 cents	December, 1904 July, 1905	4.5
1905-6	Autumnal low price, 9.85 cents	October, 1905 December, 1905	2.75
1906-7	Autumnal low price, 9.60 cents	September, 1906 August, 1907	3,95
1907-8		November, 1907 June, 1908	1.60
1908-9	Autumnal low price, 9 cents	October, 1908 July, 1909	4.13
1909-10	Autumnal low price, 12.40 cents	September, 1909 August, 1910	7.33
1910-11	Autumnal low price, 13.60 cents	September, 1910 May, 1911	2.5
1911-12	Autumnal low price, 9.20 cents	December, 1911 July, 1912	4.20
1912-13	Autumnal low price, 10.75 cents Subsequent high price, 13.40 cents	October, 1912 January, 1913	2.65
			12)48, 70
Ave	rage variation between high and low extrem	es	4.05

The average variation between the autumnal low price and subsequent high price is 4.05 cents per pound, equal to \$20 per bale. Assuming that one-half of this could be saved by gradual marketing, the resulting gain to the cotton growers of the South would be \$10 per bale. On the present average crop of 15,000,000 bales this would be the equivalent of \$150,000,000 a year.

This would not be an added tax on the consumer, for, aside from the fact that two-thirds of the cotton crop is exported, it is probable that the consumer now pays the average price of the season, and the difference between it and the minimum low price is the profit exacted by the middleman for the theoretical risk of buying cotton when it must

The discussion incident to the pendency of this amendment has been valuable in more directions than one. It has at least established the fact that the so-called hedging business carried on by the exchanges is tolerated by them as a sort of investment in popularity. Every vicious and demoralizing business must have some way by which it can at least attempt to justify its existence and to protect itself against the force of an aroused public opinion. In this particular instance the hedgers and their friends perform this service for the room gamblers, who could not openly defend their part of the undertaking. So completely is this true that it is now openly declared that the source for funds to make hedges safely is the unprotected speculator or actual gambler. In other words, the exchange will not carry on the hedging business unless it is also permitted to carry on the fledging business almess it is also permitted to carry on the gambling business. In this connection I quote a statement from a very plausible and able paper on the general subject prepared by Mr. William B. Thompson, late president of the New Orleans Cotton Exchange, and dated July 21, 1913:

NO GAMBLING, NO HEDGING.

The source of the supply of hedge contracts is speculation (gambling). Traders with different views as to the future course of prices meet in the future market and either in person or through brokers offer to buy or sell. From this nucleus the broad hedging market develops. It is quite true, as has been alleged, that the hedging non-speculative contracts constitute the bulk of the trading in the future market, and that through the meeting of many such traders it often happens that by transfer and exchange both parties to the contract are nonspeculative hedge traders, but the fact remains that the basis of the underwriting function is the risk assumed by the speculative—

Gambling-

division. If therefore speculation-

Gambling-

be eliminated from the future market, the basis of the hedging market is destroyed. So if you prohibit speculation—

Gambling-

the hedge market will suffer likewise and there will be little or no revenue therefrom.

The purpose of this amendment is to differentiate the two The purpose of this amendment is to differentiate the two classes. It is as probable as anything depending upon a future contingency can be that the "sucker," "lamb," or purely speculative element will not pay 50 cents a bale for the privilege of gambling. The ideal "sucker" on the cotton exchange is the one-or-two-dollar-a-bale-margin dealer. It is easy to get rid of him by prearranged fluctuations, and thus get him out of the way so that he will no longer be any trouble and have his margin entered on the books as a real profit in the transaction gin entered on the books as a real profit in the transaction.

These fellows will not pay the tax and the commission when there is a certainty that just an ordinary daily fluctuation will leave them without an interest in the game. Without the possibility of this accumulation of small margin dealers it is said that the exchanges will not take upon themselves the risks incident to deals made by spinners and strong dealers.

These latter can easily keep their margins good until the maturity of their plans, at least until the accomplishment or failure of the purpose they have in view. The rules of the exchanges are so adjusted that they may be mulcted quite liberally, but not to the extent that the ordinary inexpert speculator is, this being the graceful term used to describe him after he has been separated from his cash. I think the New York Cotton Exchange is wholly bad and has no right to exist. There is not the slightest possibility of its being a real service to the cotton industry, and its longer continuance under present conditions is detrimental in the highest degree to the people in whose welfare it is both my duty and inclination to be interested.

The pernicious business has been assailed by so many people and from so many quarters that its defenders have evolved a highly technical and awe-inspiring phraseology with which they project their alleged excuse for its existence before legislative assemblies. They never attempt to justify their right to exist before the public, for with them it is a case of "the public be They ask nothing from the public except a crop of suckers" moderately well supplied with actual cash. To read one of their printed arguments-and they are sometimes able and very plausible-the average reader will get the same impression that a Digger Indian would on hearing a Greek poem The people understand the effects, but they can not instantly understand all of the plausible arguments advanced in support of this business by their interested and subsidized defenders. The fundamentals are not hard to understand by those who are the victims. The cotton producers know that before a single seed of the next cotton crop is planted that

scores of people who never saw the inside of a cotton field assume to fix the price at which they guarantee, in the form of contracts for future delivery, to deliver the whole of the next cotton crop; and not only that one, but ten times the number of bales that can possibly be produced and marketed. The farmer who is to make the cotton is never consulted about the arrangement and has no means of protecting himself against it. The cotton spinner may, in a measure, protect himself against it by paying tribute to the institution that has created this unwholesome condition. No matter what takes place, the farmer is at the mercy at every turn in this unholy negotiation and without any means of protecting himself. He is the only party interested in the transaction who is now clamoring for recognition of the legitimate law of demand and supply. He is the only real victim of the business. The spinners of the country are an organized body and can treat as a unit with the other organized bodies, namely, the cotton exchanges, who are on occasion their adversaries and at other times, to a greater or less degree, their confederates. The farmer is never represented in the affair, and the smaller farmers have no means whatever of knowing the influences that are at work against them. The existence of this condition has become all too well known. While there may be difference of opinion as to the best method of getting rid of it, there is no one engaged in the cotton-producing business that is ignorant of its effects. That part of the community is a unit against the continuation of the system. The time has arrived when this business must cease if justice is to be done to that great body of our toiling citizens who produce this great and all-important commodity.

These cotton exchanges have been warned to change their

methods so as to bring them somewhat into harmony with the enlightened sense of justice of the present day, and they have insolently disregarded all of these warnings, because the business, as they have planned it, can not be conducted on any principle which recognizes justice to the producer. This warning has been given to these exchanges by every legislature in the cotton-growing States except two; by the often repeated protests of the spinners organizations of the country; by the united and earnest protest of every farmers' organization in the country; by the repeated efforts that have been made in Congress from time to time to reform the business or put an end to it; by every chapter and every section in the elaborate and able report of Herbert Knox Smith, Commissioner of Corporations, on cotton exchanges; and, again, by the specific and definite obligation laid upon the members of the dominant party in the present Congress by the platform adopted at Baltimore last summer, in which that party pledged itself to be active in aid of agriculture, and as a means to this end urged Congress to pass laws that will effectually destroy gambling in agricultural products. I had the honor of offering this provision in the committee which incorporated it in the platform as reported and adopted. None of the admonitions have been heeded to the slightest extent. The fact of the business is, the exchanges have lost the power of self-correction of the evil. They have sinned away their day of grace. The hour for their destruction is at hand, and the only power that can deal effectively with them is the Congress of the United States in the exercise of the taxing power authorized by our Constitution. When the Hatch antioption bill came so near passing Congress in the Fifty-third Congress a widespread movement for reform was agitated among the cotton-exchange membership themselves. Quite a show of virtuous dissatisfaction with existing evils and a de-termination to reform them was then made, but when that bill met with defeat in the House of Representatives we heard no more about changes in the system. Conditions have been growing steadily worse instead of better. As an indication of the extent to which the New York Cotton Exchange was willing to go in modifying its .nethods rather than to take the chance of prohibitory legislation under the taxing power, I call attention to the following quotation from Report on Cotton Exchanges, to which I have made such frequent reference, on page 191:

which I have made such frequent reference, on page 191:

The adoption of such a clause has been advocated for many years. In 1892 and 1893, when the so-called Hatch antioption bill was before Congress, a determined effort was made by many cotton interests to secure the adoption of such a clause, its advocates taking advantage of the uncasiness in exchange circles over the Hatch bill to press their claims. On January 24, 1891, the St. Louis Cotton Exchange passed resolutions addressed to the New York Cotton Exchange urging the adoption of the low-middling clause. Nothing substantial appears to have resulted from this agitation. Opposition to the Hatch antioption bill became more and more vigorous, until the measure finally failed to pass; and with this danger out of the way the two cotton exchanges became more indifferent to this agitation for a modification of the contract.

This action presents a repetition of the situation described in the old saying:

When the devil was sick, the devil a saint would be; But when the devil got well, the devil a saint was he.

Why should this business continue longer? The spinners say they are opposed to it, and every representative authorized to speak for the organized farmers of the country say they are opposed to it. The farmers have presented their attitude in regard to it in the form of an authorized statement by a representative of theirs sent here for the purpose, as will be seen from the following extracts of the testimony of Hon. T. J. Brooks, of Atwood, Tenn., who is a prominent officer of the Farmers' Union of the United States. His testimony was given before the Committee on Agriculture in the Hous, of Representatives on the 9th of February, 1910. His statement on that occasion is comprehensive and able, and his arguments against the longer existence of these exchanges are as concise and forcible as can be found anywhere. A perusal of his statement in full will compensate the time required to do so. At this point I present somewhat extended extracts from that statement:

TESTIMONY OF MR. BROOKS.

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TESTIMONY OF MR. BROOKS.

If the hedging business was confined to the actual number of bales of cotton raised and sold, I doubt if it would have attracted such wide-spread aftention. As only a certain part of each cotton crop is actually covered by hedges by those who handle the spot cotton, it follows that only that per cent of each year's crop can be legitimately hedged, and this would limit each year's crop can be legitimately hedged, and this would limit each year's crop can be legitimately hedged, and this would limit each year's options to something like 4,000,600 or 5,000,000 bales of perhaps 6,000,000 bales, and at the furthest extent it could not exceed the number of bales that were produced in a year, and it seems that the most reliable figures that we can obtain show that 100,000,000 bales are bought and sold on the exchanges of this country every year, so that they can scarcely be called actual cotton exchanges, but are more option exchanges than cotton exchanges.

All we would ask is to give the normal operation of the law of supply and demand full sway. Let that help who it will no be to the detriment of who it will, it is justice. That is honesty, that is equity, and we think to demand more is wrong, and we think to be satisfied with less is cowardice. We see no excuse for anyone, even though he be a farmer, wanting the hedging business to go on, if it puts money in his pocket at the expense of somebody else who gets no equivalent. We want nothing but equity, if we know ourselves, and we would not for one instant advocate the continuance of this system if we thought it put money in our pockets by robbing somebody else of that additional price that we might obtain. You can not make that too positive on our side. We are perfectly willing to take the results, the consequences, of abolishing these futures, and the vage solicitude that may be offered by our friends on the other side will not be appreciated. * *

I am not discussing this from the standpo

market until the bulls are frozen out and the margins are captured. * * *

We want to say that the local buyer does not furnish a market for the cotton farmer; the wholesale heavy cotton merchant and exporter does not furnish a market; the spinner does not furnish a market; the jobber that buys from the spinner does not furnish a market; the merchants of the world do not furnish a market. Then who does? There is but one answer, the 1,500,000,000 citizens of this earth who consume cotton goods furnish all the market that there is to it, and they will continue to wear cotton goods and buy cotton goods regardless of whether anybody deals in futures or not, and that market will be constant as long as the human race wants that article.

They are not going to sit down and quit business because somebody can not gamble in prices; they are going to go to the sources of supply and get their cotton, and the farmers are willing to take the consequences. We are willing to risk the results, and we want it.

The opposition to this business is world-wide. of this I call attention to two extracts, taken from authorized and reputable sources, which reflect the state of sentiment in England. England is not a grower of cotton to any extent comparable to our capacity as a producer of that staple. The Liverpool Cotton Exchange is a buyer's proposition. Its mechanism is adjusted to promote their interest, and its management is under their control. It does not encourage speculation, and this feature does not form a very considerable part of the business carried on there. The greater part of the speculative business carried on in the Liverpool Cotton Exchange, as will be observed from the testimony of Mr. Parker, to which I have heretofore referred, are transactions in which American speculators are interested. So it seems the gambling business even there is carried on by American speculators for the purpose of bringing the Liverpool market in futures to the American exchange level. The grades there deliverable on future contracts are limited to four, and the cost, in the way of brokerage and other fees, is about double what it is in this country. The German manufacturers carry on the business of manufacturing cotton without the aid of any future-contract dealing. German cotton merchants buy large quantities of actual cotton, which is placed in warehouses and sold to spinners as their wants demand it. I here call attention to the two extracts referred to. The first one is a paragraph from a very exhausive article on l

the subject of dealing in futures on the cotton exchange, prepared by Prof. S. J. Chapman, M. A., and read before the Royal Statistical Society in London on April 24, 1906, and may be found in the journal of that society in volume 69. He closes an extended and most scientific discussion of the subject with this observation:

Finally, the reader must be warned again that nothing in this paper can be taken to demonstrate that prices would be steadler if "futures" were not used, or that it would not be advantageous to employ "futures" to facilitate the shifting of risks even if they disturbed prices in some degree. But that everybody concerned would be benefited, if gambling by the inexpert public and all tampering with the market could be prevented, we feel no doubt.

I also call attention to the following extract taken from the article en cotton exchanges in the Encyclopædia Brittanica, eleventh edition, page 245. The article is a very exhaustive and able one, dealing with the subject in many of its aspects as the same relate to the cotton market in England. Its observations do not include what is taking place in our country. I present it simply for the purpose of showing what the cotton exchange, in its best aspect as an institution for the purpose of promoting the welfare of a cotton-consuming constituency, is an institution whose operations reveal a growing unsteadiness in the price quotations of cotton:

The outcome of the whole matter is that the investigator is still baffled in his attempt to discover what effect the use of "futures" is having on prices to-day. The sole piece of evidence from which reliable conclusions may be drawn is that through separate measurements of price fluctuations over some 40 years reveal a growing amsteadiness of late, whether they be expressed absolutely or as percentages of price. (Cotton—Encyclopædia Brittanica, 11th ed., p. 247.)

It is preper to say in concluding this feature of these remarks that the spinners of this country very rejuctantly engage in the buying and selling of futures for hedging purposes. Many of them condemn the business as strongly as do the body of producers. Mr. McCall, the former president of the National Association of Cotton Spinners, is reported in the statement of Mr. Brooks as saying that a very large percentage of spinners who are members of his organization do not deal in futures; and Mr. Coates, representative of one of the greatest spinning organizations in the country, said that 97 per cent of the business of dealing in futures is bad.

It is worth while to remark in passing from this feature of the discussion that dealers and manufacturers of commodities for the sale of which organized exchanges exist are the only ones who require for their proper protection the right to hedge the risks incident to the business. Even a superficial knowledge of the structure and operations of the exchange and its methods discloses unmistakably that if there were not any such there would be no apparent necessity for hedging. What the legitimate dealer intends to do when he hedges is to protect himself against the abnormal and fabricated risks of his business. The exchange produces the necessity for the hedging and is not called into existence in response to a demand for legitimate protection of this kind. The promoters of these exchanges contrive with an inspired ingenuity in selecting as the field for their best success the agricultural community. The scattered and unorganized producers of these products form but a feeble adversary in the commercial warfare which it is the function of these institutions to wage in the hope of reaping a profit from these who must pay to escape their ravages. No hedging is required in the case of wool, hay, iron, eggs, lumber, and a variety of other commodities of equal or nearly as great value as the cotton crop itself. The pending amendment is manifestly one where the object is to equalize the forces of society when unfairly or dishonestly deranged. I think a case is made where such relief should be extended.

I have attempted to do this by offering the pending amendment. The structural propositions of this amendment are not numerous nor hard to understand. In the first place, it employs the taxing power to accomplish the purpose designed. In my humble opinion the effect of the operation of it, if adopted, will be to at once so completely deter the purely speculative or gambling element as to exclude them from the exchanges. It will prevent many fictitious and fabricated quotations. That part of the patrons of the exchange who resort to its floor for so-called protection will find themselves relieved greatly by being exempted from the intrigues that are invented and applied primarily to entrap the "sucker" or "lamb" element of the speculators. If this does not entirely relieve the dealers and manufacturers from the necessity of seeking pro-tection by hedging, they will not be greatly oppressed by the payment of the comparatively small tax to secure financial commitments involved in their forward-delivery contracts. In the course of time the evolutionary forces of the newly created situation will demonstrate the fact that the exchanges can not exist without the profits derived from the purely gambling element, and will therefore leave with the dealers and spinners

the task of otherwise providing themselves with protection against the ordinary risks of their business. And the process of supervision will be a wholesome one and will give to the agencies of publicity a knowledge of that business and its methods that has heretofore been impossible of ascertainment. It is not an unwarranted prediction to say that the spinners and dealers may find that their business, once freed from the menace of this piratical organization, is no more uncertain than are the risks of commerce generally, and that, therefore, no

ledging or other form of protection is required.

If the force of habit has become so strong that this sort of collateral aid in conducting their business is required, some sort of mutual arrangement similar to the company organized by the cotton spinners of the country to protect their plants against fire may be the outcome. Some organization will take the natural risk of the business, divested of the power to manipulate the price, which is the vicious and destructive power of the exchange against which I am directing my efforts. Already the spinners of New England have been discussing the feasibility of establishing a cotton exchange in New England, especially for spot cotton, to bring the planters and the spinners nearer together, and to have fixed standards and grades and sworn classers. We learn this from a communication which Postmaster General Burleson when a Member of Congress brought to the attention of the Committee on Agriculture at the hearing before that committee which I have referred to copiously in this address.

The taxing power is the only power that can be exerted by the National Government to aid in destroying the power for evil of the cotton exchange, as I shall hereafter attempt to show. Many of the old-school statesmen are averse to using the taxing power for any purpose other than raising revenue to be paid into the Treasury. The taxing power is one of the most comprehensive and flexible powers of the Government. It is the best means of regulation or suppression at its command, and has been frequently exercised for both purposes. It has been employed to prevent State banks from issuing notes to circulate money, and has been wrongfully employed, as I think, to suppress the use of oleomargarine by the people. However, this objection is not seriously urged against this amendment, for the reason that it is among the probabilities that for a time some revenue will be derived from its opera-

The amendment is directed against transactions involving the purchase or sale of contracts for the future delivery of cotton executed on the organized exchanges of the country or in accordance with their rules. It has no relation whatever to contracts made by anyone outside of these exchanges and their rules. Every person has a right to act independently on his own behalf outside of such exchanges or their rules with any other person for the purchase or sale of cotton for future delivery. The prohibitions of the bill are directed against the contracts that obtain on the exchanges or are made in accordance with their rules and system. Even as to these, while the tax is laid on all transactions for future delivery, provision is made for refunding the tax where actual delivery of the cotton described in the contract is made in good faith.

It is said by those who are opposed to any interference with the present business of the cotton exchanges that this is an attempt to legalize gambling. This statement is either recklessly made or is a mere means of expressing dissatisfaction with the provision, for those who make it entirely overlook the last section of the bill, which authorizes the several States to penalize or tax the business in any way they may see proper

There is nothing original in the employment of the taxing power in the pending amendment to accomplish the purpose designed. It is a repetition of the effort made when the so-called Hatch bill came so near passing the Fifty-third Congress. That bill provided a tax on the sales of cotton for future delivery of 5 cents per pound, or \$25 a bale. It passed the House of Representatives by a majority of more than 50, and passed the Senate, after having been amended in several particulars calculated to make its operation more effective, by a vote of 40 to 29.

When the bill in its amended form went back to the House, it reached there at such a late day of the session that it was impossible to consider it without a suspension of the rules, which required a two-thirds vote. The vote to suspend the rules and to take the bill up was disposed of in the House March 1, 1893, by an affirmative vote of 172 to a negative vote of 124, lacking the necessary two-thirds. Thus the bill failed. I believe it will not be out of place to say that every Senator and Representative still in public life voted in favor of the passage of that bill with the exception of one. The bill was supported

in the Senate by the following-named Senators who still honor the Senate with their membership: Messys. Gallinger, Perkins, and Warren, and the following-named Senators who, as Members of the House of Representatives, supported the passage of the bill: Messys. Bankhead, Clark of Wyoming, and Shively. The present Secretary of State, Mr. Bryan, was also among the supporters of the measure. It was exhaustively discussed both as to its policy and the constitutional power of Congress to pass it by the ablest men that have ever been identified with congressional life in this country. I have, therefore, simply borrowed the principle of the amendment from the distinguished Missouri Congressman, Mr. Hatch, who devoted 10 years of his life in his efforts to bring relief to his fellow farmers from the outrages perpetrated upon them by these gambling exchanges.

It is next objected to by the more aggressive and unreasonable element who oppose the adoption of this amendment that the tax will be collected from the farmers who produce cotton. The statement would be quite as interesting, and far more instructive, if those who make use of it would indicate just how this is to happen. In the first place, if the amendment works as its operation is reasonably forecasted, there will be no tax to collect from the pure speculators and gamblers, and in the course of a short time none whatever will be collected from the spinners and dealers who are resorting to the exchange for protection. Besides, these learned analysts of economic forces admit too much in making this assertion, when they concede that the only function of Congress is merely to fix the amount of a tax, and that this action can be supplemented by the New York Cotton Exchange by selecting persons upon whom the tax is to rest, for they thus disclose a very dangerous condition of affairs and one that calls for very prompt and radical action by Congress if they are correct in their conclusion. If there is in existence a combination of individuals that can so pervert the taxing power of this great Government, that fact ought to be known. If it is true that this particular tax can, by some process known to the cotton exchange, be transferred to the producers of cotton, even if the tax is never paid, then it is proper to ask if they are not now imposing upon the cotton producers of the country more than \$10,000,000 that they annually collect for brokerage fees for transactions on the exchange. If these concerns can transfer the tax levied under national authority for revenue purposes, why can not they also transfer the tax levied by themselves on the commodity in the exercise of their gambling power? If the cotton-exchange gambling power is superior to the taxing power of the National Government, then this occasion is a fortunate one, for it will afford the means of making that fact known and demonstrating the result.

The statement is so broadly made as to be regarded as a protest rather than a serious statement of opinion. In the first place, out of a crop of 15,000,000 bales of cotton grown 10,000,000 are exported to be manufactured in foreign countries. I assume that spinners of this country are not concerned in hedging the part of the crop exported. The 5,000,000 bales that remain are manufactured to the extent of more than half by spinners whose financial strength renders them independent of any condition that can be created by the cotton exchange. am wholly unable to discover how the tax on the cotton is to be transferred to the farmers' bales from these fictitious or phantom bales that are now sold by the gamblers by the million bales, but will not be sold when this amendment becomes opera-The case is very largely like the tax levied on State bank circulation and oleomargarine, which is not collected at all, and is therefore not assessed against anyone. There is no revenue collected from the tax on State bank circulation nor on oleomargarine, and there will be none on these future gambling contracts in cotton and very little from those who hedge.

Assuming that the effect of the adoption of the amendment will be as forecasted, then what is to be our remedy for the market readjustment of that which must follow? In the first place, the cotton growers have been for several years engaged in preparing themselves to become independent of existing market conditions as largely as it is possible to do so. This purpose has expressed itself in the erection of cooperative warehouses and in the improvement of the local credits. A very large part of the white farmers who grow cotton are virtually independent at the present time, and through their organizations are constantly becoming more so. The cooperative idea has taken a firm hold on those engaged in that industry, and the definite indications are that the progress of the movement will continue. Then the banking facilities of the section are greater than ever before, and as cotton is about the only product that involves the exercise of the banking function to any great extent it necessarily results that the banks are quite willing to assume their new responsibilities created by any readjustment that may take place. The pending legislation relating to the currency question

will increase the efficiency of the banking forces so far as these are intended to serve the agricultural community. Any suggestion that demoralization will result overlooks the collective initiative of about one-third of the people of this Republic, whose history and performances show that they excel in every field of human effort in which they ever engaged. They know the value of the cotton business to them, and they have financial strength enough to protect and improve it when the law shall take away from them the handicap that it imposes upon them by the failure of the New York Legislature to do for them what the legislatures of their own States have so promptly and

Another important feature in the reform method of vending cotton will devolve increased activities upon the National Government. Already Congress has provided laws by which the grades of cotton have been rationally and honestly standardized. The weather service of the National Government is one of perfection as nearly as money and brains can make it, and this has been specialized in connection with the cotton crop. most reliable reports that are now obtained concerning the weather in this connection are obtained through national chan-There has recently been organized a Bureau of Marketing, whose activity and scope can be extended to impart in authentic form reliable information concerning the growing crops and the remnants of the former crops available to supply the world's demand. In fact, the National Government now substantially furnishes all the information that is legitimately required. Wherever improvements in this behalf can be supplied by science and money the past policy of the Government justifies the belief that these will be supplied in the fullest measure.

It has been one of the chief claims of the exchanges' right to exist that they have collected and disseminate just such information as this. No pretense was made that it would ever be done so thoroughly as is now being done by the Government, and it is proper to say that there never was a time when those who thought they knew what they were talking about believed that it would be honestly disseminated. These reports and the sources from which they were derived were the private property of an organization protected from the scrutiny of others by repeated judgments of the courts of the land. I have no fear about what is to happen to the cotton crop when the demand of the cotton farmers of the country is responded to and the incubus of these cotton exchanges removed from the industry. They are self-respecting and independent American citizens, and they are perfectly willing to abide by the consequences of any act of theirs deliberately taken. The assumed guardianship of the cotton exchanges over their affairs is most offensive to them, and they never permit an opportunity to pass without expressing their resentment thereat.

I have said that the taxing power was the only way under the Constitution of the United States to reach this evil. I spoke advisedly and repeat that statement. Many plans of suppression have been discussed from time to time which involved the exercise of the power of Congress to regulate interstate commerce. The belief was very general that this power was completely adequate for the purpose intended. Among other proposed bills relating to the subject, what is known as the Scott bill was introduced in the House of Representatives in the Sixty-first Congress. It took its name from Mr. Scott, who was chairman of the Committee on Agriculture in that body during that session. Mr. Scott was then a Republican Member of Congress from the State of Kansas. He placed the cotton growers of the South under deep and lasting obligations to him by the activity he displayed in his efforts to relieve them of the impositions that were being wrongfully imposed upon them, and it is a matter of some pleasure to me now to make that acknowledgment here. When the bill reached the Senate it was referred to the Committee on Interstate and Foreign Commerce, where it rested serenely for many months. Being interested in the subject to which it related then, as I am now, I brought it to the attention of the Democratic steering committee, and there being a vacancy on the committee having the matter in charge I was assigned to service there by the Democratic steering committee for the sole and exclusive purpose of urging a report by the committee on that bill. I undertook the service assigned to me, and, as a result, I was authorized to report the bill on behalf of the committee, which I did on the 17th of February, 1911. The supporters of the bill were not able to get a favorable report in its behalf, for there developed much opposition to it in the committee. The best that we could do at that time was to secure a report that would place the bill on the calendar, without recommendation of its passage, and leave for discussion and consideration in the open Senate the final terms of the bill. The time remaining after the bill reached the Senate was so short that it was impossible to get the necessary consent for its consideration, due largely to the

fact that the session was one known as the short session, and the constant consideration of appropriation bills made it easy for those who were interested in doing so to object to its consideration. A copy of that bill is here presented.

I ask permission at this point to insert a copy of the Scott bill. The VICE PRESIDENT. In the absence of objection, permission is granted.

The bill referred to is as follows:

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A bill (II. R. 24073) to prohibit interference with commerce among obstructions thereto, and to prohibit the mattions, and to remove the controlling of the prohibit controlling and the prohibit controlling and the message by telegraph, telephone, cable, or other means of communication between States and Territories and foreign nations. Seedings purely and the context, be construed as follows: The word "message" shall make any communication by telegraph, telephone, whreless telegraph, cable, or other the context, be construed as follows: The word "message" shall make any communication by telegraph, telephone, whreless telegraph, cable, or other the context, be construed as follows: The word "message" shall mean any person, partnership, country. The word "person" shall mean any person, partnership, country. The word "person" shall mean any person, partnership, agers and officers, and when used with reference brothon. their man participants in the required or forbidden state, and the agents and partnership and the shall mean any person, partnership, agers and officers, and when used with reference brothon. their man participants in the required or forbidden state, and the agents as a shall reconstitution of the shall be applied to or mean several persons or things.

See, 2. That it shall be unlawful for any person to send or cause to make a shall be applied to or mean several persons or things.

See, 2. That it shall be unlawful for any person to send or cause to purchase or sale for future delivery of cort of the purchase or sale for future delivery of cort of the purchase or sale for future delivery of cort of the purchase or sale for future delivery of cort of the partnership and the proposition of any message relating to any such transaction; and the transmission of any message relating to any such transaction; and the transmission of a

than one year, or both. Any person violating any of the provisions of this section may be proceeded against by information or indictment and tried and punished either in the district at which the unlawful publication was mailed or to which it is carried by mail for delivery according to the direction thereof, or at which it is caused to be delivered by mail to the person to whom it is addressed.

SEC 7. That the Postmaster General, upon evidence satisfactory to himself that any person is sending through the mails of the United States any matter declared by section 6 of this act to be nonmailable, may instruct the postmasters in the post offices at which such mail arrives to return all such mail to the postmaster in the post office at which it was originally mailed, with the word "unlawful" planly written or stamped upon the outside thereof, and all such mail, when returned to said postmaster, shall be returned to the sender or publisher thereof under such regulations as the Postmaster General may prescribe.

SEC 8. That in any proceeding under this act all persons may be required to testify and to produce books and papers, and the claim that such testimony or evidence may tend to criminate the persons giving such testimony or producing such evidence shall not excuse such person from testifying or producing such books and papers; but no person shall be prosecuted or subjected to any penalty or punishment whatever for or on account of any transaction, matter, or thing concerning which he may testify or produce evidence of any character whatever.

Mr. CLARKE of Arkansas. It will be observed that the plan

Mr. CLARKE of Arkansas. It will be observed that the plan of suppression contemplated by it was the denial of the right to use the mails and the telegraph for the interstate transmission of offers to enter into contracts for the future delivery of cotton. I was always apprehensive about the power of Congress to declare the contracts entered into on the New York Cotton Exchange to be interstate commerce, and therefore subject to be controlled by national legislation. I was, however, willing to give to the bill the benefit of every doubt. I was not at that time aware of the decision of the Supreme Court in the case of Ware & Leland against Mobile County (209 U. S., 411). purpose was then, as it is now, to be active and helpful to the extent of my humble capacity in aiding those whose purpose it is to suppress this business. I have no preference about the names of bills nor the methods that they employ, just so they are effective for the purpose. I have no sympathy with the business as conducted by the cotton exchanges, and I am the voluntary ally of anybody who will take upon himself the business of putting a stop to it. I have at all times been willing to vote for any bill championed by any Member of the Senate or House whose object is to accomplish what I so much desire in some effective and legal way. In this connection I call attention to the decision of the Supreme Court of the United States in the case of Ware & Leland against Mobile County (209 U. S., 411). The case is so applicable to the matter under consideration that I shall include in my remarks a complete statement of the facts and the material parts of the opinion of the court, in which it is declared that these cotton-exchange contracts are not interstate commerce and that they do not become so because orders are transmitted by telegraph from States other than New York, which orders result in the making of such contracts.

I have here an agreed statement of the facts, setting out in the most perfect detail the several step, that are necessary to consummate a contract transmitted from another State to New York. There is nothing omitted; the fact is that more is admitted than can be proven. The evident purpose was to make a test case, which would eternally and forever put at rest agitation as to the scope of national authority under the commerce clause of the Constitution. The court in disposing of that question rendered an opinion about half a page long, and I will tax

the patience of the Senate further to read it.

read from the decision of the Supreme Court of the United States in the case of Ware & Leland v. Mobile County (209 U. S., 405):

AGREED STATEMENT OF FACTS.

During the whole of the year 1903 defendant had an office in the city of Mobile, in the county of Mobile and State of Alabama; they also had offices in the city of New York, in the State of New York, and in the city of New Orleans, in the State of Louisiana, and in the city of Chicago, in the State of Illinois, each of which offices was connected by private telegraph wires with said Mobile office. Said Mobile (Ala.) office was in the charge of their agent, one Robbins, and was engaged in the business of buying and selling cotton for future delivery on commission for the public generally and for special customers, said business being conducted in the following way and in no other way: They would undertake, through their agent, to buy or sell a cotton-future contract for a customer in the Cotton Exchange in New York or in New Orleans, as he might select, he making at the time a deposit of money with them as a margin to protect them against loss in making such transaction for him. When the customer gave the order to Ware & Leland, either for a sale or purchase of a future contract, it was not usual for anything to be said between them about an actual delivery of the cotton, but when the transaction was commenced by a purchase or sale of the cotton Ware & Leland would immediately furnish to the customer a memorandum thereof, partly written and partly printed, upon which the following stipulations were printed: "On all marginal business we reserve the right to close transactions without further notice when margins are about exhausted, and to settle contracts in accordance with the rules and customs of the exchange on which the order is placed, it being understood and agreed in all trades that actual delivery is contemplated." and "All purchases and sales made by us for you are made in accordance with and subject to the rules, regulations, and requirements of the board of managers of said exchange, and all amendments that may be made thereto." Such agent

would thereupon transmit such order by their private telegraph line to the defendant's office in the city without the State of Alabama selected for such transaction; that such order would be thereupon executed by defendants by the purchase or sale, as directed, of a future cotton contract for such customer in the cotton exchange of the city to which such order was sent, and subject to the rules and regulations of such cotton exchange, which rules and regulations may be introduced in evidence by defendants in this cause; that said contract would be held by defendants for such customer until he ordered the same closed out, when they would sell or buy another cotton contract against it as might, be necessary to cover the same or close it out, or receive or deliver the cotton on said contract. If a profit was made on the transaction defendants remitted the same to its agent in Mobile, who paid it over to the customer; if a loss was made it was taken by the agent out of the customer's margin, or, if that was insufficient therefor, the customer was called upon for the balance. Said business was done on a commission paid defendants by the customers.

No actual delivery of cotton or grain was ever made on any such contracts, except in a few instances, when such deliveries were made where the contracts were executed, to wit, in New York, N. Y., or in New Orleans, La., or Chieago, Ill. When any such delivery of cotton was made to defendants for the customer on a purchase by him it was held by the defendants for account of the customer at the place of delivery, either in New York, N. Y., or in New Orleans, La., until ordered sold by the customer, and the proceeds accounted for y them to such customer. When they made delivery of cotton on a sale of futures made by them for a customer, the cotton was shipped by the customer for whom such sale was made from Alabama to the place of sale and there delivered through defendants to the buyer.

A similar future grain business was done by defendants at their sald office in Mobile,

OPINION OF THE COURT.

The sole question here presented is whether the statute in question is an attempt to regulate interstate commerce, for if the plaintiffs in error are shown by the foregoing agreed facts to be engaged in interstate commerce, then the statute is void, as an attempt by a State to regulate the commerce which the Constitution of the United States places within the exclusive control of Federal authority.

Interstate commerce must be such as takes place between States as differentiated from commerce wholly within a State, it must have reference to interstate trade or dealing, and if the regulation is not such, and comprehends only commerce which is internal, the State may legislate concerning it. In each case the recurring question is, on which side of the line does the commerce under investigation fall? * *

But how stands the present case upon the facts stipulated? The appellants are brokers who take orders and transmit them to other States for the purchase and sale of grain or cotton upon speculation. They are in no just sense common carriers of messages, as are telegraph companies. For that part of the transactions, merely speculative and followed by no actual delivery, it can not be fairly contended that such contracts are the subject of interstate commerce; and concerning such of the contracts for purchases for future delivery as result in actual delivery of the grain or cotton, the stipulated facts show that when the orders transmitted are received in the foreign State the property is bought in that State and there held for the purchaser.

All contracts made on the New York Cotton Exchange are to

All contracts made on the New York Cotton Exchange are to be satisfied by a delivery in the licensed warehouses in New York City of cotton that has been inspected and certificated prior to that time.

prior to that time.

The transaction was thus closed by a contract completed and executed in the foreign State, although the orders were received from another State. When the delivery was upon a contract of sale made by the broker, the seller was at liberty to acquire the cotton in the market where the delivery was required or elsewhere. He did not contract to ship it from one State to the place of delivery in another State. And though it is stipulated that shipments were made from Alabama to the foreign State in some instances, that was not because of any contractural obligation so to do. In neither class of contracts, for sale or purchase, was there necessarily any movement of commodities in interstate traffic, because of the contracts made by the brokers.

These contracts are not, therefore, the subjects of interstate commerce any more than in the insurance cases, where the policles are ordered and delivered in another State than that of the residence and office of the company. The delivery, when one was made, was not because of any contract obliging an interstate shipment, and the fact that the purchaser might thereafter transmit the subject mater of purchase by means of interstate carriage did not make the contracts as made and executed the subjects of interstate commerce.

It will be noticed that this decision is comprehensive and

It will be noticed that this decision is comprehensive and decisive of the question to the utmost point of conclusiveness. The statement of facts really admits more than ordinarily it is possible to prove against these exchanges. It is evident that the case was prepared with the view to its becoming a test case, in the decision of which every disputed question would be squarely presented and considered and finally and decisively disposed of. There is no room for attempting to distinguish the case from any other. Hereafter those interested in the question must accept it as a final disposition of the matter or seek its reversal. There is no ambiguity or hesitation about the text of the opinion. In view of this unanimous decision any attempt to direct legislation against these exchanges under the power contained in the commerce clause

of the Constitution of the United States is wholly useless. The taxing power is the only one that is left, being the only one that can be employed for the purpose, and in my opinion is the one that has always been best adapted to the service.

In making the observation that it will be hereafter impossible to pass legislation against these institutions under the com-merce clause of the Constitution I did not overlook the decision of the court in the so-called Lottery case nor the contention of those who insist that the business of transmitting messages over the telegraph systems of the country from one State to another is interstate commerce. The Lottery case was based upon the fact that the lottery ticket was a tangible thing that represented ownership of property and could be physically transported from one State to another. In the case of transactions on the cotton exchange there is no such article to be transported. The state of public opinion at the present time has not progressed to a point where these transactions are universally deemed immoral or declared illegal. In the Lottery case the law of every State made it a criminal offense to carry on the business. In the case of the cotton exchanges the Legislatures of Louisiana and New York have affirmatively authorized their business and existence by granting legal charters therefor. Besides that the Supreme Court of the United States, in the case of Bibb v. Allen (149 U. S., 490). has solemnly adjudged that the charter and rules of the New York Cotton Exchange constitute valid regulations and that a judgment will be entered and enforced against persons who deal thereon and incur liabilities in accordance with these rules. Thus the business of the cotton exchange is not locally nor by the United States Supreme Court deemed immoral nor

It appears from the statement of facts in the Ware case that the orders were transmitted from Alabama to the New York Cotton Exchange by means of a private wire, which the Supreme Court expressly holds is not a common carrier of messages as is an ordinary telegraph company in reference to general business. The decision in that case indicates that a private wire, over which the public has no right to transmit messages, is not an instrumentality of interstate commerce. the cotton-exchange business can not be conducted without the use of privately controlled telegraph wires. Its movements are so suddenly developed that it often becomes necessary to communicate instantly with their confederates at distant points and without subjecting their movements to

the scrutiny of the large number of persons employed in the receiving and delivery of ordinary messages.

In the recent case of Hunt v. New York Cotton Exchange (205 U. S., 322) one witness testified that there were a number of private wires running out of New York from its ex-changes to different parts of the country and that one of these had on its lines as many as 120 towns and cities. It will thus be seen that those who deal with the exchange have quite completely fortified themselves against any prohibitory congressional legislation based on the commerce clause.

Even if the exchanges did not have the right to construct a private line for the purpose of transmitting their own messages from State to State, as they are now declared to have under this decision of the Supreme Court, and thus place their business beyond national interference, there is no room for assuming that Congress is willing to pass a law excluding them from the right to use the ordinary telegraph company as a common carrier of messages-and therefore an instrumentality of interstate commerce-messages relating to a business which is recognized as legitimate in the State of its existence and one which is purely State commerce. The Supreme Court virtually said as much in the case of Board of Trade v. Christie (198 U. S., 248) when the contention was made that the grain exchange was not entitled to have its privately collected information and market quotations protected by injunction, since the proof showed that it permitted gambling in grain to take place on its floors. The court, said:

When the Chicago Board of Trade was incorporated we can not doubt that it was expected to afford a market for future as well as present sales, with the necessary incidents of such a market, and while the State of Illinois allows that charter to stand, we can not believe that the pits merely as places where future sales are made, are forbidden by law.

The proposition to ask Congress to exclude from the use of the telegraph as a common carrier, communications concerning a business which is strictly State commerce and locally recognized as legitimate is a step beyond any that has heretofore been taken. It is not even now done in the case of whisky legislation known as the Wilson bill, nor the bill subsequently passed and known as the Webb bill. These restrictions are always based upon the idea that the business is locally declared illegal. It would be adopting what might become a very dangerous precedent to pass any such legislation even if the power existed. We might thus turn loose a principle of constitutional law that will in time devour all State control over purely State commerce. I therefore feel entirely confident that the plan that we have adopted in the present case is the only undisputed and effective means of accomplishing the purpose that many of us have in view

Some days since I received a message from Mr. Mobley, president of the Farmers' Union in the State of Arkansas, in which he said:

The Scott bill, with which you are acquainted, will absolutely, and not probably, prevent dealing in futures. This is the bill this organization stands for.

I have very great respect for the judgment of the officials of this organization in my State, but on this occasion it is a question of opportunity of doing what all of us desire to do. The statements in this telegram indicate that the representatives of this great organization in our State do not believe that the pending amendment is sufficiently drastic in its terms in dealing with this pernicious business, and that in some way we are confronted with a choice between this method and the one provided in the so-called Scott bill. If there were such an alternative presented to me, and the Scott bill was the better one to adopt, would not hesitate for a single minute to vote for that, or any other bill that will accomplish the suppression of this business. What I want, and what the Farmers' Union in Arkansas wants. is to put a stop to this business. We are both committed to this most desirable end, and differences of opinion about mere methods must be subordinated to the accomplishment of the larger purpose. The Scott bill is not up for a vote in Congress now, and it may never be. The pending amendment is now under consideration, and within possible reach of enactment. It will accomplish everything that the Scott bill could accomplish, if valid, and will do so in a way that is absolutely free from any doubt as to its effectiveness or constitutionality.

I have interpreted the attitude of the officers of the Farmers' Union to mean that they want the business of dealing in futures in cotton abolished at the earliest possible date, and by the most drastic measure that can be framed for this purpose. I quite agree with them about that. If I had any choice between this measure and a more effective one, I should voluntarily join with them in their desire without any suggestion to do so. No such situation is presented. It is either the pending amendment or nothing at this session, and probably forever. This amendment will put an end to the business entirely in all probability, and

certainly to the most detrimental features of it.

Mr. SIMMONS. Mr. President, I should like to inquire of the Senator whether or not the Scott bill, to which he has just referred, sought to suppress this traffic by denying to those engaged in it the use of the mails, the telegraph, and the tele-

Mr. CLARKE of Arkansas. That was the principle on which

the bill was framed; yes.

Mr. SIMMONS. That was the method of suppression?

Mr. CLARKE of Arkansas. Yes.
Mr. SIMMONS. I understand the Senator to say that it is his opinion that the decision of the Supreme Court to which he has just referred holds that this is not interstate commerce, and that it is not competent for the Congress to prohibit the use of the mails and the telephones and the telegraphs for that purpose?

Mr. CLARKE of Arkansas. There is no reference to the

mails in the opinion. There is a reference to the telegraphs.

Mr. THOMPSON. Mr. President, I should like to ask the Senator from Arkansas, who has given such close study to this matter, and has furnished us this morning with such an exhaustive presentation of the subject, whether there is any reason why the other products of the farmer-wheat, corn, oats, barley, and rye-which are used as subjects of speculation and gambling on the board of trade the same as cotton, can not be included in this amendment in some form?

Mr. CLARKE of Arkansas. As a matter of principle there is not any distinction, and there is not any reason why relief should be granted to one class of agriculture and denied to others. It was a mere matter of policy. I understood the cotton business. I did not understand the grain business. I thought some one interested in that particular branch of agriculture would join us in this effort.

Mr. WILLIAMS. It is not carried on in the same way.
Mr. CLARKE of Arkansas. I stated as much. I am perfectly willing to vote, at any time or under any conditions, to extend the relief that I contemplate in this amendment to the cotton raisers and the grain raisers, or any other class of agriculture in the country.

Mr. THOMPSON. I have frequently talked about this matter with Congressman Scott, whom the Senator has mentioned, and who was a neighbor of mine at one time. Did not his bill contemplate also the inclusion of grain?

Mr. CLARKE of Arkansas. I am not prepared to say what it originally included, but when it reached the Senate it related

Mr. THOMPSON. Will the Senator present to the Finance Committee the idea of including the grains which I have men-

Mr. CLARKE of Arkansas. I should think that ought to proceed from the Senators from the grain-growing regions, would not assume to represent them in the matter.

Mr. THOMPSON. I think it is just as important that grain should be included as that cotton should be included.

Mr. SMITH of South Carolina. Mr. President, I wish to submit some remarks in reference to the amendment offered by the

Senator from Arkansas [Mr. Clarke].

I desire to say in the beginning that I am heartily in favor of the principle involved in his amendment. I wish to state to the Senate, however, in order that its Members may thoroughly understand this question, that the thing about which the cotton raisers of the South are complaining is the nature of the contracts on the exchange. The matter is a technical one, and therefore it will require some little explanation.

Under the terms of the New York contract there are 15 or They did have at one time, I believe, 37 grades. more grades. In the middle of those grades there is a grade known as "middling." They would sell a contract, basis middling, with a proviso in the contract that the seller of the contract might have the option of delivering on that contract anything from the lowest and most uncommercial to the highest and finest grade of cotton. The consequence was that the purchaser of the contract never would know what grade of cotton he was

going to get.

The practical working of the matter is that the grade comarbitrarily fix the difference between middling and the grades above and the grades below for 90 days. The result is that if an individual bid 10 cents, basis middling, and the committee had fixed the difference between that and ordinary at 1 cent, when the purchaser came to demand the specific fulfillment of his contract he would get ordinary delivered to him at 9 cents. He bid 10 cents for middling, and he would get ordinary, at the option of the seller.

The result was that if the general trade would not accept his ordinary at 9 cents, but would give him only 8, he lost \$5 The result was that the next time he bid on middling he bid without reference to the value of middling-without reference to the law of supply and demand for middling-but bid with reference to what he was probably going to get, which was ordinary, at a fixed, arbitrary difference between what he bid on middling and what he got ordinary for. Therefore he bid 9 cents for middling without regard to its real value.

I' can submit papers to the Senate to show that middling cotton on the board in New York for a long period of time was quoted, say, at 10 cents a pound, when the spot middling in the warehouses, where the buyer would have the right to go and sample each bale and select his 100 bales of middling, was from a cent to a cent and a half above the board price.

It is that demoralization from which the farmers of the South beg relief. I introduced a bill requiring that each and every contract for the future delivery of cotton should specify the particular grade contracted for and that such grades as were contracted for should be delivered. Upon investigation I found that what the Senator from Arkansas says is largely true-perhaps entirely so-that the courts have ruled that a contract originating in one State entered into by citizens of another State is not a subject of interstate commerce.

I then took occasion to write to the farmers of the different cotton-growing States and submitted to them the amendment

proposed by the Senator from Arkansas.

They claim that all they desire in the world is that if there is a contract for the future delivery of cotton the grade shall be specified in the contract, and, upon demand, shall be delivered. They say that if that were done, as the Government has standardized nine grades, each grade being a distinct commercial commodity, as much so as if it were a different article, no man would go short, and there would be no complaint of this manipulation of the market.

I wrote letters on the subject to a number of farmers' organizations, and in response I got a letter, which I will read, from the Farmers' Union. I just want to show their attitude in reference to the matter.

The Clarke amendment taxes all contracts. Therefore, no matter who sells a contract, whether basis or specific, if for any reason he can not fulfill the contract, no matter how honest he may be when he makes it, he has to pay this tax under the Clarke amendment. But we farmers-and that is my occupa--say, if you can, eliminate the bad contract from the good, so that if you do not conform to a specific grade in your contract you shall pay this tax. The reason is that it is unfair; it is gambling not to specify the grade; it is a pure case of collusion for the purpose of buying and selling at your own sweet will thousands and millions of bales of cotton that never were in existence. But you do not dare to sell a specific contract under those circumstances, because were you to sell it to me at a specified price, say 11 cents, and it specified middling according to Government standardization, I could take that and sell it to a miller, and under the law he could demand fulfillment of the contract.

Without explaining any of this, I wrote to these men and asked them their opinion. I believe that if the Clarke amendment were amended so that where the specific grades were named the seller must undertake to deliver as every spot purchaser does to-day, you would eliminate this confusion, and put trading in cotton upon a legitimate basis, upon which it is rightfully entitled to stand.

I wrote to the different farmers' organizations this letter:

I wrote to the different farmers' organizations this letter:

Dear Sir: I am sending you a copy of an amendment to the tariff bill proposed by Senator Clarke of Arkansas.

I want you to study the provisions therein and write me fully as to whether or not you think it would be beneficial to the cotton growers. It might be well that you discuss this with your neighbors.

I have been endeavoring to do all I could for the benefit of those who produce the cotton, and I do not desire that any legislation, however beneficial it may seem, to pass which in its practical operation would put another burden upon us.

Awaiting your early reply, I am,

Sincerely, yours,

E. D. SMITH.

I telegraphed on one occasion the exact purport of that letter to the Farmers' Union of South Carolina, in convention as-

sembled at Isle of Palms, Charleston, and received this reply: CHARLESTON, S. C., July 25, 1913.

E. D. SMITH.

Unit'd States Senator, Washington, D. C.:

Your wire received. South Carolina Farmers' Union unanimously indorse your bill requiring cotton to be delivered by grades specified in the contract. Rejected. Disapproved of the Clarke amendment. Letter will explain fully in a day or two.

E. W. Dabbs,

E. W. Dabbs, President South Carolina State Farmers' Union.

Here is another letter, and these I am going to ask to have put in the RECORD. Here is one from a farmer of Chester,

CHESTER, S. C., R. F. D. 2, August 4, 1913.

Hon. E. D. SMITH, Washington, D. C.

DEAR SENATOR: Yours of July 26 to hand, in reference to Senator Charke's proposed amendment to tariff bill. I am no expert on this matter, but think the tax will come off the producer. You know the exchange's cotton factors, mill men, and merchants, who buy contracts to protect themselves, will deduct the one-tenth of 1 per cent from price paid the producer. Hoping you will be successful in your next campaign, I am,
Yours, very truly,

C. A. McLurkin.

I have another here from a different part of the State: FORT LAWN, S. C., August 4, 1913.

Hon. E. D. SMITH,

United States Senate, Washington, D. C.

Dear Sir: Your communication of July 26 received; also, copy of amendment to tariff bill as proposed by Senator Clarke. I would have written you sooner, but wished to talk the matter over with some of the most prominent farmers and business men of the community and get their views before writing you. Without exception the people with whom I have talked over this matter are of the opinion that the amendment will do us as cotton growers more harm than good; in fact, as we see it, we are very doubtful about its doing any good at all, while we as farmers will in an indirect way have the tax to pay—as we do in the 30 pounds tare per bale. Should this amendment come before the Senate we trust you may see your way clear to vote against its passage and to do all you can to have the amendment killed.

Thanking you for writing me and for copy of amendment, I am,

Very truly, yours,

* W. C. McFadden.

That is practically the tenor of quite a number of letters which I shall ask to have put in the RECORD, along with these telegrams.

I want to say that the farmers do not believe any harm can be done to them if the contracts are so made as to specify the grade contracted for and the grade that is contracted for is made according to Government standardization. The Government has now for the first time in the history of cotton growing standardized the grades. I propose as an amendment to the amendment proposed by the Senator from Arkansas [Mr. Clarke] that the contracts hereafter shall specify the grade or grades contracted for and such grades as are contracted for

shall be according to the Government standardization. And such contracts as conform to this shall be exempt from taxation, If this is done it will guarantee an approximately honest It will give the man who produces cotton a market in which he can sell his cotton at any time if he wishes to do so. He can name the grade or grades and deliver these grades without having to pay a tax in case he is unable by any reason to make deliveries. Under the present system it is the latitude given the seller that has caused all the trouble and dissatisfac-Under the present form of contract on the exchanges the seller has the option of delivering anything on this contract from the lowest to the highest grade. The Senator from Arkansas has quoted Mr. Lewis W. Parker as saying he would not demand delivery on a New York contract, but would run from it. The reason for this is, as I have stated before, that the seller of that contract in New York would not be likely to deliver spinnable cotton, but would deliver some low-grade stuff overvalued, which Mr. Parker could not take at the price tendered and spin or sell without a loss. Under the amendment I propose the grade would be specified, and Mr. Parker or any other buyer in demanding deliveries would get what he bought and no harm would be done.

Mr. ROBINSON. If the Senator will find it convenient, I would be glad to have him discuss the proposition as to the power of Congress under the Constitution to prescribe the forms of contract which shall be entered into upon the exchange.

Mr. SMITH of South Carolina. I am under obligation to the Senator from Arkansas [Mr. Clarke] for having solved this problem. I give him all credit for suggesting to bring it under the taxing power of the Government.

By this means we can place a nominal tax on the legitimate contract and a heavy prohibitive tax on the present form of contract that has brought about all this deception and fraud.

Mr. CLARKE of Arkansas. Will the Senator permit me to ask him how you would distinguish and define the difference between him and myself. I agree that a specific contract is vastly better for the buyer, but I can not see that it has any influence whatever in preventing manipulation or preventing fluctuations that will affect the price. The price quotation now is based on one grade, and that is middling. In the Liverpool Exchange they are confined in making deliveries to four grades of good cotton, and fluctuation takes place there. In the grain business they are confined to four grades, and it is substantially similar. It was proved in the Christy case which I cited in my remarks that I submitted to-day that 95 per cent of the products dealt in there were purely speculative. The relief you propose is of great advantage to those who go to the New York Exchange and buy middling cotton. For instance, take a spinner hedging. He buys a lot of cotton in order to protect himself against the uncertainty of the market growing out of the manipulation of the exchanges. goes upon the exchange and sells an amount of cotton equal to the amount of cotton bought, not with a view of delivering the cotton, but simply to prevent the manufactured fluctuations in price from causing him loss on his actual cotton.

Mr. SMITH of South Carolina. If the Senator will allow me, the reason why they do not go to New York is because New York understands, by years of study from day to day, how to formulate a contract that would eliminate any spot transaction and drive the seller and buyer away who would put it upon a legitimate basis to do spot business.

Mr. BRANDEGEE. Mr. President—
The PRESIDING OFFICER (Mr. SAULSBURY in the chair). Does the Senator from South Carolina yield to the Senator from Connecticut?

Mr. BRANDEGEE. I do not ask to have anyone yield. I rose to make a parliamentary inquiry. What is the regular

The PRESIDING OFFICER. The Chair thinks the amendment of the committee, which the Senator from Arkansas dis-

Mr. THOMAS and others addressed the Chair. -

Mr. SMITH of South Carolina. I yield to the Senator from

Colorado. He addressed me before others.

Mr. THOMAS. I merely wanted to ask the Senator why these contracts, so called, which have been the subject of discussion this morning, are called gambling contracts? My understanding of a gambling contract is that it has invariably some element of chance.

Mr. SMITH of South Carolina. There is no element of chance in this. It is heads I win and tails you lose.

Mr. THOMAS. Instead of being called a gambling contract it should be called a thimble-rigging contract or a bunko

Mr. SMITH of South Carolina. That is near it.

Mr. THOMAS. In which no one except the cotton-exchange man who makes the contract has any possible opportunity of getting out.

Mr. SMITH of South Carolina. That is true. The Senator from Arkansas referred to the matter of contracts which my friend Parker was speaking about. Here is an illustration to the point. I think Senators will see the pertinency of this illustration. Sparrows migrate to my section of the country in the winter. The grass seed are thrown down by the frosts. This is their food. Sometimes there comes a snow, which covers their food for days at a time. These little birds are unable to scratch the snow away and soon face starvation. Under these circumstances I used to go cut in the old vegetable garden at home, rake the snow away from a place, say 12 inches square, get a good heavy board, about the same size, place a stick as a prop under one end and tie a string to the stick, have the string long enough to lead to an old out house. I would then scatter grits or other food under this deadfall, get in the old house and hold the string and watch. At first one or two of the hungry birds would come and, forced by hunger, would hop under this deadfall and fill themselves with the food I had placed there. I did not attempt to catch these first ones. used them as decoys. They would fill themselves, and other hungry, starving ones, emboldened by what they saw these do, would then crowd under the deadfall, and when I thought as many were under as were coming, I would jerk the string and pull the prop from under the deadfall and get the whole crowd. This is what the exchanges do under the present system. allow a few to buy contracts and make some money. entices others to come, and when they think they have about as many as are likely to come with this bait they pull the prop from under the market and catch the suckers as I caught the

Mr. THOMAS. I should like also to inquire before the Senator takes his seat, because my memory is not entirely clear about it, whether some members of this exchange or the exchange itself were not two or three years ago detected in filching information from the Agricultural Department in reference to the prospect of the cotton crop, and using that also for the purpose of making their sure gain surer?

Mr. SMITH of South Carolina. We had information to that effect. I happened to be a member of the organization, a member of which detected it, and he said that there was a certain window-curtain telegram acting here in Washington where they got that information, and the information was sold.

But, Mr. President, I want to repeat that I am heartily in sympathy with the amendment proposed by the Senator from Arkansas, in so far as it will affect the unlimited contract; if he will just make a differentiation between the unlimited contract, as now sold on the New York exchange, and in a measure on the New Orleans exchange as well, and a specific contract, I think the legislation will be as near perfect as we can make it. If, as I have suggested, he will differentiate between the two. those that specify the grade, and the grades specified be according to Government standardization, be practically without a tax, and place the tax proposed upon those contracts that do not specify the grade to bear the tax that he proposes, then I am sure the farmer will be satisfied and will get what he is entitled to.

It has been suggested in this debate that the millman, the mill owner, desires the modification that I am advocating. The farmers do not want to be placed at the mercy of the mill owner, for the reason that he would be in a position to dictate prices in a measure as mercilessly as the exchanges do. I do not care who buys my cotton so long as he is willing to buy it fair and give me a price which is fair, which is according to the real value of the cotton. I and the other farmers in this country here and now protest against being put up against a bunco game if there can be any legislation to relieve us. do not want, however, to jump out of the frying pan into the fire and in getting rid of the gamblers on the exchange force ourselves into the hands of the millmen. All we ask is a fair, square deal, force the seller to deliver what he sells, and not allow him to sell basis middling and deliver dog tail.

Mr. RANSDELL. Before we get through this subject I should like to ask the Senator from Arkansas a question. Mr. SMITH of South Carolina. I should like to conclude my remarks, unless the Senator wishes to ask it in my time.

Mr. RANSDELL. No; I thought the Senator was through.
Mr. SMITH of South Carolina. Mr. President, I think the
Senate will see that I am heartly in accord with the Senator The only objection I have to the Clarke amendment is that it does not do like the Hatch bill, put \$25 a bale on unlimited contracts and put it out of existence at once. Why try to raise a revenue out of the gambling processes of the

New York Cotton Exchange without relieving the suffering, toiling American farmer? Why not come out with courage and say we will put a stop to this iniquitous practice, we will tax it out of existence, and not attempt to raise a revenue out of this iniquitous oppression of the people?

Mr. CLARKE of Arkansas. The Senator from South Carolina

seems to be addressing his remarks to me.

Mr. SMITH of South Carolina. No; I am not. But the question is whether you put a tax of \$25 on that form.

Mr. CLARKE of Arkansas. What form?

Mr. SMITH of South Carolina. The form of contract as it

Mr. CLARKE of Arkansas. It does not deal with it at all. I think it is a natural evolution of the business. I think these restrictions were intended to prevent persons from carrying on the business. They are not engaged in delivering cotton. They do not buy cotton. The contract you are insisting upon is to help the bulls in their fight with the bears. What I want to do is to prevent manipulation on the New York Cotton Exchange that will reach back to the producers. We are not now putting a tax of \$25 a bale. If there was any chance to have had it considered at this session, I would put \$25 or any other number of dollars that would stop the business.

Mr. SMITH of South Carolina. Mr. President, I merely wish to say, in reference to the insinuation about bulls and bears, as a matter of course every fair-minded man wants whatever commodity is put upon the market to be measured as near as possible by the law of supply and demand. For the last 60 years we have not got anything like a fair price for cotton. I believe that the cotton growers of the South to-day would be independent and have good homes and educated children if it had not been for that miserable iniquity in New York. I am trying to break up that iniquity, and in putting it out of business I

Mr. CLARKE of Arkansas. The Senator seems to be confident of his views. Permit me to ask him a question. I wish he would explain, so we can understand how it happens, if speculators are deterred from going to the cotton exchange how anybody is going to pay that tax.

Mr. SMITH of South Carolina. It is not deterred. A man goes in with an iniquitous proposition of hedging. What do we

want with hedging?

Mr. CLARKE of Arkansas. I am asking a question,

Mr. SMITH of South Carolina. I am answering the question.
Mr. CLARKE of Arkansas. I asked the Senator a question
which I suppose is proper. I hope the Senator will answer it or make some rational explanation that would be accepted by those who understand the matter. How are they going to transfer to the cotton producer of the South a tax that is never paid?

Mr. SMITH of South Carolina. I will answer the Senator, if he will allow me, categorically. Say, for instance, I am the manufacturer. I say to you I want a thousand bales delivered at current prices, say at 10 cents a pound. You say, "I will de-liver a thousand bales of middling in October." You go into the exchange to hedge. The exchange says you have got to pay a tax of \$50 for this lot and \$15 commission, making \$65, and the exchange will lower the Liverpool price from what it is down to cover that end-

Mr. CLARKE of Arkansas. Does the Senator concede, therefore, the exchanges can fix the price they pay for that cotton?
Mr. SMITH of South Carolina. I think that within reason-

able limits they are doing it now.

Mr. CLARKE of Arkansas. Then the Senator thinks there should be a specific contract made that would continue them in the business

Mr. SMITH of South Carolina. It ought not to continue

them in business unless the term is specific and without—
Mr. CLARKE of Arkansas. Why do we have the cotton exchanges at all then?

Mr. SMITH of South Carolina. I say if a man was in a legitimate business

Mr. CLARKE of Arkansas. I do not think there is any legitimate dealing because the person never expects that it can be legitimate.

Mr. SMITH of South Carolina. I am trying to eliminate the middleman, and if the exchange exists let it exist legitimately.

Mr. WILLIAMS. I should like to ask the Senator from South Carolina, if it be true that this 50 cents per bale can be shifted to the cotton producer, can he make that appear by any argument whatever which does not make it equally clear that all speculative expenses now incurred upon a man are shifted to the producers?

Mr. SMITH of South Carolina. I have claimed that all along,

and that is what I am trying to get rid of.

Mr. WILLIAMS. If that be true, does not the Senator admit that this bill will to some extent decrease the amount of speculation, and therefore decrease the amount of future business, and therefore decrease the amount of expense which could be shifted to the producer?

Mr. SMITH of South Carolina. That might be, but the amount decreased might be offset by the burden he bears in paying the 50 cents a bale on his hedge, whereas if you deliver

a specific contract, what is the use of hedging?

Mr. WILLIAMS. There is one more question I want to ask the Senator. It is if in his opinion this bill will not increase the number of actual deliveries of cotton purchased for future de-

Mr. SMITH of South Carolina. If you will amend it by putting in a contract that is legitimate and fair and square and

honest, I think you will eliminate the unlimited contracts.

Mr. WILLIAMS. I did not ask what would be done if amended. I asked the Senator if this bill as it is now will not have the tendency of increasing the number of deliveries actually made of cotton bought for future delivery, and will not the refunding of 50 cents tax upon the actual delivery have the effect of increasing the number of deliveries, and if it have the effect of increasing the number of deliveries, will it not have the effect of increasing the number of bales the cotton man makes, and if it increases the number of bales of cotton that must be actually purchased, does not that increase the demand and has not that a tendency to increase the price?

Mr. SMITH of South Carolina. The Senator from Mississippi is too familiar with the cotton market to ask me seriously that question, for the reason that with the unlimited contract as it is now what would hinder these individuals from specifically delivering, but delivering, as they do now, dog tail on the

middling contract?

Mr. WILLIAMS. Suppose they deliver dog tail; there would still be an increased number of actual sales of cotton of some sort delivered, and of course if your dog tail would be exhausted you would have to buy some other cotton.

Mr. SMITH of South Carolina. When a man receives this undesirable cotton and finds he can not dispose of it he will retender it, and if there are 50,000 bales of that kind of cotton

he can settle a million-bale contract.

Mr. CLARKE of Arkansas. Or an infinite number of bales. Mr. SMITH of South Carolina. Yes; he can take 50,000 bales of this unmerchantable cotton and settle a 50,000,000-bale contract against it, because a purchaser of one of these contracts when tendered this undesirable stuff can receive it and then retender it. The seller then says, "I have actually delivered your cotton, you have accepted delivery," and therefore he avoids the tax. And in this way I believe they could avoid in a large measure the operation of the law. What I want to do is to force them to sell a specific thing and deliver the thing

they sell.

Mr. CLARKE of Arkansas. Before the Senator leaves that point I wish to ask him a question. The Senator says there are

a great many grades that you find in a contract.

Mr. SMITH of South Carolina. I would define the grades.
Mr. CLARKE of Arkansas. You would put on a penalty of
50 cents a bale if they failed to carry out the contract.

Mr. SIMMONS. I wish to ask the Senator a question. do not know that I understand exactly the amendment that he proposes. Upon what conditions does he propose to tax the transaction?

Mr. SMITH of South Carolina. To tax the present form of contract, which is practically done by the amendment of the Senator from Arkansas, and to add a proviso to that amendment exempting from taxation those contracts which specify the grades according to Government standardization, thereby making the law constitutional.

Mr. SIMMONS. The Senator does not understand me. Suppose this contract is drawn according to the form you suggest, Must there be an actual delivery in order to escape the tax?

Mr. SMITH of South Carolina. Oh, no.

Mr. SIMMONS. Then, if I understand the Senator, if there is a contract in the form he has described here there would be no tax.

Mr. SMITH of South Carolina. Practically none. Mr. SIMMONS. There would be practically no tax. let me ask the Senator this question: What per cent of those

dealing in these futures actually demand a delivery?

Mr. SMITH of South Carolina. The Senator from North Carolina misapprehends the nature of the contract. Where the contract is made specific rather than basic, no millman would go to the expense of employing a broker to purchase for him when he could go on the exchange and purchase as specificallyas he does from the broker. Therefore you would have the exchange as the actual medium through which cotton was bought and sold, spot cotton.

Mr. SIMMONS. Yes; but I understand the Senator to say that his proposition is that if the contract specifies that there is to be a delivery within one or two grades-

Mr. SMITH of South Carolina. No; a specific grade. Mr. SIMMONS. Yes, within one or two. If there is a delivery made it must be made in accordance with the terms of the contract.

Mr. SMITH of South Carolina. It must be made of that

Mr. SIMMONS. My understanding is that about 10 per cent of those who buy these contracts probably ask for a delivery.

Mr. SMITH of South Carolina. Under the present contracts?

Mr. SIMMONS. Under the present contracts.

Mr. SMITH of South Carolina. Ninety per cent buy without

any view of delivery at all.

Mr. SIMMONS. If the Senator from South Carolina will allow me, the reason—

Mr. SMITH of South Carolina. Just one minute. They do not buy them with any purpose of ever asking for a delivery.

Mr. SIMMONS. Now, how will you stop this 90 per cent of speculative dealings by prescribing a more drastic form of contract?

Mr. SMITH of South Carolina. For the simple reason that anyone on the floor of the Senate knows that as long as the seller has the option of delivering anything within 27 grades regardless of the law of supply and demand, at a difference fixed by himself, he has got an open-and-shut game; but when he sells a specific commodity short he may get himself squeezed, and he takes no such option. Besides, the millman will not buy on the exchange to-day for this very reason, that he does not know what he is to get. Mr. Parker said they would do nothing of that kind because they can not buy middling and get middling.

Mr. SIMMONS. I can understand, I think, readily how this would be a relief to the miller, how it would enable him to require delivery according to the terms of the contract. It would be helpful to him, no doubt; but what I understand the Senator from South Carolina wants to do is not only to protect the miller, the man who wants to enter into a legitimate contract, who expects delivery and who wants delivery, but he wants to suppress this fictitious dealing on the part of those who buy without any purpose of ever demanding delivery.

Mr. SMITH of South Carolina. That is what I understand.

Mr. SIMMONS. There we have one man selling with no expectation of ever being called upon to deliver. We have another man buying with no expectation of ever intending to call for a delivery. Now, how are you going to stop it? How would it tend to stop that kind of dealing in cotton futures by simply saying if you prepare a contract with certain specifications in it there will be no tax on it and it will be a legitimate con-

Mr. SMITH of South Carolina. For the simple reason, Mr. President, that, as I take it now, if I buy a lot in the city of Washington and put up an option no law in this country can prohibit me from forfeiting my option and canceling the contract. But there is the lot specified. I know what I am doing. But what sort of a contract would it be if I might buy a lot in the city of Washington for a stipulated price, and the seller of that lot was to specify in the contract that he was to deliver me any other lot that he pleases and fix the difference between the one he sold me and the one that he was going to deliver. What kind of a contract would that be, unless I go into it as a speculative venture on a general rise of real estate in Washington?

Mr. SIMMONS. I ask the Senator if he does not think at present that 90 per cent of these contracts are of that nature. that both parties to the transaction understand it to be of that nature, that they will enter into that, and do not care what the form of the contract is, and you will not, by making a more specific contract than is now required or taking the sole option away from the seller and giving the buyer an option, stop that kind of a contract, because they will get out of it in time.

Mr. SMITH of South Carolina. Before I take my seat I wish to correct the Senator.

Mr. SIMMONS. I do not profess to understand it thoroughly. Mr. SMITH of South Carolina. The Senator is demonstrating that he does not.

Mr. SIMMONS. The Senator had experience and does know * a great deal about it, and I wish to get his view on the subject.

Mr. SMITH of South Carolina. Here are some of the letters that I have received from farmers on this subject:

OWINGS, S. C., R. F. D., August 1, 1913.

Hon, E. D. SMITH, Washington, D. C.

Hon. E. D. Smith, Washington, D. C.

Dear Sir: Yours in reference to Senator Clarke's tariff amendment received.

I have advocated a policy to not hamper capitalists in developing the resources of our country, but at the same time to protect the people against oppression of capitalists.

If the exchanges' future trading in cotton are made to deliver the cotton in grade, etc., I rather think they are a protection to the farmer.

otton in graue, farmer. Very truly, yours,

WM. P. HARRIS.

GAFFNEY, S. C., August 4, 1913.

Mr. E. D. SMITH, Washington, D. C.

DEAR SIR: Your letter of July 26 received, with Mr. CLARKE's amendment inclosed. Both have been carefully read, and, in reply, will say that we, the citizens of White Plains section, deem it best for the interest of the country to have free cotton.

We heartily indorse your stand in regard to this amendment.

Respectfully.

Respectfully, M. C. LIPSCOMB,

WINNSBORO, S. C., August 22, 1913.

Winnsbord, S. C., August 22, 1913.

Hon. E. D. Smith, Washington, D. C.

Dear Sir: I notice that the Clarke amendment to the tariff bill will be up for consideration in a few days. To my mind this is a rather drastic measure, and is not the remedy for the evils of the cotton-exchange system.

I think its passage will so upset the whole cotton business that prices will be seriously affected. I do believe that the exchanges should he forced to adopt the Government standard of types or grades, having middling cotton as a basis, and not be allowed to deliver any cotton contracts below a certain grade, and that grade should always be of spinnable cotton. In this way a few thousand bales of unmerchantable cotton could not so seriously affect the price of the whole cotton production.

Very respectfully, R. Y. TURNER.

GAFFNEY, S. C., August 25, 1913.

Hon. E. D. SMITH, Washington, D. C.

Dear Sie: Your letter and amendment to the tariff bill received, and, after careful consideration, I am unable to see wherein the farmer would be materially benefited in the passage of said amendment, because if a tax was put on transaction of cotton in this manner the farmer would have to foot the bill after all, and the people who have the money usually carry things their way.

Yours, very truly,

T. H. LOCKHART.

SUMMERTON, S. C., August 9, 1913.

Summeron, S. C., August 9, 1913.

Hon. E. D. Smith,

United States Senate, Washington, D. C.

Dear Sir: I am in receipt of yours of some days ago in reference to license on cotton futures, together with a license on all sales of cotton. Now, I will frankly admit my inability to suggest a proper course to pursue; but it seems to me I see considerable red tape around getting the tax back on legitimate sales and delivery of the actual cotton; and I think we best go slow on all matters like this, and even if we tax cotton futures alone, we don't know what effect it would have on the great cotton markets of the world. Therefore, I don't look upon the bill with much favor. with much favor.

O. C. SCARBOBOGII. Yours, sincerely,

MONTGOMERY, ALA., July 24, 1913.

Senator E. D. SMITH, Washington, D. C.

Senator E. D. SMITH, Washington, D. C.

Dear Friend: In reply to yours 18th July, I understand in case the Clarke amendment to tariff bill passes and goes into effect the cotton people propose to operate in Canada or Liverpool or both.

It seems to me, to make matters effective, both yours and the Clarke bill should pass. I like your bill excepting as to the delivery of grades, two above or below on any contract, say, above low middling, and only one below low middling; that is, one grade above or one below on low grades.

CHAS. L. GAY. Yours, truly,

CAMDEN, S. C., July 28, 1913.

CAMDEN, S. C., July 28, 1913.

Senator E. D. Smith, Washington, D. C.

Dear Sir: In reply to your favor of the 26th instant relative to the Clarke amendment to the tariff bill. I beg to say that in my opinion it will, if passed, work a hardship on the cotton grower. It will leave the price in the hands of powerful mill syndicates and strong spot men, which will naturally have a depressing influence.

Yours, truly,

W. L. DE PASS.

WISACKY, S. C., July 30, 1913.

Hon. E. D. SMITH, Washington, D. C.

DEAR MR. SMITH: As far as my limited judgment goes, I am of the opinion that the Clarke bill will be against the best interest of the

opinion that the Clarke bill will be against the South.

At our State union last week at the Isle of Palms we had an encouraging meeting. It was well attended.

The union placed itself on record as opposing the Clarke bill, but indorsed your bill regulating the cotton exchange on future contracts as regards grades, etc. The cotton belt needs for the Government to standardize grades and enforce its standardization.

Wishing you much success, I am,

Yours, very truly,

ROBE. M. COOPEN.

KEMPER, S. C., July 30, 1913.

Hon. E. D. SMITH, United States Senate, Washington, D. C.

Hon. E. D. SMITH,

United States Senate, Washington, D. C.

Dear Sir: Yours of 26th to hand. I don't think that I know enough about dealing in cotton futures to offer any suggestion as to Mr. Clarke's proposed amendment. I am not much in favor of selling cotton for future delivery. But, Mr. Smith, there is one thing in regard to the sale of cotton that I am anxious to see. That is a standard grade, so that every buyer and every farmer can tell what his cotton is. In other words, if a bale of cotton will grade middling in Wilmington, N. C., or Norfolk, Va., it ought to grade middling in Charleston, S. C., or New York or anywhere else. But this does not seem to be the case, and the local cotton buyer is at a loss how to grade the cotton to suit the different exporters. This is not only hard on the buyer, but the farmer, the man that tolis and produces the cotton, is not getting what justly and honestly belongs to him, and it seems to me that there ought to be a standard adopted by the National Government whereby every intelligent farmer could know just what his cotton was. I think this would also be an inducement to the producer, let him be landlord or tenant, to try to take better care of his cotton in gathering it. Let him know that his cotton would be sold on its merits, that he would get what it was actually worth at the time he made a sale.

Would be glad to hear from you on this subject. Let me know what you think about it.

Very respectfully,

C. P. Hayes.

BURTON, S. C., July 31, 1913.

Hon. E. D SMITH, Washington, D. C.

Hon. E. D. Smith, Washington, D. C.

Dear Sir: Your letter of 26th instant inclosing amendment to bill

H. R. 3321 was received and carefully considered. While we know that our
people lose a good deal by dealing in cotton futures, still it seems to
me that such restrictions as are proposed to be placed on even bona
fide sales for future delivery would have a decided tendency to reduce
the price of cotton. Having to pay the tax and have it refunded later
would prevent many sales. Anyway the whole thing would have a
depressing effect on the cotton market, in my opinion.

I think we owe more to the cotton growers than to the foolish
investors in cotton futures. Better let the speculators take care of
themselves.

Yours, yery truly.

Yours, very truly,

W R. EVE. ABBEVILLE, S. C., August 1, 1913.

Mr. E. D. SMITH.

DEAR SIR: Your letter received and, after thinking the matter over, I don't believe it would be of any benefit to the people, as not more than one-third of the people own land. It would be great to the land owners. Very truly, yours,

LAURENS, S. C., July 31, 1913.

Hon. E. D. Smith, Washington, D. C.

My Dear Sir: Your letter to several of your friends in regard to the Clarke amendment has been called to my attention, and the amendment is regarded by all well-informed business men and farmers among them as a direct tax of 50 cents per bale on every bale of cotton grown and sold from the fields of the South. My main source of income is from the farm; all that I have is practically invested in farm lands, and I would regret to see any legislation put into effect that would handicap the great underlying product of the southern farm. Of course, it would work all right for the large cotton corporation or large manufacturing corporation, who would be glad to bear cotton to the lowest possible price and buy in their supply without regard to even the cost of production. They would be able to command capital when the smaller cotton merchant and the conservative cotton man who is not "nervy" enough to take his chance without some kind of insurance such as is given by the Cotton Exchanges of New York and New Orleans, thus taking out of our market the element of competition, which is the life of all trade. The result would be the whole business would be transferred to Liverpool and other foreign markets of the world, with the discrimination against us of the above amount. I am satisfied that you appreciate the situation and will look after the interest of the farmer in the premises. With best wishes, I am, as ever,

Yours, truly,

W. T. Gray. Hon. E. D. SMITH, Washington, D. C.

GAFFNEY, S. C., July 13, 1913. Hon. E. D. SMITH, Washington, D. C.

DEAR SIR: In reply to your request of my opins on of Senator CLARKE'S amendment to the tariff bill I will say that I am willing to trust any legislation affecting cotton and the cotton grower to your judgment.

Truly,

CHESTER, S. C., July 30, 1913.

Hon. E. D. SMITH,

Senate Chamber, Washington, D. C.

Dear Sir: Replying to your letter of July 26, requesting an opinion upon the amendment to the tariff bill proposed by Senator Clarke of Arkansas placing a tax on the buying and selling of cotton for future delivery, I beg to say that I have given the measure careful thought for some time since its introduction and as yet have falled to see any good reason brought forward to justify its passage. I suppose though that there is plenty of ground for a difference of opinion as to the exact results that would be brought about by this amendment, but I am unable to see why cotton alone should be singled out for the trial while all other commodities are left as they are. Living in the cotton belt as I do, I wish to see cotton bring as much as possible, and I am persuaded that any commodity is better off when not interfered with by the Government. For this reason I am opposed to the amendment.

Most sincerely. J. R. HAMILTON.

OLAR, S. C., August 1, 1913.

Hon. E. D. SMITH, Washington, D. C.

DEAR SIR: I am opposed to dealing in cotton futures at all. If people want to speculate on cotton, let them buy and sell actual, not imaginary, cotton.

I know you are trying to legislate to help the farmers, and I hope you will be able to do so.
Yours, very truly,

H. W. CHILTY.

BENNETTSVILLE, S. C., July 31, 1913.

Bennettsville, S. C., July 31, 1913.

Hon. E. D. Smith, Washington, D. C.

Dear Senator: Your copy of the Clarke amendment received, and in reply will say that several years ago it was the common custom to put on our cotion 9 yards of bagging, and there was nothing said or thought about it. Then the buyers decided that they only wanted 7 yards. If the cotion had more than that they deducted 50 cents per bale. Then, to remedy the matter, our legislature made it a misdemeanor to deduct the said 50 cents. What did the buyers do? They deducted it when they priced the cotion, and we still have to put on the 7 yards or pay that same old 50 cents.

Now, Senator, if the Clarke amendment becomes law, I know who will have to pay that one-tenth cent. It will be you and I. Frankly, I think that it would be rather premature to adopt that amendment just now. Were we able to name the price of our cotton it would be a good thing to adopt the proposed legislation; but such not being the case, I think we had better not wave the red flag in the face of the financial bull too much.

I and, I think, all intelligent people are aware of what you are doing and have done for the cotton farmer. Wish to thank you for it.

Here's hoping that you can defeat the Clarke amendment.

I beg to remain, as ever, yours.

Hon. E. D. SMITH, Washington, D. C. ABBEVILLE, S. C., July 29, 1913.

DEAR SIR: I have your favor of the 26th in regard to the Clarke amendment to the tariff bill. I have decided views as to its result; it will hurt the cotton grower.

Yours, truly,

J. L. McMillan.

LAURENS, S. C., July 29, 1913.

Mr. E. D. SMITH, Washington, D. C.

Dear Sir: Your letter of the 26th to hand and noted.

I am not posted or not enough up on the matter to tell whether or not this amendment would be beneficial or not to the cotton grower's interest. All I can say that you look to our best interest and do what you think would be best for us, as I know that you are better posted to these affairs than we are. I know that you are wide awake and will do what you think best for our interest.

Yours, truly,

P. B. Bailey.

BISHOPVILLE, S. C., July 30, 1913.

Hon. E. D. SMITH, Washington, D. C.

Hon. E. D. Smith, Washington, D. C.

Dear Sir: Replying to your letter of the 26th, containing a copy of an amendment to the tariff bill proposed by Senator Clarks of Arkansas, beg to say that I have looked over the provisions contained therein, but owing to the fact that I have only a superficial knowledge of the operations of the future-contract business, I am not in a position to give you an intelligent opinion regarding the matter.

I would venture to say, however, that notwithstanding the fact that the cotton producer has to sustain a great loss by the operation of future contracts and the nondelivery of actual cotton on same, I think we had better go slow and be sure of our ground before taxing future contracts to provide revenue for the Government, else we might have to sustain a greater loss by the taxing of future contracts as called for in these provisions proposed by Senator Clarks.

Something should be done and done at the earliest possible moment to relieve us of this burden.

***

Very truly, yours,

E. H. Hearon.

MARTINS POINT, S. C., July 28, 1913.

Hon. E. D. SMITH, Washington, D. C.

Hon. E. D. Smith, Washington, D. C.

Dear Sir: Your letter and copy of Mr. Clarke's bill to hand and fully noted. I have read the bill with considerable disgust as a farmer. You must know that every duty placed on cotton must fall on the grower. I am satisfied that if this amendment was tested and thoroughly explained to the growers of cotton that it would not get one vote. I with my friends say kill this amendment if possible and you will have turned a good trick in favor of all cotton growers.

It seems to me that some of our Democrat friends want to monkey with the tariff till there will not be revenue enough, and then place a tax on our southern friends to make good.

This kind of Democracy is very thin skinned, to say the least of it. Do the best you can for us.

Yours, sincerely,

F. W. Towles.

DILLON, S. C., July 30, 1913.

Mr. E. D. Smith, Washington, D. C.

Dear Sir: I think the Clarke amendment to be inserted in the tariff law is a bad proposition for cotton farmers. I have talked with you personally, and you and myself were in full accord that the cotton exchange should be required to deliver specific grades of cotton on contract. I was talking with a prominent cotton manufacturer to-day who said that the cotton-future market at present was no safeguard to him as a manufacturer, and that he did not try to hedge. He said, however, that if he could make a contract and could call for spot cotton running three grades, one above and one below the grade mentioned, that it would be of some service to him. For instance, he spins strict middling, and middling on this contract, but no other grades.

I wish to emphasize what I wrote you some days ago, that whatever is done in this matter should be done very promptly. If this agitation is continued till new cotton goes on the market, I believe it is going to adversely affect prices this fall.

Hoping that Congress and the Senate will be able to dispose of this matter at a very early date, and with kind regards, I am,

Very truly, yours,

Wade Stackhouse.

WADE STACKHOUSE.

CHESTER, S. C., R. F. D. 2, July 30, 1913.

Hon. E. D. SMITH, Washington, D. C.

DEAR SIR: Yours to hand and noted, and in reply would say I'm opposed to the passage of any act that would put a tax on cotton in any shape or form, for the farmers would be the ones to suffer.

I think speculation is the only way to handle crops of any kind; the law of supply and demand is no good.

Yours, very truly,

W. S. Durham.

SENECA, S. C., July 28, 1913.

Senator E. D. SMITH, Washington, D. C.

Senator E. D. Smith, Washington, D. C.

Dear Sir: Being interested in cotton, both as growers and buyers, we write you in reference to the Clarke amendment to the tariff bill. In our opinion this measure will be hurtful instead of helpful to the cotton growers of the South. Through the medium of this letter we can hardly give all our reasons for our opinion, but we believe the foreigners, big cotton merchants and cotton mills, will be the gainers, from the fact that small dealers will be badly handicapped or driven out of the business if this measure becomes law,

We do not lose sight of the evils of speculation in cotton or any other commodity as a gamble, pure and simple, and make no defense of this from a moral or any other standpoint; but we do believe there are legitimate uses for the purchase and sale of cotton contracts, and in this branch of the business we are interested. The laws of trade and common sense are conclusive to us that competition in any line of business is beneficial to the seller, and if this measure does not destroy competition we do not catch the meaning of the bill.

That there are evils and abuses of the present system in New York we fully recognize and would like to see corrected, but we do not believe the Clarke measure will give the relief needed.

In our opinion your bill requiring the naming of grades sold is the right solution of this matter. We would suggest one amendment to this bill stipulating that no grade below that recognized by the Government standard should be deliverable on contract. We believe if this is done all interests will be protected.

For some reasons we should be glad for the Clarke measure to be tried, mainly because a large number of farmers believe speculation in cotton is always against the grower, which opinion we do not share.

As constituents of yours we write you this letter and trust you may have one of this matter and use your influence to defeat the Clarke amendment.

amendment. Very truly, yours,

G. W. GIGNILLIAT. F. M. CARY.

ARBEVILLE, S. C., July 28, 1913.

Hon. E. D. SMITH, Washington, D. C.

Hon. E. D. Smith, Washington, D. C.

Dear Sir: Your letter inclosing proposed amendment of Senator Clarke to tariff bill came duly to hand. I am afraid that the result of the passage of that bill, or, rather, that amendment, will injure the cotton growers rather than help them. My observation has been that speculation keeps up the price of cotton. I am satisfied that if a tax is put on every cotton transaction for future delivery, that the cotton mills of the South will combine and will lower the price of cotton. In any town in this State having a cotton mill, only one buyer, the one for the local mill, is put in by any mill, and if it were not for the export buyers the cotton growers would suffer. My idea is that a tax should be put on the exchanges so as to insure only reliable people entering into the business, but I doubt very seriously the good of putting a tax on each sale. All of our southern mills buy largely for future delivery, and to hamper them with a tax will not only put the mills to great inconvenience but, in my judgment, will have a tendency to lower the price of cotton. Every bale of cotton sold would be bought by the buyers with the idea of a tax on it and the farmers would get just that much less for his cotton. I do not believe the amendment will have the effect that is thought by its author it will have, and is am afraid that it will have the opposite effect. With best wishes,

Yours, very truly,

Garryer S. C. July 28, 1918.

GAFFNEY, S. C., July 28, 1913.

Senator E. D. SMITH, Washington, D. C.

Senator E. D. Smith, Washington, D. C.

Dear Senator: Yours of the 26th received and noted. I have read the Clarke amendment carefully and in my opinion as a farmer and a merchant, I believe that the amendment would be detrimental to both classes, especially so to the farmer, and of course the farmer's interest is the merchant's interest. If this amendment should become a law the cotton crop will be contracted for by a few strong cotton people and manufacturers, and I would consider such a very dangerous law. In my opinion it would be much better to abolish the cotton exchange altogether than to have this amendment become a law.

I think if the New York Cotton Exchange would be governed by the same rules and regulations as the New Orleans Cotton Exchange it would be better.

I think if the Clarke amendment becomes a law the supply and demand will have very little to do with prices.

J. A. Carroll.

COLUMBIA, S. C., August 1, 1913.

OCLUMBIA, S. C., August 1, 1913.

Dear Mr. Smith: Your letter of 26th to hand, relative to the proposed amendment to bill H. R. 3321. Will say that I have consulted some three or four neighbors, and after a careful study of said amendment it is the opinion of the others, as well as myself, that the amendment will be a burden rather than a beneficial amendment to the grower of cotton.

Yours, truly. J. E. POAG.

BENNETTSVILLE, S. C., August 15, 1913.

Hon. E. D. SMITH, Washington, D. C.

Dear Sir: * * * I do not believe the passing of the Clarke amendment to the tariff bill will be of any advantage to the cotton growers of the South, though a great many seem to hold to the contrary opinion. I am,

Yours, respectfully,

JOHN W. DRAKE.

CHESTER, S. C., August 13, 1913.

Hon, E. D. SMITH.

DEAR SIR:

As regards the amendment to the tariff bill as proposed by Senator CLARKE, I think it is of doubtful wisdom at the present time.

I think the Clarke amendment is inopportune. The marketing of the new crop is just opening and legislation should be avoided, as it tends to create uncertainty in the minds of dealers and consumers and to throw a damper over the movement of the crop. As much freedom in actual cotton transactions should be given the farmer and manufacturer as

possible, but speculators and cotton exchanges should be regulated in the future by some judicious legislation restraining them from their enormous transactions in order to control the market price of the staple.

Appreciating your efforts in behalf of the farmer, I am,
Yours, truly,

J. J. STRINGFELLOW.

Hon. E. D. SMITH, Washington, D. C. BURTON, S. C., August 11, 1913.

DEAR SIR: Replying to yours of the 26th ultime, I would say that I have grave doubts of H. R. 3321 amendment being to the advantage of the State of South Carolina.

We have 400,000 people working in our mills and many thousands of dollars invested in them, and anything that we do that will diminish the value of their product will reflect on the interests of those 400,000 neonle.

dollars invested in them, and anything that we do that will diminish the value of their product will reflect on the interests of those 400,000 people.

Now, it is a fact that the prosperity of our mills depends on the sagacity of the president or agent who buys the cotton used in the mill. Cut off his ability to use it and most of his value is gone, and much of the profit of the mill with it.

As you well know, the cotton market is not steady, therefore the effort of the agent is to buy for future delivery when cotton is low. As no man can foresee the market with absolute certainty, it becomes necessary that large buyers should have some means of protecting themselves against a great decline in the market or they can not take the risk of buying.

The buyer's protection is the sale of futures when he believes he has made a purchase of futures at a price that will be higher than the market will be at the date of that future delivery.

This bill, therefore, strikes at the prosperity of every mill that has a man smart enough to make it a prosperous institution, and through the mill at the 400,000 employees, at a time when the knife has been put into their profits by the revision of the tariff in the most radical manner. Can they stand it and live? This question, I believe, is of importance to the State.

Although I am only a farmer, I can see that an interest as great as that of the mills of this State carries with it the interest of the farmer who raises the cotton and the food for these workers who do not produce these things.

Very truly, yours,

S. C. Price.

PLEASANT LANE, S. C., August 4, 1913.

CAMDEN, S. C., August 9, 1913.

Hon. E. D. SMITH, United States Senator, Washington, D. C.

United States Senator, Washington, D. C.

DEAR FRIEND SMITH: Replying to yours of a few days since, aiking me to give my views on the Clarke amendment to House bill No. 3321, will say that, in my opinion, dealing in futures should be prohibited entirely. As to the amendment providing for a tax levy of so much per pound on each agreement to purchase or sell will result as did our tag tax on fertilizers, viz, figure in the price of the product; in other words, the price will be fixed with an eye single to the payment of the tax. Our prices being fixed, I am sorry to say, by the speculator and not by us, the producers, as it should be.

I have been reading very carefully the acts and doings of the present session of Congress, as every man who has the welfare of his country at heart should do, and we farmers should congratulate ourselves that we have succeeded at last in having a man to represent us in our National Government who is looking after our interest, and we should thank you for each and every one of your many able efforts in our behalf.

should thank you for each solur behalf.
Your fight against the approach on us of the boll weevil is grandsincerely bope that you will be crowned with success in this, as was in all of the many other good measures advocated by you.
With kind regards,
I am, your friend, truly,

W. A. Strom

W. A. STROM.

Hon. E. D. SMITH. Washington, D. C.

Hon. E. D. Smith, Washington, D. C.

Dear Sir: I received your letter of July 26, inclosing copy of Mr. Clarke's proposed amendment, and have read the amendment carefully. Just what effect a tax of 50 cents per bale, or \$50 per contract, would have on dealing in cotton futures is problematic, but I am of the opinion that the operators would simply take the additional risk and continue to do business. Of course many of the smaller operators would probably not take the risk and would not operate altogether as much as now. Whether or not this law would affect future trading in cotton to the extent that the exchanges would be put out of business is yet to be seen, and I doubt very much if it would have sufficient effect to do this. In regard to spot cotton would say that inasmuch as the exchange fixes the price they most assuredly would quote the price 10 points below its actual market value, and thereby put the burden of the fax upon the farmer to the extent of production. This much seems clear to me. Mr. Clarke evidently means to try to do something in the interest of the farmer, but I am unable to see where there is much benefit in this law for them. It seems to me that a law along the line I suggested some time ago covering future transactions of every kind is what we need.

We want legitimate business and plenty of it, and therefore do not want to hamper legitimate trading, but we do want to stop speculating and gambling as it is now carried on. In every business deal that has any future attached there is always more or less speculation, so we need a law to leave legitimate transactions open and unhampered. Briefly, a law such as I suggested requiring the actual delivery and receipt of everything sold for future delivery could be more successfully enforced if all of the important nations of the world had a similar law. Suppose you talk the matter over with Mr. Bryan and see what he thinks of making a suggestion along this line to all of the larger commercial nations. As I see it, the business as now allowed ca

CHESTER, S. C., August 9, 1913.

Hon. E. D. SMITH, Washington, D. C.

DEAR SIE: Hon. J. H. McDaniel, probate judge of this county, has kindly referred a communication of yours in regard to taxing dealings in cotton futures to me for expression of opinion by farmers and business men on the same. Now, my dear Senator, I have not the time or ability to go into a discussion of this measure, but from the fact

that everything that the southern farmer buys is left out of the bill and the only thing that he sells is enough to warn me of the old saw, "Beware of Trojans bearing gifts,"

Yours, truly,

W. O. Guy,

MARION, S. C., August 9, 1913.

Hon. E. D. SMITH,

United States Senate, Washington, D. C.

Dear Sir: Your letter of July 26 received, and should have had an earlier reply, but the writer has been away on a little vacation. You ask if I think the Clarke bill would be beneficial to the cotton grower. I most assuredly do not. In fact, I think the producer would be hurt more than anyone else.

If the Clarke bill becomes a law, who will pay this tax. Ultimately it will come out of the producer, and will simply mean the Government putting a tax of 50 cents per bale on the farmer's cotton—not directly, but indirectly. It will be figured in the price of his cotton. I know some people take the stand that the cotton exchange should be abolished altogether. As a producer I can not see it that way, for I believe the cotton exchange run properly is a good thing for the farmer. I am connected with the cotton mill here as superintendent, and I am also a farmer—cotton my principal crop.

For the past few years I have bought a good part of the cotton the mill uses and have kept up pretty closely with the spot and future market. From my experience I honestly believe the farmer derives more benefit from the cotton exchange than the manufacturer. To go into details to explain my position would make a letter too long. Please don't understand that I think the cotton exchange is all right in every particular, for I do not. But I do believe if some measure were passed to regulate the exchange and not tax or abolish it, it would be the best thing that could be done for the producer Yours, very truly,

BLACKVILLE, S. C., August 20, 1913.

Sepator E. D. SMITH, Washington, D. C.

Senator E. D. SMITH, Washington, D. C.

Dear Sur: I expect to gather this year 800 to 1,000 bales of cotton, and to-day sold through Messrs. R. H. Rountree & Co., of New York City, 200 bales for October delivery. They charge me 15 cents per bale. The Augusta factors charge me 85 cents to \$1\$ per bale. I do not expect to make delivery of this cotton to Messrs. Rountree & Co., but do expect to keep these 200 bales sold with them until I make delivery in October of the actual cotton to the mill or exporter paying the best price on day of delivery. Of course, I have the option of either covering these 200 bales on the exchange in New York or of shipping the cotton to Messrs, Rountree & Co. and making delivery to them. In the past it has proved more profitable to cover on the exchange and then sell the 200 bales to the local mill broker or exporter paying best prices on day of delivery. Should I sell these 200 bales through a factor or mill broker or exporter, they would charge me a premium of \$70 to \$85 more than Messrs, Rountree & Co. on each 100 bales. Besides, if I sell through a factor or broker, I have no option, but must make delivery, although some other buyer on day of delivery might be paying one-fourth cent higher basis. Besides losing this one-fourth cent, or \$125 on each 100 bales, I would also be paying the factor \$70 to \$85 more per 100 bales than I am now charged on the New York Cotton Exchange. In other words, a tax on cotton futures will be a distinct loss to the business men here. I hope you will kill the bill.

Yours, truly,

J. M. Faerelle.

LUGOFF, S. C., August 2, 1913.

Hon. E. D. SMITH.

My Dear Sir: I have studied this amendment and have shown it to some of my neighbors. If a tariff or tax is put on those cotton buyers or dealers, they will make us as farmers pay all tax put on them; and, on the other side of it, if that would have any effect or be the means of stopping so much gambling on cotton it may do some good. But we all know that you will do all you can for us, so we decided to leave it all to you and not make any proposal whatever as to that amendment, as we all know you are the right man in the right place and will do the right thing for us.

Yours, truly, JOHN S. HAMMOND.

CHESTERFIELD, S. C., R. No. 3, August 2, 1913.

Hon. E. D. SMITH, Washington, D. C.

Hon. E. D. Smith, Washington, D. C.

My Dear Sir: Replying to your inquiry of July 28 as to the wishes of cotton growers as to II. R. 3321, I had already noted same in daily papers, and probably have a unique opinion as to same, to wit:

I believe it a crime against the cotton growers and should be made so by law to allow cotton exchanges or others to sell futures, never intending to deliver the actual cotton or commodity sold.

Therefore I think same should be punished by fine or imprisonment, and not licensed nor allowed under any circumstances. On the other hand, where sales are made in good faith and deliveries only can be made, I feel that it is nontaxable, or should be.

I wish to personally thank you for the efforts you seem to be making for we cotton growers. We can feel that we have some one at headquarters to see that we get what is coming to us at last.

Yours, truly,

W. J. Odda.

SELMA, N. C., August 4, 1913.

Selma, N. C., August 4, 1913.

United States Scrate, Washington, D. C.

My Dear Mr. Smith: I received, just before leaving home for a visit to North Carolina, your valued communication, and thank you for the compliment you have paid me in sending it to me.

My rule in attending to my business is, if I have a good man to do it, to leave it to him to do and get at some other work myself. Now, I feel we have our best men in Congress, and that they have a hard row to hoe, and that they are doing it well; so we had better let them hoe it themselves, and let us hoe the cotton row at this end. So go ahead, boys; do the best you can; "angels can do no more."

Several months ago, at a meeting of our agricultural society on Edesto Island, one member thought we, through him, could instruct Congress on the tariff; but we thought you all knew best, so we sat

down upon him. I now do not think any of us have had cause to change our minds since then.

I am glad and feel proud of the prominent part you are taking in Congress. Now, do not say and do as one of our generals said and did not do, which made us lose the Battle of Gettysburg, "We have had honor enough for one day," and, like him, stop the fight. On the contrary, I want you, in good old Methodist style, to shout and sing:

"N'er think the victory won,
Nor once at ease sit down;
Our arduous work will n'er be done
"Til we have gained the crown."

Then, with President Wilson's Presbyterian doctrine, "The final triumph of the saint," the American Nation will resound in praise.
With my most sincere regards,
Yours,

Townsend Mikell.

MULLINS, S. C., August 2, 1913.

Senator E. D. SMITH, Washington, D. C.

Senator E. D. SMITH, Washington, D. C.

MY DEAR Siz: Your letter duly received, and I would have complied with your request to write you fully concerning the Clarke amendment to the Underwood tariff bill, but I find that I am not equal to the occasion. I always naturally felt that gambling in cotton futures ought to be stopped, yet I can not give you any argument that will convince you that the passage of this amendment will in any way help prices of cotton. On the other hand, if its passage would destroy the functions of the New York and New Orleans Cotton Exchanges, as is claimed, and prevent hedging, etc., I am afraid it is not the right thing for the Democratic Party to do now. If the Underwood bill is passed, it will be glory enough for one time. I most heartly commend the measure you propose with reference to naming of grades in future contracts.

Sincerely, your friend,

N. A. MCMILLAN.

FORT MOTTE, S. C., August 4, 1913.

Hon. E. D. SMITH.

DEAR SIR: Yours of July 26 to hand and contents noted. If supply and demand is what we need, it looks to me that Mr. CLARKE's amendment is all right, but we will be fought there is no doubt. But I think that it will be best for the future. But you are at the seat of war, where you can see from both sides, and it may look different. I spoke to Mr. J. E. Wananake and Col. Banks, and they are of the same opinion; but we will have to depend on your good judgment.

Yours, truly,

JONESVILLE, S. C., August 4, 1913.

Hon. E. D. SMITH, United States Senate, Washington, D. C.

United States Senate, Washington, D. C.

Dear Sir: Yours of the 26th of July to hand and contents noted. As to Senator Clarke's proposed amendment, I wish to say that you have been on the firing line in behalf of our farmers so long that Senator Clarke should take lessons from you, much less I, as one of the farmers, to give you any information along this line. I am satisfied that you will do your whole duty. You have done more for the farmers of the South than any man among our great lawmaking body in Washington to-day. I will say to you what Stonewall Jackson said to Gen. Pender on one occasion. "Stand your ground."

Your friend,

J. W. Scott.

Hon. E. D. SMITH, Washington, D. C.

JOHNSTON, S. C., August 4, 1913.

DEAR SIB: Yours of July 62 DEAR SIR: Yours of July 26 to hand in reference to Senator CLARKE'S amendment to bill H. R. 3321, regulating the dealing in cotton

DEAR SIX: Totals of vary, amendment to bill H. R. 3321, regulating the dealing in cotton futures.

It has my hearty approval and that of all farmers to whom I have mentioned it. I haven't found anyone except bankers, merchants, and cotton buyers and speculators who disapprove this amendment. It does look like the producer should have the right to say what laws he preferred governing the sale of his cotton, and I fail to see why a non-producer should be so interested unless he has a fat thing in it somehow. They say if this law is passed it will ruin the country. I think if it requires a set of speculators and gamblers to create a market for cotton and cotton will not sell on its own merits, it would be a good thing for farmers to let alone, and I for one say if it ruins us, as they see it, let us have it. It can not hurt us much worse, for it is like swapping dollars to make it now. I appreciate your efforts in behalf of the farmers and read all you have to say through the papers, and congratulate you for your courage and wish you success in all your efforts.

With best wishes, I am,
Yours, sincerely,

A. B. Broadwater.

SAN ANTONIO, TEX., July 18, 1913. Senator SMITH, Washington, D. C. Dear Shiff, Washington, D. C.

Dear Sir: I would suggest that you introduce an amendment to the Clarke amendment providing that said amendment shall only apply to such future cotton contracts as do not specify the grade sold, and do not provide for delivery according to Government standardization.

Your bill should be passed, and this is all the legislation that should pass on this question.

Very truly, yours,

W. F. Miller,

811 Mason Street

W. F. MILLER, 821 Mason Street.

PENDLETON, S. C., July 15, 1913.

Senator SMITH, Washington, D. C.

Senator SMITH, Washington, D. C.

Dear Sir: I see that Senator Clarke has introduced a bill to tax contract cotton 50 cents on the bale. By all means use your influence to defeat this bill. If this bill passes, it will virtually put the cotton exchanges out of business. That means low-price cotton.

Your bill to regulate the exchange to deliver the grades they contract for is what we need.

I hear it favorably commented on by the best people all over the State.

Yours, truly,

B. Harris.

ASHEVILLE, N. C., July 31, 1913.

DEAR SENATOR: Your letter containing copy of CLARKE'S amendment received to-day, forwarded from Dillon. I have read it over; in fact,

had read it before, and I had talked with some of my friends about it, and I am yet of the opinion that we, the farmers of the country, can not be benefited by it at all. Of course, I may be wrong, but I believe I am right. We want a live market for what we have to sell, and the more people deal in it the more life there is about it; but I do not think the buyers of cotton should be any more handicapped than the seller. Whatever is done about it, any extra expense will be figured out of the producer. The trouble is and always has been our farmers are one to two years behind and can not hold a crop of cotton or even one-fourth of a crop, and are compelled to put it on the market early in the fall and take what they can get in order to pay bankers and merchants what they owe them. Now, last fall I bought one day for the cotton mills 400 bales of spot cotton from a New York firm, then they bought this cotton from another cotton dealer, and all of these people had to hedge against loss when they sold and when they bought. Had they have had to pay this tax it would have been an immense amount of trouble to go into all this thing of paying taxes and refunding, etc., and had we have had to do this I do not believe we could have traded at all.

I will hate to see the Clarke amendment go through. Yours, very truly,

MARION, S. C., August 8, 1913.

Senator E. D. SMITH, Washington, D. C.

Senator E. D. SMITH, Washington, D. C.

DEAR SIR: Yours of recent date with copy of an amendment to tariff bill by Senator CLARKE received. I think the amendment is proper and should become law. I am in favor of any law that will do away with the New York Cotton Exchange, which is only another name for gambling. As you know, it has cost our people millions upon millions of dollars. I have no patience with the arguments which are used trying to defend the exchange, in that it is beneficial to the cotton growers, when the truth is that it has done more harm to the cotton growers than all the blight and boll weevils combined.

If this amendment can become law and the tariff and currency bills pass we southern people would begin to enjoy freedom from our heretofore masters.

I want to congratulate you and all who had anything to do with

I want to congratulate you and all who had anything to do with getting the Government to relieve the South and West of the money stringency and getting us out of the grasp of the money sharks of New York. Our people are delighted with what Congress is doing and attempting to do and have unlimited faith in our representatives in Congress and Woodrow Wilson and his Cabinet. The fact is we feel like a new era has dawned upon us and that our great country is still the home of the free and the brave.

With best wisnes for your future success, I am,
Yours, truly,

JONESVILLE, S. C., August 7, 1913.

Hon. E. D. SMITH, Washington, D. C.

DEAR SIE: In reply to your letter of the 26th regarding the Clarke amendment to the tariff bill, will say that I have discussed this matter with several in this section and all seem to think that it best not to pass this measure as in the end the tax would fall on the producer.

Yours, very truly,

D. B. FREE, Jr.

MOUNTVILLE, S. C., August 7, 1913.

Hon. E. D. SMITH, United States Senate, Washington, D. C.

DEAR SIR: In regard to yours of the 26th of July * * neighbors and myself think that all such taxes will be obliged to be paid by the producers of cotton, so please don't allow any tax to be put on cotton.

Yours, truly,

D. R. CRAWFORD,

Mr. E. D. SMITH, Washington, D. C.

SIR: You send me a copy of amendment to the tariff bill proposed by Senator Clarke of Arkansas, and to write you whether or not I think it would be beneficial to the cotton growers. I fail to see where the cotton growers would be benefited in its practical operation.

NEWBERRY, S. C., August 6, 1913.

Hon. E. D. SMITH, United States Senate, Washington, D. C.

Dear Ed.: Your letter received. I have given the bill very careful study and have reached the conclusion that it will add another burden upon the farmers. You could never adjust the tax as it is intended in the bill, and there is no power Congress possesses that could adjust it. We would in the end pay that tax at such price as we would be force to accept for our cotton. * * * H. H. Evans.

LAKE-CITY, S. C., August 7, 1913.

Senator E. D. SMITH, Washington, D. C.

Dear Senator: I have examined your bill sent me some time ago and think it is a very good bill. I want to congratulate you on the fight you have been making and are making to-day in behalf of the farmers of the State.

Very sincerely,

J. A. Green.

Hon. E. D. SMITH, Washington, D. C.

DEAR SIR: In reply to your letter of July 26, in regard to amendment to tariff bill, as to taxing sales for future delivery, I find lots of people in favor of it. Personally, however, I do not agree with it. Farmers often sell futures to an advantage. However, I realize that my own personal ideas are of little value to you. I feel sure that you are doing your duty to us, as you see it, and I am perfectly willing to leave the balance to your care, feeling sure that you will secure every benefit possible for us.

Yours, very truly,

JOHN A. BELL.

ISLANDTON, S. C., August 5, 1913.

Hon. E. D. SMITH, Washington, D. C.

Hon. E. D. Smith, Washington, D. C.

Dear Sir: Yours of the 26th ultimo received in due time, but I was very busy and could not give the intended Clarke amendment the proper consideration.

I have gone over it carefully and can not see where it will be any burden upon the cotton growers. I think it would be better to have a separate bill prohibiting the dealing in futures altogether. If I understand it aright this amendment puts a tax of one-tenth per cent per pound on those who buy and sell cotton for future delivery, but refunds the tax where the cotton is actually delivered according to the terms of the sale.

It is true the mills claim they have to buy ahead, and a great many farmers sell ahead, but they can do it without violating the law as proposed by this amendment or without being burdened by the law. However, I doubt the wisdom of even anyone under any circumstances selling for future delivery, unless the price could be so regulated as to preserve the proper equilibrium in the cotton trade.

Under the present laws a debt-ridden people, as our cotton growers are, living this year on next fall's crop, are entirely dependent on the gamblers of the country for the price of their cotton.

But we are told to organize. I grant the farmers are not sufficiently organized to protect themselves from many injustices, such as the present raise in jute bagging, but when we are told to organize to hold cotton which is sold a year ahead, without a price stipulated, it is all bosh. Establish a safe governmental system of warehouses where the farmer can deposit his produce, without the dread of being swamped by a set of rascals, and can draw on the Government for a safe per cent (safe to the Government) of the value of said produce, and you will see the prices of farm products properly adjusted, and the farmer rise from his impoverished condition.

Wishing you much success in your endeavors to help the farmers, I am,

I am, Yours, truly,

D. M. VARN.

WARSAW, N. C., August 5, 1913.

Hon. Ellison D. Smith, Washington, D. C.

Washington, D. C.

My Dear Senator: I have carefully read all that has been said with reference to your bill to regulate deliverles on future exchanges and all that has been said with regard to the effect of the Clarke amendment to the tariff bill, and to both propositions I have given much study and thought; in fact, I have been studying it for years, knowing that Congress would probably pass some regulatory measure in the course of time. And I desire to say that I approve of your bill and believe that it will have the effect intended; but I disapprove of the Clarke amendment and believe that its principal effect will be the establishing of Liverpool as the sole price-making machine. It will elminate hundreds of small cotton merchants; force a concentration of big buyers in England, making it well-nigh impossible for a native exporter to compete with foreign exporter; take from the market millions of speculative money and thousands of speculative buyers; destroy all nonfuture exchanges and many boards of trade in the South. In fact, it will cost the South from 3 to 5 cents per pound in the price of cotton and may bring about such financial disaster as we have not seen since the war. I know you make a specialty of cotton matters and are well informed on the subject, and I certainly hope you will use your knowledge and power to prevent the adoption of the Clarke amendment.

Respectfully, yours,

Jos. E. Johnson.

Jos. E. Johnson.

BENNETTSVILLE, S. C., August 5, 1913.

Senator E. D. SMITH, Washington D. C .:

Replying to yours of July 26 in regard to Senator CLARKE's amendment to H. R. 3321, will say that I do not know of any benefit that will accrue to the cotton planter from this bill. I have asked others, and they say that they are unable to see it. My own opinion is it is a direct tax on cotton indirectly collected. I do not deem it desirable to prohibit trading in actual cotton on cotton exchanges. I know of no good in cotton futures.

Yours, truly,

R. C. COXE.

VANCE, S. C., August 1, 1913.

Vance, S. C., August 1, 1913.

Senator E. D. Smith, Washington, D. C.

Dear Sir: Your letter of July 26 has been received and carefully noted. I am glad you wrote and thus gave me an opportunity to write you. I for one am opposed to the passage of any such law, because it looks to me that all or nearly all the efforts that are made to benefit the farmers of the South rebounds to their detriment. I am opposed to the doing of anything that will injure the price of cotton. I think all the tinkering with law as to futures and the prosecution of those who were trying to bull the market has already cost the farmers a good deal of money. If it is law to prosecute the bulls for trying to put the price up, it should be law to handle the fellows who are trying to put the price down. I believe the cotton exchanges are a benefit to the cotton planter, and to levy that tax will drive them out of existence.

Very truly, yours,

J. F. FELDER.

CORNWELL, S. C., R. F. D. 1, August 2, 1913.

DEAR SIR: In reply to your letter July 26, will say I think Mr. CLARKE'S amendment, if you can get it, will be a good thing. I believe in a square deal, but we don't get it. If a man buys cotton, it should be delivered. If he sells, he should deliver the goods. I would say work for the amendment.

Respectfully,

W. A. GLADDEN.

CAMDEN, S. C., August 2, 1913.

Your favor of July 26 received and the inclosed amendment, which I believe to be against the cotton grower and would help to lower rather than lift prices.

Yours, truly,

HENRY SAVAGE.

FARMERS' COMPRESS & WAREHOUSE Co., Montgomery, Ala., July 14, 1913.

Senator E. D. SMITH, Washington, D. C.

Senator E. D. SMITH, Washington, D. C.

Dear Friend Smith: The New York and New Orleans Cotton Exchanges have been flooding this country with literature and press articles begging help to kill the Clarke amendment to the tariff bill. Today our committee of three from the business men's league of this city reported in favor of the bill; also some of our leading cotton men, notably I. Weil, of Weil Bros., and William Marks, of Marks & Gayle, both large cotton buyers, are in favor of it. This pleases our farmers, who desire to see the New York Cotton Exchange taxed out of existence, also New Orleans put on a strict spot-cotton basis.

As you know and we believe our country has been pauperized by the New York Cotton Exchange. It is no spot-cotton market, and we see no reason for its existence except as a gambling outfit. Let the good work go on. Our country has been overrun this season by so-called traveling crop experts sent out by the New York Exchange. Most of them are voluminous liars and hardly know a stalk of cotton from a cocklebur stalk. They have succeeded only in allowing foreigners to buy up the cotton held for better prices at a low figure, which has been quite discouraging to all holders.

With regards, your friend,

Chas. L. Gax.

WATERLOO, LAURENS COUNTY, S. C., July 13, 1913.

Hon. E. D. SMITH, M. C., Scnate Chamber, Washington, D. C.

My Dear Senator: Your kind and encouraging letter I received in due time. I will watch the progress of the currency bill, and when fairly launched in Congress I will run on to Washington. I have several very nice letters to produce.

I am glad to see the Senate subcommittee favors your cotton-grade

bill. With my best respects, I am, Yours, truly,

CLARENCE CUNINGHAM.

CHARLESTON, S. C., July 7, 1913.

Senator E. D. SMITH, Washington, D. C.

I sincerely trust that you will make every effort to defeat the present amendment introduced by Senator Clarke of Arkansas placing tax on purchases and sales of cotton for future delivery, as same would prove most harmful to all handlers of cotton and would be at the expense of the planter, as he would not be able to find a ready market at all times on which he could dispose of his cotton at the full price, as there are times when shippers buy cotton without being able to pass it on to spinners, but are able to protect themselves by selling futures. The proposed amendment would prove ruinous as well as a restraint to trade.

W. Gordon McCare, Jr.

W. GORDON MCCABE, Jr.

Mr. LODGE. Mr. President, I do not propose to discuss this question at all, for I am free to confess the intricacies of this business I do not understand, and I understand it still less since I have heard the cotton manufacturer called a miller. But there are people who do not speculate in futures, but who buy and sell cotton, who believe that this will have a bad effect on the consumers to whom they sell and the producers from whom they buy, that you will not get rid of the abuse of gambling in futures, which is an admitted abuse of a gross kind, but only transfer it to delivery

I have three letters from a leading firm who do not speculate in futures and are among the largest firms in the country in dealing in cotton. I ask that they may be printed in the

The VICE PRESIDENT. Without objection, they will be printed.

The letters referred to are as follows:

BOSTON, MASS., July 1, 1913.

Hon. Henry Carot Lodge,
United States Senate, Washington, D. C.

Dear Sir: We feel very strongly that those advocating the amendment to the tariff bill placing a tax on transactions in future-delivery cotton are not familiar with legitimate cotton business as undertaken to-day by those not interested even remotely in speculatively buying or selling contracts, but as a protection against actual business done with spinners.

to-day by those not interested even remotely in speculatively buying or selling contracts, but as a protection against actual business done with spinners.

In our own case, we have no clientele who buy or sell through us speculatively for cotton. Our business is confined to actual sales to the various New England mills. As business is done nowadays, a great many of the mills at this time of the year and through the summer place contracts ahead for goods. In the sale of such goods they are forced to either sell their goods and speculate as to what the price of cotton will be when cotton is available during the next crop, or protect themselves by buying cotton for fall shipment through such dealers as they trade with.

As far as we are concerned, there are only three possible methods which we could pursue—either sell the mills speculatively short and risk buying in cotton next fall at a lower price, or buy contracts for mill account and turn them into cotton, as they advise us to next fall, or buy contracts for account of our correspondents which they would turn into cotton next fall. In none of these transactions would the actual delivery of future contracts be expected. The purchase of them would simply be to protect ourselves or the mills against an advance in the market when the actual cotton of the quality satisfactory to them was available during the next crop movement.

Very often the cases are reversed. In the fall of the year the mills know they must secure such qualities as they need when they are available. On the other hand, a mill which does not wish to speculate must either buy its year's stock and risk the market later—that is, that it might be a great deal lower in the late winter or spring if the crop is large or trade is poor—or hedge a certain amount of its purchase by the sale of contracts. As they sold their goods they would buy in these contracts fixing the price of their cotton.

We realize that speculation in cotton has been harmful, but it has been more harmful to the manufacturer than an

other hand, the purchase or sale of future contracts affords the manufacturer a protection on every lot of goods sold ahead or actual cotton purchased against which he does not care to fix his price on account of his inability to sell goods ahead. The same is true of the legitimate dealer who buys future contracts against sales to mills or sells contracts against actual cotton in hand which he is not desirous of being long of on the market, and risking a decline which would wipe out not only his profit but possibly cause him a severe loss, and in none of which cases the acceptance of purchase of futures or delivery on sales of futures would be contemplated. If the contemplated tax should pass, as business is done so close, it is needless to say it would simply be the means of climinating this protection and would not prevent this character of business from being done abroad, and would be driving business out of this country without in any way checking speculation. It would only eliminate the protection furnished the legitimate dealer in cotton or the mills who buy through him.

Yours, truly,

COOPER & BRUSH.

STEPHEN M. WELD & Co., Boston, July 1, 1913.

Hon. HENRY CABOT LODGE, United States Senate, Washington, D. C.

Hon. Henry Carot Lodge,

United States Senate, Washington, D. C.

My Dear Senator Lodge: It seems to me that this addition of one tenth of a cent a pound on futures where the cotton is not actually delivered is such a blow at the cotton business that the Senators can hardly realize what they are doing. In the first place, left me tell you how it works. We frequently find at the end of a day's business, in Houston, for example, that we have 5.000 beles on hand over and above our orders. As you know, we have to go out and buy every day, and at the end of the day the cotton that we have bought is set against what we have sold. If we have sold more than we have bought, we buy futures. If we have bought more than we have sold to the mills, we sell futures. In this way we are protected against any fluctuation of the market, and the business is made as free from speculation as is possible. We never mean to deliver or to accept deliveries on these futures. They are a hedge on spots that we have sold; when we buy cotton, we buy in futures on the cotton we have bought; when we have sold the cotton, we sell them again.

Now, this method of doing business enables thousands of small firms to do a business and to borrow money from the banks on this business and on the cotton, because the banks as a rule demand to know whether they have hedged. If they have hedged, they loan them the money; if they have not, they won't; and a firm that does not hedge with futures finds it very difficult to obtain credit.

What is going to be the result? The New York Cotton Exchange will go out of existence and the business will fall into the hands of Mcfadden and ourselves and three or four other big firms, and nine out of ten of the little firms will go to the wall. It is going to reduce our business to the same basis that the wool business is on, which is a most speculative business, where the profits are from 3 to 5 cents a pound and the losses correspondingly large and only big firms that can be perpetrated. It is no excuse to say that th

Hon. HENRY CABOT LODGE, Washington, D. C.

DEAR SIE: Regarding the amendment providing for a tax of one-tenth of a cent a pound on sales of cotton futures, we believe its adoption to be unfavorable to the best interests of the people of the United States.

doption to be unlavorable to the best interests of the people of the United States.

Our business is that of supplying actual cotton to New England mills. We are not dealers in futures. The mills are expected to take orders from their customers for goods to be delivered several months later and for frequently well into a later cotton crop. Therefore the mill expects us to sell them actual cotton, to be supplied to them at such later dates. In the event of our making sales for materially later delivery, we now protect ourselves by purchasing futures, thereby eliminating the element of speculation on the part of the mill and also on the part of the seller of the cotton, whether he be North or South. If the proposed tax should be adopted, we believe that the amount of the tax would have to be added to the cost of manufactured goods, or, in other words, advance the cost of cotton goods. And certainly cotton goods are to be used by a very large percentage of our people from the very fact that they are about the lowest cost wearing apparel. On the other hand, the only possible advantage to anyone is the revenue which the Government would receive; and we certainly doubt the advisability of this, considering that the revenue would certainly come from the mass of the people.

Therefore we sincerely hope that you can conscientiously do all that is possible to prevent the adoption of this amendment.

Yours, very truly,

BARRY, THAYER & Co.

BARRY, THAYER & CO.

BOSTON, July. 2, 1913.

Mr. RANSDELL. Mr. President, my very good friend the Senator from Arkansas [Mr. Clarke] has, inadvertently I am sure, a very incorrect idea about the New Orleans Cotton Exchange. He designated it as a parasite of the New York Exchange. I am quite certain he did not mean to hurt the feelings of the New Orleans and Louisiana people by that statement. I should like to ask the Senator just what he based that statement of his on, that the New Orleans Cotton Exchange is a para-

site of the New York Cotton Exchange.

Mr. CLARKE of Arkansas. Mr. President, of course I used that statement in a figurative sense. The New York Cotton Exchange fixes the rules and limitations of the business. have the organization, the membership, the position, connected with the business. They have special wires running every-where, and dominate. If the New Orleans Cotton Exchange were disposed to reform the business they could not reach the people who are interested in the subject of speculating in cotton in sufficient volume to cut the slightest figure in the final result. Senator George, who was the chairman of the Committee on Agriculture and Forestry of the Senate in the Fifty-third Congress, went into that quite extensively and took much proof to show the relative importance of the two exchanges. In preparing and presenting to the Senate the report from which I quoted he made the observation that I have included in my remarks, that the New Orleans Cotton Exchange was a parasite in the sense that it could not project and maintain a policy in antagonism to any policy that the New York Cotton Exchange saw proper to stand behind.

Mr. RANSDELL, Mr. President, I should like to ask the Senator if it is not a fact that the New Orleans Cotton Exchange has adopted the Government standards of grading cotton were advocated in substance by Mr. Herbert Smith in the very able report from which the Senator has so eloquently quoted, and if it is not also a fact that Mr. Smith in the highest terms complimented the New Orleans Cotton Exchange for adopting the method which he advocated; and, further, if it be not a fact that the business is conducted on the New Orleans Cotton Exchange in an entirely different manner from that on the New York Cotton Exchange in the very material particular of settling the deliveries on future contracts upon the commercial differences, or the value of the spot cotton as determined by actual sales on the New Orleans market, whereas in New York the settlement of deliveries is based upon the value placed upon the cotton of various grades by a com-

mittee-an arbitrary system of settling differences?

Mr. CLARKE of Arkansas. I am sure there must be some differences in detail in the rules that govern the respective exchanges; but I insist that the crowd who conduct the New Orleans Cotton Exchange do not possess sufficient elements of strength to influentially affect the price of cotton. Can the Senator tell me how many bales of future cotton are sold annually upon the New Orleans Cotton Exchange?

Mr. RANSDELL. No, sir; I can not; but it is a large

Mr. CLARKE of Arkansas. Nobody else can tell, because they have never let it be known; but in trade, in business, and in the discussions that define its operations and its effect no one ever gives serious attention to the New Orleans Cotton Exchange. There was a better exchange than either of those exchanges, at Galveston, and another one was sought to be established at Memphis, but they could not attract that large volume of speculative business that would enable them to give it the representative position in the trade that the New York Cotton Exchange maintains.

Mr. RANSDELL. Mr. President, I have given the Senator from Arkansas a fair chance to explain his statement, and I find that he really had no reason at all for saying that the New Orleans Cotton Exchange was a "parasite" of the New

York Exchange. As a matter of fact—
Mr. CLARKE of Arkansas. The Senator from Louisiana must let me explain that. By that I meant a parasite of the exchange in the sense-

Mr. RANSDELL. A parasite is something that lives on

another.

Mr. CLARKE of Arkansas. I should have said I meant a parasite in the form that it could not direct a policy with reference to the cotton market that the New York Exchange antagonized; that it was subordinate in that commercial sense to the

movements and policies of the New York Cotton Exchange.

Mr. RANSDELL. I am glad to have even that explanation, Mr. President, because a parasite, we know, is a small thing that lives on a larger one, and in no sense of the word can it be said that there is the slightest connection between the New Orleans Cotton Exchange and the New York Cotton Exchange. They have entirely different rules and regulations; they have no connection in the world with each other.

The great trouble in this whole cotton-future business is the unfairness with which, in the minds of a great many people, it is conducted on the New York Cotton Exchange. The very matter which the Senator from South Carolina [Mr. SMITH] described here is one which has caused a great deal of hard feeling; that is, the manner of dealing on the New York Cotton

Exchange. You have a contract there with "middling" as a basis. When you ask for delivery of that cotton the man who sells it can deliver to you any one of 28 grades, I believe, according to the Senator from Arkansas, and 34 or 36 grades according to the Senator from South Carolina, which is certainly a very wide margin of grades.

Mr. SMITH of South Carolina. Mr. President—
The PRESIDING OFFICER. Does the Senator from Louisi-

ana yield to the Senator from South Carolina?

Mr. RANSDELL. I yield merely for a correction.
Mr. SMITH of South Carolina. I want to get the record straight. I think that at one time there were 37 grades—I may not be accurate, but I know it was within the thirties. have gradually contracted them as they saw the storm gathering.

Mr. RANSDELL. It is a large number of grades, Mr. President, and there is now a private system of grading cotton in York; there is no Government standardization of cotton grading recognized in that great market; but it is a private

system adopted by themselves.

When they settle their future contracts they tender the purchaser of a "middling" basis contract cotton not of that grade. Say he has bought "middling" and they tender him "good ordinary," how is the price between "middling" and "good ordinary" determined in New York? Not by the market quotations of "middling" and "good ordinary" in that market or in any other cotton market, as is done in New Orleans, but by a committee of the exchange, which meets two or three times a year, and arbitrarily says that the difference in value between "middling" and "good ordinary" shall be a certain sum. You see how unfair that is. Perhaps "good ordinary" is very scarce in the market and the price has gone up as compared with "middling."

In New Orleans how is it arranged? In that city there was always a system very different from that in New York, even before it had the Government standards. New Orleans had its private grades then, because there were no Government grades, but the settlements on contracts were always made upon the commercial or "spot" market differences. If a man bought "middling cotton" in New Orleans and "good ordinary cotton" was delivered to him, he went into the New Orleans market, the spot-cotton market, and ascertained that the commercial difference in value between "middling" and "good ordinary" cotton was, we will say, one cent per pound, or one and a quarter cents per pound, or one and a half cents per pound. The settlement was made accordingly, and the purchaser was not injured, because, if he did not need "good ordinary his business, he sold it on the market at the actual market value, the same as he had paid for it; but in New York, if he were obliged to pay for "good ordinary" 9 cents a pound, let us say, and the "spot" difference or the market was 8½ cents a pound, then he was obliged to sell for 8½ cents a pound an article for which he was forced to pay 9 cents; in other words, he lost \$2.50 a bale, or \$250 on his transaction—something that could never happen in the case of New Orleans.

This is doubly true now, Mr. President and Senators, for since the New Orleans.

the New Orleans Cotton Exchange has adopted the Government's standards of cotton—that is, with a basis of "middling," with four grades higher than "middling" and four grades lower—the transactions there are just as fairly conducted as

they can be.

Let me repeat, there is not the slightest connection between those two markets. I am perfectly willing to admit that New Orleans is not the very powerful financial center which New York is, but it is an active spot-cotton market; it is a market where there is a great deal of spot cotton sold, whereas there is very little of it sold in New York. It is a very important market both for future dealings and for actual spot dealings in cotton.

I was very glad to hear the Senator from Arkansas say that the Government had "established rational, honest grades of cot-ton standardization." Those rational, honest grades were im-mediately accepted by the Cotton Exchange of New Orleans. They have not yet been adopted by the New York Cotton Exchange. The Cotton Exchange of New Orleans is doing its utmost to cooperate with the Government; the Cotton Exchange of New Orleans recognizes that there are some things that are bad in cotton speculation, or, as the Senator would call it, ton gambling," just as there are bad things in every kin just as there are bad things in every kind of speculation and in every kind of business, and the New Orleans Cotton Exchange stands behind the Congress in any kind of legislation looking to the correction of these evils, but it does not wish to see the system entirely broken up, because it believes it is a good one when properly regulated, corrected, and controlled.

The Senator alluded to the fact that in Germany they did not deal in cotton exchanges and yet used a great deal of cotton.

Is the Senator aware of the fact that on this very day in the city of Bremen a very large cotton exchange begins business? It is a fact, I will say to the Senator, that to-day a cotton exchange starts in the city of Bremen. The Germans have found that they can not do business without a cotton exchange, just as they found in 1896, after the bourse law was passed prohibiting grain dealings on exchanges, that it could not do business successfully in grain without an exchange; that the farmers were unable to get a proper price for their grain be-cause they had no means of ascertaining its value. The purcause they had no means of ascertaining its value. chasers of grain were in touch with the Chicago market and the Liverpool market and the exchanges of the world, but when the German grain exchange went out of existence there was no longer any way for the grain producers to find out what grain was worth. The farmers suffered, and grain in towns or communities 10 or 15 miles apart varied very much in price. It is necessary to have an exchange so as to inform the farmers what their products are worth.

Mr. President, I did not intend to occupy the time of the Senate so long. I rose merely for the purpose of making this

explanation.

Mr. BORAH. I desire to ask the Senator from Arkansas a question. I understand that the Senator from Arkansas drew this amendment.

Mr. CLARKE of Arkansas. Yes, sir. Mr. BORAH. I should like to ask the Senator what, in his opinion, will be the immediate effect of the amendment?

Mr. CLARKE of Arkansas. The immediate effect of it will

be that about 90 per cent of the business conducted on the New York Exchange will be discontinued if the law is faithfully and effectively enforced, because the gamblers who assemble there will not pay 50 cents a bale on cotton every time they record a quotation on that board. The best estimate which can be made is that the number of fictitious bales of cotton sold on that exchange in a year is more than a hundred million.

Mr. BORAH. In other words, the immediate and legitimate effect of the proposed amendment will be to prohibit dealing in futures under certain conditions, rather than to collect revenue?

Mr. CLARKE of Arkansas. Of course the revenue feature of it will probably be kept up for a little while by the so-called hedgers who have bought actual cotton and, fearing the depredations of the New York Cotton Exchange, must protect themselves for a time. I think that element will continue for a little while to pay the tax; but after awhile they will be forced to evolve some other system of protection that will be more legitimate and more completely under commercial control.

Mr. WILLIAMS. Mr. President, if the Senator will pardon me, perhaps his answer might be misunderstood. So far as dealing in pure "wind" cotton is concerned—mere speculation, mere gambling-this amendment will put an end to most of it; but where mills and buyers buy futures as an insurance it would not put an end to that. It would simply put a tax of 50 cents a bale upon that kind of business—not a very expensive insurance—which would bring in a considerable revenue to the Government.

Mr. CLARKE of Arkansas. I may also state to the Senator from Idaho that where there is an actual delivery in pursuance of a contract there is no tax levied.

Mr. BORAH. Exactly.

Mr. WILLIAMS. I can not understand for the life of me why it has been that there never has been any great company established in the United States to insure manufacturers against losses upon sales of stocks on 12 months' delivery to the Orient and elsewhere. I am informed that such insurance companies do exist in other countries. I suppose the reason they do not exist in this country is that our manufacturers for the most part do not sell on long time as do German and English manufacturers trading with the Orient and with South America. I have heard that that was the reason; but, so far as "futures" are an insurance to legitimate business, 50 cents a bale is not a very heavy insurance on a bale of cotton which is worth \$50.

BORAH. It combines, in other words, the proposition of a slight revenue with a proposition of prohibiting certain

kinds of transaction?

Mr. WILLIAMS. Well, it has a double effect; yes.

Mr. BACON. Mr. President, I merely want to say a word in regard to this matter. It is one in which my people are very deeply interested, both as cotton producers and as cotton manu-The State of Georgia is the second State in the production of cotton, Texas being the first; and the States of South Carolina, North Carolina, and Georgia manufacture very much the larger part of all the cotton annually manufactured in the South. So that both as mill owners and as cotton producers our people have a very deep, practical, and pecuniary interest in the correct solution of this question.

As I understand the proposition of the Senator from South Carolina-and I wish to say, by way of parenthesis, that I do not profess to have any expert knowledge as yet in regard to this question and am seeking light-as I understand, the proposition of the Senator from South Carolina is this: That, by reason of the failure of the cotton-exchange contracts to specify the particular grade which the contract will require the delivery of, if delivery is made, the quotations on the stock exchange do not reflect the real price of cotton and that, therefore, they injuriously affect the price of cotton in the hands of the producer. I understand that to be the proposition, although whether I am correct or not I do not know. I see the Senator from Arkansas [Mr. Clarke] shakes his head. I do not mean to say that it is correct. I do not know, but my understanding is that that is the proposition of the Senator from South Carolina.

I understand the Senator to base that proposition upon the fact that the contract, having this latitude in it, permits a seller to sell middling cotton, say, as a basic grade, with the privilege of complying with that contract, not by delivering middling cotton, but by delivering some other grade at a difference in price to be fixed by the cotton exchange, and that, by reason of that, opportunity is given to those dealing on the cotton exchange, those buying and selling cotton, to carry on this series of contracts in a way which will quote to the world a price for cotton which is not the real price of cotton, and that such quotation and publication of false prices affects injuriously the price of spot cotton in the hands of the cotton

On the other hand, the Senator says that if the contract were limited to a specific grade and the person who sold that contract would be compelled, if required, to deliver that particular grade, he could not quote anything else but the real price except at his own peril, and therefore he would have to quote the real with the grade fixed in the contract he would have price: that to sell at the real price, and so when he bought and sold, even if he did sell 100,000,000 bales of cotton, he would not affect injuriously the price of cotton in the hands of the producer. understand that to be the contention of the Senator from South Carolina

Mr. SMITH of South Carolina. That is correct.

Mr. BACON. Mr. President, however we may regard gambling in all of its forms, we have not a moral purpose in view in this legislation. While, of course, we are glad if the moral purpose at the same time can be advanced or effected, we have in this proposed legislation a practical purpose, and that practical purpose is that the dealing in futures on the cotton exchanges shall not, through a system of quoting false prices, injuriously affect the price of cotton in the hands of the producer. That, I understand, is the purpose; and in that we all sympathize and desire to contribute to it.

If it be true that by requiring the cotton seller to make a particular grade and limit him to that grade; if it be true, as contended by the Senator from South Carolina-I do not say it is, because I am not sufficiently familiar with the subject to undertake to say so-but if it be true, then, it would be well so to adjust this amendment as not to make it include contracts of that kind, where the real grade of the cotton is specified, because if that be true there is no harm in contracts of that kind, but there may be some good. Whether it be true as to the effect of having the grade of cotton specified I am not prepared now to definitely say, but the suggestion should be carefully considered.

Turning, now, from the interest of the cotton producer to that of the mill owner or the man who runs the mill, we all recognize the fact that it is beyond controversy that there is a legitimate use made by mill owners of the purchase of future contracts where there is no expectation of delivery. I would not be willing that that practice should be allowed to continue if it were at the expense of the cotton grower, the producer of cotton, even though it might result in advantage to the mill owner, because that would be aiding one industry at the expense of another industry, and that would be unjust; but if it is a legitimate interest of the mill owners which can be advanced without injury to the other industry, then we ought to try so to adjust it as to make this legislation of advantage to each and an injury to neither.

I do not know whether this is correct or not, but I understand that to be the issue, and I think it is worthy of very careful consideration. If it be true that the imposition of a tax simply upon contracts for cotton which do not specify the particular grades and the exemption of those which do specify the grades will relieve the cotton grower of the South of the evil under which he now suffers by reason of speculative contracts, it may be well to do so; and in view of the fact that there are interests as found in the business of the mill owner which have

legitimate purposes to subserve by contracts of this kind, it may be well to relieve them and so adjust this proposed legislation as not to injure them. I do not wish by anything that I have said to commit myself finally to the one or the other of these propositions, but I am deeply impressed with the fact that if this legislation can be so shaped as to prevent the fictitious influencing of the price of cotton by quoting as the price that which is in fact not the price, if we can shape this legislation to correct that evil and at the same time not embarrass the legitimate transactions of mill owners, I think it ought to be done. As I understand it, the system practiced by the mill owners is not a speculative system, but one by which they can practically insure the prices at which they will get the cotton to be manufactured to fill the contracts they make for manufactured goods.

Mr. SMITH of South Carolina. Mr. President, I should like to call the attention of the Senator from Georgia and of other Senators to the fact that if they will pick up any paper published in any city in America where the quotations of the cotton market are given they will find that the future market for the spot month—August is the spot month now—the quotations are on the basis of "middling," and then if they will look at the "spot" quotations they will find that in every instance there is in the same market a wide margin between the price of spot cotton and the future price, for the reason that the buyer of actual "spot" can go into the warehouse and select his "midactual "spot" can go into the warehouse and select his "middling," while in the other case he takes his chance whether he will get "middling" or something else. I merely invite Sena-

tors to take any newspaper and read the market quotations.
Mr. SIMMONS. Mr. President, I ask that the section be

passed over.

Mr. CUMMINS. Mr. President, before the section is passed over I have a substitute which I desire to offer for the committee amendment, and I should like an opportunity of saying something about it before the committee again considers the subject. I offer as a substitute for the amendment reported by

the committee the following.

The PRESIDING OFFICER. The Secretary will read.

The Secretary. It is proposed to substitute for section 3,

Mr. CUMMINS. If I may be permitted, I will state the substance of the substitute. I can do so, I think, in less time than would be required to read it.

Mr. SIMMONS. I was going to ask the Senator if he would

not do that rather than have it read by the Secretary.

Mr. CUMMINS. The substitute provides that there shall be levied upon all sales of capital stock, bonds, or other obligations of corporations, and upon all sales of products of the soil, meats, or provisions of any character made in, upon, through, or in connection with or under the regulations of any stock exchange, grain exchange, cotton exchange, board of trade, or the like, wherein the seller is not the owner of the thing sold at the time the transaction occurs, a tax of 10 per cent.

Mr. WILLIAMS. Does the Senator think that the amendment drawn by the Senator from Arkansas [Mr. Clarke] prohibits the owner of cotton from selling it for future delivery?

Mr. CUMMINS. I do not. I am about to compare my substitute with the one proposed by the Senator from Arkansas. I have already stated the substance of the substitute. I will restate it. It levies a tax of 10 per cent upon all sales made upon stock exchanges, boards of trade, and other institutions of like character, wherein the seller is not the owner of the thing sold at the time the transaction takes place. There are certain exceptions named in the substitute, which I need not now mention.

Allow me to say, Mr. President, that this amendment is not offered in hostility to the proposal of the committee, which I understand is the proposal of the Senator from Arkansas. The purpose of the amendment now in the bill is to prevent gambling in cotton. The purpose of my substitute is to prevent gambling in everything dealt in upon stock exchanges and boards of

I sympathize entirely with the general view of the Senator from Arkansas, and my only criticism of the object of his amendment is that he proposes to do for cotton alone what ought to be done for everything embraced within the activities of these institutions. There is a difference, however, in the method of accomplishing the purpose. In the amendment now found in the bill the object is sought to be reached by levying a duty of one-tenth of a cent a pound upon all sales of cotton for future delivery wherein delivery is not actually and in good faith made. In my substitute the result is accomplished by levying a duty of 10 per cent upon all sales wherein the man who sells is not the owner of the thing he is selling, but is simply speculating in the market.

Mr. SIMMONS. If the Senator will permit me, I suppose the Senator means 10 per cent upon the price at which the thing is sold.

Mr. CUMMINS. The amendment provides a tax of 10 per

cent upon the contract price of the thing sold.

The Senator from Arkansas [Mr. CLARKE] has described so completely and so impressively what is done upon the cotton exchange with regard to cotton that I need not enlarge upon that phase of the gambler's enterprise. I intend for a few minutes to take up the New York Stock Exchange, and to lay before the Senate the briefest outline of what is done there with regard to one of the great classes of property which so closely touches the welfare of the people of the United States.

I take, as an illustration, the year 1912. The dealings upon the exchange were less last year than the year before, and

therefore it is entirely fair to take the year 1912.

In that year there were sold upon the exchange in New York bonds-and I am giving the bonds simply for the purpose of instituting a comparison—amounting in the aggregate to \$653,-497,000. I want Senators to remember the small, meager amount of bonds sold upon the New York Stock Exchange when I come to state the amount of stock sold in the same market during the same time.

In the year 1912 there were sold on the exchange in New York 63,704,779 shares of railway stock alone. The par value of the stock so sold was \$5,052,823.900. Of industrial and miscellaneous stocks there were sold upon the exchange, in the year, 72.413.946 shares of the par value of \$6,150.899.600. Of all stocks there were sold 136,118,725 shares, with an aggregate

par value of \$11,203,723,500.

I pause here to point out the fact that the aggregate value of the railroad stocks sold or pretended to be sold during that year upon the exchange amounted to about four-fifths, or certainly more than three-fourths, of all the railroad stocks of the United States. All the railroad stocks are not listed upon the New York exchange; but the aggregate stocks, common as well as preferred, of all the railway companies of this country does greatly exceed \$7,500.000,000. I state it in round numbers. Of the stocks listed upon the New York Stock Exchange there were sold during that year \$5,052,823,900.

It goes without saying that 90 per cent of these sales were purely speculative. Certainly not more than 10 per cent of the stocks of the railroad companies of this country actually changed hands during the year 1912, and yet three-fourths of those stocks were nominally sold upon the New York exchange alone. I am not now taking into account the exchanges of Philadelphia, Boston, Chicago, and the other great cities of the country.

We might as well face the question whether we intend to enter upon a campaign against selling short in this country. I believe it is as serious a menace to industrial stability and financial strength as is now before the American people. Some time we must take up in earnest the problem of suppressing these gigantic gambling transactions, and I think this is the time to do it. My amendment demands that we do it now.

As I said the other day, I believe we ought to employ the taxing power, if we can not employ any other, in order to reach an evident and obvious evil. I am not suggesting that, legally speaking, the principal purpose of the substitute I have offered is not to produce a revenue. I do not know whether any such transactions could take place under the amendment I have proposed. I hope they could not. I have no hesitation in saying that I believe that if we impose the tax I have suggested the I hope they could not. I have no hesitation in saying next year will not witness a tithe of the gambling that has been flaunted in the face of the American people during each year of the last quarter of a century.

There are a great many good people who believe that the short sale—that is, the sale of a commodity or a product or a stock by a man who does not own it, but who expects to go into the market when the time for delivery comes and either settle upon the market price as it then is or buy at the market price the thing which he has sold, in order to make deliveryvaluable element in the business of the United States. It has been so argued for a long, long time. I do not think so. It is said that short sales are necessary in order to create a market for things that people actually want to sell, and in order to insure a condition which will enable a man to sell anything, the moment he wants to sell it, at the market price. I do not think so. When one has a thing that somebody else wants to buy, there will always be an opportunity for the seller and the buyer to meet.

The proposition I have made does not involve the abolition of the stock exchange. It does not involve the abolition of the board of trade. It does not touch the market places of the country. People will still be at perfect liberty to meet and country. People will still be at perfect liberty to meet and trade. Those who want to sell and those who want to buy will

come together and conduct their business according to legitimate and honest business methods. Indeed, I think the market places of the country will be rendered more secure, they will be made more available than they are now, if they are the scene

of actual transactions alone.

Then the man who has something to sell will enter the stock exchange and offer it fairly and legitimately, and the man who wants to buy will buy it with full knowledge of all the condi-tions which surround it. But as it is now, it is not a place for the transfer of actual shares. It is a place in which bold and experienced men balance their wits. It is a place in which men of great mental capacity and audacity as well fight for supremacy, employing, not alone the means which ought to influence the price of stocks, but every means which may tend to affect the market.

It is said-and this is one of the arguments most frequently used—that short sales ought to be permitted, because they tend to steady the market and tend to prevent extreme fluctuations in the price of commodities. I have read a great deal of argument submitted to sustain this contention. I can not at this time enter upon an analysis of the subject as I would like to do. I can only record my own opinion that instead of steadying the market short sales disturb the market. Instead of preventing extreme fluctuations they excite extreme fluctuations. Those who defend the practice always forget that when short sales are used to steady prices-and I admit there are times when they are so employed—they are employed to steady prices which the practice itself has disturbed.

If you will take away the temptation presented by the short sale—which is, viewed from my standpoint, gambling pure and simple—the consistent in which short sale. simple—the occasions in which short sales have been used for the benefit of the people will not arise. The range of prices will remain within the limit which is created by honest and legitimate considerations—the demand, the supply, the intrinsic

value of the article which is sold.

Allow me to go one step further with regard to what is done in New York; and I must confine myself to one phase of this matter in order to conclude within any reasonable time.

In 1912 the Atchison, Topeka & Santa Fe Railroad Co. had listed on the New York Stock Exchange its common stock. It amounted to \$168,430,500. At the end of the year, as we are assured by those who know something of the subject, practically the same persons owned the stock who owned it at the beginning of the year; and yet during the course of the year the stock of this company to the amount of \$129,319,700 was sold and bought upon the New York Stock Exchange alone.

The Chicago, Milwaukee & St. Paul Railroad Co. is one of the most stable railway companies of the country. Its future is assured. Its earning capacity is well known. slightly that its dividends are almost as uniform as the interest upon Government bonds. And yet this is what happened: Its entire common stock amounted to \$116,348,200; but during this year there were sold and bought on the New York Stock Exchange stock of this company to the amount of \$149,277,200. At the end of the year practically the same persons owned stock that owned it at the beginning of the year; and the fluctuations in the market price, steady and permanent as it ought to be, ran from 1175 to 993.

How many fortunes were wrecked in that fluctuation it is impossible for me to say. There was no material difference in the actual value of the stock during that year. It was just as certain to pay dividends at one time as at another. The future of the company remained the same. The country that it served remained the same. The business at its command continued without great change or variation. Yet during the course of the year, up and down, under the influence of these speculators who sought nothing else than their own advancement and their own profit, this stock varied from 1175 to 993.

Again, the Erie Railroad Co. had outstanding that year \$112,378,900 of stock, but there were sold on this exchange shares aggregating \$245,033,100—almost two and a half times in the one year the aggregate value of all the stock of the

company.

The Canadian Pacific, another company which is engaged in legitimate railroad business, whose earnings do not change very greatly, had listed upon this stock exchange stock of the aggregate value of \$180,000,000. During the year there were traded in shares of the value of \$159,693,800, and the market price of the stock ranged from 226, the low point, to 283, the high point, without any reason whatsoever for the fluctuation.

The Great Northern, another rather steady property when it escapes from the hands of those who desire to manipulate its fortunes for their private interest, had listed \$209,981,875 of stock; and there passed back and forth, in this fictitious and

unreal way which is known to no other business in the world except that which is done upon such an exchange, shares of the value of \$119,236,700.

The Lehigh Valley is a road that has seemed to be the favorite of these speculators in New York, although it is a railroad doing a most legitimate business and supplying a service that must continue without essential change. Its stock amounted to \$60,501,700, yet men pretended to buy and sell upon the exchange during this year \$175,625,000, and its market price ranged from 155% to 185%.

The Missouri Pacific had \$83,251,085 of stock. Somebody bought and sold on the exchange \$113,320,800 of it without any real change of ownership, and it fluctuated from 35, the low

point, to 47%, the high point.

Northern Pacific, with \$248,000,000 of stock, saw its

shares bought and sold to the extent of \$151,551,800.

The Reading, another of these great composite railroads, well established, doing a business which must continue so long as the people of this country do any business at allbeg, now, that Senators will especially remember this-had a common capital stock of \$70,000,000. Yet these people in New York, for themselves or for these blind and inexperienced men who seek to find a fortune where fortunes are not to be found, sold, and somebody bought, \$1,114,468,250 of its stock. In other words, all its capital stock was bought and sold more than fifteen times during the course of the year.

The Southern Pacific had stock to the amount of \$272,672,405, and of its stock there was sold during that year \$129,139,400.

Of the common stock of the Union Pacific there was outstanding \$216.627,800. There was bought and sold during that year \$1,062,600,600, and the range of market value was from 150% to 176%

Mr. BRISTOW. Mr. President—
The PRESIDING OFFICER. Does the Senator from Iowa yield to the Senator from Kansas?

Mr. CUMMINS. I do.

Mr. BRISTOW. I should like to ask the Senator how he accounts for the stock of some roads being so much more active than others-that is, the speculation being so much more extensive in the Reading and the Union Pacific, for instance, than in the Santa Fe and the Southern Pacific?

Mr. CUMMINS. I do not know, Mr. President. It would be easy to account for it in one way, although I am not sure that I can present the basis for believing that it was oc-casioned in that way. The speculators, of course, like stocks that are easily depressed and easily increased in price.

The fluctuation of stocks that they can influence in that way are more attractive, because the stake for which they play is larger. That will certainly account for some of these; it will not account for all of them. But at any rate I have given the

record as it has been made upon the exchange.

I now turn to other stocks. The railroad stocks ought to be the best, the steadlest in the country. I hope we will see a time when the railroad stocks of this country are as safe an investment as the Government securities themselves. lieve we will see a time when uniformity in value, uniformity in earnings, and freedom from manipulation will result in a

steady market price.

But I now turn to another kind of stock. I call them industrial or miscellaneous stocks. The first one that I mention is Amalgamated Copper, known to every man who has any interest in what takes place among the great speculators of the country. Its stock amounts to \$153,887,930. It was traded in during 1912 to the extent of \$812,869,500. I doubt exceedingly whether at the close of the year there was any substantial difference in the ownership of the stock as compared with the beginning of the year. The lowest price was 60, the highest price 92%, a range of 32% per cent, or one-third of the par value of the shares themselves.

The American Beet Sugar Co., of which we have heard a good deal in recent years, had a common capital stock to the value of \$15,000,000. There were sold and bought on this exchange during the year shares of this company of the aggregate value of \$108,612,400, more than seven times the entire

amount that had been issued by the company.

The American Can Co., another company out of which great fortunes have come, had stock of the par value of \$41,233,300, and yet there were sold on the exchange during the year shares amounting to \$379,658,300, quite nine times the value of all the stock then outstanding.

The stock of the American Smelting & Refining Co., another institution which has been utilized for winning great fortunes, was \$65,000,000, and of that \$15,000,000 had been withdrawn and deposited to secure certain bonds, and therefore really it had outstanding but \$50,000,000. Yet the trading in this stock amounted during the year to \$227,741,000. Its low point was

66½, its high point 91.

The General Electric Co. had \$77,325,200 of stock. ing amounted to \$50,551,000. The United States Steel Corporation, the greatest industrial organization of the time or of any other time in this or any other country, had outstanding common stock of the par value of \$508,302,500, and yet somebody sold and somebody bought during the course of the year shares of this stock amounting to \$2,462,622,400. The low point was 581, the high point 80%.

The man who urges that short sales are a steadying influence in the value of commodities in which we deal and of which the business of this country is made up has only to consult the table, a part of which I have read, in order to be assured that the experience of this country, at least, does not sustain the

contention.

I desire to print as a part of my remarks the two tables from which I have read.

The PRESIDING OFFICER. It will be so ordered, without objection.

The tables referred to are as follows:

Bonds were sold on the New York Exchange during the year 1912 as \$23, 656, 000 339, 816, 900 130, 762, 000 6, 786, 000 16, 640, 000 14, 856, 000 117, 700, 900 3, 281, 000 653, 497, 000

Stocks sold on the New York Stock Exchange during the year 1912.

	Number of shares.	Value.
Railroad stocks	63, 704, 779	\$5,052,823,900
Industrial and miscellaneous stocks	72, 413, 946	6,150,899,600
All stocks	136, 118, 725	11,203,723,500

New York Stock Exchange, 1912.

## RAILROADS.

	Aggregate sold, common stock.	Entire amount in existence.	High price.	Low price.
Atchison, Topeka & Santa Fe. Chicago, Milwaukee & St. Paul Erie. Canadian Pacific. Great Northern. Lehigh Valley. Missouri Pacific. Northern Pacific. Reading. Southern Pacific. Union Pacific.	149, 277, 200 245, 033, 100 159, 693, 800 119, 236, 700 175, 625, 000 113, 320, 800 151, 551, 800 1, 114, 468, 200	\$168, 430, 500 116, 348, 200 112, 378, 900 180, 000, 000 209, 981, 875 60, 501, 700 83, 251, 085 248, 000, 000 70, 000, 000 272, 672, 405 216, 627, 800	1113 1178 391 283 11432 1853 474 471 1312 1791 1153 1762	1031 993 30 2263 1126 1554 35 1153 1483 1031 1502

## INDUSTRIAL AND MISCELLANEOUS.

Amalgamated Copper American Beet Sugar American Canning American Smelting & Refining General Electric United States Steel	379, 658, 300	\$1,53, 887, 900 15,000,000 41,233,300 265,000,000 77,325,200 508,302,500	922 77 478 91 802	60 461 111 662 582
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1 Preferred, no common.
2 Of which \$15,000,000 cn deposit to secure bonds.

Mr. CUMMINS. I desire to call the attention of the Senate to a few paragraphs in the report of the committee appointed pursuant to House resolutions 420 and 504, to investigate the concentration of control of money and credit. This investigation, as you all know, was carried on by the House of Representatives, and I think it may safely be said that there were more important and interesting and instructing facts developed in the course of the investigation than had ever before been submitted to the American people in the same length of time. I read very briefly from page 44 of the report:

But it is in respect of the extent and character of the speculation in securities for which it is the agency that the New York Stock Exchange touches most vitally the affairs of the people of the entire country. This subject was investigated in 1909 by a committee on speculation in securities and commodities appointed by Gov. Hughes, of New York, and its complete report is annexed to the record as Exhibit No. 27.

I mention the first paragraph in order to indicate the subject covered in that portion of the report. I read further a brief |

extract quoting from the report of the well-known New York

A real distinction exists between speculation which is carried on by persons of means and experience

And this is especially worthy of consideration-

And this is especially worthy of consideration—

A real distinction exists between speculation which is carried on by persons of means and experience, and based on an intelligent forecast, and that which is carried on by persons without these qualifications. The former is closely connected with regular business. While not unaccompanied by waste and loss, this speculation accomplishes an amount of good which offsets much of its cost. The latter does but a small amount of good and an almost incalculable amount of evil. In its nature it is in the same class with gambling upon the race track or at the roulette table, but is practiced on a vastly larger scale. Its ramifications extend to all parts of the country. It involves a practical certainty of loss to those who engage in it. A continuous stream of wealth, taken from the actual capital of innumerable persons of relatively small means, swells the income of brokers and operators dependent on this class of business; and in so far as it is consumed, like most income, it represents a waste of capital. The total amount of this waste is rudely indicated by the obvious cost of the vast mechanism of brokerage and by manipulators' gains, of both of which it is a large constituent element. But for a continuous influx of new customers, replacing those whose losses force them out of the Street, this costly mechanism of speculation could not be maintained on anything like its present scale.

The report then proceeds to consider a large number of cor-

The report then proceeds to consider a large number of corporations, pointing out the number of shares of stock dealt in during a certain period as compared with the number of shares of stock naturally transformed upon the books of the companies of stock actually transferred upon the books of the companies

during the same period of years.

I can not take the time to read this part of the report, but it is so conclusive with regard to the vice of this sort of specula-tion or gambling, as I prefer to call it, that I ask the consent of the Senate to print as a part of my remarks what I have just read, together with the remaining portions of pages 43, 44, and 45.

The PRESIDING OFFICER. Is there objection. If not, it

is so ordered.

The matter referred to is as follows:

SECTION 14. UNWHOLESOME SPECULATION.

SECTION 14. UNWHOLESOMS SEECULATION.

But it is in respect of the extent and character of the speculation in securities for which it is the agency that the New York Stock Exchange touches most vitally the affairs of the people of the entire country. This subject was investigated in 1909 by a committee on speculation in securities and commodities appointed by Gov. Hughes, of New York, and its complete report is annexed to the record as Exhibit No. 27. That committee had, however, no power to subpens witnesses or to send for books and papers. It was compelled to rely largely on statements formulated by the governors of the exchange in consultation with their counsel in answer to written questions. While opinions will differ as to the wisdom or adequacy of the recommendations of that committee, its distinguished personnel and exceptional qualifications are a guaranty of the thoroughness and accuracy of its findings of fact.

It found, among other things, that—

"It is unquestionable that only a small part of the transactions upon the exchange is of an investment character; a substantial part may be characterized as virtually gambling.

"The rules of all the exchanges forbid gambling * * but they make so easy a technical delivery of the property contracted for that the practical effect of such speculation, in point of form legitimate, is not greatly different from that of gambling. Contracts to buy may be privately offset by contracts to sell. The offsetting may be done in a systematic way by clearing houses or by "ring settlements." Where deliveries are actually made, property may be temporarily borrowed for the purpose. In these ways speculation which has the legal traits of legitimate dealing may go on almost as freely as mere wagering, and may have most of the pecuniary and immoral effects of gambling on a large scale.

"A real distinction exists between speculation which is carried on by

the purpose. In these ways speculation which has the legal traits of legitimate dealing may go on almost as freely as mere wagering, and may have most of the pecuniary and immoral effects of gambling on a large scale.

"A real distinction exists between speculation which is carried on by persons of means and experience, and based on an intelligent forecast, and that which is carried on by persons without these qualifications. The former is closely connected with regular business. While not unaccompanied by waste and loss, this speculation accomplishes an amount of good which offsets much of its cost. The latter does but a small amount of good and an almost incalculable amount of evil. In its nature it is in the same class with gambling upon the race track or at the roulette table, but is practiced on a vastly larger scale. Its ramifications extend to all parts of the country. It involves a practical certainty of loss to those who engage in it. A continuous stream of wealth, taken from the actual capital of innumerable persons of relatively small means, swells the income of brokers and operators dependent on this class of business; and in so far as it is consumed, like most income, it represents a waste of capital. The total amount of this waste is rudely indicated by the obvious cost of the vast mechanism of brokerage and by manipulators' gains, of both of which it is a large constituent element. But for a continuous influx of new customers replacing those whose losses force them out of the "street" this costly mechanism of speculation could not be maintained on anything like its present scale."

That in large measure transactions in shares on the New York Stock Exchange are purely speculative is also evidenced by the high ratio of the sales of a given stock during very short periods to the total amount isted, and further by the gross disproportion between the number of shares sold and the number transferred on the company's books within stated periods, such transfers measuring in at least a rough way the purch

tables showing the sales day by day during the most active months. (Exhibits 74 to 108, inc., R., 1120-1178.)

The corporations selected for the purpose are Reading Co., United States Steel Corporation, Amalgamated Copper Co., Union Pacific Raliroad Co., American Can Co., Rock Island Co., American Smelting & Refining Co., Columbus & Hocking Coal & Iron Co., Eric Raliroad Co., Consolidated Gas Co., Brooklyn Rapid Transit Co., Colorado Fuel & Iron Co., California Petroleum Co., and Mexican Petroleum Co.

The shares of the two last-named companies were only listed within the past year

These tables and charts are annexed to this report as Appendix D. No adequate descriptive analysis of them can be made.

Stating the results shown only in the most general way, it appears that there has not been a year since January I, 1906, when the Reading Co.'s entire common stock issue listed and subject to sale was not sold at least 20 times over and from that on up to 43 times; that in a single month of that period it was sold 6 times over and that in only 2 months of the entire period was it sold less than once over in a single month; and that although it is a dividend-paying stock the number of shares transferred on the company's books averaged for the period & per cent of the shares sold.

Summarily stated, it further appears that in each year since January 1, 1906, the entire listed common-stock issue of the United States Steel Corporation has been sold 5 times over each year on the average, while the number of shares transferred on the company's books has averaged 25 per cent of the number sold;

That in the same period the entire common-stock issue of the Amalgamated Copper Co. has been sold 8 times over each year on the average, while the number sold;

That in the same period the entire common-stock issue of the Union Pacific Raliroad Co. has been sold 11½ times over each year on the average, while the number sold;

That in the same period the entire listed common-stock issue of the Union Pacific Raliroad Co. has been s

age, while the number oil shares transferred has accessed severed to the number sold;

That since January 1, 1906, the entire listed common-stock issue of the number sold;

That in 1912 the number of shares transferred was only 16 per cent of the number sold;

That in 1912 the entire listed common stock of the American Can Co. was sold 8½ times over, while the number of shares transferred was 25 per cent of the number sold;

That since January 1, 1906, the entire listed common-stock issue of the Rock Island Co. has been sold twice over each year on the average, while the number sold;

That since January 1, 1906, the entire common-stock issue of the American Smelting & Refining Co. has been sold 12 times over each year on the average, while the number sold;

That since January 1, 1906, the entire listed common-stock issue of the Frie Railroad Co. has been sold more than twice over each year on the average, while the number sold;

That since January 1, 1906, the entire listed common-stock issue of the Consolidated Gas Co. has been sold more than once over each year on the average, while the number of shares transferred has averaged only about 40 per cent of the number sold;

That since January 1, 1906, the entire listed common-stock issue of the Brooklipur Rapid Transit Co. has been sold more than once over each year on the average, while the number sold;

That since January 1, 1906, the entire listed common-stock issue of the Consolidated Gas Co. has been sold of times over each year on the average while the number sold;

That ince January 1, 1905, the entire listed common-stock issue of the Brooklipur Rapid Transit Co. has been sold 5 times over each year on the average while the number sold;

That ince January 1, 1905, the entire listed common-stock issue of the Brooklipur Rapid Transit Co. has been sold 5 times over each year on the average when the sold;

That in October, 1904, the shift while the sold of the sold

Mr. WILLIAMS. I should like to ask the Senator from Iowa a question. He is discussing the question of speculation in stocks as being pertinent to a discussion of speculation in cotstocks as being perthent to a discussion of specialitism cou-ton. I want to call has attention to the fact that there is a perfectly distinct line of differentiation. When a man sells a hundred shares of Illinois Central stock for future delivery he sells one definite specific thing which he must deliver. When a man sells 100 bales of cotton upon a middling basis he sells both dealing in something which they do not expect to have.

something which he may deliver in twenty-odd different grades, with different values, with an artificial differential which is fixed by a private committee belonging to a stock exchange in New York.

A man can sell property for future delivery provided he sells the same property and delivers the property. Suppose I was carrying on a stock farm, raising hackney horses, and engaged to deliver two years from now 100 yearling colts at a certain price. I would not own the colts, but I think I am going to have that many colts on the place and that I know I would be willing to sell them at the agreed price. Would the Senator's substitute prohibit that?

Mr. CUMMINS. It would not, Mr. President. I would, however, prevent the sale upon stock exchanges and boards of trade and other like institutions of the property dealt with there, of which the seller was not the owner at the time the transac-

tion took place.

The Senator from Mississippi must remember that I have not attempted to interfere with sales save upon these exchanges, these boards of trade. If the Senator from Mississippi, being the owner of a cotton plantation, wanted to sell cotton to be delivered 50 years hence, however exaggerated that might be, there is nothing in this substitute that would prevent him from doing it. But it would prevent him from going upon the New York Cotton Exchange and, under its rules and regulations, there agreeing to sell a certain amount of cotton for future delivery if he was not the owner of the cotton at the time the transaction took place. This does not interfere at all with the ordinary dealings of the world. Nineteen-twentieths of all the commodities produced in America are sold without recourse to a board of trade or a stock exchange or any other organization of that kind. This amendment does not refer to those transactions in any manner.

Mr. WILLIAMS. If that last explanation be correct, then I have misunderstood the Senator when his amendment was read. or, rather, when he explained what was in it. If I remember correctly, the Senator stated he would not interfere with the owner of a product from selling it.

Mr. CUMMINS. I think I can best explain that by reading

the first paragraph in the substitute.

Mr. WILLIAMS. I want to make another illustration, if that be the case. Here is a man engaged in the business of buying and selling live stock—cattle and horses. He lives in Kentucky, and he goes through Kentucky and Missouri and Tennessee and buys mules and goes down to Mississippi and sells them to the cotton planters, and goes down to Louisiana and sells them to the sugar planters. He makes an agreement down there to sell somebody 100 head of mules, 16 hands high, at a certain price. He does not own them at the time he sells them, but he thinks he can buy them at a margin that will enable him to enter into the trade. That is a case where he did not own them and did not own anything out of which he could produce them.

Mr. CUMMINS. I do not say whether the transaction just mentioned by the Senator from Mississippi is a safe one or not; but I do say that it is not touched in any way by this amendment. Mules are not sold upon boards of trade and exchanges. You must have some commodity in which there is such simili-tude that 100 pounds of it or 100 shares of it can be delivered upon any contract calling for a hundred pounds or a like number of shares. This substitute does not reach any such thing. It touches exactly the same subject that is covered by the amend-

ment of the Senator from Arkansas.

Mr. BORAH. Mr. President-The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from Idaho?

Mr. CUMMINS. I do.

Mr. BORAH. What is the distinction to be drawn between the kind of a transaction which the Senator from Mississippi presents to the Senate and the transaction which takes place upon the board of trade or the exchange except as to the locality of the transaction?

Mr. CUMMINS. Mr. President, there is no difference be-tween the legal quality of the transactions. There is a very great difference between the moral quality of the transactions.

I have read a very few of the transactions of the New York Stock Exchange. I am sure that the Senator from Idaho will not find in them any similarity whatever to the case of an individual who goes about the country selling horses, expecting thereafter to buy horses of the kind agreed upon. I think the distinction must be perfectly clear.

Mr. BORAH. I must confess, Mr. President, that is not clear as far as the morale of the transaction is concerned. are both dealing in something which they have not; they are

Mr. CUMMINS. All that I can say, Mr. President, is that the history of this country does not sustain the suggestion of the Senator from Idaho. There has been a great deal of harm done by gambling upon the stock exchanges and boards of trade. I do not know of any harm that has been done by sales such as have been instanced by the Senator from Mississippi.

Mr. SMOOT. Mr. President

The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from Utah?

Mr. CUMMINS. I yield to the Senator.
Mr. SMOOT. I wanted to ask the Senator if a case like this would be affected by his amendment. Suppose I owned 100 shares of Southern Pacific stock and in my judgment I wanted to secure another 100 shares of that same stock, and in order to do so I went to a bank and gave as collateral security for a loan the 200 shares—the 100 shares that I wanted to purchase and the 100 shares that I was owner of. Something may happen that forces me to dispose of the stock or forces the bank to dispose of the stock while it is up for collateral security. Under the amendment offered by the Senator, could the bank itself sell that stock, not being the owner of the stock?

Mr. CUMMINS. Oh, yes, Mr. President, the amendment makes ample provision for that. It is confined to transactions upon the stock exchange. It does not interfere with any business that is carried on outside these peculiar and particular

organizations.

For instance, in New York if the bank was pro-Mr. SMOOT. hibited from selling a stock upon the stock exchange, then

they would be forced to look around for a customer.

Mr. CUMMINS. Yes; they would be forced to sell to somebody who wanted to buy the stock, and that is what the business of this country ought to accept.

Mr. BRISTOW. Mr. President—
The VICE PRESIDENT. Does the Senator from Iowa yield

to the Senator from Kansas?

Mr. CUMMINS. Certainly. Mr. BRISTOW. Referring to the inquiry of the Senator from Idaho [Mr. Borahl], I got the impression that he believed that the 100 mules which the Senator from Mississippi referred to in his illustration were not to be delivered to the planter. I understand that when he contracts to deliver 100 mules to the planters he expects to buy them and deliver them. So it is entirely different from the stock exchange.

WILLIAMS. That is all I am claiming this Clarke amendment seeks to do. It seeks to confine these operations to exchanges and to things under similar regulations; that is, the bucket shops. Stocks sold on stock exchanges are delivered.

Mr. CUMMINS. My amendment is confined in the same

Mr. WILLIAMS. I dislike to take up the time, but I will

state the difference.

There has grown up a custom in cotton of buying upon the basis of middling delivery, and they can deliver any of the 28 different grades of cotton as they are classified upon the New York Cotton Exchange, with a differential of addition or subtraction in accordance with the stuff actually delivered as fixed by a committee. Now, we have a class of cotton which we call linters, referred to in the familiar style by the Senator from South Carolina as dog-tail cotton. A mill goes into the market to protect itself, indulging in business on insurance principles. buys so many bales of middling cotton. When the time to deliver comes they hunt around and through the agency of that committee they deliver to him linters, which is what is taken off cotton seed after it has once already been ginned. After it is ginned it goes through another process at the cottonoil mill, and what is taken off is linters. Suppose they deliver that to the cotton mill. No matter what the differential may be, the cotton mill has no use for that stuff. It is wearing sheetings, drillings, calicoes, and something else. He can not weave them out of linters. So that danger is held over the buyer for future delivery. As a consequence he never demands delivery: he takes his medicine. You understand now why he is afraid to demand delivery.

Now, not long ago we got tired of that and some of our people went up to New York. The South has passed by the time, thank God, when it can not finance itself. We knew from the annual production of cotton here and in Egypt, India, and elsewhere that cotton ought to be worth 3 cents or 4 cents more a pound than it had been hammered down to. These southerners determined to assert themselves. Some of them went to New York. They did not ask any New York bank for anything. They made their arrangements with New Orleans and Memphis banks and country banks beforehand, even in towns as small as Columbus, Miss. They believed the cotton was worth a certain price, and they ran the risk of meeting and

overcoming the "bear" movement even in that unfriendly atmosphere and saw it through. They bought all the cotton at the quotations these people gave. They then waited until the time came and made them deliver it.

They would not have undertaken that in an ordinary year. That happened to be a year when there were very few low grades of cotton. They always deliver the low grade trash that has to go through a picker until the fiber is torn to pieces. It happened that that was a year of remarkably good grades of cotton.

These men took the risk. Instead of turning this "dog-tail" cotton loose, as the Senator from South Carolina [Mr. SMITH] said this morning, they held it until the bears delivered to them everything of that sort they could raise and scrape. to go to work and find sure enough cotton to deliver. when they went out to find sure enough cotton, these men took every bale they could deliver. They insisted upon delivering the balance, and lo and behold, the Government comes in and indicts them for a combination in restraint of trade! The year before that the buyers and sellers had driven the market down from a margin very close to the cost of production. Nobody was ever We begged that the other fellows might be indicted for combining. Of course if one set of fellows go in and combine to buy and another set of fellows combine to sell they are

both combining. Are they not?

Mr. LIPPITT. I do not think that that is quite a fair statement of the situation. There was an actual combination in the case of the gentlemen who were indicted. There was no com-

bination in the case of the spinners buying.

Mr. WILLIAMS. The other combination exists all the

Mr. LIPPITT. I beg the Senator's pardon. I do not think he can point to a single instance.

Mr. CUMMINS. I hope the Senators will not pursue that line further.

Mr. LIPPITT. The Senator from Mississippi, I think, is in There is no tacit combination or any kind of combination in the purchase of cotton by different spinners. If there

is such a thing I never heard of it. Mr. WILLIAMS. That is true, but each spinner's motive each year is to bear down the future market in order that he may bear down the price of spots, and with absolutely one

accord that is what they do. Mr. LIPPITT. The Senator is entirely mistaken. The spinners in this country scarcely have anything to do with the fu-ture market. It is the rarest thing in the world for spinners manufacturing to go into the future market, except once in awhile for the purpose of hedging an actual purchase, and even

then it is very rarely done. Mr. WILLIAMS. The Senator from Arkansas [Mr. Clarke] proved this morning that some seventy-odd per cent of them never went into the future market at all. Of course, I am not talking about that percentage of them. The other 30 per cent

are enough to do the work.

Mr. LIPPITT. That is not an exaggerated statement of the

Mr. WILLIAMS. I think not.

Mr. CUMMINS. Of course, the substitute I have offered is not exactly like the amendment offered by the Senator from Arkansas, or rather the amendment that came from the committee, or I would not have offered it. The purpose of the amendment proposed by the committee, which the Senator from Arkansas has offered, as stated by him over and over again, was to prevent, suppress, and destroy gambling in cotton; that is to say, to prevent sales in cotton in which there was no delivery and where it was expected that the profits and the losses, as the case might be, would be determined by the state of the market at a particular time and upon a particular exchange. My substitute is intended to accomplish that very thing with regard to every commodity which is dealt with upon these exchanges. am not attempting to enter the general business of the United States any more than is the Senator from Arkansas [Mr. CLARKE ].

Allow me to reply a little further to the question of the Sena-Anow he to reply a little factor to the question of the control of a large part of the transactions upon these boards of trade and stock exchanges are fictitious transactions; they are not real; they take the form of sales of commodities, of sales of stocks, but it is not expected that any real transfer will take place. We have discovered that through this instrumentality thousands of men throughout the country have been wrecked in fortune. and not only so, but whose entire moral fiber has been stricken down. We have found these exchanges as the potent power in imposing upon the people of the country a great volume of

watered stock. Practically half of all the stock of the railroad companies of this country has no real foundation, or had none when it was issued. I suppose the unearned increment will gradually absorb it. We may have to pay for all time to come dividends upon stock that never should have been issued. More than half of all the stocks of the industrial companies, the large, the great industrial companies, have no foundation. They repthe great industrial companies, have no foundation. resent nothing but the criminal, or rather-I will withdraw that word—the avaricious disposition and the marvelous audacity of the men who are instrumental in putting them out; and yet neither this watered stock of the railroad companies nor the watered stock of the industrial companies would ever have been foisted upon the country had transactions upon stock exchanges been honest and real. This method of doing business on the stock exchanges has in that way corrupted not only the morals of the people but has imposed great and enduring burdens upon them which they will have to bear, I assume, for all time to come, because there are some mistakes which, once made, can not be rectified.

Mr. BORAH. Mr. President-

The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from Idaho?

Mr. CUMMINS. I do.

Mr. BORAH. The Senator from Iowa is discussing now the feature of the transaction in which I am most interested, and as to which I asked a question a little while ago, and that is that it is not yet apparent from the discussion how this transaction, for instance, in railroad stocks, in mining stocks, and in such stocks, affects anyone except these who actually participate in the transaction. Of course, I can realize, as to those men who hold the stocks or who deal in stocks, that as between themselves they may rob one another, but the question in which I was interested was, How does it reach out and permeate and affect society and the people generally? I ask this not in an unfriendly spirit to the amendment, but rather that it may more specifically appear what is the general effect upon the public.

Mr. CUMMINS. Mr. President, I am very glad that the Senator from Idaho has turned me in that direction, because it is the vital reason for the amendment. If no one were injured save brokers upon the stock exchanges or upon boards of trade, would not be very much concerned in their welfare. I shall, however, have no difficulty in pointing out how these stock

transactions do affect the whole country.

First let me give my reasons for believing that short sales on stock exchanges ought to be discouraged by taxing them. They ought to be prohibited, in my opinion, but we have no constitutional power to prohibit them. I suggest this illustration: If the Senator from Mississippi [Mr. Williams] is the owner of a hundred acres of land in his State and he sells it to me for a hundred dollars an acre, he is not concerned in depreciating the value of that property; rather, he is interested in maintaining its fair value under ordinary circumstances. It seems to me that every seller ought to be surrounded by the same influences and actuated by like motives. He has sold me property for a price upon which we have agreed, and his interest in it is at an end, save to secure the purchase price, if it be not paid at once. That allows all the normal influences to operate upon the value of the land. It may rise, it may fall, but it will neither rise nor fall on account of any interest that its seller has either to increase its value or to decrease its value.

Now, come to a transaction upon the stock exchange in New ork. The Senator from Mississippi being operating there, both of us operating there, sells me a hundred shares of Chicago, Milwaukee & St. Paul stock at \$100 a share. He is not the owner of the property, and in order to make any profit in the transaction the price of the stock must decline before the delivery is made in order that he shall make a profit from it. Therefore the instant the Senator from Mississippi sells me the hundred shares of stock for future delivery it becomes naturally and imperatively his interest to do everything he can to affect the value of the stock that he has sold, for in order to fulfill his contract he must buy in the market to make delivery or settle the difference. If you will couple up the single seller with the hundreds of sellers in stock exchanges in New York and elsewhere and the hundreds of buyers in the same organization. you will understand the constant struggle to affect the price or the value of commodities dealt in upon those exchanges and all with little or no regard to the intrinsic worth of the thing sold.

Mr. CRAWFORD. Mr. President—
The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from South Dakota?

Mr. CUMMINS. I yield to the Senator from South Dakota.

Mr. CRAWFORD. Is there not this difference between the New York Stock Exchange and the other exchanges, like the Cotton Exchange, the Produce Exchange, and the Corn change, in this, that in the New York Stock Exchange before the stock can be listed at all and have the standing and reputation which it gets by reason of its being listed, the managers of the stock exchange do undertake to make a thorough examination of the company or the institution issuing the stock and the securities, and the very fact that they are permitted to list them there does, in itself, establish the fact that they have actual and intrinsic value? So there is—and I am not a defender of the practices of the stock exchange; I think they are vicious, and that they do amount to gambling; yet I think it is only due to say that the very fact that stock is permitted to be listed there is, in a way, a guaranty to the country, and is accepted as such, that it has actual, substantial value, and the price at which it is listed is accepted everywhere as its price.

Mr. CUMMINS. Mr. President, stocks are not listed at any price.

Mr. CRAWFORD. I mean as the stock is quoted there.

Mr. CUMMINS. It is quite true that the stock exchange in New York and the stock exchanges everywhere undertake some kind of an examination into the regularity of the organization or the company or the corporation that issues the stock, but of course a moment's reflection will show that such an examination has little to do with the real value of the stock, because the stocks now listed upon the exchange in New York run all the way from practically nothing to quadruple par value. not say that some of these low-priced stocks were of so little value at the time they were listed, but that is the way they turn out. I repeat, lest it may be forgotten, that the great vice of short selling in and of itself is that it creates a motive on the part of the seller to depreciate the price of the thing sold until the delivery is made, for in no other way can the seller make any profit from the transaction.

I think values ought to be determined by a consideration of legitimate conditions. If it be the value of a share of stock in a railroad company, what are its present earnings, what are its earnings likely to be, what is money worth, what is the general financial condition of the country? and so on. are legitimate matters to be considered, but the war between the man who sells and the man who buys, the one to depreciate the stock and the other to lift it up, is demoralizing to the

honest business of the country.

Mr. WILLIAMS. Mr. President, I should like to ask the

Senator from Iowa a question.

The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from Mississippi?

Mr. CUMMINS. I yield.

Mr. WILLIAMS. Are stocks upon the stock exchange sold

upon margins without actual delivery?

Mr. CUMMINS. In the various stock exchanges the time of delivery is different. In the New York Stock Exchange stocks are sold upon a margin of 10 points, or 10 per cent, I believe, and the delivery is made within the day, generally, but not always, by what is known as borrowed stock. With respect to every corporation whose stock has been sold in this large way there are blocks of stock in the hands of men in New York who loan it to Tom, Dick, and Harry for the purpose of making the deliveries that are required by the rules of the New York Stock Exchange, and I think that, technically, all the sales of capital stock that are made in the New York Stock Exchange are delivered in that way, and not 20 per cent of them are transferred upon the books of the corporation which issues the stock, but the certificates themselves are delivered. They are delivered through the medium of borrowing, a practice under which a man who has a little stock loans it in order that the man to whom he loans it may make a delivery on a sale which was made without ownership at all. Out of that, of course, there comes some profit. Then there is a grand clearing house. As suggested a few moments ago in regard to cotton, these men get together at the close of the day's business, and they adjust the transactions just as they do in the clearing house of banks, and a very few certificates of stock, comparatively, are sufficient to make deliveries for the entire transactions of the day. lieve that kind of business is bad for the country and bad for the people who engage in it. If no one engaged in it but the members of the boards, we need be less concerned about it, but the great proportion of it is carried on by the members of the boards for men who are not members of the board or of the stock exchange, upon orders from all parts of the country. This country is simply full of men who have been ruined by selling or buying stocks on small margin, and selling grain, too, because we in the West are just as much endangered through transactions upon the Board of Trade in Chicago in our wheat, in our oats, and in our meat as is the South with respect to her

Mr. WILLIAMS. I should like to suggest to the Senator there, that one of the reasons why this amendment was confined to cotton was that, so far as I know, there has not been a complaint before the committee from a single grain grower in the United States, nor has any attempt been made, so far as I know, to procure for them legislation like this. So far as I know, when the Scott bill was up, the committee was forced by the western farmers—Mr. Scott himself being a Westerner, a Kansas man-to confine the operation of the bill entirely to cotton, because the other producers did not want their products included in it.

I want to tell the Senator why the difference occurs. are, I believe, three or four grades of wheat—I think there are four. Every grade of wheat is eatable; it is consumable; it is valuable, and when a man buys upon the basis of No. 2 wheat, if he has No. 1 delivered to him or No. 3, the differential is fixed by the spot wheat market sales on the day of delivery. That is perhaps the reason why this sort of difference exists in the two sections of the country.

The cotton producers have demanded this legislation; they have been asking for it for years. There was a time the wheat and corn producers were doing the same thing, as when the Hatch bill was being considered; but, for some reason or other, the western farmer has ceased to complain about options and futures in connection with his product. complaint from the West has come to the committee.

Mr. BRISTOW. Mr. President, if the Senator from Iowa

The VICE PRESIDENT. Does the Senator from Iowa yield to the Senator from Kansas?

Mr. CUMMINS. Certainly. Mr. BRISTOW. I desire to say that the Senator from Mississippi [Mr. Williams] is mistaken as to the sentiment of the farmers who produce wheat and cattle. Mr. Scott incurred the hostility of the farmers' organization of Kansas for yielding the point as to wheat, and it was one of the very potential reasons that resulted in his retirement from Congress

Mr. WILLIAMS. I do know that we had them all in the bill and they were all stricken out except cotton, and the reason given was that the producers of the other products were not demanding it and were not subject to the same conditions. Whether or not that reason was founded in fact, I do not know, but I do know that that happened.

Mr. BRISTOW. The real reason was the powerful influence of boards of trade in the western cities that speculated in the grain market. The organization of the Farmers' Union, which is a very powerful organization in some of the Western States, is just as anxious about legislation of this kind in regard to wheat as the cotton planters can be in regard to cotton in the South, but, having lost some years ago in their fight here, they feel discouraged, and they are not here because they do not think there is any use of being here.

Mr. CUMMINS. I recognize the difference between wheat and cotton in the respect mentioned by the Senator from Mississippi. The range is not so great, nor do I think there could be delivered one grade upon a contract made for another

Mr. WILLIAMS. It is not only a question of range, but every grade of wheat is useful for eating and consumption. There is no such thing as useless, unconsumable wheat.

Mr. CUMMINS. Mr. President, that is quite true, and it is also true, as I understand, that there is no such practice on the boards of trade in the West as will permit the delivery of one grade of grain upon a contract for the delivery of another grade of grain; but the Senator is entirely mistaken, as just stated by the Senator from Kansas [Mr. Bristow], in the attitude of the western grain growers, and he will look through the records of Congress in vain for any statement by any real grain grower to the effect that the proposed legislation of a few years ago would injuriously affect him. The men who opposed that legislation and the men who finally accomplished their purpose were the grain buyers throughout the West, closely affiliated, of course, with the Chicago Board of Trade. But I do think, speaking candidly, that the legislation which I have proposed is less needed to protect the farmers from speculation in grain than it is to protect the whole country from speculation in the stocks of corporations.

I come now to my final suggestion. I was asked why we should concern ourselves in this matter and how it affected the public welfare. Let me answer that question very briefly, but, as I think, very conclusively. I remarked a few moments ago that the practice of the last 15 or 20 years in the capitalization of corporations was now under condemnation.

No one now attempts to defend the overcapitalization of great organizations; we all deprecate what has happened in the last few years; but it does not require a moment's reflection to convince anyone familiar with the subject that the only way in which the watered securities of overcapitalized corporations can be put upon the market and distributed among the people is through the conspiracies which go with short selling, is through the speculative and vicious transactions daily witnessed upon stock exchanges. I challenge any Senator or any other man to point out how the common stock of the United States Steel Cor-poration could have been floated through the markets of this country save through the instrumentality I have mentioned. The whole process lends itself to overcapitalization, and if you once eliminate or exterminate short selling there will be no opportunity in the future to duplicate the wrongs which these men have committed against the business of the land in the last few years.

Moreover, this practice is intimately connected with the banking system of the United States. No one now questions the unwisdom of the use of money in New York and in other large centers of the country made up of the reserves of the banks throughout the land. When the investigation to which I referred a few moments ago was being carried on, I remember there were nearly \$800,000,000 then loaned in the city of New York alone upon transactions such as I have described. If you will eliminate short sales from the New York Stock Exchange, there will be no longer a profit in this great stream of money flowing from the West toward the East, but it will be employed where it belongs-in transactions which are fair, legitimate, and helpful to the people.

For these reasons, Mr. President, I have offered this substitute. I do not shrink from the charge, if it be made, that it is radical. It is a radical proposition—radical in the sense that it overturns a kind of business that has been carried on for years in the United States, the excesses of which, however, and the evils of which have been more manifest in recent years than ever before. If the proposition is right, it ought to be accepted; and if short selling ought to cease upon boards of trade and stock exchanges, then we ought not to hesitate in adopting the amendment which I have proposed. If, however, we desire to foster and stimulate the sales of stock, of grain, of cotton, by men who have neither produced them nor deal in them-I mean, deal in them in the sense of transferring them from one person to another—if we desire to shield what I believe to be the most vicious, the most pernicious, the most demoralizing influence in American business, then we will ignore the substitute which I have offered; but if we believe that the American people ought to go forward fairly and honestly selling what they have to sell and buying what they want to buy without the intervention of the men who sell what they do not have and the men who buy what they do not want, we will adopt the substitute. I submit it, hoping that the Committee on Finance will carefully consider the propriety of enlarging the scope of the amendment proposed by the Senator from Arkansas.

Mr. BRISTOW. Mr. President, I wish to inquire of the Senator from Iowa if he does not think more people have lost their savings and more men have been ruined in business by gambling on boards of trade than ever were injured by the Louisiana lottery when it was running in its full power?

Mr. CUMMINS. Oh, Mr. President, vastly more. The Louisiana lottery was a pink tea, with bridge whist as an accompaniment. The dealings on the stock exchange of the kind I have referred to are the roulette tables in the palace at Monte Carlo. I venture to say that there are scores and scores of people in my own city who habitually send all they can save, beg, or borrow into the vortex of the institution that we call the board of trade.

I know the board of trade does a great many honest things and performs a great many useful and legitimate functions. These I would see continued. Nevertheless, inasmuch as a man can buy a thousand bushels of wheat or sell a thousand bushels of wheat by telegraph, depositing only a very small margin, he either buys or sells a great deal more than he could possibly take or pay for if it were offered to him, and the moment the market turns a little against him his margin disappears and he has lost his deposit. In that way our State, and I think nearly every State of the country, is filled with men who vainly pursue this "will-o'-the-wisp," trying to make large gains out of small investments, an effort which in nearly every instance comes to naught and ends in hopeless disaster.

It transpired in some investigation-I can not now recall just which one it was-that 95 per cent of the outside men who invest their money in these short selling or buying transactions lose it. The people outside do not make money. few people who do-the great geniuses of the country, the great manipulators of markets, the men who have vast power and influence. They can accumulate fortunes, and often do, I believe.

But the average men, with a little money, scattered throughout the country, who send in their orders for a few thousand bushels of wheat or for a few shares of stock, all, or practically all, lose their money. They not only lose what they have invested, but their moral fiber is weakened and they become unfit to carry on legitimate and lawful business.

Mr. NELSON. Mr. President, there are two sides to this question. In order to illustrate what I mean I will give the

Senate a little bit of past history.

My predecessor in office in the Senate introduced or advocated a bill to do away with options in wheat. There was quite a controversy over it in the State of Minnesota. The millers, the men who bought wheat, were in favor of it. It was said at the time-I do not know whether it was true or not-that it was because some of the millers had been speculating in wheat and had gotten caught by the Chicago fellows. For awhile they had the farmers interested and made them believe that it would be a great help to the farmers to destroy this option business. But finally, after due consideration, most of the farmers in Minnesota lost interest in the proposed legislation and came to the conclusion that option dealing, while it might hurt the speculators who were engaged in it, was not, after all, such a bad thing for the farmers.

Without option dealing the only buyers the farmers would have for their grain would be the millers, and they would control the market. The millers could absolutely say what the farmers were to get for their grain; and what the millers did not buy, or what they could not sell here at home, would be controlled by the foreign purchasers, the importers in foreign

I recollect quite well what the farmers said at that time. was nothing but a plain farmer myself then. They said: "Here, it is to our advantage to have two sets of buyers-not only to have the millers, who want our wheat for grinding, but to have these option fellows in the market, too. They sometimes help to boom the price and we get a little more for our wheat. To be sure, some of these school-teachers, these young fellows who want to get rich quickly in the different towns, go to these bucket shops and speculate in wheat; but what do we care for that? This speculation, one way or another, makes a bigger market for us, and especially when they get up a corner. If we have wheat in our granary at a time when they get up a corner, and can load up our teams and rush it to market, we may be able to get 10 or 15 cents a bushel more than the millers would possibly pay us."
So the enthusiasm in favor of that legislation that first

appeared in our State among the farmers utterly died away. They began to think that while option dealing in itself intrinsically was not exactly according to the creed of the apostles, yet after all it was not such a dangerous thing for the farmers. It gave the farmers a more extensive and broader market, and once in a while it gave the farmers a chance to get a little more

than they otherwise would have gotton for their wheat.

I am interested in the welfare of the farmers. These people who are foolish enough to bet on baseball or gamble in wheat or cotton are a set of gamblers. I do not know why my heart should go out to them. I am with the cotton raisers and the wheat raisers, and I am for whatever will help to give them a bigger market and a better market and a bigger class of buyers. Even if a part of the buyers are nothing but gamblers I have no objection, from the standpoint of the farmer.

Mr. WEEKS. Mr. President, I understand the question which has been up for discussion part of the afternoon, on the question

of cotton futures, is to be referred back to the committee. Having that in mind, I desire to submit for printing some letters

and telegrams which I have received relating to the subject.

One of the letters is from the treasurer of a mill; the others one of the letters is from the treasurer of a limit, the others are from cotton buyers—not cotton speculators in any sense, but persons who buy cotton in the South to resell it to the mills, wherever they may be located. They have submitted some views which I hope the committee will take into account, because I think they have a material bearing on the subject.

I ask that these communications may be included in the

RECORD.

The VICE PRESIDENT. In the absence of objection, it will be so ordered.

The matter referred to is as follows:

Neild Manufacturing Corporation, New Bedford, Mass., July 10, 1913.

Hon. John W. Weeks.

Washington, D. C.

Dear Sir: Your favor of the 7th received. If the amendment providing a tax of one-tenth of a cent per pound on sales of cotton futures is adopted it will tend to drive away business from our cotton exchange to the European exchange, and in this way damage the southern farmer.

The present handling of the cotton from the South is very unsatisfactory to the consumer, and if this amendment is adopted will create

another hardship, in as much as we shall have to pay the tax in the price of cotton.

We now have to pay for all cotton shipped from the South on sight draft from date of shipment, they assuming no risks whatever from that time.

It averages from four to five weeks for the cotton to arrive, and if, as is often the case, it should be damaged in transit, we have to make claim on the carrier, and in many instances it takes months to effect a settlement. settlement.

settlement.

Then, again, the cotton is baled in such a manner that we are obliged to make claims aggregating 20 per cent annually for short weights, mixed packs, etc.

Our experience with the Egyptian cotton is exactly the opposite, there being almost no claims for this cotton,

We inclose a cutting from The Journal of Commerce, which to us seems a fair argument against the proposed amendment.

Thanking you for your interest and trusting that the within information may be of some help to you when the matter comes up for debate, we remain,

Yours, very truly,

Jos. H. Allen, Treasurer.

#### A TAX ON " COTTON FUTURES."

The ease with which "fool" proposals find favor among Congressmen from certain parts of the country is simply amazing. More than once the House of Representatives has passed a bill imposing what is intended to be a prohibitive tax upon contracts of sale for the future delivery of cotton where no delivery is made or necessarily intended. A similar bill has received large support in the Senate, and it is not certain that that body is not now crazy enough to pass it. The Democratic majority of its Finance Committee observed the last Sabbath by thrusting such a provision into the tariff bill as an expeditious and effective method of "putting it through."

We can hardly conceive of its being kept there when the bill is reported, but really it is getting to be doubtful how far lunacy may go in this Congress. Surely it can not stay to be enacted. It is proposed that all contracts for the future delivery of cotton shall be in writing, and that a stamp tax of one-tenth of a cent a pound be imposed. So far as delivery was actually made the tax would be refunded. All such sales of cotton are treated as "speculative transactions," and the effect would be to suppress them, so far as exchange operations are concerned, for these could not be successfully carried on under such tax.

All who have an intelligent idea of these "speculative transactions," which consist of selling for future delivery as a means of hedging against changes in price, know that the question of actual delivery can not be determined beforehand, and that in a large majority of cases there will be a settlement of differences without delivery. It all depends upon the course of prices as the law of supply and demand operates during the months when they are undergoing adjustment.

The intelligent person also knows that these transactions help constantly to determine legitimate prices, to minimize fluctuations, and to establish as staple a level as it is practicable to secure. They furnish trustworthy market quotations, which are of more value to the producer

COOPER & BRUSH, Boston, Mass., July 3, 1913.

COOPER & BRUSH,
Boston, Mass., July 3, 1913.

Hon. J. W. Weeks.

United States Senate, Washington, D. C.

Dear Sir: I am in receipt of your letter of the 1st instant acknowledging our wire protesting against the proposed tariff bill providing a tax of one-tenth of a cent a pound on cotton futures.

I am aware that apparently the tendency of the legislators generally is to condemn all large businesses, including such exchanges as the cotton exchange, and I am also aware that excessive speculation in cotton has been a very harmful factor to the business interests of the country.

However, I am very strongly of the opinion that the proposers of the tariff tax are not familiar with the legitimate use of cotton futures in the run of ordinary business. My firm has been for a number of years located in Boston, with branch offices in Fall River, Providence, and Montreal, and we cover pretty well the New England States in selling cotton to various mills in this territory. We have no speculative clients and no speculative interest in the market. As the bill now reads, if I understand it correctly, the tax as proposed provides for a payment of \$50 per contract in addition to the usual commission, such tax of \$50 to be affixed in stamps upon the contract note of sale, and provides in cases where cotton is actually delivered upon the contract that the amount is refunded.

In the use of futures for buying or selling, the legitimate dealer practically never contemplates ever receiving the contract bought or delivering the contract sold, for the reason that a contract, say, in the New York Exchange calls for 50,000 pounds of merchantable cotton of any grade recognized by the exchange; that is, grades running from good, ordinary white to fair, middling stain, and stained low middling tinge, excluding stained cotton below middling in grade and tinged cotton below low middling to cotton of cotton and would not care to or could not

excluding stained cotton below mindning in grade and tinged cotton below low middling.

It is needless to say that a spinner in buying must have for his work certain specific qualities of cotton and would not care to or could not use a contract covering as wide a range in grade as the New York contract allows. The New York contract is to a certain extent a merchant's contract for a given number of pounds, irrespective of grade. This is practically what an ordinary buyer South would be compelled to do; that is, buy all grades and qualities of cotton, irrespective of whether he had an outlet for them or not, in order to secure such qualities as he might have an outlet for. His low-grade stains and tinges at times would be unmerchantable, and if he could not sell them to spinners he might sell a contract against them and deliver to the New York, New Orleans, Memphis, or any such market as was available. If, on the other hand, after selling his contract in New York he found he could sell the cotton to better advantage to a spinner, or parts of it by giving different qualities to different spinners, there would certainly not be any profit in delivering against contracts cotton which he could sell to better advantage to a spinner, consequently he would buy in his contracts previously sold, and instead of delivering the cotton would ship it to whatever spinners he was able to sell it.

It seems presumptuous of me to attempt to explain this matter to a committee who supposedly know something about it, but I find a large

portion of the business community is not familiar with the ordinary methods of dealing in futures.

The legitimate dealers, South or North, may frequently have an order from a spinner who wished to sell some goods and consequently fix the price of his cotton. The dealer may not have in hand any of the quality the spinner wishes to buy, but by the purchase of contracts in New York would be warranted in selling a mill, provided he could get a price which in his judgment would enable him to buy the particular quality the spinner wanted when it is available and then sell the futures previously bought. In the meanwhile he would have ample protection in case of an advance in the market. In case of the reverse, if he was buying cotton daily against which for the time being, owing to the high price of cotton, poor trade conditions, or possibly the fact that the spinner could not afford to pay the price for cotton at which it was then selling in relation to what he could secure for goods, he would sell future contracts against it. In case of a sharp decline he would again be amply protected by the sale of his futures.

It was only a few years ago, before Mr. Hayne, of New Orleans, started his bull campaign, that the world was thoroughly convinced that cotton would not in the life of the present generation ever sell at 11 cents or over except on some temporary short crop, and there is no question in my mind but what the South obtained millions of dollars for their crops which they would not have done had it not been for speculation; that is, the world's demands would never have put cotton up where it has been the last few years. In the big crop last year without the balance wheel of the exchanges cotton, in my opinion, would have sold a great deal lower. Speculation, of course, has been a bane to the spinner and is to legitimate trade. On the other hand, the planter has certainly won by it. As far as the planter is concerned, anything that tends to broaden the market for a great commodity must in the long run be of advan

STEPHEN M. WELD & Co., Boston, July 3, 1913.

Hon, John W. Weeks, United States Senate, Washington, D. C.

Hon. John W. Weeks,

United States Senate, Washington, D. C.

My Dear Ma. Weeks: I have your letter of July 2, and while my letter to Senator Lodge, a copy of which I sent you, may be what you want I would like to add a few words more.

Personally, and looking at it from a selfish point of view, I hope this bill will pass. It will throw the cotton business of this country largely into a few hands, and if the Lord keeps me allve and well I mean to be one of those people into whose hands it comes. It will, though, wipe out a great many small cotton dealers; and I think it is contrary to the spirit of the times and contrary to the good of the people and the Nation that business of any kind should be in the hands of a few. I have long wondered whether the department stores were not, on the whole, an evil; whether there was not greater prosperity and greater happiness amongst the masses with a dozen people selling shoes than where one or two do, or any other articles besides shoes. The effect of this law is going to be that the big men will not do business on a profit of 10 or 20 cents a bale, which is all my firm gets now, where they have to run a big risk.

This whole thing is against the interest of the planter and against the interest of the community as a whole, and is reverting back to old-fashioned times, where business was largely a matter of speculation. As it is now, the cotton business is done on a smaller margin of profit, I think, than any other business in the world, largely because we can afford to do it because we can guarantee ourselves against losses by means of these futures.

If you will read my other letter, you will see that I say I buy in several places in the South every day all the cotton I can get. I sell in Europe and at home and in Canada all the cotton I can get. I sell in Europe and at home and in Canada all the cotton I can sell at a profit. At the end of each day we may have five or ten thousand bales more cotton than the we work than we have sold. This I at once sell against by selli

sale of futures.

I hope I have made this plain to you. If not, I should be very glad to write more fully. If this bill passes, I do not see why the New York and the New Orleans Cotton Exchanges will not pass out of existence. The Liverpool Cotton Exchange will still keep on and do the business of the world and at a greatly increased profit, and Bremen and Havre also, where they have future exchanges, will share in this. Germany has always legislated against cotton futures, and now they have had to give way and establish a future market in Bremen. It is sickening to have to fight for you life all the time as we have to in the cotton business when we are doing what is right and doing what is best for the country and the farmer and all concerned.

Yours, very truly.

P. S.—On all these future transactions as hedges for cotton we should have to pay this tax because we do not mean to actually deliver or receive the cotton. This would make the business absolutely pro-

BOSTON, MASS., July 1, 1913.

Senator John W. Weeks, Washington, D. C.

Proposed tax upon cotton futures means that cotton mills will have to pay 50 cents a bale more for a large portion of their raw product.

Contracts for shipments to mills during certain future periods necessitate purchase of future contracts as hedges, and conservative operations necessitate the use of the future market by manufacturers to hedge their surplus stock of raw material. The proposed tax will be a burden on the spinner and but a slight handicap to speculation.

INGERSCLL AMORY & CO.

John W. Weeks, Esq.,

United States Senate, Washington, D. C.

Dear Sir: We thank you for your letter of July I.

When a cotton mill selis goods for future delivery, which is the way the bulk of their goods is sold, the mill protects itself by buying future-delivery cotton from a cotton merchant, and the merchant, in turn, protects himself by buying cotton futures in one of the future markets. It would be impossible for the merchant to buy actual cotton and hold it until the time of delivery, as the carrying charges would be prohibitive. Also a large part of the year it would be impossible to procure the character of cotton required by the mill.

When the time comes for the merchant to ship the cotton to the mill, he buys in the actual cotton and sells out his futures, which he had used as a hedge against the sale to the mill.

If the future markets of this country were abolished, which this proposed law would mean, the cotton merchants would use the Liverpool and Bremen Cotton Exchanges, unless the law prevented this, which seems improbable. In this way a great deal of business would be taken away from this country and given to Bremen and Liverpool. If the law did prevent the cotton merchants of this country protecting their sales by buying futures in Liverpool and Bremen, it would mean that only the very strongest houses would be able to take the risk of selling future-delivery cotton to the mills. This would mean a concentration of the cotton business in the hands of a very few.

We also think that the bankers of this country would be very loath to loan money upon cotton that was not hedged. This also would have a tendency of turning over the cotton business to a few very rich houses.

Yours, very truly,

Yours, very truly,

INGERSOLL AMORY & Co.

Mr. SIMMONS. Mr. President, I now ask that section 3 may

be passed over.

I ask that we may now return to the paragraphs that have been passed over at the request of first one and then another Senator. I do not mean, of course, to include in that request the paragraphs that have been recommitted to the committee. but only those that have been passed over, beginning with Schedule A.

I believe the first paragraph passed over was paragraph 14. The Secretary. On page 4, paragraph 14 was passed over at

the instance of the Senator from Utah [Mr. Smoot].

Mr. SMOOT. Mr. President, I notice that in the pending bill caffein carries a rate of duty of \$1 per pound. In the present law it falls under the basket clause, at 25 per cent ad valorem. The Treasury reports show that the value of cassein runs from \$1.82 to \$3.12 a pound. I think \$3 is about the

quoted value to-day.

Mr. JOHNSON. Mr. President, if the Senator will pardon me, I think the figures are incorrect as given in the handbook. At the hearings before the Ways and Means Committee the Treasury Department submitted a statement showing that no

caffein had been imported at less than \$3 a pound.

Mr. SMOOT. Mr. President, I made the statement that the reports of the Treasury Department showed that the valuations of caffein run from \$1.82 to \$3.12. I think the Senator will not dispute that statement. I myself believe that caffein is worth more than \$1.82 a pound, and I stated that the price to-day was

a little above \$3 a pound.

I suppose the reason the increase has been made is that in the same paragraph we find that "impure tea, tea waste, tea siftings or sweepings, for manufacturing purposes in bond, pursuant to the provisions of the act of May 16, 1908," are dutiable at 1 cent per pound. Under the present law impure tea, tea waste and tea siftings come in free of duty. I do not know why the change has been made. Most of the tea siftings, tea waste, and impure tea used in this country is consumed by the Monsanto Chemical Works, of St. Louis, Mo. I take it for granted. however, that the answer as to the reason for imposing upon these articles the duty of 1 cent a pound will be "For revenue purposes."

I remember when Senator Cockrell first became interested in a bill permitting impure tea, tea waste, and tea siftings to come into this country free of duty. I take it that the bill was introduced in the House. I remember that the Senator from Misthought it was proper, and I think so still. It is impossible to produce those articles in this country. They never will be produced in this country, and they are imported for the purpose of

the manufacture of caffein.

In this bill the rate upon caffein has been increased and a duty of 1 cent per pound imposed upon impure tea, tea waste, and tea siftings. I am not going to take notice of the reports I have heard in relation to the immense amount of tea siftings the Monsant Chemical Works have on hand and will be benefited by the imposition of 1 cent duty. They may need all the advantages possible after the passage of this bill. I should like to encourage the company in every possible way.

During the last few days I have taken a little interest in looking up the particular items that this firm makes. I have also taken pains to learn the prices of some of those articles when we had to depend entirely upon Germany for them and the prices since they have been made in this country. After the passage of the present law the St. Louis firm began the manufacture of a great many chemical preparations and medicinal compounds that never were made before in this country. As to one or two of the products of that concern, the German manufacturer tried to drive them out of business by reducing the price below cost of manufacture. If it were necessary, I could name the great reductions to the American people that have been brought about by this one firm undertaking the manufacture of articles as to which in the past the German manufacturer had absolute control of this market.

I feel that it is an injustice to impose a duty upon impure tea, tea waste, and tea siftings, and I wish to ask the Senator having this part of the bill in charge if this is not one of the cases that should be reconsidered and no duty imposed.

In this connection I desire to say that I shall again refer to this firm when we reach paragraph 19, but I shall be glad if the Senator will now give the Senate his opinion in regard to this matter.

Mr. JOHNSON. Mr. President, the committee have fully considered the paragraph referred to and have made a further We find that the duty upon caffein, which is 25 investigation. per cent, has been increased to about 33 per cent by this specific duty of \$1 per pound. The price at which caffein is imported is about \$3 a pound, and the duty of \$1 per pound is therefore about 33 per cent.

In view of this increase upon the product of caffein a slight duty upon tea waste, which is the raw material used in making caffein, can be easily borne and will afford a revenue of some \$60,000 a year. The committee are of the opinion that no change should be made in the paragraph, but that it should stand as reported.

Mr. SMOOT. Mr. President, if the Senators having the bill in charge and the Democratic caucus have seen fit to impose a duty upon this article and do not mean to change it, I shall not make any further protest; but I do believe it is a mistake. It is the policy of this bill to impose duties upon articles not produced in this country that enter into manufactures. I shall content myself with simply protesting against it.

The Secretary. In paragraph 14, line 11, after the word "pound," the committee proposes to insert "compounds of caffein, 25 per cent ad valorem," so as to make the paragraph

14. Caffein, \$1 per pound; compounds of caffein, 25 per cent ad valorem; impure tea, tea waste, tea siftings or sweepings, for manufacturing purposes in bond, pursuant to the provisions of the act of May 16, 1908, 1 cent per pound.

The amendment was agreed to.

The Secretary. The next paragraph passed over is at the foot of page 5, where the committee proposes to strike out paragraph 19 as printed in the bill and to insert a new paragraph, as follows:

19. Chloral bydrate, salol, phenolphthalein, urea, terpin hydrate, acetanillid, acetphenetidin, antipyrine, glycerophosphoric acid and salts and compounds thereof, acetylsalicylic acid, aspirin, guiacol carbonate, and thymol, 25 per cent ad valorem.

Mr. SMOOT. That paragraph went over at my request. Most of the items in the paragraph under the present law carry a duty of 55 cents per pound under paragraph 65 of the present There are, however, two of the items that fall within the 25 per cent ad valorem duty under paragraph 65.

I simply wish to call attention to the fact that there is not a manufacturer in this country who under a rate of duty of 25 per cent produces chloral hydrate. The Senator having this bill in charge must know that. The price of chloral hydrate to the American people has been reduced over 50 per cent since it was first manufactured in St. Louis under the present rate of 55 cents per pound. Now a duty is imposed of 25 per cent ad valorem. I am as confident as that I am living that the Mon-santo Chemical Works, of St. Louis, can not make chloral hydrate in this country under that rate. The result will be that just as soon as they change from the manufacture of this article to some other in this bill, if they can find one, the price of chloral hydrate will advance.

I had a rather strange experience some years ago in relation to medicinal compounds and the purchase price of them in foreign countries.

Mr. HUGHES. Mr. President, getting back to the statement the Senator made, if it is the Senator's opinion that the lack of competition in this country is going to make the price return to its former level, why is it that this commodity is selling so

cheaply in England at present? Why does not Germany take charge of that market, as she is about to take charge of ours?

Mr. SMOOT. She does take charge of the market in Canada and in a good many other countries on a great many items.

Mr. HUGHES. I am speaking of free-trade markets-the English price.

Mr. SMOOT. The English price to-day is controlled by the

Mr. HUGHES. Why is it that they sell it so much lower than it can be sold in this country?

Mr. SMOOT. Because they can make it cheaper.

Mr. HUGHES. Why is it that the English price is 20 cents a pound when the product is made in Germany and controlled by a German trust and is sold here for a considerable advance over that-55 per cent?

Mr. SMOOT. But chloral hydrate is not sold in England to-day for 20 cents a pound.

Mr. HUGHES. That is my information.

Mr. SMOOT. The information which the Senator has, then, must be the price on a lower grade of chloral hydrate than is manufactured here or in Germany.

Mr. HUGHES. No. I will state to the Senator that he will find that condition to exist in a great many cases. The gentleman to whom the Senator is referring, Mr. Queeny, of St. Louis, admitted before our committee that there was that difference in the price for which it was sold in this country and the price for which it was sold in Germany, and that in Engiand, where there was no tax to pay, the article was sold at the price I have stated.

Mr. SMOOT. I have not before me the quotations from the largest drug house in the world, having a branch in England and also in New York, but I say to the Senator that the quotations given are not 20 cents a pound in either England, Germany, or any other country. This is the way Germany does in many cases where she controls this market. The German manufacturers control one particular acid I have in mind, and a company undertook to manufacture it in this country. it successful? No; because as soon as the company was successful in manufacturing it the price was cut in two and then cut to a price that closed the factory. As soon as it ceased the making of the acid the price was advanced. In many cases the German manufacturer sells medicinal preparations to Canada at a lower price than they sell to American buyers. I have a sample case before me, and I find upon the face of the label these words: "The resale and exportation of this article to the United States of America is prohibited." In other words, they will not even allow Canada or any other country to which they sell to reexport it into this country. For what reason? Because they control this market absolutely, and instead of selling this article in this country for 10 cents per ounce, the same as they do in Canada, they charge every purchaser in this country 43 cents an ounce for it.

Why on earth the Senate of the United States wants to pass a law lowering the duty on items for which Germany is making this country pay sometimes three or four hundred per cent more than any other country pays I can not understand. I am positive that if medicinal compounds carried a rate of duty of 35 or 40 per cent instead of 15 per cent, as this bill provides, there would be many articles that would be manufactured in this country, and the American people would buy such articles more cheaply.

Mr. NORRIS. I should like to ask the Senator from Utah in regard to these products. What he has said has interested me greatly. At what price were they sold when they were manufactured in the United States?

Mr. SMOOT. Every article in the paragraph, of course, is

quite different in price.

Mr. NORRIS. The particular one? Mr. NORRIS. The particular one? Mr. SMOOT. The one I referred to?

Mr. NORRIS. Yes.

Mr. SMOOT. At the time it was first undertaken to be manufactured in this country it was sold for \$1 an ounce.

Mr. NORRIS. At what price later on at the time Canada took our market?

Mr. SMOOT. Before they had destroyed the manufacture of the article in this country they had reduced the price to about 20 cents an ounce. That price closed our manufactories. Today they are charging 43 cents an ounce to every purchaser in the United States, and the excess of 33 cents per ounce on 2,000,000 ounces used in the United States amounts to \$660,000 on this one particular item.

Mr. NORRIS. What are they selling it for in Canada? Mr. SMOOT. The retail price?
Mr. NORRIS. Yes.

Mr. SMOOT. I do not know what the retail price is.

Mr. NORRIS. Was it not the American retail price the Sena-

tor just gave?

No; I am speaking of the difference between Mr. SMOOT. the wholesale price. They pay 10 cents an ounce. Germany sells it for 10 cents an ounce to Canada, and they sell it to the American merchants for 43 cents an ounce. There are used every year in the United States 2.000,000 ounces, and the difference of 33 cents an ounce between the German manufacturing charge and what Canada charges the people of this country amounts to \$660,000.

Mr. NORRIS. Is there a tariff on it in Canada?

Mr. SMOOT. A small tariff.
Mr. NORRIS. Can the Senator explain why it is that they make that great variation between our market and the Cana-

dian market?

Mr. SMOOT. No; I can not explain it, unless there is some That happens very greement between the manufacturers. often in medicinal compounds. I once had a list furnished me by one of the great manufacturing concerns in this country of all the items upon which there was such an agreement. Another experience I had was when we held hearings upon a bill to amend our patent laws and this same question came up. It is simply a disgrace that we do not in some way or other force the foreign manufacturer from continuing such outrageous discrimination against American commerce.

Mr. NORRIS. Let me ask the Senator further if the price we pay now in this country is not less than when we made it

ourselves

Mr. SMOOT. That is true only in part. I will say that it is lower than it was when we undertook to manufacture it.

Mr. NORRIS. What were the indications in regard to the chance of our being able to supply our own market and reduce the price when we were engaged in its manufacture?

Mr. SMOOT. I do not think there is any question that if

the American manufacturer had been given time-

Mr. NORRIS. How long were they engaged in this attempt? Mr. SMOOT. A number of years, but just as soon as the production became sufficient to anywhere near take care of the American market, then the German manufacturers made up their mind to crush it out of business, and they did it.

Mr. NORRIS. What is the raw material out of which it is

made?

Mr. SMOOT. I do not really know. It is only one of many cases, I will say to the Senator.

The VICE PRESIDENT. The question is on agreeing to the

amendment of the committee.

The amendment was agreed to.

The next amendment passed over is on The SECRETARY. page 8, paragraph 31. It was passed over at the instance of the senior Senator from Connecticut [Mr. Brandere]. The committee proposes to strike out paragraph 31 as printed in the bill and to insert a new paragraph, as follows:

31. Extracts and decoctions of nutgalls, Persian berries, sumac, logwood, and other dyewoods and all extracts of vegetable origin suitable for dyeing, coloring, or staining, not specially provided for in this section; all the foregoing not containing alcohol and not medicinal, three-eighths of 1 cent per pound.

Mr. BRANDEGEE. Mr. President, a radical change of course it is apparent has been made by the committee in this para-The paragraph stands reclassified and a large portion of it transferred to the free list, as will appear on page 152, para-

graph 626 of the bill.

This involves one of the leading industries of my State. There is a large factory located at Stamford, Conn., making one of these tanning extracts known as quebracho. I wish to read from the brief filed before the committee by a committee of manufacturers of these tanning extracts:

manufacturers of these tanning extracts used in the United States is that made from chestnut wood and quebracho wood. These extracts are manufactured in Virginia, West Virginia, North Carolina, Tennessee, Pennsylvania, New York, and Connecticut. The chestnut wood used grows in Pennsylvania, Virginia, West Virginia, North Carolina, and Tennessee, and the quebracho wood is imported from the Republics of Argentina and Paraguay.

As already stated, a sample of the quebracho wood and of the bark has been submitted. This wood holds the same position as dyewoods, according to paragraphs 20 and 559 of the present law, and the same statement made for dyewood applies to quebracho wood.

We would add that after a quebracho tree has been cut down and allowed to lie on the ground, which is always the case, it becomes necessary to remove the bark; otherwise the sap contained in this bark breeds a large quantity of worms which immediately attack the wood and injures its value for extract purposes.

The first mention of quebracho distinct from other tanning extracts.

The first mention of quebracho distinct from other tanning extracts, was made in the law of 1897. At that time only one grade was shipped into this country, as regards density or gravity, and that grade was a liquid article in barrels standing at about 28° Baumé and containing about 35 per cent of tannic acid, and the law of 1897 placed upon this grade one-half of 1 cent per pound.

Tanning extracts are sold by the pound, the price per pound based upon the percentage of tannic acid or tannin, as it is termed, contained in a pound; therefore according to the strength or the weakness of the percentage of tan is fixed the price per pound on the market.

Some time after 1897, and prior to 1909, great improvements were made in machinery and apparatus for the reducing of liquid extracts to solid extracts without injury to the article so reduced. Extracts from woods are very susceptible and can easily be ruined by excessive heat, nothing more so than tannic acid, and these new methods and improvements enabled the manufacturer of the liquid to reduce these extracts further; or, in other words, to take the liquid which was at 28° Baumé, representing one-half quebracho extract and one-half water, and containing 35 per cent of tannic acid, to a heavier density by driving off the half amount of water and producing what is known as solid extract.

By driving off this water, they of course made 1 pound of extract

off the half amount of water and producing what is known as solid extract.

By driving off this water, they of course made 1 pound of extract represent more quebracho and less water, the result showing that this solid article contained about 12 to 15 per cent of water only and 65 per cent of tannic acid. This decrease of water and increase percentage of tannic acid immediately increased the value per pound. Therefore in 1909 the manufacturers of this extract in the United States asked that an adjustment or equalization be made to meet these new conditions, and that the duty of one-half of 1 cent per pound on the liquid quebracho remain as in the law 1897, by adding the words "under 28" Baumé"—which is the universal standard in this country and all European countries to distinguish the difference between liquid and solid extracts—and that the solid extract, or that above 28° Baumé, be placed at seven-eighths of 1 cent per pound, which would equal the one-half cent per pound on the liquid, as the solid was 65 per cent tannic acid instead of 35 per cent, as in the liquid.

The Congress at that time, in 1909, saw fit to make the rate of duty on the solid three-fourths of a cent per pound, as per paragraph 21—

I think it means 29—

#### I think it means 22-

tannic acid instead of 35 per cent, as in the liquid.

The Congress at that time, in 1999, saw fit to make the rate of duty on the solid three-fourths of a cent per pound, as per paragraph 21—

I think it means 22—
in present law, instead of seven-eighths of a cent, which was asked for, which was a slight reduction, as it made the duty, based on the percentage of fannic acid—viz, 65 per cent—less than the old duty of one-half cent on the liquid—viz, 55 per cent—less than the old duty of one-half cent on the liquid—viz, 55 per cent—as in 1897. The foreign manufacturer, in addition to this decrease in duty on solid, gained a contract of the contrac

ing a profit of over £429,000 sterling. They also declared for 1911 dividends, the same as previous year, 1910, viz, 14 per cent on their preferred stock and 24 per cent on their ordinary or common stock.

Next to the Argentine the largest manufacturing interest of this extract is found in Germany, and was started some years ago in Hamburg by Mr. Herman Renner. This gentleman, as already shown, is a director in the Forestal Land, Timber & Railways Co., and we now quote from a Hamburg paper of October 28, 1912, as follows:

"Gerb und Farbstoffwerke H. Renner & Cle A. G. Hamburg.

"The principal object of the extraordinary stockholders' meeting held on October 28 was the proposition to accept an amalgamation of interests with the Forestal Land, Timber & Railways Co. (Ltd.), London. The presiding officer, Herr Geh. Kommerzieurat, Dr. Ing. Carl Delius opened the meeting with the statement that the executive committee felt sure that the amalgamation of interests would be beneficial to the shareholders. The principal points of the contract were as follows:

"We conclude on January 1, 1913, an amalgamation of interest with the Forestal Land, Timber & Railways Co. (Ltd.)"

I should think they ought to call it unlimited—

I should think they ought to call it unlimited-

I should think they ought to call it unlimited—

"by handling over our total profit, including the dividends, received from our ownership of Forestal shares and other participations in connection with the Forestal Co.

"The Renner Co. continues its present and absolutely independent organization; we in return are to receive a payment, which shall be governed by the dividend paid on the common and preferred shares of the Forestal. Calculating the dividend of 19 per cent, paid for the past two years on the fully paid-in capital, said payment would amount to 1,940,000 marks a year.

"Every reduction of 1 per cent would be equal to a decrease of 100,000 marks; every addition of 1 per cent would represent an increase of 80,000 marks; every addition of 1 per cent would represent an increase of 80,000 marks; but in no case shall the payment of the Forestal Co. exceed two and one-half millions yearly.

"We to receive 10 per cent of all special reserves, but said amounts shall be deducted whenever said reserves later on are paid out in the shape of dividends.

"We bind ourselves not to seil any of our 'participations' without the consent of the Forestal. Tais condition does not include the 11,669 preferred Forestal and 9,624 common shares, procured last year, with which we can act as we please.

"Any profit we may make by a sale of these shares does not belong to the Forestal Co., but to our stockholders; we have also reserved to ourselves the ownership of a special reserve fund of 600,000 marks set aside to be used for the purpose of a supplement to our dividends in special instances.

"This agreement has been made for a period of 10 years and can be mutually canceled by giving notice six months in advance—earliest per January 1, 1920, by the payment of £30,000 as a compensation."

In other words, a penalty for going out of the trust.

In other words, a penalty for going out of the trust.

"The compensation of a cancellation for 1921-

You can see how far these gentlemen are looking ahead-

You can see how far these gentlemen are looking ahead—
"is reduced to £25,000, and for 1922 to £20,000.

"The legal settlement of disputes shall be subject to the decision of the English anditors Deloitte, Plender, Griffiths & Co., and the Revision Treuhand A. G. Berlin.

"As a public indication of the amalgamation of interests, we propose the supplementary election of Mr. C. Hartneck, one of the directors of the Forestal Co., as a member of our executive committee.

"We, ourselves, are represented on the board of the Forestal Co. by our president, Herr Kommerzieurat and Herman Renner."

The stockholders accepted the agreement unanimously by acclamation; in the same way Mr. Hartneck was elected a member of the executive committee.

our president, Herr Kommerzieurat and Herman Renner."

The stockholders accepted the agreement unanimously by acclamation; in the same way Mr. Hartneck was elected a member of the executive committee.

In reply to the question of a stockholder, whether the possibility exists to receive for the current year a considerably higher dividend the presiding officer stated that, taking as a basis the result of the past nine months, it is believed that at least the same dividend as the one paid last year will be distributed.

But at the last moment be could not say whether a larger dividend could be paid, because it was impossible to foretell the result of the remaining three months, and, further, nobody could tell whether some complication in reference to the political situation may arise.

In regard to the future prospect of the Forestal Co., the president, Mr. Renner, stated that the present year was of less interest for said company than the years 1913 and 1914.

The outlook for the year 1913 could be called extraordinarily favorable, because there have been made such large sales of extract, that it is believed that the average dividend of 19 per ceut—paid for some years past—is safe. In the future also we may count upon receiving the same good dividends regularly.

In reply to a further question, the speaker gave the additional information that the stockholders' meeting of the Forestal Co. was taking place on October 28 at 3.30 p.m. in London, and in that way all formalities in reference to the amalgamation of interest were settled on the same day.

Again we quote from the Financial Times, of London, under date of September 25, 1912.

"The Financial Times, referring to the reported amalgamation of the Santa Fe Land Co, with the Forestal Land, Timber & Railways Co, remarks that this will enable them, if the project is realized, to keep up the present price of quebracho, the working of which is the principal object of the two companies."

"The sit seems that the control of this business is pretty well in the hands of

Please note that the price went to 2½ cents per pound in 1908, as stated by Mr. Klipstein, prior to their purchase of £130,000 of the Fusionados Co., a very natural result of prices below the cost of

stated by Mr. Kilpstein, prior to their purchase of £130,000 of the fusionados Co., a very natural result of prices below the cost of manufacture.

Mr. Kilpstein in 1909 furthermore stated before the Ways and Means Committee in a brief that the price used to be 4½ to 5 cents per pound and generally imported in the form of a liquid extract.

Bear in mind, if you please, that Mr. Kilpstein in this statement is referring back prior to the time of their making solid extract and before they realized the growth of the American competition, and this competition when realized caused a reduction from 4½ or 5 cents for liquid at 35 per cent tan to 4 cents for solid at 65 per cent tanworth in the market almost double the price of the liquid—or, in other words, they were selling liquid without the American competition at a price equal to 9.8 cents per pound for the solid that they are selling to-day for 4 cents per pound. Why should not prices advance again without competition?

If the Forestal Co., or their representatives in this country, undertake to claim that they are being frozen out and that the present rates of duty are so great they can not compete, then we would refer you to their statements already made in their reports to their stockholders at their annual meetings held in London, and their continuing to pay 24 per cent on their ordinary stock and 14 per cent on their preferred stock.

Such dividends have not been and can not be earned by the American manufacturers.

stock.

Such dividends have not been and can not be earned by the American manufacturers. A reduction in the present duty would tend to bring about one of two results; either the closing out by the American manufacturers at great loss or the temptation to get together advance prices and control the market.

We also have received a copy of the Daily Mail, of Paris, under date of November 14, 1912, with an advertisement of the Forestal Land, Timber & Railways Co., stating that the capitalization is £1,700,000, setting forth their great earning power, etc., and offering to sell £1,000,000 of 5 per cent first-mortgage bonds.

That imports have not been checked by the present tariff, we submit the following table:

Fiscal year ending June	Tons of wood received in the United States per Department Commerce and Labor. ¹	Represents in solid extract, pounds.1	Pounds o ! solid extract imported into United States, per Department Commerce and Labor.	Represents total tons wood used for same.	Per cept ex- cess.3
1906. 1907. 1908. 1909. 1910. 1911. 1912.	87, 838 67, 310 48, 871 66, 113 80, 210 64, 708 68, 174	49, 189, 280 37, 693, 600 27, 367, 760 37, 023, 280 44, 917, 600 36, 238, 720 38, 177, 400	43,989,707 76,479,846 62,593,671 99,108,284 90,483,576 77,606,700 74,239,715	78,553 126,572 111,774 176,979 161,578 138,584 132,571	102. 8 128. 7 167. 7 101. 4 114. 2 94. 4

1 Tons of wood received and amount of extract same represents each Government

fiscal year.

**Tons of solid extract imported into the United States and the tons of wood same represents each Government fiscal year.

Of extract imported and wood used for same above that used for manufacture in the United States.

Please note that in 1906 the United States manufacturers did a little more business in pounds of extract than did the importers. The Forestal Trust at that time, as already shown, was not fully in the saddle, but later the imports were considerably over 100 per cent, and in 1908-9 it was the largest, probably due to the low price of 2½ cents mentioned by Mr. Klipstein.

The year 1912 shows about double the quantity of extract imported as compared with the quantity manufactured in this country, but a decrease of about 20 per cent from the imports of 1911. This decrease can not be attributed to the increase of the home manufacture, as they only show about 5 per cent increase between the same years, which was 10 per cent less than they showed in 1910.

The present tariff can not be called excessive; otherwise the imports would not exceed the home manufacture by 100 per cent and maintain this position year after year.

We understand that the desideratum of tariff adjustment is to establish a rate that will produce the greatest revenue combined with greatest encouragement for both home and foreign competition; therefore as a tariff for revenue and competition the present rate should be retained.

	Total money received by present rates.1	Total money received at a rate of § cent per pound.2	Loss.1
1907.	\$573, 598, 84	\$428, 150, 40	\$145, 448. 44
1908.	469, 452, 52	337, 355, 37	132, 097. 15
1909.	743, 312, 13	510, 493, 36	232, 818. 78
1910.	678, 626, 82	507, 754, 41	170, 872. 41
1911.	582, 050, 25	426, 901, 41	155, 148. 84
1912.	556, 797, 85	421, 564, 33	135, 233. 52

¹ On the actual imports each year, viz, ² cent per pound.

² On total used in United States by adding to actual imports the amount manufactured in United States.

⁴ In revenue to the Government even by having total consumption imported at cent per pound and home manufacture wiped out and no competition.

Mr. STONE, Mr. President, does the Senator from Connecticut intend to read the entire book?

Mr. BRANDEGEE. Every word of it; yes.

Mr. STONE. Would the Senator be satisfied to print the remainder of it?

Mr. BRANDEGEE. No; the Senator regrets that he is unable to be satisfied under those conditions.

Mr. GALLINGER. Mr. President— Mr. BRANDEGEE. I yield to the Senator from New Hamp-

Mr. GALLINGER. I regret that it was not my privilege to hear all of this interesting recital. From what I have heard I infer that this refers to a foreign trust.

Mr. BRANDEGEE. There is no doubt about that. Mr. GALLINGER. And it is not exciting the interest or antagonism of our Democratic friends, who are so strenuously opposed to American trusts?

Mr. BRANDEGEE. I have been requested not to read it. do not know what inference the Senator may draw from that. It continues:

It continues:

If the tanners of this country understood the actual conditions they would be more anxious than the extract manufacturers to have the duty on these extracts maintained.

We have seen of late articles in the leather-trade papers advocating reductions in the tariff, all written by importers or representatives of foreign manufacturers (or their employees)—the usual method they have adopted for years prior to tariff hearings.

On the 30th day of August last [1912] the Stamford Manufacturing Co. wrote to their agent in Buenos Aires, putting to him a few questions, wishing to have an answer in time to place before your committee, which we now submit:

Q. No. 1. What is the wage per day or month of the ordinary laborer at a quebracho factory in the Argentine?—A. The wage of the ordinary laborer in the Chaco is about \$20 per month.

Note.—In this country the ordinary laborer receives \$1.75 per day, about 127½ per cent higher.

Q. No. 2. What are the wages per day or month of a more intelligent man, such as bosses, etc.?—A. The wages of a more intelligent man, such as a foreman, is about \$40 per month, or perhaps \$50.

Note.—The wage of such men in this country is from \$2.75 to \$3 per day, or about 56 per cent higher.

Q. No. 3. What are the wages per day or month of still higher class of mechanics or engineers who have to be imported to that country?—A. About \$80 a month.

Note.—In this country from \$4 to \$4.50 a day, about 46 per cent higher.

Certain other questions as to cost, freights, etc., he states depends

Note.—In this country from \$4 to \$4.50 a day, about 46 per cent higher.

Certain other questions as to cost, freights, etc., he states depends upon distance, freight, etc., making the cost of the solid extract on board vessel ready for shipment to the United States at from \$59 to \$62 gold per thousand kilos.

Note.—This represents 2.6 to 2.7 cents per pound. To this must be added the freight from the Argentine and the present duty to give the cost price here.

Assuming an equal division of the various grades of labor (although the ordinary labor of \$1.75 per day would be the largest), the average shows 76 per cent higher in this country than in the Argentine Republic. The difference in wages, taking the cost of the extract in this country and as shown to be in the Argentine, estimated on the average higher wage of 76 per cent, shows about nine-tenths of 1 cent per pound.

Chestnut extracts are largely used in connection with quebracho

pound.

Chestnat extracts are largely used in connection with quebracho extracts, a combination of the two extracts used quite extensively by the tanners.

Chestnat extracts are made abroad and could easily become a part of the business of quebracho manufacturers, a natural result of a reduction in the present tariff. Such a result would be injurious to the American chestnut manufacturers, probably causing many of them to quit business, thus throwing on the market many plants at low prices, the purchase of which might result in the absolute control of the two most important and largely used extracts by the tanners in the United States.

The attached pamphlet is submitted as part of this brief, it being a compilation of the tariff hearings in 1909 and since, and which we believe in this form will be of aid to your honorable committee.

Mr. President, the industry in my State employs in this or existence, and this entire business will be turned over to the consolidated British-German trust; there can be no doubt about that. I wanted to make this protest for what it may be worth, and to call to the attention of the Senate certain patriotic words that were uttered here when this tariff provision was framed in the manner in which it now stands in the existing law. In 1909, when this clause was under consideration, the then distinguished Senator from Virginia, Mr. Daniel, one of the most eminent men the Democratic Party has ever sent to the Senate, said:

Mr. President, in the view which I shall advocate the proposition of the pending act—that is, seven-eighths of 1 cent per pound—is a correct, scientific, and useful rate of duty for the tariff on the solid tanning extract known as "quebracho."

And he gave four reasons for the duty proposed. He said:

And he gave four reasons for the duty proposed. He said:

It is not for an increase of the tariff that I am asking. It is for an equalization of tariff or its approximate. If the proposition as the Payne committee had it is effected, there will be a reduction of the Dingley tariff by 6½ per cent and the better service, as I think, of all American interests involved.

In the second place, instead of destroying or mutilating our American industries, those who are making chestnut-oak extracts will preserve a competitive relation between foreign and domestic manufacturers, a situation evidently in the interest of the people and greatly commended by political economists.

In the next place, Mr. President, I think it will preserve the existing revenue from foreign importations and in likelihood increase it, for the need of the quebracho extract is growing daily, and at a reasonable rate, which does not prohibit it, I think. It is sure to find a constantly enlarging market in this country.

And, in the next place, which can not be an indifferent consideration, it will steady and assure the employment of many American

laborers, instead of scattering them away from broken-down American establishments.

It will give to the American manufacturers what they have not now on account of the Dingley Act—a fighting chance. Such, it is believed, will be the result of the proposed amendment of the law.

I think that the question of labor is extravagantly stated in some cases, but neither the Democratic Party nor the Republican Party have ever been indifferent to it. I feel careless of the criticism made upon me that I said in a recent address we must respect labor and put the difference in labor cost in favor of our American laborers. It has been so long that not only the platform declaration of the Democratic Party, but also those advocated by its leaders, with whose utterances I am familiar, that I think it useless and trite to pause to defend it. But I will insert here the Democratic platform of 1888, and refer to the utterances of President Cleveland in his messages. The Democratic platform of 1888 says: "Our established domestic industries and enterprises should not and need not be endangered by the reduction and correction of the burdens of taxation. On the contrary, a fair and careful revision of our tax laws, with due allowance for the difference between the wages of American and foreign labor, most promote and encourage every branch of such industries and enterprises by giving them assurance of an extended market and steady and continued operations. In the interests of American labor, which should in no event be neglected, the revision of our tax laws contemplated by the Democratic Party should promote the advantage of such labor by cheapening the cost of necessaries of life in the home of every workingman and at the same time securing to him steady and remunerative employment. Upon this question of tariff reform, so closely concerning every phase of our national life, and upon every question involved in the problem of good government, the Democratic Party submits its principles and professions to the intelligent suffrages of

And he proceeds to state:

The American manufacturers of extract are in the old colonial States of New York, Connecticut, Virginia, North Carolina, and Pennsylvania, and also Tennessee and West Virginia.

He gives the location of the 23 tanning-extract factories in the United States. He says:

Labor required at full capacity, over 7,000 men.

The proposed reduction is not a sweeping or a destructive reduction, but one that will conserve every American interest and leave full play to the competitive forces, both foreign and American, without assuring final success to either.

He discusses the doctrines and principles of competitive tariffs, and says:

iffs, and says:

Whenever there is a fair fight between an American and a foreigner for the control of American things, not involving oppressive or monopolistic charges on the people, I stand with the American.

It is only when American enthusiasts overstep the line which seems to me that of wisdom and fair play that I would seek to restrain them by abating excesses, so that the disproportionate burdens may be removed from our fellow-Americans.

The experience of history, from generation to generation, has denoted that if we allow the reins of control to slip from our hands and pass to those of allens, they will immediately increase the cost of whatever we get from them.

In the course I am pursuing I have Thomas Jefferson as one of the sponsors for it, and it is sound Democracy of an old and well-attested brand.

sponsors for it, and it is sound Democracy of an old and well-attested brand.

Jefferson advocated a metallic circulation that will take its proper level with the like circulation in other countries, and then he says:

"Our manufacturers may work in fair competition with those of other countries, and the import duties which the Government may lay for the purpose of revenue will so far place them above equal competition."

In another place he states:

In another place he states:

This means greater destruction to many American industries which manufacture tanning extracts and puts the foreign quebracho rival in possession of our markets.

It is my hope that both this amendment and the committee amendments will be voted down, and that the proposition of the Payne bill of seven-eighths of 1 per cent per pound on the foreign extracts will be confirmed and become the law.

Having thus stated this case in its simple legal relation, we have those who ask a much higher tariff or a somewhat higher tariff, and we have the foreign competitors, who have already succeeded in their form of manufacturing in getting the tariff reduced half and now deliberately ask that that half be again halved, with intimations that they desire its abolition. But a medium course was pursued.

And he proceeds:

Not only is it the fact, Mr. President, that the American tanning-extract makers arose to their position without the domination of an American trust, but within the menace and manifested purpose of an inchoate, if not completed, foreign trust. We have it in the advertisements and in the papers of those who are trying to get the American tariff obliterated or so decreased as to leave scarce any chance for the American manufacturer that they formed a trust in 1907, which was broken down by the hard times which flooded the whole country.

He says:

I stand in all things on the side of the American.

He states:

Mr. President, I am confronted here with a case that is broadly American in all of its aspects. It is not sectional; it is peculiar in the fact that my own State of Virgina has more of these chestnut-extract establishments than any other State; but they have gone along

so quietly in their business that they have never been challenged by anybody as doing anying lilegal to advance it. They are not associated with any trust that I have ever heard intimated, and they have grown up under the laws which you created, not making them the favorites of Congress, but giving them, as matters stood, a living chance. But for that leak in the Dingley law—I do not blame them, its authors, for it, or the foreigners; but it was on account of the miscarriage of a moderate tariff that this leak occurred and that this question arises. Otherwise they would have been all right and been able to maintain their competition.

In another place he states:

I wish to avoid in every way we can collisions and just grounds of complaint from other nations; but we know their wary methods; we know the great capital they have behind them; we know the studious, scientific industry of scholarship which they apply to them; and under these conditions, with strifes ahead of us, I should be slow to crush out any sort of well-doing and honest American industry which was not backed by an oppressive tariff.

He says:

So, Mr. President, without going further at this time, I submit these propositions: First, that seven-eighths of a cent per pound is a reasonable and, in large measure, an habitual tariff on extracts; second, that it is necessary to equalize the difference between the solid and the liquid extract by putting on that tariff; third, that it is desirable to do so to give a fair fighting chance for success to 23 American establishments which are now organized, with capital invested, and labor at hand, and which must inevitably diminish and wither if this equalization is not made.

Mr. President, the Senator from Virginia is no longer with us, but he spoke like a true American when he uttered those words. I now come to the remarks made at the same time, on May 1909, by the distinguished chairman of the Committee on

Finance [Mr. SIMMONS]. He says:

The duty proposed is a pure revenue duty, because the quebracho tree does not grow in this country, and no quebracho extract is manufactured here except from a few logs imported from the Argentine Republic. So that every cent that is collected under this duty will be revenue and go into the Treasury.

Mr. President, it is manifest—and I do not think the committee will disagree with me about this—that there ought to be a differential between the liquid extract of quebracho and the solid extract.

He proceeds:

Mr. President, there is no one asking that the duty upon quebracho be reduced or removed except the tanners of leather. They are demanding not only free quebracho but free hides, while they resist any reduction in the duty on their product.

I submit that the cattle raiser is entitled to as much consideration as the maker of leather, and I submit that the 23 manufacturers of chest-nut extract—6 of which are located in North Carolina and 9 in Virginia—are also entitled to equal consideration, and if there is any way by which we can save this industry from demolition by this foreign trust I believe it is our duty to do it.

On page 2211 the Senator from North Carolina [Mr. Sim-MONS] says:

I should like to ask who is asking for the reduction of the duty on this article. Is anybody doing it except the leather manufacturers?

And he states:

They want free hides and free quebracho and everything else free, but they do not want anything taken off of their products.

Mr. President, there are just two manufacturers of quebracho in this country. It is stated that one of them has recently transferred his establishment to Argentina because it is an economic folly to attempt to build up the business of manufacturing quebracho extract here. For many years these two institutions struggled along trying to do it. They imported the wood from Argentina.

The Senator from North Carolina [Mr. Simmons], upon the roll call, announced that if his colleague were here he would vote to maintain this duty, and then upon the roll call he voted to maintain it himself.

He states:

He states:

Now, we have quite a number of tanners in my State, and nearly every one of them, through a representative, has been here to see me and try to get me to agree to vote for free hides. The largest one came the other day. When I told him that I would not vote for free hides under any circumstances unless leather and shoes were also put on the free list, he said: "We tanners do not care about the duty on leather. If we can get free hides it will be perfectly satisfactory." I said, "Go and put that in writing, sign it, and send it to me." He said he would do it. In about two or three hours after that I got a letter from him inclosing a very lengthy argument in favor of putting hides on the free list and retaining the duty on leather, and not saying a word about the conversation he had had with me.

Mr. President, that represents a typical feature of these propagandas. Everybody wants to get his raw material free and keep up the duty on what he makes. I do not think a tariff bill can be framed upon that theory which will suit the American people.

The other Senator from Virginia [Mr. MARTIN] states (p. 2215):

I respectfully submit to the Senate that, independent of any question of protection, independent of any question of free trade, and independent of any party question, the duty as fixed by the committee should not be lowered.

And he voted to maintain the duty upon this article. The then Senator from Virginia, Mr. Daniel, says, again:

I beg leave to call the attention of the Senator from Massachusetts and my colleague to the fact, which has not been mentioned, but which appears conspicuously all through these papers and hearings; that is

to say, the tanners, in their petitions here, have been actuated by the foreign quebracho-extract men to appeal to Congress to do what the quebracho men want. It was not upon the initiative of the tanners, but they are being used by other people respecting a collateral tariff.

Mr. President, that is the situation here. It has always seemed to me that the protective policy was a wise policy to be pursued in this country, but it has also always seemed to me that it must be a policy, and not a series of sporadic events and favoritisms and discriminations. I heartily agree with what was stated by the distinguished Senators from Virginia and North Carolina at the time this debate was going on-that it is in the highest degree inconsistent for one party, in the enjoyment of a protective tariff upon its products, to come here and try to get the affected product of another party put on the free list so that he may have his raw material cheaper, and still play the dog in the manger by keeping his manufactured product protected.

I move that the provision of the law of 1909 which is shown on page 54 of the Tariff Handbook, which is long, and which I will not read at length, known as paragraph 22 of the law of 1909, be substituted for the provision of the pending bill.

The matter referred to is as follows:

Extracts and decoctions of logwood and other dyewoods, and extracts of bark such as are commonly used for dyeing or tanning, not specially provided for in this section, seven-eighths of 1 cent per pound; extract of nutgalls, aqueous, one-fourth of 1 cent per pound and 10 per cent ad valorem; extract of Persian berries, 20 per cent ad valorem; chlorophyll, 20 per cent ad valorem; extracts of quebracho, not exceeding in density 28° Baumé, one-half of 1 cent per pound; exceeding in density 28° Baumé, three-fourths of 1 cent per pound; extracts of hemlock bark, one-half of 1 cent per pound; extracts of sumae and of woods other than dyewoods, not specially provided for in this section, five-eighths of 1 cent per pound; all extracts of vegetable origin suitable for dyeing, coloring, staining, or tanning, not containing alcohol and not-medicinal, and not specially provided for in this section, 15 per cent ad valorem.

Mr. JOHNSON. Mr. President, I wish to call the attention of the Senate, although it is hardly necessary to do so, to the changed conditions now from those of 1909, when the tariff bill which is the present law was under consideration, and to which the Senator from Connecticut has alluded.

Under the pending kill boots and shoes are placed upon the free list. So is leather placed upon the free list, while under the present law it bears a duty of from 15 to 30 per cent. Because of that fact the materials used in tanning leather have

been placed upon the free list.

Extract of quebracho is used most extensively of all the tanning extracts in the tanning of leather, and it seemed but fair and just that if leathers were to be placed upon the free list, the extract used by the tanners for tanning the leather should also be placed upon the free list. That is the reason why in this bill it is placed upon the free list.

I might add that the manufacturers in this country have been handicapped by the fact that they have been compelled to import the quebracho into this country in logs, and then after chipping to make the extract, so that the consumer has been compelled to pay the freight upon the waste material contained in the logs when they are imported, not only in the way of vegetable fiber, but in the way of water. That has seemed an unnecessary burden.

The VICE PRESIDENT. The question is upon the amendment proposed by the Senator from Connecticut [Mr. Brande-

GEET.

The amendment was rejected.
The VICE PRESIDENT, The question now is upon the amendment proposed by the committee.

The amendment was agreed to.

The SECRETARY. The next amendment passed over is, on page 14, paragraph 52, passed over at the instance of the Senator from Utah [Mr. SMOOT].

Mr. SMOOT. I believe paragraph 33 was passed over at the request of the junior Senator from North Dakota [Mr. GRONNA]. That refers to formaldehyde solution. I may be mistaken, but I have my copy marked "passed over" as to paragraph 33.

Mr. JOHNSON. I think that was not passed over, but was passed upon when the bill was read.

Mr. SMOOT. I may be wrong.

The VICE PRESIDENT. The Secretary has no record of it. The Secretary. Paragraph 52 reads as follows:

52. Baryta, sulphate of, or barytes, including barytes earth, unmanufactured, 15 per cent ad valorem; manufactured, 20 per cent ad valorem; blanc-fixe, br artificial sulphate of barytes, and satin white, or artificial sulphate of lime, 20 per cent ad valorem.

Mr. LIPPITT. Mr. President, I wish to ask the Senators in charge of this part of the bill if they have taken under consideration the proposed duty on blanc-fixe. I had rather hoped they would give that some consideration and think of either restoring the duty under the present law or at least

approximating it.

Mr. President, the subcommittee having it Mr. JOHNSON. in charge have taken under consideration the matter to which the Senator refers and see no reason to make any change in the bill as reported. It is true that witherite is imported into the country, from which a superior quality of blanc-fixe is manufactured; but we are informed that that sells at a very high price and that blanc-fixe can be produced in this country without being made from witherite as a by-product in the manufacture of peroxide of hydrogen and other barium compounds. When produced in that way the high rate of duty which has been carried heretofore is not at all necessary.

Mr. LIPPITT, I should like to say to the Senator that of course it is true that dioxygen, which is an antiseptic and is made in large quantities, produces as a by-product blanc fixe; but that quality of blanc fixe is not adapted to the limited uses to which witherite blanc fixe is adapted. Blanc fixe is an article which is used by paper manufacturers in whitening paper. The lower grade of it leaves spots and is not suitable for the very

high grade of paper for which the other is used.

The situation in regard to that particular article is rather peculiar. It is a very limited manufacture. Only about \$200. 000 worth is used in the country, of which practically one-half is imported and one-half is made by three small manufactories, the total product being something under \$100,000, and most of it is made in Rhode Island. It is one of those little things which are of great importance to those engaged in it, and from a revenue standpoint it has this peculiarity. The duty at present is about 40 per cent. About \$100,000 worth is imported. The duty proposed is 20 per cent, and the manufacturers say that 20 per cent will prevent them from continuing the manufacture of it at all. So by cutting the duty in half you will get exactly the same revenue that you get to-day, but it will all be imported instead of half of it being made here.

All the manufacture of the article abroad is controlled by about three parties, principally in England, and there will be no possible reason why they should at all reduce the price of it from the prices fixed to-day by domestic competition here. The effect of cutting the duty in half, as I have studied this question out, and I think it is correct, will simply be to produce exactly the same revenue, probably, that you do to-day, not changing the price of the article of the consumer in this country at all. but simply to eliminate the two or three American manufac-

turers of it.

Under those circumstances I was rather in hopes that the committee would give that such serious consideration that they would decide, if not to leave the duty as it is, to perhaps make the duty 30 per cent instead of 20 per cent. It is certainly not an important matter. From a revenue standpoint it can have no effect, and the argument in favor of helping our domestic people, inasmuch as by so doing there is no probability that the consumers will be charged any more than they will if the duty is reduced, seemed to present a rather strong case to me.

I did not know whether the committee, if they were firm in

their resolution to make some change, would accept an amend-

ment of 30 per cent instead of 20 per cent.

Mr. JOHNSON. We have thoroughly considered the matter. We have taken the added fact into consideration that on the high-priced surfaced paper and the manufacture of blanc fixe the duties have been largely reduced. For that reason we felt that this reduction was one that ought to be made in view of the fact that it can be so easily and cheaply made in this country without being made from the witherite, which brings such a

high price, according to my information.

Mr. LIPPITT. This article I am talking about merely because it happens to have the same name, blanc fixe, and the inferior quality is not going to be put out of consumption. It is still going to be used for the particular purpose it is used for now, the lower quality, and is not going to be used for the particular purpose the higher quality is used for. It is simply a question whether the proportion of that inferior quality shall be made in this country or be imported. If it is imported there is no reasonable presumption that there will be any change in the price unless it is increased under the operation of the present law of domestic competition and under which domestic competition the price has been reduced from something like \$58 to \$38 a ton. Under the proposition where the control is left entirely in the hands of the foreigner we might as well put it at 45 per cent or 50 per cent as leave it as it is. Certainly there is no reason to suppose that they would reduce the price.

Mr. OLIVER. Mr. President—

The VICE PRESIDENT. Does the Senator from Rhode Island yield to the Senator from Pennsylvania?

Mr. LIPPITT. I yield to the Senator.

Mr. OLIVER. I think the Senator from Rhode Island is attaching rather undue importance to this particular item because it is something that is used in paper manufacture, since under the legislation that is now proposed the seat of paper manufacture will inevitably ultimately be transferred to Canada. I do not think there is any necessity of considering a small article like this which is used in that manufacture.

Mr. LIPPITT. I think my constituents would rather take the chance of having some of the paper industry at least left here, even if the situation described by the Senator from Pennsylvania should eventuate. I was rather in hopes that the committee would take that matter under consideration or, at

least, leave the duty perhaps at 30 per cent.

Mr. LIPPITT. I move, in paragraph 52, page 14, line 10, before the words "per cent," to strike out "20" and insert "30." The VICE PRESIDENT. The question is on the amendment

proposed by the Senator from Rhode Island.

The amendment was rejected.

The Secretary. The next paragraph passed over is, on page 15, paragraphs 57 and 58, relating to lead pigments and lead, acetate of.

Mr. SMOOT. I asked that those paragraphs be passed over until the Senate had passed upon the question of lead. That has already been done. Therefore I have not anything to say in relation to these two paragraphs.

The VICE PRESIDENT. If there be no amendment, the paragraphs will be agreed to as in Committee of the Whole. The Secretary. On page 17, paragraph 67—soaps—was passed

Mr. JOHNSON. I ask that that be passed over for the present.

The VICE PRESIDENT. The paragraph again goes over by agreement.

The Secretary. On page 19, paragraph 74, "Roman, Portland, and other hydraulic cement, 5 per cent ad valorem," was passed over.

The committee proposed to strike out this paragraph.

Mr. SMOOT. I asked that the paragraph go over with the understanding that I would submit to the chairman of the subcommittee having in charge this schedule an amendment to take care of white nonstaining Portland cement.

Mr. THOMAS. I will say to the Senator that when we reach paragraph 76 I shall offer an amendment inserting that com-

modity.

Mr. SMOOT. Paragraph 76 was not passed over. If the Senator will do that, then I will say no more.

Mr. THOMAS. I will offer the amendment for the committee.

Mr. LA FOLLETTE. Will the Senator yield to me for a

Mr. THOMAS. Certainly.

Mr. LA FOLLETTE. Mr. President, out of order somewhat, should like to call the attention of the chairman of the subcommittee having charge of Schedule A to a suggestion which I wish to make, first, with reference to a rearrangement of the paragraphs of that schedule. I make this suggestion for the consideration of the subcommittee. I am not going to follow it with any motion, but will be content to leave it to the committee to accept it if it commends itself to them, and otherwise to reject it. The paragraphs of Schedule A on drugs and chemicals, soap, perfumery, paints, and pigments are all jumbled together in utter disregard of their relation to one an-I think a very great improvement can be made in that schedule by rearranging it in groups somewhat as follows:

First, bring together in consecutive order all of the paragraphs relating to chemicals and drugs. This will embrace paragraphs 1 to 4, inclusive; paragraphs 7 to 16, inclusive; paragraphs 19 to 24, inclusive; paragraphs 26 to 44, inclusive; and paragraphs 48, 51, 65, 66, 68, 70, and 71.

Then follow that with the paragraphs constituting the basket provisions for chemicals and drugs, embracing paragraphs 5. 17, and 18.

Second, follow this with all of the paragraphs relating to oils. These paragraphs are 45, 46, and 47.

Third, assemble the paragraphs relating to perfumery, soap, and so forth. These paragraphs are 47, 50, and 67.

Fourth, form a final group covering paints, pigments, and varnishes by bringing together paragraphs 25 and 52 to 64,

I make the further suggestion for the consideration of the subcommittee that paragraph 69, which covers sporges, should be transferred to Schedule N, to follow paragraph 392. It is out of place in the chemical schedule.

While I am on my feet, if I may be indulged for just a moment more by the subcommittee in charge of the next schedule, I wish to suggest that duties upon at least two articles in the chemical schedule are excessive and should be reduced. One of them is the duty on dextrine made from potato starch. examination of all the data which bears upon the question of the cost of production or competitive tariff, call it what you please, will show very conclusively that a duty of 11 cents per pound is all that is required. I offer that as a suggestion for the subcommittee. Judging from the fate of other efforts to amend the bill ', motion, I think I will not propose it as an

Then, Mr. President, I wish to call attention to one other duty

which I think is grossly excessive.

Mr. JOHNSON. In view of what the Senator from Wisconsin said in regard to the duty on not all the dextrine but on the dextrine made from potato starch, the committee will accept

Mr. LA FOLLETTE. It is dextrine made from potato starch to which I refer. Perhaps I neglected to specify it as definitely

Now I call attention to one other duty which I think should

Mr. SIMMONS. I suggest to the chairman of the subcommittee that he accept the amendment and that we act upon it

Mr. LA FOLLETTE. Very well. The VICE PRESIDENT. What paragraph is that?

Mr. LA FOLLETTE. It is paragraph 37-dextrine made of potato starch.

Mr. JOHNSON. On page 10, line 3, I move to amend. The VICE PRESIDENT. There will have to be a motion made to reconsider the vote by which the an endment was agreed to as in Committee of the Whole.

Mr. LA FOLLETTE. If in order, I will move to reconsider the amendment made as in Committee of the Whole, or I will

defer to the chairman to make the motion.

Mr. JOHNSON. As the Senator sees fit; it is immaterial.
The VICE PRESIDENT. It is moved to reconsider the vote whereby the committee amendment to paragraph 37 was agreed

The motion to reconsider was agreed to.

The VICE PRESIDENT. The amendment of the Senator from Wisconsin will be stated.

The Secretary. In line 3, before the word "cents," strike out "1\frac{1}{2}" and insert "1\frac{1}{4}."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. LA FOLLETTE. I now direct the attention of the subcommittee to paragraph 65, and in that paragraph particularly to chlorate of potash made dutiable at a cent a pound. I feel warranted in saying that a quarter of a cent a pound on chlorate of potash is not only a very liberal competitive duty, but it is a protective duty. There are just three factories in the United States producing that article. They do not sell in competition with each other. Their product is all sold by the Rikers, of 46 Cedar Street, New York. The cost of producing chlorate of potash in this country is 3\frac{3}{4} cents per pound. The cost of producing it on the Continent is 3.6 cents per pound, and the cost of producing it in Norway and Sweden is 3.5 cents per pound. sells abroad for from 5 to 5½ cents a pound and in this country for 9½ cents a pound. The combination in this country has entered into an agreement with the producers of chlorate of potash abroad, by the terms of which it is not to be sold to the Government of the United States.

The Rikers people, who control the price in this country, control one of the powder companies which was a defendant with the Du Pont Powder Co. in the case which the Government

brought against the Powder Trust.

I think perhaps the suggestion of the Senator from Utah that it be put on the free list might be worth while, but there is a difference of a quarter of a cent a pound in the cost of manufacturing this article between this and the competing countries abroad, and the rate of a quarter of a cent would cover that difference. The rate should certainly be no more than a quarter of a cent per pound.

Mr. O'GORMAN. Mr. President, may I ask the Senator from Wisconsin his authority-and I assume he has authority-for the statement that the corporations engaged in this enterprise have entered into an agreement not to sell this product to the

United States Governmen?

Mr. LA FOLLETTE. My authority is the testimony given before the Ways and Means Committee of the House of Representatives, and not denied.

Mr. O'GORMAN. That being conceded-

Mr. LA FOLLETTE. And the witness who gave that testimony was the president of an independent powder company that is competing with the Du Pont Powder Co. He is the president of a powder company located at Peoria, Ill., and

his testimony before the committee was not denied.

Mr. O'GORMAN. That being the conceded fact, I join in the suggestion of the Senator from Wisconsin that this article ought to go on the free list, because I think a corporation or an individual entering into an arrangement little short of a conspiracy to prevent the United States from procuring a particular article is surely entitled to very little consideration when it comes to the adjustment of tariff rates.

Mr. LA FOLLETTE. And when you take into account the fact that that particular article is an important constituent of

explosives

Mr. JOHNSON. Mr. President, if the Senator will pardon me moment.

Mr. LA FOLLETTE. Certainly.
Mr. JOHNSON. I will make the motion, in view of what the
Senator has said, to reconsider the vote by which this duty was

fixed and ask that the paragraph be recommitted.

The VICE PRESIDENT. The Chair will state that there is no amendment in the paragraph, but the committee has the right to have it recommitted with a view of considering it further.

Mr. JOHNSON. I ask that the paragraph be recommitted to the committee

The VICE PRESIDENT. Without objection, paragraph 65, on page 16, will be recommitted to the Committee on Finance.

Mr. LA FOLLETTE. Mr. President, I am going to venture to make one more suggestion, and will make it very briefly, because the Senate has already considered the matter and I do not anticipate that I can say anything that will cause the Senate to change its attitude on that question; but I want to suggest to the subcommittee in charge of this schedule that the duty on peanut oil be changed from 6 cents a gallon to 1 cent a gallon. That duty will be a competitive duty, while 6 cents gallon will prove a prohibitory duty and will subject the committee and the Senate to criticism for prohibiting its import in order to protect a competing product produced exclusively in one section of the country.

Mr. SMOOT. Mr. President, I also suggest to the Senator having the bill in charge that it seems to me palm nuts and palm kernels ought to be upon the free list; you have put palm-kernel oil on the free list. I merely offer that as a sug-

gestion for the consideration of the committee.

Mr. STONE. I wish to say that we have already gone over this bill very carefully, and any Senator who had any objection to any paragraph in it had only to say that he desired it passed over or to make any representations he pleased with regard to it. I have no objection to having these paragraphs passed over again, except that, if we pass them over, then go back to the beginning of the bill, start in afresh, and Senators get up and say they want something else passed over, we never will get through with the bill.

Mr. SMOOT. I did not ask that any paragraph or any item be passed over. I simply suggested that, so long as palm-kernel oil is made free, it seemed to me that the nuts from which it is made should be free.

The VICE PRESIDENT. The question is on agreeing to the committee amendment to strike out paragraph 74, on page 19.

The amendment was agreed to.

The VICE PRESIDENT. The Senator from Colorado [Mr. THOMAS] has offered an amendment, which will now be stated.

The Secretary. In paragraph 76, page 19, line 8, after the word "use," it is proposed to insert the words "white non-staining Portland cement."

The amendment was agreed to.

The VICE PRESIDENT. The next amendment passed over will be stated.

The Secretary. Paragraph 78, on the same page, was passed over at the instance of the Senator from Kentucky [Mr. Brad-LEY] and the Senator from Wisconsin [Mr. LA FOLLETTE]. It relates to clays or earths, and was read on July 26.

Mr. LA FOLLETTE. Mr. President, my reason for asking to have that paragraph passed over was to make the suggestion to the subcommittee to put china clay or knolin on the free list instead of imposing upon it a duty of \$1.25 per ton. I will either submit to the Senate now some observations upon the subject, or, if it is agreeable to the chairman of the subcommittee, will present the matter to the subcommittee at its convenience.

Mr. STONE. Mr. President, I will say to the Senator from Wisconsin that if he cares to submit some notes to us we will be very glad to consider them; but I do not know for what purpose the Senator asked that this paragraph be passed over.

Mr. LA FOLLETTE. I asked to have it passed over, because I believed that china clay and kaolin should go upon the free list instead of being made dutiable at \$1.25 a ton.

Mr. STONE. I understand now for what purpose the Senator asked to have the paragraph passed over, but I did not know that at the time he asked to have it passed over and hence we have not had the benefit of the suggestions which he I am sorry cares to make.

Mr. LA FOLLETTE. I would have submitted them at the time, I will say to the Senator, had I concluded the investigation which I was then making. I have since completed it and

feel that I

Mr. STONE. If the Senator cares to submit the result of his investigation to the committee, we will be very glad to receive it. Mr. LA FOLLETTE. I shall be very glad to save time by doing that instead of making a motion and submitting the matter here in the Senate.

Mr. STONE. That is satisfactory to the committee.

Mr. LA FOLLETTE. I will say, Mr. President, that such a course will shorten the proceedings in the Senate this afternoon, because it was upon my request that a number of the paragraphs of this schedule were passed over, and it would be quite as satisfactory to me to discuss the several paragraphs with the subcommittee if they would be willing to listen to them, instead of taking up the time of the Senate to make them here for the RECORD.

Mr. STONE. The committee will be glad to listen to the suggestions, as I have said to the Senator. I repeat what I said a moment ago in regard to the unfortunate attitude in which the committee is placed if we do not dispose of the passed-over

paragraphs as we come to them.
Mr. LA FOLLETTE. Well—

Mr. STONE. Just a moment, if the Senator will pardon me. I will say that the committee will be glad to examine with every proper care any data which the Senator from Wisconsin may care to submit; but if it should so happen that the committee does not agree with the Senator from Wisconsin and if that were to lead to the same debate-

Mr. LA FOLLETTE. Not at all. I make the suggestion that I will withdraw now the request as to these paragraphs. I will present what I have to offer to the subcommittee, if agreeable to them, and if we do not agree as to the changes that should be made I can later submit anything that I have to say regarding these paragraphs when the bill is reported to the Senate.

Mr. STONE. That will be agreeable. Mr. SIMMONS. Would it suit the Senator to let the paragraph be adopted now, with the understanding that after the subcommittee and the committee have examined his data, if they change their minds about it they will bring in an amendment?
Mr. LA FOLLETTE. That is entirely satisfactory to me.

The Secretary. Paragraph 78, page 19, is one such paragraph; also paragraph 80, page 20; paragraph 81, on pages 20 and 21; and paragraph 82, on page 21.

Mr. THOMAS. Mr. President, paragraphs 81 and 82 were

passed over at the instance of the Senator from Washington [Mr. Poindexter]. We have made no change, and will probably recommend none; but I think it is due the Senator to say that he was in conference on Saturday with one of the experts from the customhouse and was to have heard from him to-day, but the letter came to myself instead of to him. I have not had an opportunity to hand it to him yet, and I dislike to take up these paragraphs and consider them in his absence; so we are perforce asking to have them go over. Paragraph 80 must also have been connected with his request, which, I think, included paragraphs 80, 81, and 82. I think that is correct.

Mr. SIMMONS. Mr. President, I suggest that we pursue the same course with reference to those paragraphs—that they be acted upon now, with the understanding that when the Senator from Washington comes in if he desires to offer an amendment

he may do so.

The Secretary. The committee amendment in paragraph 80 has already been agreed to. There is no amendment to paragraph 81. In paragraph 82 the committee amendment is graph 81. In paragraph 82 the committee amendment is unacted upon. It is in paragraph 82, on page 21, line 15. After the word "China" it is proposed to strike out "and"; in the same line, after the word "porcelain," to insert "and other"; and in line 16, after the word "body," to strike out "having a vitrified or semivitrified" and insert "which when broken shows a vitrified or vitreous, or semivitrified or semivitreous," so as to make the paragraph read:

82. China, porcelain, and other wares composed of a vitrified non-absorbent body which when broken shows a vitrified or vitreous, or

semivitrified or semivitreous fracture, and all bisque and parlan wares, including clock cases with or without movements, plaques, ornaments, toys, charms, vases, statues, statuettes, mugs, cups, steins, lamps, and all other articles composed wholly or in chief value of such ware, if plain white, or plain brown, not painted, colored, tinted, stained, enameled, gilded, printed, or ornamented or decorated in any manner; and manufactures in chief value of such ware not specially provided for in this section, 50 per cent ad valorem; if painted, colored, tinted, stained, enameled, gilded, printed, or ornamented or decorated in any manner and manufactures in chief value of such ware not specially provided for in this section, 55 per cent ad valorem.

The amendment was agreed to.

The Secretary. Paragraph 83 was passed over. The committee amendment in that paragraph has already been agreed to. Mr. BRANDEGEE. Mr. President, I understand paragraphs

81 and 82 have both been passed over.

Mr. SIMMONS. No; paragraphs 81 and 82 were agreed to, with the understanding that if the Senator from Washington [Mr. POINDEXTER], when he returns, wishes to offer any amendments to them, he may do so.

Mr. BRANDEGEE. I thought what was being agreed to was

the committee amendment in those paragraphs, to which I have no objection, and I have no objection to this tentative action upon them, if I may have permission to submit an amendment at the same time the Senator from Washington does.

Mr. SIMMONS. The Senator has that right according to the rules under which we are operating.

Mr. BRANDEGEE. I did not know when that right expired; I did not know how many times we could go back.

The Secretary. Paragraph 84, on page 22, was passed over. with the committee amendments agreed to.

Paragraph 86, on page 23, was passed over at the instance of the Senator from Pennsylvania [Mr. OLIVER] and the Senator

from Wisconsin [Mr. LA FOLLETTE].

Mr. OLIVER. Mr. President, I have submitted an amendment to that paragraph which does not in any way change the rates of duty or the real meaning, but is only intended to perfect the paragraph. I understood the Senator from Missouri and the Senator from Colorado at the time the amendment was proposed, said that the committee would consider the propriety of adopting my amendment. I ask them if the amendment has been considered? The first part of my amendment is on page 23, line 25, after the word "glassware," to insert the words "goblets and other glass stem ware"; so as to be certain that it comprises those articles which otherwise might be considered doubtful. The second part of my amendment is to strike out the words "chief value," and insert the word "part." The most important of the three, however, is that on "part." The most important of the three, however, is that on page 23, line 25, after the word "blown," to insert a comma,

Mr. STONE. Mr. President, in order to abbreviate the proceedings, if satisfactory to the Senator, I will state that the

committee is willing to accept the amendment.

Mr. OLIVER. I send the amendment to the Secretary's

Mr. THOMAS. Did the Senator have more than one amendment?

Mr. OLIVER. There are three parts to the amendment. I

Mr. OLIVER. There are three parts to the amendment. I ask the Secretary to read it.

The Secretary. In paragraph 86, page 23, line 25, after the word "glassware," it is proposed to insert "goblets and other glass stem ware"; in the same line, after the word "in," to strike out "chief value" and insert "part"; and at the end of the same line, after the word "blown," to insert "cast or pressed," so as to read.

Glassware, goblets, and other glass stem ware, composed wholly or in part of glass blown, cast, or pressed.

The VICE PRESIDENT. In the absence of objection, the amendment will be agreed to.

Mr. STONE. I do not know about that part of it striking out the words "chief value" and inserting the word "part." Would not the Senator be satisfied to insert the first part of the amend-

Mr. OLIVER. I do not think that is of great importance, and I would be satisfied to have the words "chief value" remain as they are.

Mr. STONE. Then the amendment agreed to is that which

comes after the word "glassware," in line 25.

The Secretary. After the word "glassware," in line 25, it is proposed to insert "goblets" and other glass stem ware.

Mr. STONE. That is, the committee will offer no objection

to that.

The amendment was agreed to.

The Secretary. After the word "blown," at the end of line 25, insert a comma and the words "cast or pressed."

Mr. STONE. I understand the Senator withdraws that?
Mr. OLIVER. No; I withdrew the amendment striking out
the words "chief value" and inserting the word "part." I will

not object to the words "chief value" remaining instead of the word "part." The words "cast or pressed" are, however, very important, because this kind of glassware is not blown at all. The process of manufacture

Mr. STONE. What is it the Senator wishes to withdraw?
Mr. OLIVER. The part to which the Senator from Missouri referred, inserting the word "part" instead of the words "chief value," allowing the words "chief value" to remain.
Mr. STONE. Very well. That is the entire amendment, is

it not?

Mr. THOMAS. Where do the words "cast or pressed" come in—after the word "blown" at the end of the line?
Mr. OLIVER. After the word "blown."
Mr. THOMAS. "Blown or cast?"

"Blown, cast, or pressed."

Mr. OLIVER. "Blown, cast, or pressed."
Mr. STONE. Mr. President, let that be submitted. The Senator withdraws the part of the amendment he has indi-

Mr. OLIVER. I withdraw the amendment striking out the words "chief value" and inserting the word "part."

Mr. STONE. That is withdrawn. To the remainder of the amendment the committee has no objection.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Pennsylvania as modified. The amendment was agreed to.

The Secretary. The next amendment passed over is on page

24, paragraph 87, at the instance of the Senator from Missouri [Mr. STONE]. Mr. THOMAS. The committee offers an amendment to the

Senate amendment in paragraph 87, which I send to the desk. The VICE PRESIDENT. The amendment will be stated.
The Secretary. The first amendment, striking out the

comma, has already been agreed to.

The second amendment is as follows:

In lines 8 and 9, page 24, the committee propose to strike out "not exceeding 150 square inches, seven-eighths of 1 cent per pound; above that, and."

Mr. STONE. With a semicolon.

The Secretary. The proposition now is to disagree to the amendment striking out those words.

The VICE PRESIDENT. The question is on agreeing to the

The amendment was rejected.

Mr. SIMMONS. Mr. President, I understand that the amendment simply restores the House language.

The VICE PRESIDENT. It restores the House language.

Mr. STONE. And the punctuation. Mr. SIMMONS. I ask the Chair to put the question again. The Chair held, as I understood, that the amendment was rejected.

The VICE PRESIDENT. In order to restore the House text, as the Chair understands, it is necessary to disagree to the Senate amendment.

The Chair is right.

Mr. SIMMONS. The Chair is right.
Mr. GALLINGER. And that is what happened.
The Secretary. There is one other amendment in the paragraph, in line 16, after the word "unpolished," to strike out the comma.

The amendment was agreed to.

The Secretary. The next amendment passed over is on page 25, paragraph 89, at the request of the Senator from Wisconsin [Mr. La Follette]; also paragraph 90, at the instance of the same Senator; also paragraph 91, at the instance of the Senator from Michigan [Mr. SMITH].

Mr. SMOOT. The Senator from Michigan [Mr. SMITH]

asked that this paragraph be passed over; but he is not in the city nor has he requested me to ask that it go over again. I

know, however, that he is quite deeply interested in these items.

The VICE PRESIDENT. May the Chair inquire, with the rules of the Senate as they are, and with the power and ability to amend the bill, where there is not a single amendment in the paragraph, why it should go over and over?

Mr. SMOOT. I did not ask that it should go over.
Mr. THOMAS. The committee offers an amendment to para-

graph 90, which I will send up to the desk.

The VICE PRESIDENT. The amendment will be stated.

The Secretary. In paragraph 90, page 25, line 20, the committee proposes to substitute a colon for the period, and to add:

Provided, That any of the foregoing exceeding three-eighths of an inch in thickness shall pay a duty of 30 per cent ad valorem,

The amendment was agreed to.

The VICE PRESIDENT. Paragraph 91 will now be read.

draw any request of that sort, and would submit what I have to offer to the subcommittee.

The Secretary. Paragraph 99, beginning at the foot of page

27, was passed over-

Mr. SIMMONS. I understood that that paragraph had not been acted on. I understood that we were to act on it now, subject, of course, to the action of the committee when the Senator presents his views to the committee.

The VICE PRESIDENT. Paragraph 97 has been read here-

tofore. Paragraph 99 has not been read.

Mr. SIMMONS. Very well.
Mr. LA FOLLETTE. I do not ask to have action deferred at this time, because I can offer my amendment in the Senate if I should desire.

Mr. SIMMONS. I understood that, but I thought the para-

graph had not been read.

The Secretary. Paragraph 99 was passed over at the request of the Senator from Kansas [Mr. Bristow]. It reads as follows:

99. Marble, breccia, and onyx, in block, rough or squared only, 50 cents per cubic foot; marble, breccia, and onyx, sawed or dressed, over 2 inches in thickness, 75 cents per cubic foot; slabs or paving tiles of marble or onyx, containing not less than 4 superficial inches, if not more than 1 inch in thickness, 6 cents per superficial foot; if more than 1 inch and not more than 1½ inches in thickness, 8 cents per superficial foot; if more than 1½ inches and not more than 2 inches in thickness, 10 cents per superficial foot; if rubbed in whole or in part, 2 cents per superficial foot in addition; mosaic cubes of marble or onyx, not exceeding 2 cubic inches in size, if loose, 20 per cent ad valorem; if attached to paper or other material, 35 per cent ad valorem.

Mr. BRISTOW. Mr. President, I have not yet received the information I was expecting on that paragraph, and I will let it go. If the information comes in before we reach the consideration of the bill in the Senate, I will take it up and discuss it. I will not take up the time of the Senate now.

The Secretary. Paragraph 102, on page 29, was passed over at the request of the junior Senator from North Dakota [Mr. Gronna]. It reads as follows:

102. Grindstones, finished or unfinished, \$1.50 per ton.

Mr. LA FOLLETTE. Mr. President, the junior Senator from North Dakota is unavoidably detained from the Senate at this time. While he left no suggestion with me, and I do not know that he did with any other Senator, regarding his request as to this paragraph, I will take the responsibility-I think I may-of saying that if he has anything to offer on that paragraph he will offer it when it is reached in the Senate.

I think perhaps I ought to give notice now, if notice is required, of a reservation as to that paragraph in his behalf when

the bill goes into the Senate.

The Secretary. On page 30, paragraph 106 was passed over at the request of the Senator from Michigan [Mr. Townsend] and the Senator from Missouri [Mr. STONE]. The committee amendment has not been acted upon.

Mr. THOMAS. Just pass that. The Secretary. Paragraph 106 reads as follows:

106. Beams, girders, joists, angles, channels, car-truck channels, T T, columns and posts or parts or sections of columns and posts, deck and bulb beams, sashes, frames, and building forms, together with all other structural shapes of iron or steel, whether plain, punched, or fitted for use, or whether assembled or manufactured, 12 per cent ad

On line 8, after the word "manufactured" and the comma, the committee proposes to strike out "12" and to insert "10."

The amendment was agreed to.

Mr. THOMAS. Now, I ask to have that paragraph passed. The request was made before it was read.

The VICE PRESIDENT. The Chair does not understand the request of the Senator from Colorado.

Mr. THOMAS. The request is to have paragraph 106 passed for the present. The committee is not ready to report it out.

The VICE PRESIDENT. Does the Senator wish to have it passed over again?

Mr. THOMAS. If it has been passed once, pass it again; but understood that it had not been passed.

Mr. STONE. The committee is not ready to make a report on that paragraph, and we would like to have it passed.

The Secretary. On page 33, paragraph 116 was passed over at the request of the Senator from Missouri [Mr. Stone].

Mr. THOMAS. Just pass that. The committee is not ready to report.

Mr. WEEKS. Do I understand that paragraph 116 is to be considered again so that an amendment may be offered?

Mr. THOMAS. Oh, yes.

The VICE PRESIDENT. Paragraph 91 will now be read.

The Secretary read paragraph 91, on page 25.

Mr. LA FOLLETTE. I think I made it clear that as to the paragraphs passed over upon my suggestion I would with
Massachusetts [Mr. Lodge], and the junior Senator from Massachusetts [Mr. Lodge], and the junior Senator from Massachusetts [Mr. Lodge].

chusetts [Mr. Weeks]. The committee amendment has not been

The VICE PRESIDENT. The amendment will be stated.

The Secretary. In paragraph 126, page 37, line 3, after the word "importation," the committee proposes to strike out "40 per cent ad valorem" and insert "when manufactured with round iron or untempered round steel wire, 10 per cent ad valorem; when manufactured with tempered round steel wire, or with plated wire or other than round iron or steel wire, or with felt face, or wool face, or rubber face cloth containing wool, 30 per cent ad valorem," so as to make the paragraph

126. Card clothing not actually and permanently fitted to and attached to carding machines or to parts thereof at the time of importation, when manufactured with round iron or untempered round steel wire, 10 per cent ad valorem; when manufactured with tempered round steel wire, or with plated wire or other than round iron or steel wire, or with felt face, or wool face, or rubber face cloth containing wool, 30 per cent ad valorem.

Mr. BRANDEGEE. I should like to ask if paragraph 121, on page 36, was not passed over? I have it so marked.

The VICE PRESIDENT. The committee amendment was

agreed to.

Mr. BRANDEGEE. I remember that at the time I called the attention of the Senator from Colorado to a suggestion, at least, and he informed me that the committee would take it under consideration.

Mr. THOMAS. Yes; the committee reconsidered that paragraph, but it has no change to recommend. I refer to para-

graph 121.

Mr. WEEKS. Mr. President, in line 8, page 37, I move that the figures "40" be substituted for "30," so that it will read 40 per cent ad valorem."

The VICE PRESIDENT. The amendment to the amend-

ment will be stated.

The SECRETARY. In the committee amendment, on page 37, paragraph 126, line 8, it is proposed to strike out "30" and insert "40."

Mr. WEEKS. Mr. President, the rate which I propose is the House rate, which is a reduction of 331 per cent from the rate which is now prevailing, and which seems to be a competitive We are producing in this country about twice as much card clothing as we are importing, but there are large importations. In the year 1910 the importations were nearly as large as the production in the United States. The same thing is true of the rates of wages paid in this country in relation to the rates paid in others as in the case of other industries. They are substantially twice as large as the rates paid where card clothing is manufactured in other countries. There is no trust connected with the business, and from every standpoint it seems to me the industry is entitled to the rates agreed to in

I submit the matter on that statement.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from Massachusetts to the amendment of the committee.

The amendment to the amendment was rejected.

The VICE PRESIDENT. The question now is on the amendment of the committee.

The amendment was agreed to.

The Secretary. The next amendment passed over is on page 40, paragraph 136.

Mr. THOMAS. The committee offers a substitute for paragraph 136, which I send to the desk.

The VICE PRESIDENT. The amendment will be stated.

The SECRETARY. The committee proposes to strike out all of paragraph 136 and to insert in lieu thereof the following:

Table, kitchen, and hospital utensils or other similar hollow ware composed of iron or steel, enameled or glazed with vitreous glasses but not ornamented or decorated with lithographic or other printing; table, kitchen, and hospital utensils or other similar hollow ware composed wholly or in chief value of aluminum; all the foregoing not especially provided for in this section, 25 per cent ad valorem.

Mr. SMOOT. Mr. President, that removes the objection that

I had to the paragraph and is perfectly satisfactory to me.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The Secretary. On page 42, paragraph 145 was passed over at the instance of the Senator from Iowa [Mr. Kenyon].

Mr. SMOOT. Mr. President, there was one paragraph passed over before that—paragraph 138. That is the feather provision, The VICE PRESIDENT. The Secretary informs the Chair that the matter was cleared up. The Chair has no recollection

It was returned to and agreed to.

Mr. SMOOT. Does the Chair say that paragraph 138 was not passed over?

The VICE PRESIDENT. It was passed over and was sub-

sequently taken up and agreed to.

Mr. THOMAS. I do not recall that. It was passed over, to

be considered in connection with paragraph 357.

Mr. STONE. What, in fact, was done, as shown by the notes on my book here, is that it was passed over at the request of the Senator from Utah [Mr. SMoor] until the feather paragraph should be disposed of.

The VICE PRESIDENT. The RECORD referring to the matter

will be here in a minute.

Mr. SMOOT. I will state, however, as I remember now, that the Senator from Missouri [Mr. STONE] after that did ask for a vote upon it and said that if the feather paragraph should be changed he would then revert to this paragraph. I think that is the way the record stands.

The VICE PRESIDENT. The amendment was agreed to.

There is not any doubt about it.

The Secretary. Page 42, paragraph 145, "Aluminum, aluminum scrap "

Mr. OLIVER. The Senator from Iowa has offered an amend-

ment to strike out-

Mr. SIMMONS. It is about 6 o'clock and the committee want to have a meeting to-night. I understand it is the desire to have a short executive session. I ask that the bill be laid aside for the day.

Mr. OLIVER. If the Senator will withhold for a moment— Mr. SIMMONS. Yes. Mr. OLIVER. I have some remarks to make which will take some little time with regard to the amendment offered by the Senator from Iowa to this paragraph. Unfortunately, I have already made an engagement which I simply can not recall which will prevent my presence here to-morrow. I should like to ask the committee if they will not indulge me to the extent of al-lowing this paragraph to go over until Wednesday, at which time I will be prepared to discuss it. Mr. THOMAS. That is all right.

The VICE PRESIDENT. The paragraph goes over until Wednesday

Mr. KERN. I move that when the Senate adjourns to-day it adjourn to meet to-morrow morning at 10 o'clock. I will state in this connection that the purpose is to adjourn to-morrow evening at 5 o'clock.

Mr. GALLINGER. Mr. President, up to the present time everything has been done by unanimous consent. Would the Senator be willing to put that as a request for unanimous con-

Mr. KERN. I will ask that it be done by unanimous con-

The VICE PRESIDENT. The Senator from Indiana asks unanimous consent that when the Senate adjourns to-day it be to meet to-morrow at 10 o'clock. Is there objection? The Chair hears none, and it is so ordered.

#### EXECUTIVE SESSION.

Mr. BACON. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After eight minutes spent in executive session the doors were reopened, and (at 6 o'clock and 10 minutes p. m.) the Senate adjourned until to-morrow, Tuesday, September 2, 1913, at 10 o'clock a. m.

#### CONFIRMATIONS.

Executive nominations confirmed by the Senate September 1. 1913.

POSTMASTERS.

ALABAMA.

Mollie P. Henderson, Enterprise. H. O. Sparks, Boaz.

CALIFORNIA.

Warren A. Bradley, Gustine. Byron Q. R. Canon, La Mesa, James F. Monroe, Upland.

FLORIDA.

A. Keathley, Brooksville. M. H. Slone, Plant City.

John A. Freeman, Heyworth. B. L. Greeley, Tremont. Ira W. Metcalf, Momence. L. T. Neff, Illiopolis. Fred Le Roy, Streator, Henry Werth, Breese,

John M. Nelson, Crothersville.

MASSACHUSETTS

Thomas E. Luddy, East Bridgewater.

MISSOURI.

Ross Alexander, Mercer. L. R. Dougherty, Pacific.

MONTANA.

L. H. Adams, Somers. W. H. B. Carter, Polson.

NEW JERSEY.

George Deiss, jr., Bradley Beach. Adolphus Landmann, Oradell. Henry Otto, Egg Harbor City.

Wiley K. Miller, Shreve. David M. Welty, Bremen.

OREGON.

Esther Evers, Huntington.

SOUTH DAKOTA.

Hugh J. McMahon, Philip.

TEXAS.

T. J. Lilley, Whiteright. J. W. Whatley, Miami.

## SENATE.

# Tuesday, September 2, 1913.

The Senate met at 10 o'clock a. m.

Prayer by the Chaplain, Rev. Forrest J. Prettyman, D. D. The Journal of yesterday's proceedings was read and approved.

CALLING OF THE ROLL.

Mr. SMOOT. Mr. President, I suggest the absence of a

The VICE PRESIDENT. The Secretary will call the roll. The Secretary called the roll, and the following Senators answered to their names:

Ashurst	Dillingham	Martine, N. J.	Simmons
Bacon	Fletcher	Myers	Smith, Ga.
Bankhead	Gallinger	Nelson	Smith, S. C.
Borah	Hollis	Norris	Smoot
Bradley	Hughes	O'Gorman	Sterling
Brady	James	Overman	Stone
Brandegee	Johnson	Owen	Sutherland
Bristow	Jones	Page	Thomas
Bryan	Kenyon	Penrose	Thompson
Catron	Kern	Perkins	Thornton
Chamberlain	La Follette	Pomerene	Vardaman
Chilton	Lane	Robinson	Walsh
Clapp	Lewis	Root	Warren
Clarke, Ark.	. Lodge	Saulsbury	Weeks
Colt	McCumber	Shafroth	Williams
Crawford	McLean	Sheppard	Works
Cummins	Martin, Va.	Sherman	11/20/11/2

Mr. THORNTON. I wish to announce that my colleague [Mr. RANSDELL] is at this time absent from the Chamber on public business.

Mr. JONES. I desire to announce that the junior Senator from Michigan [Mr. Townsend] is necessarily absent from the I desire to announce that the junior Senator Chamber and will be absent for the remainder of the day. He has a general pair with the Senator from Florida [Mr. BRYAN].

Mr. SHEPPARD. My colleague [Mr. CULBERSON] is necessarily absent. He is paired with the Senator from Delaware [Mr. DU PONT]. This announcement may stand for the day.
Mr. SMOOT. I desire to announce that the senior Senator

from Delaware [Mr. DU PONT] is detained from the Senate on account of illnes

Mr. GALLINGER. I wish to announce that the junior Senator from Maine [Mr. BURLEIGH] is detained from his duties here on account of a protracted illness. Information received from him yesterday indicates that he will not be here at any time during the present secsion. I make this announcement now so that it may not be necessary to repeat it on subsequent roll

The VICE PRESIDENT. Sixty-seven Senators have answered to the roll call. There is a quorum present.

#### MESSAGE FROM THE HOUSE.

A message from the House of Representatives by J. C. South, its Chief Clerk, announced that the Speaker of the House had signed the enrolled joint resolution (S. J. Res. 52) to authorize the appointment of Thomas Green Peyton as a cadet in the

United States Military Academy, and it was thereupon signed by the Vice President.

## PETITIONS AND MEMORIALS.

Mr. PERKINS presented a petition of the Chamber of Commerce of Oroville, Cal., praying for the enactment of legisla-tion providing for the enlargement of the naval forces of the country, which was referred to the Committee on Naval Affairs.

Country, which was referred to the Committee on Naval Affairs.

He also presented a petition of the Chamber of Commerce of Oroville, Cal., praying for the establishment of a naval reserve, which was referred to the Committee on Naval Affairs.

Mr. POINDEXTER presented a resolution adopted at the annual meeting of the Congregational Association of Eastern Washington and Northern Idaho, held at Medical Lake, Wash, extending thanks to Congregational Association of the Vash, extending thanks to Congress for the enactment of the Kenyon-Webb interstate liquor law, which was referred to the Committee on the District of Columbia.

He also presented resolutions adopted at the annual meeting of the Congregational Association of Eastern Washington and Northern Idaho, held at Medical Lake, Wash., favoring the ratification of international arbitration treaties, which were referred to the Committee on Foreign Relations.

#### DR. JOHN T. NAGLE.

Mr. O'GORMAN, from the Committee on Foreign Relations, to which was referred the bill (S. 2907) to authorize the President to award a medal of honor to Dr. John T. Nagle for conspicuous bravery at the battle of Kernstown, Va., on July 24, 1864, while serving as an acting assistant surgeon of the United States Army, asked to be discharged from its further consideration, and that it be referred to the Committee on Military Affairs, which was agreed to.

#### BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CRAWFORD: A bill (S. 3069) granting a pension to Catherine E. Brown; to the Committee on Pensions.

By Mr. SHERMAN:

A bill (S. 3070) granting an increase of pension to Andrew T. Machesney: and

A bill (S. 3071) granting an increase of pension to Celina Little; to the Committee on Pensions.

## THE CURRENCY.

Mr. THOMAS. I submit an amendment intended to be proposed to the bill (H. R. 6454) to provide for the establishment of Federal reserve banks, for furnishing an elastic currency, affording means of rediscounting commercial paper, and to establish a more effective supervision over banking in the United States, and for other purposes, which I ask may be printed and referred to the Committee on Banking and Currency.

The VICE PRESIDENT. The amendment will be printed and referred to the Committee on Banking and Currency.

Mr. THOMAS. In this connection I ask unanimous consent to publish in the RECORD a short article explanatory of the amendment from its author, and which I think is not only of importance but of great interest and value, due to the fact that we shall take up for determination the currency measure. I ask that the article be referred to the Committee on Banking and Currency to accompany the amendment just submitted.

There being no objection, the article was referred to the Committee on Banking and Currency and ordered to be printed in the RECORD, as follows:

#### PREFACE.

In order that the people's interest might be properly conserved, the administration at Washington expressed a desire to receive suggestions from persons not pecuniarily interested in matters which are the subject of legislation.

In response to this general invitation, I published in May of this year a pamphiet entitled "Outline of a Plan for Funding the National Debt and for Maintaining an Elastic Reserve Currency." The "plan" attracted some attention because of its novel treatment of the subject and for the advantages insured by its adoption, among which are the following:

The saving of millions of dollars annually in interest.

The means of determining at regular intervals a proper interest rate on bonds.

An equivalent to the Government of the profit on the distributions.

on bonds.

An equivalent to the Government of the profit on the circulation privilege in the form of a low interest rate on its bonds.

Taking the Government out of the banking business.
Independence of syndicates in the flotation of its bonds.

An "automatic 'sinking fund.

The maintenance of the gold standard.

The simplicity of the system.

The freedom of competition in regard to Government bond issues.

The ultimate increase, within certain limits, of available money.

Its adaptability to expansion in the event of war.

The means of accelerating or retarding the process of funding to the best advantage. best advantage.

And, above all, the introduction of a short-term gold bond, bearing a low competitive rate of interest, which is made available for money reserves for banks because exchangeable in an emergency for correlated legal-tender "bond certificates" at any subtreasury on demand.

I have recently been requested by a distinguished United States Senator to draw up, in harmony with the proposed plan, an amendment to section 20 of the Federal reserve act, commonly known as the Glass-Owen currency bill, which section provides for the gradual retirement during 20 years of the 2 per cent bonds now used as a basis for national-bank-note circulation and the Issue in place thereof of 3 per cent bonds having no circulation privilege.

In the drawing up of this amendment I am greatly indebted to Hon. Hugh H. Hanna, of Indianapolis. Ind., who served as chairman of the monetary conference of 1900. The amendment as drawn, though requiring expression in legal parlance, is the result of many interviews and much thoughtful consideration on the part of the gentleman named and myself, and in the substance thereof we are in perfect accord.

While written as an amendment, I would respectfully suggest that it be considered as outlining a separate bill, because it is complete in tiself as such. It would eliminate from the pending currency bill all discussion regarding our present issues of bonds and currency other than gold and silver certificates, which are not affected, and, finally, because it would give more time for the consideration of a currency bill free from any "entangling alliance," thus rendering it clearer and more readily understood. These are practical considerations for the reason that the plan as formulated in a bill would soon provide a reasonable increase to our present available circulation.

It is therefore presented under two titles—one as an amendment to the currency bill and the other as a bill complete in itself. In the argument I refer to it as a "bill."

WILLIAM A. Amberg.

CHICAGO, August 9, 1913.

WILLIAM A. AMBERG.

# INTERCHANGEABLE BONDS AND BOND CERTIFICATES.

THE NEW BONDS

Authorize the funding of the public debt and the issue of short term, e. g., 10-year renewable term bonds, in an amount to fully cover the principal of the entire debt and the premium on outstanding bonds. There should be, say, 20 issues of equal amount maturing six months

Let us assume that the total amount authorized is \$1,500,000,000; this would make each issue \$75,000,000.

The interest rate on the bonds, which may vary with each issue, will be discussed later; for the present, let it suffice to state that the interest rate is to be determined for each issue when made.

With the complete funding of the debt there will mature \$75,000,000 of bonds every six months, and the interest rate should be fixed on each renewal issue.

TIME REQUIRED FOR FUNDING AND ULTIMATE ROTATION OF MATURITIES.

It will not necessarily take 10 years to refund the debt. Funding can proceed as rapidly as desired or as may be found economical. The first issue would necessarily be for 10 years, other issues after the lapse of every 6 months would also be for 10 years, but accelerating issues can be made for shorter periods, each timed to mature 6 months earlier than the earliest maturity of bonds previously issued, as 9½ years, 9½ years, etc., from the date of the first issue.

The renewal of the serial issues begins with the earliest maturity, and renewals will come regularly every 6 months thereafter, provided all the 20 serial issues are out. If the debt be not entirely funded by the time the earliest maturity arrives there will be other "open" maturity dates besides the two provided for emergencies. If the time required for funding could be predetermined the earliest maturity date could be fixed for the first serial issue, all subsequent issues expiring six months later than the preceding one. The object of all this will appear later when we come to apply an interest rate.

# INTEREST TABLE ON BONDS.

On the back of each bond should be printed a table showing the accrued interest (according to the interest rate it bears) for each given day in the year between coupon maturity dates.

We then have a bond representing a specific amount and showing the amount of accrued interest on any given day.

### THE BOND CERTIFICATES.

The "bond certificates," as stated in the bill, are practically the same as our present United States notes and need only an added clause to the effect that they are exchangeable for the new interest-bearing bonds at par upon payment of the accrued interest on the day the exchange is made. These certificates alone are exchangeable for the bonds. This is an absolute requirement and suggests the desirability of exchanging all the various kinds of certificates now issued, in kind only, as gold for gold certificates and silver for silver certificates only.

At first glance, it would seem that we double the debt because the certificates are prepared to an equal amount with the bonds. This, however, is not the case any more than that our gold certificates double the amount of money, which, of course, they do not.

## THE CUSTODIAN.

Each issue of bonds, when ready, is to be delivered to an official of the Treasury Department whom I will designate the "custodian," whose duties are practically the same as those of the officer who now exchanges gold for gold certificates and vice versa, the only difference being that he is provided with an interest fund.

He gives out the bonds for bond certificates only, collecting the accrued interest shown on the back of the bonds, and when the operation is reversed and bonds are presented for certificates, he pays the accrued interest.

He is not to part with bonds for any other form of money, not even for gold. There will always be the same amount of certificates in his possession as there are bonds outstanding.

The interest-bearing debt, Mar. 1, 1913, exclusive of postal savings bonds, is	\$963, 317, 490 1, 677, 650 376, 460, 242
Total debt to which the plan is applicable	1, 341, 455, 382 2, 389, 120

Aggregate of interest and noninterest bearing

BOND CERTIFICATES A LEGAL TENDER

I assume that the legal-tender character now attaching to greenbacks will apply to bond certificates which replace them.

As a currency it is bettered because secured by interest-bearing United States bonds.

They are never to be paid out by the Treasury before the new bonds are in the hands of the custodian, nor in excess of the amount of bonds so placed.

No additional certificates are required for renewals of bond issues; they are paid out only for the principal of the debt and premium on certain bonds now outstanding, and for other items recognized as a part of the national debt, which includes greenbacks.

#### THE NEW BONDS AS BANK RESERVES.

THE NEW BONDS AS BANK RESERVES.

The bonds being instantly convertible into legal-tender bond certificates are especially adapted for bank reserves, not only for national banks but all other banks, trust companies, and all classes of investors who have idle money awaiting investment. The sum of all these combined is so large that the demand for bonds can be met only in part, which will enable the Treasury to secure a very low interest rate on bonds, virtually a Government "call-loan" rate. Banks could keep a large part of their money reserve in these bonds, because they could be converted any day into bond certificates at any subtreasury, and conservative bankers could therefore increase their present reserves without loss.

servative bankers could therefore the sound to be conjectured.

There is no way of determining what the money reserve of all the banks and trust companies aggregates. It can only be conjectured.

For this purpose let us consider our

The Treasury's estimate of the stock of money in the United States on March 1, 1913, excluding \$174,897,996 subsidiary silver, was \$3.533.297,528; deducting cash in the Treasury held as assets, \$342,-286,969, leaves \$3.191,010,559 as the amount of money in circulation. Assuming that \$2,500,000,000 of this is reserve money, the total issue of the new bonds—which would be less than 60 per cent of this sum—could be held by banks alone as a part of their reserves, because instantly convertible into currency.

#### THE RATE OF INTEREST ON BONDS.

The recent circular of a firm making a specialty of Government bonds gives a table showing high and low prices during certain years of bonds available as security for national-bank notes. This shows a mean average interest yield on 2 per cent bonds ranging from 1.68 in 1901 to 1.96 per cent in 1912.

per cent in 1912.

This low rate arises from the competition of national banks alone. How much lower the interest rate might be if they were sought in universal competition, coupled with facilities for instant conversion into currency, may be imagined.

#### INCOME YIELD TO BANKS.

Regarding the rate of interest which the Government may secure on the new bonds, it is my firm belief that as low as 1.2 or 1.4 per cent may suffice under this plan. These conclusions rest on the fact that as national banks investing capital in the present bonds to secure circulation—which capital might be fully loaned at 5 per cent—have a net income derived from circulation—over and above 5 per cent—after paying taxes on circulation, etc., of only 1.25 to 1.4 per cent, whereas, under this plan they could invest a part of the idle money they are required to keep on hand as a reserve in convertible interest-earning bonds.

When the funding is practically completed and we reach the renewal stage, our experience will have been such that there will be but slight changes in the interest rate. Just now we can not estimate positively how low an interest rate will still command a slight premium for the bonds.

#### DETERMINING THE INTEREST RATE.

To be absolutely on the safe side, let us assume that the first issue of \$75,000,000 10-year bonds bear interest at the rate of 2 per cent. If that proves too high, considering their desirability, it will manifest itself by the bonds commanding a premium in the open market, which will be a gold market when our present United States notes are exchanged, and will remain so unless subsequent legislation should change the character of our currency, which is not likely.

With open market quotations at hand it is easy to determine what lower rate of interest will suffice to keep them at a little above parity with gold.

## FIXED SCALE OF INTEREST RATES.

I suggest that interest rates be always fixed at a multiple of 1.5 (0.2) of 1 per cent, as 1.6, 1.8, 2, 2.2, 2.4, etc., per cent, because even if bonds should be issued in denominations as small as \$50 there will be no fractional cents in the semiannual coupons; the coupons then will be multiples of 5 cents on a \$50 bond, 10 cents on a \$100 bond, 50 cents on a \$500 bond, and \$1 on all the larger denominations.

NO PREMIUM OR DISCOUNT ON BONDS RECOGNIZED BY THE GOVERNMENT IN MAKING EXCHANGES.

So far as the Treasury is concerned, it recognizes no premium or discount in making exchanges of bonds and certificates, regardless of whatever the "open market" may be; but in order that parity with gold may be maintained and also that the certificates may be a real reserve currency ordinarily withheld from circulation, the interest rate on each series of bonds when issued or renewed should be such as to command a very slight premium for the bonds.

Bond certificates immediately exchangeable for bonds bearing even a very low interest rate will be withheld from general circulation by banks, and gold and silver and their certificates will be paid out instead.

NO DISCOINT

## NO DISCOUNT,

The above ideas being followed, it is evident that these bonds will never be at a discount. Temporary "aberrations" in the money market will correct themselves, and the system will have a steadying influence on the "value of gold," just as an "idler pulley" has a steadying effect on a leather belt transmitting power.

## DENOMINATION OF THE BONDS.

The question as to what the denominations of the bonds should be can be determined by experience gained from the first issue. However, to insure perfect equality and no special privilege to any class, it seems desirable that some bonds as small as \$50 should be issued.

# DUTIES OF THE CUSTODIAN.

The custodian's duties are substantially these:
He must give out bonds for bond certificates only and bond certificates for bonds only. The interest either way is to be paid in gold or

its equivalent; hence if he be given a certain amount of the new bonds he will, whatever the exchanges may be, have always the same total amount in bonds and bond certificates.

EXTENSION OF FACILITIES FOR EXCHANGE.

Custodianships may be established in other than subtreasury cities to give the benefit of quick exchange to smaller geographical divisions. SAVING IN INTEREST.

An economical feature of the plan is that it saves interest on the bonds while the certificates are outstanding and even while the Treasury has possession of them.

If the Treasury receives bond certificates as currency in the regular course of business, it will naturally retain them as banks would and thus save interest.

"AUTOMATIC" SINKING FUND.

A permanent holding of bond certificates by the Government is, automatically, the equivalent of a sinking fund to the extent to which they are so held. They are simply an "offset" to the bonds which are held by the custodian,

PREMIUM ON BONDS.

As the Government maintains parity with gold on the new bonds by fixing the interest rate on one serial issue every six months, it does not concern itself with premium on bonds, as it never sells them, unless necessary to replenish the gold-reserve fund, as stated in the bill, an unlikely occurrence. It holds them merely for the purpose of exchange for the only thing which will command them, viz, bond certificates. The reason for exchanging bonds for bond certificates only is to prevent contraction of the currency and to make the certificates more valuable than any other circulating medium.

WHEN THE INTEREST RATE SHOULD BE FIXED.

When the interest rate should be fixed.

It is possible to delay the determination of the interest rate on each of the serial issues to within 30 days of their several dates. While the bonds are printed by hand from steel plates (a slow process) the date, interest rate, and interest table can be quickly printed from type or ordinary printing presses.

I would suggest a smaller bond with larger coupons than usual; 8½ by 14 inches should be the limit.

DURABILITY OF BOND CERTIFICATES.

While the bonds would have to be printed for each particular issue the certificates, which may be of any denomination desired, are general, and command any bond issue, or any particular issue designated by the Secretary of the Treasury if deemed advisable. They will last indefinitely, not being subject to the wear and tear of ordinary currency.

A FINANCIAL BAROMETER.

The daily summarized reports of "Custodians" showing the relative amounts of bonds and bond certificates on hand would be a better barometer of local and general currency conditions than are now the clearing-house reports of business conditions.

DENOMINATION OF BOND CERTIFICATES.

Bond certificates can be issued of any denomination. Even one, two, and five dollar bills may be provided. Their issue and use would be more general than those of the larger denominations, because they are more needed in panicky times, and also because a creditor for large amounts would prefer to take bonds, plus interest, to certificates.

CUSTOM DUES. The clause relating to customs dues in the proposed bill is the same as that which now appears on the backs of United States notes. It will never be necessary to make it operative except in the event of a prolonged and costly war.

will never be necessary to make it operative except in the event of a prolonged and costly war.

Gold certificates have a 100 per cent gold reserve.

Bond certificates will have a 100 per cent serial gold bond reserve, which bonds have a seventy-five million gold reserve to meet an entire serial issue as it falls due, with ample provision for replenishing said gold reserve if drawn upon to meet the next serial issue at its maturity six months later.

Silver certificates have a 100 per cent reserve in silver dollars. By congressional act the Government must maintain parity. The bill directs the Secretary of the Treasury to issue one, two, and five dollar silver certificates in lieu of those of the denominations of \$10 or more, which amount to about twenty-two millions. When the funding is completed over \$320.000.000 of gold certificates of the denomination of \$5 must be provided to meet the requirements of trade for this denomination. Bond certificates will not ordinarily serve the purpose, as they will be withdrawn from circulation to command bonds and create a scarcity of small bills which are absolutely required. My conclusion is that as these smaller silver certificates are needed they will never be presented for redemption in gold to any extent, so that a gold reserve of twenty-five millions is ample, making one hundred millions in all, thus releasing fifty millions of the present reserve.

I realize fully that some will question the necessity of maintaining any gold reserve. I look upon it as a possible necessity. It gives assurance to the world of the character of our money. From the standpoint of economy alone it is a good investment. The loss of interest on \$100.000.000 will be more than offset by the lower interest rate our bonds will command because of the maintannee of the fund. A borrower at a bank soon realizes the fact that the average balance he maintains with it has a very decided influence on the interest rate demanded.

LIMIT OF BOND CERTIFICATES.

demanded.

LIMIT OF BOND CEETIFICATES.

The plan as outlined limits the bond certificates to the amount of the national debt, in round numbers about \$1,350,000.000, while the full cycle of 20 seventy-five-million-dollar issues of bonds, maturing six months apart, would amount to fifteen hundred millions. This leaves two issues, and consequently two maturity dates, free for emergencies, which I deem a very necessary precaution, not only for preliminary war preparations, but also many other purposes. It may be necessary to provide for Panama bonds not yet issued to reimburse the general fund. It might be profitable to have an open maturity date for a shorter time bond when the interest rate manifests an upward tendency.

INCREASE OF AVAILABLE PAPER CURRENCY.

Total_

250, 000, 000

ANOTHER FORM OF PRESENTING THE INCREASE.

The national debt as of March 1, 1913, was as follows: \$965, 706, 610 1, 677, 650 376, 460, 242

As a considerable amount of the national debt included in above will never be presented, having been lost or destroyed (e. g., fractional currency \$6,854,865), the final limit of bond certificate issues, after adding premium on bonds now outstanding, can not exceed the sum of \$1,350,000,000.

The currency in circulation which would be retired was, on March 1, 1913, as follows:

Treasury notes of 1890______ United States notes______ National-bank notes_____ \$2,742,000 346,681,016 751,117,794

So that the available increase in the circulating medium will be about \$250,000,000 independent of the release of fifty millions of the gold reserve, and if the Government deposits its money in the national banks on security other than these convertible bonds, another one hundred millions can be fairly relied upon, thus making a total of \$400,000,000. \$400,000,000.

THE STEADYING EFFECT OF AN ADJUSTABLE INCREASE RATE.

THE STEADYING EFFECT OF AN ADJUSTABLE INCREASE RATE.

When the premium on bonds goes up in the open market the interest rate will go down, and when the bonds command no premium the interest rate will go up. This idea, which is economically sound, is applied every six months to \$75,000,000 of bonds. It will have a steadying effect on the value of bonds as a whole, and the temporary "aberrations" of the money market will affect them but little. This is another argument for limiting the term of the bonds to 10 years.

BANK RESERVE REQUIREMENTS.

BANK RESERVE REQUIREMENTS.

The money reserve requirements of all banks, trust, and other companies (though no data are available) I estimate at nearly double the amount of serial bonds. Would not a big bank having ten or twenty millions of gold certificates locked up in its vaults which must be kept there idle and earn absolutely nothing, gladly substitute all the bonds they could get that would earn even as low a rate as their investment of bonds for circulation has yielded them, say 1.2 or 1.4 per cent, especially when they could exchange them for legal-tender currency (on a gold basis) on an hour's notice?

Think of the enormous expense of all the engraved plates, the printing, the signing of bills, the red tape and the delay, to say nothing of the capital they have to put into bonds and the trouble of getting circulation money under the present system.

Under this system their capital is not touched. Their money reserve is a fixed per cent of their depositors' money which they are obliged by law to keep for their protection in times of emergency. What better emergency money can you provide than bond certificates?

Consider also the enormous expense the Government will save by dispensing with the present system and adopting one so absolutely simple.

WAR BONDS.

WAR BONDS.

In case of war the serial issues could be increased, and so long as the bonds do not approach the full requirements for bank reserves the rate of interest will be low. It is well to recognize the fact that the nearer the amount of bonds approaches the total bank reserve requirements, the interest rates will rise, on account of decreasing competition for them in the open market.

ADDITIONAL CURRENCY REQUIREMENTS.

ADDITIONAL CURRENCY REQUIREMENTS.

I disclaim any purpose to limit the paper money of the country to gold, silver, and bond certificates. These appeal to me because they will all be operated on the same principle—that of immediate interchange; the last to the mutual benefit of the banks and the people. The bond-certificate idea is exceedingly simple once we divest ourselves of our "habit of thought" regarding paper money.

Fortunately we have had a long experience with national-bank issues and can estimate very closely what a currency-issuing privilege is worth to the people. We are perfectly willing to give them an equivalent in different form, because we impose on them the arbitrary requirement of a money reserve for our deposits. In doing this, as herein outlined, the people will get a low interest rate on the debt and the banks and others who want a like interest on money necessarily idle can invest it in convertible bonds.

NO SUDDEN INSPIRATION.

This plan is no sudden inspiration. Its development has been the result of study and observation off and on ever since 1893, when it was impossible to borrow money at a bank on Government bonds. The time for its presentation and advocacy seems propitious. No economic principle of finance is abrogated; the point of view only, to which we have so long been accustomed, is changed; the Government becomes the "syndicate," and the banks, as the custodians of the people's deposits, are the principal investors. It is the depositors' money they are privileged—not compelled—to invest in the people's bonds, not their own capital as now. Their interests are made mutual. This is "the new finance." WILLIAM A. AMBERG.

CHICAGO, August 9, 1913.

WASHINGTON & GEORGETOWN GAS LIGHT COS.

Mr. JONES submitted the following resolution (S. Res. 178), which was read, considered by unanimous consent, and agreed to:

Resolved, That the Commissioners of the District of Columbia be, and they are hereby, directed to report to the Senate as soon as practicable what steps, if any, have been taken by them to enforce section 11 of the act of Congress entitled "An act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1914, and for other purposes," approved March 4, 1913, so far as the same may affect the Washington Gas Light Co. and the Georgetown Gas Light Co., both of the District of Columbia.

BETTERMENT OF RURAL CONDITIONS (S. DOC. NO. 177).

Mr. SHAFROTH. Mr. President, at the conference of governors held last week at Colorado Springs, Colo., there was an address delivered by Hon. DUNCAN U. FLETCHER, a Member of this body, relative to the work of the American commission respecting agricultural finance, organization, cooperation, and betterment of rural conditions. I have read the address, and it is a most admirable one. It deals with subjects which are going to be of great interest to the American people in the coming Congress. I ask unanimous consent that it be printed as a public document.

Mr. SMOOT. Did I understand the Senator to say that it

is a speech delivered by the Senator from Florida in this

Chamber?

Mr. SHAFROTH. No; it is not. He delivered a speech somewhat upon this subject, but he did not deal with the work of the commission upon which-

Mr. SMOOT. The speech was delivered outside of the Senate? Mr. SHAFROTH. It was delivered at the conference of governors which met at Colorado Springs last week. The papers made considerable comment upon it, all of it favorable.

Mr. SMOOT. I have not any objection.

Mr. SHAFROTH. I ask unanimous consent that the address may be printed as a document,

The VICE PRESIDENT. If there be no objection, it will be printed as a public document. The Chair hears none.

The morning business is closed.

#### THE TARIFF.

Mr. STONE. I ask unanimous consent that House bill 3321

be now laid before the Senate and proceeded with.

There being no objection, the Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 3321) to reduce tariff duties and to provide revenue for the Government,

and for other purposes. Mr. GALLINGER. Mr. President, during the somewhat protracted debate on the measure now under consideration I have frequently asserted that, in my judgment, the enactment of this bill will work irreparable injury to the industrial North, as well as to some other sections of the country, and I see no reason to change that opinion. The senior Senator from Kentucky [Mr. Bradley], in his very able speech of a few days ago, proposed an amendment to the title of the bill, which corresponds closely to a draft I had already prepared. My suggestion is that in-stead of the title being, as it now stands, "A bill to reduce tariff duties and to provide revenue for the Government," it should read "A bill to reduce tariff duties, to destroy American industries, and to provide employment for the laboring men and women of foreign countries." That, in my opinion, correctly de-scribes what the proposed law will inevitably bring about, notwithstanding the proponents of the bill hold to the contrary.

#### AN EXTREME BILL.

This bill, upon which we shall soon vote, represents in an extreme form the economic principle which found its chief strength in this country in the agricultural, slave-holding South before the Civil War. Historically the main support of the tariff-for-revenue-only policy in America, from the first im-portant development of that policy in the South Carolina struggle over nullification in 1832-33, has been in the southern cotton-growing States, and also in New York City and its neighborhood, where the influence of importers representing European manufacturers is powerful.

At no time in this generation has any great producing State of the industrial North stood long for the tariff-for-revenue-only system. New England, New York, New Jersey, Pennsylvania, Ohio, and the manufacturing States of the Middle West have since 1870, as a rule, upheld the protective policy, and if in some gust of passion they have rejected it, they have quickly and signally repented of their mistake.

It is no disparagement of the intelligence or patriotism of the South to hold that the great industrial North, where manufac-turing and agriculture have long gone hand in hand, is in a better position to understand and determine what is the wisest economic policy for our Government than the Southern States, where agriculture, until a relatively few years ago, was the dominant and indeed almost the exclusive and only industry, and where manufacturing, though now of swift and splendid growth, is still, as it were, on the threshold of its development.

### A VERY RADICAL PROPOSAL,

The distinguished chairman of the Committee on Ways and Means of the House of Representatives, at the last session of the Sixty-second Congress, in a report upon one of the schedules which in a still further reduced form is a part of the proposed majority tariff bill, described it—and the description holds true of the whole measure—"as providing a much lower margin, and hence a much more competitive rate, than has been passed by the House of Representatives or enacted in any other Democratic tariff measure since the tariff acts of 1846 and 1857." To the older industrial regions of our coun-

try this statement of Chairman Underwood brings not gratification but alarm, for that era between 1846 and 1861 covered the longest definite abandonment of the protective principle of tariff making in the whole history of the country. and marked in its culmination a period of grave industrial distress, due directly to a departure from the wise teachings of the fathers of our country.

It is a profoundly significant fact that the founders of this Nation, as well the leaders of what is now the Democratic as of the then Federal Party, were convinced and frank protectionists. This is true not only of Washington and Hamilton, but of Jefferson and Madison. The views of Hamilton, as set forth in his famous report on manufactures, are so well known that they need not be repeated here. Washington, in his last annual message to Congress, said:

Congress has repeatedly, and not without success, directed its attention to the encouragement of manufactures. The object is of too much consequence not to insure a continuation of the efforts in every way which shalf appear eligible.

Jefferson as President approved three successive tariff acts increasing protection to manufactures. In his message to Congress on December 15, 1802, he said:

To cultivate peace, maintain commerce and navigation, and protect manufactures adapted to our circumstances, etc., are the landmarks by which to guide ourselves in all our relations.

In 1809 Jefferson wrote to a friend:

I have lately inculcated the encouragement of manufactures to the tent of our own consumption, at least, in all the articles of which we raise the raw material.

Indeed, Jefferson, who is frequently spoken of in these days as the patron saint of the Democratic Party, carried his devotion to American industry so far as to express a wish that the Atlantic Ocean might be a lake of fire to exclude absolutely foreign goods. So positive were Jefferson's views upon the subject that Gen. Francis A. Walker, in "The Making of the Nation" series, declares that-

The fact is Mr. Jefferson was the most extravagant protectionist ever placed in a position importantly to influence trade and industry of a civilized nation.

#### THE FATHERS ALL PROTECTIONISTS.

Washington, Jefferson, and Madison all concurred and aided in the enactment of the first tariff law of the American Republic, the celebrated law approved July 4, 1789, the preamble to which declares that "Whereas it is necessary for the support of the Government, for the discharge of the debts of the United States, and for the encouragement and protection of manufac-tures, that duties be laid," and so forth. That law of 1789 protected not only American manufactures but American ocean shipping. There was at that time no free-trade party in the United States, no party advocating a tariff for revenue only, no dogma such as is to be found in the Democratic national plat-form now that a tariff for revenue and protection is "uncon-stitutional." The men who made the Constitution knew best what the Constitution meant, and Washington knew what it meant when he signed the tariff act of 1789.

# JACKSON A PROTECTIONIST.

Andrew Jackson knew the views and teachings of the men who laid broad and deep the foundations of our Government. Like his great predecessors, Jackson was an outspoken protectionist. He declared in his message of May 27, 1830:

The power to impose duties upon imports originally belonged to the several States. The right to adjust these duties with a view to the encouragement of domestic branches of industry is so completely identical with that power that it is difficult to suppose the existence of the one without the other. * * In this conclusion I am confirmed as well by the opinions of Presidents Washington, Jefferson, Madison, and Monroe, who have each repeatedly recommended the exercise of the right under the Constitution, as by the uniform practice of Congress, the continued acquiescence of the States, and the general understanding of the people.

It was that same great Democrat who, as President, threatened to hang as high as Haman the men who in South Carolina sought to nullify a United States tariff law on the newly asserted idea, exploited for the first time in our national history, that protection to American industry was "unconstitutional." This was not originally the view of even John C. Calhoun himself, for Calhoun in his earlier career, like most of the other public men of his State, was a declared protectionist. It was not until the deplorable struggle over human slavery began to check the national spirit and arouse misunderstanding and enmity between the States that the dogma was held and avowed by any appreciable number of American citizens that the encouragement to manufactures, one of the specific purposes of our very first tariff law, was in violation of the fundamental law of the Republic.

It is interesting to note in this connection that Henry Clay, the great Whig leader, in a speech on American Industry, delivered in the House of Representatives March 30 and 31, 1824, said:

And what is this tariff? It seems to have been regarded as a sort of monster, huge and deformed; a wild beast endowed with tremendous powers of destruction about to be let loose among our people, if not to devour them, at least to consume their substance. But let us calm our passions and deliberately survey this alarming, this terrific thing.

How natural that sounds, notwithstanding the utterance was made 89 years ago. The similarity of the language used by the opponents of the 1824 bill, as quoted by Mr. Clay, and the utterances of Democratic Senators in this debate is significant and illuminating. Mr. Clay continued:

The sole object of the tariff is to tax the produce of foreign industry, with the view of promoting American industry. The tax is exclusively leveled at foreign industry. That is the avowed and the direct purpose of the tariff. If it subjects any part of American industry to burdens, that is an effect not intended, but is altogether incidental and perfectly required.

That is good Republican doctrine from one of the ablest statesmen of his time.

#### SECTIONAL AGITATION.

Students of history well know that the persistent and costly agitation against the protective system, and in favor of a tariff for revenue only, is one of the heritages which the political contest over slavery has left to us. When raw cotton, raised by slave labor, first became the great southern staple, its principal market was in Great Britain, whose manufacturers believed in the first years of the last century that they had an inalienable right to the monopoly of the American market for manufactured articles—a right as inalienable, in their opinion, as the divine right of kings. It so happened that the great manufacturing States of the North—New England, New York, New Jersey, and Pennsylvania—were the principal seats of the

antislavery agitation.

In the bitterness of sectional strife in Congress, southern sentiment turned more and more against the protective tariff legislation, which was steadily developing the resources of the manufacturing States through their abundance of free labor, the slave labor of the South being totally unfitted for employment in manufacturing. This sinister sectional division over the tariff question found its expression particularly through the Hon. George McDuffie, of South Carolina, who said:

I will now tell the gentleman from Massachusetts, if he will pardon the liberty, what is the natural price of the manufacturing labor of the Northern States estimated in money. It is precisely the same as the manufacturing labor of England and not a cent more. (Congressional Debates, vol. 8, p. 3827.)

Mr. Lewis, of Alabama, said on the same subject:

But for the operation of the tariff laws in enhancing the price of northern labor, the state of things would have been completely the reverse of what it now is, and a day's labor in the cotton field would have commanded two days of the northern manufacturing labor. (Congressional Debates, vol. 8, p. 3583.)

In other words, the animating motive of those who wished to abandon the protective-tariff policy of Washington, Jefferson, Madison, and Jackson and to force the country to a tarifffor-revenue-only basis was resentment of the fact that the protective tariff developed the North and greatly benefited its free labor. This historic truth is frankly stated by a southern scholar, E. N. Elliott, LL. D., in the publication entitled "Cotton is King," published in Atlanta, Ga., in 1860. Dr. Elliott said:

If they

The southern cotton planters and the Democratic Partycould establish free trade, it would insure the American market to foreign manufacturers; secure the foreign market for their leading staple; repress home manufacturers; force a large number of the northern men into agriculture; multiply the growth and diminish the price of provisions; feed and clothe their slaves at lower rates; produce their cotton for a third or fourth of former prices; rival all other countries in its cultivation; monopolize the trade in the article throughout the whole of Europe.

This is an easily understood program, the carrying out of which would forever have ended the manufacturing industries of the country. Think of it! Dr. Elliott declared that the policy he advocated would "insure the American market to foreign manufacturers." Unfortunately, the bill now under considera-Unfortunately, the bill now under consideration strongly tends in that direction, and for that reason it ought to be unceremoniously rejected.

#### TARIFF-FOR-REVENUE-ONLY IN PRACTICE.

This unfortunate spirit of sectional jealousy actually triumphed in the tariff-for-revenue-only legislation of 1846, so earnestly advocated by Robert J. Walker, of Mississippi, Secretary of the Treasury, and so warmly praised by the Democratic Party. From this tariff of 1846 and its successor of 1857 all thought of protection was eliminated so far as possible. In some instances, for the more successful strangling of northern manufactures, the duty on the crude materials was set as high or actually higher than on the finished articles themselves, and

the same absurd fixing of rates is found in many instances in this bill. Of course, heavily increased importations of manu-factured goods from Europe were the immediate result; and yet, an extraordinary series of fortuitous events deferred for a considerable time the sure and inevitable consequences of this illstarred legislation.

First came the war with Mexico, which led to the expenditure in two years of \$150,000,000 among the people of the United States in various war disbursements. Then followed the famine in Ireland, with its extraordinary demand for our breadstuffs; the European revolutions of 1848 followed, which seriously disturbed continental industries; then in our own country the California gold discoveries came along; and subsequently, in Europe, the great Crimean War worked advantage to our country. Never was a time more propitious for the success of tariff-for-revenue-only legislation in America. But when conditions became normal this is what happened, as described by William McKinley in the publication entitled "The Tariff in the Days of

Henry Clay and Since," pages 23-24:

Within a year after the close of the Crimean War the country was distressed and humiliated by the only financial panic it had experienced for 20 years since the adoption of a somewhat similar tariff policy to that it was then pursuing. The immediate effect was an increase in importations and a heavy drain upon the specie of the country, while there was a marked reduction in the exportation of our agricultural products. The panic soon swept over the entire Union, prostrating alike our agricultural, commercial, mining, and manufacturing interests.

#### PRESIDENT BUCHANAN'S LAMENT.

In his first annual message to Congress President Buchanan, on December 8, 1857, said:

In the midst of unsurpassed plenty in all the productions and elements of national wealth we find our manufactures suspended, our pullic works retarded, our private enterprises of different kinds abandoned, and thousands of useful laborers thrown out of employment and reduced

That was the vivid picture drawn by a Democratic President of the final results of that earlier tariff-for-revenue-only experiment. President Buchanan, alarmed at the situation, appealed to Congress to adopt a new revenue measure "to increase the confidence of the manufacturing interests and give a new impulse to business," as the President tersely expressed it.

But President Buchanan's plea was in vain, for Congress was still controlled by men who had been taught that protection was against the interests of the South and slavery and beneficial to the free labor of the Northern States. They did not abandon their cherished policy, although it had plunged the country into ruin, and the immediate repeal of the low-tariff law was demanded by the Executive whom they themselves had elected to the Presidency.

In the 15 years from 1847 to 1861, inclusive-

Wrote William McKinley-

during which the economic theories of Mr. Walker prevailed, the total receipts from customs were \$708,107,973, while the outlays of the Government were \$807,133,078. Consequently the expenditures exceeded the receipts by \$99,025,105. Thus, as strictly revenue measures, the laws of 1846 and 1857 were both unsatisfactory. (The Tariff in the Days of Henry Clay and Since, p. 26.)

The result of these nonprotective-tariff laws was all the more significant because they had been tried under most favorable conditions. President McKinley, in the historical work already quoted (pp. 27-28), said on this point:

Never was there a period in our history in which the free-trade policy had so excellent an opportunity to demonstrate its usefulness and adequacy to our industrial and governmental conditions. But, instead of insuring prosperity it produced universal distress and want; instead of raising money to support the Government, even during a period of peace and wonderful development, the system of duties it provided was utterly insufficient and produced results exactly the opposite of those claimed for it. As soon as the foreign wars ceased the revenue began to diminish and the expenditures to exceed it, thus creating deficiencies and forcing loans and increasing our national debt from \$15,500,000 in 1846 to \$90,580,000 on March 4, 1861.

#### THE RETURN TO PROTECTION.

This was the handiwork of men who, after most of those who had framed the Constitution were dead, had invented the idea that a tariff which combined revenue and protection was unconstitutional. Those men had broken faith with the fathers of the Nation and had tried to foist upon the country a dogma of State sovereignty and the doctrine of a tariff-for-revenue-only, which the earlier statesmen abhorred. A radical change and a return to the historic policy of tariff for both revenue and protection waited only for the breaking of the power of the southern Democracy in Congress. By 1860 the House of Representatives came into the control of men who were either Republicans outright or were in sympathy with the Republican faith upon the tariff.

On May 10, 1860, nearly a year before the Civil War began, the first Morrill protective tariff act increasing the duties and also increasing the revenue was passed by the House as an economic and financial measure, a frank repudiation of the

tariff-for-revenue-only policy. This was not in any proper sense a war measure. It can not be affirmed too strongly or too constantly that the abandonment of the southern Democratic policy as we now know it was due not to any anticipation of the Civil War or to any consequences of the Civil War, but to the bankruptcy to which free trade had brought the Nation, and the ruin and distress into which it had plunged our manufacturers and farmers in its culminating years from 1857 to 1860. Nothing is more manifest from all the records of history than that the country would have returned to the protective system of Washington, Hamilton, Madison, Monroe, and Jack-son in 1860, even if there had been no Civil War.

The tariff-for-revenue-only scheme had utterly failed by 1860, and had confounded and discredited its authors quite as signally and even more quickly than that later experiment of the same kind in the years between 1894 and 1897.

It was absolutely inevitable that when the great industrial North, with its free labor, wrested from the South, with its slave labor, the control of the National Government the overwhelming protectionist sentiment of the North should write its convictions upon the national statute books. So long as the Senate remained Democratic the first Morrill protective tariff bill, which had passed the House of Representatives on May 10, 1860, could not be enacted, notwithstanding President Buchanan had implored Congress to grant our distressed people this prompt and merciful relief. But in the session of 1860-61 so many Southern Senators had withdrawn from Congress to "go with their States" that control of the Senate was secured by the Republicans, and on February 20, 1861, the Morrill protective tariff bill was passed and soon after signed by President Buchanan, who thus made conspicuous reparation for the terrible wrong which his party and its mistaken policy of tarifffor-revenue-only had done to the American people.

#### LINCOLN A PROTECTIONIST.

On March 4, 1861, there was inaugurated as President a firm protectionist, Abraham Lincoln, all his life a believer in and advocate of the protective-tariff policy. Lincoln had summed up his economic faith in these simple words, which have been often quoted:

I do not know much about the tariff, but I know this much: When we buy manufactured goods abroad we get the goods and the foreigner gets the money. When we buy the manufactured goods at home we get both the goods and the money.

And this is the platform on which Lincoln stood in 1860 when he was elected President:

While providing revenue for the support of the General Government by duties upon imports, sound policy requires such an adjustment of these imposts as to encourage the development of the industrial interests of the whole country. We commend therefore that policy of national exchanges which secures to the workingman liberal wages, to agriculture remunerative prices, to mechanics and manufacturers adequate reward for their skill, labor, and enterprise, and to the Nation commercial prosperity and independence.

In these significant words was embodied the national spirit, as Washington, Hamilton, Jefferson, Madison, Monroe, and Jackson knew, taught, and enforced it. The great industrial States, whose multitudes of free laborers had again become the dominant force under Lincoln in the National Government, would have nothing of the sectional dogma that national protection to labor and industry was "unconstitutional."

## THE REAL AMERICAN SPIRIT.

This renewed national spirit found immediate expression everywhere in the policy of the Lincoln administration. On January 29, 1862, a most important War Department order was

That no further contracts be made by this department or any bureau thereof for any article of foreign manufacture that can be produced in the United States.

All outstanding orders, agencies, authorities, or licenses for the purchase of arms, clothing, or anything else, in foreign countries or of foreign manufacture for the department are hereby revoked and annulled.

This great measure of protection, self-reliance, and selfdefense was a logical, thoroughly characteristic part of the new national policy of Lincoln. It was just what Washington or Jefferson would have done under similar circumstances. connection with the protective-tariff policy to strengthen our national industries once more thoroughly established, the results were like a new declaration of independence on land and sea. Hon. William D. Kelley, one of the ablest and most eloquent of the leaders in Congress, on January 31, 1866, thus described the change that had come over the country as a consequence of the fiscal policy of the Republican Party:

When the war began we could not have made the iron for the gun barrels; we can now export better gun barrels than we can import. We then made no steel, and had to rely on foreign countries for material for steel cannon and those steel-pointed shot by which alone we can pierce the ironclads with which we must contend in future warfare. Many of our regiments that came first to the Capital came in rags,

though every garment on their backs was new and many of them of freshly imported cloth.

But no army in the world was ever so substantially clothed and armed as that which for two days passed in review before the President of the United States and the Lieutenant General after having conquered the rebellion—an army which, when disbanded, was clad in the product of American spindles and looms and armed with weapons of American materials and construction.

That is exactly what the protective-tariff system in the time of Washington and Jefferson, and also in the time of Lincoln accomplished, and what it inevitably will accomplish whenever given an opportunity. It makes everywhere and always for national independence. To one conspicuous national industry in our time-our ocean shipping industryof protection has not been applied, and the result is that we are absolutely dependent for the carrying of more than 90 per cent of our own imports and exports on ships of foreign flags, owned and controlled by the subjects of foreign Governments, our rivals in trade and possible enemies in war. To these foreign shipowners, now organized into arrogant trusts and combinations, as investigations by Congress and the Federal courts have lately proved, we are paying every year a vast tribute of between \$200.000,000 and \$300,000.000. Without protection to this once great national industry, which was thoroughly protected under Washington and Jefferson, we are so destitute of ships sailing away from our own coasts that the American people still recall with smarting humiliation how their battleship fleet in its recent voyage around the world was enabled to make that voyage only by the help of an uncertain fleet of Dutch, Italian, Scandinavian, and British colliers.

#### A REVIVAL OF ERBOR.

Passing from history to the present, I cheerfully acknowledge that the authors of the present Democratic tariff proposal are able, sincere, and patriotic men-as able, sincere, and patriotic as their predecessors, the authors of the unfortunate tariffs of 1846 and 1857, who proved to be so terribly mistaken. statesmen of that era before the Civil War, who framed the Walker tariff and its immediate successor, did not and could not, in their agricultural environment, understand the complex financial and industrial needs of the American Nation so well as the public men from the great States between New England and Illinois who, with Lincoln, succeeded to the control of the Government in 1861.

The authors of the bill now proposed, reestablishing the policy of tariff-for-revenue only, are more fortunate than their predecessors in that the industrial North is to-day prosperous under Republican laws, and the smoke of factory chimneys is no longer almost unknown in the South. Their honesty of purpose and love of country no man will impeach. Patriotism in our time, in our Nation-thank God !-- knows no North or South or East or West. But with full acknowledgment of the sincere motives of those who have framed and are upholding this bill we can not but believe on this side of the Chamber that events will swiftly and conclusively prove them to be as mistaken as their predecessors were.

There is far less justification now for a tariff-for-revenue-only policy in this country than there was in 1846 and 1857. A protective-tariff policy can no longer be accused of being narrowly sectional in its benefits. Manufactures are rapidly spreading all over the United States, including the South. There is no more slave labor, but free labor everywhere. Among the most earnest remonstrants against this present radical tariff bill are the farmers of the Mississippi Valley and the great Northwest, who see their staple products sharply reduced or bodily transferred to the free list, and that at a time when domestic consumption is rapidly overtaking domestic production. The recent fight of the West and Northwest against the so-called Canadian reciprocity agreement was one of the most significant demonstrations of the strength of the protectionist sentiment in America of which history has any record. Those western and northwestern farmers who justly opposed that unfortu-nate, one-sided "reciprocity" proposal were unwilling to accept practical free trade even with our Canadian neigh-bors, who of all the people in the world, in their wages and general standards of living, are most nearly equal to our own. When those far western farmers so unitedly opposed free trade with Canada, our neighbor to the north, they gave an emphatic vote of instruction to their Senators and Representatives in Congress never to subject either American agriculture or American manufactures to free trade with all the world.

### TARIFF-FOR-REVENUE-ONLY A MINORITY POLICY.

It has already been clearly pointed out by other Senators in the course of this debate that a very large majority of the American people in the recent national election declared in favor of a combined tariff-for-revenue-and-protection principle as against a tariff-for-revenue only. The united vote of the Republican and Progressive Parties, both of whose national platforms affirmed a belief in a tariff for protection of American labor as well as for national revenue, commanded more than one million majority over the Democratic vote, which, only because of a deplorable break in the protectionist ranks, was enabled to make Mr. Wilson President. Moreover, there can be no question that in nearly all the Northern States many voters cast a Wilson ballot for other reasons than approval of a tarifffor-revenue-only policy or of the candidate himself. All over the North—and the same thing is doubtless true of the South there are thousands of business men who, though acting with the Democratic Party, are in principle protectionists, like the Democratic governor of Massachusetts, who has pronounced severe condemnation on the pending bill.

#### THE SOUTHERN VIEW.

Disclaiming all purpose of raising the sectional issue in what I have already said I will, nevertheless, take occasion to further suggest that the condition to-day clearly illustrates the determination of the South so to reduce import duties as to do away altogether with protection to the industries of the United It is not a new question. From the days of Democratic nullification in South Carolina, more than 80 years ago, to the present time the South has clamored for practical free trade, and has never failed to denounce protection when opportunity presented itself. It will be recalled that the Confederate constitution contained the following free-trade provision:

Sec. 8. The Congress shall have power—

1. To lay and collect taxes, duties, imposts, and excises for revenue necessary to pay the debts, provide for the common defense, and carry on the Government of the Confederate States; but no bounties shall be granted from the treasury; nor shall any duties or taxes on importations from foreign nations be laid to promote or foster any branch of industry; and all duties, imposts, and excises shall be uniform throughout the Confederate States.

That was the declaration of the Confederate States on the question of the tariff-a declaration in favor of absolute and unrestricted free trade between the Confederacy and all the nations of the earth. The laws enacted by the Confederate Congress were along the same line, committing the Confederacy absolutely and without qualification to the free-trade theories that had dominated the South up to that time, and which unfortunately find expression in the bill now before the Senate.

## WOODROW WILSON AND THE TARIFF.

In this connection it is significant that in 1882 Mr. Woodrow Wilson, a southern man, appeared before the Tariff Commission at Atlanta, Ga., to give testimony on tariff matters, on which occasion he used the following words:

occasion he used the following words:

It is not my purpose to represent or advocate any particular interest, but only to say a few words upon the general issues before you on the subject of protection or free trade. This question of the tariff is one which has been under consideration in Congress for ninety-odd years. Early in the century protection was introduced for the purpose of fostering new manufactures in this country. That system was continued down to the time of the war; but since the war it has been upheld professedly for the purpose of raising revenue and to enable the Government to recover from the indebtedness caused by the war. Free trade therefore has been a slumbering question, but it will soon become one of the leading questions in all political discussions, because, now that peace has come, the people of the South will insist upon having the fruits of peace and not being kept down under the burdens of war.

It is an interesting fact that Mr. Wilson, at that time a comparatively young man, declared that free trade was a slumbering question, and that the people of the South would insist upon getting rid of protection. He is now President of the United States, and it is not to be wondered at that the declaration then made is still in his mind. Declaring that no man with his senses about him would recommend perfect freedom of trade in the sense that there should be no duties whatever laid on imports, Mr. Wilson added:

The only thing that free traders contend for is that there shall be only so much duty laid as shall be necessary to defray the expenses of the Government, reduce the public debt, and leave a small surplus for accumulation—

which manifestly meant that no duties whatever should be laid for the purpose of equalizing the cost of production at home and abroad so as to protect American manufactures and labor against the cheap labor of foreign countries. He further maintained that-

Manufacturers are made better manufacturers whenever they are thrown upon their own resources and left to the natural competition of

In answer to the question from Commissioner Garland, "Are you advocating the repeal of all tariff laws?" Mr. Wilson made the following astonishing reply:

Of all protective tariff laws; of establishing a tariff for revenue merely. It seems to me very absurd to maintain that we shall have free trade between different portions of this country and at the same time shut ourselves out from free communication with other producing countries of the world. If it is necessary to impose restrictive duties on goods brought from abroad, it would seem to me, as a matter of logic, neces-

sary to impose similar restrictions on goods taken from one State of the Union to another. That follows as a necessary consequence; there is no escape from it.

Equally astonishing was the following declaration:

Protection also hinders commerce immensely. The English people do not send as many goods to this country as they would if the duties were not so much, and in that way there is a restriction of commerce, and we are building up manufactories here at the expense of commerce. We are holding ourselves aloof from foreign countries in effect and saying, "We are sufficient to ourselves; we wish to trade not with England, but with each other." I maintain that it is not only a pernicious system, but a corrupt system.

Passing over the remarkable suggestion that if we have tariff laws between this country and other countries, we ought equally to have them between the several States, where industrial conditions and wages are similar, it goes without the saying that if we enter into free and open competition with the nations of the world England will send more goods to this country than she will if import duties are exacted from her. Indeed, it does not require any stretch of the imagination to conclude that under such conditions England, France, and Germany will supply us with everything that we consume. Why not? And yet this economist, who is now President of the United States, openly declared that the hindrance that protection offers to commerce should be removed so that the English people could send more goods to this country, supplanting American manufactures, thus depriving American workingmen of a livelihood.

I hope President Wilson is now ready to repudiate the utterances of Prof. Wilson, but I fear that Ephraim is wedded to his idols, and that the same views are held in 1913 as were expressed in 1882.

Turning to Prof. Wilson's History of the American People, a most readable book, it is interesting to note what he had to say about the panic of 1893, during the period of the Wilson-Gorman low-tariff law. These are his words:

low-tariff law. These are his words:

The business of the country had fallen dull and inactive because of the financial disquietude of the time. A great poverty and depression had come upon the western mining regions and upon the agricultural regions of the West and South. * * Men of the poorer sort were idle everywhere, and filled with a sort of despair. All the large cities and manufacturing towns teemed with unemployed workingmen who were with the utmost difficulty kept from starvation by the systematic efforts of organized charity. In many cities public works were undertaken upon an extensive scale to give them employment. In the spring of 1894 armies of the unemployed began to gather in the western country for the purpose of marching upon Washington, like mendicant hosts, to make known to the Government itself, face to face, the wants of the people. * * * Countrysides experienced a sort of panic at their approach. It began to seem as if there were no law or order in the land. Society itself seemed demoralized, upset. * * *

#### Prof. Wilson continues:

Prof. Wilson continues:

The elections of 1896 had shown, in a fashion the country was not likely to forget, the volcanic forces which had been kept just beneath the surface while he (Cleveland) was President. The issue which had dominated all the rest was the question of the coinage. But that question did not stand alone. It seemed, indeed, but a single item in the agitated thought of the time. Opinion everywhere seemed to have broken from its old moorings. There had been real distress in the country, long continued, hopeless, as if the springs of wealth and prosperity were dried up. The distress was most marked and apparently most hopeless in the great agricultural areas of the South and West. The prices of agricultural products had fallen so low that universal bankrupter seemed to the farmers to be but a little way off. There was a marked depression in all kinds of business, as if enterprise were out of heart and money nowhere to be had except among a few great capitalists in Wall Street. * * *

* * No one could deny that the country had fallen upon evil times, that the poor man found it harder than ever to live, and that many a law needed to be looked into which put the poor at a disadvantage. The country teemed with men who found themselves handicapped in all they tried to do; they could but conjecture why.

After describing the election of President McKinley, Prof.

After describing the election of President McKinley, Prof. Wilson further says:

Wilson further says:

Obviously the business world, the whole world of industry, was in process of revolution. America in particular had come to the crisis and turning point of her development. Until now she had been struggling to release and organize her resources, to win her true economic place in the world. Hitherto she had been always a debtor nation, her instruments of industry making and to be made, her means of transportation, the vast systems of steel highways which were to connect her fields and factories with the markets of the world, as yet only in course of construction.

* * Except what her fields produced, the country had as yet but little with which to pay the interest and the capital of her debts; her fields were in some sense the granary of the world. As agricultural prices fell it required more and more foodstuffs to pay her balances. In those fatal years of depression, 1803–1896, when business threatened to stand still, because of the state of the currency, and the crops fetched little more than would pay for their carriage, it was necessary to pay huge foreign balances in coin, and \$87,000,000 in gold had to be shipped over sea to the country's creditors in a single twelvement (1893). * * *

Now listen to this remarkable statement by Prof. Wilson:

Not until the very year 1897, when the new Republican administra-tion came in, did the crisis seem to be past. The country had at last built its rallway and manufacturing systems up, had at last got ready to come out of its debts, command foreign markets with something more than its foodstuffs, and make for itself a place of mastery.

It is proper for me to observe that Prof. Wilson claimed that the condition of things existing during the last Cleveland administration was largely due to the agitation of the silver question and to a partial failure of crops in the agricultural regions of the West and South, but that contention is not sustained by facts. He might well have added that the change in 1897 for the better, which he so graphically described, came because McKinley's election assured the country that a protective-tariff law would be passed to take the place of the Wilson-Gorman tariff law then on the statute books. It was that fact that gave heart to the industries of the country, rescuing them from the sad plight that had overtaken them during the Cleveland administration.

#### A HARD BLOW TO NEW ENGLAND.

Mr. President, this bill strikes a hard blow to the industries of the New England States, which produce more than one-half the boots and shoes of the Nation and more than one-half the cotton, worsted, woolen, and felt goods output. New England also leads the Nation in the fishing industry and in the production of watches and clocks, hardware, cutlery, and tools; has the largest woolen mills, shoe, watch, and confectionery factories in the world; has 42.1 per cent of the manufacturing establishments of the country which employ 500 or more employees each, and has nearly four times the density of population that is an average for the rest of the United States.

The Boston Globe, a Democratic newspaper, has collected the following interesting statistics, as shown by the United States census for 1910, covering the six New England States:

Maine's industrial showing

	N	Number or amount.				
Manufactures.	1909	1904	1899	1904- 1909	1899- 1904	
Number of establishments .	3,546	3,145	2,878	12.8	9.3	
Persons engaged in manu- factures	88, 476	82,109	(1)	7.8		
Proprietors and firm members Salaried employees	3,661 4,860	3,379 3,772	(¹) 3,103	8.3 28.8	21.6	
Wage earners (average numbers) Primary horsepower	79,955 459,599 \$202,260,000	74, 958 343, 627 \$143, 708, 000	69,914 259,232 \$114,008,000	6.7 33.7 40.7	7. 2 32. 6 26. 0	
Capital Expenses Services	\$154,821,000 \$43,429,000	\$129,208,000 \$36,681,000	\$97,520,000 \$28,782,000	19.8 18.4	32.5 27.4	
Salaries	\$5,797,000 \$37,632,000 \$97,101,000	\$3,989,000 \$32,692,000 \$80,042,000	\$3,051,000 \$25,731,000 \$61,210,000	45.3 15.1 21.3	30.7 27.1 30.8	
Miscellaneous Value of products	\$14,291,000 \$176,029,000	\$12,485,000 \$144,020,000	\$7,528,000 \$112,959,000	14.5 22,2	65.8 27.5	
Value added by manufac- ture	\$78,928,000	\$63,978,000	\$51,749,000	23.4	23.6	
	Contract of the Contract of th					

I Figures not available.

Population in 1910, 742,371, an increase of 47,905 in the last decade. Increase from 1904 to 1909 in number of spindles in textiles 154,594, er 14.7 per cent. Increase in looms 2,473, or 8.8 per cent.

In 1899 Maine produced 217,281 tons of paper: in 1904 the product was 385,999 tons, and in 1909 it was 574,215 tons. The value of this paper product in 1904 was \$17,480,168, an increase over 1899 of 86.1 per cent, and in 1909 the value of the paper product was \$27,637,697, an increase over 1904 of 58.1 per cent.

In the lumber industry there was a gain of 41.7 per cent in the decade in the rough lumber sawed, a gain of 55.1 per cent in the production of lath, and a gain of 28.4 per cent in the production of shingles, Maine's canning industry shows an increase from 1904 to 1909 of 90.4 per cent.

The value of farm property increased 62.8 per cent.

Specific industries in Maine.

Industries.	Average number of wage	age num- ber of Value of		Per cent of increase.				
			Value added by manufac- ture.	manufac- value of products.		Value added by manu- facture.		
				1904- 1909	1899- 1904	1904- 1909	1899- 1904	
Paper and wood pulp Lumber and timber	8,647	\$33,950,000	\$13,446,000	47.9	73. 6	48.0	48.8	
products	15,086	26, 125, 000	15, 195, 000	22.4	39. 5	22.3	63. 8	
small wares Boots and shoes, cut	14,634	21,932,000	10, 542, 000	42.4	5.3	69. 1	-17.9	
stock and findings Bread and other bakery	6,626	15,509,000	5,568,000	23.0	1.4	33. 4	4.7	
products Cars and railroad gen-	586	2,235,000	807,000	50.1	23. 6	31.9	9.1	
eral shop construction. Confectionery	1,200 214 120 280	2,048,000 711.000 687,000 304,000	849,000 375,000 212,000 179,000	72.1 43.1 31.1 28.8	38.9 67.3 -5.8 3.5	68. 1 93. 3 32. 5 37. 7	36. 9 39. 6 -18. 8 19. 3	

Massachusetts' industrial progress.

Manufactures.	Number or amount.				ent of
Manufactures.	1909	1904	1809	1901- 1900	1999- 1904
Number of establishments	11,684	10,723	10, 929	9.0	-1.9
Persons engaged in manu- factures	644, 399	532, 481	(1)	21.0	
members	11, 194 48, 646	11, 258 32, 824	(1) 25, 256	6 48.2	30.0
Average number of wage earners	584,559 1,175,071	488, 399 938, 007	438, 234 796, 061	19.7 25.3	11.4 17.8
Capital	\$1,279,687,000 \$1,320,866,000	\$965, 949, 900 \$992, 294, 900	\$781,868,000 \$785,805,000	32. 5 33. 1	23.5 26.3
Services	\$364, 452, 000 \$63, 279, 000 \$301, 173, 000	\$272,044,000 \$39,655,000 \$232,389,000	\$224,758,000 \$29,480,000	34. 0 59. 6	21.0 34.5
Materials	\$830, 765, 000 \$125, 649, 000	\$626, 410, 000 \$93, 840, 000	\$195, 278, 000 \$498, 655, 000 \$62, 392, 000	29.6 32.6 33.9	19.0 25.6 50.4
Value of products Value added by manu-	\$1,490,529,000	\$1, 124, 092, 000	\$907, 626, 000	32.6	23.8
facture	\$659, 764, 000	\$497,682,000	\$408,971,000	32.6	21.7

Population in 1910, 3,366.416, or 418 per square mile.
From 1849 to 1909 the value of manufactured products increased tenfold.
Two hundred and inlenty-three industries have products valued at \$1,000,000 or more; 4 of these have products of \$50,000,000, 6 have products of \$25,000,000, 16 have products of \$19,000,000. The Massachusetts fishing industry products exceed \$7,000,000 a year.

Specific industries in Massachusetts.

Industries.			Value added by manufac- ture.	Per cent of increase.				
		Value of products.		added by manufac-			Value added by manu- facture.	
				1904- 1909	1899- 1904	1904- 1909	1899- 1904	
Boots and shoes Cotton goods Woolen and worsted Foundry and machine	83,063 104,914 53,873	\$236,343,000 186,462,000 141,967,000	\$83,353,000 81,305,000 53,991,000	36. 1 43. 4 42. 9	23.0 17.0 34.1	32. 2 63. 3 47. 8	33.7 -12.2 26.2	
shop products Printing and publishing. Slaughtering and meat	44,179 17,532	86,926,000 47,445,000	55,744,000 34,564,000	36. 4 20. 8	11.8	41.8 21.9	1.4 8.3	
packing Paper and wood pulp Leather, tanned, cur-	3,325 12,848	44, 403, 000 40, 097, 000	5,517,000 17,747,000	16.8 25.3	17.5 44.6	33.6 26.2	10.1 37.6	
ried, and finished Electrical machinery.	10,252	40,002,000	11,236,000	19.9	27.9	9.0	64. 4	
app. and supplies	14,507	28, 143, 000	15, 408, 000	77.2	51.4	80.0	63.3	
Bread and other bakery products	6,697 7,423	26, 146, 000 15, 211, 000	10, 419, 000 9, 632, 000	40. 1 51. 0	21.0 -2.2	31.2 51.9	12.2 7.3	
bodies and parts	4,138	11,359,000	5,868,000	326.5	246.3	320.6	201.9	

#### New Hampshire's industrial showing,

	N	Per cent o increase.			
Manufactures.	1900	1904	1899	1904- 1909	1899- 1904
Number of establishments Persons engaged in manu-	1,961	1,618	1,771	21. 2	8.6
factures	84, 191	69,758	(2)	20.7	
Proprietors and firm members	2,014 3,519	1,726 2,666	(1) 2,668	16.7 32.0	28. 9
numbers). Primary horsepower Capital Expenses Services	78,658 293,991 \$139,990,000 \$149,215,000 \$49,391,000	65,366 218,344 \$109,495,000 \$112,888,000 \$30,665,000	67,646 200,975 \$92,146,000 \$94,365,000 \$28,050,000	20. 3 34. 6 27. 8 32. 2 31. 7	3.4 8.6 18.8 19.6 9.3
Salaries	\$4,191,000 \$36,200,000 \$98,157,000 \$10,667,000	\$2,972,000 \$27,693,000 \$73,216,000 \$9,007,000	\$2,200,000 \$25,850,000 \$60,163,600 \$6,152,000	41. 0 30. 7 34. 1 18. 4	35. I 7. 1 21. 7 46. 4
Value of products	\$164,581,000 \$66,424,000	\$123,611,000 \$50,395,000	\$107,591,000 \$47,428,000	33.1	6.3
	J				

¹ Figures not available.

The value of New Hampshire's manufacturing products show a sixfold increase from 1849 to 1900. For the last decade the industries
show a net increase of 10.7 per cent in number of establishments, 16.3 per
cent increase in the number of wage earners, 53 per cent increase in value
of products, and 40.1 per cent increase in value added by manufacture.

There were only 571 wage earners in the tobacco industry of New
Hampshire in 1909; but to-day there is double that number, and the
business has increased in like proportion.

In the last decade the value of the live stock on farms increased 12.8 per cent, value of poultry increased 39 per cent, value of crops increased 30.2 per cent.

Specific industries in New Hampshire,

		the state of	116.5	Per	cent c	of incre	ase.
Industries.		Value of value added by products manufacture.					
				1904- 1909	1899- 1904	1904- 1909	1899- 1904
Boets and shoes, cut stock and findings	14, 211	\$39,440,000	\$11,225,000	72. 7	-3.9	58.4	0.5
Cotton goods and cotton small wares	22, 290	33,602,000	14, 478, 000	13.7	28.4	31.1	.1
Woolen, worsted, felt goods and wool hats Lumber and timber	9,486	16, 731, 000	5, 636, 900	17.1	(1)	17.3	(1)
products	8, 464 3, 413	15, 284, 000 13, 994, 000	8,021,000 4,741,000	32. 1 56. 7	2 23.3	27.9 31.6	-6.9 9.4
Foundry and machine shop products Marble and stone work	2,396 1,527	4,947,000 1,818,000	3,248,000 1,520,000	52. 5 50. 9	-6.5 11.6	56.8 64.5	16.7
Bread and other bakery products	454 571 3, 129	1,683,000 1,250,000 4,764,000	628, 000 574, 000 2, 128, 000	56.6 119.3 19.9	28. 9 36 (1)	48.5 85.8 21.9	10. 2 12. 8 (1)

Comparable figures unobtainable.

	Nu	Per cent of increase.			
Manufactures.	1909	1904	1899	1904- 1909	1899- 1904
Number of establishments.	1,958	1,699	1,938	15.2	- 12. 3
Persons engaged in manu- incturing	38,580	37,015	(1)	4.2	
Proprietors and firm members	2,113 2,679	1,856 2,053	(¹) 1,695	13.8 30.5	21. 1
number). Primary horsepower Capital. Expenses Services Salaries Wages Materials Miscellaneous Value of products Value added by manufacture.	33,788 1.79,445 \$73,470,000 \$59,851,000 \$2,803,000 \$17,272,000 \$4,823,000 \$4,933,000 \$68,310,000 \$33,487,000	33, 106 140, 615 862, 659, 000 \$54, 677, 000 \$17, 324, 000 \$2, 103, 000 \$15, 221, 000 \$2, 430, 000 \$4, 923, 000 \$63, 084, 000 \$30, 654, 000	28, 179 126, 124 \$43,500,000 \$42,867,000 \$13,038,000 \$1,611,000 \$11,427,000 \$26,385,000 \$3,444,000 \$51,515,000	2.1 13.4 17.3 9.5 15.9 33.3 13.5 7.4 .6 8.3	17. 5 11. 5 44. 0 27. 6 32. 9 30. 5 33. 2 22. 9 42. 9 22. 6

1 Figures not available.

From 1849 to 1900 the value of manufactured products of Vermont increased nearly eightfold, and from a per capita rate of \$27 to \$192.

In the last decade the value of the butter, cheese, and condensed milk industry products increased 43.4 per cent.

In the last decade the number of spindles in the woolen and worsted mills grew from 37,460 to 51,404; the number of looms increased from 775 to 1,297.

From 1904 to 1909 the gas illuminating and heating industry showed a growth of 115.5 per cent in value of products, and an increase of 95.6 per cent in value added by manufacture.

Vermont leads the country in the products of her marble and her granite industries.

Of the land area of the State 79.9 per cent is in farms. In the decade to 1910 the value of all farm property increased \$38,948,301, or 34.1 per cent.

			Value added by manufac- ture.	Per cent of increase.				
Industries.	Average number of wage earners.			Value of products.		Value added by manu- facture.		
			1904- 1909	1899- 1904	1904- 1909	1899- 1904		
Marble and stone work Flour mill and gristmill	10,411	\$12,395,000	\$9,877,000	29.5	50.0	30.6	68.0	
products	156	4,133,000	605,000	28.9	15.7	81.1	-30.8	
Cars and railread shop, general construction Bread and other bakery	992	1,135,000	606,000	32.0	4.2	25. 5	1.7	
products	242	994,000	370,000	99.2	19.7	66.7	5.2	
Cooperage and wooden goods Cauning and preserving. Printing and publishing. Agricultural implements Confectionery.	635 118 666 300 145	693,000 330,000 1,039,000 582,000 356,000	453,000 116,009 789,000 310,000 142,000	55.7 168.3 11.5 31.7 44.7	178.1 -40.6 17.7 19.5 8	53.6 93.3 13.4 19.2 29.1	183.7 -39.4 15.6 26.2 -20.3	

Rhode Island's industrial showing.

	Nt		ent of		
Manufactures.	1909	1904	1899	1904- 1900	1899- 1901
Number of establishments Persons engaged in manu-	1,951	1,617	1,678	20, 7	-3.6
factures	122, 641	104, 299	(1)	17.6	
members	1,721 7,382	1,516 5,420	(1) 4,022	10. 2 36. 2	31.8
number). Primary hersepower. Capital. Expenses.	113,538 226,740 \$290,901,000 \$242,264,000	97,318 182,608 \$215,901,000	88, 197 153, 619 \$176, 902, 000	16.7 24.2 34.7	10.3 18.9 22.0
Services	\$65,811,000 \$10,577,000 \$55,234,000	\$177,649,000 \$50,154,000 \$7,041,000 \$43,113,000	\$140,347,000 \$41,296,000 \$5,301,000 \$35,995,000	36.4 31.2 50.2 28.1	26.6 21.4 32.8 19.8
Materials Miscellaneous Value of products	\$158, 192, 000 \$18, 261, 000 \$280, 344, 000	\$112,872,000 \$14,623,000 \$202,110,000	\$87,952,000 \$11,099,000 \$165,550,000	40. 2 24. 9 38. 7	28.3 31.8 22.1
Value added by manufac- ture	\$122, 152, 000	\$89,238,600	\$77,598,000	36, 9	15.0

1 Figures not available.

In 1904 Rhode Island had 41 manufacturing establishments, turning out products of \$1,000,000 or over. In 1909 there were 69 establishments doing that amount of business.

While the smallest State in the country, Rhode Island in 1909 ranked third in the production of woolen and worsted goods, fourth in the production of cotton goods, sixth in the production of silk goods, and eleventh in the production of hoslery and knit goods.

From 1904 to 1909 the number of spindles in operation increased 347,022, or 18.9 per cent; the number of looms increased 17,263, or 27 per cent; the number of knitting machines increased 499, or 42.6 per cent; the number of combing machines increased 499, or 42.6 per cent; the number of combing machines increased 167, or 56.8 per cent.

In 1910 the population was 542,610, a gain of 26.6 per cent.

#### Specific industries in Rhode Island.

				Per	cent	of incre	ass.
Industries.	Average number of wage earners.	age num- per of wage Value of products.	Value added by manufac- ture.	Value of products.		Value added by manu- facture.	
				1904- 1909	1899- 1904	1904- 1909	1899- 1904
Woolen, worsted, felt goods, and wool hats Cotton goods and cotton	24,924	374,600,000	823, 575, 090	41.7	36.1	41.1	21.1
small wares	28,786 9,511	50,313,000 20,685,000	24,912,000 10,897,000	45. 5 43. 3	30. 8 9. 1	67. 1 40. 2	1. 1 10. 2
shop products Electrical machinery, appliances and sup-	10,937	20,612,000	12,598,000	45. 2	4.4	37.2	14.5
plies	1,601	6,410,000	1,815,000	17.9	6.3	28. 0	45.0
packing	214	3, 156, 000	362,000	18.8	2.3	32. 6	-9.6
throwsters	1,685	4,584,000	1,396,000	79.3	95. 0	62.3	74.8
ning. Tobacco manufactures Malt liquors	615 268 450	570,000 537,000 3,579,000	424,000 341,000 2,391,000	68. 6 50. 0 30. 6	27.5 22.2 45.7	53. 6 52. 9 18. 5	36.6 10.9 41.3

# Connecticut's industrial showing.

	Nı	Per cent o increase.			
Manufactures.	1909	1904	1899	1904- 1909	1899- 1904
Number of establishments. Persons engaged in mann-	4,251	3,477	3,382	22.3	2.8
facturing Proprietors and firm	233, 871	198,046	(1)	18.1	
members	3,468	2,918	(1)	18.8	
Salaried employees Wage earners (average	19,611	13,523	9,258	45.0	46, 1
number)	210,792	181,605	159,733	16.1	13.7
Primary horsepower	400, 275	304, 204	256, 331	31.6	18.7
Capital	\$517,547,000	\$373, 284, 000	\$299, 207, 000	38. 6	24.8
Expenses	\$429,904,000	\$328, 610, 000	\$274,170,000	30.8	19.9
Services	\$135,756,000	\$104,983,000	\$85,149,000	29.3	23.3
Salaries	\$25,637,000	\$17,040,000	\$11,755,000	50. 5	45.0
Wages	\$110,119,000	\$87,943,000	\$73,394,000	25. 2	19.8
Materials	\$257, 259, 000	\$191,302,000	\$169,672,000	34.5	12.7
Miscellaneous	\$36,889,000	\$32,325,000	\$19,349,000	14.1	67.1
Value of products Value added by manufac-	\$490,272,000	\$369,082,000	\$315, 106, 000	32.8	17.1
ture	\$233,013,000	\$177,780,000	\$145, 434, 000	31.1	22.2

1 Figures not available.

Population in 1919, 1,114,750, a gain of 206,336 over 1900. Connecticut leads the country in the value of products of her gold and silver refineries.

Connecticut leads the country in brass and bronze products with 44.6 per cent of the national total.

Connecticut leads the country in production of firearms and ammunition.

Specific industries in Connecticut.

				Per	r cent	of inere	ase.
Industries.		Value of products.	Value added by manufac- ture.	Value of products.		Value added by manu- facture.	
				1904- 1909	1899- 1904,	1904- 1909	1899- 1904
Brass and bronze prod-							
ucts	16,817	\$66,933,000	\$19,069,000	24.1	9.9	19.2	28.5
Foundry and machine- shop products	37,736	65, 535, 000	40,715,000	46.2	12.0	38.2	21.1
Cotton goods and small wares	14,360	24, 232, 000	12,272,000	31.5	19.0	49.3	3.4
Silk, silk goods and throwsters	8,703	21,063,000	9,229,000	34.8	26.2	41.4	26.0
Woolen, worsted, felt goods, and wool hats Automobiles, bodies	7,789	19,363,000	6,525,000	25.1	22.5	20.6	14.8
and parts Electrical machinery,	3,815	11,668,000	6,812,000	341.3		360.0	
appliances and sup- plies Lumber and timber	3,505	9,824,000	4,613,000	98.9	55.9	111.0	83.1
products	3,495	7,846,000	3,928,000	63.7	13.2	69.8	12.0
Typewriters and sup- plies Women's clothing	2,934 1,382	4,016,000 1,716,000	2,975,000 918,000	145.3 56.3	108.8 78.5	132.1 62.8	106. 4 44. 6
Bread and bakery prod- ucts Paint and varnish	1,869 236	7,310,000 1,543,000	2,847,000 718,000	23.9 199.6	13. 2 28. 8	16.1 237.1	6.9 28.3

It will be seen from the above tables that in New England the number of manufacturing establishments is 25.351; the capital invested is \$2,503,855,000; the total number of persons engaged in manufacturing is 1,212,158; the total number of wage earners is 1,100,886; the amount of wages paid annually to employees is \$557,630,000; the amount of other salaries is \$112,284,000, making the total for salaries and wages \$669,914,000; the value of materials is \$1,476,297,000; the value of product is \$2,670,065,000, and the value added by manufacture is \$1,193,768,000.

## A REMARKABLE RECORD.

That is certainly a most remarkable record, and it indicates the disaster that will overtake New England if the rates of duty in this bill are not sufficient to equalize the difference in cost of production at home and abroad, which I contend is not the fact. Among other things, it will be observed that the annual average wage paid in all the industries of New England, men, women, and children included, is \$506, an infinitely higher wage than is paid in any European country and at least 30 per cent higher than is paid in the States of the South.

# AN UNWARBANTED ATTACK.

Mr. President, it has been a matter of much regret to me that a New England Senator, my colleague from New Hampshire [Mr. Hollis], felt called upon to make a violent attack upon the industrial conditions of New England, and especially upon the textile industry. In a speech delivered in the Senate on the 11th day of August he, among other things, said:

My constituents as a whole have no sympathy with the provincial doctrine that New England must be coddled or "protected" at the expense of the South and West. When her public men in years past have begged for special tariff privileges at the Nation's Capital she has been misrepresented. She bids me say, Mr. President, that what is best for the country at large is best for her.

If the election of 1912 meant anything beyond a shifting of public officials, it meant that the Democratic tariff policy was indorsed.

* * I pledged my best efforts to securing for New England fair treatment in that revision and an equitable adjustment among New-England industries

* * Let these Senators remember that we are now taking.

* * Let these Senators remember that we are now taking merely a first step toward a revenue tariff. After we have seen the result of this first step we shall be in position to take a second. I very much fear that if we should make that first step so long that the cotton industry should receive a severe blow we might not be in a position politically to take the second step at an early date.

But even as a first step we have made a reduction on the whole cotton schedule * * * of 35 per cent. Two more steps like the first would leave the cotton industry of America entirely without protection.

Protected manufacturers * * * interfere with legislation * * * secure favors from railroads * * * control local boards of assessors * * control local officials * * control local courts * * interfere in senatorial contests * * oppose labor laws * * pay high dividends.

* * * While these mills pay enormous dividends to their stock-holders they pay starvation wages to their operatives.

When mill workers of a New England city hired a hall during the Lawrence strike to consider whether they should themselves go out on strike, the local police prevented the use of the hall, and when the operatives tried to hold meetings in the street some of them were

arrested. This was accomplished by the mill owners through the chief of police, who was controlled by the police commissioners, who were appointed by the governor at the direction of the mill owners.

Taking up these declarations in order, I beg to say that my colleague is laboring under a misapprehension when he asserts that New England bids him to speak for her industrial interests. New England believes in a protective tariff, and no man who supports the bill now under consideration, or who defends men like Ettor, Haywood, and others of their ilk, represents in any way her views. It is, furthermore, an unwarranted assumption to say that New England has been "coddled" or "protected" at the expense of the South and West. While the tariff has undoubtedly been of much value to New England industries, New England has reciprocated by helping to consume the agricultural products of the great West, and through her representatives in Congress by giving warm support to legislation in behalf of the West, such as the irrigation laws and the effort to retain duties on agricultural products. We also reciprocate with the South by consuming enormous quantities of her raw cotton, lumber, sugar, and rice. My colleague's solicitude for the West was not in evidence when he voted to put wheat and other agricultural products on the free list.

Equally mistaken is my colleague in declaring that the Democratic tariff policy was indorsed at the last election. How on earth anyone can believe that a policy that was repudiated by a majority of over a million voters of the country was 'indorsed" surpasses my comprehension. Had not the Republican Party been divided, and had the issue of protection or a tariff-for-revenue-only been squarely presented to the voters of the country protection would have been overwhelmingly indorsed

My colleague called attention to the fact that he pledged his best efforts to give New England fair treatment in the revision of the tariff, but it will be found when this bill becomes a law that New England has not been fairly treated, and that hundreds of her industries will be greatly harmed, if not entirely destroyed, because of the radical and unwarranted reductions that have been made in the rates of duty. My colleague's votes in favor of either largely reducing or placing on the free list granite, cutlery, latch needles, paper and pulp, manufactures of cotton and wool, boots, shoes, and leather, hay, eggs, butter, potatoes, maple sugar and sirup, and other New England products, is a poor fulfillment of his promise.

But the most startling declaration that my colleague made is

found in the statement that this bill is merely the first step toward a revenue tariff, and his assurance that after the Democratic Party has seen the result of this first step they will be in a position to take a second. He further says that he fears that if they should make that first step so long that the cotton industry should receive a severe blow they might not be in a position, politically, to take the second step at an early date. Evidently this means that the second step is to be taken and that it is expected to deal a "severe blow" to the cotton industry. It would be more correct to say that, instead of administering a severe blow, it nay be a deathblow to that great industry.

He further suggests that the first step that his party has taken reduces the rates of duty on the cotton schedule 35 per cent, and significantly adds that "two more steps like the first would leave the cotton industry of America entirely without protection." This program is doubtless the justification for my colleague's suggestion that "it is a subject for anxious thought whether a State is better off for possessing many cities of this character"; that is to say, cities like Manchester, Nashua, Dover, Lowell, Lawrence, New Bedford, Fall River, and other industrial cities scattered throughout the New England States. Let us for a moment imagine what the condition of New England would be if the cities where textile manufacturing is carried on were forced to abandon that industry and the operatives be compelled to seek for employment in other avenues of trade and industry. What would become of New Hampshire under such circumstances? It is a spectacle not to be contemplated calmly by those of us who believe that the present prosperity and the future greatness of New England largely depend upon her manufacturing strength and development. One New Hampshire Senator may contemplate with equanimity the possible destruction of the textile industry in New England, but any man who advocates such a contingency has no right to pretend that he represents New England sentiment.

My colleague's declaration that protected manufacturers interfere with legislation, secure favors from railroads, control local boards of assessors, control local officials, control local courts, interfere with senatorial contests, oppose labor laws, pay enormous dividends to their stockholders and starvation wages to their employees, might well do for a stump speech in the heat of a political campaign, but it is so utterly preposterous that it ought never to have been uttered in the Senate of the United States. So far as I know, the men who control our great manufacturing industries are as honorable, patriotic, and law-abiding citizens as can be found among any class of our people, and it is not the part of fairness or justice to denominate them as men who are engaged in questionable and unlawful conduct. The charge made against them can not be sustained and ought to be promptly withdrawn.

My colleague's statement that the local police of a New England city prevented the mill workers from using a hall in which to hold meetings during the Lawrence strike, due to the fact that the owners of the mills controlled the governor and police commissioners, who in turn controlled the police, is on a par with many other statements to be found throughout this re-markable speech. The simple fact is that the operatives of no New England city were forbidden to hold meetings, but the Industrial Workers of the World, men like Ettor, Giovanitti, and the notorious Haywood, who were haranguing and inciting to violence the foreign element in the mills of Lawrence and other New England cities, were taken care of, very properly, by the police force, as they have been in other parts of the country. It seems to me that it is about time for this talk about the Lawrence strike to come to an end. It was organized and conducted by socialists and anarchists, men who openly declared that they had no respect for either the flag or the laws of our Government, and who advised violence in all its forms. The result of that agitation is that the laboring people, through the advice of those men, lost hundreds of thousands of dollars. For the time being peace reigns in Lawrence, and it will continue to reign unless those same revolutionary agitators appear on the scene and incite to further violence and disorder.

#### HOURS OF LABOR,

My colleague also called special attention to the hours of labor that are required in the mills of New England, citing the fact that New Hampshire has a law fixing the maximum at 55 hours a week and, evidently for the purpose of showing that that is an excessive requirement, cited the fact that the Commit-tee on the District of Columbia has reported a bill establishing the eight-hour law for women and children in the District. He might have added that that bill was reported under protest from a great many women in the city of Washington, who prefer to work a longer number of hours in cases of emergency for the purpose of adding to their scanty income. And when my colleague pictured the conditions of the working people in the textile cities of the country as being in some respects deplorable he might well have carried his comparison between New England and the District of Columbia to the alley conditions which exist in the city of Washington, and which he himself recently investigated. If it is the duty of the manufacturers of New England to see that the operatives have sanitary surroundings whether they want them or not, it would seem to be equally incumbent upon the General Government and the government of the District of Columbia to get rid of the slum conditions in Washington, which my colleague in a recent interview so severely and properly condemned. Personally I diligently labored for many years, with a certain degree of success, to accomplish that result, and I trust that my colleague will continue the good work.

# THE DEATH RATE.

It is of interest in this connection to note the fact that in the calendar year 1912 the death rate in the District of Columbia was 14.18 per 1,000 for whites and 26.88 per 1,000 for the colored population. The general death rate in the District of Columbia for the year 1912 was 17.73, as against 16 in the much advertised textile city of Lawrence, Mass. The abnormal death rate for the colored people of the District, doubtless largely due to insanitary and other similar conditions, might well engage the attention of the committee of which my colleague is a member, with a view to further correcting conditions at the Capital of the Nation, which would seem to be as imperative as to correct conditions in the textile cities of the country. Efforts have been made along this line from time to time, but notwithstanding much progress has been made through legislation and otherwise, there still remains a great deal to be done to bring about ideal conditions. Again, why was not the fact stated that in southern textile mills, where goods are made in competition with the mills of New England, the hours of labor are much longer and children are employed at a less age than is permitted by law in the New England States? Why not be fair?

My colleague complains of the wages paid in the textile industries. Those men are mostly foreign born, mostly unskilled,

and they come to this country with a full knowledge of the wages they will receive, which are more than twice what they received in the countries from whence they came. I may be permitted to suggest that if they are not satisfied with the wage they receive here there is no law compelling them to remain in this country. It will require a wise man to figure out how our manufacturers can pay twice the wages that are paid abroad and sell their product in competition with foreign manufacturers without protection, but possibly the Democratic Party can solve that problem. The probabilities are, however, that when the bill under consideration becomes a law and American manufacturers are compelled to either reduce wages or go out of business there will be an awakening as to the folly of the proposed legislation.

Mr. President, I hold no brief for the textile industry of New England. I never asked for or received a favor from any manufacturing or other corporation, but at the same time I know of no reason why the textile industry should be singled out and assailed by any New England man, or placed in a false attitude before the people of the country. Enterprising and excellent men are engaged in the business, and the present prosperity of the New England States is largely dependent upon their energy and business sagacity. They certainly deserve fair treatment at the hands of their representatives in Congress, and more than that they do not ask or expect. Beyond a doubt mill conditions can be and are being improved from year to year, for it is a well-established fact that well-paid and contented laborers are more profitable to their employers than underpaid and discontented men and women.

Concerning the hygienic conditions of the modern factory, it is interesting to quote from an article entitled "The factory as an element in civilization" the following statement from the late Hon. Carroll D. Wright, at one time United States Commissioner of Labor. Dr. Wright said:

sioner of Labor. Dr. Wright said:

The regular order maintained in the factory cures this evil of the old system and enables the operative to know with reasonable certainty the wages he is to receive the next pay day. His life and habits become more orderly; and he finds, too, that, as he has left the closeness of his home shop for the usual clean and well-lighted factory, he imbibes more freely of the health-giving tonic of the atmosphere. It is commonly supposed that cotton factories are crowded with operatives. From the nature of things, the spinning and weaving room can not be crowded. The spinning mules, in their advancing and retreating locomotion, must have five or six times the space to work in that the actual bulk of the mechanism requires; and where the machinery stands, the operative can not. In the weaving rooms there can be no crowding of persons. During the agitation for factory legislation in the early part of the last century it was remarked before a committee of the House of Commons with a moderate attendance of a cotton mill is one-tenth as crowded, or the air in it one-tenth part as impure, as the House of Commons with a moderate attendance of members." This is true to-day. The poorest factory in this country is as good a place to breathe in as Representatives' Hall during sessions or the ordinary schoolroom. In this respect the new system of labor far surpasses the old.

In the above statement Dr. Wright told the exact truth. A careful investigation of the subject will disclose the remarkable fact that the laws of Massachusetts, which are, in many respects, the most advanced in the country, require in the public schools 300 cubic feet of air space per pupil, and ventilation furnishing 30 cubic feet of air per minute per pupil. On the other hand, the latest spinning mill built by the Arlington Mills gives 3,000 cubic feet of air space per operative, and the ventilating system furnishes 50 cubic feet of fresh air per minute per operative, the air being cooled in summer and warmed in winter. It will be observed that this mill furnishes 10 times the space and nearly double the amount of fresh air required by law for the public-school children of the State. A recent report of a State medical inspector of Massachusetts declared that it was a fact beyond question that the hygienic conditions in many Massachusetts mills are better than those in any schoolhouse in the State, and I venture the statement. without qualification, that the average cotton mill in New England furnishes more fresh air per individual, and of a better quality, than is supplied to the Senate Chamber of the United States It is fashionable for the claim to be made that a textile mill is an unhealthy place for men and women to work in, while the fact is that many mills are more hygienic than the homes of some men who are indulging in criticism and denunciation of the textile situation in New England. A well-informed Massachusetts man recently said to me that there is no doubt in his mind that the healthiest place that the mill operatives are ever in are the mills themselves, and he ventured the suggestion that it would be well if the agitators took up the subject of improving the conditions outside of the mills, endeavoring to bring them somewhere near to the quality of those in the mills.

I assert, without fear of successful contradiction, that the hygienic conditions which prevail in the textile mills of New England are in marked and gratifying contrast with those

which prevail in the Bureau of Engraving and Printing, the Bureau of Pensions, the Census Office, and other places which might be cited in the city of Washington.

EXCESSIVE DEATH RATE OF CHILDREN.

My colleague also called attention to the fact that there is a very large death rate of children under 5 years of age in textile cities. That is undoubtedly true in some cases, but I can not see how the manufacturers can be held responsible for it. It is barely possible that the sanitation and water supply of these cities may have something to do with the high death rate; and, again, it is an undeniable fact that in these communities some of the working people themselves are largely responsible for the condition of health which prevails among the children. They are largely foreigners, coming recently from southern Europe, and bringing with them the insanitary and careless conditions that prevail in those countries. they receive wages that would enable them to live comfortably, in some cases they herd together, eat poor food, and neglect all the laws of health, their sole purpose being to accumulate enough money to enable them to return to their own country and live in comparative luxury. Thousands of them accomplish this.

When the Balkan War broke out hundreds of Greeks in New England had no difficulty in drawing from the savings banks a sufficient amount of money to enable them to return to their native land and fight for their Government. The extent to which the laws of life and health are violated by some of these people is appalling, and certainly their employers ought not to be held responsible for that condition, the fact being that in many cases the mill owners are doing everything possible to mitigate such conditions. For instance, according to statistics furnished by the Manchester (N. H.) Daily Mirror, in that city, containing a population of about 75,000, a single corporation, the Amoskeag Manufacturing Co., a mill where strikes are unknown, employing 15,000 men and women, with a weekly pay roll of approximately \$150,000, has established a playground for the children, supplies free physicians, dentists, and visiting nurses, has established lecture courses, is teaching them domestic science, and is giving free house lots for homes for operatives. In addition, it is in contemplation to build a clubhouse for the workers in that textile mill. The corporation has built many houses for which operatives pay a comparatively small rental, which houses are sanitary in every respect, many of them containing bathrooms and other modern improvements. The "reeking tenements" that my colleague talked about are not to be found in that city, certainly not unless the workingmen themselves choose to live in violation of the well-known laws of health, and I have found nothing to warrant the suggestion of my colleague that possibly New England would be better off if these industrial cities did not exist.

The charge that the women are sickly is equally wide of the mark, for no healthier or more robust women can be found anywhere than those that are employed in the textile mills of Man-

Mr. President, I am fortunate in having corroborative evidence of what I have said concerning the great textile city of The Hon. EUGENE E. REED, Democratic Repre-Manchester. sentative in Congress from the first New Hampshire district, and mayor of the city of Manchester for eight successive years, in an interview a few days ago, gave testimony as to the condi-tions in that city. Mr. Reed, after disclaiming any purpose of entering into a personal controversy with my colleague, said:

entering into a personal controversy with my colleague, said:

The queen city of Manchester is not a blot on the map, but is absolutely the reverse. It is the finest city of its class and character on the American Continent. There is no other manufacturing city with so many good homes as can be found in Manchester. Slum districts there are unknown. It is a home-owning and a home-loving city. There is not a manufacturing city in the country where the people are so well cared for and so contented as in Manchester, and where so much is done by their employers and the city itself to protect the health and prosperity of the employees. I do not know nor care what Senator Hollis may have said. I am speaking from my personal experience. I am a Manchester man, and am interested in every phase of its welfare, and shall give it my honest and conscientious service at all times. The conditions there in no way bear out the statements as quoted from the speech of Senator Hollis.

## A STRIKING ILLUSTRATION.

As an illustration of the prosperous condition of the textile workers in Manchester may be cited the fact that the deposits in the savings banks of that city are \$33,714,000, of which amount a careful estimate credits \$9,873,450 to the working people. Those employed in the mills have also a large amount invested in building and loan associations, and according to the records in the office of the board of assessors, 773 employees of the Amoskeag Manufacturing Co. own real estate in the city assessed at more than \$2,000,000. To illustrate the amicable relations existing between the corporation and their employees

it is interesting to know that there has been organized among the workers in that great mill a textile club, which has for its general object the improvement of the relations between the operatives and the management. This club now has a membership of about 1,200 men and 400 women. It endeavors to promote in every legitimate way clean and healthy outdoor sports, and during the summer months has established a camp for boys. children's gardens, and has constructed the finest baseball park in any city of New England outside of Boston. supervision of the children's playgrounds. It is intended that during the winter months stereopticon lectures and other instructive amusements will be provided for its members. It may be that my colleague wants to see that great mill put out of commission, but my impression is that sober second thought will lead him to a different conclusion.

## MORTALITY IN NEW HAMPSHIRE CITIES.

It is especially interesting to note the fact that the general mortality for New Hampshire cities, which includes the mortality of children under 5 years of age, is favorable to the textile communities. As an illustration, Concord, the capital of the State, where my colleague and I both reside, a residence city with practically no manufacturing industries, had in 1910 a death rate of 21.6; and in 1911, 20.1; while Manchester, Nashua, Dover, and Laconia, all of which are textile cities, had Nashua, Dover, and Laconia, an of which are textue cities, had death rates as follows: Manchester, 1910, 16.5; 1911, 18.2; Nashua, 1910, 17.7; 1911, 16.3; Dover, 1910, 17.8; 1911, 18.7; and Laconia, 1910, 18.3; 1911, 14.7; all considerably below the death rate of Concord. It will be observed that in some of these cities the average death rate has fallen, while in others it has risen; but no one of them shows as large a death rate as Concord, where manufacturing is almost entirely unknown. It is proper that I should say that the death rate of Concord is somewhat augmented by the abnormal death rate in one of the State institutions located in that city.

#### MORTALITY STATISTICS FOR MASSACHUSETTS.

Turning to the State of Massachusetts, which is the most distinctively textile State of New England or the Union, leading in both cotton and woolen manufactures, the following facts appear: The four chief textile manufacturing centers of this State are Fall River, Lowell, New Bedford, and Lawrence. These are all populous communities in which, as in other industrial centers of New England and the country, a large proportion of the people are of foreign birth.

It is true, of course, that the rate of mortality is greater in these densely inhabited cities than it is in most of the country towns and somewhat larger than the rate of mortality in the State at large, which was 15.42 per 1,000 in 1911. In that same year the death rate in the textile city of Fall River was 17.5 per 1,000, in the textile city of Lowell 17.7 per 1,000, in the textile city of New Bedford 17 per 1,000, and in the textile city of Lawrence, which has been pictured as a horrible example of destitution and suffering, the death rate was 16 per 1,000, only a fraction above the average death rate in the State. in that same year, 1911, the death rate in the nontextile seaport of Boston was 17.1 per 1,000, and in the seaport of Salem 16.7 per 1,000. In Chelsea, a commercial city on the shore of Boston Harbor, the death rate was 19.3 in the same year, being 3.3 higher than the death rate in Lawrence. These figures compare densely populated textile communities with densely populated nontextile communities, and they go far to disprove the assertion that any particularly high mortality attaches to textile manufacturing. These are the records of the Forty-third Annual Report of the State Board of Health of Massachusetts, published in 1912.

#### TUBERCULOSIS.

If there is any malady that might be assumed to be peculiar to textile communities it is tuberculosis. But the mortality from this disease in the four chief textile centers of Massachusetts, taken as a whole, is lower than in the State at large. The sixty-first annual report of births, marriages, and deaths in Massachusetts states that the mortality from tuberculosis in the whole Commonwealth in the year 1910 was 1.3 per thousand, this figure including, of course, a very large number of agricultural, thinly populated towns. But in the same year the same authority states that the death rate from tuberculosis in Fall authority states that the death rate from the roulosis in Fall River, a textile city, was 1.3 per thousand, the same rate as in the State at large, while the tuberculosis death rate in New Bedford, Lowell, and Lawrence, all textile cities, was only 1.1 per thousand. In these textile centers a great majority of the working population are employed in the cotton and woolen mills, and it is a most remarkable fact, as shown by these official figures, that textile workers as a whole suffer less from tuberculosis than do the people of Massachusetts in general. PNEUMONIA.

In an article from Collier's Weekly, which the Senator from South Carolina [Mr. SMITH] had read into the Congressional RECORD on Monday, August 25, the statement was made that in view of the conditions existing in the textile cities a high death rate resulted, especially in diseases such as pneumonia. It has been shown that the death rate from tuberculosis in the textile cities of Massachusetts is even less than the general death rate for the State. It will now be interesting to observe that the report of the Bureau of the Census for 1911 shows that the death rate from pneumonia in Massachusetts was 1.6 per thousand, while in Fall River the rate was 1.9, New Bedford 1.8, Lowell 1.4, Lawrence 1.9, Manchester 1.8, and Boston 2. From this it will be seen that in Lowell the death rate was lower than in the State at large, while all the textile cities mentioned had death rates from pneumonia below that of the nontextile city of Boston and but slightly above the rate for the This illustrates the loose and unwarranted methods that are being employed to bring opprobrium upon the textile cities and utterly refutes the statement in Collier's Weekly, quoted with such gusto by the Senator from South

Since the city of Lawrence has been held up to particular opprobrium because of a recent violent strike there, inaugurated and fomented by those anarchistic agitators, the Industrial Workers of the World, it may be well to note that the death rate in Lawrence has steadily receded from 19.6 in 1905 to 17.7 in 1910 and to 16 in 1911. The records of vital statistics in Massachusetts are known to be kept with scrupulous care and go far more closely into detail than do the records even of neighboring New England States. These exact official facts, furnished year after year, utterly refute the contention of the political foes of New England textile manufacturing so far as the question of health is concentration. tion of health is concerned.

In refutation of the doleful picture that my colleague painted of the conditions existing in the industrial cities of New England it is only necessary to quote a few figures. As has been said, the city of Lawrence is particularly held up to criticism and denunciation and the effort is made to prove that the laboring people of that city are oppressed beyond the point of endurance. To a question addressed to Hon. Michael A. Scanlon, Democratic mayor of Lawrence, under date of August 14, the following reply was received:

following reply was received:

The population of Lawrence, according to the 1910 census, was \$5,892.

There is about \$22,000,000 deposited in three savings banks and in the savings departments of three trust companies. Nearly all of this amount is the property of working people in Lawrence and its suburbs, Very few people other than working people in Lawrence or its suburbs deposit in savings banks, because the amount of a deposit is limited to \$1,600 and its accumulations up to \$1,600. Those having larger return, the savings banks paying 4 per cent, and consequently nearly all the money in savings banks in Lawrence is the property of working people.

people.

Lawrence has a valuation of \$78,755,253. Of this amount \$37,524,900 is real estate owned by residents. The remainder represents the holdings of large mill corporations, nonresidents, etc., with the exception of \$10,025,325 in personal property owned by residents, The greater part of this \$47,000,000 real and personal property is owned by working people.

Now, let us look at certain other Massachusetts cities. city of New Bedford, long one of the great industrial cities of Massachusetts, with a population of 96,000, has \$28,382,945 deposited in savings banks, almost wholly the accumulation of the people who work in the mills and factories of that city.

One of the most striking illustrations of the prosperity of a New England industrial city is furnished in the case of Worcester, Mass., a city of 146,000. The deposits in the savings banks within that city amount to \$70,000,000, and outside of the city there are deposited \$40,000,000 by the people of Worcester, making a total of \$110,000,000. In cooperative banks and loan associations \$4,600,000 are deposited. I am reliably informed that most of this money belongs to the working people of Worcester. Under the laws of Massachusetts no one person can deposit in the savings banks more than \$1,000, which can not be increased above \$1,000 by the addition of dividends. It is also estimated that the working people have invested in real estate and first mortgages, in and out of the city, approximately \$90,000,000, which, so far as can be ascertained, makes the working people of Worcester the richest working people per capita on the face of the earth, amounting to \$1,400 for every man, woman, and child. All of this money, with the exception of some \$40,000,000, has been accumulated within the last 20 years. Worcester is a city of varying industries, almost every possible species of manufacturing being found there, including textiles to a large extent. It does not require any stretch of the imagination to conclude that if under the operations of the pending bill these industries

are halted the working people will suffer a tremendous loss, and beyond a doubt will be compelled to withdraw more or less of their deposits from the savings banks and use them to secure the necessaries of life. Does any man in public life seriously want to halt the prosperity of these textile cities? Time will

A COMPARISON.

Mr. President, Robert Burns was a philosopher as well as a poet. It will be remembered that on a certain memorable occasion he was moved to write the stanza:

Oh, wad some power the giftie gie us To see oursel's as ithers see us! It wad frae monle a blunder free us An' foolish notion.

If our Democratic friends had only had the gift to see themselves as the country is now seeing them and the wisdom to appreciate the fact that the legislation they are engaged in will of necessity do harm to all classes of our people, the bill now under consideration would never have been prepared.

It will be recalled that Gen. Grant is credited with the wise remark that "You can always trust the Democratic Party to make a mistake at the right time," and what is occurring today is a fresh illustration of the correctness of Gen. Grant's observation. It is a monumental blunder, the magnitude of which can not be overestimated.

It can well be imagined how, when the crash comes and the people of the country have risen in their might to overthrow the Democratic Party because of this legislation, the Senator from North Carolina [Mr. Simmons], the Senator from Mississippi [Mr. Williams], the Senator from Missouri [Mr. Stone], the Senator from New Hampshire [Mr. Hollis], and their associates on the Democratic side of this Chamber will see the unwisdom of what they are now doing; but in view of the circumstance that they will be responsible for the destruction of American industries and the lessening of the demand for American labor, they will find little comfort in contemplating the fact that the result was due to their party's political blindness and

Mr. President, it is a matter of regret to me that I have felt compelled to detain the Senate for so long a time in the discussion of this question, but it has seemed necessary for a proper understanding of the situation that certain facts should be frankly and fairly placed before the American Congress and the American people. I am not an alarmist in any sense of the word, but I can not bring my mind to any other conclusion than that the contemplated legislation will inevitably bring disaster to the industries of the entire country, and especially to those of New England, with suffering and sorrow as a necessary result, and I would be doing myself an injustice did I not sound a warning note. But, Mr. President, the die is cast. A Democratic President, a Democratic Congress, and a Democratic caucus have ordained that the bill shall become a law, and while it does not represent the honest convictions of a majority of the American people, it is to be forced upon the country by the representatives of a political party that has always stood in opposition to the protective doctrines of the Republican The triumph will be complete, but it will be short lived, and those of us who contemplate with solicitude the result of the legislation can find satisfaction and comfort in the belief that the Government will soon again be placed in the hands of the party of protection, and that this statute will in due time be superseded by a law that will adequately protect our people from the cheap labor of European and Asiatic countries.

Mr. HOLLIS. Mr. President, I confess that I have always Mr. HOLLIS. Mr. President, I confess that I have always admired the speech that my colleague [Mr. Gallinger] has favored us with to-day. It has the flavor of childhood associations, the taste of "the old oaken bucket," and the fragrance of "the last rose of summer." One thing only is lacking, and that is the waving of "the bloody shirt." When I first heard that speech I was a small boy in knickerbockers, and "the bloody shirt" was the most important thing in it, but it then, as now, bristled with figures, sayings banks deposits, statistics of nonubristled with figures, savings-banks deposits, statistics of population, and all sorts of things that sounded good. It had the smell of the flesh pots about it and the glitter of coin and benevolence and prosperity, and the poor workingman who sat there and heard it, thinking of the 10 children he had to support on a dollar a day, went home to wind up his alarm clock and think how happy he was to live under such a Government.

This has all been thrashed out, Mr. President, in the State of New Hampshire. My distinguished colleague has not been there on the stump very much of recent years. Perhaps he did not represent exactly what the managers of the Republican Party have represented in the last few years, for Mr. Winston Churchill and Gov. Robert Bass have managed the Republican

Party for some time now. And if this speech was heard at all on the stump when they controlled the reins of the Re-publican Party it was heard in some populous center like Swanzey, Crawfords Notch, or Harts Location. But if it was made, Mr. President, I assure you it rang with all the benevolence, patriotism, and protection that it has rung with here to-day.

I said nothing in my speech the other day about the city I did not mention it, but immediately my of Manchester. friends, the Republicans, get up and say, "Hollis is abusing Manchester again." I do not dare to abuse Manchester very much because I have to go through it when I go to my own home, and during my last campaign I was notified by telephone that if I made another speech in Manchester I should be arrested. I do not know whether my prerogative as a Sena-tor would save me from that, but I am afraid I might be arrested just as they arrested the workingmen who were not permitted to hold a meeting to see whether or not they would

My distinguished colleague and his friends are very glad to say on all occasions that I am the defender of Mr. Ettor and Mr. Haywood. Mr. President, I have never defended them for one single moment in all my life. I have merely said that their opponents, the cotton-mill managers, were just as bad as they were, and sometimes even worse.

The Senator, I But this Manchester issue has come up. am sure, does not expect to be returned to the Senate. In what he said to-day I can read his conviction that he can not be, because he is beginning to abuse his own home city and say that they have there a higher death rate than they have in the mill towns of Massachusetts. No man can afford to do A man must stand by his home town, and I am going to

stand by mine.

The figures furnished the distinguished Senator came from a man named Topping, who is a newspaper correspondent, and who wrote the article in the Mirror from which the Senator read. The article was sent to the Senator, and I was notified I have investigated the death rate of the city of Concord, and I find that in our insane asylum, where they bring practically all of the insane in the State, there are 140 deaths a year, and Mr. Topping made up his death rate by including all those insane persons. The latest available report of the city of Concord gives the death rate, excluding the insane patients who came from elsewhere, at only 15.45 per thousand-away below the death rate of Manchester and the other mill cities.

I did not suggest that Manchester or Lawrence or any other city had a large death rate, Mr. President. I merely called attention to the undoubted fact that the death rate among children 5 years old and under is greater in the mill cities of New England than anywhere else in the country, and that, too, in a most salubrious climate. My distinguished colleague does not deny that; he can not deny it; the figures show it. I threw that much out for what it was worth; but I see I am obliged to fol-

low it up in order to maintain myself.

For some reason the attention of the Government has been called to the mill cities of New England, and they have had for several years a man up there investigating. That man is a graduate of Harvard College and of the Harvard Medical School, and he is an expert. He has made a report in which he

Cotton-mill work was selected for special investigation because it employs a larger number of women and children than any other industry, because it exhibits a deplorably high female death rate, and because it, more frequently perhaps than any other large industry, subjects its workers to inhalation of irritant vegetable dust, which in the underfed and overworked is especially conducive to bronchitic, asthmatic, and tuberculously infectious pulmonary diseases.

Mr. GALLINGER. Mr. President-

The VICE PRESIDENT. Does the Senator from New Hampshire yield to his colleague?

Mr. HOLLIS. I yield. Mr. GALLINGER. I do not wish to disturb my colleague. He always interests me. But my colleague will note the fact that the general death rate includes the death rate of children under 5 years of age; yet the textile city of Lawrence, Mass., so much berated, has a death rate of only 16, including children under 5 years of age, while the city of Concord, the home town of my colleague and myself, where people go to educate their children, excluding the institution to which both my colleague and I called attention, has a death rate of 15 and a fraction, almost as much as Lawrence, and applying the average death rate to the State institution the rate will be greater than

Mr. HOLLIS. I shall not argue on what I may have to think up on the spur of the moment, but I shall continue to read from this Government report, which no one will attack as being in-

correct.

Dr. Perry says:

Dr. Perry says:

II. In the age groups within which operatives and nonoperatives are fairly comparable, female operatives have a decidedly higher death rate than nonoperatives. This is most marked in respect to tuberculosis, the death rate of female operatives from this cause being, in general, more than twice that of nonoperatives, and in some of the race and age groups running up to many times as high. Thus, in the age groups 15 to 24 years, 25 to 34 years, and 35 to 44 years the death rates from tuberculosis per 1,000 were, respectively, two and one-fourth times, two and one-half times, and five times those among women of the same age groups outside the cotton industry.

III. An examination of different factors which might affect the death rate, especially from tuberculosis, such as native or foreign birth, tuberculous kindred or intimates, overcrowding, sanitary condition of homes, etc., fails to show any such massing of unfortunate conditions among the female operatives as would explain their unvaryingly higher death rate.

among the female operatives as would explain their unvaryingly logated death rate.

Hence it seems impossible to escape the conclusion that operative work is prejudicial to the health of females, that the combination of operative work with matrimony is especially harmful, and that, while the general hazard of the female operative is greater than that of the nonoperative, she is in most danger from tuberculosis. Whether the harmful effects of operative work are greater than those of other industrial employments, and whether they inhere in cotton textile work as a whole or are due to certain occupations carried on within the mills, are questions for further investigations to answer. This has established the fact of the high mortality among female cotton operatives and of their special susceptibility to tuberculosis.

Mr. President, the Amoskeag Manufacturing Co. has been injected into this debate, but not by me; and I wish to say a

little more about that delightful institution.

In the first place, it_seems that they have established a school to teach cooking; and I think it is very necessary when they pay, on the average, only seven or eight dollars a week. If I had to support a family on that wage, I should certainly want

to know all that science could teach me.

The Amoskeag Manufacturing Co. is very clever. large dividends, it pays low wages, and it is a good advertiser. The playground that my benevolent colleague speaks so carefully about is stuck right down beside the Boston & Maine Railroad, where everyone can see it, with a big sign upon it, saying "Amoskeag Manufacturing Company Playground." I have been past the playground hundreds of times, and I have never seen more than 10 little children in there at a time. They have bought a baseball park, and they advertise in other ways. They have a hospital, but instead of having it in a healthy spot, they have put it right beside the railroad, with a sign upon it, so that people can see it. And so they spend a small fraction of 1 per cent to advertise their benevolence to the State of New Eampshire, while the Government of the United States has spent over \$150,000 to educate my distinguished colleague in the Senate so that he can get up and promote that gospel.

Now, coming to the Amoskeag Manufacturing Co. and its sanitary adjuncts, about which the Senator has told us, this article appeared in the Manchester Mirror, the one from which my colleague has read, and it aroused the ire of certain good people in Manchester. One of them, Dr. Noel E. Guillet, a very prominent physician in Manchester, wrote a letter, which was printed, in reply. He speaks of his own knowledge. He

The Mirror does not criticize Senator Hollis's speech from a tariff point of view, but tries, for political capital, to show, by all kinds of misrepresentations, that Senator Hollis has insuited the working people, and when the Mirror attempts to do that it is losing its pains and its ink, because all classes of working people know well, by long years of experience, that Senator Hollis is among the best champions of their cause.

Now, how utterly silly it would be for me to take the attitude of insulting the working people of Manchester, when they are the very people who have always supported me and who have always voted for me and on whose support I depend. Far from insulting them, I should like to see them get the wages that the rest of the people of the United States turn over in the price of cotton cloth, so that they may go to these workingmen.

Dr. Guillet continues:

Now, Mr. Editor, I wish the Mirror would send the reporter-

That is our friend Topping, who was the private secretary of Congressman Sulloway until Congressman Sulloway was defeated in the last campaign—

feated in the last campaign—

Now, Mr. Editor, I wish the Mirrer would send the reporter who visited that boarding house, so immaculately kept, with a menu that would do honor to the Copley Square, of Boston, and all that for \$3 per week, a little farther north to those corporation buildings owned by the Amoskeag, right next to Elm Street, between Bridge and Dean. There he would find not one but a bundred tenements, one and a half story, old wooden shantles, with plumbing unknown to them, no modern service, but common, old-time vaults.

If the gentleman from the Mirror would take a trip around those vaults on a hot summer day with his olfactory appendage wide open, he would see and his nose would tell him that he himself has insulted the common people by his sarcastic article, and that the articles printed in the Mirror July 21 and 22, 1900, during the house-to-house inspection would be more appropriate.

There are one or two hundred more Amoskeag tenements connected with water-closets in unheated sheds. In cold days the water freezes, thereby becoming a nuisance a great part of the winter. That such a

condition should exist in the thickest portion of our city for over 40 years is doubtless because the owner, a powerful corporation, has a strong hold on our local board of health as well as on other boards.

I believe, Mr. Editor, that to find the real condition that exists among our laboring people one should not go only to the corporation counting room and the banking counter, but take the pains to visit the county commissioner, the overseer of the poor, the hospital wards, look into the grocer's and doctor's books, and perhaps also into the books of some of these prosperous merchants.

For experience years, the even complexed by the State of Nave

For several years I have been employed by the State of New Hampshire, under a Republican administration, to prosecute these mills for violating the law. Why they came to me, a Democrat, I do not care to state. It may not be because they could not find a Republican lawyer who dared to attack these great corporations, but it has been my business to do the work. I have had detectives in the mills. I have had hundreds of pictures of little children at work in the mills, doing a man's work, below the legal age. I have prosecuted them in the courts, and I have had the various experiences that I described in my speech the other day. I repeat that I do not want any harm to come to these corporations; but I still say that there is no reason why they should have any special favors at the hands of the Democratic Party.

Mr. President, in this speech, which I have always admired, as I admit, which has so much that it is pleasant to hear, my genial colleague always goes back to the time of Washington and Madison. He then comes down, and wherever there are hard times he shows that either before or after them we have had a Democratic tariff bill. I am glad to say that the Democratic Party has been in power so much in this country that it is very difficult to get far away from the time-when it was in power. But Washington, Madison, and Monroe would look with amazement at a bill such as this, which carries as high an average rate as 26.67 per cent. That is a high rate—higher than those gentlemen ever saw or ever contemplated.

My colleague says that under the Walker tariff they did not

raise enough revenue, and therefore they could not pay their bills. That is no reflection on the theory of the revenue tariff. If you do not get your rates high enough, you can not raise enough revenue; and the Democratic administration, even before President Buchanan left his seat, had corrected that error in the computation.

President Wilson's words, so eloquent and so true, and read with so much gusto by my distinguished friend, were uttered of the period in 1893, one year before the Wilson tariff bill was passed. My colleague knows that well, but he always forgets to state it.

My colleague finds fault with me because I say that New Hampshire bids me speak for her. This matter has all been thrashed out on the stump in New Hampshire. True, we have not heard my genial colleague as many times lately as we should have liked to hear him, but we know just what he would say if he were talking. If he had been on the stump, he would have known that I have been for the last four campaigns denouncing the protective tariff as a fraud and a delusion; that I have been denouncing the manufacturers who steal the wages that are contributed for the workingmen in the mills, and it is on that issue that I was elected.

I was not elected by any combination of Democrats with Bull Moosers. Not a single Bull Mooser voted for me. I was elected by some 204 Democrats plus about 8 Republicans, and they voted for me because they believed in the principles for which I stood.

The good Senator, so far as I know, has never gone to the people in New Hampshire since he was elected to Congress, away back before I left school. I hope he will run again during the next campaign; and if so, we can find out whether his premises are true and whether mine are wrong.

But I wish to call the attention of the Senator, when he says we are a minority party, to the fact that it was this very high protective tariff that divided the Senators who sit on the other side. That was where the great debate was, in 1909, between men like Senator Dolliver, Senator LA FOLLETTE, and Senator Bristow on the other side and the standpatters on the same side. It was the high protective tariff that they say they stand for to-day that split their party hopelessly so recently in the

In making his speech my colleague has always referred in glowing terms to the savings-banks deposits, thereby arguing that American wages are high. To-day he cites Manchester, with its 70,000 people, with deposits in the savings banks belonging to the working people of \$13,000,000. Our little city of Concord has only 20,000 people. It has practically no manufacturing. Yet in a single savings bank we have assets of almost \$12,000,000-almost as much as the working people have in all the banks of a city three and a half times as large.

I shall not take up the time of the Senate further on this part of the debate. It has been gone over and over and over. The people of New Hampshire knew the fight was pending. They knew what the issue was. I did not sneak into the Senate by stealth. I did not come in on a midnight assault. I came in in broad daylight, at high noon, on the arm of my distinguished colleague, at the end of a long and bitter senatorial fight, with flags flying and drums beating. I had declared my ideas of the tariff to the people of New Hampshire, and I was constantly I had declared my ideas of the misrepresented by the papers.

My colleague has claimed that I stated that I believed the Amoskeag Manufacturing Co. should be demolished-"Amoskeaga est delenda." Mr. President, I have never made any such I would be foolish to make the statement. statement. hoped and prayed over the poor sinner, hoping that it might reform and give to the working people some of the benevolence which it arrogates to itself.

No, Mr. President; the issue was squarely drawn, and the best answer to the speech delivered here to-day by my honorable colleague is my very presence in the Senate of the United States.

Mr. GALLINGER. Mr. President, I have been charmed while listening to this "impromptu" speech that my colleague, to my knowledge, has been working over for four or five days

I need not even refer to the suggestion that my colleague has made, of a rather offensive nature, concerning my future participation in the political campaigns in New Hampshire. attitude on public questions has been well known at home and is well known here. I never have had occasion to apologize for what I have believed or for what I have said, and I do not propose to do so now.

My colleague's suggestion that I have put myself in an attitude where, of course, I will not dare to run for another term in the Senate is gratuitous. He has no authority whatever for in the Senate is gratuitous. He has no authority whatever for saying that. As I said the other day, I will go out of the Senate voluntarily, if I conclude to go in that way, or my people may put me out if they think it wise to do so; but I will not go out because of any suggestion from any Democrat in the State. On the contrary, I shall be in the hands of my political friends, with whom I have labored, for good or for bad, lo! these many years.

Mr. President, I am not going to continue this debate, because I know we ought to take up the items not yet agreed upon in the tariff bill. The figures I have given in reference to the death rate can be verified by an examination of the census reports on mortality statistics. My colleague repeats the assertion that there is an unusually high death rate from tuberculosis among the women in the mills. Yet that is not reflected in the general death rate as we find it recorded in the official figures to which I have called the attention of the Senate. If there is an abnormally high death rate among the women, there must be an unusually low death rate among the men and children; so we will let that go for what it is worth.

I do not care to enter into a discussion as to how my colleague got into the Senate. He is a good fighter. He was a Democrat—and an aggressive, militant Democrat—when the Democratic Party was hopelessly in the minority in New Hampshire. He carried the banner down to defeat time after time, and finally he achieved victory by the aid of some Republicans in the legislature-men elected on the Republican ticket. do not know whether they have all had their reward as yet, know some of them have had their reward.

Mr. President, we will let this matter go as it is. If what I have said is not worthy the attention of the Senate or the country, the Senate and the country will judge of it. If it is ancient history, I will merely suggest that it is wise for us sometimes to turn back the pages and glean lessons from the past. What I have said I have said from the book, and it can not be gainsaid. It will stand in the records of the Government as a contribution to this discussion, which will be helpful or harmful according as the people look at it.

Mr. President, my future, so far as politics is concerned, is of very little account. I am concerned for my State more than for myself, and I now give notice to my amiable and militant Democratic colleague that in the next political campaign, if I am alive, we will fight this out before the people of New Hampshire, whether I am a candidate for reelection or not, and the result will determine whether I speak wisely and truthfully to-day or whether my colleague speaks words of truth and wisdom.

Mr. THOMPSON. Mr. President, as I proceed with my remarks I prefer not to be interrupted. When I have concluded, if any Senator desires to ask any question I will take pleasure in answering it.

It is not my purpose, Mr. President, to discuss in detail the various schedules of the tariff bill or any one schedule in particular. I simply desire to discuss in a general way the tariff question as presented by the bill under consideration in order

that my vote may be fully understood.

My views on this question have, perhaps, been more often misrepresented by the opposition press of my State than those of any other Senator. The Republican and Progressive papers, without the slightest foundation or authority, were quick to assume and boldly announce to the public that because I reside at Garden City, where we have the only sugar refinery in the State, I would vote against the clause in the bill providing for free sugar after three years, and would eventually vote against the entire bill if it included this provision. The Republican press seem unable to get over the idea that every Senator must be guided only by local conditions.

These misrepresentations were so general that my constituents became somewhat alarmed as to my position and, contrary to my usual custom, I felt it necessary to give the following state-

ment to the press:

False statements, having no foundation whatever, are being published to the effect that I expect to vote against the Underwood bill because of the sugar schedule.

I have never intimated to anyone that I would vote against the bill, and have never had any such intention. There is no substantial difference between President Wilson and myself on the tariff, and certainly not enough difference on any schedule to justify any person in the belief that I would vote against the bill. The questions presented are national—not local—and will be so regarded by me.

There is so much good and so little bad in the bill that I do not believe any Democrat would be justified in voting against it, simply because it may not meet his personal views or the wishes of his immediate constituency in a few schedules.

I have always stood for a material reduction of the tariff, on sugar as well as all other necessaries of life, and I favor free sugar when it can be obtained without serious injury to the industry and the price of sugar to the consumer can be lowered thereby.

I am not influenced simply by what is best for the people and the industry at my home city and county, but by what is best for the industry and the people generally throughout the United States. The only difference between President Wilson and myself on this question arose simply over the consideration of the length of time a satisfactory condition can be brought about considering the welfare of the industry as well as the benefits to the people as a whole to be derived from ultimate free sugar.

To meet my views I introduced in the Democratic conference an amendment to the sugar clause proposing to adopt the sliding scale of the pending bill up to 1916, and thereafter to reduce the duty 25 per cent each year until free trade in

sugar was reached.

The reason for the misrepresentations on the part of the press and the erroneous impression received therefrom by the public was, no doubt, because of the way tariff bills have heretofore been drafted. The tariff question has formerly been regarded by most people as merely a "local issue" and not of national character or importance. While all of the property I have in the world, and the best friends I have on earth are located in the sugar section of my State, and many of my close personal friends are engaged or interested in this particular business, yet I must, in the performance of my official duty, consider the question from a State-wide and Nation-wide standpoint. I must, as a Senator, disregard my personal interest and the wishes of my personal friends where they conflict with the public interest. The question is, Will free sugar eventually be of benefit or of injury to the majority of the people of my State and of the Nation? It is admitted by the opposition that free sugar will necessarily lower the price of sugar to the consumer.

There are not more than 1,000 people in Kansas directly interested in the raising of sugar beets or interested in the refining of sugar, while, on the other hand, there are about 1,700,000 people who have no interest whatever in the business

and who must purchase sugar.

The present tariff rate on sugar is about 33 per cent of its value, or practically one-fourth of the retail cost is made up by the tariff. It is estimated that every person in the United States consumes about 80 pounds of sugar per year. The average price of sugar is about 5 cents per pound, making the total cost to each person about \$4 a year. The people of Kansas pay out about \$6,800,000 for sugar under the present tariff and prices each year. Free sugar would therefore result in a saving to the people of my State in one year of about one-fourth of this amount, or \$1,700,000, which would be a saving of more than the entire cost of the Garden City factory to the whole people of the State each and every year.

This is the first tariff bill drafted since the Civil War which bas disregarded the local-interest proposition. While it has been charged that the bill has been drafted in the interest of the southern people and of the eastern manufacturer, yet a close inspection of the bill, with full information as to how bills of this character must necessarily be drawn, will convince any reasonable person that there is no truth in this charge. The main idea throughout the bill has been to place the necessaries of life on the free list, regardless of where they are raised or produced, in order to secure the greatest benefits for all the people and to reduce the high cost of living, which has reached the highest point ever known in the history of this country.

Too often heretofore in the framing of tariff bills those favoring a tariff on wool traded their influence and votes to those favoring a tariff on cotton or some other article, and those favoring a tariff on sugar traded their influence and votes to those favoring a tariff on agricultural products or some other article. In other words, it was simply a case of "you scratch

my back and will scratch yours."

There was no real principle involved. All had the idea of protection, with a selfish motive on the part of each individual and the thought that everything was all right if each contending party received his share. We have now drawn a tariff bill where there has been no swapping of votes or interests and where no particular person or section sought to secure any advantage over any other. The Democratic Party has at last become great enough so that it can declare to the world that the tariff question is no longer merely a local issue, but that it is national in character and is simply a means to assist in raising revenue and is only tolerated for that necessary purpose.

We are fast discarding the idea that the Government must engage in commercialism or there will be no business in the country. It is no longer the business of the Government to undertake to see that certain classes of people are successful in business enterprises. It is no concern of the Government if these classes can not make a profit by the merits of their own goods and the economy in their production. Commercialism is

no longer a legitimate governmental function.

The only legitimate function of government is to insure equal privileges and opportunities for all in the business world and

to preserve peace and happiness to all its citizens.

There was a time when it was generally understood that the tariff tax was absolutely necessary in order for business enter-prise to succeed. But the sentiment and information of the people have changed in this respect. For 50 years the Democrats have advocated that the tariff is a tax which the consumers have advocated that the tarm is a tax which the constraint pay and that the schedules are outrageously high. The Republicans all these years denied this doctrine. They now frankly admit that they were wrong, but insist on making the revision of the tariff themselves.

This is like a man pleading guilty to a crime and then asking

pass sentence upon himself.

Knowing the kind of a tariff law PAYNE and Aldrich gave the country, it would certainly be a dangerous and expensive ex-periment to permit the Republicans to revise it. Ex-President Taft pronounced the Payne-Aldrich bill the best tariff bill ever enacted, although he at first expressed dissatisfaction with the measure. Speaker Clark pronounced it the worst tariff bill ever passed, because it is the highest. In his speeches, to illustrate this point, he told the following story:

This is exactly the trouble with the Payne-Aldrich tariff. While the pending bill may not fully meet the views of the progressive Republicans—if I may so refer to that branch of the Republican Party which believes in the reduction of the tariff-yet, as between the rates of the pending bill and the Payne-Aldrich bill, it seems to me they will have a hard time explaining to the people of the country if they fail to vote to put into law the pending bill in preference to continuing in force the iniquitous Payne-Aldrich law. It would seem that anyone honestly desiring and advocating a downward revision of the tariff would certainly be in favor of voting for a bill which everyone admits greatly reduces the rates. It would seem that they would gladly accept the pending bill, although not perfect, rather than to tolerate the evils of the present law and inflict the burdens thereof upon the people of this country for any

longer period than absolutely necessary.

It would seem also that the income-tax feature of the bill, which most progressive Republicans claim to favor, would especially appeal to them. A vote against this bill will be a vote

against the income tax. For more than 20 years the Democratic Party has advocated the income tax. About 20 years ago a Democratic Congress passed an income-tax law, which, after much litigation and various changing and shifting of views. was finally declared unconstitutional by the Supreme Court of the United States. It is certainly fitting that after so long a time the Democrats are again offered the opportunity of presenting to the country an income-tax law which is now fully fortified by the Constitution against judicial destruction. has taken all these years since that time to secure a constitutional amendment which would permit the levying of an income tax under the views expressed by the Supreme Court. certainly demonstrates the need of a shorter method and manner for changing the Constitution. This was one of the reasons why I introduced at this session a resolution providing for the amendment of the Constitution whenever a majority of both Houses deem it necessary and when ratified by a majority of the several States.

No better way for raising revenue for the Government can be devised than from the income of the citizens who by enjoying the protection of the laws of the country are enabled to acquire sufficient property, above a living, on which to make a levy. The greatest trouble with taxation has been in the fact that men of small property often pay the highest taxes in proportion to what they possess. By the present system of taxation the man with a large amount of property has been enabled to cover up much of his taxable property, while the man of limited means is unable to do so. No citizen should object to paying this kind of a tax. Every citizen should be happy to have an

income sufficient to require him to pay it.

This new system of taxation will shift the burden from the financially weak to the financially strong. Taxation in this manner upon those who are able to pay it ceases to be a burden. They can carry it so easily that it is not felt. A pound is a burden for a sick man to carry. A dollar is a burden for the poor to pay. But what is a dollar to the rich or a pound to the physically strong?

When the income tax is firmly established as a permanent law of this country it should be greatly improved and the amounts collected thereunder increased until most of the revenues of the country may be derived from this source. This

will in itself solve all tariff difficulties.

The Nation's greatest need, summed up in the language of Secretary Bryan, is:

The protection of the people from exploitation at the hands of predatory corporations.

This he explains to mean:

It touches the average man, it touches the public in three ways:
The tariff, the trusts, and the railroad question.
High tariff laws are a burden to the masses of the people for the benefit of the protected industries. Through high tariff rates enormous sums are extracted from the pockets of the producers of wealth and turned over to the beneficiaries of the protective system.

The trust question is the natural outgrowth of the tariff. Corporations combine and take advantage of the protection given by high tariff laws.

The Democratic Party offers a solution of these questions in the interest of the people as against the trusts and monopolies which have grown up under Republican rule, fast reducing the people to poverty, and threatening the very life of the Nation

The homes, the farms, the workshops, and the free public schools are the great pillars in the temple of American liberty and progress, and labor is the corner stone of the entire struc-A system of what might be called legalized robbery, through the iniquitous tariff and special-privilege legislation, has gradually grown up under continuous Republican rule, until many of the necessaries of life have gone beyond the financial reach of the man with average means. It has reached the point where many laboring men are unable to pay either the groceryman, the clothier, or his landlord without living half starved, half clothed, and half housed. The Republicans have always pretended to be the special friends of the laboring man, especially just before an election. Their wild effort to make the laboring man imagine that he has money in his pocket and diamonds in his shirt front, when he is compelled to wear overalls and go without a shirt, is ridiculous.

If the laboring men had been protected as the Republicans have promised, they would all be millionaires and need no pro-

We are also asked by Republicans to favor their high-protection scheme in order to promote "prosperity," forgetting and wanting others to forget that during President Roosevelt's administration, in 1907, we suffered one of the worst financial panies in the history of the country, when we could not even draw the little savings we had in the banks and were compelled to pay our debts with wrapping paper, shoestrings, chips, and whetstones. This panic occurred under the hight-tariff sys-The effects of this panic are still felt in the business But the Republicans are long on howling prosperity and giving us poverty. They have won more campaigns on this false issue than anything else in the last 25 years. They are still continuing to howl it in every speech they make upon the tariff. They are using every possible effort to keep alive this old, dead issue.

The people have ceased to be disturbed by calamity howlers. They have emphatically expressed a desire to be relieved from the burdens heaped upon them by Republican rule. They have tried the Republican ideas of the tariff for half a century and are glad to have the opportunity for a change.

A great political revolution has swept over the country in the last few years. The first change was in the election of 1910, when the Republican majority of 47 in the House of Representatives was turned into a Democratic majority of 66. It was the record that the Democrats made in the Sixty-first Congress that elected the Democratic House. It was their record which also elected at that time 7 Democratic United States Senators to take the place of Republicans and 6 Democratic governors to take the place of Republican governors.

The Democrats got together and stayed together, and their example at that time has been extended to Democracy every-where, and through this united effort great things have been accomplished. The Democrats are together now on the passage of this tariff bill and expect to remain so until it is a law upon the statute books. They have not been coerced by the President, as has been so frequently charged, by the use of patronage or by any other means. The question of patronage has never been mentioned by the President in connection with the vote of any Member of Congress on the tariff bill. No patronage has ever been given or withheld by the President because of the position of any Congressman upon any public question. charges by the opposition have not the slightest foundation and can not be substantiated. Such expressions come from the wildest imagination of the opposition and without the slightest No President has ever been freer from such abuse of power. The President's purposes are too lofty and pure for him to even waste thought on such paltry motives. It is true that the President, like every other patriotic citizen-and especially when charged with this specific duty-has insisted on the passage of this bill. A large majority of the people of the Nation are insisting upon the same thing. The sentiment is universal throughout the land. It has become crystallized. The people as a whole want the bill passed, and passed as speedily as possible. The Democratic Party having been intrusted by the people to perform this service for them are united in a patriotic effort to accomplish this purpose. This is the secret of the united Democracy. We know if we fail to carry out this obligation to the people, as the Republican Party failed to carry out its obligation to them four years ago, we will receive the same rebuke from the people at the polls as the Republican Party received at the last election.

What were the causes of this great political revolution? They are not difficult to discover. They can be expressed in

a few words.

The Republicans promised to revise the tariff downward, and when they got into power on that simple promise they revised it upward.

For this the people of the United States punished them at the polls in 1910, and more than doubled the dose again in 1912. Men running for office should say what they mean and mean what they say, and when they have been successful they ought punctually and scrupulously to carry out their promises. The people deserve to be treated fairly and honestly. This is exactly what the Democrats propose to do now. This is why they are a united body in the Senate and House to-day.

While the Republicans in 1908 did not specifically say that they would revise the tariff downward, they did say that they would "revise" the tariff, and it was understood by everyone that this of course meant downward. Those in charge of writing the platform did not want to say that they would revise it downward, because they did not intend to do so. They intended to revise it upward, but the people understood it to mean downward, and a great many Republicans understood it the same way; and before the end of the campaign the Republicans on the stump were everywhere so declaring. So I am justified in saying that they made that promise, and that on that promise they got into power, and that without the promise they could not have won the election. Being drunk with victory, they revised the tariff upward; and now, knowing what hap-pened to them for this betrayal of the people, they are trying

to compel the Democrats to do the same thing. Anybody can easily understand why they want us to make the same mis-

They had about a dozen mathematicians or experts to figure the rates of the Aldrich bill, and who actually claimed that there was the enormous reduction of one-tenth of 1 per cent. But the Democratic mathematicians or experts figured that there was an increase of 1.07 per cent, and the Treasury Department accepted the Democratic figures, and the people of the country did also. The people have grown tired of broken pledges and promises, and will punish by defeat that political party which tolerates it. The time has passed when any political party can promise one thing and then do another.

Some of our Republican friends charge that the Democrats want to destroy business. This is a preposterous proposition and a thing incredible. This is a Democratic country as well as a Republican country. The Democrats are engaged in business as well as the Republicans, and want to succeed financially the same as the Republicans. It is to better business conditions and not to injure them which the Democrats hope and expect from this tariff legislation. It is the purpose of the Democratic Party to pass such laws as will give every man engaged in a legitimate business an equal chance with every other man. We believe with Thomas Jefferson in equal and exact justice to all men, and in equal rights to all and special privileges to none; and we are not going to be driven from this position.

Under the present tariff system almost every manufactured article made in the United States is sold in a foreign country cheaper than it is sold to us at home. This is un-Democratic and un-American. The Republicans formerly denied this proposition, but finally their leaders were compelled to admit it.

Kansas is one of the leading wheat-producing States in the Union. We produced last year 91,450,000 bushels; and, regardless of the drought this year and the exaggerated statements of the eastern newspapers, the crop report of the United States, issued August 8, gave the winter-wheat crop of Kansas this year at 86,515,000 bushels. This is about 50 per cent more winter wheat than was raised in any other State shown by this report, although from the reports in the eastern newspapers it would seem that in Kansas "the sky was brass and the earth iron" and that there is no Kansas crop this year.

This year's crop of wheat grades at 92 per cent, showing

that the entire eighty-six and one-half million bushels of wheat raised in Kansas this year lacks only 8 per cent of being perfect in quality. Wheat is worth on an average of 80 cents a which brings to the Kansas farmer more bushel.

But the American binder that our farmers pay \$135 for after being shipped by the manufacturer 17,000 miles across the sea to Australia and away over to Russia and other far eastern countries sells at about \$80.

The price of every bushel of wheat on earth is practically fixed in Liverpool. So when the Kansas wheat raisers ship their wheat to Liverpool it is offered in competition with the Australian wheat raisers, the South American wheat raisers, the East Indian wheat raisers, and the Russian wheat raisers, who get their American-made farming implements one-third cheaper than the farmers of Kansas.

FARMER BENEFITED; NOT INJURED.

Great effort has been exerted on the part of the Republicans in an attempt to establish that the farmer has been specially singled out in this bill and discriminated against. Scarcely a Republican speaker has omitted to make this charge. It seems to have been agreed upon as the Republican method for attacking the bill. They seem to think that because they have fooled the farmer for so many years in the belief that he was being benefited by the tariff, which was simply given him in order that they might tax the things which he must necessarily use upon the farm, that they can continue to fool him and regain his confidence by trying to prejudice his mind against this tariff bill. They know that the large vote of the country comes from the farmer.

The facts will not warrant any such accusation, and the effects of the bill will soon prove to the farmer the untruthfulness of the charge. Having been fooled by the cry of "wolf" so many times before by the Republican Party, simply in order to get his vote, the farmer will be somewhat reluctant in giving serious thought to the cry this time.

The truth is he will receive greater benefits from this bill than any other class of citizens, and he will soon find it out. In short, he will get everything he eats and everything he wears and everything he uses upon his farm cheaper than before, and will receive as much for his products as he ever did.

Some of the many articles which he is ordinarily required to buy and will receive free of duty under this bill are as follows:

FARMERS' FREE LIST-THINGS THE FARMER BUYS.

Agricultural implements: Plows, tooth and disk harrows, headers, harvesters, reapers, agricultural drills and planters, mowers, horserakes, cultivators, thrashing machinery, wagons and carts, and all other agricultural implements of any kind and description, whether specifically mentioned herein or not, whether in whole or in parts, including repair parts.

Bagging and gunny cloth, Binding twine.

Bone-meal fertilizer,
Blankets

Blankets. Cream separators. Cement. Coal. Coal tar.

Coffee and tea,

Cocoa. Fruit trees for purposes of propagation.

Gloves,
Guano and manures,
Hones and whetstones.
Harness and saddles and saddlery.
Lumber: Poles, fence posts, handle bolts, shingle bolts, hubs, posts,
staves, wagon blocks, heading blocks, poards, planks, deals, laths, pickets, palings, shingles, broom handles, logs sawed, sided, or squared,
sawed boards, clapboards, and other lumber.
Nails: Cut nails and spikes, horseshoe nails, hobnails, wire staples,
wire nails, spikes; horse, mule, and ox shoes; tacks, brads, and sprigs.
Needles,
Oil cake.
Oils for lubrication.
Petroleum, including kerosene, benzine, naphtha, gasoline, paraffin.

Olis for lubrication.
Petroleum, including kerosene, benzine, naphtha, gasoline, paraffin, and paraffin oil.
Salt.
Seeds.
Seeds.
Sewing machines.
Sheep dip.
Tanning material.
Turpentine.
Tin.
Wax.
Wire: Barbed and galvanized wire for all passes of the formal paraffic.

Wire: Barbed and galvanized wire for all uses; wire for use in baling

The claim is still made that we should vote for a protective tariff to support the infant industries. There are no infant industries in this country any more. Some of these industries for which they claim protection are more than a hundred years old. A man becomes of age at 21 and a woman at 18, on the theory, no doubt, that a woman knows more at 18 than a man at 21. These industries have certainly become of age and able to stand alone. When a child has grown up until it has reached a size and age to be able to whip the old man, it is certainly time to wean it.

Who collects the tariff?

Did anyone ever see an officer around collecting it?

We know who collects our State and county taxes. We also know just how much we pay.

The merchants of the country collect the tariff. They do not want to do it, but are compelled to under the tariff system. It reduces their profits, depresses their business, and requires them to keep much more invested than they otherwise would. But the Government has fixed up a scheme which compels the merchant to collect the tariff, and he does not receive a cent for doing it, either. I have often thought that if we were to go into a store and buy a bill of goods and pay the merchant what the goods were worth without any tariff and then have a revenue collector call upon us to collect the tariff, the system would not last very long; and surely, when the people discovered that most of the tariff money collected went to the manufacturer instead of the Government, it would not be paid.

The Earl of Chatham-one of the best friends this country had during the Revolutionary period—once said that if the British administration were to add one shilling to the pound in direct taxes, it would create a revolution; but that there was a way by which you could tax the bread out of a man's mouth, the coat off his back, the bed from under him, and the roof from over his head if you would only do it in a way that he did not know it.

This is a fair illustration of the operation of the high protective tariff system, which the Democratic Party by this bill hopes and expects to destroy.

The Democratic Party has simply said to the tariff barons, "Thou shalt not steal!

These words were written on Mount Sinai by the hand of God on tablets of stone amidst a cloud of smoke and flashing lightnings, accompanied by roaring thunders, when the whole earth quaked.

These words are as sacred and vital to-day as when first written centuries ago. They form the principal ethos of modern political thought.

No political party can long endure without scrupulously following this injunction in all its official conduct.

Fletcher

Mr. ROOT obtained the floor.

Mr. O'GORMAN. Mr. President—
The PRESIDING OFFICER. Does the Senator from New York yield to his colleague?

Mr. ROOT. I do. Mr. O'GORMAN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The Secretary called the roll, and the following Senators answered to their names:

Smith, Ga. Smith, Md. Smith, S. C. Ashurst Bacon Gallinger Norris O'Gorman Hollis Hughes Page Borah Brady Brandegee Bristow Penrose James Johnson Smoot Stephenson Perkins Jones Kenyon Pittman Poindexter Sterling Stone Sutherland Bryan Catron Kern La Follette Pomerene Ransdell Swanson La Follette
Lane
Lewis
Lippitt
Lodge
McCumber
McLean
Martin, Va.
Martine, N. J. Thomas Thompson Thornton Tillman Vardaman Clapp Clark, Wyo. Clarke, Ark. Robinson Root Saulsbury Shafroth Colt Crawford Cummins Dillingham Sheppard Shields Warren Williams Shively Simmons Smith, Ariz.

Mr. McCUMBER. My colleague [Mr. Gronna] is unavoidably absent from the Senate.

Mr. LEWIS. I desire to announce the absence of the Senator from Tennessee [Mr. Lea], a pressing matter making it necessary for him to be absent, and he requested that I make such announcement for the RECORD.

The PRESIDING OFFICER. Seventy Senators have re-

sponded to their names. A quorum is present.

Nelson

Mr. ROOT. Mr. President, I understand that the subject of the gradation and scope of the income-tax provisions of the pending bill will be considered in the Democratic caucus to be held this evening, and I wish to suggest a view of the duty of Senators upon that subject before my Democratic colleagues reach their own conclusion, a conclusion which may not be open either to argument or persuasion after another report has been made to the Senate.

It goes without saying, sir, that what I have in mind is not controversial matter; it is not matter which I wish to present as a Republican against Democrats, but is matter which seems to me to appeal to every sincere legislator quite independently of any party affiliation or any views upon the questions of finance that have hitherto divided parties. Underlying the whole idea that I have in mind is this consideration: We are not at liberty to regard the imposition of an income tax by the Congress of the United States solely with reference to the direct relation between the Government and its individual citizens, but we must also consider the relations between the Government and the several States and between each State and its repre-

sentatives and every other State.

The provision of the Constitution which requires direct taxes to be imposed according to the rule of apportionment was a shield provided for each State to protect it against oppression by any combination of other States. In entering into the Constitution every State was surrendering its own several powers to impose taxes upon its citizens and to enjoy the proceeds of taxation; it was surrendering that power to a body in which it was manifest there might easily arise a combination or a com-munity of interest and opinion which would lead to taxation injurious to the State which was surrendering its power. In order to guard against that surrender ever being used to the vital injury of any State, this shield was set up before every State—the requirement that direct taxes should be levied in accordance with the rule of apportionment.

Sir, under the income-tax law which was passed and permitted under the stress and necessities of the Civil War, the limit of exemption was \$2,000, and there was no gradation of the tax beyond \$2,000. The larger incomes paid the same percentage as the smaller incomes subject to the tax; yet under that act the States of Massachusetts, New York, New Jersey, and Pennsylvania paid more than two-thirds of the entire tax. The report of the Commissioner of Internal Revenue for the year ending June 30, 1871, shows a total net receipt from the income tax of \$18,077,511, and of that the four States which I have named, contiguous to each other, including great industrial -Massachusetts, New York, New Jersey, and Pennsylvania—paid \$12,145,128. They did not complain then, sir; they do not complain now; but in the face of that fact they deliberately, I think all of them-I know my State of New York, which alone paid over \$7,000,000 of the \$18,000,000, which alone paid more than one-third of the entire tax-my own State voluntarily abandoned the protection which the Constitution gave through the rule of apportionment, and said to the

people of the United States, "We will maintain no safeguard against the fairness, the moderation, and the national sentiment of the people of the entire country."

I triged the Legislature of New York to do this in the face of

the objection that the people of the West and South would tax New York to death if the protection of the rule of apportionment were abandoned. I am speaking now because I said then to my friends in New York, "No nation can live unless its people can depend upon the fairness and reasonableness of the whole people; and let us cease to depend upon an artificial protection and take our chance with the American people." did so by approving the constitutional amendment permitting the imposition of an income tax without regard to the rule of apportionment.

Mr. President, it is certainly true that the voluntary surrender of this protection, which was a part of the terms of union, imposes a very high responsibility upon the representatives of the country at large in whose hands this vast and now uncontrolled power is vested. Remember that the protection of the rule of apportionment was a part of those compromises in the Constitution which gave to the smaller States the same representation in this body that the greatest State has; remember that when the States of New York and Pennsylvania and New Jersey and Massachusetts gave their consent to having the smaller and least populous States represented by as many votes in this body as any State was represented by, they did it with this protection.

You Senators-and I speak to every Senator now except my colleague from New York-are not responsible to the electors of New York; there is no sanction governing your action toward the people of New York except that sanction which rests in the approval of your own judgment and your own conscience and the sense of justice of the people of your own States. You are held to no responsibility in dealing with us now except the responsibility that you owe to your own people to be just to others.

So the State of Nevada, with \$4,000 people, has as many votes in this body as has the State of New York, with 10,000,000 people, and the State of New York has voluntarily relinquished its constitutional protection against unfair taxation without asking any increase of its representation to correspond to its responsibility and to the possibilities of the contributions which may be required of it. So the assent of the great industrial communities, mainly in the East, to the imposition of an income tax without regard to the rule of apportionment and without any increase of their representation in this body, casts upon you, the representatives of other States, the highest obligation of consideration, moderation, and fairness toward those great States that trust in you to be fair and not to the protection of the old constitutional provision.

Now, what has been done? What is the situation?

The House passed an income-tax provision with an exemption up to an income of \$4,000 and with a tax graded up to a point where, I think, the largest incomes pay 4 per cent-the smallest 1 per cent, and then on up to 2 per cent, 3 per cent, and 4 per cent, the tax of 4 per cent being levied on incomes above \$100,000.

I beg that no one will misunderstand me as criticizing the principle. I am in favor of an income tax. I believe it is fair. I always have been in favor of it. I voted for the constitutional amendment. I urged it upon my people. I maintained it, and am ready to maintain it anywhere and everywhere. I want the people of my State to pay their fair share of the burdens of the country as part of one country. I am not quarreling either with the income tax or with a graded tax. But, sir, you must remember first, when you proceed to grade a tax, the proposition with which I started; that is, that you are not to have in mind only the relations between this Congress and the individuals, but you are to have in mind also the relations between this Congress and the States,

If you impose too great a burden upon the same people who paid two-thirds of the old income tax-that is, the people of the few States with the great industrial communities in themyou are diminishing the taxable resources of the States. taxation with which we are now concerning ourselves is but a very small part of the burdens that are imposed upon the people of the United States. The State of New York-and I speak of that merely because I am more familiar with it than I am with other States-while it has great wealth has great The requirements of the tremendously congested population that gather about that great gateway to this great country require enormous expenditures, and the State of New York has to look to its taxable resources to raise the money to render its service to the whole country.

Why, the expenditures of the city of New York for the year

1911 were over \$412,000,000. Where did we get that? Part of

it was borrowed, and we shall have to pay it in the future. But in the same year the direct taxes imposed and collected in the State of New York upon real and personal property amounted to over \$234,000,000. Besides that we tax inheritances, and we take more by the inheritance tax than is estimated to be taken in any of these grades—some \$13,000,000. We tax franchises, and we raised over \$10,000,000 from that source. A great variety of taxes is imposed besides the \$234,000,000 of direct taxes.

The result is that the people of the State of New York, and mainly the people whom you strike with this income tax, are the source of supply upon which the State of New York has to draw to pay these enormous expenses. It draws every year from them far more, double, nearly treble what you are expecting to raise from the entire people of the United States by the income tax. So you ought to remember that in imposing an income tax you should not be unfair as between the taxable resources of the State of New York and the taxable resources of

all other States.

Of course this bill as it now stands is going greatly to increase the relative proportion that will be paid in these particular Eastern States. It is going to increase it, first, because of the gradation of incomes. The gradations as reported from the House are going to make an immensely greater draft on the taxable resources of the State of New York and reduce far more the moneys which that State will have available for its own purposes than the old income-tax law would have done.

If you go on putting up the rates, with no consideration in your minds except the fact that it is all right to put it to a rich man and take away from him as much as you can get, you are still more and more and more depleting the taxable resources of this State which has voluntarily put itself in your hands, trusting to your fairness as between State and State. The same result, sir, will follow from the change in the rate of

exemption.

I suppose the great bulk, the vast majority of the people of this country, have incomes under \$10,000 a year-yes, under \$5,000 a year, under \$4,000, under \$3,000. The higher you put the exemption the more you are relieving the great mass of the people of the country, and relieving the people of the agricultural States, while concentrating the burden of the tax upon the States in which the men of large fortunes are mainly collected.

Something has been said, and very well said, in the debates in this Chamber about the desirableness of having a low limit The Senator from Michigan [Mr. of exemption. TOWNSEND]. supported by the Senator from Minnesota [Mr. Clapp], said the other day that it was desirable-and I wish to give my adherence to his proposition-that everybody in the country, so far as possible, should feel that he contributed something toward the support of the Government. I do not think that is met by the proposition of my friend from Idaho [Mr. Borah] that the poor man pays because of the indirect tax. That is rather figurative. He does not really pay anything. He may be subjected to difficulties or hardships, it may cost him more to live, because of the indirect tax, although I do not think there is any substance in that; and certainly there will not be any to speak of under this bill, because you are putting almost everything he uses on the free list. But it does not meet the important case that we do not want a government that is something different from the people. We do not want one set of people who are governing and paying the expenses and another set of people who feel as if they had no part in it, and are therefore against it.

A sense of participation on the part of every American citizen in the operations of government, a feeling of some sacrifice on his part to keep it going and to maintain it, is of the highest importance for the perpetuation of a spirit of patriotism and loyalty to the Government, as well as the maintenance of a vigilant oversight upon the expenditure of money, and sensi-

tiveness to extravagance.

But there is another thing which ought to be kept in mind in dealing with the limit of exemption. I have already said that the great mass of the people of the country are the people of small incomes. That is especially true of the great agricultural The men with large incomes tend toward the large Somehow they find more agreeable ways of spending their incomes there for their own pleasure. When you put the limit of exemption up to \$4,000, or even to \$3,000, you are producing a tax to which the people of Mississippi, my friend; of Arkansas, my friend; of South Dakota, my friend; of Kansas, of North Dakota, and all the other great agricultural States, will contribute hardly anything. Why, the estimate of the whole amount that will be received upon incomes under \$10,000 is only \$6,000,000-less than a tenth of the whole-and when mittee on August 12, 1913.

you consider that the great bulk of the incomes under \$10,000 are incomes under \$3,000, what you are doing in this bill is to levy a tax upon others, not upon your own constituents. I say, when you put the exemption at \$3,000 you are in substance exempting your constituents and concentrating the entire burden of this tax upon my constituents and the constituents of a fev: other Senators who represent the great industrial communities and who have deprived themselves of their constitutional protection and have thrown themselves upon your fairness and justice.

Sir, anyone of any nobility of character is ready to go under burdens for his country to those who say, "Come!" But how long will a comparatively small part of the country be willing to bear practically the entire burden at the behest of those who

You are not inviting the people of the great industrial communities to share in the burdens of American citizenship in proportion to their means. You are inviting them to take the whole burden, and to take it off your shoulders. You are doing that by the power of the vastly disproportionate and superior representation given to you because you represent sovereign States; because the people of the great industrial communities, having reliance upon the moderation and reasonableness of their sister States, voluntarily abandoned the protection given them by the original provisions of the Constitution.

Mr. President, whatever bill is passed here, I shall not regret that we have voluntarily laid aside the protection of the rule of apportionment. I think that great, great moderation and care should be exercised in fixing the graded income tax with reference to depleting the treasuries and the taxable resources of other States. I think the exemption ought to be put not at \$3,000 but at \$1,000, to the end that all the people of the country may share in the maintenance of government, and to the end that no section of the country may feel that it is being required to bear a burden in which all are not ready to share according to their means.

But whatever the bill is I still shall not regret that the people of my State have voluntarily abandoned the protection of the original provision of the Constitution, because I am sure the American Union can not endure nor can free government be maintained unless the representatives of our people have that self-control over passion and prejudice, whether it be of class or of section, that wisdom and moderation, which will lead them to be just toward all their fellow citizens and toward every section of our great and beloved land.

Mr. SIMMONS. Mr. President, I ask that the Secretary read

the next paragraph.

The PRESIDING OFFICER. The Secretary will continue the reading of the bill.

The Secretary. On page 47, paragraph 163 was recommitted to the committee on August 12.

Mr. THOMAS. I ask unanimous consent for the reconsideration of paragraph 155, to the end that a necessary amendment may be made at the end of it.

The PRESIDING OFFICER. The amendment will be stated. The Secretary. On page 46, paragraph 155, line 2, after the words "ad valorem" and before the period, it is proposed to insert a comma and the words "on the lead contained therein."

Mr. SMOOT. That is at least just, whether it will operate or not. Of course, from a protective standpoint, I should like to see it stand as it is.

Mr. SIMMONS. We are delighted to have the Senator from Utah to something in the bill. We are delighted to have the approval of

Mr. SMOOT. The Senator from Utah is trying to make the bill as good as it can be. Mr. THOMAS. Yes; the Senator has made several very good

suggestions. The PRESIDING OFFICER (Mr. CHILTON in the chair).

The question is on agreeing to the amendment as reported. The amendment was agreed to.
Mr. SUTHERLAND. Mr. President, let the amendment be

restated.

The PRESIDING OFFICER. The Secretary will restate the amendment.

The Secretary. In paragraph 155, page 46, line 2, after the words "ad valorem" and before the period, it is proposed to insert a comma and the words "on the lead contained therein." so that, if amended, it will read:

All the foregoing, 25 per cent ad valorem on the lead contained

The PRESIDING OFFICER. The amendment has already been agreed to.

The Secretary. Paragraph 163 was recommitted to the com-

Mr. THOMAS. Mr. President, the committee proposes an amendment to paragraph 163, and, in necessary connection with

it, another amendment to paragraph 167. It is the transposition of an item from one of the paragraphs to the other.

The PRESIDING OFFICER. The amendment will be stated.
The Secretary. On page 47, paragraph 163, in lines 9 and 10, it is proposed to strike out the words "including time detectors, whether imported in cases or not."

Mr. SMOOT. Do I understand the Senator to ask that the

words on line 10, "whether imported in cases or not," be stricken

Mr. THOMAS. That is to be transposed to another section.
Mr. LODGE. Let us hear the whole amendment.
Mr. HUGHES. "Including time detectors."
The Secretary. It is proposed to strike out the words "including time detectors, whether imported in cases or not," and the comma.

Mr. LODGE. Is that all?

The Secretary. On page 47, line 9, it is proposed to strike out the words "including time detectors" and the comma.

The amendment was agreed to.

Mr. LODGE. Is that all?

The Secretary. On page 49, in paragraph 167, line 18, after the word "presses," it is proposed to insert "including time detectors."

Mr. SMOOT. The word "including" should not be in that amendment. It should be just the words "time detectors."

Mr. LODGE. Printing presses do not include time detectors under any construction.

The PRESIDING OFFICER. The question is on agreeing

to the amendment as reported.

Mr. LODGE. One moment, Mr. President, before the amendment is agreed to. It seems to me that does not meet the difficulty about time detectors at all. The difficulty about the duty on time detectors is that you can not get the proper rate unless you impose a specific duty and base it on the number of jewels. If you make it an ad valorem duty and make it 25 per cent instead of 30, you still give them a great deal more than they

Mr. HUGHES. We make it 15 per cent, I will say to the

Senator, and it figures out-

Mr. LODGE. Oh, I thought it was 25 per cent. Mr. HUGHES. No; it figures out just about-

Mr. LODGE. Yes; that figures it out. Twenty-five per cent was too much.

Mr. THOMAS. The change was made in accordance with the brief that was filed with the committee by the manufacturers of time detectors.

Mr. LODGE. Certainly; that brings it out right. I just glanced at it and saw "25 per cent." It caught my eye, and I did not see the "15 per cent." That is correct,

It is an improvement on the paragraph, of course, in taking that out, but the objection to watch movements seems to me to remain just the same. I have made that statement, and I will not go on any further about it.

The amendment was agreed to.

Mr. BRANDEGEE. I understand we are now on paragraph

Mr. THOMAS. Paragraphs 163 and 167. There is a transposition.

Mr. BRANDEGEE. I wish to offer an amendment to paragraph 163. Is the paragraph open to further amendment at this time?

Mr. THOMAS. I will say, if the Senator will permit me, that the committee reports back paragraph 163 with the amendment which has just been considered, and in that connection an amendment to paragraph 167. We did that for the purpose of getting the RECORD straight.

Mr. BRANDEGEE. I will say to the Senator the amendment I desire to offer is one in relation to clocks, which I called to the attention of the Senate and the committee at the time this paragraph was under consideration before, and also in connec-Paragraphs 81 and 82 and tion with paragraphs 81 and 82. paragraph 163 deal with different kinds of clocks. In paragraph 81, on page 21, the language is:

Including clock cases, with or without movements.

The same language is repeated in paragraph 82, line 19, on

I suppose including clocks with movements means a complete clock. In paragraph 163, on page 47, the language is:

All other clocks and parts thereof, not otherwise provided for in this section, * * * not composed wholly or in chief value of china, porcelain—

And so forth-30 per cent ad valorem.

It is immaterial to me whether I present the amendment to this paragraph now or wait until some other time. I simply call attention to it because the Senator from Colorado presented an amendment to the paragraph.

Mr. THOMAS. Paragraphs 81 and 82 were passed yesterday with the understanding that the Senator from Washington as well as the Senator from Connecticut could afterwards return

to them.

Mr. BRANDEGEE. I remember. I am talking about paragraph 163.

Mr. THOMAS. I understand.
Mr. BRANDEGEE. I want to conform to the wish of the committee as to whether to offer my amendment now to para-

graph 163 or wait until we reach it at some other time.

Mr. THOMAS. The Senator can do as he likes about it.

Mr. BRANDEGEE. Very well. Then I offer an amendment to come in on page 47.

Mr. LODGE. It is a passed-over paragraph. It is open to

Mr. BRANDEGEE. Yes. Therefore I offer the amendment. I move, on page 47, in line 16, to strike out the numerals " near the end of the line, before the words "per cent," and insert in lieu thereof the numerals "40."

I will state in this connection, Mr. President, the reason why I am offering the amendment. I stated at the time the paragraph was previously before the Senate that the clock business in this country is one of the oldest manufacturing processes known. There are in my State quite a number of manufacturers making various kinds of clocks.

I put into the RECORD a letter which I had received from the president of the clock company located in the city of New Haven, Conn., giving the argument, accompanied by statistics, and all the matters relative thereto which he had presented to one of the committees either of the House or the Senate, and some correspondence I think which he had had with the chairman of the Senate Committee on Finance in relation to the subject.

Without imposing upon the time of the Senate except very briefly I will simply rehearse the salient features of the situa-tion. This New Haven factory makes principally the cheap alarm clocks. They involve passing through some 200 different operations before one of the little round nickel-plated alarm clocks, which retails for about a dollar I think, becomes perfected.

The cost of making these clocks was given in detail item by item by the president of the company, and it appears in the RECORD. The situation is this: There is the closest kind of competition not only in this country but between this country and foreign countries in these articles, particularly between us and the Germans. The facts that I put into the RECORD at the time the paragraph was previously passed upon show that this clock, which it costs 45 cents to make in this country, can be laid down here, duty paid, by the German competitor for 35

This New Haven factory employs 2,000 skilled mechanics. They can not conduct this business in competition with the German competitor under the rate of 30 per cent proposed by the committee, which is reduced from 40 per cent, equivalent to a reduction of 25 per cent. It is simply a question whether that industry, and I have given simply one type of it in this New Haven company, shall be continued in this country or not.

Mr. McLEAN. Mr. President—

Mr. BRANDEGEE. I yield to my colleague.

Mr. McLEAN. I will state to my colleague that the clock retails for \$1.50.

Mr. BRANDEGEE. I am glad to know that. I had stated the price at \$1.

Mr. McLEAN. If the Senator will pardon me, I have in my room a clock made in Germany, and it sold in New York for 53 cents. That same clock can be purchased in Washington for \$1.56, which shows how the ultimate consumer is affected by the tariff.

Mr. BRANDEGEE. The fact is the clock costs the factory something like 45 cents, and their selling price is very little above that; and yet it retails, as my colleague says, at \$1.50. The information I put in the RECORD at the time shows that the factory makes but about 6 per cent. I think it makes just that at present, and the factory can not compete, even on the theory that we want to put our industries upon the most severe competitive plane with their foreign competitors. There is no escape from the instance which I present, and they will either go out of the business in this country or cut the wages of the employees in this industry. As it is now, I remember the president of the company stated the life of one of these clocks is over two years, and the factory cost is 45 cents. Anyone can figure out

himself, if he has time to take a lead pencil, what the cost to the purchaser would be of a dollar-and-a-half clock that lasts two years. It is 75 cents a year, a little over a penny a week. How much of that cost to the ultimate purchaser of a penny a week would be saved by the substitution of the German clock laid down here at 33 cents instead of the American-made clock at 45 cents anyone who can go into the refinement of decimals to a sufficient limit can figure for himself.

But the fact at home that hurts and pinches is that 2,000 skilled American mechanics are now employed in this one concern, who depend for their living and that of their families upon this industry, and all the money that they make and spend in other ways contributes to other productive enterprises in this country. The fact remains that that concern is to be put out of business and those men are to be discharged owing to what the ordinary person would think was not a very serious matter, a mere hasty reduction of a tariff duty from 40 per cent to 30 per cent ad valorem. That is the effect of it in its ultimate analysis.

These clocks are at any rate an industry important enough to have a separate classification, in my judgment, and to have I will not say more careful consideration than the question has had, because I do not know how much care has been given to it. It may be that in the tremendous amount of work that has been dumped upon the Finance Committee in the preparation of this bill, involving 4,000 or 5,000 items, they have not had time to consider carefully enough this particular feature of it, although the facts and the statistics were presented by the president of the company in the form of a brief. But I do not know and can not state whether all the members of the committee had time to pursue all the briefs that were dumped upon them. I suppose they did not.

I can not do more than I have done in offering the amendment, which I submit to the consideration of the Senate.

Mr. THOMAS. I simply wish to say that the subcommittee

gave as close attention to the consideration of this paragraph as was possible; perhaps not an exhaustive consideration, but as much as possible, and they determined to make no change in the rate fixed by the House, largely because the exports of this particular commodity are three times the amount of the imports, showing that it is an independent industry.

Mr. BRANDEGEE. I stated at the time, bearing upon the observation of the Senator from Colorado, that the exports of this commodity are principally to Canada and to Mexico, and the clocks are exported there because they get them so much quicker than they would by importing them from abroad. They are not exported to the competing countries at all; and the reason why they can be exported to these countries in competition, in addition to the time in their favor, is because of the preferential trade agreements that exist between our country and the countries to which they are exported.

Mr. THOMAS. There is a preferential agreement between Great Britain and Canada that is 33.3 per cent to the disadvantage of this country.

Mr. BRANDEGEE. I am informed the other way. The matter I put in the RECORD I think was reliable. The president of the company had examined it very carefully.

Mr. SMOOT. Mr. President, I am not going to offer an amendment, nor detain the Senate more than a minute. simply want to call the attention of the Senator from Colorado to the working out of paragraphs 163 and 81 and 82. Paragraph 163, on page 47, provides that-

All other clocks and parts thereof, not otherwise provided for in this section, whether separately packed or otherwise, not composed wholly or in chief value of china, porcelain, parian, bisque, or earthenware, 30 per cent ad valorem.

Paragraph 81, on page 21, line 2, provides a rate of duty of 35 per cent ad valorem on certain items including clock cases with or without movements. In other words, if an importer desires hereafter to import a clock with a china, porcelain, or bisque case, he will of course import the case without movements, and will import the movements under paragraph 163, at a rate of 30 per cent instead of 35 per cent for the case. That will be the result of the working out of the bill.

The PRESIDING OFFICER. The Senator from Connecticut offers an amendment, which will be stated.

The Secretary. On page 147, paragraph 163, line 16, before the words "per cent," strike out '30" and insert "40."

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Connecticut [Mr. BRANDEGEE 1.

The amendment was rejected.

Mr. THOMAS. I ask unanimous consent to reconsider paragraph 164 for the purpose of adding an amendment in line 13. a letter some time ago from one of the factories in my State.

The PRESIDING OFFICER. Without objection, the paragraph will be reconsidered. The amendment will be stated.

The Secretary. In paragraph 164, page 148, line 13, after the words "ad valorem" add the words "upon the zinc contained therein."

Mr. SMOOT. Mr. President, just one question. I have not looked up that amendment, but I want to ask the Senator, Suppose they import zinc-bearing ores into this country, and they have not noticed anything in the bill that would provide for that. I ask the Senator if it should not be provided for?

Mr. THOMAS. I should think that the lead content would

be dutiable under paragraph 154 and the zinc content under paragraph 164.

Mr. SMOOT. The trouble is that one provides for a lead ore and the other provides for a zinc ore.

Mr. THOMAS. But upon the lead and zinc contained therein, Mr. SMOOT. That is true. If the ore is shipped as zinc ore, there is a greater value, of course, of zinc. Words ought to be added to the amendment of the Senator-

Mr. THOMAS. What would the Senator suggest?
Mr. SMOOT. This is what I am thinking of: There are zinc ores imported into this country containing lead.

Mr. THOMAS. And vice versa.

Yes; and vice versa. In the old law there is Mr. SMOOT. a provision to take care of that, but I have not noticed whether there is such a provision in this bill or not. That, of course, can be looked up afterwards, if the Senator has not had his attention called to it.

Mr. THOMAS. The words just offered are not in the old law at all.

Mr. SMOOT. No; because there is a provision in the old law which takes care of that. I will not take the time of the Senate further than to call attention to it.

Mr. THOMAS. Very good. If anything needs rectification, can be easily returned to.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The Secretary. The next paragraph passed over is paragraph 151, on page 50 of the bill, passed over at the request of the Senator from Michigan [Mr. Townsend].

Mr. SMOOT. There is one paragraph that I should like to call the attention of the Senator from Colorado to before we reach that paragraph that was passed over, and that is paragraph 168. The Senator will remember I asked that there be an amendment made to that paragraph.

Mr. THOMAS. Yes; that was considered and the full committee objected to the amendment. It was presented along the line of the Senator's suggestion to the full committee, but was not approved. The Senator is referring to surgical and dental instruments?

Mr. SMOOT. I suggested to include in that amendment "surgical or dental instruments or parts thereof:"

Mr. THOMAS. The committee did not approve of that amendment.

Mr. SMOOT. The committee refused to accept the amendment?

Mr. THOMAS. Yes.
Mr. SMOOT. Mr. President, so that the record will be straight, I desire at this time to offer an amendment to paragraph 168. After the word "nippers" I move to insert a comma and the words "and surgical and dental instruments and parts thereof."

The PRESIDING OFFICER. The amendment will be stated.

The Secretary. In paragraph 168, page 49, line 24, after the word "nippers" insert a comma and the words "surgical and dental instruments or parts thereof."

The amendment was rejected.

Mr. BRANDEGEE. To paragraph 167, on page 49, I submit an amendment in line 21.

The PRESIDING OFFICER. The amendment will be stated. The Secretary. Paragraph 167, page 49, line 21, after the words "ad valorem," insert "engraved rollers, mills, or dies used for printing or embossing, 45 per cent ad valorem."

The amendment was rejected.

Mr. THOMAS. My recollection is that paragraph 169 was also passed over to accommodate the junior Senator from Massachusetts [Mr. Weeks].

Mr. SMOOT. It was passed over, but was afterwards con-

sidered and agreed to.

The PRESIDING OFFICER. It is the recollection of the

Chair that it was agreed to.

Mr. BRANDEGEE. In regard to paragraph 169, I received

They think that there is a doubt whether brass would be comprehended in that paragraph. Inasmuch as it takes in lead, copper, nickel, and pewter I would like to have brass substantially mentioned, if there be no objection to it. It says, "or

other metal, but not plated with gold or silver."

Mr. THOMAS. Do not the words "or other metal" cover it?

Mr. BRANDEGEE. I think to insert the word "brass," unless there is some objection to it, would put the matter beyond question. If the Senate is not ready to act upon it now, I will just offer the amendment.

Mr. THOMAS. I do not see any objection to it.

Mr. BRANDEGEE. Then, after the word "copper," line 6, page 50, I move to insert the word "brass."

The PRESIDING OFFICER. The amendment will be stated. The Secretary. On page 60, after the word "copper" and the comma, insert the word "brass" and a comma.

The amendment was agreed to.
The PRESIDING OFFICER. The next paragraph passed

The SECRETARY. The committee proposes to strike out paragraph 171 as printed in the bill and to insert a new paragraph,

171. Cedar commercially known as Spanish cedar, lignum-vitæ, lance-wood, ebony, box, granadilla, mahogany, rosewood, and satinwood; all the foregoing when sawed into boards, planks, deals, or other forms, and not specially provided for in this section, and all cabinet woods not further manufactured than sawed, 10 per cent ad valorem; veneers of wood, 15 per cent ad valorem; and wood unmanufactured, not specially provided for in this section, 10 per cent ad valorem.

Mr. HUGHES. I move to strike out the semicolon on page

51, line 1, and insert a period.

The PRESIDING OFFICER. The amendment will be stated. The Secretary. On page 51, in the committee amendment, line 2, after the words "ad valorem," strike out the semicolon and insert a period.

The amendment to the amendment was agreed to.

Mr. HUGHES. Now I move to strike out the language fol-

lowing the period to the end of the paragraph.

The PRESIDING OFFICER. The amendment will be stated.

The Secretary. Strike out lines 2, 3, and 4 in the committee amendment, in the following words:

And wood unmanufactured, not specially provided for in this section, 10 per cent ad valorem.

The amendment to the amendment was agreed to.
The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee as amended.

The amendment as amended was agreed to.

The Secretary. The next paragraph passed over is on page 51, paragraph 174, boxes, barrels, or other articles, and so

The first amendment of the committee has been agreed to. The second committee amendment is, in line 13, after the ord "pomelos" and the comma, to insert "or other fruits."

The amendment was agreed to.

The Secretary. In line 16 the committee report to strike out the words "orange and lemon" before "boxes" and in lieu to insert "fruit."

The amendment was agreed to.
The Secretary. In lines 17 and 18 the committee report before "box" and insert to strike out "orange and lemon"

The amendment was agreed to.

The Secretary. In line 19 the committee report to strike out, after the words "filled with," the words "oranges and lemons" and insert the word "fruit."

The amendment was agreed to.

Mr. HUGHES. I ask that the paragraph in its amended form be passed over for the present. It is my recollection that the Senator from Maine [Mr. Johnson] has an amendment to offer to the paragraph. I do not see him present at this time. I ask unanimous consent that the paragraph be passed over temporarily until the Senator from Maine comes in.

The PRESIDING OFFICER. Without objection, the para-

graph will be temporarily passed over.

The Secretary. On page 52, paragraph 176 was passed over at the suggestion of the Senator from Washington [Mr. Jones].

Mr. JONES. I desire to offer an amendment. matter of very great importance to our State. While I do not like to delay the Senate, I do feel that there ought to be more Senators present to hear the discussion with reference to this question. I think it will appeal to their sense of justice and So I suggest the absence of a quorum.

The PRESIDING OFFICER. The Senator from Washington suggests the absence of a quorum. The Secretary will call

the roll.

The Secretary called the roll, and the following Senators answered to their names:

Norris O'Gorman Overman Page Perkins Pittman Poindexter Reed Robinson Ashurst Bacon Bankhead Fletcher Gallinger Smith, S. C. Smoot Stephenson Sterling Hollis Hughes Bradley Bradley Brady Brandegee Bristow Bryan Catron Chamberlain Stone Sutherland Swanson Thomas James Johnson Johnson Jones Kenyon Kern La Follette Lane Lippitt Thompson Root Saulsbury Shafroth Thornton Tillman Vardaman Walsh Chilton Clapp Clark, Wyo. Clarke, Ark. Sheppard Lodge McCumber McLean Martin, Va. Martine, N. J. Myers Nelson Sherman Shields Shively Simmons Warren Williams Colt Crawford Works Cummins Dillingham Fall Smith, Ariz. Smith, Md.

The PRESIDING OFFICER. Seventy-three Senators have answered to their names. There is a quorum present.

Mr. JONES. Mr. President, I desire to offer the amendment which I send to the desk.
The VICE PRESIDENT.

The amendment proposed by the Senator from Washington will be stated.

The Secretary. In paragraph 176, page 52, line 7, after the word "thousand," it is proposed to insert "shingles, 40 cents per thousand"; and in the free list, on page 157, line 3, to strike out the word "shingles."

Mr. JONES. Mr. President, in this bill shingles are placed on the free list. They now bear a duty of 50 cents per thousand. The effect of my amendment is to strike shingles from the free list and put them on the dutiable list at 40 cents a thousand, or

a reduction of 20 per cent.

I can hardly believe that the question with reference to placing shingles on the free list or the dutiable list was given any very careful consideration by the committee. I can not understand why shingles should be placed on the free list upon any theory of tariff revision. To place shingles on the free list can not be in accordance with the theory of tariff for revenue, because that releases all the revenue, while with a small duty of 40 or 50 cents a thousand shingles would bring into the revenues of the Government two or three hundred thousand dollars per

Then, to place shingles upon the free list is contrary to one of the declarations of the Democratic platform, and that is that they do not propose in tariff measures to reduce revenues in such a way as to injure any legitimate industry, because the shingle industry is certainly a legitimate industry, and that placing them on the free list will do a great injury to the industry I think I shall be able to show.

We have often been told in the consideration of the pending bill when a proposition was made to put an article on the free list that the committee thought the Government needed a duty on that article for revenue purposes. The tariff on shingles can not be counted as anything more than a tariff for revenue. The duty is now only a little over 20 per cent ad valorem-50 cents a thousand.

I am willing and our people are willing, without special protest, to accept the provisions in this bill with reference to the lumber industry and lumber products generally. Our people have recognized that the people of the country generally demand that lumber and lumber products, as a general rule, should be put on the free list, and that it will be useless for us to object. So we are not making objection to those provisions of the bill, though we think that they are very unjust and that they will work great injury to a great industry in our State. The shingle industry, however, while a part of the lumber business, is a distinct industry in itself and should be considered separately.

I want to call the attention of the Senate to the fact that when the lumber schedule in the Payne-Aldrich law was under consideration, while it was generally conceded that there should be a material reduction in the duty on lumber, yet, after extensive hearings and a careful consideration, it was determined that the shingle industry, or the shingle part of the lumber in-dustry, required an increase of the tariff, and so shingles were one of the articles in the Payne-Aldrich law on which the duty was increased from 30 cents a thousand to 50 cents a thousand. Our Democratic friends, without considering the interests that are dependent upon this tariff, take all this duty off; there is not a gradual reduction; the conditions are not taken into account and the tariff revised so as not to threaten any injury to this industry, but the tariff is entirely taken off and shingles are placed upon the free list.

What does this industry mean to our State? It is not a small matter, but it is one of our greatest industries. The value of the production of shingles in this country is \$30,000,000; the production in number of shingles is from twelve to fourteen billions; and of that amount the State of Washington produces two-thirds, or about 8,000,000,000 shingles, of the value of nearly \$20,000,000.

We have in our State about 500 shingle mills. They are small establishments; they are independent of each other. can not say that you ought to put shingles on the free list because they are controlled by a trust, for they are not. There is probably no industry of a similar size in the country where the different units of it are so independent of each other as in the shingle industry. So I say in my State we have nearly 500 independent, separate mills producing shingles, whose interests are entirely disregarded by the terms of this bill. We employ about 15,000 men in this industry, and, reckoning two or three to the family, we have thirty or forty thousand people dependent upon those 15,000 men, or about 60,000 people in our State dependent upon this industry for employment, wages, support, education, and a comfortable living.

The annual pay roll for the laborers employed in connection with the shingle industry in my State amounts to about \$7.500,000; the product, as I have said, is valued at about \$20,000,000; the property invested in this industry is about \$4,500,000 in the mills, about \$1,500,000 in the logging camps, and about \$10,000,000 in timber; so that there is a capital invested of about \$20,000,000 in my State alone in the shingle industry. This will give you some idea as to the importance of

Mr. SMITH of Arizona. Mr. President, will the Senator from Washington permit me to ask him what was the amount of the labor cost on those shingles? Was it seven and a half million

Mr. JONES. No; that is not the labor cost. That is what was paid to labor as wages to the employees and the mills.

Mr. SMITH of Arizona. That is what I meant—the labor. There was an annual production in dollars of how much?

Mr. JONES. The production is estimated at from seventeen to twenty million dollars.

Mr. SMITH of Arizona, Seven and a half million dollars in actual labor and twenty million dollars in actual production. That would leave nearly \$13,000,000 received every year. How much capital is invested, according to the Senator's figures?

Mr. JONES. Twenty million dollars.

Mr. SMITH of Arizona. Making an investment, including the amount paid for labor, of, say, \$27,000,000 and a gross income every year of \$20,000,000, leaving a net income of \$13,000,000 to the owners. The reason I am asking this question is that in my particular part of the country, under the present law restricting our right to use the timber growing at our doors, it is just as cheap to build with stone and to cover with steel as to attempt to get shingles from the Senator's part of the country into ours. In this burden of a tax of 50 cents, or any other figure, raises the price of shingles any higher, when you are showing such a profit in that industry, it ought not to be imposed, and I think the Senator ought to concede that we have a right to purchase shingles at some reasonable price.

Mr. JONES. But the Senator does not understand that the difference between seven and a half millions and twenty million dollars is all profit, does he?

Mr. SMITH of Arizona. Of course not. In that your invested capital has to be figured.

Mr. JONES. Certainly; and there is machinery

Mr. SMITH of Arizona. I say the invested capital, which includes the machinery, and your timber must be considered.

Mr. JONES. No; the estimate does not include machinery.

I do not know how much there is allowed for that.

Mr. SMITH of Arizona. I was including that in capital. The Senator has said that \$20,000,000 is the income in one year. Seven and a half million dollars, as the Senator says, is paid for labor, which leaves nearly \$13,000,000 profit, excluding the machinery and lumber and the other investments necessary to carry on the business. It seemed to me from that, without being critical with my friend, that the profits are large enough to the owners to permit us to buy shingles a little cheaper, provided the Senator contends that the tax raises the price to us.

Mr. JONES. I will not contend that the tax raises the price to you; in fact, I think I will show before I am through that the increase of the tariff rate under the Payne-Aldrich law did not increase the price of shingles one penny or one cent per thousand of shingles.

Mr. SMITH of Arizona. Then why did they need it? What was the purpose of it?

Mr. JONES. I will show that, if the Senator will merely give

whole tariff proposition; I did not intend to discuss all the principles of a protective tariff. I thought I would merely present the facts here to the Senate and not take the time of the Senate in the discussion of these controversies, about which we might argue from now until Christmas and still my friend from Arizona would have his views about the tariff and I should have mine.

Mr. SMITH of Arizona. If the Senator will permit me, I have not said a word since this debate on the tariff began.

Mr. JONES. I have not said many words,

Mr. SMITH of Arizona. I do not intend to say many until it is ended; but if the Senator will feel as sorry for the remainder of us as I have felt for myself when hearing the editorials and endless talk of the candidates for office on this bill, he will understand that I would not say a word to him that would induce him to utter a single solitary additional word in the matter. I was asking the questions largely for my own information.

Mr. JONES. Of course, I do not know what the Senator means by referring to candidates for office. I am presenting a matter which I consider of vital importance to the people I in part represent, and will take no more time in doing so than I deem absolutely necessary. I have not said that the difference between \$7,500,000 and \$20,000,000 is profit. It is not. large amount is paid by some mills for shingle timber-mills that do not own their own timber. There are various other items of expense, and, as a matter of fact, not much profit has been made during the last few years, and some of the owners of mills have made no profit at all, as I will show. Shingles are not high between the manufacturer and his purchaser, no matter what the price may be when they reach the country of my friend from Arizona.

Mr. MARTINE of New Jersey. Mr. President, will the Sena-

tor yield to me a moment?

Mr. JONES. Certainly. Mr. MARTINE of New Jersey. I want to ask why especially protect shingles in contradistinction to clapboards used on the side of a house? Why should shingles be especially favored over clapboards? The Senator says he deems the manufacture of shingles a very special industry. Now, why should they have any better treatment than the clapboards which are used to

protect the side of the house from the east wind?
Mr. JONES. Well, Mr. President, from my standpoint of protection, if the clapboard industry needs protection, it ought

to have it. I have not given any special consideration to the clapboard industry. I do not know just what—

Mr. MARTINE of New Jersey. But I ask why in all reason should a shingle have any better protection than a clapboard? Mr. JONES. I should like to ask the Senator why should there be a 25 per cent duty on toothpicks, as provided in this

section, and none on shingles?

Mr. MARTINE of New Jersey. Well, there is a good deal of difference between the manufacture of an infinitesimally small article such as a toothpick and the manufacture of a shingle; but for my own purposes I would have toothpicks as free as I would have shingles, and I would have shingles as free as I would have toothpicks.

Mr. JONES. Yes; but I find a 25 per cent duty on tooth-

picks and you will vote for it.

Mr. MARTINE of New Jersey. The Senator says there are hundreds of little shingle mills scattered through the length and breadth of his State, and that anybody can engage in the buslness. I can not see why an article so absolutely necessary for the well-being of the hearthstone and the home as a shingle should not be made free of tariff tax.

Mr. JONES. I would not oppose a reasonable tariff. The tariff rate on shingles now is only 20 per cent ad valorem; and I am offering an amendment that cuts it down lower than that. I am offering an amendment making the duty only 40 cents a

thousand.

Mr. MARTINE of New Jersey. The reason I interposed, not unduly to interrupt the Senator, was that I could not understand why shingles should be especially favored over clapboards.

Mr. JONES. I am not framing this bill, I am sorry to say, and I am not opposing a duty on clapboards. If those interested in clapboards show that they need protection I will be glad to favor such a proposition. I think the needs of each industry should control and not whether or not a duty is placed on some other product

Mr. MARTINE of New Jersey. The Senator is presenting

the shingle question?

Mr. JONES. Yes. Mr. MARTINE of New Jersey. And the Senator has said me an opportunity, although I did not intend to discuss the that the constituency in his State, in deference to public opinion, have opened their eyes to the solemn truth that the people were surfeited with tariff protection—he did not say that, but he meant that they had enough of it.

Mr. JONES. No, no; I did not mean that. The Senator

misunderstood me.

Mr. MARTINE of New Jersey. The Senator said that they realized that the country demanded a reduction of duties; and, as an intelligent constituency, of course they knew what that meant. They felt that the protected industries had been tapping the people long enough, and now they were willing to let up, simply because the people said, "We will not give you this

Mr. JONES. I did not intimate anything of that sort. simply suggested that our people recognized the inevitable; that they simply accepted free lumber because they had to; and that they are going to accept it, with reference to the lumber

industry generally, without any particular kicking. That is all.

Mr. President, I simply wanted to present the facts with reference to the shingle industry and not discuss the whole tariff question. It seems to me that if I were a Democrat I could justify a small tariff duty on shingles from a revenue standpoint. As I said awhile ago, when we ask to have some article placed on the free list you have answered us many times that you want revenue; that you must have the revenue. Now, with a tariff duty on shingles of 50 cents a thousand you get about \$250,000 of revenue a year, although the duty is only a little over 20 per cent ad valorem, which is a very small revenue rate, so far as that is concerned; but instead of giving us even a revenue rate, with whatever incidental protection might go with it, you simply wipe out the duty entirely, without taking into account what effect it may have upon this industry, which is especially important to our State.

As to labor conditions, of course, Mr. President, they will not appeal to my Democratic friends. They are not concerned about them and do not take them into account in framing the bill. If I find that I can not appeal to them at all upon the ground of revenue, if I can not get any response from that standpoint, of course, I do not expect them to take into consideration the matter of labor conditions in our State as compared with our competing brothers to the north, because competition in cedar shingles comes from British Columbia, to the north. What are the labor conditions there and in our country? In our country the labor employed in the shingle mills is 99 per cent American, while in the Canadian mills it is about 80 per cent oriental-Chinese, Hindu, and Japanese. In our State we pay our laborers from \$2.25 to \$4 a day, while the Canadian

mills pay from \$1.25 to \$4 a day.

There are the facts. They can not be denied. They may not appeal to you. They do to me. No argument can strengthen them. I simply submit them as an appeal to your sense of what is fair and just. Of course with that difference in labor conditions there must be an advantage on the other side of the line as against our people. We shut the Chinese out of this country; and yet our friends on the other side of the Chamber seem to be perfectly willing to let the product of Chinese labor come from across the line over into our country in competition with our labor. Our people are home builders; they are home makers; they are home lovers; they are engaged in this industry in our State near their homes, and I think we ought at least to give them some consideration.

I have some letters here about the profits in the industry.

These, letters come from very reliable people; they are men, of course, who are interested in this industry, and who may be considered as interested witnesses; and yet I do not think that even our Democratic friends will think that simply because a man is interested in an industry he has no regard for the truth at all. I have here a letter from a company at Clear Lake,

Wash., in which they say this:

Wash., in which they say this:

The company which I represent is a large manufacturer of shingles. We expect to cut this year almost 150,000,000 shingles. We employ in our shingle mill alone about 60 men with a monthly pay roll of \$7,500. In addition to these men, an equal number are employed in the woods getting out the tlimber for the shingle mill, with a pay roll equal to the one in the mill itself. If the shingles from British Columbia are permitted to come into the United States free of duty, I have not the slightest doubt that it will mean a period of stagnation running over from one to three years, with possibly a large portion of these men thrown out of work. It will mean at the very least a material reduction in their wages and a very great disturbance in industrial conditions in this State.

Then here is another firm that says this:

For the past five years there has been practically no profit whatever in the manufacture of shingles, and in the meantime the British Columbia shingles have been selling in competition with us and paying 50 cents per thousand duty.

Then I have another letter from a man at Custer, a very small town in our State, which depends absolutely upon the shingle mills there. I think there is hardly any other kind of business in that place. He says this:

CUSTER MERCANTILE Co. (INC.), Custer, Wash., April 15, 1913.

Hon, Senator W. L. Jones, Washington, D. C.

Hon, Senator W. L. Jones, Washington, D. C.

Dear Sir: By instruction of our club I send you inclosed resolution, and hope and trust that you will use all your influence to have the present duty on shingles maintained. We have nine mills shipping their shingles from Custer.

I wish to state further that my partner and I have an interest in a shingle mill built in 1909, which has been operating every summer. We have paid our men from \$65 to \$135 per month, but we—the mill owners—have not yet.had one dollar paid us as profit. The time, we hope, will come when our country will not need or miss the shingle industry, but. it is not at hand yet. Any reduction on the tariff of shingles will bring the mills to close down, and it will cause a hardship all around. ingles will be a laround. I around. Respectfully submitted. Yours, truly,

P. S. MUNDAL.

So that, according to these men, they have been running their mills four or five years without a single dollar of profit coming to them from their money actually invested in the enterprise and in the plants. There are other letters that I will not take the time to read but will submit with my remarks.

As I have said, there is no trust in this industry. Many of

the mills are small; they have been started by a few men who have gathered together a little money. Possibly they have been what are shingle weavers, laborers. They have put together their little capital, consisting of their money and their skill, in this industry, have erected small mills, and have been trying to maintain themselves, make a competence for their families,

and to supply the demand for this article.

Who are our competitors? British Columbia, to the north of us, with 182,000,000 acres of timber land, much of it valuable for the making of shingles. They have been producing a great many, and under the tariff we now have they have been exporting shingles to this country. They can do this with their cheap labor and cheap timber. When we had a tariff of only 30 cents a thousand there came to this country over 5,000 carloads of shingles a year in competition with those made by the people of this country. After we increased the tariff to 50 cents a thousand on shingles the exportation of shingles to this country did not cease. In 1911 we imported over 642,000,000 shingles into this country, in 1912 over 514,000,000, in 1913 over 560,000,000 shingles, and through the little town of Blaine, in my State, on the border, not to an eastern market, but to our State, the following imports were made:

In 1907, 588 carloads; in 1908, 595 carloads; in 1909, 604 carloads; in 1910, 242 carloads; in 1911, 82 carloads. Even with a duty of 50 cents a thousand they imported into our State alone in 1911, 82 carloads, and in 1912, 142 carloads; so that a tariff of 50 cents a thousand is not a prohibitive tariff by any

What about the actual prices on these shingles? I told the Senator from Arizona that I would notice that point. He suggested one proposition that is always suggested in tariff debates when he asked if with a tariff on an article the price does not increase, then what is the use of the tariff? Well, the answer to that, so far as the shingle industry is concerned, is simply that with this tariff we have been able to maintain our market, and instead of having it overglutted, thereby not only depressing and lowering the price, but closing mills and throwing labor out of employment, we have been able to keep them employed, and with competition among, for instance, the 500 plants in my State they have kept down the price regardless of the tariff. If you take the tariff off and throw open this industry to competition of the cheaper labor of Canada, although there may be, of course, temporarily lower prices, when they get the mills closed down and force the people now engaged in that industry into some other work, then we may expect the Canadians to raise the price. This industry well illustrates what can and will be done by competing plants behind a protective wall.

What are the facts with reference to the increase of 20 cents a thousand on shingles four years ago? I have here the prices of shingles from 1908 for nearly every month in the year from that time until this. The prices range practically the same, although they were higher in 1908 than they have been at any time since then. But coming to 1909, just prior to the passage of the Payne-Aldrich law, when the tariff duty was increased from 30 to 50 cents per thousand, I find that in August, 1909, the price on clear shingles was \$2.15 to \$2.25 per thousand.

In August, 1909, the price on clear shingles was from \$2.15 to \$2.25 per thousand; on star shingles, \$1.75. Then, in September, the price was from \$2.30 to \$2.35; October, \$2.20; November, \$2.05 to \$2.10; December, \$2.05—less than it was prior to the passage of the bill.

In 1910, in January, the price was \$2.15 to \$2.20, practically the same as it was before; February, \$2.20; March, \$2.20;

April, \$2.20; May, \$2.10; June, \$2.15; August, \$2.10; September, from \$2 to \$2.05; October, from \$2 to \$2.05.

In 1911, in January, the price was \$1.90, or 30 cents a thousand less than it was just prior to the passage of the bill. In

February it was \$2.

Mr. KERN. Mr. President—

The VICE PRESIDENT. Does the Senator from Washington yield to the Senator from Indiana?

Mr. JONES. Certainly. Mr. KERN. Does the Senator refer to the retail price of shingles in the State of Washington?

This is the quoted price to the jobber from the Mr JONES manufacturer.

To the jobber? Mr. KERN.

Mr. JONES. ·Yes.

Mr. KERN. I was about to say that the retail price in the East to the consumer of Washington shingles and Oregon shingles, the best shingles, is something like \$3.50 to \$4 a thousand.

Mr. JONES. That may be true, but of course that is independent of the tariff. Whatever effect the tariff has it has on the price from the manufacturer to the first buyer from him. Of course it does not affect the price from him on. Even if we should take those prices, does the Senator from Indiana know whether or not they have increased since 1909, when the Payne-Aldrich tariff bill was passed?

Mr. KERN. No; I do not. I simply know from purchases I have made that in the last year the price was from \$3.50 to \$4

Mr. JONES. Does the Senator know what it was just prior

to the passage of the Payne-Aldrich law?

Mr. KERN. That was since the passage of the Payne-Aldrich

Mr. JONES. But, I say, does the Senator know what the price was just prior to the passage of the Payne-Aldrich law?

Mr. KERN, I do not.

I am showing here that the wholesale prices Mr. JONES. were practically the same before the passage of the law as they have been since the passage of the law notwithstanding the increase in the tariff; that is all. I am simply stating the facts. I am not presenting any argument about the matter, but these They speak for themselves.

Mr. MARTINE of New Jersey. Does the Senator know as to what part of the fluctuation in the price of shingles may have been due to the use of substitutes for shingles? For instance, artificial shingles are now used very largely-asbestos shingles, metallic shingles, rubberoid shingles, and a score of other sub-

Mr. JONES. We have been using those things for several

Mr. MARTINE of New Jersey. We have been using them for

the last three to five years.

Mr. JONES. I think a good many of those things were in use before that time.

Mr. MARTINE of New Jersey. Not asbestos shingles, but

many other substitutes were.

Mr. JONES. Of course we change and use different things from time to time, but before the Payne-Aldrich law was passed those changing conditions existed, and I am simply presenting

Mr. MARTINE of New Jersey. I believe the Senator will agree that the tariff is imposed generally and is paid by some

Mr. JONES. I am not going to go into the question as to who

pays the tariff. I have my views of it.

Mr. MARTINE of New Jersey. It is paid by the consumer. Mr. JONES. But you can not get around this list, which shows that the prices before the passage of the Payne-Aldrich law were as high if not higher than they have been since. shows conclusively to my mind that the tariff was not added to the domestic price, the consumer did not pay more by reason of it. The consumer of Canadian shingles paid no more than the domestic price, and the Canadian must have paid the duty and took it out of his profits. The consumer did not pay it.

Mr. MARTINE of New Jersey. Then, I ask, what is the use

of the tariff?

Mr. WARREN. Mr. President, a point of order.

The VICE PRESIDENT. The Senator from Wyoming will state his point of order.

Mr. WARREN. I call the attention of Senators to the rule that the Chair should be addressed before interruptions are made. We wish to hear this argument, and where both Senators are speaking at once it is very difficult to hear it.

Mr. MARTINE of New Jersey. I felt that I had gained the consent of the Chair. However, I am quite willing to stand reproved if I am in error. I realize, however, that in a little

controversy of this kind we very often dip in without going through the formality of asking the permission of the Chair.

Mr. JONES. To proceed, Mr. President; in April, 1911, the price of shingles was \$2. In May it was \$1.95. I will say that in each case the prices are for the same class of shingles. In July the price was \$1.95; in August, \$1.95; in September, \$1.93;

in December, \$1.85.

In 1912, in January, the price was \$1.75 to \$1.80; in April, \$1.91; in July, from \$1.95 to \$2; in August, \$2.20. In other words, in August of 1912 they came up substantially to the same price they were in August of 1909, just prior to the passage of the Payne-Aldrich law. Then, in September, they were \$2.40, quite a little higher. In October they were \$2.30. In November, coming down again, they were \$2; in December, \$2.15. In January of 1913 they were \$2.20; in March, \$2.15; in April, \$2.20; in May, \$2.25; in July, \$2.20 to \$2.25, or substantially the same as they were prior to the passage of the Payne-Aldrich

In other words, these figures show me that with the competition among our twn people they have maintained the price at the fowest possible level. It may not appear that way to some of our friends on the other side, but that is the only conclusion I can draw from the facts as they are here. try to avoid the facts. I let them speak for themselves. They need no aid from me.

Mr. JOHNSON. Mr. President, if the Senator will pardon an interruption, he spoke of the competition in this country. should like to inquire where the mills on Puget Sound meet

competition in the western part of the country?

Mr. JONES. I do not think the Senator was present when I spoke about the condition of the industry in my State. competition is among our own mills. There are nearly 500 of these shingle mills in my State. They are practically independent of each other. The competition is keen and sharp.

Mr. JOHNSON. In what other States are there any mills that saw shingles or deal in shingles except in the Senator's

State of Washington?

Mr. JONES. I do not know of any great industry in this line in any other State. Of course, I said that we produced practically two-thirds of the shingles used in the whole United States, but the competition is so sharp among the manufacturers of shingles in our State that they keep the wholesale price down to the minimum. As I read from some of the men engaged in that industry here, some of them have made no profit at all during the last four or five years. They have simply been able to keep their mills going. They have paid their help good wages, but the owners have received practically nothing on their investment. That, of course, does not apply to all. Some of them, I suppose, have made more than others. Some of them probably have better facilities than others; but, as a whole, the industry in my State has not made money. been able to maintain themselves, but the competition between them has kept down the price of shingles to the consumer.

The tariff increase that was made four years ago has not added to the price of the shingles, but it has possibly enabled our people to maintain the industry, and keep their men employed, pay them good wages, and keep the market from being

flooded and glutted by the mills from the other side.

From the most reliable information I can get, the Canadian mills are producing only about 50 per cent of their capacity to-day. If you take off this tariff entirely those mills will be given an opportunity to run to their full capacity; and according to our people, and as it looks to me, our industry will be very greatly injure. Many of our people will either have to go out of business of have to reduce the wages of their employees-one or the other. I take it that my Democratic friends do not want either condition to come about. I am satisfied of I am sure I do not. What we should like-and we think you can justify it independently of protection—is to have you put a small tariff upon this product. You can say it is for revenue if you want to. You will not violate any of the principles of your platform by doing that. It will give us what you may call incidental protection, if you wish.

Mr. WILLIAMS. Call it anything

Mr. JONES. We are perfectly willing to call it protection and revenue together, because it will bring revenue, and it will bring protection to the people in our State and to this industry. As the Senator from Mississippi says, we will call it anything in order to get it, because we want to preserve at least the present condition of the shingle industry and prevent its demoraliza-

This means a great deal to other people in our State as well as to those actually engaged in the shingle industry. As I pointed out a while ago, there are about 60,000 people in the State dependent upon this industry. Of course you do not think the industry will be injured. I hope it will not be, but our people think it will be. We are afraid it will be, and judging from the facts as they exist we can not help believing that it will be If it is, and these men are thrown out of employment, they will go into something else, possibly into agriculture. In that event they will make more competition for the farmers of our State, and they will also deprive the farmers who now supply the mouths of 60,000 people with their farm products of that much market. So the people in eastern Washington and other parts of our State where the shingle industry is not located are interested in the preservation of this industry just the same as the people who are actually engaged in it. These 60,000 people now are splendid customers for the products of the eastern Washington farm. I want them to continue so. They will not if they are thrown out of employment, and our farmers will suffer and not get their shingles any cheaper either.

I have taken more time on this matter than I intended to take, and more than I ought to take. I could point out the benefit the shingle man is in conserving the forest, but I will not take the time to do so. What I have said is enough to show the justice of this amendment. My State needs this industry. With millions of capital employed, millions paid out in wages, thousands of men employed, and many more thousands dependent upon the industry, we can appreciate and realize what it means if it is very seriously injured. We are very fearful that it will be. We think you could justify a small tariff upon the ground of revenue. Give us the benefit of it. Remove the fear we do not like even to express by making a fair reduction instead of taking it all off at one fell sweep.

I have offered an amendment that places the tariff at 40 cents a thousand. That is a reduction of 20 per cent. It leaves the tariff less than 20 per cent. Certainly that is a small enough duty for revenue. I have heard it suggested in regard to several propositions in this bill that 20 per cent, or 25 per cent, was nothing more than a tariff for revenue. We do not ask for any more than that. It will help us in our State. It will aid this industry, and it will bring revenue to the Government.

No Democratic principle, no Democratic theory, will be vio-lated by the adoption of this amendment; but if it is not adopted it may violate the proposition in your platform where you say that in making these reductions you propose to make

them in such a way as not to injure any legitimate business.

This is a legitimate industry. You take off all the tariff, notwithstanding the fact that it was raised four years ago. You may not think the increase then was necessary; but whether it was necessary or not, in accordance with the declarations in your platform, conditions have grown up under it, and to wipe out all the tariff, it seems to me, will inevitably injure the industry; it may do it any way, and you ought to err on the safe side and in the interest of a legitimate industry.

Mr. JOHNSON. Mr. President, before the question is put I wish to read into the RECORD a statement of the imports and the production of shingles in this country for 1912.

I find in the handbook which I have before me that we imported in the year 1912 shingles of the value of \$1,194,113.88. In the year 1910, which is the year for which the production is given, we produced \$30,262.462 worth. So that our imports are about 3 per cent of the production in this country.

In line with the policy of the Democratic Party of placing upon the free list articles of extensive use, necessities of life, we have placed lumber on the free list-a thing that some of the extreme protectionists have said should first go upon the free list, because it is one of the things which men first need to shelter them. We have placed different articles, such as sawed boards, clapboards, logs, and different varieties of lumber upon the free list, and in accordance with that policy we have

also placed shingles upon the free list.

Only a small part of the shingles imported into this country are imported at Puget Sound. A great many are imported at the port of Bangor, in my own State, and also in Vermont. They come into the New England States because the depletion of our forests and the lack of access to the cedar which is needed for the shingles compels us to go elsewhere, and to open up other fields in order to supply ourselves and meet the everincreasing demand.

For this reason we have placed shingles, with other articles, upon the free list. No reason occurs to the committee why any exception should be made of shingles, or why they should be treated differently from other kinds of lumber.

Mr. JONES. Mr. President, I have here resolutions adopted by the labor organizations in my State. I will say that these resolutions were adopted, not this year, but in 1909. They urge an increase in the then rate. I will say frankly to the

Senate that I have not received a single resolution from any labor organization of the State this year protesting against putting shingles on the free list. Possibly there are local conditions that account for that. I do not know. I wish to say, however, that it has been a surprise to me that labor has not manifested any interest in this matter, because if I thought labor would not be benefited by retaining the tariff I should not be in favor of retaining it. In my judgment, practically the only justification for a protective tariff is the benefit it brings to labor. As I say, there are local conditions which possibly account for the fact that they have not sent in resolutions this year.

These resolutions were sent in with reference to the proposal to raise the tariff under the Payne-Aldrich bill. I ask that they may be printed in the RECORD, because I believe they reflect the sentiment of labor now, together with other letters which I desire to send up, and also the table of prices from which I read part of the figures

The VICE PRESIDENT. Is there any objection? The Chair hears none, and that action will be taken.

The matter referred to is as follows:

SEATTLE, WASH., April 29, 1913.

BOARD OF TRUSTEES, New Chamber of Commerce.

GENTLEMEN:

Whereas because in the consideration of the proposed reduction of the present duty of 50 cents per thousand on shingles the following facts should influence any decision in the matter:

That 78 per cent of the shingles manufactured in the United States are manufactured from cedar in territory adjoining the Canadian border and under conditions not as favorable as those enjoyed by the manufacturer of cedar shingles in adjoining territory immediately across the line:

That 75 per cent of the singles manufactured in the United States are manufacturer of codar in territory adjoining the Canadian border and under conditions as farfold as those enjoyed by the manufacturer of codar shingles in adjoining territory immediately across the line;

That 65 per cent of the shingles manufactured in the United States are manufactured in the State of Washington;

That there are 375 shingle mills in the State of Washington, which give employment to about 15,000 men, with an annual pay roll of \$7,500,000;

That there is invested in shingle mills in the State of Washington \$4,154,000; the estimated investment in logging camps that supply these mills is \$1,463,998, and an estimated investment in timber that \$1,154,000; the estimated investment in logging camps that supply these mills is \$1,463,998, and an estimated investment in timber that \$1,154,000; the estimated investment in timber that \$1,154,000; the estimated investment in timber that \$1,154,000; the estimated of the codar can be utilized only in the manufacture of shingles;

That the mills of Washington can and always have been able to supply the demand for shingles, and that they have never been able to supply the demand for shingles, and that they have never been able to supply the demand for shingles, and that they have never been able to supply the demand for shingles, and that they have never been able to supply the demand for shingles, and that they have never been able to standing timber; with the duty entirely remove all cause a waste of small means; the records of the business show that the manufacturing of shingles has never been very profitable; the admission of shingles in the United States without the duty of 50 conts a thousand standing timber; with the duty entirely remove all cause a waste of standing timber; with the duty entirely remove all cause a waste of standing timber; with the duty entirely remove all cause a waste of standing timber in the States of the States and the conditions under which it can be shipped i

Resolved, That the board of trustees of the Seattle Chamber of Commerce is unalterably opposed to any reduction in the present duty of 50 cents per thousand on shingles, which duty is absolutely essential to the life of the shingle industry in the United States.

Resolutions presented by special committee consisting of John Mc-Master, J. S. Brace, Lewis Schwager, and adopted by board of trustees Seattle Chamber of Commerce, Tuesday, April 29, 1913.

### Quotations on shingles.

	Clears.	Stars.
4000		
January	\$2.60	\$2.00
fanuary.  February  March  April  May  Une  Sentember	2.60	\$2,25 to 2,30
March	1.80	1. 75 to 2. 20
April	2.45	1. 75 to 2. 20 1. 95 1. 50
une	2.45 1.80	
september	2.15	1.80 1.85
		1 1.75
1909.  fanuary		13/5
anuary	2.15	1.75 1.95 to 2.00
February		1.95 to 2.00 1.85
dareh		1.80
nly	2.10 to 2.15	1.75
August	2.15 to 2.25	1.75
September	2.30 to 2.35 2.20	1.85 to 1.90 1.65
November	2. 95 to 2. 10	1.65 to 1.70
November	2.05	1.65
1910.	V. P. P.	
Francis ince	2.15 to 2.20	1.75 to 1.80
Gebruary Gebruary March April May	2.20 2.20	1.75 1.80
March	2.20	1.80
Mav	2.10	1.75
		1. 80 1. 70 to 1. 75
August	2.10 2.00 to 2.05	1, 60 to 1, 65
October	2.00 to 2.05 2.00 to 2.05	1.60 to 1.65
August August September October November		1,60
1911.		
fanuary	1.90	1,60
February March	2.00 2.10	1.70 1.70
March	2.00	1.65
MayMay	1.95	1.55
May June July August September	1.90	1.50 1.58
July	1. 95	1.58
Sentember	1.93	1.50
	1.85	1.45
November	1. 90 1. 95 1. 95 1. 93 1. 85 1. 85 1. 85	1.50
January	1 75 to 1 80	1. 40 to 1. 45
		1.50
March	1.85	1.50 1.60
repruary March April May	1.91 1.93	1.60
lune	1.00	1.60
July		1.60
August	2.20	1.88 2.10
Sentember	2. 40 to 2. 50	2.20
October	2, 30	2.18 1.60
November	2.00 2.15	1.70
1913.		5 6 5 6 1
January	2.20	1.80
February. March	2. 25 to 2. 30	1.80 to 1.8
March	2.15	1.70 1.71 1.71
Marcil May June	2. 15 2. 20 2. 20 2. 25	1.7
June	2. 15 to 2. 20	1.60 to 1.6 1.65 to 1.7
		1.00 10 1.71

TACOMA, WASH., April 29, 1913.

Hon. WESLEY L. JONES, Washington, D. C.

DEAR SIR: In the matter of the proposed reduction in the United States import duty on shingles we wish to set forth some facts pertaining to the business for your information. We trust you will read this over carefully, as we feel sure that by so doing you will be convinced—if indeed you are not already—that it will be a grave mistake to remove or, in fact, in any way reduce the present duty of 50 cents per thousand on shingles.

In the first place, that next of the country, that will be most affected.

move or, in fact, in any way reduce the present duty of 50 cents per thousand on shingles.

In the first place, that part of the country that will be most affected by any action is the Pacific Northwest, including California. This for obvious reasons. The chief wood from which shingles are manufactured is red cedar, and this wood grows in a belt running north and south on the Pacific slope, from the Cascade Mountains to the ocean. This timber belt is heaviest in cedar in the State of Washington and the Province of British Columbia. Cedar also grows in Oregon, Idaho, and Montana, and in California shingles are manufactured from redwood. A Government report dealing with the 1910 cut of shingles in the United States says: "The quantity reported in 1910—12,976,362,000 shingles—is considerably smaller than in 1909, but greater than in 1908. Although a number of woods are used for shingles, over three-fourths of the total number manufactured during the three years were of cedar. The shingle output of the State of Washington in 1910 was about two-thirds of that of the country." From this it will be readily seen that any reduction in the present tariff will have its effect, most particularly upon the State of Washington. Therefore in setting forth facts regarding the shingle industry in the State of Washington we very fairly represent the industry as it will be affected by tariff changes.

The shingle mills in the State of Washington give employment to about 15,000 men, with an anual pay roll estimated at \$7,500,000. There is invested in these shingle mills not less than \$4,154,000. The investment in the logging camps which supply these mills with their raw material is \$1,463,998. The estimated investment in standing timber at present is \$10,471,446.

According to Government reports, there is standing in the State of Washington \$91,000,000,000 feet of timber. Of this amount the Government owns \$1,600,000,000 feet of timber. Of this amount the Government owns \$1,600,000,000 feet of the ratio of cedar as compared to the other woods is 16 per cent. On this basis we have 49,500,000,000 feet of standing cedar owned outside the Government. It is usually estimated by experts that 80 per cent of all cedar timber can be utilized only in the manufacture of shingles. Accordingly, we have 39,000,000,000 feet of standing cedar owned outside the Government. It is valuable only as raw material for shingles, and likewise for the same purpose the Government reports credit the State of Washington with supplying two-thirds of the total consumption of shingles in the United States, it is a fact that at no time have the shingle mills of this State been able to run to full capacity, because the demand has not been sufficient to consume the possible supply. Should the mills of this State run to full capacity, they could easily supply the demand for shingles inthoughout the entire United States.

The shingle mills of this State are owned and operated principally by men of small means, and it is unfortunately true that the business has not been profitable. The cedar trees grow at random among the fir, and the one can not be logged without at the same time taking out the other or destroying it. The majority of mên engaged in the shingle manufacturing business to day are in it from necessity and not from choice. While there has been any market for shingles owners of the timber have preferred to remove the cedar is carefull

an American port to an American port in anything but an American ship.

Therefore the removal of the present duty would practically put the shingle men of this State out of business, as the large holdings of cedar timber north of the Canadian line would immediately be opened up under such attractive conditions and an already over-supplied market would be flooded with a product against which our manufacturers could be flooded with a product against which our manufacturers could

would be flooded with a product against which our manufacturers could not compete.

This means that 12.8 per cent of all the timber, which amount now goes into the manufacture of shingles, would be burned up and wasted. This applies alike to Government and privately owned timber, and in the Pacific Northwest means a loss to the Government of approximately 57,000,000,000 feet of timber.

When the duty on shingles was 30 cents per thousand, Canadian mills shipped into the United States about 5,000 cars annually. Since the duty has been 50 cents a thousand, British Columbia mills have been kept out of our market. Should the duty be entirely removed the volume of Canadian shipments would increase to three times the amount of imports during the years of the 30-cent duty, or at least 15,000 cars per year.

of imports during the years of the 30-cent duty, or at least 15,000 cars per year.

If the removal of this duty meant cheaper shingles to the consumer and at the same time any sort of practical conservation, there might be merit in the proposition, but it must be remembered that Canadian operators do not operate under the laws of the United States, that they know no Sherman antitrust law, that combinations to control markets are not forbidden in Canada, according to our understanding; hence the consumers of this country would not in any way be benefited; but, on the other hand, foreign capital and foreign labor would reap the benefit, while manufacturers and laborers employed in the milis of this country would have to suffer.

In the above statements we have not overdrawn the facts, but have given you figures that represent the true state of affairs, and we invite and urge careful investigation into the authenticity of these statements. When you find what we have said to be true, we feel that in all justice to our own people, none of whom will be helped by the removal of the duty, but many of whom will be greatly injured, you will vote for the retention of the whole duty as it now stands and for no reduction in it whatsoever.

Yours, respectfully,

WEST COAST LUMBER MANUFACTURERS' ASSOCIATION, By W. C. MILES, Manager.

THE QUEEN MILL Co., Edmonds, Wash., April 14, 1913.

Hon. W. L. Jones, Washington, D. C.

Washington, D. C.

My Dear Senator: In behalf of the 10 shingle manufacturers of our little city, I beg to request you and your associates from our great State of Washington to do all in your power to retain the present duty of 50 cents per 1,000 on shingles. You are well acquainted with the conditions under which we are manufacturing shingles, but I will endeavor to refresh your memory on a few points in this line.

When we had a 30-cent duty Canada shipped into the States about 5,000 cars annually, and under the present duty has been practically cut out, and there has not been any advance on shingles on account of this increase, but, in fact, the competition among our own mills has lowered the price, and the dealer has been getting his shingles at practically cost of production for several years, and if we have free shingles we will be put out of commission; that is to say, us small manufacturers. I do not know of more than 3 mills out of the 10 here that

have declared a dividend in five years, and for me personally, with \$20,000 in the business, I will have to sacrifice my site and get nothing out of my plant and quit the business, and lose nearly all my worldly possessions, and this is in a measure true of hundreds of us. We are the scavengers of the woods and use what will have to go to waste. If we are thrown in direct competition with British Columbia shingles and their oriental labor. We pay very high wages to our employees; they are from \$3 to \$3.50 for common labor and from \$4 to \$9 for skilled labor.

labor.

Should this duty be removed it would throw an untold number of men out of employment, or we would have to reduce their salaries about one-half to compete with British Columbia.

Shingle mills can be bought at present and under our 50 cents protection by the dozen for one-third the cost of the machinery alone; and what will it be if we get free shingles?

Knowing as you do the conditions under which we are laboring, we have no doubt you will do all in your power to retain the present duty on shingles.

I beg to remain,

Most sincerely, yours,

President of the Queen Mill Co.

B. F. WASSER, President of the Queen Mill Co.

P. S.—If this would be of any use to the Hon. W. E. HUMPHREY, I would be pleased to have you submit it to him.

SEATTLE, WASH., April 16, 1913.

Senator Wesley L. Jones, Washington, D. C.

Senator Wesley L. Jones, Washington, D. C.

Historius Sh.: Representing about 175 shingle mills, members of this association, we use for the professer against the placing of shingles on the free list, as we understand is proposed by the new tariff soon to be before the House.

At a hearing before the Ways and Means Committee and in debate in the House in 1909, when the Payne tariff was under discussion, the mass per thousand to for the hearing was that the duty or red leads the control of the hearing was that the duty or red leads the control of the hearing was that the duty or red leads the control of the hearing was that the duty or red leads the control of the hearing was that the duty or red leads the leads are thousand to 50 cents per thousand, where it now is.

The industry of manufacturing red cedar shingles, while a comparatively small one when compared with the commerce of the United States per thousand to 60 cents per thousand, where it now is.

The industry of manufacturing red cedar shingles, while a comparatively small one when compared with the commerce of the United States, provided the control of the state lying between the Cascade Mountains and the Pacific Ocean. In that territory is manufactured each year about 65 per cent of the entire quantity of shingles manufactured in the United States. This proportion is undoubtedly increasing from year to year with the control of the c

cedar on his land and from the tall stumps logged off years ago when the stumps were not cut as low down as now. This class of timber, while making good shingles, naturally costs more to cut up than the fine clear bolts of British Columbia and there is more waste, but it has been of almost inestimable benefit to our rancher and farmer in tiding him over the period when his land is being prepared for crops, and if you had ever attempted to clear logged-off lands in western Washington you would realize what a task that is.

The free list is supposed to contain largely raw materials. It may not have occurred to you that the value of the red cedar shingle placed on board the cars here in western Washington is largely labor. Stumpage is valued at from \$1 to \$2.50 per thousand for cedar, according to its accessibility. This means the raw material in 1,000 shingles is worth from 10 to 30 cents, the balance is labor—labor in the woods, labor in bringing the logs to the mills, labor in the mills manufacturing the shingles, and labor in the supplies used. The profit to the manufacturer is slight. Statistics will show a lamentable list of failures in the shingle-manufacturing industry. A profit of 20 cents per thousand to the mill owner would be deemed a splended return. Take 20 cents as the average raw material and 20 cents for the manufacturers' profit. This means about \$1.50 to \$1.75 that goes to labor and supplies, which are largely labor. There are few industries where the selling value is so largely labor. Why, then, should this industry be one singled out for the free list? Can wool or cotton or steel show so large a percentage of labor? We think not.

The Congressional Records of 1907 and 1908 contain all the arguments needed to show our reasons for active western the sellow the ments needed to show our reasons for active western the sellow.

so largely labor. Why, then, should this industry be one singled out for the free list? Can wooi or cotton or steel show so large a percentage of labor? We think not.

The Congressional Records of 1907 and 1908 contain all the arguments needed to show our reasons for asking you to give us a chance out here in the West. To show you, however, that the labor situation has not changed since that time we are sending to Congressman HUMPHREY a series of photographs taken during March, 1913, at a number of different mills in and near Vancouver, British Columbia.

We feel that the present duty is reasonable and just, but if along with reductions in the tariff on other commodities our industry should stand its share, would it not be reasonable to reduce the tariff on shingles to 30 cents, practically cutting the present duty in half, and in this way carrying out the pledge of the great Democratic Party to the people?

Another thing should not be lost sight of, and that is that the British Columbia manufacturers have for the past two years had an ironclad combination. The consumption of shingles in Canada is divided up among the different manufacturers according to the number of machines which they have, and they are allowed to cut only their apportionment. Our laws will not permit of this. In this way they are getting for their 6/2 shingles in Canada more than we have averaged for our thicker 5/2 shingles in the United States. They have, however, been able to run only about half their capacity and are looking anxiously to the States to enable them to run full time, holding up their market on their own shingles in Canada and using our country as a dumping ground for their surplus. If such a calamity should occur as shingles being put on the Yree list, something should be done to prevent their using this country as a dumping ground, and if they should sell shingles in the States at less than their held price in Canada, a duty to cover such difference should be imposed.

On the opening of the Panama Canal we will be at a fu

which they can use to cut us out of our own market.

If we are to compete on even terms, arrange so that our logs from British Columbia and other sources will cost the same, that our freights will be the same, that our labor cost be the same, and we will gladly withdraw opposition; but it is unfair to ask us to meet competition when we are handicapped by our own laws or the laws of neighboring countries which compel us to pay more for labor, more for raw material, and more for transportation. If we are compelled to meet British Columbia competition we should have the privilege of employing oriental labor and using foreign bottoms. This we do not want and do not ask for, but our fellow countrymen should not be handicapped by our own laws to the benefit of the foreigner.

Some of these things may not have been brought to your effection.

Some of these things may not have been brought to your aftention, and we would respectfully ask your consideration of this matter and hope you will lend your influence to help an industry which to the United States as a whole is a small one, but which is of material importance to our growing State.

importance to our Respectfully

RED CEDAR SHINGLE MANUFACTURERS' ASSOCIATION, F. A. TRAILL, Manager.

CLEAR LAKE LUMBER Co., Clear Lake, Wash, May 27, 1913.

CLEAR LAKE LUMBER CO...

Clear Lake, Wash, May 27, 1913.

Hon. W. L. Jones,

Senator, Washington, D. C.

My Dear Sir: I have no doubt that you have been and are doing everything in your power to aid the shingle manufacturers of this State in retaining the duty on shingles shipped into the United States. The company which I represent is a large manufacturer of shingles. We expect to cut this year almost 150,000,000 shingles. We employ in our shingle mill alone about 60 men, with a monthly pay roll of \$7,500. In addition to these men an equal number are employed in the woods getting out the timber for the shingle mill, with a pay roll equal to the one in the mill itself. If the shingles from British Columbia are permitted to come into the United States free of duty, I have not the slightest doubt that it will mean a period of stagnation running over from one to three years, with possibly a large portion of these men thrown out of work. It will mean at the very least a material reduction in their wages and a very great disturbance in industrial conditions in this State.

If you find, when the matter finally comes to the point of being

If you find, when the matter finally comes to the point of being decided, that the duty can not be retained, I hope that you will do everything you can to place a duty at least upon shingles and lumber exported to this country from British Columbia. This would be only a matter of fairness, since they place on any raw material exported from British Columbia an export duty. The duty on their material shipped into this country would have the effect, in my opinion, of removing this export duty on logs. If we could have their logs to cut up here in the State of Washington it would be a very material help to us.

I wish to thank you at this time for the very good work you have done so far on this case, and to advise you that the lumbermen here certainly appreciate the efforts that you have made in our behalf. Very truly, yours,

TACOMA, WASH., April 22, 1913.

Hon. Senator W. L. Jones, Washington, D. C.

Hon. Senator W. L. Jones,

Washington, D. C.

Dear Sir: Reference tariff on shingles. You perhaps are aware of the shingle situation in this State. For the past five years there has been practically no profit whatever in the manufacture of shingles, and in the meantime the British Columbia shingles have been selling in competition with us and paying 50 cents per thousand duty.

The question before us now is, What is going to happen to our shingle investments providing this duty of 50 cents is eliminated? The cost of shingles, as you are aware, is greatly made up of labor. In British Columbia they use oriental labor almost exclusively, which gives them a considerable advantage in the cost of manufacturing, as we are up against the Shingle Weavers' Union.

In addition to this, the Government stumpage in British Columbia on a license or Crown grant is from \$2 to \$2.50 per thousand board measure cheaper than ours. Under the circumstances you can readily see how and why they compete with us now and where we would be at if they did not have to pay this 50-cent duty.

A friend of mine, Mr. Stevens, of the Steavens-Eaton Co., New York, visited me yesterday, and I asked him if he had been selling many British Columbia shingles this past year or two, and he said that they represented \$5 or 90 per cent of his sales of shingles, and with the duty off there would be no doubt but that his entire sales would be British Columbia shingles.

In addition to this, the matter of free tolls enters in. Granting that the British Columbia shingle manufacturers can produce shingles at a far lower cost than we, if they have free tolls through the canal or on the same basis as ours, and we are forced to use American vessels, while they, of course, can use vessels of any nation of the world, the benefits of this canal, for which we have all paid our share, are absolutely all. This is not only true in the shingle business, but it is true in the lumber business, and unless American ships are granted free tolls we can not expect to compete wi

Thanking you very kindly in advance, we are, Yours, very truly,

TACOMA & EASTERN LUMBER CO., By E. W. DEMAREST, Manager.

PACIFIC COAST SHIPPERS' ASSOCIATION, OFFICE OF THE SECRETARY, Seattle, Wash., April 22, 1913.

Seattle, Wash., April 22, 1915.

Hon. W. L. Jones,

Senator from Washington, Washington, D. C.

Dear Sir: The International Shingle Weavers' Union of America will of course be vitally affected if duty is taken off of Canadian shingles. They are of course very busy with the strike and nothing much can be gotten out of them, but for your information I find by the Congressional Record that they sent a telegram during the former hearing under date of April 26, 1909, to the Congressmen in Washington, D. C., at that time, and their message reads as follows:

Seattle, Wash., April 28, 1900.

SEATTLE, WASH., April 26, 1909.

To the Congressmen, Washington, D. C .:

Having in mind the welfare of the wage earners of the shingle industry, whose standard of living and morals are seriously impaired by competition with Asiatic labor, we most earnestly appeal to you to use every honorable method to secure additional tariff on shingles, that our industry may be saved to white workmen.

INTERNATIONAL SHINGLE WEAVERS' UNION, C. J. FOLSON, President. W. E. WILLIS, Secretary.

We also note that the president of the Shingle Weavers' Union wrote a letter as follows:

SEATTLE, WASH., January 15, 1909.

To the CONGRESSMEN Washington, D. C .:

I am sending you herewith copy of a set of resolutions which were passed at the recent convention of the International Shingle Weavers' Union of America. I am sure that you will do all that is possible to see that the facts recounted therein are presented where the most good

will result.

Yours, very truly,

President International Shingle Weavers' Union of America.

The resolutions read as follows:

The resolutions read as follows:

"Resolutions adopted by the International Shingle Weavers' Union of America in convention at Olympia, Wash., January 4, 5, 6, 1909:

"Whereas during the past 10 years there has been a tariff of 30 cents per thousand on shingles imported by the United States;

"Whereas during all this time the imports of Canadian shingles into the United States have steadily increased—have doubled in the last few years—and in the years 1906 and 1907 reached the large total of 8,909 carloads, through which the wage loss to the white workmen in the Washington shingle industry amounted to approximately \$1,000,000, or practically \$40,000 per month;

"Whereas the shingle manufacturers in British Columbia are able to inflict this enormous loss on the wage earners in the Washington shingle industry through the employment of Asiatics, who compose 80 per cent of the working forces in the British Columbia shingle influstry through the employment of Asiatics, who compose 80 per cent of the working forces in the British Columbia shingle mills, and who accept a very much lower wage compensation and a very much lower standard of living than can the all-white labor of the Washington shingle industry;

"Whereas the white wage earners in the Washington shingle industry have better and higher conceptions of the industrial, social, hygienic, and moral well-being, and, realizing the ideas of their race and Nation, have trained themselves to conform to a standard of living in accordance with 'American ideas of American civilization;

"Whereas the increasing imports by the United States of Asiatic-made shingles of British Columbia constitute a menace to American institutions by driving white workmen out of the Washington shingle mills, depriving these workmen of the means to maintain themselves and families, thus lessening the amount of money available to farmers, merchants, and other business men in the United States:

selves and families, thus lessening the amount of money available to farmers, merchants, and other business men in the United States;

"Whereas the wage earners in the Washington shingle mills have been forcedly idle nearly 12 months during the past 24 months;

"Whereas they are to a great extent engaged in producing shingles from fallen, fire-blackened, and other cedar that would be otherwise wasted and be a dead loss to the State and to the Nation;

"Whereas the first consideration of the United States Government should be the welfare of its own citizens; and

"Whereas it is understood that some misinformed people now advocate the reduction of the present tariff of 30 cents per thousand, which is even now an inadequate protection against Asiatic shingles made in British Columbia: Wherefore, for these reasons,

"We respectfully and firmly protest against any reduction of the present tariff, and we do earnestly and strongly urge all legislators to save the industry and to protect our necessary wage interest by fixing an adequate protective tariff against Asiatic-made shingles—a tariff of, preferably, 50 cents per thousand.

"Voted, That a copy of these resolutions be sent to each member of the Washington State Legislature, with the request that they memorialize Congress to grant the Washington shingle industry an adequate protective tariff of preferably 50 cents per thousand.

"Voted, That the Ways and Means Committee of the House of Representatives and United States Congressmen from shingle manufacturing districts covered by the International Shingle Weavers' Union of America be furnished with copies of these general resolutions."

Yours, very truly,

F. D. Becker, Secretary-Manager.

TACOMA, WASH., April 12, 1913.

Senator W. L. JONES, Washington, D. C.

Senator W. L. Jones,

Washington, D. C.

Dear Sir: We are in receipt this morning of a circular from our Pacific Coast Shippers' Association, of which we are usembers, requesting us to write Members of Congress in regard to the duty of 50 cents a thousand on lumber.

We will say that we differ somewhat in this matter from the association and are not in favor of duty on steel, the breakfast table, or lumber. From an experience of something like 12 years in the lumber business we are satisfied that the duty is a scarecrow. Whereas possibly stumpage in British Columbia is somewhat less than in Washington and Oregon, the cost of logging on account of the very rough condition of the country more than makes up for the difference, and we venture to say that the cost of producing logs at the foot of the slip is more than the same in Washington. The mills in Washington have been shipping thousands of cars a month the last two or three years into British Columbia at less price than the British Columbia mills care to manufacture the same.

The same thing applies on rolled oats, which we notice in the morning paper. Washington and Oregon are the greatest producers per acre of oats of any State in the Union, and there is no reason at all for any duty on this commodity.

This is the opinion of not only ourselves but of millions of other people that originally voted the Republican ticket up to 1912.

Wheeler-Reese Lumber Co., Weller Wheeler, Vice President.

WHEELER-REESE LUMBER Co., WELLES WHEELER, Vice President.

Mr. POINDEXTER. Mr. President, my distinguished colleague has very briefly pointed out how a moderate tariff on shingles would be entirely consistent with the theory of the party which is framing this tariff bill. I think he is entirely correct in that; and in that connection it seems to me that a moderate tariff upon shingles, considering the importance of the industry, particularly to the State of Washington, would be in harmony with this declaration:

The annual revenue, after paying current expenditures, pensions, and the interest on the public debt, should furnish a moderate balance for the reduction of the principal, and that revenue, except so much as may be derived from a tax on tobacco and liquors, should be raised by duties on importations, the details of which should be so adjusted as to aid in securing remunerative wages to labor and promote the industries, prosperity, and growth of the whole country.

That was the tariff platform of the Liberal Republican Party in 1872. It was expressly indorsed by the Democratic Party and adopted as the platform of the Democratic Party in that year.

It seems to me that it would also be in harmony with this declaration:

declaration:

Knowing full well, however, that legislation affecting the operations of the people should be cautious and conservative in method, not in advance of public opinion but responsive to its demands, the Democratic Party is pledged to revise the tariff in a spirit of fairness to all interests, but in making reductions in taxes it is not proposed to injure any domestic industries, but rather to promote their healthy growth. From the foundation of this Government taxes collected at the customhouse have been the chief source of Federal revenue; as such they must continue to be. Moreover, many industries have come to rely upon legislation for successful continuance, so that any change of law must be at every step regardful of the labor and capital thus involved. * * * The necessary reduction and taxation can and must be effected without depriving American labor of the ability to compete successfully with foreign labor and without imposing lower rates of duty than will be ample to cover any increased cost of production which may exist in consequence of the higher rate of wages prevailing in this country.

That was the declaration of the Democratic Party in its plat.

That was the declaration of the Democratic Party in its platform of 1884.

It seems to me that a moderate tariff on shingles, say a reduction on the present tariff of 50 per cent, would be a pretty substantial reduction and would also be in harmony with this declaration:

Our established domestic industries and enterprises should not and need not be endangered by the reduction and correction of the burdens of taxation. On the contrary, a fair and careful revision of our tax laws, with due allowance for the difference between the wages of American and foreign labor, must promote and encourage every branch of such industries and enterprises.

That sounds like a Republican Party platform, but as a matter of fact it was the Democratic Party platform of 1888.

It is also in harmony with this principle:

We recognize that our system of tariff taxation is intimately connected with the business of the country, and we favor the ultimate attainment of the principles we advocate by legislation that will not injure or destroy legitlmate industry.

That is the Democratic platform of 1912.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from Washington.

Mr. JONES. On that I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded

Mr. CHAMBERLAIN (when his name was called). I have a general pair with the junior Senator from Pennsylvania [Mr. OLIVER]. In his absence, I withhold my vote.

Mr. CHILTON (when his name was called). I transfer my general pair with the junior Senator from Maryland [Mr. Jackson] to the senior Senator from Nebraska [Mr. HITCHCOCK] and will vote. I vote "nay."

Mr. McCUMBER (when Mr. Gronna's name was called). My colleague [Mr. Gronna] is necessarily absent. He is paired

with the junior Senator from Illinois [Mr. Lewis].

Mr. LEWIS (when his name was called). I am paired with the junior Senator from North Dakota [Mr. GRONNA], and

therefore withhold my vote.

Mr. McCUMBER (when his name was called). I have a general pair with the senior Senator from Nevada [Mr. Newlands]. As he is absent from the Chamber, I will withhold my vote.

Mr. THOMAS (when his name was called). I have a general pair with the senior Senator from Ohio [Mr. Burton]. I transfer that pair to the junior Senator from Oklahoma [Mr. Gore] and will vote. I vote "nay."

Mr. JONES (when Mr. Townsenp's name was called). I de-

sire to announce that the junior Senator from Michigan [Mr. Townsend] is necessarily absent. He is paired with the junior Senator from Florida [Mr. Bryan]. I will let this anounce-

ment stand for the day.

The roll call was concluded.

Mr. REED. I am paired with the senior Senator from Michigan [Mr. SMITH], and therefore withhold my vote.

Mr. BRYAN (after having voted in the negative). I transfer my pair with the junior Senator from Michigan [Mr. Townsend] to the junior Senator from Nevada [Mr. PITTMAN], and will allow my vote to stand.

Mr. BACON. I inquire if the senior Senator from Minnesota
[Mr. Nelson] has voted?

The VICE PRESIDENT. He has not.

Mr. BACON. I withhold my vote. If he were present, I should vote "nay.

Mr. LIPPITT. I have a pair with the senior Senator from Tennessee [Mr. Lea], which I transfer to the junior Senator from Maine [Mr. Burleigh] and will vote. I vote "yea."

Mr. GALLINGER. I have been requested to announce the following pairs: The senior Senator from Delaware [Mr. DU PONT] with the senior Senator from Texas [Mr. Culberson]; the junior Senator from West Virginia [Mr. Goff] with the Senator from Alabama [Mr. BANKHEAD]; the junior Senator from North Dakota [Mr. GRONNA] with the junior Senator from Illinois [Mr. Lewis]; and the junior Senator from Pennsylvania [Mr. OLIVER] with the senior Senator from Oregon [Mr.

The result was announced-yeas 21, nays 44, as follows:

Bradley Brady Brandegee Catron Clark, Wyo. Colt	Dillingham Gallinger Jones Lippitt Lodge McLean	Page Penrose Perkins Poindexter Root Smoot	Sterling Warren Weeks
	NA	YS-44.	
Ashurst Bristow Bryan Chilton Cummins Fletcher Hollis Hughes	Kern La Follette Lane Martin, Va. Martine, N. J. Myers Norris O'Gorman	Ransdell Robinson Saulsbury Shafroth Sheppard Shields Shively Simmons	Smith, S. C. Stone Swanson Thomas Thompson Thornton Tillman Vardaman
James Johnson Kenyon	Overman Owen Pomerene	Smith, Ariz, Smith, Ga. Smith, Md.	Walsh Williams Works

	NOT	VOTING-30.		
Bacon Bankhead Borah Burleigh Burton Chamberlain Clapp Clarke Ark	Crawford Culberson du Pont Fall Goff Gore Gronna Hitchcock	Jackson Lea Lewis McCumber Nelson Newlands Oliver Pittman	Reed Sherman Smith, Mich, Stephenson Sutherland Townsend	

So Mr. Jones's amendment was rejected.

Mr. JONES. I desire to offer the amendment so as to read 25 cents per thousand instead of 40 cents. I simply desire to say that that is a reduction of 50 per cent, or 5 cents below the Dingley law. On this amendment I ask for the yeas and nays.

The yeas and nays were ordered, and the Secretary proceeded

to call the roll.

Mr. BANKHEAD (when his name was called). I am paired with the Senator from West Virginia [Mr. Goff]. If he were present, I would vote "nay."

Mr. BRYAN (when his name was called). I have a pair with the junior Senator from Michigan [Mr. Townsend], transfer to the junior Senator from Nevada [Mr. PITTMAN], and vote "nay."

Mr. CHAMBERLAIN (when his name was called). In the absence of my pair, the junior Senator from Pennsylvania [Mr.

OLIVER], I withhold my vote.

Mr. CHILTON (when his name was called). make the same announcement as to my pair and its transfer that I made on the former vote. I vote "nay."

Mr. LIPPITT (when his name was called). I again transfer my pair with the Senator from Tennessee [Mr. Lea] to the junior Senator from Maine [Mr. BURLEIGH]. I vote "yea."

Mr. McCUMBER (when his name was called). On account of the absence of my pair, the Senator from Nevada [Mr. New-LANDS], I withhold my vote.

Mr. THOMAS (when his name was called). I make the

same transfer as before and vote "nay."

The roll call was concluded.

Mr. REED. I transfer my pair with the Senator from Michigan [Mr. SMITH] to the Senator from Montana [Mr. WALSH], and vote "nay."

Mr. CLARKE of Arkansas. I desire to know whether the junior Senator from Utah [Mr. Sutherland] has voted.

The VICE PRESIDENT. He has not.

Mr. CLARKE of Arkansas. Then I will not vote, being paired

with that Senator.

Mr. BACON. I again announce my pair with the senior Senator from Minnesota [Mr. Nelson]. In his absence I withhold my vote. If he were present, I should vote "nay."

Mr. WEEKS. I have a general pair with the Senator from Kentucky [Mr. James]. If he were present, I should vote

The result was announced—yeas 22, navs 42, as follows:

THE RESULT		AS-22.	2, 40 1000000
Bradley Brady Brandegee Catron Clark, Wyo. Colt	Dillingham Fall Gallinger Jones Lippitt Lodge	Page Penrose Perkins Poindexter Root Smoot	Stephenson Sterling Warren Works
	NA	YS-42.	
Ashurst Bristow Bryan Chilton Cummins Fletcher Hollis Hughes Johnson Kenyon Kern	La Follette Lane Martine, Va. Martine, N. J. Myers Norris O'Gorman Overman Owen Pomerene Ransdell	Reed Robinson Saulsbury Shafroth Sheppard Shields Shively Simmons Smith, Ariz, Smith, Ga, Smith, Md.	Smith, S. C. Stone Swanson Thomas Thompson Thornton Tillman Vardaman Williams
	NOT V	OTING-31.	
Bacon Bankhead Borah Burleigh Burton Chamberlain Clapp Clarke, Ark.	Crawford Culberson du Pont Goff Gore Gronna Hitchcock Jackson	James Lea Lewis McCumber McLean Nelson Newlands Oliver	Pittman Sherman Smith, Mich. Sutherland Townsend Walsh Weeks

So Mr. Jones's amendment was rejected.

Mr. GALLINGER. Mr. President, I have an inquiry to make that may save time, and I am extremely solicitous to save time in the further consideration of the bill. If my inquiry is not answered, I might feel when the bill gets into the Senate like offering some amendments.

First, I will ask the chairman of the Committee on Finance if he has given any further consideration to the duty on granite? The Senator from North Carolina, when it was up before, said he had heard no complaints. I have a very urgent complaint from the Salisbury, N. C., branch of the Granite Cutters' International Association of America, transmitting a copy of a letter

that was sent to the distinguished chairman of the committee.

Mr. SIMMONS. The Senator understands perfectl, well that it is not possible for me to read everything that is sent to me as chairman of the Finance Committee. I did not mean to say that no such communication had come to the committee. I will state to the Senator that my plan of dealing with this matter when these communications came to me has been that by my direction my secretary sends them to the subcommittees having charge of the subjects under consideration.

Mr. GALLINGER. Oh, I understand that. I am not complaining at all. The only purpose of my question was to ask the Senator if there is any possibility of having the committee look a little further into the matter.

Mr. SIMMONS. I think, Mr. President, we very thoroughly discussed that particular question and passed upon it, and I know of no disposition to reconsider it.

Mr. GALLINGER. If it is foreclosed, that ends the matter

and answers my interrogatory.

Now, Mr. President, one other matter. I have forgotten what Senators constitute the subcommittee on Schedule C, Metals and manufactures of. I want to make a little inquiry about one item in that schedule. If the subcommittee will honor me with their attention, paragraph 137 relates to the duty on needles of vari-

think it is safe to say, Mr. President, that in all previous tariff bills-I feel sure I speak advisedly-latch needles have been differentiated from the others and given a little higher duty. They are now in this bill, thrown in with all other classes of needles, and the duty of 25 per cent allowed by the House was reduced to 20 per cent by the Senate committee, and that has been agreed to. I made my protest and was voted down

I should like to say to the subcommittee that I wish they would give the matter a little further consideration in their moments of leisure, if they ever have any, and I apprehend they have not many, with a view of seeing whether they could not, following precedents, take latch needles out of the list of the others and give those needles a duty of 30 per cent ad valorem. The present duty I think is 60 per cent or more.

I simply call it to the attention of the subcommittee. hear nothing further from it, I shall have to be satisfied. If the subcommittee, after looking into the matter and finding that that particular class of needles, on which there is more labor, has been given heretofore a little higher duty, felt like carry-

ing out my suggestion, I would be gratified.

That is all. I have said this for the purpose of saving time in

the future consideration of the bill.

Mr. SIMMONS. Mr. President, this affords me the opportunity to read a letter which I received from Torrington, Conn., written August 12. I think that was a day or two after we had under consideration and discussion in the Senate this paragraph. During the course of his speech in favor of high rates upon the industries of Torrington, and chiefly, I believe, the manufacture of needles, the Senator from Connecticut [Mr. McLean] had something to say about the probability of some of those industries moving their plants over to Germany, I think, or to Canada, possibly; I do not remember which. The letter I have is from Mr. Thomas A. Carroll. Of course, I do not know him. It is directed to me as chairman of the Committee on Finance, dated August 12, 1913. I will read only an extract from it. He says:

from it. He says:

DEAR SIR: As a constant reader of the Congressional Record I found much that displeased me with the impression George P. McLean, of this State, sought to give your body when the tariff on needles was being discussed. He referred to the speech delivered by Congressman Underwood at Waterbury and drew a vivid picture, as I understand it from the Record, of many needle workers from Torrington being in the audience, drinking in the tariff wisdom of Congressman Underwood, taking it for political gospel, being converted to the Wilson cause, and then going back home and voting the ticket on election day that put President Woodrow Wilson, Democrat, in office.

Unfortunately—and I sincerely hope that it is for the last term—both United States Senators from Connecticut are Republicans. They are about the only calamity howers from the Nutmeg State that I know of at the present time. Business at the Excelsior Needle Co.'s plant here, of which Senator McLean appears to be so solicitous, was never better, and the folly of the statements on his part that the business will have to be removed to Germany if the tariff is lowered is evidenced from the fact that at the present time a large addition is being built to this needle factory. Similar conditions obtain at the plants of the Standard and Progressive companies, both of which, like the Excelsior Needle Co.'s factory, are affiliated with the Torrington company.

There is more of the letter, but that is all I desire to read. Mr. LEWIS. Mr. President, I should like if one of the pages could inform the Senator from New York [Mr. Root] that I desire to make some references to his observation as delivered by him this morning. He went out of the Chamber, and I do not like to speak concerning his remarks during his absence.

Mr. GALLINGER. While the Senator is waiting I want to add just a sentence, if the Senator from North Carolina [Mr.

SIMMONS] will permit me.

I know nothing about the Torrington factory at all. We have, think, seven or eight needle factories in New Hampshire. Some of our most prominent men are connected with them in one way and another, some Democrats and some Republicans, and they are all very solicitous about this particular item. All I have asked is that it be looked into a little further, and whatever the conclusion is will not satisfy me, but under stress, of

course, I will have to accept it.

Mr. BRANDEGEE. In connection with the matter that the Senator from New Hampshire [Mr. Gallinger] and the Senator from North Carolina [Mr. SIMMONS] have just been discussing, I wish to interpolate a word, if the Senator from Illinois will

Mr. LEWIS. Yes; I yield for a moment. I do not yield the floor.

Mr. BRANDEGEE. Oh, no. I will not take over a minute. The Senator from North Carolina [Mr. Simmons] has referred to some statement made by my colleague [Mr. McLean] the other day in relation to the needle business in Torrington, in my State. I will say that my colleague at present is absent from the floor, attending to his duties as a member of the Banking and Currency Committee, which is having a hearing upon pending legislation.

As regards the situation in that business, I read from a letter signed by C. B. Vincent, secretary of the Excelsior Needle Co., of Torrington, Conn., which is the company to which the Senator

referred. He states:

referred. He states:

We are inclosing a brief on sewing-machine needles such as we submitted to the Ways and Means Committee. We think that this brief was not published as submitted, as we asked that some paragraphs be left out, we believing that it would injure us to give our costs so in detail to our foreign competitors, and we should like to ask that you do not allow these figures to get out for publication.

The Ways and Means Committee made the duty 25 per cent, a reduction of \$1 per thousand. The Finance Committee of the Senate have changed the already low 25 per cent to 20. This is a serious matter to us and we wish that if there is any way you can help us to at least retain the 25 per cent as fixed by the Ways and Means Committee, you will do so.

I simply put that into the RECORD to show that while the gentleman who signs the communication to the Senator from North Carolina, whose name I did not catch, and about which I do not care anything-

Mr. SIMMONS. I will give the name to the Senator again:

Thomas A. Carroll.

Mr. BRANDEGEE. I will say in passing that I think the president of the company is probably a better judge of his own business and of the proceedings of the company than the gentleman who expressed his political views to the Senator from North Carolina.

I have no doubt that is so. Mr. Carroll Mr. SIMMONS. writes a very intelligent letter, but I am sure that the president of the company knows more about the business than he does, and he is showing his confidence in the future of the business not by preparing to move his plant to Germany, as was suggested, but by doubling its capacity, if the statement of Mr. Carroll is true.

Mr. BRANDEGEE. I have no doubt that he relied upon the promises of the Senator and his President and his party that they would not hurt his legitimate business, and he started an

addition which he no doubt very much regrets at present.

Mr. SIMMONS. He has had three or four months in which to stop it if he is going to move to Germany. There is no rewhy he should continue to build if he is going to Germany. There is no reason

Mr. LEWIS. I have the floor.

Mr. BRANDEGEE. I do not wish to trespass upon the time of the Senator from Illinois at any further length.

Mr. LEWIS. Mr. President, I am emboldened at this moment to make some observations concerning the views of the senior Senator from New York [Mr. Root], just expressed by him, upon a feature of the income tax-the exemption.

I was particularly attracted, Mr. President, by the allusion of the distinguished Senator to what he feared was an invasion upon the right and privilege of the States to protect themselves it, the matter of their income, also as to the application of their incomes to their own need. The Senator was concerned as to the States maintaining their power and right to levy a tax within the State to obtain the income for their home uses. As I listened to him-I was strongly impressed with the wisdom of Thomas Jefferson's observation that "an often recurrence to fundamental principles is salutary and preserving."

The distinguished Senator from New York addressed his ob-

servations to that theory of government which the men of the

g themselves Democrats, school of politics such as I adopt, ca have ever advocated as essential to the real preservation of the theory of this Republic. That is the right of home rule in the States-the defeating of any attempt or power of the National Government to invade the precincts of the States and by presuming upon an assumed privilege of national authority prevent the local government from exercising its privilege and rights within those constitutional guaranties which the founders of our Government intended it should enjoy. I was particularly attracted by the distinguished Senator-recognizing his eminent ability and paying great tribute to his skill as a lawyer and his experience as a statesman-in warning the Democracy-turning to this side of the House-of how it was on the eve of permitting a measure to pass in this body which would not only invade the privileges of the States, but destroy their local autonomy-and greatly distress the State of New York-by its audacious intrusion.

Mr. President, I join with that distinguished statesman from New York in not only expressing the fear of such approach, but I go one step further, and denounce the evil of its present existence; but I am compelled to remind the distinguished Senator from New York that if any man should ask me as a fellow American to what source I would charge this new growth of centralism and centralization—this encroachment upon the States to which he alludes; I would be compelled to turn to the distinguished Senator from New York and in the accusation of the humble shepherd in Israel to the King say: "Thou art

the man.'

I can not forget, nor should this country forget, that at a time when a constitutional lawyer might have been prudent to guard the relative functions between the States and the Nation there arose in this country, in a national administration which was then in power, a general tendency to override both the privileges and the rights of the States; this to accommodate itself to the mere expediency of politics on the one hand and to gratify the hue and cry of multitudes on the other. Sir, I recall that it was the distinguished Senator from New York who, in a very eloquent address-characteristic of the ability that ever attends his utterances-at a state dinner of the Pennsylvania Society in the Waldorf-Astoria Hotel-struck a new keynote in the pursuit of the policy of his then chief, then President of the United Mr. Roosevelt. It was the doctrine asserted just previously by President Roosevelt at the laying of the corner stone of the capitol at Harrisburg, Pa. In the wake of this utterance threatening the existence of the States as sovereign bodies, the distinguished Senator from New York at the Waldorf gathering said, "As the States will not do their duty, and because they will not do their duty"—the Senator measuring that duty by the standard of the distinguished Senator and his distinguished chief-"the National Government must step in and do it for

Thus the people of this country were educated to the theory that wherever a State had large riches, such as New York; bountiful wealth, powerful men, eminent politicians, financial jugglers and acrobats of honesty, the State is assumed to be unable to control itself. According to the idea then put forth to the multitude all this was due to the fact that the State would not control itself. Then and there the people were educated by the Senator that it was then the duty of the National Government to step in, administer the punishment, and inflict the chastisement on the State and pluck the merely well to do because of the State's failure to act as certain interests demand.

Mr. ROOT rose.

Mr. LEWIS. I see the Senator from New York rises. I dare say he desires me to yield for an interruption. I do so at once. Mr. ROOT. I feel humiliated, Mr. President, by the revelation of the fact that the Senator from Illinois never read the speech to which he refers. I said no such thing as he has put into my mouth; I thought no such thing. I never said any such thing anywhere on any occasion, and I never shall. What I said in the speech to which he refers before the Pennsylvania Society was to put the question "How can the States preserve

their local self-government?" and to answer the question by saying, "They can preserve their local self-government only by performing the duties that rest upon them." stand, and I think I always shall stand. To that I

Mr. LEWIS. Mr. President, the distinguished Senator from New York says he feels humiliated. I can readily understand how now, upon a sober sense and upon a calm reflection, he would feel a sense of humiliation as to many utterances of his; but as to that one in particular, and the effect it has produced upon the country. I naturally realize that he would give a good deal could it be recalled. I remind him that the utterance to which I now allude was made at the Pennsylvania Society

dinner by him, while the latter part of his utterance which he now presents as a qualification of the evil to which I have alluded was not made by the distinguished Senator at the dinner at the Pennsylvania Society. I remind the Senator that the latter portion quoted by him was uttered when he sought to correct the evil of his first offense and escape the penalty. was when he assured the people of New York that his point of view was not any longer such as had been indicated in the Waldorf speech. This correction was in his able utterance when accepting the election to the Senate from the Legislature of New York. Upon the occasion of accepting his election by the Legislature of New York, was the latter part of the utterance expressed, although it might have been a duplicated one from a previous speech. I surely will admit that anything the distinguished Senator from New York may say is worthy of repetition, either by himself or from any other source; but I again say that of the speech to which I allude the distinguished Senator is conscious of the fact that all over the country this speech was referred to; it was printed in the public papers; and I now ask the distinguished Senator if in that speech he did not say that "if the States failed to do their duty, the National Government would have to do it for them "?

Mr. ROOT. No. Mr. President. I said if the States failed to do their duty the American democracy, which abhorred a vacuum in government, the National Government, would in-

evitably step in and do the duty that the States refused to do.

Mr. LEWIS. Exactly. Mr. President, it was immaterial where the Senator pleads guilty—whether it is on the first or the second count of the indictment, the judgment is the same. He admits that which I said he expressed was what occurred.

Mr. President, it is because I, knowing the Senator to be an eminent lawyer and statesman, both in matters of constitutional law and the theory of this republican Government, that I was surprised at the utterance then, and I saw that he was then planting the seed of a tree which ultimately grown he would have to draw his own ax upon, lest it should poison the

very shade in which he must survive.

ow, what finds he? That the people took his teachings in the State of New York seriously, and throughout this country are demanding through the voice of Senators in this body that they shall carry out the very creed of the distinguished Sena-tor, and inasmuch as New York has failed through her rich men to pay her proportion of taxes, and has allowed the personal-property taxes on her vast and unlimited millionaires to be less than the personal taxes paid in the lesser State of Wisconsin, cheating the public before the eyes of the Nation, swindling the citizenship before the honor of the country, and depriving the humble people of their right of proportion and their privilege of having the expenses of government borne by all to the extent of their possessions; there has sprung up in the land a sentiment of just such retaliation as forced itself over the Senate and over the doctrine of constitutional State and Federal demarcation demanding the very form of confiscatory punishment which the Senator rightfully inveighs against, They, the people, now demand that New York pay the penalty, either through the hand of the Federal Government on the one hand or the hand of the State on the other. As it has been observed that they will not obey the State law, but evade it by either failing to make their returns of taxation or committing perjury to cheat it; there was but one refuge, and that was to follow the advice of the distinguished Senator from New York; and when New York had failed to do its duty, for the National Government to step in and chastise them by doing it for them by levying any sum on New York that the "mob" on the corners, in the streets and alleys, demand.

The Senator alluded characteristically, with his wisdom, to the theory upon which this Government was established. He adverted to New Jersey and called attention to the part she played in the Constitutional Convention, where her statesmen demanded that the smaller States should have equal representation with the larger ones. But, sir, I take issue with much trepidation with the distinguished Senator on his construction of the objects of this demand. It was not merely for the reason that the States should have equal representation, but Mr. Paterson, of New Jersey, speaking on the subject, specifically urged as one of the very reasons for that claim that the local sovereignty of the distinct localities might be preserved, equally balanced one with the other in matters in which the sovereignty of the State was to exercise its function of government, and in the Senate be equal in vote to preserve its sovereign position. Mr. President, we have seen much in these later days of this

new theory advocated by the Senator. Lately the one that has gradually stolen upon this Nation, augmented by such responsible wisdom and from such an eminent source as the

distinguished Senator from New York, is designated national conservation. All around this Nation goes the impression that the time has at last come when States shall have no longer a sovereign existence, when there shall no longer be home rule, when within their precincts the States shall not be any longer permitted to control their own affairs by their voice and vote. This movement has increased to the embracing every conduct of the State from the regulation of railroad freight rates in the State and the municipal control of city utilities. Now the Federal court, as a disciple under the teachings of these brilliant masters-and before all others stands the distinguished Senator from New York-has seized the States and cities, figuratively speaking, in the clutch of its hands, dragging them into the Federal court, and, under the theory that the Federal Government has the right to suppress and control the State as its pleasure dictates, has through Federal court injunction paralyzed the construction of needed improvements in the State and city, restrained the officials of the city, county, and State governments, and denied to the local bodies the right of home rule. All this upon the theory that the Federal Government alone has the right to control the States as a body, and to direct the private affairs of the citizen of the State in his private concerns. So extensive has this vice of government grown that here in the Nation a school of gentlemen exists advocating the seizing of every Western State, and as it were, rolling it around their wrists, throwing it across their shoulders, and marching to New England and presenting the State as needing the wise men of the East as conservators. Under the theory of conservation they have locked up the resources of the West, paralyzed her industry, diminished her opportunity, discouraged her capital, and deprived her citizens, all without any regard to that fundamental doctrine which the distinguished Senator is right in now asserting, that within these localities, if there is to be preservation of the citizen in purely local affairs, let him be preserved by himself by his voice and vote; if there is to be conservation in the affairs of the State or the locality, let it be conserved by the law which is created by the ballot of the people in their home government.

The distinguished Senator may well take the suggestion from one of his colleagues in this Chamber, even though that be myself, that unless such as he shall raise his voice more frequently for this abandoned doctrine of democracy, unless there shall be a greater devotion to the Constitution and a larger degree of obedience to its spirit, the whole theory of home rule, State sovereignty, and local home rule within local precincts will all have been crushed out of existence, and there will over-come them the centralized power dictated from a Washington authority, stimulated by the sentiment of political favor to party or administration privileges to favorites. There will arise the creed proclaiming that what the Capital of Washington can not regulate shall be destroyed; what it can not punish shall be confiscated; that riches in new States is a crime and possession by industry treason.

It is the specific income tax against which the Senator in-eighs. He reminded the Senate, if I did not misunderstand him, that his people were about to have inflicted upon them some great unparalleled blunder, some inexcusable offense. Said he, "My people are to be taxed. My people will have to pay the tax you levy." Who are the Senator's people? Do I gather from the Senator that only that distinguished brood of gentle-men who nestle around Wall Street are his people? Those who have amassed millions, then hid them in strong boxes, while they have escaped the responsibility of the ballot box? Are they only his people? Are they whose vast fortunes, maintained through perjury or evasion of law, have always escaped the assessor and dodged the tax collector—are they only his peo-ple, those who have millions of dollars? Are there no millions of poor and miserable in New York? Are those who, in humble homes and amid suffering, have been compelled to pay the taxes out of their wages, laid heavily upon them by the masters who would not pay their taxes and whose failure had to be made up by taking from the humble the deficiency in order that the expenses of the government of New York might be maintainedare they not his people? Has he no voice for them?

Why should the distinguished Senator from New York ask that his people, or, to paraphrase him, "my people," should be exempt? Sir, in this Government I will not assume that any one set of people have a right to say through the voice of any man, however distinguished or elevated, that others must contribute to their burdens and bear them. That because they have managed to attract in some way a glamour about their existence and grasped power with one hand and held the privilege of wealth with the other, must be exempted from bearing their burden and discharging their responsibility, all sir, because

they are a great people in finance, a wonderful people in riches, and a shrewd and artful people in the mysterious manipulation of the thing called finance.

Why, then, sir, is this tax laid? My distinguished friend the eminent Senator who honors his seat in representing New York fails to realize or, if realizing, fails to note the real reason of the tax upon these incomes. Sir. speaking for Democracy, the object of levying a tax upon wealth is not because it is wealth. Such would be anarchy. I spurn it as a doctrine which no constitutional scholar of Democracy would accept under any conditions. Nor, sir, is it a tax on wealth because the men who have it are rich. That, I am told, is a species of socialism. I know such would violate the fundamental doctrine of a man's property having the right of protection and never to be taken from him without due process of law.

I say to the Senator that the theory of a tax upon such incomes is, as Adam Smith well put it, that they should bear the burden of the tax who draw the greater benefits from the Government in which they live. Sir, the tax is not put on incomes of wealthy men because they are able to bear it by reason of the mere volume of their wealth, but for the other reason, sir, that most large incomes from great fortunes are not earned by toil. They are not gathered by sacrifice. They are not garnered in agony. They are the results of the thing called interest, by which a man takes a fortune, however gotten by him, and lends it out in portions to others who may need to use it for such price as the owner may put upon it. It is upon the theory of this increment being unearned by toil, unearned by sacrifice, and undeserved often because of the character of men who possess it, that its levy is justified. An income tax is laid not to punish wealthy men, but in order that the other class of human beings who having no wealth are compelled to pay the general tax and bear the burdens of government may not be solely selected for sacrifice by the discriminating doctrine which has so long prevailed in government—that those who are helpless shall be hopeless against the power of privilege and taxation.

Thus, Mr. President, these incomes are laid hold of by the Democratic Party, through the constitutional doctrine of government, in order that the rich who have by privilege of government drawn to themselves these incomes may pay to the maintenance of government such proportion as the incomes bear to the needs of the country. And why? Why, Mr. President, there is a rumor in the air here and there, sometimes voiced by the distinguished Senator from Massachusetts [Mr. Lodge], whose erudite learning is always a source of joy and a tribute to the body in which he sits, that America broods for the mo-ment in the shadow of serious conflict with foreign powers.

In such an hour, sir, if war should be declared in this country, whom will we find rushing to this Capital, through their emissaries, asking for the protection for their wealth by the bayonet and gun, demanding to be barricaded in safety by the lives of the sons of the Republic? Whom shall we see rushing to the Government asking that navies be put out to the waters bordering their possessions to protect them—demanding that they may be fortified with protection in every wise, safe

against all assault?

It will be these delectable gentlemen who for awhile linger in America, absent from the polling booths, their names seldom seen upon the tax collector's list, while they flit from here to Europe, and there in their luxurious yachts or in speeding joy automobiles ensconce themselves along the Riviera in the Mediterranean in the winter or in the mountain fastness of pleasure resorts in the summer. These who contribute little to this Government and yet who would demand promptly that every man of the poor who could give his life-from the farm, the factory, and the mill-shall be summoned to die to save their wealth from the assault of those who intrude upon the Nation or threaten it with invasion. It is such as these who will be found crying for the navies with their gallant men to go out upon the broad seas with their batteries to save them and theirs. Yet, sir, shall it be said that the Senator's "people" shall not be taxed because, forsooth, they are able to pay and are his chosen people? Shall they be exempt because they will not be able to swear off the tax upon the one hand or swindle the collection of it on the other?

The time has not come, I say, speaking for myself, when the Democracy of this country will take any man's property because he is rich; but it will allow no rich man's property to escape its just burden because it is wealth and its owner powerful. The doctrine of Democracy, sir, is not that we make war against wealth for that it is wealth. The theory of Democracy can be well stated: We do not make illegal war against legal wealth, but we do make legal war against illegal wealth. There we stand. If these privileged and superior gentlemen for whom the Senator elects only to speak are those who feel that they will have this Government to protect them, that they will have this Government to sustain them in the possession of their riches, that they will have this Government send its young sons to death to save them and their wealth, then, sir, I demand that they shall contribute to help to build the Navy, to maintain the Army, to save the honor of the Nation of which

they are a part and many of them so little credit.

The Senator speaks of "my people." I would invite to his respectful consideration the fact that my observations through New York are those which would apply in any State of There is to be seen the burdened farmer bending over the ground in toll through the heat of the day, with his blistered hands and bowed body, striving for a mere existence. He pays his tax of from 100 to 200 per cent upon the mere necessities of life, ostensibly in order to maintain a Government, but really to give fortunes to those for whom the Senator speaks as "my people." There is the toiler in the mill, the man in the factory, and the slave in the workshop, all with small wages, all these being constantly reduced in their possessions and whose substance is being consumed for the mere privilege of living. This man he, too, pays the tax and also bears the burden of the tax that is evaded by those who are the Senator's "people." Why, then, shall not they the Senator's "people" be forced to pay a little out of that which they filch from others and assist to maintain the Government which protects their wealth which they now seek to have shielded and exempted from any responsibility?

The Senator says "my people" will have to pay the tax.
What law is there here which specifically applies the incometax provision to New York only? Where are there any people who will escape? The tax is paid by all those with incomes exceeding \$3,000, whether they are in the imperial State of Illinois or the empire State of New York; whether in a State demeaned by the poor representation I may give my State or honored by the magnified position the distinguished Senator gives his. None escape. All, I say to the distinguished Senator, wherever they are, from ice-bound Alaska or the Tropical Zones of Porto Rico and the Philippine Islands. From the fields of toil, where they garner the grain in sadness; in the machine shops; in the factories, where the lives of little ones are ground out in order that from their sacrifices privilege may coin money for "his people." Sir, I answer, they are all our people, these poor and broken lives spent with toil, and it is for these

I speak. It is for these all of us should speak.

New York is a great State. Her imperial magnificence I The grandeur of her position in the Republic I am delighted to admit. The noble statesmanship evidenced by every declaration on the part of the distinguished Senator, that, too. I pay tribute to. But I can not permit the doctrine to go out that the Democracy is pausing for a moment to listen to the direction of the distinguished Senator from New York as to how "his people," limited by Wall Street in the daytime and the Waldorf-Astoria Hotel at nighttime or capering upon the shores of the distant seas of pleasure or amidst the allurements of the tropic isles, shall be exempted from the just burdens of taxation because, for sooth, these select few he has selected as only "his people."

As far as I am concerned, sir, I say that I can not see how such a doctrine can have place in a legislative hall where the doctrine is the law, just the law—that equal law that applies to all mankind. Mr. President, it is remembered that Sir James Mackintosh, in a very celebrated utterance, exclaimed in a cer-

tain great assemblage:

My Lords, give me civil justice. With that, all things will be equal and just, and to all men. Deny it, and liberty will be deprived the humble, and not a crown in Britain safe from revolution.

No people, Mr. President-not the opulent State of New York, with its pretensions, nor any other-has a right to come into this Chamber through the voice of any man, however distinguished, and demand, because they are that which they assume to be superior, that they shall be exempt from paying their debts to humanity. If the people of New York have been enabled, by any manipulations of any legal policy or any machinations of financial trickery, to gather to themselves the money of the people throughout all the great West, for which I honor myself in speaking, and have been able through these means not only to amass it but to hide it within their coffers, far from the eyes of the tax-administering officers of the State law, then let them understand there will be a method obtained in this National Government by which it will be justly reached.

If the States have failed to do their duty, as the Senator well

said in his splendid speech, lately referred to, no State has

been more marked in that peculiar violation of Democracy than the State of New York. It was no doubt because it did fail to do its duty in collecting its personal tax that there arose just such sentiment throughout this country, crying out for the very retaliation against which the Senator now begs salvation. I join him in his now adopted theory of government. There is no hour in this country, under a constitutional government, when any true citizen can give his approval to the doctrine that merely because a man is rich he shall be assailed and his possessions taken from him by any policy or process of confiscation. There is no place in this land for creed or statesman whose theory is that because another man prospers he shall be destroyed. But, on the other hand, there shall not exist at any time when I am permitted to speak my protest any set of men, however high in their own imaginations or in the belief of their representatives, who shall demand and receive exemption from their responsibilities to citizenship, their duties to government, their contribution to the welfare of their Nation.

The Senator says this exemption of \$3,000 means the exemption of all of the people in the West and putting the burden upon "his people." How can he so reason? There must be some form of exemption. Shall I assure the Senator that he did not pause in his usual judgment to reflect on the reason of that exemption? The exemption of \$3,000 is not put in this bill in order to give a man \$3,000; but since the Senator admits the equity of the principle that there should be an exemption, claiming \$1,000 as proper, I answer him, then, if any exemption is equitable, the exemption should be just such an amount as is necessary to the purpose of exemption—the maintenance of the individual for mere living. This in order that he may not be doubly taxed. It is upon that great army of unfortunate citizens-unfortunate because of the great oppression that has been laid so heavily upon them; unfortunate because of the yoke that chafes on their shoulders; unfortunate because they have been subject to the obedience of such masters as the distinguished Senator refers to as "my people"-that taxation principally falls. They must pay upon their bread a bread tax, upon their meat a meat tax, upon their shoes the tax of the Shoe Trust, upon their garments the tax of the Woolen Trust. Upon their very existence they pay a double tax, and the exemption is made because of that tax that they must pay in so much greater proportion than the great wealthy, because the heavier tax seems to have been laid upon them. The theory is that those people should be exempt from this income tax in order that they may not be doubly taxed. First, the indirect tax on all their needs, by high tariff, making high prices; then on the wages coming in to pay the prices. It is not because they may have \$3,000 a year that they are not taxed, any more than because the distinguished Senator's constituents having \$3,000,000 a year they should be It is because all of the income up to \$3,000 is consumed by the Government in the mere price of living.

Mr. President, I merely rose, observing that the distinguished members of the committee had other things to occupy their minds, and possibly not being drawn to the observation of the distinguished Senator. I arose to state a view of the Democracy, that the record may be set right; that the distinguished Senator from New York may not labor under the apprehension, however flattering to his soul, that he has frightened or humiliated this side by referring to "his people" and picturing the awful calamity that will befall them should justice be done them. I speak that he might not think that this side could be moved from its duty as it saw it under the laws of men, under the doctrine of justice, under every duty to its party and to the country by his declaration of the superiorities of "his people."

I join the distinguished Senator in every effort he will assume to make in this Chamber, as long as he honors it with his presence, in bringing back the people of this Government to

the constitutional theory of this Government.

We have heard lately in a campaign, from a distinguished gentleman who was the chief of the distinguished Senator, the great war shibboleth, "Bring the Government back to the peo-ple." But I say the hour has come, sir, when our cry should be "Bring the people back to their Government." Sir, there should be something more learned and something more known of the theory of equality upon which this Government was founded by the fathers, that it may be preserved to the sons. I join the distinguished Senator in the hope that every movement and every act of ours may serve to preserve the line of demarcation between the right and privilege of the States on the one hand and the power and privilege of the Federal Gov-ernment on the other. That we may not teach the multitude that they have the right, under the name of the National Government, to intrude upon the States, depriving them of any government and robbing them of the right of their citizens to home

rule. Let us try again to educate the people in the doctrine of the fathers, that they may not have to hearken to these protests from distinguished sources, warning States that they are liable to destruction by their own hands, and through their own carelessness suffer the usurpation of Federal authority. Let us no longer indulge the false creed that if the States shall not do their duty as some outsider sees it for them that they may be driven by the Federal Government chastising them by a system of laws burdening the poor and exempting the rich. Let us teach the other and nobler creed of the Christ, of right as no respecter of persons, and say with Lord Mansfield, "Let justice be done, though the heavens fall." Then, sir, we will fulfill the hope of the fathers of a government of equality to men and justice to country.

Mr. JOHNSON. Mr. President, before leaving Schedule D, I wish to suggest an amendment of the committee to paragraph 174, on page 51. In line 19, after the word "fruit," the committee moves to amend by striking out the words "by the payment of duty at one-half the rate imposed on similar boxes of entirely foreign growth and manufacture" and substituting in lieu thereof the words "and be exempt from duty."

Mr. SMOOT. Allow me to suggest to the Senator that if, as I suppose, the purpose of his amendment is to allow all boxes containing fruit to be returned to this country free of duty, it seems to me that if the Senate will disagree to the amendment offered by the Senate committee and allow the House provision to stand as it was and not change paragraph 412, the object the Senator has in view will be accomplished, and accomplished a great deal easier. Then they will come in free under paragraph 412, and we will not have to mention anything in the dutiable list as being free.

Mr. JOHNSON. Mr. President, it seems to me the two would then conflict, because in paragraph 412, among the containers which are made free of duty after being sent from here, these

words are used:

Including shooks and staves when returned as barrels or boxes.

If the language I have suggested be stricken out, then, under that provision of paragraph 412, they would come in free of

Of course, Mr. President, it seems to me that the other would be the simplest and best form and attain the same object; but if the Senator prefers to do it in this way, I have no objection

The VICE PRESIDENT. The Secretary will state the amend-

The Secretary. In paragraph 174, page 51, line 19, after the word "fruit," strike out the words "by the payment of duty at one-half the rate imposed on similar boxes of entirely foreign growth and manufacture" and insert "and be exempt from

The VICE PRESIDENT. The question is on agreeing to the

amendment.

The amendment was agreed to.

The Secretary. The next paragraph passed over is on

page 58

Mr. WILLIAMS. Before going to that there is an amendment I desire to offer on page 53, after the words "nineteen hundred and fourteen," in line 11. I move to strike out the semicolon and insert a comma and the following words:

Until which date the rates of duty provided by paragraph 215 of the tariff act approved August 5, 1909, shall remain in force.

This is to prevent a possible hiatus during which there might be no sugar bill.

The VICE PRESIDENT. The amendment will be stated. The Secretary. On page 53, line 11, after the words "nine-teen hundred and fourteen," insert a comma and the words:

Until which date the rates of duty provided by paragraph 215 of the tariff act approved August 5, 1909, shall remain in force.

The amendment was agreed to.

The Secretary. On page 58, paragraph 215 was passed over at the request of the Senator from Washington [Mr. Jones].

The VICE PRESIDENT. The paragraph has been read and

the committee amendment agreed to.

Mr. SHIVELY. At the conclusion of paragraph 215 I move to insert the following proviso:

Provided, That all mature mother flowering bulbs imported exclusively for propagating purposes shall be admitted free of duty.

This is the substance of the amendment suggested by the Senators from Washington.

Mr. POINDEXTER. That is true, Mr. President. I think it meets entirely the suggestion which we made.

Mr. SHIVELY. The Department of Agriculture holds that the words make a sufficient definition to differentiate these bulbs from the other bulbs mentioned in the paragraph.

The VICE PRESIDENT. The amendment will be stated. The Secretary. On page 59, line 2, at the end of paragraph 215, insert a colon and the following proviso:

Provided, That all mature mother flowering bulbs imported exclusively for propagating purposes shall be admitted free of duty.

The amendment was agreed to.

The Secretary. The next paragraph passed over is on page 60, paragraph 221—fish.

The VICE PRESIDENT. The paragraph has been read and

the committee amendment agreed to. Mr. WILLIAMS. That was passed over at the request of some Senator who wanted to discuss it, the Senator from Massachusetts [Mr. Lodge], I think.

Mr. LODGE. I discussed it. I did not ask that it be passed

over. I spoke on it when it was up.

Mr. WILLIAMS. Does not the Senator remember that one day he was not in the Chamber and some one said that he wanted to discuss it?

Mr. LODGE. It was passed over one day when I was absent,

and I took it up as soon as I came back and discussed it.

The VICE PRESIDENT. On the same page paragraph 222 was recommitted.

Mr. WILLIAMS. The Senator from Washington [Mr. Jones] had an amendment to that paragraph. I think his amendment

Mr. POINDEXTER. The senior Senator from Washington [Mr. Jones] is not present. I would be glad to have the paragraph passed over temporarily until my colleague is present.

Mr. WILLIAMS. I think the Senator from Washington afterwards came in and offered his amendment. It was about apples, you will remember. He wanted a duty of 25 cents a bushel on apples. His amendment was offered and, I think, voted upon.

Mr. SMOOT. Paragraph 222 went over on my request. called the attention of the Senator from Mississippi to the words "pineapples preserved in their own juice, 20 per cent ad valorem." He said that he would take up the question and ad valorem." He said that he would take up the question and decide whether there should be a change in that language. I do not know whether the Senator has done so or not.

Mr. WILLIAMS. Yes; we took it up and we did not see any

reason why there should be any change made.

Mr. SMOOT. Then I will not even offer an amendment. Mr. POINDEXTER. I am not sure whether the senior Senator from Washington has any further amendment pending to that paragraph or not. I should like to have an understanding that it might be returned to at some time when he is present, if he desires to offer an amendment to the paragraph.

Mr. WILLIAMS. I do not think that could be the case, because he offered about three amendments, I believe, that were

all voted on. Let us go ahead.

The Secretary. On page 62, paragraph 234, the last five words in the paragraph were recommitted to the committee. They read:

Dead, 2 cents per pound-

Speaking of poultry.

Mr. WILLIAMS. That paragraph was passed over at the time because it reads "Poultry, live, 1 cent per pound; dead, 2 cents per pound." The Senator from Utah called attention to the fact that poultry might come in free under the head of "canned or otherwise prepared."

Mr. SMOOT. It comes in free under paragraph 548 when

"prepared or preserved."

Mr. WILLIAMS. Yes; but the committee considered that very fully. In the free list it says, "except where otherwise provided," and certainly canned poultry is about as dead as any other sort; and preserved poultry is pretty dead, too.

Mr. SMOOT. Both are; but one is carrying a duty and the

other is on the free list.

Mr. WILLIAMS. In order that there may be no trouble in the administration of the law as to whether canned and preserved poultry is dead, we offer an amendment. After the word "pound," in line 23, page 62, I move to strike out the period and insert a comma and the words "canned or preserved poultry, 2 cents per pound."

The VICE PRESIDENT. The amendment will be stated.

The Secretary. On page 62, line 23, after the word "pound," strike out the period and insert a comma and the words "canned or preserved poultry, 2 cents per pound."

The amendment was agreed to.

The Secretary. The next paragraph passed over is paragraph 238, page 63, which was recommitted to the committee.

Mr. WILLIAMS. The committee has no change to recom-

mend in that paragraph.

The VICE PRESIDENT. It is then reported back without amendment.

Mr. NORRIS. I move to strike out the paragraph.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from Nebraska to strike out paragraph 238. The paragraph will be read.

The Secretary read paragraph 238, as follows:

238. Dandelion root, and acorns prepared, and articles used as coffee, or as substitutes for coffee not specially provided for in this section, 2 cents per pound.

Mr. NORRIS. Mr. President, at the time this paragraph was recommitted to the committee there was some discussion in regard to it, but the discussion was closed with the suggestion of the Senator from Mississippi that if the matter was referred back to the committee they would give it consideration. I should like to inquire of the Senator if, upon consideration of it, they found that these substitutes for coffee were imported as coffee?

Mr. WILLIAMS. We did not find that they were imported as coffee, but that after they got here they were sold as coffee very frequently.

Mr. NORRIS. Did the Senator look into the question as to whether that was not a violation of the pure-food act?

Mr. WILLIAMS. I expect it is, but the danger is so great of its being the cause of a violation of the pure-food act we thought we ought to keep this duty on.

Mr. NORRIS. By charging a tariff on it, is the Senator of opinion that it will prevent the sale of it afterwards as coffee?

Mr. WILLIAMS. I think putting a duty of 2 cents a pound on it will render it less profitable to import it with coffee or sell it for coffee. It will render it less profitable to perpetrate any fraud upon the pure-food act.

Mr. NORRIS. It seems to me that the committee ought to admit free of duty anything that can be used or that is used as a substitute for coffee. At this time I am not going into a discussion of the Brazilian coffee valorization scheme. I have an amendment pending, on which I expect to submit some remarks later on; but I believe it is conceded by all that the price of coffee has been manipulated by this great international trust and has been more than doubled in price; that it is an unconscionable trust, one that has no defense, directly or indirectly, in any way; and that tribute has been levied upon the consumers of coffee in America for four or five years on account of this great combination.

The only argument which was offered the other day when we had this subject up for discussion for not striking out the paragraph and then putting these substitutes on the free list was that they might be sold under the name of coffee. I was of the opinion then that they were imported as substitutes and that there was no intention when they were imported to deceive anybody as to their nature. If I understand the Senator from Mississippi, I believe that is now conceded, but that after they are imported and the purchaser gets them they are sometimes sold as coffee.

Mr. WILLIAMS. I did not say that was conceded. I merely said we had no evidence of the fact that they are imported as coffee. I do not know whether they are or not; but what we did have evidence of, what we were satisfied of, was that after they got here they were used in certain places to mix with coffee and sold as coffee.

Mr. NORRIS. I have an idea, if it be true that they are mixed with coffee and sold as coffee, the chances are that the mixture is sold at a less rate than pure coffee. I would not want to do anything, either in this bill or in any other, to deceive any purchaser or make it possible for anyone to sell something for coffee that was not coffee, and I would not intentionally do so; but, as I look at it, it can make no difference, as far as that deception is concerned, whether the substitutes have a tariff upon them or not. The fact that they have a tariff upon them does not make it look any different to the eye, it does not make it any different to the taste, than if they were admitted free.

The result of the action of the committee, therefore, I think is that you give no relief whatever along the lines of practicing deception upon those who buy it thinking it is coffee. That can be done just the same if it had a tariff on it as though it had not a tariff on it

Now, the Senator says the duty makes it less profitable to go into that business; that they would not make as much money out of it and probably could not sell the product as cheap; that, assuming they are going to deceive the people and sell them something as coffee that is not coffee, as long as it comes in competition with the product of the international trust that can be done just the same by a tariff on as though it came in free. It

seems to me that it would be the part of wisdom to let it come in free and let the product be just as cheap as it can be made, and thus bring about more competition in the use of the article.

While there may be instances where men sell substitutes of coffee for coffee, the same as they sell almost every other article of commerce, I am constrained to believe that that is only a small part of the business and that the great amount of it is sold as substitutes for coffee. I presume that if Postum, an advertised substitute for coffee, were imported, it would have to pay duty under this provision, and yet nobody, as far as I know, has ever undertaken to sell Postum as coffee.

There are other substitutes for coffee I have seen advertised at different times, and in a little way I have known of their use, such as chicory, and so forth, but they are not sold as coffee, and we ought to give them all the opportunity we possibly can to compete with real coffee.

The only beneficiaries of this legislation, as I look at it, are those who are eugaged in the valorization of coffee and the robbery of the American people, that has been going on for the last four or five years, by which the people have been compelled to pay an extortionate and unreasonable price for that product. It seems to me that there can be no defense made of that particular trust nor against the proposition to put on the free list anything that comes in competition with them.

Mr. President, I do not care to take up the time of the Senate in debating the question further. I am willing to concede that it would not settle the subject and put this trust out of business; I am not claiming that for it, but it would have a tendency in that direction and that would be some help.

Mr. WILLIAMS. We reduced the duty in this paragraph half a cent a pound, and after full consultation we saw no reason to change our conclusion.

The VICE PRESIDENT. The question is on the amendment proposed by the Senator from Nebraska to strike out paragraph 238.

Mr. NORRIS. I ask for a roll call on the motion to strike out the paragraph.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. CHAMBERLAIN (when his name was called). I have a general pair with the junior Senator from Pennsylvania [Mr. OLIVER]. In his absence I withhold my vote.

OLIVER]. In his absence I withhold my vote.

Mr. LEWIS (when his name was called). I again announce
my pair with the Senator from North Dakota [Mr. Gronna],
and ask that this announcement stand for the day.

Mr. LIPPITT (when his name was called). I again transfer my pair with the Senator from Tennessee [Mr. Lea] to the junior Senator from Maine [Mr. Burleigh] and vote. I vote "nay."

Mr. McCUMBER (when his name was called). I have a general pair with the Senator from Nevada [Mr. Newlands]. I understand, if present, he would vote the same way as I shall upon this question, and therefore I take the liberty of voting. I vote "nay."

Mr. THOMAS (when his name was called). I announce the same transfer of my pair as previously, and vote. I vote "nay." Mr. WARREN (when his name was called). I have a pair

Mr. WARREN (when his name was called). I have a pair with the Senator from Florida [Mr. Fletcher], and therefore withhold my vote.

The roll call was concluded.

Mr. CHILTON. I make the same announcement as to my pair and transfer that I did upon the former ballot and vote. I vote "nay."

Mr. BRYAN. I transfer my pair with the junior Senator from Michigan [Mr. Townsend] to the junior Senator from Nevada [Mr. Pittman] and vote. I vote "nay."

I desire to announce that my colleague [Mr. Fletcher] is detained from the Senate on public business.

Mr. REED. I transfer my pair with the Senator from Michigan [Mr. SMITH] to the Senator from Oklahoma [Mr. OWEN] and vote. I vote "nay."

Mr. ASHURST. My colleague [Mr. Smith of Arizona] has been called from the Chamber on an important matter. If he were present, he would vote "nay."

Mr. LEWIS. I desire to transfer my pair with the Senator from North Dakota [Mr. Gronna] to the Senator from Arizona [Mr. Smith] and to vote. I vote "nay."

Mr. THORNTON. I announce the absence of the Senator from Alabama [Mr. Bankhead], and also that he is paired with the junior Senator from West Virginia [Mr. Goff].

Mr. BACON. I again announce my pair with the senior Senator from Minnesota [Mr. Nelson]. In his absence I withhold my vote. If he were present, I should vote "nay."

The result was announced-yeas 18, nays 44, as follows:

	YE	AS-18.	
Borah Brady Brandegee Bristow Catron	Colt Crawford Cummins Fall Jones	Kenyon La Follette Norris Page Poindexter	Sherman Sterling Weeks
	NA	YS-44.	
Ashurst Bradley Bryan Chilton Gallinger Hollis Hughes James Johnson Kern Lane	Lewis Lippitt Lodge McCumber Martin, Va. Martine, N. J. Myers O'Gorman Overman Perkins Ransdell	Reed Robinson Roet Saulsbury Shafroth Sheids Shively Simmons Smith, Ga. Smith, Md.	Smith, S. C. Stephenson Stone Swanson Thomas Thompson Thornton Tillman Vardaman Walsh Williams
	NOT V	OTING-33.	
Bacon Bankhead Burleigh Burion Chamberlain Clapp Clark, Wyo. Clarke, Ark. Culberson	Dillingham du Pont Fletcher Goff Gore Gronna Hitcheock Jackson Lea	McLean Nelson Newlands Oliver Owen Penrose Pittman Pomerene Smith, Ariz.	Smith, Mich. Smoot Sutherland Townsend Warren Works

So the amendment of Mr. Norris was rejected.

The SECRETARY. Paragraph 240, relative to spices, on page 63,

was passed over and recommitted.
Mr. WILLIAMS. In connection with that paragraph, I offer

the amendment which I send to the desk.

The VICE PRESIDENT. The paragraph has not yet been

read. The Secretary will read the paragraph.

The Secretary proceeded to read paragraph 240. The first amendment of the Committee on Finance which was passed over, in paragraph 240, was, on page 63, line 23, after the word "spices," to insert the word "unground"; so as to read:

240. Spices, unground: Cassia buds, cassia, and cassia vera; cinnamon and cinnamon chips; ginger root, unground and not preserved or candled; nutmegs; pepper, black or white; capsicum or red pepper, or cayenne pepper; and clove stems, 1 cent per pound; cloves, 2 cents per pound; pimento, § of 1 cent per pound; sage, § cent per pound; mace, 8 cents per pound.

The amendment was agreed to.

The next amendment was, in the same paragraph, on page 64, line 4, after the word "pound," to insert the words:

Bombay or wild mace, 18 cents per pound; ground spices, 20 per cent ad valorem in addition to any duty on the spices in an unground state.

The VICE PRESIDENT. The amendment proposed by the Senator from Mississippi [Mr. WILLIAMS] to the amendment of the committee will be stated.

The Secretary. On page 64, line 4, after the first words in the committee amendment, viz. "Bombay or wild mace, 18 cents per pound," it is proposed to strike out "ground spices, 20 per cent ad valorem in addition to any duty on the spices in an unground state" and to insert "ground spices, in each case, the specific duty per pound enumerated in the foregoing part of this paragraph, and in addition thereto a duty of 20 per valorem for unground spices.'

The VICE PRESIDENT. The question is on agreeing to the

amendment to the committee amendment.

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The amendment as amended was agreed to.

Mr. WILLIAMS. Mr. President, the Senator from Utah [Mr. Smoot] seems to think that the words "Bombay or wild mace, 18 cents per pound," were stricken out.

The VICE PRESIDENT. No.

Mr. SMOOT. I was not in; and I should like to ask the Senator having this portion of the bill in charge why Bombay

or wild mace should carry a duty of 18 cents per pound? The present rate is 10 cents.

Mr. WILLIAMS. It is virtually a prohibitory duty. We put it on upon this ground: Real mace is brought to us, and Bombay mace, which has no quality of a spice and is a shrunken-up thing of no value whatsoever, any more than any hull of a nut or anything dried out, is brought over here and mixed with genuine spices, so that even chemists can not distinguish it and nobody can tell anything about it.

Mr. SMOOT. It analyzes the same as the regular mace.

Mr. WILLIAMS. It is sold as the regular mace, and we wanted to discourage that. Honest importers do not import it, but dishonest ones do.

The Secretary. The next paragraph passed over is paragraph 2542, on page 70, relating to sweet wine, which continues to the end of that page, the two following pages, and a portion of page 73.

Mr. SIMMONS. That paragraph was recommitted to the committee, probably at my request, and we are not ready to report on it

Mr. WILLIAMS. The committee desires to insert as a new paragraph, to be known as paragraph 2543, the amendment which I send to the desk.

The VICE PRESIDENT. The amendment will be stated. The Secretary. On page 73, after line 6, it is proposed to in-

sert a new paragraph, as follows:

Sert a new paragraph, as follows:

Par. 254%. On and after the 1st day of January, 1914, all stamps required by law to be affixed to packages of distilled spirits filled on the premises of rectifiers or wholesale liquor dealers shall be charged to collectors as representing the value of 25 cents each, and shall be paid for at that rate by each rectifier or wholesale dealer on whose packages the stamps are used; and such stamps shall be issued and accounted for by collectors in such manner as the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury, may by regulations prescribe.

The VICE PRESIDENT. The question is on agreeing to the amendment.

The amendment was agreed to.

The VICE PRESIDENT. The Chair would like to inquire of the chairman of the committee in regard to paragraph 2541. Is that still in the hands of the committee?

Mr. SIMMONS. Mr. President, as I stated a moment ago, that paragraph is still before the committee. We are not ready

to report upon it.

Now, I ask that Schedule I, cotton manufactures, passed over temporarily. The Senator from Georgia [Mr. SMITH] was not able to be with us last night, and we did not finish that schedule. I ask that we now go to Schedule J.

The VICE PRESIDENT. The Secretary will state the first

paragraph passed over in Schedule J.

The Secretary. The first paragraph passed over in Schedule J is, on page 86, paragraph 290, reading as follows:

290. Bags or sacks made from plain woven fabrics, of single jute yarns, not dyed, colored, stained, painted, printed, or bleached, 10 per cent ad valorem.

Mr. WILLIAMS. That paragraph was passed over at the request of the Senator from Washington [Mr. Jones], wanted us to consider an amendment to put certain Calcutta sacks upon the free list. The committee have considered the matter and concluded that it was better to leave the paragraph

Mr. JONES. Mr. President, I think I discussed that matter fully the other day, and I will not take the time of the Senate in discussing it further; but I should like the amendment which I have offered put to a vote. I will not ask for a roll call on it, but merely that it be submitted to the Senate.

The VICE PRESIDENT. The amendment will be stated.
The SECRETARY. On page 86, paragraph 290, at the end of line 16, after the words "ad valorem," it is proposed to insert the following proviso:

Provided, That jute grain bags, known commercially as standard Calcutta, 22-inch by 32-inch grain bags, shall be admitted free of duty.

The VICE PRESIDENT. The question is on agreeing to the amendment.

Mr. POINDEXTER. Mr. President, I desire to say, supplemental to what has already been said upon that question, which is the same question as that raised by an amendment of which I gave notice some time ago, that this tax is a great burden on the wheat growers of the Pacific coast and offers no substantial return to the country in the way of protection of any important industry or any industry that is likely to become important, All of the grain raised in Idaho, Oregon, Washington, and California is garnered in sacks, and nearly all of it is shipped abroad. The sacks are imported and filled with wheat and immediately exported. The tax upon the sacks, as was very well stated by my colleague, operates as a tax upon the transaction of harvesting and shipping wheat, and because it is a crop which is exported it, in effect, operates as a tax upon exports. While, of course, it is not legally in conflict with the Constitution of the United States, which enjoins Congress from levying any tax upon exports, yet in effect that is what it amounts to

Mr. WILLIAMS. I think the Senator will find that, while there were about 40,000,000 of these bags imported, only about 4,000,000 of them are exported filled with wheat.

Mr. POINDEXTER. Mr. President, the Senator is evidently misinformed in regard to that.

Mr. JONES. Entirely so.

Mr. POINDEXTER. That would be something like 8.000,000

bushels of wheat for export. I have not the figures here, but we raise in the State of Washington alone, to say nothing of Idaho, Oregon, and California, 40,000,000 bushels of wheat a year, most of which is exported. The Senator's figures are entirely erroneous.

I ask leave, Mr. President, in connection with what I am now saying, to print a statement from the Department of Commerce in regard to the number of sacks which are used for exporting wheat and the amount of wheat exported in sacks.

The VICE PRESIDENT. In the absence of objection, permis-

sion is granted.

The matter referred to is as follows:

Exports of wheat, barley, oats, and rye from certain specified customs districts during the year ended June 30, 1913, and value of same.

	Bushels.	Dollars.
Puget Sound, Wash.: Wheat. Barley. Oats. Rye Portland, Oreg.: Wheat. Barley. Oats.	5,668,394 19,186 214,632 5,290 8,147,139 1,764,591 143,320	4,790,962 11,589 79,609 4,189 6,965,224 1,276,851 94,277

Total imports of "bags of jute" during fiscal year 1913, 51,909,003 pounds; value, \$4,278,140.

Mr. POINDEXTER. I ask for the year and nays on the amendment

Mr. SHIVELY. Mr. President, I direct the attention of the Senate to the fact that the present duty, reduced to an ad valorem basis, is 28.84 per cent; that is, the duty in the present law, under paragraph 354, is seven-eighths of 1 cent per pound and 15 per cent ad valorem. By this provision we reduce the duty to 10 per cent ad valorem.

Mr. WARREN. Mr. President, in that connection I should like to ask a question. I should like to ask it of the Senator

from Georgia [Mr. SMITH], but I see he is absent. Paragraphs 288 and 290 refer to bags and bagging. page 129, paragraph 416 provides for bagging for cotton, gunny cloth, and so forth. I am informed that the intention is to make bagging for cotton, wool, and grain free, but it does not seem to me, from a reading of these sections, as if that would be accom-If there is any reason for stating in words in the bill plished. that the bagging for cotton shall be free, it seems to me it is rather an invidious distinction that it should not also state "for grain and for wool," too.

Mr. SHIVELY. Mr. President, I think the Senator will find that the cotton bagging and grain bagging are on precisely the same basis-that is, they are both on the free list. It so happens that the bag is made on the bale in the case of cottonthat is, the burlap or cloth is sewed on the bale. Of course, in the case of grain the bag is made before the grain is put into it; but, so far as the duties are concerned, they are on the same

basis as to both articles.

Mr. WARREN. I do not yet understand that.

Mr. SHIVELY. Of course, the Senator understands that the burlap is sewed on the bale of cotton after the bale is made. After it is pressed the cloth is placed around it and sewed up with iron ties, while, on the other hand, in the case of grain, the bag is made before the grain is put into it. In both cases the burlap-the cloth out of which the article is made-is on the

Mr. WARREN. I do not understand that it is a burlap that is used in bagging for cotton.

Mr. SHIVELY. Oh, yes.

Mr. WARREN. Then I have been misinformed.

Mr. SHIVELY. Oh, yes. It is jute burlap which is used

both in cotton and in grain bagging.

Mr. WARREN. It is true, as the Senator says, that the grain sacks are made before the grain is put into them. So it is with wool; although when the wool arrives at destination, differentiating it from the grain bag, the bag is cut open lengthwise and the wool taken out, and the sack is ruined. In the

case of grain the sack is often used again.

Mr. SHIVELY. Yes. Of course, in that particular, if there be a shade of difference, it is in favor of the grain sacks, because, in the case of the cotton wrapper, when it is once used it is substantially worthless, while the grain sack may be used

half a dozen times

Mr. WARREN. Then, I am to understand, am I, that the proponents of this bill assure us that they stand exactly equal—the coverings for grain, which has been made free; the coverings for wool, which has been made free; and the coverings for cotton, which is also free?

Mr. SHIVELY. Yes; the Senator understands that whatever difference there may be arises out of the peculiar manner of the

use of the one as distinguished from the other. That is to say, in the case of the cotton sack or wrapper it is fastened or sewed together with iron ties on the bale itself when pressed, while in the case of the grain sack or wrapper the grain is put into the sack after the sack is made. The one is made on the wrapped article and the other is made before the article is placed in it. The difference is of the manner of the use and not a difference of duty.

Mr. SMOOT. If the wool were baled as we used to bale it, the burlap that would go around the bale of wool would be free, the same as the cotton bagging; but we are not handling wool in that way to-day. It is put into a wool bag, sewed up, which carries a rate of 10 per cent, just the same as grain bags under the bill

Mr. WARREN. If the covering of cotton is cotton, then there is no charge for the covering.

Mr. WILLIAMS. I will explain it to the Senator.
Mr. WARREN. I should be glad to have it explained.
Mr. WILLIAMS. The cloth out of which cotton bagging is made, and out of which wool bags are made, and out of which grain sacks are made, is all burlap. Now the cloth is put upon the free list. Of course there is no such thing as a cotton bag, because you simply take the bagging, put it in the cotton press, let it lap over in this way, press the cotton down under powerful pressure, and then, after it is pressed, you draw your bagging across it and clamp your iron ties to hold the bagging in place. You may call that a cotton sack if you choose, but it is put on after the cotton is pressed, as the Senator from Indiana says. Therefore, of course, you can not protect a cotton plant-er's cotton sack, because it is not made into a sack except right at the gin on the cotton. For that reason these three products receive precisely equal treatment in this bill.

Now we reduce the duty on made sacks from about 28 and a fraction per cent to 10 per cent; and then, besides that, we give the American manufacturers of grain sacks free raw material. They tell us that while they have not hitherto made very many bags they can now make them, as they think, with free raw material. They say that while we import some 40,000,000 of these sacks, I believe, we export only about 4,000,000 in the ex-

portation of wheat.

Mr. JONES. Mr. President, if the information that the Senator has with reference to this matter generally is no more reliable than the information that is conveyed to him to the effect that only 4,000,000 of these sacks are used for export his information is not at all reliable, because we certainly export far more than that.

Mr. WILLIAMS. That may be; but still it comes from par-

ties that are considered very reliable.

Mr. SMOOT. On the Pacific coast there were exported 11,-687.655 bushels of wheat and 9,146,052 bushels of barley; so that it takes a few over 11,000,000 bags to cover the wheat and the barley that is exported from the Pacific coast.

Mr. BRANDEGEE. Mr. President, will the Senator from Mississippi point out to me in what paragraph the bagging which

is used for making bags for wool is covered?

Mr. WILLIAMS. Paragraph 416. It covers the material out of which bags for wool are made. It does not name them as bags for wool.

Mr. BRANDEGEE. This same paragraph, 416, includes bags

in which wool is put up, does it?

Mr. WILLIAMS. It includes the cloth out of which the bags to go around the wool are made, and the cloth out of which the grain sacks are made, and the sacks out of which the cotton bagging is made.

In connection with this subject I desire to have some matter

inserted in the RECORD as a part of my remarks.

The VICE PRESIDENT. In the absence of objection, it will be so ordered.

The matter referred to is as follows:

Ames Harris Neville Co., Portland, Oreg., August 28, 1913.

Hon. George E. Chamberlain, United States Senate, Washington, D. C.

United States Senate, Washington, D. C.

MY DEAR SIR: I have just received the Congressional Record, volume 50, No. 93, of August 21, and note on page 3596 and the following pages Senator Jones's argument in support of his amendment to place certain bags on the free list.

I do not think that Senator Jones is fully advised as to the facts in this matter, for his argument contains many statements that are inaccurate and other statements that are incorrect.

First, He states that the duty on bags practically amounts to a tax on exports of the farmer's wheat. Out of the total wheat crop produced in Oregon, Washington, Idaho, California, and, in fact, all the Pacific coast, only a very small portion—i. e., from 20 to 25 per cent—is exported. Practically all the wheat that is exported is exported from Portland and Seattle, and the average exportations amount in recent years to only about 10,000,000 bushels.

Second. There are imported annually from Calcutta approximately 40,000,000 bags for harvest purposes, and of this 40,000,000 bags, ac-

cording to statistics, only about 4,000,000 are exported filled with wheat—that is, only 10 per cent of the importations—so that if the duty on the bags is a tax on the exportations it would be a most in-

duty on the bags is a tax on the exportations it would be a most insignificant tax

Third. Senator Jones states, on page 3596, that the manufacturers of the Pacific coast are not manufacturing any bags under the Payne-Aldrich tariff. It is true that the importations from Calcutta are substantial, but it is also true that all the bag factories on the Pacific coast are manufacturing at least to some degree the bags required to harvest the crop. We can not give these figures exactly, but the quantity is not entirely insignificant.

Furthermore, if the bill at present pending before the Senate is enacted into law, and burlap is on the free list, and bags carry a duty of 10 per cent, the local manufacturers will be in a position to supply a larger portion of the bags required than they are able to supply at this time.

a larger

a larger portion of the bags required than they are able to supply at this time.

In conclusion, we can only state, as we have stated before; that is, that the differential of 10 per cent is a low differential. We do not think any manufacturer has asked for a lower competitive differential, and the differential we are asking is competitive only. We do not claim that it will preclude all Calcutta importations, but we do claim that it will afford the local manufacturers an opportunity to compete, and if this opportunity to compete is not afforded them it will mean the entire industry will be transferred to Calcutta, and the Calcutta mills will then have a positive monopoly, and we believe we are fully warranted in saying that they will add to their cost of manufacture the additional cost of manufacture in this country. There is no reason why they should not add this, for they would easily be in a position to obtain it.

The facts in regard to exportation of wheat from Pacific coast ports, and also the exportation of bags filled with wheat, is readily susceptible to proof, and we believe this proof can be obtained by an inspection of the public records at Washington. If Senator Williams, who has in charge the schedules in which we are interested, or any other member of the Finance Committee, want proof of the accuracy of the statements in the wire which I sent you to-day, and of which I here with inclose a copy, we would be very glad indeed to supply such proof, and believe it can be supplied in a very short period of time.

Again thanking you for your many courtesles, I remain,

PORTLAND, OREG., August 28, 1913.

Hon. George E. Chamberlain. United States Senate, Washington, D. C.:

United States Senate, Washington, D. C.:

Have just read Congressional Record of August 21, which contains Senator Jones's argument in support of his amendment to place certain burlap bags on the free list. His argument is inaccurate and incorrect in many ways. In the first place, not more than 20 to 25 per cent of the wheat produced on the Pacific coast is exported. Out of average annual importations of 40,000,000 burlap bags from Calcutta not more than 10 per cent are exported filled with wheat. In the second place, the bag factories on the Pacific coast have during the last four years furnished some of the bags required to sack the crop. If burlap is placed on the free list and bags are assessed at 10 per cnf burlap is placed on the free list and bags are assessed at 10 per cnf during the last propertion of the bags required. Reduction of duty on burlap pags in Underwood law is very material. Bag manufacturers saking only 10 per cent differential, which is extremely low. Think if bags are put on the free list it will mean no material benefit to the farmer, but will seriously injure established industry. Facts stated in this telegram readily susceptible to proof by public records. If Senator Williams or other members of Finance Committee think proof necessary, we can immediately arrange to procure same.

EVERETT AMES.

Mr. BRANDEGEE. Why is it necessary to say what this bagging is to be used for when it is put on the free list? Why is not the article itself described by its texture, instead of saying "bagging for cotton, gunny cloth, and similar fabrics, suitable for covering cotton"?

Mr. SHIVELY. The language descriptive of the cloth used

in making grain bags, and which we place on the free list, is in paragraph 416, and is in these words: "Plain woven fabrics of single jute yarns by whatever name known, not bleached, dyed, colored, stained, printed, or rendered noninflammable by any process." That covers the jute cloth out of which grain hags are made

Mr. BRANDEGEE. All I want to know is, does the bagging that is suitable for making bags for wool come in free also?

Mr. WILLIAMS. Undoubtedly; and the stuff that is suitable for making bags for wool is just the fabric which was referred to by the Senator, to wit, "plain woven fabrics of single jute yarns by whatever name known, not bleached, dyed, colored, stained, printed, or rendered noninflammable by any process.

Mr. BRANDEGEE. If that is so, I do not see any reason for using the word "cotton" at all, any more than for saying "bagging suitable for cotton and for wool."

Mr. WILLIAMS. There is not a particle of use; but we found it in the House text, and we saw no use in making an extra and superfluous Senate amendment to vote on in the Senate.

Mr. BRANDEGEE. I am satisfied if the two are treated equally.

Mr. WARREN. Mr. President, as I understand it now, the purpose is that the cloths for all of these articles are to be ad-

mitted free, but if any labor goes into them in the way of making sacks before they come into this country—

Mr. WILLIAMS. There is a duty of 10 per cent ad valorem.

Mr. WARREN. And therefore, in addition to a matter of revenue, it is protective to labor? Is that the contention?

Mr. WILLIAMS. It is to that extent, necessarily. It could not be otherwise.

Mr. WARREN. I want to know that, because that lies very closely along the line of some remarks I made a few days ago about the matter of tops. While I presented that matter from the standpoint of the woolgrower, there is quite a good deal of labor entering into the making of tops from ordinary grease wool.

Mr. SIMMONS. I hope the Senator from Wyoming is not

going to make another argument on tops.

Mr. WILLIAMS. We got over three-quarters of a million

dollars revenue from this source last year.

Mr. SIMMONS. I want to say that the committee certainly had the purpose of putting cotton bagging and the material out of which grain sacks are made upon an equality, and putting them both on the free list. If Senators can think of some word that will designate the class more specifically, we shall be glad to consider it; but I do not think there can be any sort of doubt about it.

Mr. WARREN. As it reads, it will be understood until it is explained, as it has been, or at least it may be construed by those who will construe the law, as an invidious distinction between products, because one is mentioned by its name and the others are not.

But returning for a moment, I am quite willing that labor should be protected in whatever line it is employed. I want the committee to remember that. As to these other items of partial manufacture that go into these uses, when a great product is made utterly free of duty, I should like to see it permit the man who raises the product and who has to go to the market to obtain the containers relieved as far as possible of duty. It is hardly fair for a man to have to raise a product free of duty and pay a duty for the wrapping for it, and then turn around and have a duty upon every article which he may use, made out of the identical material raised by such producer.

Mr. SIMMONS. I had not understood that Senators on the other side were contending for free raw materials and a duty on the manufactured product; but I wish to say to the Senator that there is a great deal of revenue involved in this item. At present it is yielding a revenue of \$847,000 a year. I do not

wish to go into that discussion, however. Mr. SMOOT. I simply wish to call attention to the fact that under the present law the equivalent ad valorem on plain woven fabrics is 23.86 per cent. The equivalent ad valorem for bags is 28.84 per cent. So the differential between cloths and bags under the present law is 5 per cent, but the committee in reporting the bill has made a differential of 10 per cent.

Mr. WILLIAMS. Yes; 10 per cent.

Mr. SMOOT. So the differential between the free cloth and the manufactured bag under the pending bill is 10 per cent, and under the present law it is only 5 per cent.

Mr. SHIVELY. With an estimated revenue of \$320,000. Mr. BRANDEGEE. The Senator from Utah does not com-

plain of that, does he? Mr. SMOOT. I was just stating the fact as it really exists. Of course the differential of 5 per cent more will be paid by the

user of the grain bag or the wool bag.

Mr. WILLIAMS. I ask for a vote upon the paragraph

Mr. JONES. Just a word, Mr. President. Most of the discussion here has been off the amendment that is pending.

The pending amendment calls for a special class of bags to be placed on the free list. 'As I said, the information that has been given to some Senators with reference to the number of these bags that are used for export is certainly very erroneous. There are many more than 4,000,000 used for export.

This tax can not be justified from a Democratic standpoint at all. It is true that it raises some revenue; but it is a tax upon an agricultural product that is used largely for export, and it certainly ought not to be imposed upon an agricultural industry.

I hope the amendment I have offered will be adopted. Mr. POINDEXTER. Mr. President, I ask for the yeas and nays upon the amendment.

The yeas and nays were ordered, and the Secretary proceeded to call the roll.

Mr. BRYAN (when his name was called). I transfer my pair with the junior Senator from Michigan [Mr. Townsend] to the junior Senator from Ohio [Mr. POMERENE] and vote " nay.

Mr. CHAMBERLAIN (when his name was called). announcing my pair with the junior Senstor from Pennsylvania [Mr. Oliver] I withhold my vote in his absence.

Mr. LEWIS (when his name was called). I again announce the transfer of my pair to the Senator from Arizona [Mr. SMITH] as before. I vote "nay."

Mr. REED (when his name was called). I transfer my pair with the Senator from Michigan [Mr. Smith] to the Senator from Oklahoma [Mr. Owen] and vote "nay."

Mr. THOMAS (when his name was called). I make the same transfer of my pair as previously announced and vote "nay."

Mr. WARREN (when his name was called). I again announce my pair with the Senator from Florida [Mr. FLETCHER1.

The roll call was concluded.

Mr. CHILTON. I announce my pair with the junior Senator from Maryland [Mr. Jackson] and withhold my vote.

Mr. THORNTON. I wish to announce the necessary absence

of the Senator from Alabama [Mr. BANKHEAD]. He is paired with the junior Senator from West Virginia [Mr. Goff].

Mr. POMERENE. I transfer my pair with the Senator from Michigan [Mr. Townsend] to the Senator from Montana [Mr. WALSH ] and vote " nay.

Mr. WALSH entered the Chamber and voted "nay."

Mr. POMERENE (after having voted in the negative). Senator from Montana [Mr. Walsh] has come into the Chamber and voted. I withdraw my vote.

The result was announced-yeas 26, nays 38, as follows:

#### YEAS-26.

Borah Brady Brandegee Bristow Catron Clark, Wyo.	Crawford Cummins Dillingham Gallinger Jones Kenyon La Follette	McLean Nelson Norris Page Perkins Poindexter Root	Sherman Smoot Stephenson Sterling Weeks
	N.	AYS-38.	
Ashurst	Lane	Saulsbury	Swanson

Ashurst	Lane	Saulsbury	Swanson
Bacon	Lewis	Shafroth	Thomas
Bradley	Martin, Va.	Sheppard	Thompson
Bryan	Martine, N. J.	Shields	Thornton
Hitchcock	Myers	Shively	Tillman
Hollis	O'Gorman	Simmons	Vardaman
Hughes	Overman	Smith, Ga.	Walsh
James	Ransdell	Smith, Md.	Williams
Johnson	Reed	Smith, S. C.	11 2111111111
Karn	Polyngon	Stone	

Kern Kern	Reed Robinson	Smith, S. C. Stone	
	NOT	VOTING-31.	
Bankhead Burleigh Burton Chamberlain Chilton Clapp Clarke, Ark. Culberson	du Pont Full Fletcher Goff Gore Gronna Jackson Lea	Lippitt Lodge McCumber Newlands Oliver Owen Penrose Pittman	Pomerene Smith, Ariz. Smith, Mich. Sutherland Townsend Warren Works

the Atlantic Mills, which was in existence at the time of Collier's criticism. The Arlington Mills plant is located on both sides of the line-separating Lawrence from Methuen, and as the nearest residential section to these mills is over the Methuen line it is only natural that the agent and superintendent of this mill should choose the nearest and most convenient location for residence. The treasurer and general manager of the Lawrence Duck Mills has lived in Lawrence for not less than 30 years, and still maintains his residence here. The principal owner and manager of Kunhardi's mill lived in this city up to a few years ago, when he moved over the line into North Andover, not over 1½ miles from his manufacturing plant. The Walworth Mills are owned and operated by three brothers, lifelong residents of Lawrence. At the time the Collier article was published a Lawrence man was treasurer and general manager of both the Lawrence Dye Works and the Uswoco Mill. The above-mentioned mills comprise all the important textile concerns in this city.

Regarding the "absence of old men and old women." this can have reference only to people of such nationalities as Italian, Polish, and Syrian, who only within the last 12 or 15 years have begun to settle in this city. Of these people very few come to Lawrence past middle life, probably for the reason that they are unfitted for textile employment: they have had no previous textile training and are too advanced in years to acquire any degree of competence or skill in mill processes. This phase is referred to at greater length in the newspaper clipping inclosed. In a dew years, however, share a normal numbes of the American and wance antionalities who have been milled to the scrap heap." they carry along their aged employees, and as strength and bealth fail they are transferred to lighter and easier work that falls within their declining capacity. One reason why the average wages of textile mills is no higher is that many aged employees are carried along whose earnings, of neces

Barkhead dr Pont Loge Smith, Arts. Burleigh Full College Smith, Mich. Chambertain Goff Newlands Sutherland Goff Newlands Sutherland Goff Newlands Sutherland Goff Newlands Sutherland Clapp Gronna Owen Waren Clarke Ark. Jackson Penrose Works Cluberson Lea Pittiman Penrose Works Mr. JONES'S amendment was rejected.

**So Mr. JONES'S amendment was rejected.**

**Mr. GALLINGER.** In connection with the observations I made on the tariff bill this morning I had intended to assist minde on the tariff bill this morning I had intended to assist minde on the tariff bill this morning I had intended to assist minde on the tariff bill this morning I had intended to assist mindimust consent to place in the Recomn letter of Mr. Mr. GALLINGER.** In connection with the observations I made on the tariff bill this morning I had intended to assist mindimust consent that the letter may be printed in the Recomn. The VICE PRESIDENT is there objection? The Chaliff week in the warm stumpher of the electron of the control of the printed in the Recomn. The VICE PRESIDENT is there objection? The Chaliff hears mone, and it is so ordered.

**The VICE PRESIDENT is there objection? The Chaliff hears mone, and it is so ordered.**

**United States Scanta, Washington, D. G.**

**Mr. Data Sexaron Gallations: A washingt

eign tongue, who at the best and for a long time is a cause of much defective work and a source of grave anxiety to the overseer, who is responsible for the quantity and quality of the product that emerges from his department. Instead of the southern European selling his services for a lower price than the workman of American standard, he receives fully as much wages as his American fellow workman, while for a time, until he becomes skilled and proficient, he turns out an inferior and diminished product. The mills are therefore losers and not gainers by the employment of this so-called "low-priced labor."

Present communication has been written in Bethlehem, N. H., where I am spending a brief vacation. If I had access to my papers in Lawrence some of the observations made could have been stated with greater definiteness. I have, however, arranged to have mailed to you copy of The Survey, containing Judge Rowell's article on the Lawrence strike, which is an impartial and truthful statement of conditions in our city and refutes many of the misrepresentations and misstatements which have been so widely circulated.

Yours, very truly,

John T. Lord.

Mr. SIMMONS. The bill may be laid aside for the day.

Mr. SIMMONS. The bill may be laid aside for the day.

EXECUTIVE SESSION.

Mr. BACON. I move that the Senate proceed to the con-

sideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After 5 minutes spent in executive session the doors were reopened, and (at 5 o'clock and 12 minutes p. m.) the Senate adjourned until to-morrow, Wednesday, September 3, 1913, at 11 o'clock a. m.

## CONFIRMATIONS.

Executive nominations confirmed by the Senate September 2, 1913. AGENT 'AND CONSUL GENERAL.

Olney Arnold to be agent and consul general at Cairo, Egypt COLLECTORS OF CUSTOMS.

Zach L. Cobb to be collector of customs for the district of El Paso, Tex.

Frank Rabb to be collector of customs for the district of Laredo, Tex.

PROMOTIONS IN THE NAVY.

Midshipman Neil H. Geisenhoff to be an ensign. Midshipman Rawson J. Valentine to be an ensign.

POSTMASTERS.

J. B. Cray, Millersburg. P. A. McIntire, Uniontown.

NEW YORK.

Leo R. Grover, Silver Springs. Hiram E. Safford, Cherry Creek.

NORTH DAKOTA.

Lydia Gullickson, Goodrich.

SOUTH CAROLINA.

Henry P. Tindal, North.

WISCONSIN.

George Burke, Thorp. Samuel Dewar, Westfield. F. A. Ferriter, Hillsboro. Herman H. Fiedler, Cuba. Albert Hess, Arcadia. F. C. O. Muenich, Argyle. Fred Seifert, Jefferson. Harvey Vincent, Park Falls. Thomas Wilson, Belleville.

# HOUSE OF REPRESENTATIVES.

Tuesday, September 2, 1913.

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the fol-

lowing prayer:

Infinite and eternal Spirit, whose life-giving currents are ever sweeping on and out into the souls of men, purifying, fructifying, ennobling, we thank Thee that Thou art constant in Thy ministrations, and we earnestly pray that we may be more susceptible; that we may do conscientiously whatsoever we find to do, without the fear or favor of men, seeking only to do Thy will, Unite, we beseech Thee, the brain and brawn of our people, that contentions and strife may be lost in the ties of brotherhood, that thus working together with Thee the best results may obtain for all; in the spirit of the Master.

The Journal of the proceedings of Saturday, August 30, 1913,

was read and approved.

#### LEAVE OF ABSENCE.

By unanimous consent, Mr. Neeley was granted leave of absence for three days, on account of illness in his family.

PANAMA-PACIFIC INTERNATIONAL EXPOSITION.

Mr. UNDERWOOD, from the Committee on Ways and Means, reported a bill (H. R. 7595) permitting the free importation of articles intended for foreign buildings and exhibits at the Panama-Pacific International Exposition and to protect foreign exhibitors, which was read a first and second time, referred to the Committee of the Whole House on the state of the Union, and, with the accompanying report (No. 65), ordered to be

#### RESIGNATION OF A MEMBER.

The SPEAKER laid before the House the following communication:

59 East One hundred and fifth Street, New York, August 31, 1913.

To the SPEAKER OF THE HOUSE OF REPRESENTATIVES.

DEAR SIR: I beg to submit herewith my resignation as a Representative in Congress from the twentieth district of the State of New York, such resignation to take effect September 1, 1913.

Yours, respectfully,

FRANCIS BURTON HARRISON, Member of Congress, Twentieth New York District.

BOLL WEEVIL.

Mr. BOOHER. Mr. Speaker, I ask for the present consideration of the following privileged resolution.

The SPEAKER. The gentleman asks consideration of a privileged resolution, which the Clerk will report.

The Clerk read as follows:

House resolution 240.

Resolved, That the Secretary of Agriculture is hereby directed to communicate to the House of Representatives at the earliest practicable day, not later than the first Monday in December, 1913, the result thus far secured in the study and investigation of the boll weevil and the amount of money thus far expended in such study and investigation.

The SPEAKER. The question is on the resolution.

Mr. Speaker, where is the resolution now?

Mr. BOOHER. I ask unanimous consent to have it considered. It is a privileged resolution asking for information.

Mr. MANN. Is it a resolution just introduced?

Mr. BOOHER. Yes. I ask unanimous consent for its consideration

Mr. MANN. Why should it not go to the Committee on Agriculture:

Mr. BOOHER. It is a privileged resolution and is not necessary. I showed the resolution to the gentleman from South Carolina [Mr. Lever], chairman of the Committee on Agriculture, and he said he had no objection.

Mr. MANN. It is not a privileged resolution yet.
Mr. BOOHER. I think it is.
Mr. MANN. Oh, no.
The SPEAKER. The gentleman from Missouri is asking unanimous consent for its present consideration.
Mr. MANN. I think these recolutions ought in the first

Mr. MANN. I think these resolutions ought, in the first place, to go to their appropriate committees, Mr. Speaker. Under the rule the committee must report back a resolution of

inquiry within a week.

Mr. BOOHER. The trouble with referring it is that these committees are not authorized to report any of these resolutions.

Mr. MANN. If the committee does not report it, then it will become privileged, and the gentleman can call it up

Mr. BOOHER. I wish the gentleman would withdraw his objection and let the resolution pass.

Mr. MANN. It does not call for a report until December.

The SPEAKER. Is there objection?

Mr. MANN. I shall have to object, Mr. Speaker.
The SPEAKER. The gentleman from Illinois objects.
Mr. BOOHER. Then let the resolution go to the Committee

on Agriculture.

The SPEAKER. It wilt be referred to the Committee on Agriculture.

# ENROLLED JOINT RESOLUTION SIGNED.

The SPEAKER announced his signature to enrolled joint resolution of the following title:

S. J. Res. 52. Joint resolution to authorize the appointment of Thomas Green Peyton as a cadet in the United States Military

#### HETCH HETCHY.

Mr. FERRIS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the Hetch Hetchy bill, H. R. 7207.

The SPEAKER. The gentleman from Oklahoma moves that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 7207, the Hetch Hetchy bill.

The question was taken, and the motion was agreed to. cordingly the House resolved itself into Committee of the Whole House on the state of the Union, with Mr. Foster in the

The CHAIRMAN. The House is now in Committee of the Whole House on the state of the Union for the further consideration of the bill of which the Clerk will read the title. The Clerk read as follows:

A bill (H. R. 7207) granting to the city and county of San Francisco certain rights of way in, over, and through certain public lands, the Yosemite National Park, and Stanislaus National Forest, and certain lands in the Yosemite National Park, the Stanislaus National Forest, and the public lands in the State of California, and for other purposes.

Mr. HELM. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HELM. What is the parliamentary status in regard to the amendment offered by the gentleman from Illinois [Mr. MANNI, pending at the time the point of no quorum was made

on Saturday?

The CHAIRMAN. The amendment was under consideration, and on a rising vote was defeated, and then the gentleman from Texas [Mr. Dies] made the point of no quorum. So that the question now is on the amendment offered by the gentleman from Illinois.

Mr. HELM. I ask unanimous consent that the amendment

may be again reported.

The CHAIRMAN. Without objection, the Clerk will again report the amendment.

The Clerk read as follows:

Amend, page 11, by striking out, after the word "year," in line 7, the remainder of the section.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois.

The question was taken; and on a division (demanded by Mr. Ferris) there were, 28 ayes and 41 noes.

So the amendment was lost, Mr. MONDELL. Mr. Chairman, I offer the following amend-

Mr. FERRIS. Mr. Chairman, I would like to know how many amendments are to be offered to this section.

Mr. STEENERSON. I have an amendment.

Mr. FERRIS. How much time does the gentleman want? Mr. STEENERSON. I would like to have 10 minutes.

How much time does the gentleman from Mr. FERRIS. Wyoming want?

Mr. MONDELL. Four or five minutes.

Mr. MURDOCK. I wish the gentleman would give me five minutes. I may not use it.

Mr. HELM. And I want 5 or 10 minutes.

Mr. MONDELL. Let me suggest to the gentleman that as far as my amendment is concerned I want to present it for consideration.

Mr. FERRIS. I have no disposition to cut off debate. The bill has already occupied two days, and I want to get through with it. The committee has given two months of hard labor to it, and the bill has the approval of every departmental officer.

Mr. MANN. Find out how much time is wanted on the section, and then ask to close debate at the end of that time.

Mr. FERRIS. Mr. Chairman, I ask unanimous consent that the time on this section and all amendments thereto be limited to 25 minutes; that makes 5 minutes to each gentleman and reserves 5 to the committee.

Mr. MANN. That will not take in all the time that has been asked for.

Mr. FERRIS. Then I will make it 30 minutes, and that will take in all and give 5 minutes to the committee.

Mr. MONDELL. I suggest that my amendment be disposed of first. I do not know that gentlemen will want to take any

Mr. FERRIS. Mr. Chairman, I withdraw the request.

Mr. MONDELL. Mr. Chairman, I move to strike out all of section 7 after the word "hereof," line 24, page 10 and page 11, and place a period after the word "hereof," and add to that the following that I send to the desk.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amend page 10 by striking out after the word "hereof," line 24, the remainder of the section and adding the following:

"3. That the grantee shall, for the benefit of the Yosemite National Park and the Stanislaus National Forest, pay for all timber taken from its right of way and shall pay annually such sums, to be fixed from

time to time by the heads of the departments having charge of the said reservations, as shall be amply sufficient for the repair and maintenance of the roads and trails herein provided to be built by the grantee, and for the enforcement of the sanitary regulations provided for in section 1 of this act, together with such further reasonable sums as shall, in the opinion of said heads of departments, fairly measure its proportionate share of the cost of maintaining and protecting that portion of the said national park and national forest as constitutes the watershed of the water supply of said grantee.

Mr. MONDELL. Mr. Chairman, my amendment strikes out the part of the section which obligates San Francisco to pay fifteen, twenty, and ultimately thirty thousand dollars per annum, and provides in lieu of that, that San Francisco shall, first, maintain the roads and trails that are to be built about the Hetch Hetchy Lake; second, that she shall pay the cost of maintaining proper sanitary conditions on the watershed; and, third, that she shall pay her proportion of the cost of the supervision and policing and superintendence of the dams within the forest reserves and in the national park which are of the watershed. I do not believe that San Francisco should be called upon to pay an arbitrary fixed sum per annum for this grant. I think that the city should pay whatever cost the grant may lay upon the people of the country or the Treasury of the United States. If we were granting something of value for which San Francisco should pay, she should pay for it outright, and settle the matter here and now; but to place an annual lease charge on this grant is in my opinion establishing a very dangerous precedent. It is not in harmony with our policy up to this time and I believe it to be unwise.

Mr. HELM. Mr. Chairman, will the gentleman yield?

Mr. MONDELL. Certainly.

Mr. HELM. The gentleman states that he believes if we were granting anything of value that San Francisco and San Francisco County should pay for it. Is the gentleman aware of the fact that the report of the Army engineers says that this proposition carries with it a \$45,000,000 water-power proposi-

Mr. MONDELL. Oh, well, if the gentleman thinks that whenever

It is not what I think.

Mr. MONDELL. I will answer the gentleman's question. If it is the gentleman's opinion that wherever water power is developed in the United States, those developing it should pay something into the Federal Treasury, the gentleman is welcome to that opinion. That is not my opinion. The fact is that in making this grant to San Francisco we take nothing from the people of the United States. We are not reducing the value of the property of the people of the United States. We make an inaccessible mountain valley accessible, and we make a valley which is now valuable only for camping purposes a beautiful lake. San Francisco builds roads about it, and instead of taking from the beauty of it we add to the beauty. We are making no grant that reduces the value of the people's property; we are giving the people of San Francisco an opportunity to utilize the resources of that region. Such utilization will be of real value to all the people rather than otherwise.

Mr. HELM. Mr. Chairman, will the gentleman yield?

Mr. MONDELL. I do not consider that we are granting anything of value in the sense that we are taking something of value from the people and giving it to San Francisco. fore I do not believe there is anything to be paid for. If there were, I should want to have the price fixed now and here and San Francisco make the payment or have the payment provided for.

In my view we are establishing a most unfortunate precedent, one without any proper, reasonable, or logical basis, when we fix an arbitrary sum which shall be paid annually so long as time shall run. It is not fixed upon any estimate. There is no logical basis for it. It is either too much or too little—I do not know which—assuming that we are asking them to pay for something which we are taking from the people and giving to them exclusively, which we are not. Therefore I offer this amendment in line with our policy heretofore and the

policy I think we ought to follow in the future.

The CHAIRMAN. The time of the gentleman from Wyoming has expired. The question is on the amendment offered by the

gentleman from Wyoming.

The question was taken, and the amendment was rejected. Mr. STEENERSON. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read. The Clerk read as follows:

Line 6, page 11, before the word "annually," insert:

"And the sum of 5 per cent upon the gross earnings from the sale of water power and electrical energy derived from said works."

I want to remind the committee of the testimony. The testimony quoted in this report shows that the value of this site over all other rival sites for water for San Francisco is at the lowest calculation twenty millions of dollars. The ultimate analysis of all arguments that have been made, so far as the water supply available for San Francisco is concerned, is that this is the one they desire because it is the cheapest, that the others would cost more, and the reason why this is the cheapest is not because it supplies water for domestic uses more cheaply, but that coincidentally with supplying water for domestic uses it creates a water power which the city of San Francisco can sell either to private users or to railroad companies or street car companies, or anyone else who desires to exploit the public for profit.

I read from page 29 of the report in which they quote the testimony of Col. Biddle:

The Hetch Hetchy supply is estimated to cost \$77,000;000, spread over a number of years. The second and third sources are estimated to cost \$97,000,000 to \$99,000,000.

Now, that is the argument in favor of the Hetch Hetchy project, and here further on the same page he says:

The power development in the Hetch Hetchy is greater than it is at any other source of supply.

In one place here, I believe, he states that the value of the water power to be developed from this reservoir, which belongs to the United States, the banks of it and all except a very small part of the bottom of the proposed reservoir belongs to the United States. The site for the dam belongs to the United States, and the water power to be developed, to say nothing of the domestic use of water, the water power and electric energy is estimated at a capitalization of \$45,000,000. That is the cash value of the water power and electric energy to be derived from this plant—115,000 horsepower. Now, I would not for an instant impose a tax, as was proposed in a former amendment, upon the water to be supplied to San Francisco for domestic use, but it seems to me that when a city, when a municipality engages in the enterprise for profit it should be charged on the same basis and charged by the same standards as a private company. If a private corporation were to ask the United States for the privilege of building a dam and creating a reservoir in this valley whereby they would develop the horsepower worth \$45,000,000, we naturally would impose some tax upon that because that is simply water power to be sold to the public. It may be sold to a railroad company or to the Western Union Telegraph Co.-that is not an eleemosynary institution as far as I know-and similar corporations, and my amendment therefore, in addition to the annual tax of \$30,000, proposes a tax of 5 per cent upon the gross earnings derived from the sale of water power and electrical energy.

The CHAIRMAN. The time of the gentleman from Minne-

sota has expired

Mr. STEENERSON. I would like to have one minute more.

Mr. FERRIS. I have no objection.

Mr. STEENERSON. In this connection I desire to state that the people of California do not seem to be exactly united on this subject, and I have a telegram from people who are to use this water for irrigation purposes. It has been stated that they had agreed to this proposition, and they telegraphed me here that the directors of the water users' association that made the agreement misrepresented them, and they are now in the process of being discharged and dismissed because of their conduct. I ask that it be read.

The CHAIRMAN. Without objection, the Clerk will read. Mr. STEENERSON. This was just received from California.

The Clerk read as follows:

Modesto, Cal., September 1, 1913.

Congressman Steenerson, United States Representative from Minnesota.

Washington, D. C .:

Washington, D. C.:

Delay passage of Raker bill if possible. Modesto irrigation district water users opposed to bill and now recalling irrigation directors who misrepresented them. Our people able and willing to develop Hetch Hetchy for land which needs it badly. It is outrageous to crowd bill through special session. W. C. LEHANE.

Mr. STEENERSON. Mr. Chairman, I desire to have this telegram read.

Mr. FERRIS. Let the gentleman read the telegram.

The CHAIRMAN. The gentleman asks unanimous consent to read the telegram. Is there objection? [After a pause.] The Chair hears none.

The Clerk read as follows:

SAN ANSELMO, CAL., September 1, 1913.

Hon. Halvor Steenerson,
House of Representatives, Washington, D. C.:

Your patriotic efforts in opposing the Raker bill will have the approval and commendation of the people of this entire Nation when all

the facts behind this infamous scheme are made public. Congress should demand a rigid inquiry on this matter. There is no urgent need for water in San Francisco.

Mr. FERRIS. Mr. Chairman, the gentleman from Minnesota raises two questions; the committee is entitled to a reply. This Eugene J. Sullivan, the gentleman who sent the last telegram, is the president of the Sierra Blue Lake Water Co., a rival company, which has been trying to sell to San Francisco for years a supply that she does not want and that is inadequate from viewpoint. He appeared before our committee, and we delayed the hearings for about 10 days until he could come here and present his views in person; and I only invite any Member of the House to go over the hearings and read his testimony. He is a real estate promoter, a real estate plunger. mittee postponed their hearings on account of some inflammatory telegrams he sent in for 10 days in order to give him an opportunity to appear in person with his business and all his We gave him a patient hearing and he absolutely exploded himself. There was nothing in his testimony to answer at all. He presented nothing that had meat in it. He maniat all. He presented nothing that had meat in it. fested a desire to defeat this bill, to the end that he selfishly might stand a better chance to unload his own scheme upon them against their will and against their interests. Every member of the committee will bear out what I have said, both Republicans, Democrats, and Progressives, who heard him. We gave him full latitude and a full hearing. The other gentleman I do not know, but I know enough about the equation to answer that situation. We had here Mr. Griffin and Mr. Foulkreit, two able, clearheaded attorneys for the Turlock and Modesto irrigation people. They represented their people patriotically and well. They were fair and considerate of the committee's time. They knew what

they were about. They aided us materially.

They wired back to their chambers of commerce, they wired back to their county commissioners, they wired back to their boards of directors time and time again, and the record is skyhigh here with resolutions of approval of what is being done here. San Francisco has agreed to every regulation—is giving the irrigation people more water than they can get from the natural flow of the river. They have been here in person and have had their hearings and were favorable to the legislation.

Now, there was one gentleman here, a Mr. L. L. Dennett, who was a nice, pleasant gentleman, and who presented his case to the committee. Among other things he said he was forced to admit that his rights were nebulous and of doubtful origin. He merely wanted in if he could get in, but the committee concluded that he had no rights and could not come in. San Francisco needs the water badly and it was a chance for everyone to lay claims, Whether the telegram presented is from him or not I do not know, but so far as the Turlock-Modesto irrigation people are concerned their chambers of commerce and their boards of trade and their resolutions committees have sent to each of

us very earnest and most emphatic approval of this bill.

In keeping with that I might call the gentleman's attention to the gentleman from California [Mr. Church], who represents them, and to the gentleman from California [Mr. RAKER], who represents this Hetch Hetchy dam site. Their representatives are here and they know the fact. The truth is that San Francisco is bound by this bill to turn back into the regular channel of the stream more water than the irrigation people now get. San Francisco is to corral the melting snow and the rains that fall in the mountains and to use the water for their water-supply system and incidentally generate some power. It is estimated that they will generate a lot of power. They will; that is true. This bill is safeguarded by public-utility commissions and corporation commissions of the State of California, and is absolutely clothed with every conceivable regulation that the entire coterie of departments, Gifford Pinchot, and 20 members of the Committee on Public Lands, who spent some six months examining the matter, could possibly adopt. I think the gentleman from Missouri, perhaps, and the gentleman from Oklahoma [Mr. MURRAY], and one or two others, and I think the gentleman from Michigan [Mr. MacDonald], believe that there is a little need of some additional provision with reference to forfeiture a little later on. Now, it is not-

Mr. HELM. Will the gentleman yield? Mr. FERRIS. If I may proceed for just a moment, I will yield. It was the intention of the committee to absolutely prescribe forfeiture all the way through if San Francisco did not come up to its contract. In the first part of the bill, referring to the construction period, we have provided a most rigid for--we thought we had all the way through-if they do feiturenot without cessation construct the dam and the entire project. Again, we have adopted a strong clause for forfeiture in the event of a sale or an attempted sale. But for the benefit of the gentlemen who think we ought to make it a little stouter, and to be on the safe side, a little later on the committee ought to offer an amendment or accept the amendment of somebody which will make the forfeiture provision a little more stringent.

Now, answering the gentleman from Minnesota [Mr. Steenerson]. The gentleman fears we are not charging anybody for the water power. Of course this is a nonnavigable stream. They do not get the benefit of any stream at all. They erect a dam there and collect the water from the snows of the mountain. Mr. Pinchot said in his statement before our committee that the fact is this is the highest form of conservation. I wish gentlemen would read his statement. He says we come face to face with the proposition of whether we shall use things, or whether we shall let the melting snow during the flood period run idly into the sea.

Mr. STEENERSON. Will the gentleman yield?

Mr. FERRIS. In just a moment. The gentleman says that we are not charging enough. I do not know whether we are or not. Let me call your attention to one of the safeguards. On page 11, in lines 4 and 5, it says:

And for the remainder of the term of the grant shall, unless otherwise provided for by Congress, pay the sum of \$30,000.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. FERRIS. Mr. Chairman, I ask unanimous consent to proceed for two minutes more.

The CHAIRMAN. Is there objection? [After a pause.]

The Chair hears none. Mr. FERRIS. Now, this may be too much, and it may be too little. I call your attention to the fact that Congress has

the right to put it in here as it ought to be. I assert that no living man can at this time tell what it ought to be.

I would be unwilling myself to fix the amount at the amount specified in the bill if that amount were to be allowed to remain forever. We may be too high. Many good, clear-headed men think we are too high. On the other hand, many good, clear-headed men think we are to low. Either may be right about it. But when we put in a provision like the one appearing in lines 4 and 5 we can not go very far amiss, because as soon as they get in motion, as soon as the construction period is over, and as soon as they have had time to operate it a little while Congress can take them by the throat and make them pay what they ought to pay. I think the thing is sufficiently safeguarded.

Now I will be glad to yield to the gentleman from Kentucky

[Mr. HELM].

Mr. HELM. I understood the gentleman to admit that this bill carried with it a water-power proposition?

Mr. FERRIS. Undoubtedly, incident to the water supply. Mr. HELM, San Francisco city and San Francisco County are the grantees?

Mr. FERRIS. Undoubtedly they are. Mr. HELM. They are the beneficiaries of this bill?

Mr. FERRIS. Yes; but they pay a large sum for the rights

Mr. HELM. Now, I want to know if the county of San Francisco is the only entity that can utilize this water power under your bill?

Mr. FERRIS. Not at all, and for two reasons. The first

Mr. STEENERSON. Then another question. You admit, then, that San Francisco city or San Francisco County can dispose of or sell this water power to some other entity?

Mr. FERRIS. Yes; to some other municipalities. There is no question about that, and they can sell it to their own people. There is no question about that, either.

Mr. MacDONALD. And they can sell it to other indi-

Mr. FERRIS. Yes; there is no doubt about that.
Mr. HELM. That was the statement I made on Saturday in the discussion of this bill, and it was vigorously disputed

by the proponents of this bill.

Mr. FERRIS. If it was so, I do not recall the colloquy, and I do not have it now before me. San Francisco could not sell to any soap manufacturer or ice manufacturer anything that they could resell, but they could sell it to them for their own use. Otherwise why would the city of San Francisco be expected to incur all this expense?

The CHAIRMAN. The time of the gentleman has expired. Mr. FERRIS. Mr. Chairman, I would like to have three minutes more.

The CHAIRMAN. Without objection, the gentleman will proceed for three minutes.

There was no objection.

Mr. FERRIS. Answering the question of the gentleman from Kentucky [Mr. Helm], I will say yes, undoubtedly, if the gentleman will pardon me. The city of San Francisco from gentleman will parton me. The city of San Francisco from the very nature of things must have the right to sell this commodity to her own people. Who or what are the people of San Francisco? Is it not made up of her own people, of her own corporations, of her own tramways, and every other purpose for which water and power can be used. They must have the right to sell to their own people, of course, for maintenance expenses, and to reimburse themselves for this expenditure of \$77,000,000, and this money which they have already expended as the initial cost, and the \$30,000 a year, and so forth. There is absolute necessity that they be permitted to use it. Otherwise they could not afford to construct it,

Mr. HELM. This \$30,000 a year could be used for the purpose of operating a cotton mill or an aluminum plant or for

mining purposes, could it not?

Mr. FERRIS. Not at all. This \$30,000 can only be expended in improving the Federal Government's property, to wit, the national parks of California.

Mr. HELM. The city of San Francisco? Mr. FERRIS. Yes; of course you must have some one to use the power.

Mr. HELM. The city of San Francisco is going to sell this right to run a cotton mill or an aluminum plant or to conduct mining operations to the citizens of San Francisco?

Mr. FERRIS. Yes; of course, the right to sell to its consumers is the principal thing that they are making the expenditure of \$77,000,000 for. It is just the same with every municipally owned light, water, or power plant in the United

Mr. HELM. What they can sell to the citizens of San Francisco they can sell to a corporation organized by a group of

San Francisco men, could they not?

Mr. FERRIS. Oh, no; because there is an express provision to the effect that they can not resell the power in any way. They can sell for use only with a positive restriction against sale for any resale purposes of any sort.

Mr. HELM. Do I understand that simply because Tom Jones lives in the city of San Francisco they could sell to Tom Jones the right to operate a cotton mill or an aluminum plant or to

conduct mining operations?

Mr. FERRIS. Undoubtedly. That is what they are going to do. There is no doubt about that. San Francisco is expending \$77,000,000 for what? The answer must be patent to all. To supply their people with water and with power.

Mr. GREGG. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Oklahoma yield

to the gentleman from Texas?

Mr. FERRIS. Yes.

They have the power to sell, and there is a Mr. GREGG. restriction on the price to prevent them from charging an exorbitant price?
Mr. FERRIS. Yes. They have what in our State is called

a corporation commission, which will look after that.

Mr. GREGG. The State or Federal law controls, does it not?

Mr. FERRIS. The State steps in and provides the amount Mr. FERRIS. The State steps in and provides the amount or rate which they must charge. We had that matter up for or rate which they must charge. We had that matter up for consideration before our committee, and the committee considered it very carefully. They have the power to say who shall receive the water and how they shall receive it. Water is a very much sought commodity in that State and the California Legislature and the California Conservation Commission has been active to prevent extortion in every way.

The CHAIRMAN. The time of the gentleman from Oklahoma

has again expired.

Mr. BURKE of South Dakota. Mr. Chairman, I ask unanimous consent that the time of the gentleman from Oklahoma [Mr. Ferris] be extended five minutes more.

The CHAIRMAN. The gentleman from South Dakota [Mr. Burke] asks unanimous consent that the time of the gentleman from Oklahoma be extended five minutes. Is there objection?

There was no objection. Mr. BURKE of South Dakota. If the gentleman will yield, I desire to ask him a question. Do I understand the gentleman to state that the language in lines 5 and 6 on page 11 would authorize Congress at some future time to increase the amount to be paid by the city of San Francisco above the sum of \$30,000

Mr. FERRIS. Undoubtedly. That was the intention of

everyone connected with it.

Mr. BURKE of South Dakota. If that was the intention, I think it would be better to change the language of the bill, because in my opinion while Congress might unquestionably have the right to relieve the city of San Francisco from paying as much as \$30,000 a year, I do not believe that under that lan-guage it could ever increase the amount a dollar. The language is:

And for the remainder of the term of the grant shall, unless otherwise provided by Congress, pay the sum of \$30,000 annually.

Mr. FERRIS. What does that language mean?

Mr. BURKE of South Dakota. This is a grant to the city of San Francisco, and you are providing that it shall pay for it a certain amount annually. In my opinion, Congress would not have the power to increase that to \$200,000 or \$300,000 at some future time without express authority, and you should so provide in this bill, so that there can be no question about what the intention of Congress is; in my judgment, the only inter-pretation that can be placed upon this language is that the city of San Francisco may be relieved from paying \$30,000, but that it can not be made to pay more than \$30,000 after this bill becomes a law, and the city complies with the conditions in the

matter of the construction, and so forth.

Mr. FERRIS. If the gentleman's construction was the correct one, I should be just as much in favor of modifying this language as he is, but I can not understand the words to mean anything except what they plainly say, and this is what they

And for the remainder of the term of the grant shall, unless otherwise provided by Congress, pay the sum of \$30,000 annually.

If my interpretation is the correct one Congress could come in at the end of 30 years and 1 day from the passage and approval of this bill and make San Francisco pay whatever Congress saw fit to make them pay. I do not know where the gentleman gets his rule of construction. If the gentleman had the correct construction, I would move an amendment to the bill; but I believe he has an erroneous construction. What can words mean

neve ne has an erroneous construction. What can words mean which say "unless otherwise provided by Congress"? Can not Congress run the scale up as well as run it down?

The CHAIRMAN. The time of the gentleman has expired.

Mr. FERRIS. Mr. Chairman, I move that the committee do now rise for the purpose of allowing the gentleman from New York University Appears a privileged purpose. York [Mr. FITZGERALD] to present a privileged report.

The motion was agreed to.

The committee accordingly rose; and the Speaker having resumed the chair, Mr. Foster, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the Hetch Hetchy bill (H. R. 7207) and had come to no resolution thereon.

# URGENT DEFICIENCY APPROPRIATION BILL.

Mr. FITZGERALD, from the Committee on Appropriations, reported the bill (H. R. 7898) making appropriations to supply urgent deficiencies in appropriations for the fiscal year 1913, and for other purposes; which was read a first and second time, referred to the Committee of the Whole House on the state of the Union, and, with the accompanying report (No. 64), ordered to be printed.

Mr. MANN. Mr. Speaker, I reserve all points of order on the

bill.

The SPEAKER. The gentleman from Illinois reserves all points of order on the bill.

Mr. FITZGERALD. Mr. Speaker, I give notice that I shall call up the bill at the earliest possible moment.

# HETCH HETCHY.

On motion of Mr. Ferris, the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the Hetch Hetchy bill (H. R. 7207), with Mr. Foster in the chair.

Mr. MacDONALD. Mr. Chairman, I do not wonder that the chairman of the committee and the members of the committee having charge of the bill are a little impatient at myself and other Members who are asking questions in regard to the pro-visions of this bill. The hearings, the report of the committee, and the report of the Advisory Board of Army Engineers furand the report of the Advisory Board of Army Engineers furnish very ample and complete information, and there is no excuse for any Member not being thoroughly informed as to the provisions of the bill. But I must confess that it has taken me a long time in following the debate and considerable study of the report to find out what the bill really means, and I believe that there are many Members upon whom the responsibility of

voting on the bill will finally rest who do not realize fully what is in the bill.

This bill, I believe, not only furnishes water to San Frank .... but contains within it a great governmental change of poacy in regard to the conservation of our national resources. It means a change of policy in this very matter. The Army engineers in their very able and illuminating report, from beginning to end, sound a note of warning. They say, in effect, in the beginning and all through the report and at the end, "Look out; this is a water-power bill; look out."

On page 46 of the engineers' report they say: "The policy of the Department of the Interior as to granting privileges for making use of Government reservations for the development of power is not known to the board. Any general plan or policy, could doubtless be made applicable to this case."

Mr. Garfield, Secretary of the Interior, who first granted a permit in this matter, put in a provision which will be found on page 8 of the engineers' report, being section 6, which is

absolutely and diametrically opposed to section 6 in this bill.

It provides that "the city of San Francisco will, upon request, sell to the said Modesto and Turlock irrigation districts for the use of any land owner or owners therein for pumping subsurface water for drainage or irrigation any excess of electric power which may be developed, such as may not be used for the water supply herein provided and for the actual municipal purposes of the city and county of San Francisco, which shall not include sale to private persons nor to corporations."

This bill changes that and does include sale to private persons and corporations.

Mr. THOMSON of Illinois. Will the gentleman yield?

Mr. MacDONALD. For a question. Mr. THOMSON of Illinois. For what purpose does it authorize the sale by the city of San Francisco to private persons and corporations?

Mr. MacDONALD. For commercial purposes. Mr. THOMSON of Illinois. Where does the gentleman find that? It says that the city can sell their water power to private individuals or corporations for consumption, but not for the purpose of resale.

Mr. MacDONALD. I will answer the gentleman. On page 39 of the engineers' report it says the city of San Francisco put their request for a modification of the Garfield permit into precise language. They state exactly what they want, and this bill gives them exactly what they state they want in this paragraph. The paragraph reads as follows:

Development of electric power for municipal use and sale to irriga-tion companies, lease of power privileges for the development by other individuals or corporations.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. MacDONALD. Mr. Chairman, I ask that my time be extended five minutes.

The CHAIRMAN. The gentleman from Michigan asks that

his time be extended five minutes. Is there objection?

There was no objection.

Mr. MacDONALD. Now, paragraph F, same page, states the same matter more fully:

The city will be empowered under the new conditions to lease electric power or power privileges to private persons or corporations under proper regulations, instead of being limited, as by the Garfield permit, to municipal purposes and to the Turlock and Modesto irrigation districts.

Mr. HELM. Will the gentleman yield? Mr. MacDONALD. For a question. Mr. HELM. Does this report of the Army officer show that a

water supply could be secured from any other source?

Mr. MacDONALD. The report of the Army engineers shows that there are three or four other sources of supply which they say any one of which would furnish an ample amount of water and of sufficiently good quality, and that the only reason for preferring the Hetch Hetchy proposition is a matter of expense; that the Hetch Hetchy proposition has one commanding feature that the others have not, and that is that it is a gigantic power proposition. The Government engineers report that the initial development of power is 115,000 horsepower, with a dam 150 feet high. The bill provides for a dam 200 feet high, and the engineers report that it could be capitalized at \$45,000,000.

Under the provisions of this bill any public-utility corporation owned by private persons can tap a conduit of this plant and use all the power it wants forever at the terms that it may make with the council of the city of San Francisco or the gov-

erning body of San Francisco County.

Mr. HELM. Mr. Chairman, will the gentleman yield? Mr. MacDONALD. I yield for a question.

HELM. How does the gentleman construe section 11, page 25, of this bill, which reads as follows:

Dage 25, of this bill, which reads as follows:

Sec. 11. That this act is a grant upon certain express conditions specifically set forth herein, and nothing herein contained shall be construed as affecting or intending to affect or in any way to interfere with the laws of the State of California relating to the control, appropriation, use, or distribution of water used in irrigation or for municipal or other uses, or any vested right acquired thereunder, and the Secretary of the Interior, in carrying out the provisions of this act, shall proceed in conformity with the laws of said State.

Mr. MACDONALD. The question here is the question of what Congress is going to do with national resources, and nothing provided in the law of California can affect the contract that Congress makes here with the city and county of San Francisco. San Francisco here is contracting not in its municipal character but in its private character as a municipal corporation, outside of the bounds of its territory. The gist of the matter is, Mr. Chairman, then, that we as individual Members here are confronted with the responsibility of how we are going to vote on this change of governmental policy in regard to the turning over of the national resources. If we are in favor of turning over to the municipalities and the States the energy and power that may be developed from these natural resources, then we should vote for this bill. That is a question upon which gentlemen have different opinions and about which

they ought to know before they vote.

The following statement, furnished at my request by the office of the National Conservation Association, of which Mr. Gifford Pinchot is president, I desire to call attention to as bearing upon

the situation in California;

In the investigation on concentration of ownership and control in 1911 California was shown to have made rapid strides in water-power development. At that time California had a total development of 1,168,216 horsepower and led the rest of the country in developed commercial water power with 435,467 horsepower. Six distinct corporations, with their subsidiaries, controlled approximately 86 per cent of the developed power. The holdings of these companies were as follows:

110	rachouer.
Pacific Gas & Electric Co- Great Western Power Co- Northern California Power Co- Sierra & San Francisco Power Co- Southern California Edison Co- Pacific Light & Power Corporation	118, 343 60, 000 46, 900 65, 500 39, 540 45, 400

Total -part of California.

CONCENTRATION, 1913.

nies together owned practically all the available water powers in that part of California.

CONCENTRATION, 1913.

The Pacific Gas & Electric Co. to-day owns or controls the following companies: San Francisco Gas & Electric Co., California Gas & Electric Corporation, California Central Gas & Electric Co., Bay Counties Power Co., Standard Electric Co., South Yuba Water Co., the Central California Electric Co., Oak Gas Light & Heat Co., Stockton Water Co., Yuba Electric Power Co., Nevada County Electric Co., Central Electric, Gas & Rallway Co., United Gas & Electric Co., Stockton Water Co., Yuba Electric Power Co., Nevada County Electric Co., Central Electric Railway Co., Blue Lakes Water Co., Fresno Gas & Electric Co., Vallejo Gas & Light Co., California Central Electric Co. Ths company has 184.327 horsepower developed and 160,000 horsepower undeveloped, a total of 344,327 horsepower. Since the Bureau of Corporations report it has been gradually acquiring the few remaining power sites in the section it operates, and is to-day rapidly monopolizing the undeveloped water powers in central California. The company serves a population of 1,290,878, or 66 per cent of the State's population. It is capitalized at \$41,998,750.

The Western Power Co. is a consolidation of the Great Western Power Co., the Golden States Power Co., the Western California Electric Co., and the Electric Co. of San Francisco. The company operates in northern California and serves the cities of Sacramento, Oakland, San Francisco, and vicinity. It owns 90,000 developed horsepower and 655,000 undeveloped horsepower on the Big Bend River, and water rights on the Feather River and the Big Meadows capable of developing 500,000 horsepower, a total of 655,000 horsepower. The company is capitalized at \$20,000,000. This company delivers a large portion of its power to the Pacific Gas & Electric Co. The directors of this company servalized at \$20,000,000. This company delivers a large portion of the Northern California Power Co., which controls the Redding

tions and sells a large part of its power to the Pacific Gas & Electric Co.

The California Railway & Power Co., a holding company, is a consolidation of the Sierra & San Francisco Power Co., coast Valley Electric Co., and United Railroads of San Francisco. The Sierra & San Francisco Power Co. owns 65,000 horsepower developed and 50,000 undeveloped, a total of 115,000 horsepower. A large part of this power is sold in Nevada. This company has transmission lines from Murphy and Sonora to San Francisco and sells power to several communities, as well as to the street railways in San Francisco. The company is capitalized at \$45,000,000 and the directors are G. W. Bacon, J. D. Conner, Pat Calhoun, B. F. Gulnne, Alexander J. Hemphill, S. H. Marsh, W. J. Maloney, R. B. Young, J. H. Reed, and M. B. Staring. Alexander J. Hemphill is a director of the Electric Bond & Share Co., which shows the relation of this company with the General Electric interest.

The Southern California Edison Co. is a consolidation of the Edison Electric Co. together with seven smaller companies. This company owns 42,500 horsepower developed on the Kern, Mohay, and Santa Anna Rivers, and serves a population of \$00,000 in the vicinity of Los Angeles. The company has doubtless a general agreement with the Pacific Light & Power Co., as they do not enter into competition in the territory in which they are situated.

The Pacific Light & Power Corporation is a consolidation of the San Gabriel Electric Co. and Pacific Light & Power Co. It is controlled by stock ownership by H. M. Huntington. This company controls the San Joaquin Light & Power Corporation. It owns 45,400 horsepower developed and 10,000 undeveloped horsepower. This corporation controls 30 electric-lighting plants and 3 street railways. It sells power, heat, and light to Los Angeles. Fresno, and many small towns.

Mount Whitney Power & Electric Co. absorbed in 1911 the Mount Hood Water Power Co., Porterville Light & Power Co., Globe Light & Power Co., It does the lighting and has the power

Estimate of water-power development.

Owner.	Com- pleted.	Unde- veloped.	Total.
Pacific Gas & Electric Co. Western Power Co (General Electric interest). Northern California Power Co. California Railway & Power Co. Southern California Edison Co. Pacific Light Power Corporation Mount Whitney Power Electric Co. Western States Gas & Electric Co. (Byllesby interest). Snow Mountain Power Co. Orr Water, Light & Power Co. Los Angeles Bureau of Aqueduct. Concerns with 1,000 but less than 3,000 horsepower.	184, 327 90, 000 57, 000 65, 000 42, 500 45, 400 8, 700 10, 000 9, 000 4, 000 120, 000 11, 500	160,000 565,000 124,000 50,000 10,000 2,850 1,500 9,000 2,000	344, 327 655, 000 181, 000 115, 000 42, 500 55, 400 11, 550 11, 500 18, 000 6, 000 120, 000 11, 500
Total	647, 427	924, 350	1,571,777

It is estimated by the Bureau of the Census (1908) that the potential water powers of California are 3,148,000 horsepower. It is therefore evident that nearly one-half the potential powers of this State have passed to private ownership, and of this amount two companies own 999,327, or about 75 per cent of the water power of California.

Mr. HELM. Just one further question. Is not the effect of this last section of the bill-

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. HELM. Mr. Chairman, I ask unanimous consent that the time of the gentleman from Michigan be extended for five minutes.

Mr. FERRIS. Mr. Chairman, I must object to that. The gentleman has already had 10 minutes. I will have to object to any extension of time.

Mr. MURDOCK. Mr. Chairman, I move to strike out the last word.

Mr. STEENERSON. Mr. Chairman, my amendment is pending. I suggest to the gentleman from Kansas.

Mr. MURDOCK. Very well. I shall talk to the gentleman's

amendment.

Mr. Chairman, the assertion which has reached me with the greatest force this morning in the discussion of this question is the proposition that the power factor involved in the bill is really of more moment than the water supply element. I think that everyone here is in favor of supplying the city of San Francisco with this water from the Hetch Hetchy Valley, but I am fearful that one feature of the bill has not been drawn entirely with a view to the enormous potentiality there is in water power; that is, in the creation of electrical power out of water power as developed by modern scientific methods.

Some three years ago I had occasion to see a demonstration of what modern scientists can do with water power. About 100 miles out of the City of Mexico is what are known as the Falls of Necaxa. A small mountain stream drops off the plateau of central Mexico sheer 1,600 feet, 10 times the height of Niagara. A group of young American, German, and English engineers have constructed on the plateau of Mexico a chain of five or six reservoirs, have turned a little mountain brook into those reservoirs, and filled them with water. Then these young engineers drop this water in four 30-inch pipes 1,600 feet over the precipice, and the water passing through those four 30-inch pipes generate through turbines at the bottom of the precipice 50,000 horsepower. That horsepower runs virtually all of the elevators, all of the mills, the street-car systems, and furnishes the lighting of the City of Mexico. It was a revelation to me, and I think it would have been a revelation to most of the men here, could they have seen it—a small mountain brook so utilized that it actually placed under the control of one man at the power house the whole of the capital city of the Republic to the south of us. A single switch engineer, seated in front of a small marble switchboard, would be able, by turning down five or six switches, an operation that would not consume 10 seconds, to stop every street car and put out every light in the capital city.

The engineers say that 115,000 horsepower can be developed from Hetch Hetchy. I have been through the West. I have been in this particular section of the country. The great possible reservoir sites out there in the Pacific coast mountains make the thing which has been done outside the City of Mexico a great deal more possible throughout all the Pacific coast States, and I think that any law which has been drawn which is to determine, as has been said this bill will, a great national policy, should put particular emphasis upon the possibility of the development of power, should guard the Government's interests jealously, and I hope that the gentleman from Oklahoma [Mr. Ferris] is absolutely right in his assertion that lines 5 and 6 in the pending section of this bill carry language under which Congress will have the power in 30 years to raise the annual pay for this privilege to the city of San Francisco, and if there is any doubt that the gentleman from Oklahoma is right, then a new section should be written into the bill which

will remove all doubt in respect to it.

Mr. FERRIS. Well, now, I am in hearty agreement with the gentleman about that, and the only thought I had was not to run in any amendment that would cripple or change or make the bill ridiculous, and I know the gentleman does not want that to happen. The committee was of the opinion, and this bill has been submitted to the highest authorities on conservation, and has their strong approval and we have letters received from them

Mr. MURDOCK. They may be mistaken.

Mr. FERRIS. I know that may be true enough, but we were of the opinion that too many words and too much language would serve as a matter of restraint rather than establish a clearer understanding. The gentleman understands that. Now, we were of the opinion that if we left the absolute proposition for Congress to provide what the rate or charge would be we certainly would be on the safe side.

Mr. MURDOCK. Now, while the gentleman is on his feet, I want to say I hope he is right about that, and I would like to ask in regard to the last section in this bill, Does it turn this great power and its utilization and control over to the

State of California and to the city of San Francisco?

Mr. FERRIS. Oh, I do not think so. We, of course, must not invade the State laws where parties have prescribed water rights.

Mr. MURDOCK. Ought not the gentleman to be sure about that?

Mr. FERRIS. I am sure about that as far as that is concerned. This bill leaves the regulation with the State. last section lets the public-utilities commission come in and fix what they shall charge so the city of San Francisco can not practice extortion, but it will enable the people to get their water supply cheaply and reasonably. We have worked it out so carefully in the committee, the departments have all considered it, and approve it. I feel sure it is well safeguarded.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. RAKER. Mr. Chairman, I simply desire to submit a few remarks on the question involved in this amendment. The first thing I desire to say, however, is in regard to the telegrams. The gentleman who sent the first telegram is not even known by the Congressman who lives in that district and close to that vicinity. In regard to the one of Mr. Eugene J. Sullivan, I simply desire to call attention to the record in the hearings on page 343, in which the following questions and answers were given:

Were given:

Mr. Raker. Now, one of the principal reasons of your objection here is that you have a water supply that you believe is available?

Mr. Sullivan. Yes, sir.

Mr. Raker. Your purpose is to present to the committee and convey to the committee the idea that your supply ought to be bought by the city and county of San Francisco.

Mr. Sullivan. Well, we say that it is an ample supply.

Mr. Raker. But answer the question. I want to get it directly before the committee. Your proposition is to convey to the committee the idea that you have a good and sufficient water supply?

Mr. Sullivan. Yes, sir.

Mr. Raker. And that it is the duty of San Francisco to buy your supply of water reservoir sites, etc.?

Mr. Sullivan. Yes, sir.

Now, can you imagine one man standing and holding up a

Now, can you imagine one man standing and holding up a large community of practically 700,000 people of the cities sur-

rounding the bay, 400,000 of San Francisco, with a doubt as to whether the amount coming from the reservoir is to be ample to supply the city, that he alone should say to Congress and say to San Francisco, "I have a water right and I want to hold you up, and you must therefore buy my water right or have none whatever"? He was given ample time; as the chairman of the committee said, the committee adjourned 10 days for him to appear here. That is the sum and substance of his testimony before the committee. Down further-I think it is well to call the attention of the gentleman from Michigan to that fact, claiming and believing in conservation—the leader of conservation in the departments, the Chief Forester of this country, has been Gifford Pinchot, and he came before the committee and unhesitatingly and unqualifiedly said that he did not oppose the bill and that it is in behalf of conservation and that the bill ought to pass. Now, has the gentleman gone into the features of it to say that the statement of the man who has given the last 20 years to that subject is wrong on this particular bill? Unquestionably not; and the testimony appears on pages 25, 26, and 27 of the hearings and in the report of the committee.

But the committee seems to lose sight to some extent of the fact that this is a municipality, one of the great cities of the West, that is striving and working to obtain a fresh supply of water for its inhabitants, to be controlled by the people under their own laws, to be controlled under the public-utilities act of the State of California, subject to the provisions of this bill. And can there be any comparison as to granting a right to a corporation or to an individual who is trying to develop a water power, as compared with a municipality, and when the city has paid the enormous sum of over \$1,700,000 for its rights that it now holds in the park and in the reserve, and is willing to pay this large amount, not for any power right, not for any water right, but on the theory that it is a grant upon conditions of the land that the Government owns? It does not own the water. It is conceded by everyone that the water and water rights belong to the State.

The CHAIRMAN. The time of the gentleman from Cali-

fornia [Mr. RAKER] has expired.

Mr. FERRIS. Could we not agree on time? The gentleman from Minnesota [Mr. Steenerson] offered an amendment, and I think we have gone pretty well wide of the mark on that. I ask unanimous consent that at the expiration of 5 minutes; to be occupied by the gentleman from Illinois [Mr. Thomson], that we have a vote on this amendment.

Mr. STEENERSON. I will say to the gentleman that I have

Mr. FERRIS. Mr. Chairman, I ask unanimous consent that at the expiration of 15 minutes all debate on this paragraph and amendments thereto be closed, the gentleman from Illinois [Mr. Thomson] to have 5 minutes, the gentleman from Kentucky [Mr. Helm] 5 minutes, and the gentleman from Minnesota [Mr. Steenerson] 3 minutes.

Mr. STEENERSON. Reserving the right to object, I would like to say to the gentleman that I have another amendment

that I would like to discuss.

Mr. FERRIS. We can limit it to this amendment.

The CHAIRMAN. The gentleman from Oklahoma asks unanimous consent that all debate on this amendment close in 15 minutes. Is there objection? [After a pause.] The Chair

Mr. THOMSON of Illinois. Mr. Chairman, there seems to be some misgivings in the minds of some of the gentlemen here about the amount of compensation, and that seems to have arisen, in some measure, at least, because of doubt on the part of some as to the power possibilities in this bill. When this bill was

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being considered by the committee I offered an amendment to section 6, line 16, as it appears in the bill, by adding the words "or electric energy." With those words in that section, the bill amounts to this, that San Francisco can take this water, and San Francisco may develop such power as it may develop from the drop of that water from the Hetch Hetchy to the level of the city reservoirs, and San Francisco may sell this water or electric energy-to whom? To any other municipality that may come in under the provisions of this bill, or to any private individual in the city for consumption, or to any corporation in the city for consumption, and only for consumption, and under this section it is absolutely impossible for San Francisco to sell a drop of water or a bit of electric energy to any private individual or to any corporation for the purpose of reselling it.

Mr. MacDONALD. I would like to ask the gentleman if a public-utility corporation could not buy a site along the conduit and tap the conduit and get all the water it needs to run its

plant?

Mr. THOMSON of Illinois. No; it could not. I do not see any provision in this bill that would be capable of any such construction as would permit that. If the gentleman finds any clause in the bill that he thinks will permit that, I would like to see it. Where is it?

Mr. Chairman, this bill is a grant to these cities-to San Francisco and such other cities as may come in with the con-

sent of San Francisco, under the same law.

Mr. HINEBAUGH. Does not section 6 expressly provide against the objection raised by the gentleman from Michigan

[Mr. MACDONALD]?

Mr. THOMSON of Illinois. It does. Section 6 confines the privileges of this bill to the grantee, and the grantee in this bill is distinctly defined to be San Francisco and such other cities about the bay that may, by the consent of San Francisco. or by such law as may be in effect at the time the application is made, come in under the provisions of this bill.

Mr. MacDONALD. Will the gentleman yield?

Mr. THOMSON of Illinois. Certainly.

Mr. MacDONALD. I would like to call attention to the language used as to those representing the city, on page 8 of the

Mr. THOMSON of Illinois. I beg to call the attention of the gentleman from Michigan to the fact that the thing that is going to govern the use of this water and the use of this electric energy is this bill, and not the engineers' report.

Mr. MacDONALD. This is the statement of the committee of San Francisco, who stated to the committee that this bill

gave them just what they wanted.

Mr. THOMSON of Illinois. Pardon me. Mr. Chairman, I want to call the gentleman's attention to the fact that they can not hope to do so, because this bill was not drafted until long after the report he speaks of was made. It may be that this bill contains language that the gentlemen may want; but what the bill drafted at that time may include is a different matter, because that bill was drafted months before

Mr. MONDELL. Mr. Chairman, along the line of the inquiry made by the gentleman from Michigan [Mr. MACDONALD], allow me to call the gentleman's attention to lines 7, 8, and 9, on

And no power plant shall be interposed on the line of the conduit except by the said grantee or the lessee, as hereinafter provided—

And so forth.

In other words, there is an express prohibition of the sort of

thing that the gentleman from Michigan fears.

Mr. THOMSON of Illinois. And it should be added, Mr. Chairman, that that lessee, unless it is a municipal corporation, is by the terms of the bill confined to somebody who wants to use this for consumption.

Mr. MacDONALD. I would like to ask the gentleman, Mr. Chairman, if the lessee does not mean the private individual or the corporation to whom or to which section 6 says this may be

given or sold?

Mr. THOMSON of Illinois. Let me ask the gentleman this question: Will the gentleman state whether or not he has an objection, and if so, what that objection is, to the city of San Francisco selling electrical energy to somebody, either an individual or a corporation, solely for consumption and not for the purpose of reselling? What objection is there to that?

Mr. MacDONALD. It depends on whom the consumer is and

what is the amount of power that is furnished.

The CHAIRMAN (Mr. WALSH). The time of the gentleman from Illinois has expired.

Mr. STEVENS of New Hampshire. Mr. Chairman, the chairman of this committee [Mr. Ferris] stated that under the provision on page 11, line 5, "unless otherwise provided by Congress," Congress could increase or decrease the annual rental,

and that that was the distinct intention of the committee.

If that is the intention of the committee, I think the language ought to be changed, and it ought to be specifically stated that Congress can increase the annual rental. Otherwise the point made by the gentleman from South Dakota [Mr. Burke] is absolutely sound. This provision imposes a burden upon San Francisco. It is a contract between the United States and San Francisco, by which San Francisco must pay \$30,000 a year, unless otherwise provided by the other party to the contract; and I think there can be no doubt but that it means a decrease or a waiving of it entirely and not an increase.

I think the position is exactly the same as if the gentleman held my note and it should read on that note that I must pay 6 per cent interest unless he specifically required otherwise; under that provision, in any court of law, he could not charge me 10 per cent, but he might charge me 5 per cent or 4 per cent or nothing. I think it should be specifically stated in here that Congress, which has imposed this burden, should be at liberty

ongress, which has imposed this burden, should be at liberty to increase it as well as decrease it.

Mr. MURDOCK. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman yield?

Mr. STEVENS of New Hampshire. Yes.

Mr. MURDOCK. Could there be anything to the detriment of San Francisco if this section provided that after the expiration of 20 were the material by San Francisco. tion of 30 years the rate paid by San Francisco to the Government should be such as Congress then provided?

Mr. STEVENS of New Hampshire. I think that is the way

it ought to be.

Mr. MURDOCK. At that time, 30 years from now, the conditions might be entirely different from what they are now.

Mr. BRYAN. Mr. Chairman, I would like to know what the amendment is we are now considering. I would like to have the amendment reported again so that we can have it before us.

The CHAIRMAN. Without objection, the amendment will

again be read.

There was no objection. The Clerk read as follows:

Amend line 6, page 11, by inserting, after the word "annually," the following: "And the sum of 5 per cent upon the gross earnings from the sale of water power and electrical energy derived from said works," so that the paragraph as amended will read: "And for the remainder of the term of the grant shall, unless otherwise provided by Congress, pay the sum of \$30,000 annually, and the sum of 5 per ceat upon the gross earnings from the sale of water power and electrical energy derived from said works, said sums to be paid," etc.

Mr. STEENERSON. Mr. Chairman, I desire to be recognized.

The CHAIRMAN. The gentleman from Minnesota is recognized for three minutes.

Mr. STEENERSON. Mr. Chairman, I want to call the attention of the committee to the fact that the argument in favor of taking this reservoir in preference to other sources of water supply is based upon the proposition found in the engineers' report, that this proposition affords a cheaper water supply by \$20,000,000, because the water-power privilege itself is worth \$45,000,000.

I will read from page 23 of the report of the committee on this bill, being an extract from the Army board findings:

Construction of Tuolumne system as proposed by the city of San Francisco, to be extended over about 50 years, \$77,000,000.

Against the above expenditure there will be developed 115,000 horsepower, having an estimated capitalized net value of \$45,000,000.

The amendment I offer is not a tax upon the consumption of water for domestic purposes, but is a 5 per cent tax upon the gross earnings derived from the sale of power or electrical energy. I understand that the water will fall down a vertical distance of 4.000 feet to supply the people of San Francisco for domestic purposes, and still in that fall it will develop this power, worth that much. When we grant this much, it seems to me we ought to reserve 5 per cent upon those earnings. It is a reasonable proposition, and the gentleman from Michigan [Mr. MacDonald] is absolutely right when he says that this is a most valuable concession, and that it is a change of policy to grant this valuable right to the city of San Francisco. The fact that it is a municipality makes no difference. It stands on the same basis as if it was granted to an individual. The fact is pointed out here that this bill attempts to restrict the sale of power to consumers of power. That really makes no difference, because the Standard Oil Co. might use this power for refining their gasoline.

Mr. KENT. If the gentleman is going to calculate it on that basis, and to ignore the fact that it is for general public use and benefit, he ought to realize that San Francisco owns over half the real estate now in fee simple, and so he ought to cut down his estimate.

Mr. STEENERSON. I have made the estimate as far as my reasoning and understanding enables me to make it, fairly and justly, and I take the engineers' report for it. It seems to me that 5 per cent of these earnings is perfectly fair. The city of San Francisco might lease this power, whether in the form of electrical energy or direct water power, to the greatest monopoly in the world. The fact that the city of San Francisco will do it does not make any difference.

The CHAIRMAN. The time of the gentleman has expired. Mr. HELM. Mr. Chairman, I hope that the chairman of this

committee and the other members composing it will not conclude that there is anything personal in my comments or criticisms upon this bill. I am only undertaking as best I can to direct the attention of the committee to what I consider some very vital and important features of it. I believe I am right.

The argument has been advanced here that you are creating something out of nothing. I grant you that is true, and wherever that can be done it should be done. But I want my friends on this committee to bear in mind that you are handling a big proposition, a \$77,000,000 proposition. That of itself ought to direct and focus the attention of every man here who is now trying to find the right thing to do on this bill, the right course to pursue; and I hope that when this bill shall have been passed, there will be no criticism attaching to it similar to the criticisms that attach to matters with which Mr. Bal-linger had to deal. I hope that when this bill passes it will be a credit to the chairman and the Democratic membership as well as the Republican membership of this committee, and a credit to the Democratic Party. I am somewhat apprehensive that this bill is not as well safeguarded as it ought to be; and with all good will, with the best intention, I am offering my suggestions in the hope that if I am misinformed, that if I have misinterpreted the language of this bill, that when it shall become a law it will be a credit to you and to the Democratic Party, and not a liability.

Mr. FERRIS. Will the gentleman yield?
Mr. HELM. In just a moment. It is true that this is a valuable franchise, and that if you can create a \$45,000,000 proposition out of nothing, that is a good thing. So far so good. But when you talk about Congress catching San Francisco by the throat and strangling it out of \$30,000 per annum, if I believed that it was the intention of this bill, or that there was anything in this bill that could be used to get a strangle hold upon the city of San Francisco, I would not, if I was a member of the committee, support the bill. That sounds pathetic indeed; but while Congress is putting a strangle hold upon the city of San Francisco, let us see well to it that this House is not putting a strangle hold upon some one else, and is not creating rights here the profits of which in this enormous enterprise will find their way into pockets that you do not now dream of, and whose interests do not appear on the face of this bill.

It is a great thing to produce something out of nothing. The transcontinental railroads were of incalculable benefit to the United States, but the scandalous land grants that accompanied them are still a stench in the nostrils of you men from the West who frequently take this floor and who are undertaking now through the Department of Justice to get back a part of that vast domain of public land which was unduly granted them

when the charters were granted.

The CHAIRMAN. The time of the gentleman from Kentucky has expired.

Mr. HELM. Mr. Chairman, I ask that my time be extended

three minutes.

Mr. FERRIS. I want to indulge the gentleman, but the time was fixed by unanimous consent. However, I have no objection. The CHAIRMAN. Is there objection?

There was no objection.

Mr. HELM. It would be a great thing to develop the enormous resources of Alaska, its copper and coal mines. are now of no value to the community as they lie, but I for one would not turn over all the copper, coal, and gold mines in Alaska to the Guggenheims for the purpose of creating something out of nothing. When you are passing upon this bill, when you are undertaking to do what you consider justice to

the people of San Francisco, carry along with you in your minds the fact that it would be as valuable to somebody, or to a few persons, to turn over all the copper in the great Alaskan fields so that somebody could be given the use of it. But I mistake the spirit of the American people if it is their sentiment that these enormous benefits are to be turned over to be made the profit of a few. This property belongs to the American people, and it is the duty of a well-directed Congress to see that the powers that here are being solemnly granted by this bill are granted without conferring upon any private individuals or corporations, or a few people, the right to make stupendous profits out of it. As the gentleman from South Dakota directed the attention of the House, that when once you pass this bill you have erected a barrier behind which you can not go, I ask that this House deal with this bill with that calm consideration that its magnitude requires should be given it.

The CHAIRMAN. The question is on the amendment offered

by the gentleman from Minnesota [Mr. Steenerson].

The question was taken; and on a division (demanded by Mr. Steenerson) there were—ayes 21, noes 35.

So the amendment was lost.

Mr. FERRIS. Mr. Chairman, I offer the following amend-

The Clerk read as follows:

On page 11, line 5, after the word "shall," strike out the words "unless otherwise provided by Congress," and insert in lieu thereof the words "unless in the discretion of Congress the same should be increased or diminished."

Mr. STEENERSON. Mr. Chairman, I offer the following amendment as an amendment to the amendment by way of a

The CHAIRMAN (Mr. FOSTER). The Clerk will report the amendment.

The Clerk read as follows:

Substitute for the amendment by inserting the following: "and the right to increase said charge at the discretion of Congress is hereby expressly reserved."

Mr. MURDOCK. Mr. Chairman, I would like to ask the gentleman from Minnesota wherein his proposed substitute differs from the amendment offered by the gentleman from Oklahoma?

Mr. STEENERSON. I think it is better language. that we expressly reserve the right to increase it. The other language is vague and indefinite.

Mr. MURDOCK. I do not think it is vague or indefinite.
Mr. STEENERSON. Mr. Chairman, I ask that the two
amendments, the one offered by the gentleman from Oklahoma

and my substitute, be again reported. The CHAIRMAN. Without objection, the two amendments

will be again reported. There was no objection, and the Clerk again read the amend-

ment and the substitute. The CHAIRMAN. The question is on the substitute offered

by the gentleman from Minnesota [Mr. Steenerson]

Mr. STEENERSON. Mr. Chairman, the usual language in grants of this kind where the right to increase the charge is desired is the language that I have used in my substitute. The language which the gentleman from Oklahoma proposes I do not believe can be found in any grant of this kind. Take the tax on railroads on the gross earnings and you will find that the right to increase the charge is expressly reserved. That is only embodied in the language offered by the gentleman from Oklahoma by implication. It seems to me that Congress ought reserve the right because we can not tell what this power will be used for. The power controls many things—transportation, telegraph, telephones, and various electrical The city of San Francisco in having the right to furnish this at any price it may see fit controls the destinies not only of many cities but individuals. Granted that it can only be sold to consumers, yet the power is a very great power. One hundred and fifteen thousand horsepower would be generated, which would run electric car lines, railroads, refineries, reducing works, smelting works, to which you would ship your ore from the mountains, and they could charge such a ridiculously low price to one man as to destroy the business of a neighboring smelting works. The city of San Francisco may be a very good city now. We have heard various things about it in the past. They have had their scandals, they have had their Abe Reuf and corrupt councils, and we can not tell what they will do with this momentous power of fixing the transportation rates for 150 to 300 miles out of San Francisco.

Mr. MURDOCK. Mr. Chairman, will the gentleman yield?

Mr. STEENERSON, Mr. Chairman, I will say that I will be glad to yield to the gentleman from Kansas, especially in view of the fact that I hope he will change his position, and

that instead of voting against my amendment he will vote for it.

Mr. MURDOCK. I do not intend to vote against the gentleman's amendment. I want to find out what it will do. Is the gentleman's amendment intended to apply to the annual payment of \$15,000 and the annual payment of \$20,000 as well as to the annual payment of \$30,000?

Mr. STEENERSON. It applies to all payments.

Mr. MURDOCK. From the beginning?

Mr. STEENERSON. It applies to everything, because it is placed at the end of the payments specified. There are certain payments specified in the grant, and at the end of those specified payments I put in an amendment that the right to increase these charges is expressly reserved to Congress

Mr. MURDOCK. I am in sympathy with the gentleman's

amendment.

Mr. STEENERSON. His vote did not indicate it awhile ago. I thought he was in favor of it when he prompted the gentleman from Michigan, but when it came to a vote he voted the He voted against conservation.

Mr. MURDOCK. I dld nothing of the sort.

Mr. MANN. Oh, he was the one man who voted with the gentleman from Minnesota.

Mr. STEENERSON. Then I stand corrected.

Mr. BRYAN rose.

Mr. FERRIS. Mr. Chairman, I ask unanimous consent that debate on this amendment close in seven minutes, five minutes to be given to the gentleman from Washington and two minutes to myself.

The CHAIRMAN. Is there objection? Mr. THOMSON of Illinois. Mr. Chairman, I desire to offer an amendment in the nature of a substitute, but I want to wait until the substitute at present under consideration is voted upon.

I suggest to the gentleman that he give notice Mr MANN.

that he will offer it.

Mr. THOMSON of Illinois. I wish to give notice that I desire to offer an amendment in the nature of a substitute for the original amendment and to have it pending.

The CHAIRMAN. There is already one substitute pending. Is there objection to closing the debate in seven minutes?

Mr. MANN. Mr. Chairman, reserving the right to object, did not the gentleman from Illinois desire a moment to explain his amendment?

Mr. FERRIS. Mr. Chairman, I will yield the gentleman time

in which to make an explanation.

Mr. THOMSON of Illinois. I understood from the chairman of the committee that I would have time enough in which to explain the substitute after the present substitute is voted upon.

The CHAIRMAN. The Chair hears no objection.

Mr. BRYAN. Mr. Chairman, it pleases me, and it ought to please every Member in Congress, to see gentlemen who have been a number of years in Congress endeavoring now to provide some means for revenues from these water-power sites. Perhaps the distinguished gentleman from Minnesota [Mr. Steenersonl-and I have no issue with him at all-has not thought of the fact that John Hays Hammond or some of his associates practically got all of these water-power rights from the Government while the gentleman was a Member of Congress without paying a penny for them, and that water-power sites throughout the West have been given-

Mr. MANN. Oh, the gentleman is in error in respect to that. Mr. BRYAN. And that water-power sites, whether they were acquired during the term of the gentleman from Minnesota or not, have been given during the term of Members who now sit in Congress without the payment of any consideration to the Government, and large sums have been exacted for those rights by the parties who acquired them or they have been made a source

In this case this particular remnant of the Hetch Hetchy proposition is being ceded over to the people of that district. not being ceded over to any private corporation, and there are

of very great profit to private interests.

safeguards about it protecting it from any kind of exploitation. I believe that this does mark an epoch. I believe it marks an important epoch in the history of the disposition of water-power sites and holdings of this kind. I am not surprised that the gentleman from Wyoming [Mr. Mondell] should raise that question and should suggest that it is a very important course

that we are verging upon. If we require hereafter all of these people who want water-power sites, especially those who want them for private corporate purposes, who expect to turn the water-power sites and electrical energy generated into commercial purposes exclusively for private profit, to pay what the water right is worth, we will have instituted a new policy-we will have begun a new regime-and instead of owning but a small fragment of the water right, as in the present case, through which we will obtain a few thousands of dollars per annum, while the other part of the right has been taken for practically nothing, we will find that the revenues of the Government will be protected, that the people will be protected, and that all of us will stand in a better light and better credit among our people and those to whom we should account.

Mr. HELM. Will the gentleman yield? Mr. BRYAN. I must decline, as I am nearly through and have only a few moments left. Right here within a stone's throw or a short distance from the city of Washington is a magnificent water-power site, Great Falls. The people of Washington do not enjoy the benefit of it; not at all. It has passed to private hands, passed from the Government as private property. So the water-power rights of the entire country, particularly in the eastern part of the country, where the country has been populated for a long time, have passed away from the Government for nothing. Out in the West the people are going to control this and they are not going to use these water rights for private purposes. I am glad enough to see a different régime started, and I am glad to see those gentlemen who have been here for the last 11, 12, and 13 years recanting, forgetting their past methods, and desiring to change them in a more improved and reasonable way.

The CHAIRMAN. The time of the gentleman has expired. Mr. BRYAN. I ask unanimous consent to extend my remarks

in the RECORD.

The CHAIRMAN. The gentleman from Washington asks unanimous consent to extend his remarks in the RECORD. there objection? [After a pause.] The Chair hears none.

Mr. STEENERSON. I desire to state to the gentleman that as far as water power and conservation is concerned I have nothing to recant and nothing to regret in regard to my record, and that record is in perfect harmony with what I am now advocating.

I am glad to hear the statement, and I have no doubt it is absolutely correct. I know the gentleman is making

conscientious fight.

The CHAIRMAN. The question is on the substitute offered by the gentleman from Minnesota.

The question was taken; and on a division (demanded by Mr. Steenerson) there were-ayes 20, noes 34.

So the substitute was rejected.

The CHAIRMAN. The question is on the amendment of the gentleman from Illinois

Mr. FERRIS. Mr. Chairman, I ask to modify my amendment in one or two words.

The CHAIRMAN. The gentleman from Oklahoma asks unan-

imous consent to modify his amendment.

Mr. STEENERSON. Mr. Chairman, I suggest to the gentleman from Oklahoma that if he accepts my language he will improve the amendment.

The Clerk read as follows:

Modify the amendment by striking out the word "sum" and inserting the words "annual charge," so that the language will read: "unless in the discretion of Congress the annual charge should be increased or diminished."

The CHAIRMAN. The Clerk will now report the amendment offered by the gentleman from Illinois.

The Clerk read as follows:

Page 11, line 5, after the word "shall," strike out the words "unless otherwise provided by Congress" and insert the following after the word "annual," in line 6: "or such sum as Congress may provide."

Mr. THOMSON of Illinois. Mr. Chairman, my amendment is practically the amendment of Mr. Ferris, except it places this language which gives Congress the right to change this sum in

its logical and proper place.

I think something of the doubt about this language that arose originally in the minds of some of the gentlemen here was because of this "unless" clause coming in before the annual payment was mentioned, but if we say that before the termination of the grant they shall pay the sum of \$30,000 annually, or such sum as Congress may provide, it will give the Government the right to change that sum one way or another. I think such right ought to be reserved.

Mr. FERRIS. I have no objection to it, but I thought it was too much like the language in the bill to satisfy all these gentlemen.

The CHAIRMAN. The question is on the substitute offered by the gentleman from Illinois [Mr. Thomson].

The question was taken, and the Chair announced that the noes seemed to have it.

Mr. THOMSON of Illinois. I ask for a division, Mr. Chairman.

The committee divided; and there were—ayes 10, noes 26.

So the substitute was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma [Mr. Ferris].

The question was taken, and the amendment was agreed to. Mr. MURRAY of Oklahoma. Mr. Chairman, I desire to offer an amendment.

The CHAIRMAN. The gentleman from Oklahoma [Mr. MUR-RAY] offers an amendment, which the Clerk will report.

Mr. FERRIS. Mr. Chairman, I wonder if we can have an

agreement? I ask unanimous consent that the debate on this amendment close at the end of five minutes.

The CHAIRMAN. The Clerk will first report the amendment.

The Clerk read as follows:

Page 11, line 7, insert before the word "said" the following: "until otherwise provided by Congress,"

Mr. FERRIS. Mr. Chairman, I think that is a good amend-

Mr. MURDOCK. Mr. Chairman, I would like to ask the gentleman from Oklahoma [Mr. MURRAY] what he seeks to accomplish by that amendment?

Mr. MURRAY of Oklahoma. I will state this: You change the capital "S" to a small "s" in the word "said" and in-sert the phrase before it "until otherwise provided by Congress."

In the event that this sum shall grow to any very large degree, we want it fixed so it might be used for other purposes. As long as it is a small amount, like the sum fixed here, of \$30,000, so long should it be used there.

Mr. MURDOCK. That is, the gentleman's amendment applies to the succeeding sentences and not to the matter we have

just had?

Mr. MURRAY of Oklahoma. Certainly.

Mr. MANN. The gentleman admits the provision is wrong, but that it is such a little wrong that he asks us to vote to sustain the little that is wrong?

Mr. HELM. I want to ask the gentleman from Oklahoma [Mr. MURRAY] a question.

Mr. MURRAY of Oklahoma. I yield for a question.

Mr. HELM. What is it that San Francisco is paying \$30,000

Mr. MURRAY of Oklahoma. I do not know anything about The bill here provides

Mr. HELM. What does it get for the \$30,000? Mr. MURRAY of Oklahoma. Who?

Mr. HELM. San Francisco.

Mr. MURRAY of Oklahoma. I do not know as that has anything to do with the amendment.

Mr. HELM. I was just asking for information.

Mr. MURRAY of Oklahoma. I do not think I could inform

Mr. HELM. Then I will ask the chairman of the committee. Mr. FERRIS. I hope the gentleman will not leave the amendment and the question for new fields; but my answer will be that we do grant them the right to construct a dam in a gorge in the Hetch Hetchy Valley, at the expense of \$77,000,000 to San Francisco, without one penny of cost to the Government. And in addition to that they spend approximately one million in improving the roads and making something of the park. They have already spent three-quarters of a million of dollars in buying land and making investigations under authority from the United States. They own twothirds of the floor of the valley now in fee simple. And that is, I should say, one of the bases on which we make this grant, and Congress reserves the right to charge them more or less as time goes on. There is every safeguard in the bill that can be There never was a devised without destroying the grant. more just and progressive conservation bill.

Mr. TALCOTT of New York. Does not the \$77,000,000 involve other dams?

Mr. FERRIS. Yes; as a part of this system, if they desire to construct them.

Mr. TALCOTT of New York. That is included in the \$77,000,000?

Mr. FERRIS. Yes; those figures are the estimate for a completed system, including the entire supply.

Mr. TALCOTT of New York. There is another dam con-

templated at Lake Eleanor and one at Cherry Creek?

Mr. FERRIS. There are three in all.

Mr. TALCOTT of New York. The \$77,000,000 includes the

three dams and not the one at Hetch Hetchy alone?

Mr. FERRIS. Yes. And I will say to the gentleman that the other dams are higher up in the mountains, so that they can save a larger amount of water, otherwise some of the water at flood times would flow over the dam and into the sea, a total waste to everyone.

Mr. TALCOTT of New York. And the plan is not to complete all the dams at the same time, but to complete the Hetch Hetchy Dam first, and Lake Eleanor next, and the Cherry Creek

Dam next?

Mr. FERRIS. I have forgotten the order of the last two, but

think the gentleman is correct.

Mr. TALCOTT of New York. The idea is not to develop them

all at once. So the initial expense will be \$21,000,000?

Mr. FERRIS. They have voted \$45,000,000 altogether.

Mr. TALCOTT of New York. The expense of the Hetch Hetchy Dam will be about \$21,000,000?

Mr. FERRIS. A larger sum than that.

Mr. HELM. Do I understand the gentleman that they have floated \$45,000,000?

Mr. FERRIS. They have voted that amount.
Mr. HELM. As I understand, San Francisco pays \$30,000 annually for 20 years.

Mr. FERRIS. Yes, sir; almost that. It is a graduated charge, subject after 30 years to be changed by Congress up or down as the facts warrant.

Mr. HELM. It gets a water supply, it gets a \$45,000,000 water-power proposition, and has the right to sell for irrigation and municipal purposes an unlimited source of water?

Mr. FERRIS. No; the gentleman gets wrong about irri-

gation, because there are limitations here that make them put the water all back for the San Joaquin Valley and other places where prescribed rights have attached.

Mr. HELM. But there are provisions that do not require them to put it back. There are provisions in there for charges

for irrigation purposes.

Mr. FERRIS. That is to make them restore that and carry out the provisions that were already made. The gentleman would not want us to overthrow vested rights, I am sure. Mr. HELM. What I would like to do is to strike a balance.

San Francisco votes bonds to the extent of \$77,000,000

Mr. FERRIS. They have not yet done so, but they anticipate doing it

Mr. HELM. They have voted already \$45,000,000, have they not?

Mr. FERRIS. Yes.
Mr. HELM. Now, they get in return for that the water supply for all these cities and municipalities, and they are to get paid for that water furnished, and they have got this \$45,000,000 proposition.

Mr. FERRIS. The gentleman could figure it that way, if he

likes, but-

Mr. HELM. Is not that a very cute proposition for San Francisco?

Mr. FERRIS. Here is the situation: The snows and rains are now flowing into the sea, and it is an absolute waste to San Francisco, the irrigationists, and the Government. I would like to ask the gentleman how long does he think it would take us to get the Federal Government to appropriate \$77,000,000 to go out there and dam up that gorge? It is a well-known fact that the Federal Government can not and will not undertake it. San Francisco will do it and only asks the chance.

Mr. HELM. As to that, I do not know of any case that stands exactly on all fours with this proposition, but I know that the Government has heretofore erected tremendous dams, either in Arizona or New Mexico, at an enormous expense.

Mr. FERRIS. Not for cities, but for irrigation.
Mr. HELM. I understand all that, but the revenues and the

incomes are enormous. Mr. FERRIS. This is what we have done: We have spent \$60,000,000 for irrigation and have got nothing back in return yet. We only hope we may get the principal back, which is doubtful. We would be awful glad to get the original money back. Here is a proposition for a great improvement and a

great saving and conserving of our national resources that will cost the Government not a cent, and the \$77,000,000 is to come from San Francisco.

I ask for a vote, Mr. Chairman. The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Oklahoma [Mr. MURRAY].

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Sec. 8. That the word "grantee" as used herein shall be understood as meaning the city and county of San Francisco and such other municipalities or water district or water districts as may, with the consent of the city and county of San Francisco or in accordance with the laws of the State of California, hereafter participate in or succeed to the beneficial rights and privileges granted by this act.

Mr. ROGERS. Mr. Chairman, I move to amend section 8 by striking out the words "water district or water districts, in lines 17 and 18, and substituting in place thereof the fol-

lowing: "municipal water districts or irrigation districts."
The CHAIRMAN. The Clerk will report the amendm The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Massachusetts [Mr. ROGERS]. First, will the gentleman read his amendment again?

Mr. ROGERS. Strike out the words "water district or water districts," in lines 17 and 18, page 17, and substitute in place thereof the words "municipal water districts or irrigation districts.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amend, page 11, lines 17 and 18, by striking out the words "water istrict or water districts" and inserting in lieu thereof the words municipal water districts or irrigation districts."

Mr. FERRIS. Mr. Chairman, what does the gentleman seek to accomplish by that?

Mr. MONDELL. Mr. Chairman, will the gentleman yield

to me for a second?

to me for a second?

The CHAIRMAN. Does the gentleman yield?

Mr. ROGERS. Yes; I yield.

Mr. MONDELL. I desire to call the gentleman's attention to the fact that this is simply a definition of the language that occurs on page 2 of the bill, and he can not very well change this language unless he goes back and changes the title of the grantee. The grantee, on page 2 of the bill, beginning with line 10, is thus described:

The city and county of San Francisco and such other municipalities and water districts as, with the consent of the city and county of San Francisco or in accordance with the laws of the State of California in force at the time application is made, may hereafter participate in the beneficial use of the rights and privileges granted by this

Now, the language the gentleman has just read is a defini-tion of that statement in the grant.

Mr. MANN. Mr. Chairman, will the gentleman yield?
Mr. ROGERS. Yes.
Mr. MANN. The gentleman from Massachusetts [Mr. Rogers] is seeking to make the bill conform with itself. Now, the gentleman from Wyoming refers to the language on page 2, when in section 6 the prohibition against selling water is against anyone selling water except a municipality, a water district, or an irrigation district. Now, the gentleman from Massachusetts offers an amendment over here as to the definition of what the word "grantee" means, so as to cover the municipal water district or the irrigation district referred to in section 6.

Mr. MONDELL. Let me suggest to the gentleman that an irrigation district can not be made a grantee under this act unless you change the language on page 2 which I have just read, because that is the language that defines the grantee.

Mr. ROGERS. Under the provisions of section 6 the grantee is permitted to assign to various public institutions, among which are:

A municipality or a municipal water district or irrigation district.

It seems to me that clearly we should have here in section 8 uniformity with the provisions of section 6. It may be that section 6 is wrong, but at all events section 8 should be made to agree with it. The gentleman from Illinois [Mr. Mann] has

stated the case in a nutshell.

Mr. THOMSON of Illinois. The language of section 6, referring to a municipal water district or irrigation district, does not refer to the grantee or a part of the grantee, but to an assignee of the grantee, or a possible assignee, and does not seek to make the municipal water district or irrigation district a grantee of this grant; but it qualifies what the grantee, the city

of San Francisco or the other bay cities, may sell to a municiof San Francisco of the other bay cities, may sell to a municipal water district or irrigation district. It is not a grantee nor does it seek to make it a grantee, but qualifies it as a possible assignee of the grantee.

Mr. ROGERS. Section 8 seems to attempt to include assignees of the grantee within the word "grantee."

Mr. THOMSON of Illinois. Mr Chairman, as I understand section 8, and as I believe we all understood it on the committee, the language of that section does not refer in any way to

tee, the language of that section does not refer in any way to any possible assignee of a grantee, but it is solely a definition of the grantee-

and such other municipalities or water district or water districts-

And that refers to the municipal water districts around the

as may, with the consent of the city and county of San Francisco, or in accordance with the laws of the State of California, come in.

There may be a municipal water district outside of that bay

district that may want to come in as an assignee.

Mr. ROGERS. May there not be irrigation districts?

Mr. THOMSON of Illinois. As an assignee, but not as agrantee. They should not come in as grantees, but they

ought to be permitted to come in as assignees if they wish to.

Mr. FRENCH. As a matter of fact the only irrigation districts that will draw water or will be benefited in any way will be the Turlock and Modesto, which are already in possession of a water system that will furnish them abundant water.

Mr. ROGERS. I am free to say that I see no sufficient explanation of the divergence in the text between the language of section 8 and the language of section 6. If there is any explanation I should be glad to withdraw the amendment.

Mr. THOMSON of Illinois. They refer to two different

things.

Mr. RAKER. Has the gentleman concluded? Mr. ROGERS. No; but I am glad to yield to the gentleman from California.

Mr. RAKER. The language in section 8 provides-

That the word "grantee" as used herein shall be understood as meaning the city and county of San Francisco and such other municipalities or water district or water districts as may, with the consent of the city and county of San Francisco or in accordance with the laws of the State of California, hereafter participate in or succeed to the beneficial rights and privileges granted by this act.

Now, those who can participate under the bill would be the city and county of San Francisco and some 10 cities comprising the bay district outside of the city and county of San Francisco, and the only irrigation districts which can qualify under cisco, and the only irrigation districts which can quality under the laws of the State of California are down in the San Joaquin or up in the Sacramento Valley. They could not come in under this bill. They are not a part of this water district. Mr. ROGERS. Are there not irrigation districts that may be

comprehended, or desire to be comprehended, within the pro-

visions of section 8?

Mr. RAKER, No; they could not, and it would not be right; because another provision of the bill contains the express condition that the water taken from the Tuolumne River or this watershed can never be conveyed out of the watershed, except that which is needed for San Francisco for domestic purposes, so as to leave the remainder of the water that may be in this watershed to be utilized in that San Joaquin Valley, where there are in the neighborhood of 7,000,000 acres of land. This is for that purpose and that alone, and does not relate to the same ones provided for in section 7.

The CHAIRMAN. The question is on the amendment offered

by the gentleman from Massachusetts.

The question was taken, and the amendment was lost. The Clerk, proceeding with the reading of the bill, read as follows:

SEC. 9. That this grant is made to the said grantee subject to the observance on the part of the grantee of all the conditions hereinbefore and hereinafter enumerated:

(a) That upon the completion of the Hetch Hetchy Dam or the Lake Eleanor Dam, in the Yosemite National Park, by the grantee, as herein specified, and upon the commencement of the use of any reservoirs thereby created by said grantee as a source of water supply for said grantee, the following sanitary regulations shall be made effective within the watershed above and around said reservoir sites so used by said grantee:

the provisions of this grant, or in the streams leading thereto, within one mile of said reservoir; or, with reference to the Hetch Hetchy Reservoir, in the waters from the reservoir or waters entering the river between it and the "early intake" of the aqueduct, pending the completion of the aqueduct between "early intake" and the Hetch Hetchy

the provisions of this grant, or in the streams leading thereto, within one mile of said reservoir; or, with reference to the Hetch Hetchy Reservoir, in the waters from the reservoir or waters entering the completion of the aqueduct between "early intake" and the Hetch Hetchy and the Agent of the Server of the Completion of the aqueduct between "early intake" and the Hetch Hetch Hetch and the said grantee. The said grantee insufficient of the Secretary of the Interior, shall be defrayed by the said grantee. Said grantee insufficient to protect the purity of the water supply, then the said grantee shall install a filtration plant or provide other means to guard the purity of the water. No cot the said grantee as to the use of the watershed by campers, tourists, or the vater supply, then the said grantee shall install a filtration plant or provide other means to guard the purity of the water. No cot the said grantee as to the use of the watershed by campers, tourists, or the company of the said grantee as to the use of the watershed by campers, tourists, or the company of the said grantee as to the use of the watershed by campers, tourists, or the company of the said grantee and the Turkock irrigation district as now constituted under the laws of the State of California, or as said districts may be hereafter enlarged to contain in the aggregate not to constitute under the laws of the State of California, or as said districts may be hereafter enlarged to contain in the aggregate not to the company of the produce of the Turkound River, measured at the La Grange Dam, whenever the said grantee shall release free of charge, out of the natural duly flow of the stream of charges of the Turkound and the stream of the said ringation districts and the said grantee was the aggregate duly natural flow of the watershed to water out of the natural duly flow of the stream of the said ringation districts and include the said grantee shal

RECORD—HOUSE.

SEPTEMBER 2,

Tholumne River or its tributaries which he may designate, and fit the such the first with the many designate, and fit the such the first with the many the first with the such that the

be prescribed by the Secretary of the Interior. Said grantee shall have the right to build and maintain such other necessary roads or trails through the public lands, for the construction and operation of its works, subject, however, to the approval of the Secretary of Agriculture in the Stanislaus National Forest, and the Secretary of the Interior in the Yosemite National Park. The said grantee shall further lay and maintain a water pipe, or otherwise provide a good and sufficient supply of water for camp purposes at the Meadow, one-third of a mile, more or less, southeasterly from the Hetch Hetchy Dam site.

That all trail and road building and maintenance by the said grantee in the Yosemite National Park and the Stanislaus National Forest shall be done subject to the direction and approval of the Secretary of the Interior or the Secretary of Agriculture according to their respective jurisdictions.

(q) That the said grantee shall furnish water at cost to any authorized occupant within 1 mile of the reservoir, and in addition to the sums provided for in section 7 it shall reimburse the United States Government for the actual cost of maintenance of the above roads and trails in a condition of repair as good as when constructed.

(r) That in case the Department of the Interior is called upon, by reason of any of the above conditions, to make investigations and decisions respecting the rights, benefits, or obligations specified in this act, which investigations or decisions involve expense to the said Department of the Interior, then such expense shall be borne by said grantee.

(s) That the grantee shall file with the Secretary of the Interior, within six months after the approval of this act, its acceptance of the terms and conditions of this grant.

(t) That the grantee herein shall convey to the United States, by proper conveyance, a good and sufficient title free from all liens and encumbrances of any nature whatever, any and all tracts of land which are now owned by said grantee within the Yosemite Nationa

During the reading of the foregoing section the following occurred:

Mr. MONDELL. Mr. Chairman, I offer the following amend-

The CHAIRMAN. The gentleman will wait until the reading of the section is completed.

Mr. MONDELL. I am inclined to think, Mr. Chairman, that

the amendment is in order at this point. The CHAIRMAN. The bill is being considered by sections, and unless otherwise ordered by the committee the whole sec-

tion will be read.

Mr. MONDELL. Under the parliamentary rules, the bill should be considered and be open for amendment when a complete substantive proposition has been read. This section contains some five or six complete propositions, each separate and apart from the other.

Mr. MANN. I take it that there will be ample opportunity for amendment after the reading of the section is completed.

Mr. MONDELL. I think we ought to clean up the matter as

we go along. An amendment will probably be offered to something entirely dissimilar at the close of the reading of the sec-

Mr. FERRIS. I hope the gentleman will not ask a consideration of amendments until the section is completed. can go back and take up the amendments.

Mr. MONDELL. I am inclined to think that it will expedite matters. I am sure it is in accordance with the usual rule of

Mr. MURRAY of Oklahoma. The Chairman can ask if there is an amendment to the first paragraph, and so on, and go through them in that way.

Mr. MONDELL. I would like to have the Chair rule. the Chair is going to exclude my amendment at this point, I would like to know it.

The CHAIRMAN. The Chair will rule that the bill is being read by sections, and that an amendment is not now in order.

Mr. MONDELL. I want to say that that is not in accordance with the ordinary practice of the House.

Mr. MANN. I think it is difficult to state what the practice

of the House is. I can remember no instance like it. I think the Chair's ruling is sustained.

Mr. MONDELL. I think we have had many cases of this kind. If the gentleman from Illinois takes the position that a section covering 20 pages, with numerous substantive proposi-

tions, should be considered as one, he is standing for a danger-

ous proposition.

Mr. MANN. I thought so myself, and therefore I did not

desire the gentleman to insist on a ruling.

The CHAIRMAN. The Chair will say that appropriation bills are read by paragraphs, but as a rule bills of this character are read by sections, and that an amendment is not now in order. The Clerk will complete the reading of the section.

The Clerk completed the reading of the section.

Mr. MURRAY of Oklahoma. Mr. Chairman, I offer the following amendment to the first paragraph.

The Clerk read as follows:

Page 11, line 24, after the word "enumerated," insert:

"And upon the violation of the grantee of any of said conditions all the title, easements, and franchises, together with all appurtenances thereunto belonging granted by this act, shall revert to the United States"

Mr. MURRAY of Oklahoma. Mr. Chairman, I understand the members of the committee are willing to accept the amendment.

and I do not care to discuss it.

Mr. MANN. Mr. Chairman, if the committee is satisfied with that amendment, I should think it would be wiser to leave it out and put in the usual provision that Congress reserves the right to alter, amend, or repeal. To say that San Francisco, after it has expended \$75,000,000 or \$100,000,000, forfeits its entire right because, for instance, it should ask for additional rules or restrictions, seems to me to be going the limit.

Mr. MURRAY of Oklahoma. I do not understand that the

sanitary rules are really a part of the conditions of this bill.

Mr. MANN. The first thing that follows the gentleman's language here are the sanitary rules.

Mr. MURRAY of Oklahoma. No, sir. Mr. MANN. I beg the gentleman's pardon.

Mr. MURRAY of Oklahoma. The bill reads as follows:

That this grant is made to the said grantee subject to the observance on the part of the grantee of all of the conditions hereinbefore and hereinafter enumerated.

Mr. MANN. Then the gentleman's amendment follows, and then the next conditions are the provisions about the sanitary regulations. One of those conditions is that no other sanitary rule or restriction shall be demanded by or granted to the said If, under the gentleman's amendment, strictly congrantee. strued, these people should come to Congress and ask that there be a change made in this bill as to sanitary regulations, it would cause a forfeiture of the entire plant. Of course it probably would not be done, but that is the effect of the gentleman's amendment.

If it is the intention for Congress to reserve complete control over this and not give an absolute, fixed right upon which the city may borrow money, the best way to do it, it seems to me, would be to insert the ordinary provision that Congress reserves the right to alter, amend, or repeal. Then if they violated the provisions of the act so that there is substantial violation, it is within the control of Congress.

Mr. KENT. Mr. Chairman, I ask unanimous consent to have

the amendment again reported.

The CHAIRMAN. Without objection, the Clerk will again report the amendment.

There was no objection, and the Clerk again reported the amendment.

Mr. KENT. Mr. Chairman, it seems to me that this amendment, which means well, is altogether too severe. We know perfectly well that a city government may or may not be corrupt. Under as drastic an amendment as that proposed one rotten administration lasting two years in San Francisco might forfeit all those rights. San Francisco has just passed through an administration that would have wrecked the town for the purpose of boosting the present local water company, and I do not think the amendment should be so drastic. I think that all public rights are properly safeguarded in the bill as it now

Mr. MURRAY of Oklahoma. Mr. Chairman, I want to say in the beginning that I regard this measure as an enterprise the most gigantic in point of possibility ever enacted by Congress. I shall be pleased to vote for this bill with such regula-tion as to make it safe under the grant, but I would not vote for this bill, whatever may be in it, unless there is some condition that will force the State of California to obey the rules under which the grant is made. As a lawyer sitting in my office, if a client should hire me to draw a contract covering a piece of land, I would feel it to be my duty to write every

condition with a condition of forfeiture. That is the only way you can enforce it.

Let us analyze what would result from this amendment. This amendment provides that "the easements, franchises granted by this act," and so forth. I purposely worded that so as not to include the property. Suppose there should be a violation.

The first thing that could be done would be to throw this into the hands of a receiver, because the property would not revert. That would give the State of California, the city and county of San Francisco, an opportunity to perform the obligations of the contract, and the result would be that they would regain all those franchises, because the property never passes. It is absurd to contend that it is sufficient when you say to a city, "I give this to you upon conditions." If you intend to enforce those conditions you must have something that will cause the property to revert. 'We stand here as attorneys representing the people of the United States, making a grant to a city and a county of a certain State, and I say that it is a wise one. I believe in it, but in order to enforce it it must have some condition of forfeiture, and that condition must lie to every provision. I would not insist, in other words, that the language should not be amended so as to except the sanitary I do not understand that the sanitary regulations are a part of the grant, but I would be willing to have my amendment so modified that every condition of this grant shall work a forfeiture upon violation except as to sanitary regula-I think that is the effect of it after all, and it occurs to me that Members of this House representing the people, as they do, would want to make such provision as would put the people of California on the alert all of the time to do their duty.

Mr. McKENZIE. Mr. Chairman, will the gentleman yield?

Mr. MURRAY of Oklahoma. Certainly.

Mr. McKENZIE. I would like to ask the gentleman from Oklahoma what effect his amendment would have upon the taxpayers of the city of San Francisco in case the amendment were adopted and the Government undertakes to forfeit this What would be the position of the taxpayers of San franchise. Francisco that have paid for this improvement?

Mr. MURRAY of Oklahoma. The property, understand, under this amendment, does not revert. It is only the rights granted under this act, under the amendment, that I submit.

The taxpayers can save themselves by performing the contract pending the throwing of the enterprise into the hands of a receiver in the Federal court. I do not understand that the Government could act contrary to this, because the property would not revert under the amendment.

Mr. McKENZIE. Let me ask the gentleman what advantage is it to the Government to have this amendment put in the

Mr. MURRAY of Oklahoma. So that the Government would have an easy and legal way of compelling performance.

Mr. MANN. May I ask the gentleman a question?

The CHAIRMAN. The time of the gentleman has expired.

Mr. MANN. Well, I have the floor now. Here is a bill pending that would grant the right to dam the Hetch Hetchy Valley. Mr. MURRAY of Oklahoma. So I have heard.

Mr. MANN. If that right reverts to the Government of the United States, the right granted here is ended.

Mr. MURRAY of Oklahoma. Ask the question again. Mr. MANN. If under the gentleman's amendment the right to dam the Hetch Hetchy Valley reverts to the Government of the United States, that right is ended.

Mr. MURRAY of Oklahoma. That right would end provid-

ing it reverts before the building.

Mr. MANN. Oh, no; reverting after the building at any time; that ends it. There is no authority granted by Congress to the Government to build a dam or maintain a lake there. That is ended if this right reverts to the Government of the United States. I do not know whether anybody would go and blow up the dam or not, but the Government officers, if

Mr. MURRAY of Oklahoma. The gentleman from Illinois will understand that if the dam should be blown up that would be an act the people of California would not be liable for under

the law.

Mr. MANN. If a Government officer goes and blows it up, the right reverts to the United States, because the Government officer has no right to maintain a dam there.

Mr. MURRAY of Oklahoma. A Government officer will never act contrary

Mr. MANN. Oh, well, the gentleman admits his amendment will not amount to anything.

Mr. MURRAY of Oklahoma. I am arguing that if the people of the city and county of San Francisco are so negligent as to go to the extent of permitting a suit to be filed by the Attorney General and then a receiver to be appointed that they will continue to neglect to perform the duty-

Mr. MANN. Oh, the gentleman's amendment proposes that when a thing happens the right ceases. That is an accom-

plished fact.

Mr. MURRAY of Oklahoma. Now, the gentleman ought to draw a difference between revert and escheat.

Mr. MANN. I am drawing a difference.

Mr. MURRAY of Oklahoma. There is a distinction.

Mr. MANN. There is no distinction in this country as to a governmental grant-not the slightest. Now, the gentleman proposes when a fact happens then the other fact is accomplished and the right has reverted to the Government of the United States. It is true it might take a decree of the court to sustain-

Mr. MURRAY of Oklahoma. Certainly it would.

Mr. MANN. But the fact has been accomplished. Now here is a provision that certain rights shall be granted to certain irrigation districts. In all probability it is not improbable there will be some litigation between those districts and San Francisco as to what those rights are. It would be strange if a bill should be passed out of which litigation could not arise, and the courts would enforce those rights in those irrigation districts under the act without attempting to destroy the rights which have been granted.

Mr. MURRAY of Oklahoma. Let me make this suggestion by asking the gentleman a question. The gentleman from Illinois realizes that no act of Congress can deny the people of the State

and county, the grantee, the right to have its day in court.

Mr. MANN. Oh, an act of Congress can do it, but the gentle-

man's amendment does not do it.

Mr. MURRAY of Oklahoma. The gentleman is not insisting for a moment that Congress can cut off its day in court?

Mr. MANN. Why, certainly we can say that if the Secretary of the Interior shall find so and so that that shall be the end of it, and we frequently and usually do.

Mr. MURRAY of Oklahoma. It is a new principle of law that any municipality or any corporation or any individual, natural or artificial, can not have its day in court.

Mr. MANN. It is a principle of law that Congress in granting a right can grant it on conditions and provide for its ending as it pleases, regardless of courts.

Mr. MURRAY of Oklahoma. It can, but it is not so provided

in this amendment.

Mr. MANN. I understand that. Mr. MURRAY of Oklahoma. If the gentleman will agree that every individual has his day in court under our Constitution, and if that be true the Attorney General would proceed against the city and the county of San Francisco. The property is owned by the city. That would necessarily compel the appointment of a receiver. Pending the trial for the violation of the grant, when that was done, immediately they would perform the obligations of the grant.

Mr. MANN. It would be too late.

Mr. MURRAY of Oklahoma. No; it would not be too late. Mr. MANN. They forfeited the right whenever the act

Mr. MURRAY of Oklahoma. It is the object of the court to make performance when it is expressed in general terms. will suggest to the gentleman from Illinois [Mr. MANN] that he would not write a contract, or would not hesitate to write a contract for a client that did not put a condition of forfelture upon the grantee.

Mr. MANN. If the gentleman will permit, as attorney for municipalities I have written a good many contracts, and never endeavored to give the other fellow the slightest show on earth. I never did. But we are dealing with a municipal corporation now, and ought to deal on different terms than we would with

a private party.

Mr. TAYLOR of Colorado. Mr. Chairman, we ought to consider that we are not dealing with a private corporation that might try to speculate in and abuse the rights granted. We are dealing with a large number of the people of this country, 8 or 10 large and growing cities, and why should we jeopardize their rights by drastic and unnecessary conditions? Why should anyone want to permit some little technicality to forfeit those very important rights? Why should Uncle Sam want to even jeopardize them?

Why should we put a cloud on the title and bring about such a condition that the city could not float their bonds? It seems to me that we ought not to insert a needless possibility of

forfeiting the property of these people. It seems to me that section 6 is broad enough, and with the amendment put in by the gentleman from Arkansas [Mr. Taylon] the other day we have gotten San Francisco hedged about now as much as it is reasonably possible for us to do in any degree of fairness. If they do not diligently construct the work, they forfeit every-thing. We do not want to hand San Francisco a gold brick, something they can not handle or get anything out of without coming back to Congress again. Let us treat them in good faith. [Applause.] When we provide that any attempt to sell or alienate or speculate in any way shall work a forfeiture, for heaven's sake, let us not add a clause so that if a horse takes a drink out of a creek or some one uses a little water or does something it may afford an excuse for some superserviceable United States attorney to jump in and declare forfeiture. I want to give San Francisco in good faith a good waterworks system, a good title to it. We want to give them as near as possible a fee simple title to the lands and rights of way. want to give them the right to put that 300-foot dam on a piece of Government land, the right to furnish pure water to the city, and a right to sell to its inhabitants this electric energy.

I feel that while any ordinary forfeiture in preventing any sale, transfer, or "skullduggery," or anything of that kind is all right, the conditions imposed by this amendment are not fair to San Francisco. And I think if the gentleman from Oklahoma [Mr. Murray] will stop and look at it he will see that he is endeavoring to enact a proposition here which, if carried out, would or might render this whole act a nullity and

useless

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma [Mr. MURRAY].

Mr. MURRAY of Oklahoma. Mr. Chairman, I ask unanimous

consent to add three words to my amendment.

The CHAIRMAN. The Clerk will report the change.

The Clerk read as follows:

By inserting "except sanitary regulations" after the word "conditions

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma [Mr. MURRAY].

The question was taken, and the Chair announced that the noes seemed to have it.

Mr. MURRAY of Oklahoma. Division, Mr. Chairman.

The committee divided, and there were-ayes 5, noes 33.

So the amendment was rejected.

· Mr. MURRAY of Oklahoma. Mr. Chairman, I offer another amendment.

The CHAIRMAN. The gentleman from Oklahoma [Mr. MURRAY] offers a further amendment, which the Clerk will

Mr. MURRAY. It is to come in right at the same place. will state, Mr. Chairman, that that is taken from Mr. Mondell's

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Oklahoma [Mr. MURRAY].

The Clerk read as follows:

Amend, page 11, at the end of line 24, by adding:

"That the conditions of the grant made herein shall be enforceable, and that the rights and privileges of the said grant may be canceled in whole or in part on the failure of the grantee to comply with the terms and conditions thereof, on notice by the Secretary of the Interior, in accordance with the judgment of any court of competent jurisdiction, in a suit brought by the United States or any party in interest."

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Oklahoma [Mr. MURRAY]. The question was taken, and the Chairman announced that the

seemed to have it.

Mr. MURRAY of Oklahoma. A division, Mr. Chairman. The committee divided; and there were-ayes 16, noes 27.

So the amendment was rejected.

Mr. MONDELL. Mr. Chairman, I offer an amendment. The CHAIRMAN. The gentleman from Wyoming [Mr. Mon-DELL] offers an amendment, which the Clerk will report.

Mr. MURRAY of Oklahoma. Mr. Chairman, I desire to ask the gentlemen over there if they have a substitute to offer for this provision? I make the point of order, Mr. Chairman, that there is no quorum present. I am not going to vote for a bill like this, containing that kind of a proposition.

Mr. BRYAN. Let the gentleman reserve his point of order

until we get to a vote.

Mr. MURRAY of Oklahoma. All right.

The CHAIRMAN. Does the gentleman reserve it or make it? Mr. BRYAN. I suggest, Mr. Chairman, that the gentleman from Oklahoma reserve his point of order until we get nearer to a vote.

The CHAIRMAN. Does the gentleman reserve it?

Mr. MURRAY of Oklahoma. I do not reserve the point of order. I make the point of order.

Mr. MANN. We might as well have a roll call now as at any other time.

The CHAIRMAN. The Chair will count. [After counting.] Eighty-five Members are present-not a quorum. The Clerk will call the roll.

The Clerk began the calling of the roll.

Mr. MURRAY of Oklahoma. Mr. Chairman, I would like to ask if this would give me a record vote?

The CHAIRMAN. The gentleman has no right to interrupt the roll call. The Clerk will proceed.

The Clerk proceeded to call the roll, when the following Members failed to answer to their names:

Abercrombie Dunn Keating Kelley, Mich. Kennedy, Conn. Kennedy, R. I. Aiken Ainey Alexander Anderson Eagan Eagle Edmonds Kennedy, R. I. Key Kindel Kinkaid, Nebr. Knowland, J. R. Kreider Estopinal Fairchild Falconer Farr Ansberry Anthony Baker Barchfeld Barkley Bartholdt Lafferty La Follette Langley Finley FitzHenry Fordney Bartlett Fowler Lazaro Fowler
Francis
Frear
Gardner
Garrett, Tenn.
George
Gerry
Gillett
Gilmore
Gttfins Lee, Ga. Lee, Pa. L'Engle Lenroot Bathrick Beall Bowdle Bremner Brodbeck Broussard Brown, N. Y. Browne, Wis. Lesher Lewis, Md. Lewis, Pa. Lieb Browning Bruckner Brumbaugh Buchanan, III. Logue Lonergan McCoy McDermott Gittins Godwin Goeke Goldfogle McDermott
McGillicuddy
McGuire, Okla.
McKellar
Mahan
Maher
Manahan
Martin
Merritt
Metz. Butler Byrnes, S. C. Calder Callaway Campbell Good Gordon Goulden Graham, Ill. Graham, Pa. Green, Iowa Gregg Griest Griffin Cantrill Caraway Carew Carr Carter Gudger Hamill Miller Moon Morgan, La. Morgan, Okla, Morin Moss, W. Va. Mott Hamilton, Mich. Hamilton, N. Y. Hamlin Casev Chandler Clancy Cline Harrison, N. Y. Connelly, Kans. Hart Murray, Mass. Neeley Nelson Copley Cramton Haugen Hawley Hayden Helvering Crosser Curley Nolan, J. I. O'Brien Henry Hill Hinds Dale Danforth Dávis Dershem Oglesby O'Hair O'Leary Hobson Hoxworth Hughes, W. Va. Humphreys, Miss. O'Shaunessy Difenderfer Padgett Page Palmer Parker Patten, N. Y. Patton, Pa. Dixon Donohoe Igoe Johnson, S. C. Dooling Doughton Driscoll

Phelan Porter Powers Quin Rainey Reilly, Conn. Richardson Riordan Roberts, Mass. Roberts, Nev. Roddenbery Rothermel Rucker Saunders Scully Seldomridge Shackleford Sharp Sherley Sherwood Shreve Slayden Small Smith, Samuel W. Smith, N. Y. Sparkman Stanley Stevens, Minn. Stout Sutherland Switzer Taggart
Talbott, Md.
Taylor, N. Y.
Thacher
Towner Townsend Treadway Tribble Tribble Underhill Vare Vaughan Walker Wallin Walsh Weaver Webb Whaley Whitacre White Wilder Wilson, N. Y. Winslo Woodruff

The committee accordingly rose; and the Speaker having resumed the chair, Mr. Foster, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee having had under consideration the Hetch Hetchy bill (H. R. 7207), finding itself without a quorum, he had directed the roll to be called, when 208 Members, a quorum, answered to their names, and that he reported the names of the absentees to

The SPEAKER. A quorum being present, the committee will resume its sitting.

The House accordingly resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the Hetch Hetchy bill (H. R. 7207), with Mr. FOSTER in the chair.

Mr. FERRIS. Mr. Chairman, I think there is scarcely any difference in the views of the members of the committee about the amendment offered by my colleague from Oklahoma [Mr. MURBAY]. Some of us thought his amendment was too drastic, some thought there should be no amendment at all. I think the gentleman from California [Mr. RAKER] has an amendment which will accomplish all that the gentleman from Oklahoma seeks to accomplish, and will at the same time not render the bill nugatory in any way, and I yield to him for the purpose of offering that amendment.

Mr. RAKER. I offer the following amendment. In effect it is a substitute for that of the gentleman from Oklahoma, but

it goes in at another place.

The CHAIRMAN. The Clerk will report the amendment. The Clerk read as follows:

On page 25, after line 18, change the period after the word "matter" to a colon and add the following:

"Provided, however, That the grantee shall at all times comply with and observe on its part all the conditions specified in this act, and in the event that the same are not reasonably complied with and carried out by the grantee, upon written request of the Secretary of the Interior, it is made the duty of the Attorney General, in the name of the United States, to commence all necessary suits or proceedings in the proper court having jurisdiction thereof for the purpose of enforcing and carrying out the provisions of this act."

Mr. MURRAY of Oklahoma. Mr. Chairman, that amendment

is satisfactory to me.

Mr. MANN. What became of the amendment of the gentle-

man from Oklahoma?

The CHAIRMAN. The amendment of the gentleman from

Oklahoma was rejected.

Mr. MANN. I did not know whether the point of no quorum

was made at the time of the taking of the vote or not.

The CHAIRMAN. The result of the vote was announced some little time before the gentleman made the point of no quorum. The Chair will ask whether in this amendment there is a comma after the phrase "upon written request of the Secretary of the Interior"?

Mr. RAKER.

Yes. There should not be. Mr. BRYAN.

Mr. RAKER.

There should be. That is the intention. The written request of the Secretary of the Mr. BRYAN. Interior should apply to what follows, and not what goes before.

Mr. RAKER. That is the purpose of it.

Then there should be no comma. Mr. BRYAN.

Mr. RAKER. I will consent to striking out the comma. I want to say that on page 24, in lines 13, 14, and 15, subdivision S of section 9, it is made the duty of the city and county of San Francisco to file a written acceptance of this Unless it does file a written acceptance of the grant, the grant is inoperative and the city and county of San Fran-

cisco get nothing.

The provision just offered eliminates all objections that have been made by gentlemen as to the reversionary clause, and makes it the duty of the Attorney General of the United States, upon written request of the Secretary of the Interior, to commence suit in the proper court to enforce all of these conditions and contracts between the city and county of San Francisco and the United States, so there can be no question but that every provision not attempted to be complied with can be enforced by the United States against the city and county of San Francisco.

Mr. FERRIS. Mr. Chairman, I ask unanimous consent that after five minutes the debate on this amendment be closed.

The CHAIRMAN. The gentleman from Oklahoma asks

unanimous consent that debate on this amendment be closed in five minutes. Is there objection?

Mr. BRYAN. Reserving the right to object, I want one

minute in which to straighten out the matter of the punctuation of this amendment.

Mr. FERRIS. Then make it six minutes.

The CHAIRMAN. The gentleman from Oklahoma asks that at the end of six minutes debate on this amendment be closed. Is there objection?

There was no objection.

Mr. STEENERSON. Mr. Chairman, I desire to call attention to the fact that the amendment proposed by the gentleman from California makes it very easy for the grantee in this act to violate its terms. If this amendment were not inserted and there were a breach in the conditions of the grant, by force of the common-law procedure and practice the Attorney General could bring a suit for forfeiture for violation of those condi-But this amendment limits the right of the Attorney General to bring a suit not of forfeiture, which ought to be the penalty for violating the conditions of the grant, but a suit to enforce the provisions of the grant. That is a very shrewdly drawn amendment. It is drawn so as to avoid responsibility on the part of the grantee to perform the conditions inserted in the grant.

The CHAIRMAN. The Chair desires to call the attention of the gentleman from California [Mr. RAKER] to the fact that he has the word "matter" in here, which should be "manner."

Mr. RAKER. That is a mistake of the typewriter, and I ask unanimous consent to change it to "manner."

The CHAIRMAN. Without objection, the modification will be made.

There was no objection.

The question was taken, and the amendment offered by Mr. RAKER was agreed to.

Mr. MONDELL. Mr. Chairman, I move to strike out all of page 12, and page 13 down to and including line 11, and insert the amendment which I send to the Clerk's desk.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

The Clerk read as follows:

Strike out all of page 12, and page 13 down to and including line 11, and insert in lieu thereof the following:

"That it shall be the duty of the officers of the United States having supervision of the national forest and national park on and over which the said right of way shall be located to establish, maintain, and enforce such regulations affecting the use of the said national forest and national park as will reasonably protect said water supply from contamination by such use: Provided, That such sanitary regulations shall not be of such character as to deprive the public of the use and enjoyment, in a reasonable and proper way, of the said national park or national forest, and the grantee shall pay the cost of enforcing said sanitary regulations."

Mr. MANN. Mr. Chairman, I offer a preferential amend-

The CHAIRMAN. The Clerk will report it.

The Clerk read as follows:

Page 12, line 14, strike out the period after the word "purified" and insert the words "or destroyed."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois.

The question was taken, and the amendment was agreed to. Mr. MANN. Now, Mr. Chairman, in line 16, I would suggest that after the word "utensils" the word "or" be inserted, and after the word "stock" the word "in" be inserted, and that a comma be inserted after the word "pollute."

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 12, line 16, after the word "utensils" insert the word "or," nd after the word "stock" insert the word "in," and after the word pollute" insert a comma.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois.

The question was taken, and the amendment was agreed to. Mr. FERRIS. Mr. Chairman, I ask unanimous consent that at the end of five minutes debate shall close on this amendment.

The CHAIRMAN. The gentleman from Oklahoma asks that all debate on this amendment be closed in five minutes. Is there objection?

There was no objection.

Mr. MONDELL. Mr. Chairman, my amendment proposes to strike out all of the sanitary regulations contained in the bill and to substitute the language which I have sent to the Clerk's desk and which has been read. I think that anyone who has read the sanitary provisions contained in the bill will admit that they are likely to be entirely ineffectual. They were placed in the bill, as I understand it, in the form in which they are because certain gentlemen insisted that if proper sanitary regulations were enforced on the watershed it would have the effect to prevent the public from properly and reasonably enjoying the use of the region. Therefore these which appear to me rather ridiculous provisions in regard to sanitation were provided, and it is further provided that they can never be changed or amended.

Congress in the language stricken out solemnly promises that it never will at the request of San Francisco or on its own motion provide any other sanitary regulations, no matter how inadequate these regulations may prove to be. It seems to me a mere statement of the situation is sufficient to convince anyone that these regulations are not what they ought to be. I provide-and I make it a part of the grant-that the officers having charge of these watersheds shall enforce reasonable and proper sanitary regulations, provided those regulations shall not be of a character to deny the public the reasonable use of the territory

The CHAIRMAN. The question is on the amendment offered

by the gentleman from Wyoming.

The question was taken, and the amendment was rejected. Mr. CURRY. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Page 18, line 17, after the word "districts" insert the words "And to the Tracy irrigation district, comprising 63,000 acres."

Also, on page 18, line 18, strike out the words "either or both" and insert in lieu thereof the words "any and all of."

Mr. FERRIS. Mr. Chairman, I ask unanimous consent that debate on the pending amendment close in 10 minutes-5 minutes to be consumed by the gentleman from California and 5 minutes by the committee.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. CURRY. Mr. Chairman, this amendment definitely recognizes and fixes the legal right of the Tracy irrigation district to be supplied with power at a reasonable cost by San Franclsco from the Hetch Hetchy source. The Tracy irrigation district is legally organized under the laws of the State of California, its officers have been elected, its papers are filed, the money has been subscribed, and nearly all of the acreage has been signed up. It proposes to irrigate 63,000 acres of land in San Joaquin County on the west bank of the San Joaquin The district extends from Grayson on the south to the Alameda County line on the north. It has been estimated it would take 500 second-feet of water to irrigate this land, and the Tracy irrigation district asks that San Francisco be required at a reasonable cost to supply it with the power necessary to do the pumping of the water onto the land. Every acre of land that is tributary to the watershed of the Hetch Hetchy is entitled naturally and legally to its share of water and power from that source.

Mr. RAKER. Mr. Chairman, will the gentleman yield?

Mr. CURRY. Yes.

Mr. RAKER. Has this district ever made any water filings? Mr. CURRY. It is located on the San Joaquin River and has riparian rights.

Mr. RAKER. When was the district formed? Mr. CURRY. It started to organize more than three months ago. When I appeared before the committee in June the organization had not been completed, and that is about two and a half months ago.

Mr. RAKER. And this bill was pending while this company has gone on and organized, hoping to get the benefits of the bill. Mr. CURRY. Oh, no. It would have organized whether the bill was passed or not. This district is just as much entitled to power as the other two districts that have been included. We are not asking for water. We are asking for power from the Hetch Hetchy. The Hetch Hetchy is the last unappropriated power site in that portion of the San Joaquin Valley. We are not asking for the water but for the power to pump the water. If gentlemen will turn to page 17 of the bill and read division H they will see that the committee has recognized the fact that every irrigable acre is entitled to its share of that water. The bill provides:

(b) That the said grantee shall not divert beyond the limits of the San Joaquin Valley any more of the waters from the Tuolumne water-shed than, together with the waters which it now has or may hereafter acquire, shall be necessary for its beneficial use for domestic and other municipal purposes.

San Francisco will not need one-quarter of the electrical power that can be developed from the Hetch Hetchy, and it will not need over 50,000,000 gallons of water for its own municipal use in addition to what it can supply from its own present resources. We want San Francisco, with the help of these other municipalities and irrigation districts, to develop the surplus as rapidly as it can be used by irrigation districts, and other municipalities, and under the laws of the State of California and the decisions of the Supreme Court of California an irrigation district is recognized as a quasi municipality. We want to be treated on exactly the same footing as you have treated the others. We are not asking of San Francisco something for We want to pay our share of the interest on bonds and of the sinking fund to redeem those bonds, and our share of the maintenance and construction of the plant. We want to be treated on an equality with the Modesto and Turlock irrigation districts.

Mr. FERRIS: Mr. Chairman, I appreciate the predicament which the gentleman's constituency is in and which the gentleman himself is in. I have talked to him about it and I have talked to Mr. Dennett, who appeared before the committee on behalf of another scheme. Naturally when it looked as if this bill would pass those people out there that had no prescribed rights under the law began to hustle themselves together, and each group of them formed some sort of a district and tried to have themselves declared "in" so they might be included in on this bill. Now, San Francisco returns to the river bed of the Tuolumne River every bit of the water that was naturally flowing there, or in other words the natural flow of the stream. All they are doing is to corral the water from the mountains and the flood waters and melting snows, and the committee went into that very carefully and decided that we could not let in any more of these propositions where they did not have

prescribed legal rights. We have taken full care of the Modesto and Turlock irrigation people who have prescribed rights, who had prior rights. We were especially careful not to affect any of their prescribed rights, but I think the gentleman from California [Mr. Curry] will admit and the gentleman from California, Mr. Dennett, not a Member of the Congress, but a lawyer sent here from some outside sources, did make statements which amounted to an admission of the fact that they had no prescribed rights, that their rights were cooked up and thrown together after this bill was taken up for consideration, and while I know the gentleman would like to have more water and more power and would like to have San Francisco bound down to give them more water and more power I believe that the committee has gone as far as it can and I hope the House will support the committee.

Mr. CURRY. Mr. Chairman, San Francisco is not being asked to give the Tracy district water. The Tracy district is as much entitled to power as the other two districts you are including. The other two districts have water rights, not power

rights, and they are entitled to the water.

Now, we do not want any of the power San Francisco needs. After this bill has passed San Francisco will undoubtedly start condemnation proceedings against the United Railroad. If successful she will need considerable of this power. Let her have all the power she wants. She will not need over a quarter of the 115,000 horsepower of electrical energy that can be developed in Hetch Hetchy. What we want is power from the Hetch Hetchy. That is the last unappropriated power site in that section of the San Joaquin Valley. We want to pay what is right, but we want this bill to recognize our legal rights to have that power.

Mr. FERRIS. Let me ask the gentleman a question. Is it not true this company the gentleman refers to, the Tracy irrigation district, was formed after the Hetch Hetchy bill was

introduced and after hearings began?

Mr. CURRY. Nearly every irrigation district in the San . Joaquin Valley has been organized since the Hetch Hetchy bill was first introduced. This project was started 16 years ago, when Mr. Franklin K. Lane was city attorney of San Francisco and I was county clerk, and we were both for it. All I want is to put these irrigation districts on the same footing. irrigation district did not start in the expectation of this bill being before Congress. Mr. Dennett, who is an attorney, came here and stated, of course, that they had no legal water filings and that if we wanted water we wanted to pay for the water.

Mr. FERRIS. If there is any excess power, the gentlemen living in the San Joaquin Valley will, of course, get it under the laws of the State of California and under the State law for this does not disturb vested rights, and in my judgment the people of California have one of the best laws I have ever seen

as to their public utilities commission.

Mr. CURRY. Why not let this district be included in this

Mr. FERRIS. I think we can not include everybody in this bill. Now, we have allowed San Francisco to construct a dam under this bill. The consideration of this bill began three months ago. The Tracy district, the district represented by Mr. Dennett, and I do not know how many more, have organized themselves so as to get some of the special advantages of this bill, and I really hope the gentleman who has been very helpful to us in getting this bill in shape will let it go through as it is, because under the laws of the State of California, through your public utilities commission and under the bill itself, your people can get power on terms that will not be extortionate, but will be reasonable and decent. I hope the gentleman will not insist on this.

Mr. CURRY. There is not any question but what we can compel San Francisco to supply us with power because we have the legal right, but I want my amendment adopted so that we will not be forced to go into the courts to secure our

rights.

Mr. FERRIS. Is it not true that the reason you want this amendment in the bill is because you can float your bonds for your irrigation project?

Mr. CURRY. No, sir. Mr. FERRIS. Well, Mr. Dennett practically admitted before the committee that that was the object.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. CURRY].

The question was taken, and the amendment was rejected. Mr. MONDELL. Mr. Chairman, I offer an amendment. The CHAIRMAN. The gentleman from Wyoming offers an amendment, which the Clerk will report. The Clerk read as follows:

Strike out all of page 13, beginning with line 12, all of pages 14, 15, 16, 17, and all of page 18 down to line 10, and insert the following:

"That the grantee shall, before its maps of right of way are approved, file with the Secretary of the Interior an agreement or adjudication binding all the county and city of San Francisco and those using or claiming the waters to be improved for the purposes of irrigation, relative to their respective rights."

Mr. FERRIS. Mr. Chairman, if the gentleman will pardon me just a moment, I ask unanimous consent that debate be closed at the end of 10 minutes, 5 minutes to be consumed by the gentleman from Wyoming [Mr. MONDELL] and 5 by the

The CHAIRMAN. The gentleman from Oklahoma [Mr. Ferris] asks unanimous consent that debate on this amendment

be closed in 10 minutes.

Mr. MONDELL. Mr. Chairman, reserving the right to object, here is a very important matter. The committee has, contrary to the general, or, at least, the proper practice of the House, read some 8 or 10 pages covering quite a variety of important questions without allowing opportunity for an amendment. I have a number of observations that I desire to make in regard to these matters in addition to offering this amendment, and I should like about 10 minutes on the amendment. I think if I have the 10 minutes I will not care to discuss

this phase of the question further.

Mr. FERRIS. Mr. Chairman, then I ask unanimous consent to close debate in 15 minutes, 10 minutes to be used by the gentleman from Wyoming [Mr. MONDELL] and 5 by the com-

The CHAIRMAN. The gentleman from Oklahoma [Mr. Ferris] asks unanimous consent that debate be closed in 15 minutes, 10 minutes of the time to be controlled by the gentleman from Wyoming [Mr. Mondell] and 5 minutes by himself.

Is there objection? [After a pause.] The Chair hears none.

Mr. MONDELLL. My amendment, Mr. Chairman, strikes out

all that portion of the bill which attempts to apportion the waters which the city of San Francisco proposes to impound between the city and county of San Francisco and certain irrigation claimants. The necessity of an amendment of the kind I offer is very clear, I think, in the minds of all of those familiar with irrigation problems. The gentleman from California [Mr. Curry] has just called attention to the fact that not only is this an attempt to provide by Federal legislation to divide the waters of a California stream between certain claimants, but it forecloses, or attempts to foreclose, the rights of certain other claimants. The gentleman from California said that those on whose behalf he offered his amendment will secure their rights in any avent. Well they will be the control of the con their rights in any event. Well, they will not secure them if there is any virtue in the provision I propose to strike out. They will secure them if these provisions are just so much useless expenditure of printer's ink.

All the gentlemen know that the language I propose to strike out has no force and effect as a matter of Federal statute. It can only be made effective, if it can be made effective at all, by a contract between the city and county of San Francisco and the Secretary of the Interior. I can not refrain from again voicing the regret I expressed the other day that the people of San Francisco and those representing the people of California, generally so jealous of the rights of the State and of the people under their constitution, generally so quick to resent Federal interference with their local affairs, should in legislation of this character attempt to invite Federal jurisdiction over the distribution of the waters of one of the great streams of that State. The Tuolumne River, whose waters are to be impounded, rises and flows to the ocean within the State of California. The stream is not navigable. Therefore the Federal Government has no control whatever over its waters. The gentleman from Michigan [Mr. MacDonald] a few moments ago said we are granting water rights. He is mistaken. These people hold their rights under the laws of the State of California, and all we can do is to give them the right to build a dam and impound these waters and to build a conduit for the purpose of conducting the waters to their city. But because the city of San Francisco and the irrigation districts have had some difficulty in agreeing as to how the water shall be divided and apportioned it is proposed to attempt to do it by Federal enactment, and no one will regret this more in the future than the people of California themselves.

a State stream. You can not do it as a matter of Federal stat-If you can accomplish it in this indirect way, you have established a very unfortunate precedent. If it is effective, the gentleman from California [Mr. Curry], who has just offered his amendment, can scarcely hope that his people will still have their rights and can maintain and enforce them in the courts.

If this legislation can be made effective by the indirect methods of a contract, then the people of the San Joaquin Valley, except as is provided in this bill, can never secure any of the waters from the watershed of the Tuolumne or from the

Tuolumne River.

But that is not all. It is not only an attempt to apportion the waters, but it is an attempt to divide the waters in a way that constitutes an extremely bad bargain for the city of San Francisco, and in my opinion if this can be enforced, and shall be enforced in its entirety, there will come a time when San Francisco will have less water per capita for the increased population that she is to have than she has at the present time. For after providing that they shall recognize the fact that the irrigationists are entitled to the natural flow of the Tuolumne, which means, I assume, the natural flow during the irrigation season, provision is made which seems to give them the "natural flow" of the Tuolumne during the entire year.

What are the waters that are to be impounded in the Hetch Hetchy reservoir except the natural flow of the Tuolumne You have a provision in this bill which if enforced will River? give to the irrigationists all of the natural flow the year round. Before the bill finally passes I hope the gentlemen from Cali-

fornia will examine that carefully.

I call their attention particularly to paragraph d, on page 15, where it says that in addition to other provisions exceedingly difficult to understand—I admit I can not understand them, and yet I may not be as clear of perception as the gentlemen who wrote them-

Mr. MANN. Can not or will not?

Mr. MONDELL. Oh, I have no desire not to understand them. I should be happy to be able to understand them. I will not say there is anyone that does understand them, but I will say I trust, without offense, that that is my opinion.

Now, this in addition to granting them all the flow and the natural flow and the ordinary flow; four or five different phrases are used, and then they have attempted to group all these phrases together and to say they all mean the same thing. If

they do, why not use the same language in each place?

After they have given the irrigationists all the ordinary flow for a number of months and then, in addition to that, all the natural flow through the entire year, if there is anything left for the city of San Francisco it would have to be the dew that falls on the pipes. There would be no water in the river. Here is the way the provision reads:

(d) That the said grantee, whenever the said irrigation districts desire water in excess of that to which they are entitled under the foregoing, shall on the written demand of the said irrigation districts sell to the said irrigation districts from the reservoir or reservoirs of the said grantee such amounts of stored water as may be needed for the beneficial use of the said irrigation districts at such a price as will return to the grantee the actual total costs of providing such stored water.

After having granted them practically all of the water that can be and will be impounded the bill provides that if there shall be any moisture left in the bottom of the reservoir they

shall sell it to the irrigation districts at cost.

I am not surprised that the irrigation districts, looking at the matter simply from the selfish standpoint of attempting to protect themselves, even at the cost of surrender of their sovereignty and their self-government, are willing to subscribe to such a grab. But how anyone acting on behalf of the city of San Francisco can agree to such a division of the water, which in its final analysis gives most of the water to the irrigation districts, I can not understand.

My amendment, Mr. Chairman, is that before this grant shall be effective there shall be filed with the Secretary of the Interior an agreement or adjudication had in accordance with the laws of the State of California, settling and determining the respective rights of the claimants to the water that is to be impounded. That is in accordance with law. It is in accordance with our practice.

The CHAIRMAN. The time of the gentleman from Wyoming

has expired.

As I said the other day, it is proposed to keep the trail hot from here to the Golden Gate with the footsteps of Federal understrappers going out into the imperial State of California to divide among her people to the last bucketful the waters of Mr. FERRIS. Mr. Chairman, I will consume only a minute.

been considered by the committee at any time and it does not bear the department's O. K. or that of anyone connected with the matter. I hope the committee will be sustained in the pro-

visions that are now in the bill.

The CHAIRMAN. The question is on agreeing to the amend-

ment offered by the gentleman from Wyoming [Mr. Mondell].

The question was taken, and the amendment was rejected.

Mr. MANN. Mr. Chairman, I suggest that there should be a comma inserted in page 13, line 17, after the word "land." It is dangerous not to insert it. I ask unanimous consent to insert a comma there

The CHAIRMAN. The gentleman from Illinois [Mr. MANN] asks unanimous consent to insert a comma after the word land," on page 13, line 17. Is there objection?

There was no objection.

Mr. MANN. Mr. Chairman, I move to insert, at page 22, line 8, after the word "such," the word "statutory."

The CHAIRMAN. The gentleman from Illinois offers an amendment, which the clerk will report.

The clerk read as follows:

Page 22, line 8, after the word "such," insert the word "statutory."

Mr. MANN. I take it that that is the purpose intended. Mr. RAKER. That amendment is a good one, and we accept it.

The amendment was agreed to.

The Clerk read as follows:

SEC. 10. That this grant, so far as it relates to the said irrigation districts, shall be deemed and held to constitute a binding obligation upon said grantee in favor of the said irrigation districts which said districts, or either of them, may judicially enforce in any court of competent jurisdiction.

Mr. MANN. Mr. Chairman, my colleague from Illinois [Mr. Thomson] called my attention to the fact that on page 24, line 19, at the beginning of the line, there should be inserted the word "to," so that it will provide that there shall be a conveyance to the United States of any and all tracts of land, and so forth. I ask unanimous consent to insert in page 24, line 19, at the beginning of the line, the word "to."

The CHAIRMAN. If there be no objection, the amendment

will be agreed to.

The amendment was agreed to.

The CHAIRMAN. The clerk will read. The Clerk began the reading of section 11.

Mr. MONDELL. Has section 10 been read?
The CHAIRMAN. Yes.
Mr. MONDELL. Then, Mr. Chairman, I move to strike out the last word. I want to call attention to the language in the first few lines of section 10, which provides that this grant, so far as it relates to the said irrigation districts, shall be deemed and held to constitute a binding obligation on the grantee, and There is nothing in the grant relating to the irrigation districts. The grant is to the city and county of San Francisco and other municipalities, and this language certainly is not happy, for the irrigation districts are not grantees under this act, as was very clearly and forcibly stated by the gentleman from Oklahoma a short time ago.

Mr. MANN. Will the gentleman yield?

Mr. MONDELL. Yes.

Mr. MANN. That section only says that as to matters relating to the irrigation districts the binding obligation shall be upon the grantee. There is no pretense of binding the irrigation districts. Here are certain grants in favor of the districts. Mr. MONDELL. I realize that.

Mr. MANN. It provides that these grants shall be binding on the grantee, which means that the other people have a status

and have the right to enforce the law.

Mr. MONDELL. That would be all right, Mr. Chairman, if, as a matter of fact, the statement on which this proposition is predicated were a correct one; but it is not, because there is nothing in the grant relating to irrigation districts. There are provisions and conditions of the grant that relate to irrigation districts, but there is nothing in the grant itself.

But that is only one of the many peculiar things in the legislation. I want further to call attention to the fact that a few moments ago we adopted an amendment offered by the gentleman from California [Mr. RAKER] in the nature of a general enforcement provision. Now, there is another provision of enforcement in this section which conflicts with the one just adopted. Of course I do not know that a conflict of that sort will be held to make any difference in legislation of this charac-I call attention to the fact that the last few lines of this section authorize the irrigation districts to begin suits to

enforce certain conditions of the act, whereas the amendment which the gentleman from California offered a few minutes ago was intended to prevent and preclude all others than the United States from instituting proceedings to enforce this act. I just refer to that to show the various, divers, and sundry inconsistencies in the legislation.

Mr. FERRIS. I will say to the gentleman that that section

probably does read a little peculiarly.

Mr. MONDELL. I think it reads very peculiarly, and I hope the legislation will be in different form when it becomes a law. I suggest in the interest of everybody that this section ought to be amended

Mr. FERRIS. I know that the gentleman from Wyoming does not feel friendly toward many provisions in this bill and that he dislikes many provisions in it. I say to the gentleman frankly that if the committee had an entirely free hand they might change some of these provisions; but the irrigation people In the San Joaquin Valley are out there developing these farms. and they wanted to be sure and to take every precaution that could be taken to give them assurances that they would be

Mr. MONDELL. I think this provision is entirely proper.

Mr. FERRIS. It is in the interest of the irrigationists. Mr. MONDELL. The provisions taken from my bill, offered by the gentleman from Oklahoma [Mr. MURRAY], would have given the irrigationists and all others in interest an opportunity to get into court. This ought to be done. The amendment offered by the gentleman from California attempted to preclude everybody but the Government—attempted to prevent parties from bringing suit to enforce the conditions. This modifies it

Mr. FERRIS. I can not agree with the gentleman from Wyoming that the amendment of the gentleman from California

[Mr. RAKER] has that effect. Mr. MONDELL. That is the effect of it; perhaps the gentle-

man did not intend it.

Mr. FERRIS. The gentleman from California offered an amendment to work a forfeiture in the event that they did not

comply with the conditions.

Mr. MONDELL. This is one.

Mr. FERRIS. The irrigationists want it in there, and it can do no harm, I think.

Mr. MONDELL. It is exceedingly important that it should remain in.

Mr. MANN. Will the gentleman yield? Mr. MONDELL. Yes.

Mr. MANN. I understand the position of the gentleman from Wyoming is that the Government of the United States in making this grant has nothing to do with controlling the use of the water, that that is wholly within the control of the State of California.

Mr. MONDELL. That is my position.

Mr. MANN. So the gentleman believes that he is logical in saying that any provision of the bill placed there on the assumption that the General Government in granting a right has something to say about the use of water power should be in the bill?

Mr. MONDELL. Yes; and the gentleman will agree with me that there are conditions in the bill not relating to irrigation. of the use of water; for instance, as to the rights of the water user of San Francisco as to the use of power there are various conditions with regard to which a considerable variety of people might be parties in interest, and they ought to have the opportunity to begin proceedings in court. That is why I objected to the amendment offered by the gentleman from California [Mr. RAKER].

Now, there are conditions in this bill in which various parties will be interested; individuals, corporations, water districts, municipalities, and everybody in interest ought to have an opportunity to get into court and compel the enforcement of the provisions. The amendment offered by the gentleman from California [Mr. RAKER] unfortunately would preclude or attempt to preclude them. So far as it has any force to prevent any party in interest from bringing suit unless they could persuade the Secretary of the Interior to bring a suit in their behalf it is wrong.

Mr. MANN. Mr. Chairman, the gentleman from Wyoming [Mr. Mondell] is perhaps the most conspicuous Member of the House in favor of the attitude which he has taken with reference to water rights. He believes that when water falls from heaven to earth it belongs to the State, and that the National Government may own the ground but has no right over the water. It makes no difference where the water is, the General

Government should have nothing to do with it; it is purely a matter of dirt for us and no water.

Now, the people generally believe that Congress, or the Government, does have some control over the water; that where the Government owns the land and grants rights which necessitate the use of the land, the Government can impose conditions which will affect the use of the water.

The gentleman from Wyoming naturally takes exception to these provisions in this bill which go on the theory that Concress has any control whatever over the water even as a con-That is not to be wondered at. The gentlemen on the Committee on Public Lands themselves, divided in sentiment and opinion as they are upon this subject, have executed the most skillful straddle that I have ever seen in the way of a No one can read the bill and tell what is the opinion of the committee, because in some places it assumes the water rights are wholly controlled by the laws of the State of California and in some places it assumes that Congress is imposing conditions which affect the use of the water to control the water rights. But as they have come to this compromise, and on the whole have given away nobody's case, I do not see how anyone can take exception to it, although I am always de-lighted to hear my friend from Wyoming insist upon his

The CHAIRMAN. Without objection, the pro forma amend-

ment is withdrawn.

Mr. BAILEY. Mr. Chairman, I move to strike out the last two words. It seems to me that the opposition to this measure is disingenuous. It is objected to on grounds that appear to be untenable. In this long debate I have not heard one argument advanced which appealed to me as conclusive against the claim of the people of San Francisco to a water supply that is almost obviously essential to her future growth and welfare.

If it were proposed in this bill to destroy the scenic grandeur of the Hetch Hetchy or the wonders of the Yosemite, we might well pause before granting to the people of San Francisco the concession they desire. But it is not a mission of destruction which they plan; it is rather one of adding to the natural charms of this wonderland; and it would take long to persuade me that the lake which it is proposed to create would detract anything from the glory and the splendor of the scene which

would surround it. It has been urged that San Francisco has other sources of water supply and better sources. But if that be the case, why is she clamoring for this one? Must we think that San Francisco is in need of a guardian? Must we believe her incapable of understanding her own problems? Or must we accept the implication that she is actuated by pure sordidness and an utter contempt for the rights of the American people? The city at the Golden Gate has been wrestling with her water problem for a generation, and we ought to be willing to be-lieve that by this time she knows her own needs and the way in

which they may best be met. No one can outdo me in devotion to the principle of conservation. But if the sacrifice even of Niagara Falls to human good were necessary, I should not hesitate. The highest conserva-tion is that of human life. Man is more than any marvel of mountain or lake or forest or rocky gorge. His fortunes and destiny demand the first consideration. His health and development and progress are paramount to every other factor which by any possibility may be involved. And here in this matter we have the lives and fortunes and future prospects of a great community to set over against the preservation in detail of a playground of the gods. Shall we save the people or shall we keep inviolate a spot that few can ever hope to see? Must we think first of sticks and stones and last of the planners and the upbuilders and the molders of history?

If it were proposed to turn this grant over to a private monopoly. I should fight it with all my might. But the grant is to the people of San Francisco and the towns and cities round about. It is a grant not for exploitation, not for the enriching of a favored few, not to be employed in extortion and oppres sion; it is a grant rather which will emancipate a great and growing community from galling bondage to a merciless taskmaster, whose finger may be seen in the opposition to this mens-San Francisco longs for freedom and she deserves to be free. But if we deny her this boon she must remain in thrall-She must continue to suffer as she pays tribute to a remorseless private monopoly. And she must beat vainly against her bars unless we break them down by opening the mountain streams which sing afar of freedom and of growth and of health and of all which pure water means to man. The Clerk read as follows:

Sec. 11. That this act is a grant upon certain express conditions specifically set forth herein, and nothing herein contained shall be construed as affecting or intending to affect or in any way to interfere with the laws of the State of California relating to the control, appropriation, use, or distribution of water used in irrigation or for municipal or other uses, or any vested right acquired thereunder, and the Secretary of the Interior, in carrying out the provisions of this act, shall proceed in conformity with the laws of said State.

Mr. MURDOCK. Mr. Chairman, I know the gentleman from Oklahoma is anxious to finish this bill; but, nevertheless, I move to strike out the last word in order that I may ask him the meaning of section 11, which has just been read. Why is that section inserted in the bill?

Mr. FERRIS. Mr. Chairman, I will state to the gentleman that there are irrigation people who are interested in this bill and there are water-rights people who are interested in the They have certain prescribed rights. In addition to that, in regard to certain of the provisions of the bill to prevent extortionate charges, we have had to rely somewhat upon the public utilities commission of the State of California. did not want to strike off the map the public utilities commission, and we did not want to take away their power to see that no one practiced extortion in respect to the charges for water or power. For that reason this section went in.

Mr. MURDOCK. I thought possibly that was a sort of con-

cession to the State-rights doctrine.

Mr. FERRIS. I do not think so. I thought the gentleman from Illinois [Mr. MANN] stated the situation pretty well. The gentleman from Kansas and myself have both been here long enough to find out that there is a great divergence of opinion about these questions. The gentleman from Kansas has been here longer than I. We have a committee made up of Members from all sections of the country. We have had to compromise in places. There is no question about that; and yet I have always felt pretty safe in pinning my faith to all of the departments, and to the highest authority on conservation questions, and so long as we did not have to contract away any of the rights that seemed vital to them, or any of the questions that seemed vital to them, I think we traveled a good ways along the lines the gentleman has been thinking. I think he will surely agree that this committee has worked faithfully on this I think he will matter and that we have accomplished a good deal in the right direction.

Mr. MURDOCK. In one section of this bill we give the Federal Government the right to fix the charge in the future upon this privilege which we have granted to the city of San Francisco

Mr. FERRIS. That is true.

Mr. MURDOCK. Is there anything in this section 11 which

in any way weakens that power of the Federal Government?

Mr. FERRIS. I do not think there is, The gentleman knows that when Congress itself takes action it supersedes and transcends any of the State laws and we had that in mind. The bill is replete with restrictions and conditions that are satisfactory to the irrigation people on the one hand, and on the other they are conditions which the city of San Francisco will accept. That was satisfactory to the Secretary of the Interior; and we called in the Secretary of Agriculture, and he was satis fied. We then called in Mr. Newell, who knows more about irrigation-for he has spent \$60,000,000 in irrigation-and it is satisfactory to him. We called in Mr. George Otis Smith, who is head of the Geological Survey, who knows of the stone and mineral deposits, and it is satisfactory to him. We then called in Mr. Graves, the head of the Forestry Service, who knows how to preserve and conserve the interests of the forest, and it is satisfactory to him.

Mr. MURDOCK. When the gentleman says "it" is satisfactory to them, does he mean the text of this measure?

Mr. FERRIS. I do., We have resubmitted it. After the committee made the amendments and changes, I myself, as chairman of the committee, resubmitted it to all of the departments, and we have a second letter with their indersements.

Mr. MURDOCK. I desire to say that if I thought this last ection was anything more than a sop to those who believe in the doctrine of State rights, I would not support the bill; but I do not believe that it is anything more than that.

Mr. FERRIS. I think the gentleman believes the bill is not full of good things.

Mr. HELM. Mr. Chairman, will the gentleman yield?
Mr. FERRIS. Certainly.
Mr. HELM. The grantee mentioned in the bill is the city and county of San Francisco.

Mr. FERRIS. Yes; the city and county of San Francisco.
Mr. HELM. Then if they are the grantees, does not all of
the rights and powers under the bill pass into their hands?

Undoubtedly. Mr. FERRIS.

Mr. HELM. And the mayor and city council or board of aldermen of the city of San Francisco and the officials of the county of San Francisco control it?

Undoubtedly, subject to all of these condi-Mr. FERRIS.

Mr. HELM. In the light of past experience with the mayors of San Francisco and the city council of that city, does the gentleman consider that this is in very safe hands?

Mr. FERRIS. Well, I know that the city of San Francisco, like some other new and thriving cities, has had some dire experiences in local affairs, but I do not care to go into that question now. Mr. Chairman, I move that the committee do now rise and report the bill as amended to the House with the recommendation that the amendments be agreed to, and that the bill as amended do pass.

Mr. MONDELL. Mr. Chairman, I trust that the gentleman

I desire to offer an amendment-only a will withhold that.

brief amendment.

Mr FERRIS. What was the request of the gentleman? Mr. MONDELL, Mr. Chairman, I move to strike out the last word.

Mr. FERRIS. Mr. Chairman, I thought the bill was closed

to amendment.

Mr. MONDELLA Well, the bill has not been.

The CHAIRMAN. The gentleman from Oklahoma moves that the committee do now rise

Mr. MONDELL. Well, Mr. Chairman, I trust the gentleman

will not press that motion. Mr. MANN. A motion to

Mr. MANN. A motion to amend takes precedence. Mr. FERRIS. I withhold the motion if the gentleman has

something to offer. I thought we were through.

Mr. MONDELL. Mr. Chairman, I move to strike out the last word. Mr. Chairman, I did not intend to say anything more, but my good friend from Illinois has not quite accurately stated my position in regard to water. I do not claim that the Federal Government may not fix conditions on a grant of a right of way. I do not know but what it is possible that it might make a condition as to a grant of right of way over which water is to be carried that the city shall not charge over a certain amount for the water furnished to its citizens. That is a condition that I should not consider necessary or proper, but it does not impair a constitutional right. What I claim is that Congress has no power to shorten the sovereignty of a State; to fix a condition that takes from the local authorities the right to distribute waters among users. That authority rests with the State and its courts, and I do not see how any one can hold to the contrary. The question of how much water John has the right to use and how much Joe has the right to use is a judicial question that can not be settled by an act of Congress. is my position. I do not insist that Congress may not fix many conditions in granting a right of way, but when you say that San Francisco may use so much of this water and the irrigation district so much you are attempting by legislation to settle a judicial question. Now, I want to say to my friend from Kansas that the provision that he refers to is not a new provision of law. It is the law of the land and always has been. It is the rule of the reclamation law and therefore a matter of statute, but it was the law before it went there. The attempt in this case is this. Gentlemen of the committee realize that we can not by act of Congress apportion water; that nothing written into a Federal statute would directly accomplish that, but they hope that they may divide the waters by a contract which they force the city of San Francisco to enter into. That is the proposition in this bill; that is all there is to it. merely states the law as it is, as it always has been, as it would be without this provision, but back yonder in the bill are a lot of provisions they think may be enforced, contrary to that rule, through the medium of a contract. I do not think it is good legislation, I do not think it is wise, and I think we will have a lot of trouble with and greatly regret it in the future.

Mr. CHURCH. Mr. Chairman, I move to strike out the last

Mr. FERRIS. Mr. Chairman, I ask, at the expiration of the time of the gestleman from California [Mr. Chuach], five minutes, that the committee-

Mr. MURDOCK. One moment. Will that preclude amendments of all kinds? I ask the gentleman that because I am

thinking of moving to strike out section 11-not to discuss it, but simply to make the motion to strike out.

Mr. FERRIS. I hope the gentleman will not take up any

more time.

Mr. MURDOCK. If the gentleman will permit me, I do not intend to discuss it, but if the gentleman will now allow me to make the motion he can talk to it.

The CHAIRMAN. The gentleman from California moves to

strike out the last word.

Mr. MURDOCK, Mr. Chairman, I move to strike out section 11.

The CHAIRMAN. The gentleman from California has the floor.

Mr. CHURCH. Mr. Chairman and gentlemen of the committee, I have heard it frequently mentioned during the progress of this debate that the city and county of San Francisco will be the beneficiary under this act. I rise to say that San Francisco will not be its only beneficiary, for they are numerous. Every traveler in the future who visits the Hetch Hetchy Valley will be a beneficiary under this act, for if this bill passes travelers, instead of riding mules, horses, or crawling on hands and knees up and down the narrow, rugged, and devious pathway that leads backward to this place of beauty in the heart of the mountains, can travel in an automobile over the broad and ample road provided according to the provisions of this bill.

And the nature lover, it matters not from what land he comes, in my judgment will be one of its beneficiaries, for after exerting all his strength and reaching at last the mountain top and looking for the first time downward into the Hetch Hetchy, instead of beholding it as it now is, warm, brushy, and covered with an inferior growth of oak, will see a lake, blue, beautiful, and deep, in which fishes swim and on the borders of which campers rest, far away from civilization and the humdrum of

active life.

And farmers far down at the base of the mountains on the San Joaquin plains will be beneficiaries under this act when they draw from this contemplated reservoir, he.1 by a dam, which the millions of others have made, surplus water at cost with which to irrigate their farms.

And other beneficiaries there will be who pump water with which to irrigate their vines, orchards, and alfalfa fields, pumped by electric power generated far back in the mountains, in power houses not their own, brought to their very gateways

at cost, on copper wires they did not swing.

And the great city of San Francisco, Queen City of the West, situated by the Golden Gate, will be the chief beneficiary; but I love to consider its benefit more from the standpoint of the people than I do the city, for a million men, women, and children will be there receiving benefits from this bill, for in the summer time they will have cool, refreshing water, product of Slerra's winter snow, pure as earth affords, with which to slake their thirst, and those there using electric power, whether it be the city operating electric car lines or the washerwoman using her electric iron, each and all will be benefited by this act.

The city itself will grow, and strangers on strange ships, coming from every land, will see her beauty and her growth. What helps our great city helps our State, and what helps our State adds new treasury to this great land, and so I claim from East to West, from North to South, all will be benefited by

the passage of this bill.

Mr. MURDOCK. Mr. Chairman, I move to strike out section
11, lines 24 and 25, on page 25, and lines 1 to 8, inclusive, on

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Page 25, strike out all of section 11, beginning with line 24 on page 25 and ending with line 8 on page 26.

Mr. MURDOCK. Now, Mr. Chairman, not to delay the committee, but in order to get the amendment itself into the Record, I will say that section 11 provides:

SEC. 11. That this act is a grant upon certain express conditions specifically set forth herein, and nothing herein contained shall be construed as affecting or intending to affect or in any way to interfere with the laws of the State of California relating to the control, appropriation, use, or distribution of water used in irrigation or for municipal or other uses, or any vested right acquired thereunder, and the Secretary of the Interior, in carrying out the provisions of this act, shall proceed in conformity with the laws of said State.

Now, Mr. Chairman, it has been said that the paragraph just read, which I have moved to strike out, is not of potency and of effect; that it is surplusage. If it is, it ought to be stricken out, and for that reason I make the motion that we strike it out.

Mr. FERRIS. Mr. Chairman, just a word in reply. The section is necessary for the purpose of making it clear that the Federal Government does not intend to interfere with the prescribed and vested rights of these irrigation people. I hope the committee will retain the section as it is.

I ask for a vote, Mr. Chairman.

Mr. SISSON. Mr. Chairman, I would like to ask the gentleman from Oklahoma [Mr. Ferris] a question. This act is to go into effect subject to repeal or amendment by Congress?

Mr. FERRIS. It contains a provision to change the charter so

far as the price charged is concerned.

Mr. SISSON. I understand that. But is not this granting to the State of California in absolute perpetuity the absolute right

to control all the water?

Mr. FERRIS. No; not at all, if the gentleman will pardon me. It merely allows them to construct a dam and use the flood waters. It has nothing to do with the natural flow. That is left for the irrigation people as before.

Mr. SISSON. I understand that. But suppose in the future this would develop into a project of such a character that the Federal Government might see fit to deprive these people of this grant?

Mr. FERRIS. They can not do that, because, in other

words-

Mr. SISSON. In other words, it is a charter in perpetuity. Mr. FERRIS. They have to expend \$77,000.000 to construct this system, and of course they must have the right to go

Mr. SISSON. It does not matter what they have to expend. I understand all that. It is virtually a charter granted to them

in perpetuity.

Mr. FERRIS. It grants them the right to build a dam between two mountains. They now own three-quarters of the land that is to be flooded. The water is now a waste. This is wise conservation that all conservationists approve who understand it.

Mr. SISSON. It is admitted, however, that the Federal Government now has control of this proposition, otherwise they would not be here asking for this legislation. In other words, without this legislation the Federal Government would, as the Indians say, be in control "as long as grass grows and water

Mr. FERRIS. Mr. Chairman, no; I think the gentleman is borrowing trouble. The grant is safeguarded by carefully ap-proved regulations. This matter should be disposed of. I call

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Kansas [Mr. MURDOCK].

The question was taken, and the Chairman announced that the noes seemed to have it.

Mr. MURDOCK. A division, Mr. Chairman, The committee divided; and there were—ayes 11, noes 52.

So the amendment was rejected.

Mr. FERRIS. Mr. Chairman, I move that the committee do now rise and report the bill with the amendments favorably to

The CHAIRMAN. The gentleman from Oklahoma [Mr. Fer-House the bill with the amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass. The question is on agreeing to that motion.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. FOSTER, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 7207) granting to the city and county of San Francisco certain rights of way in, over, and through certain public lands, the Yosemite National Park, and Stanislaus National Forest, and certain lands in the Yosemite National Park, the Stanislaus National Forest, and the public lands in the State of California, and for other purposes, and had directed him to report the same back with amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The SPEAKER. Is a separate vote demanded on any amend-

Mr. FERRIS. I move the previous question, Mr. Speaker, on

the bill and all amendments thereto.

The SPEAKER. The gentleman from Oklahoma [Mr. FERmis] moves the previous question on the bill and amendments to final passage. The question is on agreeing to that motion.

The question was taken, and the Speaker announced that the

ayes seemed to have it.

Mr. STEENERSON. A division, Mr. Speaker. The SPEAKER. The gentleman from Minnesota [Mr. Steen-ERSON] asks for a division. Those in favor of the previous question will rise and stand until they are counted. [After counting.] Seventy-nine gentlemen have arisen in the affirmative. Those opposed will rise and stand until they are counted. [After counting.] Fifteen gentlemen have arisen in the nega-

Mr. STEENERSON. Mr. Speaker, I make the point of order that there is no quorum present.

Mr. MANN. Before the Chair counts, or while the Chair

is counting-The SPEAKER. Has the gentleman from Illinois anything

to suggest?

Mr. MANN. I was going to make a suggestion to the gentleman from Minnesota [Mr. Steenerson] as to whether he desired to make the point of no quorum on the motion for the previous question or desired to endeavor to get a quorum on the passage of the bill?

Mr. STEENERSON. I am not particular on that point. Mr. MANN. Of course, this is on the previous question. Mr. STEENERSON. I understand; but this is the first opportunity I have had.

Mr. MURDOCK. Is the gentleman opposed to the bill?

Mr. STEENERSON. I am opposed to the bill.

Mr. MANN. The gentleman from Minnesota indicated that, It is quite certain that a quorum is here. I hope that the gentleman will withdraw his point.

Mr. STEENERSON. If the gentleman states that he knows

that there is a quorum in the city I will do so.

Mr. MANN. I believe that has already been demonstrated by the vote to-day

Mr. STEENERSON. I believe it lacked nine on the roll call, Mr. MANN. No; there were more than a quorum

The SPEAKER. On the roll call there were 218 Members present, and it only takes 215 to make a quorum.

Mr. STEENERSON. In view of the statement of the gen-tleman I withdraw the point of no quorum. I do not want to bring them here unnecessarily. [Applause,]
Mr. MANN. We all thank the gentleman.

Accordingly the previous question was ordered.

The amendments recommended by the Committee of the Whole House on the state of the Union were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

Mr. STEENERSON. Mr. Speaker, I demand the reading of the engrossed bill.

The SPEAKER. The engrossed bill is not here.

## COMMITTEE RESIGNATION.

The Speaker laid before the House the following communication: WASHINGTON, D. C., August 30, 1913.

Hon. CHAMP CLARK,

Speaker House of Representatives.

MY DEAR MR. SPEAKER: I hereby tender my resignation as a member of the special investigating committee appointed under House resolution 198 to investigate the Mulhall charges.

I am unable to attend to my duties in connection with this committee on account of Illness.

Very respectfully,

JOHN I. Nolan,

Fifth District California.

JOHN I. NOLAN, Fifth District California,

The SPEAKER. If there be no objection, this resignation will be accepted, and the Chair appoints in the place of Mr. NOLAN the gentleman from Michigan [Mr. MacDonald].

### AMBASSADOR TO SPAIN.

Mr. FLOOD of Virginia. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of Senate bill 2319, which is on the Union Calendar.

Mr. MANN. I take it the gentleman is asking unanimous

consent?

I thought this was a shorter method Mr. FLOOD of Virginia. of getting at it than to call for the regular order. I will ask unanimous consent, Mr. Speaker.

The SPEAKER. The gentleman asks unanimous consent that the House resolve itself into the Committee of the Whole House on the state of the Union to consider Senate bill 2319. Is there objection?

There was no objection.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (S. 2319) authorizing the appointment of an ambassa.

The CHAIRMAN. The Clerk will report the bill.

The Clerk rend as follows:

Be it enacted, etc., That the President is hereby authorized to appoint, as the representative of the United States, an ambassador to Spain, who shall receive as his compensation the sum of \$17,500 per annum.

Mr. MANN. Mr. Chairman, I suppose the gentleman from Virginia will explain this bill.

Mr. FLOOD of Virginia. Mr. Chairman, I am not going to say very much about the bill. The purpose of it is to raise the

legation to Spain to an embassy.

The suggestion of this courtesy was made to our State Department by the Spanish Government; and the Secretary of State and the President have requested Congress to pass a bill creating this embassy. It has passed the Senate and been reported unanimously by the Committee on Foreign Affairs of the House. Among some of the reasons that were given to and occurred to the committee for giving higher rank to our diplomatic representative to Spain are:

The interests of this country in bringing about closer and more friendly relations with the Latin-American Republics ought naturally to include closer and more intimate relations with the mother country. There is little doubt that the action of the United States in sending an ambassador to Spain would have a direct effect upon the sentiments of the people of the Latin-American Republics, since the most sympathetic relations exist between the public men of Spain and those of the Latin-

American countries.

Closer relations between Spain and Spanish America are being fostered through the exchange of professorships and scholarships in the different universities. Literary competitions have been held at Cadiz between the subjects of Spain and citizens of the countries of Latin America for the purpose of fostering closer relations and there has been formed in Spain a society of Spanish-American culture, designed to strengthen the bond between Spanish-speaking countries by means of lectures, courses of study, and the presence of delegates to the various rational conventional conventions. national conventions of an intellectual order. All of these seem to emphasize the important bearing which our treatment of Spain may have upon our future relations with Spanish America.

The elevation of our diplomatic mission to Spain would help

to eliminate whatever feeling may remain growing out of the disaster to the Maine and the Spanish War of 1898.

There is no doubt that the Government of Spain feels that it is not treated by our Government with that degree of dignity which other great powers have shown in their diplomatic representation there. Spain is a proud country and might resent the failure of this country to accord her recognition which she receives from the great rations of Europe. Germany, Austria-Hungary, France, Great Britain, Italy, and Russia all maintain embassies in Madrid, and the United States sends ambassadors to those countries. To dignify the relations between the two countries by causing the representatives of both to be ambassadors instead of ministers would do much to promote good feeling

and friendly relations.

The feeling is apparent in Spain that that country ought not to be placed below Brazil and Mexico in the diplomatic representative accredited to it by the United States. Spain is a country of about 20,000,000 of inhabitants, of constantly creasing wealth and prestige, and with a great past. Her history has been intimately connected with that of nearly the whole of the Western Hemisphere and with important portions of the United States, particularly Florida, Louisiana. New Mexico, Arizona, and California. Then, Spain is taking an active interest in our great exposition of 1915, connected with the opening of the Panama Canal, and the time would seem to be especially fitting for according to her such representative as the other great powers already have.

The additional expense to our country would be comparatively trifling, amounting only to an increase of \$7,875 per annum, and would be much more than adequately compensated by the increased good feeling on the part of the Spanish Government

It is hardly consistent with the dignity of a great country like ours that its diplomatic representative on official occasions should give up to representatives of all other great powers and wait for audiences until every ambassador who chanced to appear has finished his interview and departed.

The business relations between citizens of this country and

Spain have largely increased in recent years.

The administration and the State Department earnestly desire that this courtesy should be extended to Spain, as is evidenced by this letter from the Secretary of State to me:

DEPARTMENT OF STATE, OFFICE OF THE SECRETARY,

MY DEAR MR. FLOOD: You may say to anyone who inquires that the President is heartly in favor of raising the Spanish mission to the rank away from the President.

of an embassy, and I share this desire. This action will be gratifying to all Spanish-speaking countries. Spain has, as you know, ambassadors at the leading courts of Europe and has a right to expect this mark of respect

The diplomatic appropriation act for the fiscal year ending June 30, 1904, contained a provision that-

whenever the President shall be advised that any foreign Government is represented or about to be represented by an ambassador * * * he is authorised in his discretion to direct that the representative of the United States to such Government shall bear the same designation.

Spain has indicated a desire to create an embassy in this country. This provision of the act of 1904, however, was repealed by the diplomatic appropriation act approved March 2, 1909, which provided in its place that "hereafter no new ambassadorship shall be created unless the same shall be provided for by an act of Congress." Therefore, in order to carry out the wishes of the President to give higher rank to our diplomatic representative to Spain requires resentative to Spain requires an act of Congress. [Applause.]
Mr. MURDOCK. I would like to ask the gentleman from
Virginia what does an ambassador get?

Mr. FLOOD of Virginia. Seventeen thousand five hundred dollars.

Mr. MURDOCK. What is the salary of a minister? Mr. FLOOD of Virginia. To a country of the class of Spain,

Mr. MURDOCK. Are there no added expenses by reason of

the change from minister to an ambassador?

Mr. FLOOD of Virginia. About \$2,000 additional in the way of secretaries. I made an estimate of what the legation at Spain cost and what was the cost of the Italian embassy, and the difference is nearly \$8,000.

Mr. MURDOCK. How, in the diplomatic world, does an ambassador differ from a minister?

Mr. FLOOD of Virginia. The ambassador is the highest grade of diplomatic representative. For instance, our representative at Spain has to wait upon the representatives of England, France, Germany, and Russia, all of which countries have ambassadors to Spain. In all questions of precedence the preference is given to ambassadors over the ministers, so we are in lower grade in diplomatic circles than the great countries of

Mr. MURDOCK. The appointment of an ambassador rather than a minister gives our representative a higher standing at

that court?

Mr. FLOOD of Virginia. Yes; a higher standing at the court, and also shows that we have a higher opinion of the standing

of that country

Mr. MURDOCK. If the gentleman will permit me, I remember, I think, in the beginning of my service in Congress that the ambassadors we had were limited in number to Eng-

land, St. Petersburg, Germany, and France, and, I think, Mexico. Is the number of ambassadors constantly increasing?

Mr. FILOOD of Virginia. Our first embassy was created in 1803, and in that year there were four—France, Germany, Great Britain, and Italy. In 1898 two were created—Russia and Mexico; in 1902, Austria; in 1905, Brazil; and in 1906, Turkey and Japan. There are 10 embassics altogether. This will make 11. will make 11

Mr. MURDOCK. That is my understanding-that they are

increasing.

Mr. FLOOD of Virginia. Mr. Chairman, I reserve the balance of my time.

Mr. MANN. Mr. Chairman, I do not know whether anyone else desires to take part in the general debate on this side. General debate is now open. The gentleman from Virginia [Mr. Flood] states that Spain has indicated a desire to create an embassy in this country. Of course I take his statement, but I would like to know how it was indicated.

Mr. FLOOD of Virginia. My information came from the

State Department.

Mr. MANN. Why could not that information have been com-

municated to Congress in some way?

Mr. FLOOD of Virginia. It was communicated to the committee and the committee made a report communicating it to the House.

Mr. MANN. Mr. Chairman, I should think an administration that desired to have a minister created into an ambassador ought to be willing to send a communication to Congress on the subject. Formerly the President had the power to create any position of a minister into an ambassador, and that was done in several cases where the other country indicated a desire to have an ambassador as a diplomatic representative. Because possibly it was done so often Congress took that power

Now, if the President or Secretary of State is informed that a country desires that a minister be changed into an ambassador, it seems to me that ordinary courtesy to Congress would indicate that the President or Secretary of State would say so to the House, which primarily deals with such questions, Apparently the State Department in this case has been unwilling to say anything upon the subject. The Secretary of State, in his leisure moments from lecturing on the Chautauqua circuit, has been able to write this long communication, not addressed to any committee of the House, not addressed to the chairman of a committee of the House as such, not addressed to the House, and so busy that he did not have time for dating it:

DEPARTMENT OF STATE, OFFICE OF THE SECRETARY.

My Dear Mr. Flood: You may say to anyone who inquires that the President is heartly in favor of raising the Spanish mission to the rank of an embassy, and I share this desire. This action will be gratifying to all Spanish-speaking countries. Spain has, as you know, ambassadors at the leading courts of Europe and has a right to expect this mark of respect.

No official report on the bill, no communication addressed to Congress asking for the legislation, but after the Senate has passed the bill, the distinguished gentleman from Virginia, with that graciousness which always characterizes him, succeeds in extracting from the Secretary of State, in his seldom leisure moments, this much of a recommendation of this bill.

Mr. Chairman, when the President desires to change a ministry into an embassy, it seems to me that the Congress has the right to be so informed. No one knows, except unofficially, whether Spain, so far as we are informed, desires to have an ambassador here or not. The Spanish War was in 1898. We have managed to get along very well without an ambassador at an increased salary until the new economic administration took charge of the Government. Having won the election on a platform of economy and the cutting down of expenses, the first thing that is proposed in reference to our national relations is to change the office of a ministry to an embassy, at an increased salary, in order that our representative in this particular country may get into the "eats" a little more quickly than he otherwise would, because practically that is all it amounts to, and when he is invited out to an official dinner, he will go in three or four numbers ahead of the time he would if he were a mere minister.

Mr. MURDOCK. And he gets more to eat also on account of his increased salary, does he not?

Mr. MANN. Oh, no; I do not think he gets any more to eat, but he will soon be complaining that with the salary that is given to him he can not afford to live in Madrid. [Laughter.] Just as soon as one of these gentlemen is appointed to one of these positions, as a rule before he takes the oath of office he announces to an expectant world that he can not afford to live on the salary; and I have sometimes wondered why they tried to, why they were so anxious to get the office, if they are to complain so soon that Congress did not provide a higher salary, a fancy home to live in, or something of that sort.

Mr. Chairman, I do not propose to delay the House with this illustration of democratic simplicity and economy. The first act of the new administration in its relations with European powers is to provide for the raising of a ministry to an embassy at a little more expense and a few more fangdoodles hung on to it. I leave it to the country to settle whether the Democrats got into power, after all, on a false platform. [Applause and

laughter on the Republican side.]

Mr. CLAYTON. Mr. Chairman, will the gentleman from Illinois yield for a question?

The CHAIRMAN. Does the gentleman yield?

Mr. MANN. Certainly.

Mr. CLAYTON. What is a fangdoodle? I ask for infor-

Mr. MANN. I will say this, that the gentleman from Alabama is not a fangdoodle. [Laughter.]
Mr. CLAYTON. I am very glad to know that I am not, and take it that the gentleman from Illinois likewise can not

Mr. MANN. There are not any frills on me. Mr. ADAMSON. Mr. Chairman, if the gentleman from Virginia will yield me a minute or two, I think I can give an illustration which will bring peace to the troubled souls about me.

Mr. FLOOD of Virginia. How much time does the gentleman

Mr. ADAMSON. Oh, only a minute or two.

Mr. FLOOD of Virginia. I yield to the gentleman from Georgia.

Mr. ADAMSON. Mr. Chairman, the gentleman from Illinois [Mr. Mann] is troubled to understand what the gentleman from Virginia [Mr. Flood] means about the matter of precedence. In order to understand it he has only to recollect the difference between a Member of the House and a Senator. All good Members of the House want to be Senators, and all of the best Senators are those who have been trained here in the House.

Mr. MANN. Mr. Chairman, is this the first time the gentleman from Georgia has announced his candidacy for the Senate?

[Laughter.

Mr. ADAMSON. Oh, no; and I am not announcing it at all. Mr. MANN. The gentleman is intimating an announcement of

it, or he is making an error of statement.

Mr. ADAMSON. If the gentleman from Illinois will just recollect how he cools his heels in the anterooms when he calls at the departments to wait until the Senators go in and get all there is to be distributed, he will understand the advantage we will have in having an ambassador at a foreign court instead of a minister to wait and walk behind the ambassadors of all of the other nations.

Mr. MANN. The gentleman from Illinois does not cool his

Mr. MANN. The gentleman from Illinois does not cool his heels waiting on a Senator.

Mr. FLOOD of Virginia. Mr. Chairman, I yield three minutes to the gentleman from Virginia [Mr. Montague].

Mr. MONTAGUE. Mr. Chairman, it seems to me—and I speak with diffidence—that we have been very long and remiss in according this appropriate distinction to the Spanish people. If there is any reason for an ambassadorship at the Court of St. James, at Berlin, at St. Petersburg, at Rome, and in Mexico, the reasons are equal, and in some instances greater, for the establishment of such a diplomatic post at Madrid. lishment of such a diplomatic post at Madrid.

When the historical relations existing between Spain and this hemisphere are recalled, the great part that Nation took in the discovery of this New World, the subsequent and constant diminution of her influence on this continent, largely brought about by the aggressive spirit of the people of our own country, as finally evidenced by the Spanish-American War, it seems a very ungracious, if not a very arbitrary, distinction not to accord this proud and sensitive people the request for this ambassadorship.

I therefore submit that considerations of generous comity, of sound diplomacy, and of regard for the multitudes upon this hemisphere and in our insular possessions, who take from this ancient and mighty race their language, their literature, their

laws, and traditions, all confirm our duty to concur in the passage of this Senate bill. [Applause.]

Mr. FLOOD of Virginia. Mr. Chairman, it is a fact that the Spanish Government has indicated time and again during the past few years a desire that their representative to this country and our representative to their country be made ambassadors instead of ministers.

Mr. MONTAGUE. Will my colleague kindly allow me to ask him this question? Am I not correct in saying that the former minister who represented so well this country, the distinguished gentleman from Illinois, Mr. Ide, has requested that we should have an ambassador sent there?

Mr. FLOOD of Virgina. He very recently so requested.

Mr. MANN. Who?

Mr. MONTAGUE. Mr. Ide, our former minister. Mr. MANN. To where?

Mr. FLOOD of Virginia. Our minister from this country to

Mr. MANN. Of course they have always wanted it. There is no minister of the United States to any country who does not want to be ambassador. I mean while he has the job, of course, Mr. MONTAGUE. He did not ask it for himself but for his

Mr. FLOOD of Virginia. He made this recommendation after he knew he would not be minister to Spain very long, after the name of his successor had been sent to the Senate by the President.

Mr. MANN. If the gentleman will pardon me, I have not criticized creating an ambassador to Spain.

Mr. FLOOD of Virginia. I know.

Mr. MANN. If there has been such a request by the State Department it seems to me that it ought to have been communicated to Congress,

Mr. FLOOD of Virginia. These suggestions do not come in the shape of a formal request of the Government that desires such a courtesy, but the diplomatic representative of that country here pays a visit to our State Department and makes the suggestion in a delicate way and not in a shape that it can be transmitted to Congress through a formal communication.

The letter of Mr. Bryan was written to me as chairman of the Foreign Affairs Committee and written for the purpose of indicating the desire of the Spanish Government in reference to this question and the wish of the administration in relation thereto. The additional expense will be something under \$8,000 and is by way of economy, because it will prove a good invest-ment. It will be appreciated by the Spanish-American Repub-lics to the south of us, who feel, as my colleague from Virginia says, a deep interest in their old mother country. Spain itself is beginning to grow and develop in population and in wealth as it has not done in 100 years, and our business relations with it are increasing greatly. It is a great country, it has had a great history, and it has done much toward the discovery, the settlement, and development of the Western Hemisphere, and I think that this is a small compliment that this Nation should pay that great country when it has indicated its desire in this regard time and again for many years. [Applause.]
The CHAIRMAN. The Clerk will read the bill.

The bill was read.

Mr. FLOOD of Virginia. Mr. Chairman, I move that the committee do now rise and report the bill to the House with the recommendation that it do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. LLOYD, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill S. 2319 and had directed him to report the same back with the recommendation that it do pass.

The bill was ordered to be read a third time, was read the

third time, and passed.

On motion of Mr. Flood of Virginia, a motion to reconsider the vote by which the bill was passed was laid on the table.

### ANGELO ALBANO.

Mr. FLOOD of Virginia. Mr. Speaker, I ask unanimous consent that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 7384, which is on the Union Calendar, to authorize the payment of an indemnity to the Italian Government for the killing of Angelo Albano, an Italian subject, who was killed at Tampa, Fla., two or three years ago.

The SPEAKER. The gentleman from Virginia [Mr. Flood] asks unanimous consent that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 7384. Is there objection?

Mr. MANN. Reserving the right to object, to-morrow will be Calendar Wednesday. As I understand, we meet to-morrow.

Mr. FLOOD of Virginia. I understand the deficiency appropriation bill will come up to-morrow.

The appropriation bill could not be taken up without a two-thirds vote to dispense with Calendar Wednesday, and I think the gentleman will have a chance to dispose of his bill before the appropriation bill comes up. It will take only a few moments.

Mr. FLOOD of Virginia. I will say to the gentleman that I do not think it will take more than a few moments now.

Mr. MANN. And I think it will not take any longer to-

Mr. FLOOD of Virginia. Let us go into this to-night.

Mr. MANN. Oh, let us take it up to-morrow. It is time to adjourn.

Mr. FLOOD of Virginia. This is a very important measure. It carries but \$6,000, but the worry it entails on everybody connected with the State Department is something terrific.

Mr. MANN. There is a way for it to come up to-morrow. Mr. FLOOD of Virginia. It is the expectation of the chairman of the Appropriations Committee and the majority leader to get the deficiency bill up to-morrow. They hope to do it.

Mr. MANN. I have no doubt it will be gotten up to-morrow,

but I think the gentleman would not have any trouble because

Mr. FLOOD of Virginia. Let us start this and then adjourn. Mr. MANN. Well, we will start it to-morrow. The SPEAKER. Is there objection?

Mr. MANN. I object.

# EXTENSION OF REMARKS.

Mr. MacDONALD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting a compilation

in regard to the water-power proposition on which I spoke to-day.

The SPEAKER. The gentleman from Michigan [Mr. Mac-DONALD] asks unanimous consent to extend his remarks in the RECORD. Is there objection? [After a pause.] The Chair hears

#### ADJOURNMENT.

Mr. FLOOD of Virginia. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 4 minutes p. m.) the House adjourned until Wednesday, September 3, 1913, at 12 o'clock noon.

# EXECUTIVE COMMUNICATIONS.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows

1. A letter from the Secretary of the Treasury, submitting a revised estimate of appropriation for public building work (H. Doc. No. 213); to the Committee on Appropriations and ordered to be printed.

2. A letter from the Acting Secretary of War, transmitting, with a letter from the Chief of Engineers, report on examination of Newport River, N. C., from its mouth to the head of navigation, or as far as may be advisable (H. Doc. No. 214); to the Committee on Rivers and Harbors and ordered to be printed. with illustration.

3. A letter from the Secretary of the Treasury, transmitting a communication from the Postmaster General, submitting an estimate of appropriation in the sum of \$147.95 to pay the claim of Thomas Rogers, postmaster at Sheffield, Mo., for postage stamps lost in the burglary of his post office on October 25, 1893 (H. Doc. No. 215); to the Committee on Appropriations and ordered to be printed.

### REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the several calendars therein named as follows:

Mr. GARNER, from the Committee on Ways and Means, to which was referred the bill (H. R. 4937) extending to the port of Dallas, Tex., the privileges of section 7 of the act approved June 10, 1880, governing the immediate transportation of dutiable merchandise without appraisement, reported the same without amendment, accompanied by a report (No. 62), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. MOORE, from the Committee on Ways and Means, to which was referred the bill (H. R. 7377) extending to the port of Perth Amboy, N. J., the privileges of section 7 of the act approved June 10, 1880, governing the immediate transportation of dutiable merchandise without appraisement, reported the same without amendment, accompanied by a report (No. 63), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

# PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:
By Mr. MOORE: A bill (H. R. 7894) to make June 17 of each

and every year a public holiday in the District of Columbia, to be known as Bunker Hill Day; to the Committee on the District of Columbia.

By Mr. CLARK of Florida: A bill (H. R. 7895) to make the 27th day of March a legal holiday and designate the same Ponce de Leon Day; to the Committee on the District of Columbia.

By Mr. CROSSER: A bill (H. R. 7896) to provide for the acquisition, ownership, and operation by the Commissioners of the District of Columbia of all the street railroads located in the District of Columbia; to the Committee on the District of Columbia.

By Mr. SPARKMAN: A bill (H. R. 7897) to provide for a site and public building at Plant City, Fla.; to the Committee on Public Buildings and Grounds.

By Mr. FITZGERALD: A bill (H. R. 7898) making appropriations to supply urgent deficiencies in appropriations for the fiscal year 1913, and for other purposes; to the Committee of the Whole House on the state of the Union. By Mr. LEVY: A bill (H. R. 7899) for the prevention of acci-

dents to operatives, employees, and passengers of common car-

riers engaged in moving interstate traffic, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. BOOHER: Resolution (H. Res. 240) directing the Secretary of Agriculture to communicate to the House of Representatives the cost and result of the investigation of the boll weevil; to the Committee on Agriculture.

By Mr. BRITTEN: Resolution (H. Res. 241) to investigate wrecks on the New York, New Haven & Hartford Railroad; to the Committee on Interstate and Foreign Commerce.

By Mr. FITZGERALD: Resolution (H. Res. 242) making it in order to consider provision for abolishment of the Commerce Court in connection with H. R. 7898; to the Committee on Rules.

By Mr. LEVY: Joint resolution (H. J. Res. 126) directing the Attorney General of the United States to discontinue further proceedings in the dissolution suit brought by the United States against the United States Steel Corporation; to the Committee on the Judiciary

By. Mr. SUMNERS: Concurrent resolution (H. Con. Res. 17) authorizing the Secretary of Agriculture to make an exhibit at the Sixth National Corn Exposition to be held at Dallas, Tex., during the month of February, 1914; to the Committee on Industrial Arts and Expositions.

By Mr. AINEY: Memorial of the Legislature of Washington, favoring survey of route for an intercoastal canal from the Straits of Juan de Fuca to Grays Harbor, thence to Willapa Bay, thence to Columbia River, thence to the Canadian border; to the Committee on Rivers and Harbors.

## PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. EDWARDS: A bill (H. R. 7900) for the relief of J. B. Shearouse; to the Committee on War Claims,

By Mr. SPARKMAN: A bill (H. R. 7901) for the relief of the heirs of Adam L. Eichelberger; to the Committee on War Claims.

By Mr. TAVENNER: A bill (H. R. 7902) for the relief of George W. Gamble; to the Committee on Claims.

By Mr. WOODS: A bill (H. R. 7903) granting an increase of pension to Theodore Walker; to the Committee on Invalid Pensions.

### PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By Mr. BELL of California: Petition of the Chamber of Commerce of Long Beach, Cal., favoring the passage of legislation making an appropriation for the construction of four battleships, with necessary auxiliary boats; to the Committee on Naval Affairs.

By Mr. KEISTER: Petition of 1,800 employees of the American Sheet & Tin Plate Co., located in Kiskiminetas Valley, Pa., protesting against the dissolution of the United States Steel Corporation; to the Committee on the Judiciary.

By Mr. KENNEDY of Iowa: Petition of sundry merchants of various cities and towns of Iowa, favoring the passage of House bill 5308, compelling concerns selling goods direct to the consumer, by mail, to contribute their portion of the funds for the development of the local community, county, and State; to the Committee on Interstate and Foreign Com-

By Mr. RAKER: Petition of the Oroville Chamber of Commerce, Oroville, Cal., favoring the passage of House bill 52 for the establishment of the Peter Lassen National Park; to the Committee on the Public Lands.